

Notice of Meeting

You are invited to attend a Meeting of the

Swansea Bay City Region Joint Committee

At: Multi-Location Meeting - Gloucester Room, Guildhall / MS Teams

On: Thursday, 6 April 2023

Time: 10.30 am

Chair: Councillor Rob Stewart Swansea Council

Watch Online: <http://bit.ly/3nbosmm>

Membership:

Councillors:

Councillor Steve Hunt	Neath Port Talbot Council
Councillor Darren Price	Carmarthenshire County Council
Councillor David Simpson	Pembrokeshire Council

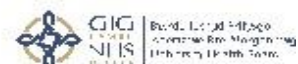
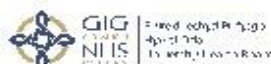
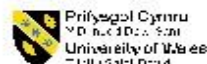
Co-opted Non-Voting Representatives:

Maria Battle	Hywel Dda University Health Board
Paul Boyle	Swansea University
Chris Foxall	Chair of Swansea Economic Strategy Board
Professor Medwin Hughes	University of Wales Trinity Saint David
Emma Woollett	Swansea Bay University Health Board

Agenda

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- 1 Apologies for Absence.**
- 2 Disclosures of Personal and Prejudicial Interests.**
www.swansea.gov.uk/disclosuresofinterests
- 3 Minutes.** **1 - 4**
To approve & sign the Minutes of the previous meeting(s) as a correct record.
- 4 Announcement(s) of the Chair.**



5 Public Questions

Questions can be submitted in writing to Democratic Services democracy@swansea.gov.uk up until noon on the working day prior to the meeting. Written questions take precedence. Public may attend and ask questions in person if time allows. Questions must relate to items on the open part of the agenda and will be dealt within a 10 minute period.

- | | | |
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Next Meeting: Thursday, 11 May 2023 at 10.30 am



Huw Evans
Head of Democratic Services
Thursday, 30 March 2023

Contact: Democratic Services (01792) 636923

Agenda Item 3

City and County of Swansea



Minutes of the Swansea Bay City Region Joint Committee

Multi-Location Meeting - Gloucester
Room, Guildhall / MS Teams

Thursday, 2 February 2023 at 10.30 am

Present: Councillor Rob Stewart (Swansea Council) Presided

Councillors:

Martyn Peters	Neath Port Talbot Council
Darren Price	Carmarthenshire County Council
David Simpson	Pembrokeshire Council

Co-opted Non-Voting Representatives:

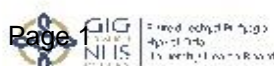
Paul Boyle	Swansea University
Chris Foxall	Chair of Swansea Economic Strategy Board

Officers:

Simon Brennan	Neath Port Talbot Council
Jonathan Burnes	Director (Swansea Bay City Region)
Steven Jones	Director of Development (Pembrokeshire Council)
Allison Lowe	Swansea Council
Tracey Meredith	Joint Committee Monitoring Officer (Swansea Council)
Chris Moore	Joint S151 Officer (Carmarthenshire Council)
Morris	Swansea Council
Huw Mowbray	Swansea Council
Martin Nicholls	Chief Executive (Swansea Council)
Anthony Parnell	Carmarthenshire County Council
Nicola Pearce	Neath Port Talbot Council
Phil Ryder	Swansea Bay City Region
Brett Suddell	Neath Port Talbot Council
Wendy Walters	Chief Executive (Carmarthenshire Council)
Ian Williams	Swansea Bay City Region

Apologies for Absence:

Councillor(s) Steve Hunt (Neath Port Talbot Council)
Maria Battle (Hywel Dda University Health Board) and Medwin Hughes (University of Wales Trinity Saint David)
Karen Jones (Chief Executive (Neath Port Talbot Council))



38 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct the following interest was declared:

Chris Foxall declared a person and prejudicial interest in minutes 42 & 43 and left the meeting prior to the items being discussed.

39 Minutes.

Resolved that the Minutes of the Swansea Bay City Region Joint Committee held on 10 November 2022 be approved and signed as a correct record.

40 Announcement(s) of the Chair.

Whilst there were no announcements, the Chair was pleased to reiterate that all 9 projects / programmes in the Swansea Bay City Region had been fully approved. 2022 had seen the opening of Swansea Arena and the build of 71/72 the Kingsway was well underway. Swansea Bay City Region were the only City Deal to have allocated all of its money and all projects were in delivery mode.

41 Public Questions

There were no public questions.

42 Swansea Bay City Region Joint Committee Co-opted Membership.

Phil Ryder (Swansea Bay City Deal – Portfolio Office Manager) presented a report to review and agree the Joint Committee Co-Opted Members of the four partner organisations.

The Chair, on behalf of the Joint Committee conveyed thanks to Steve Wilkes for his participation during his term of office.

Resolved that the Joint Committee confirms the current co-opted members set out in Table 1 and approves the appointment of Paul Boyle as the replacement Swansea University co-opted member.

The Chair welcomed Mr Boyle and congratulated him on his appointment.

43 Review of Chair of the Economic Strategy Board.

Jonathan Burnes (Swansea Bay City Deal – Portfolio Director) presented a report to seek approval for the nominations for Chair and Vice Chair of the Economic Strategy Board.

Resolved that:

- 1) Chris Foxall be re-appointed Chair of the Economic Strategy Board;
- 2) Amanda Davies be re-appointed Vice Chair of the Economic Strategy Board.

44 Swansea Bay City Deal Financial Monitoring 2022/23 - Provisional Outturn Position Quarter 3.

Chris Moore (Swansea Bay City Deal – Section 151 Officer) presented a report to provide the Joint Committee with an update on the latest financial position of the Swansea Bay City Region.

Resolved that the Joint Committee approves the financial monitoring update report.

45 Swansea Bay City Deal Quarterly Monitoring Report.

Phil Ryder (Swansea Bay City Deal – Portfolio Office Manager) presented a report outlining the Quarterly Monitoring Report for both the Swansea Bay City Deal Portfolio and its constituent programmes / projects.

Resolved that the Quarterly Monitoring Report for both the Swansea Bay City Deal Portfolio and its constituent programmes / projects be noted.

46 Swansea City & Waterfront Digital District Progress Update. (For Information)

Huw Mowbray (Swansea Council – Development and Physical Regeneration Strategic Manager) presented a “For Information” report to inform Joint Committee of:

- 1) The progress made and status of the SBCD Swansea City and Waterfront Digital District programme.
- 2) The development of the updated programme business case as at Appendix A.
- 3) The outcome of the recent PAR Gateway Review as at Appendix B and Action Plan as at Appendix C.

47 Supporting Innovation & Low Carbon Growth Progress Update. (For Information)

Dr Brett Suddell (SILCG Programme Manager) presented a “For Information” report to inform Joint Committee of the progress made and status of the Swansea Bay City Deal Supporting Innovation and Low Carbon Growth Programme.

48 Assessment of Increasing Construction Costs. (For Information)

Jonathan Burnes (Swansea Bay City Deal - Portfolio Director) presented a “For Information” report to update the Joint Committee on inflationary and construction cost increases that are impacting projects within the portfolio and mitigating actions being taken to address them as described in Appendix A.

49 Portfolio Carbon Reduction Assessment Report. (For Information)

Jonathan Burnes (Swansea Bay City Deal – Portfolio Director) provided a “For Information” report to assess the contributions to regional carbon reduction targets made by the Swansea Bay City Deal programmes and projects.

The meeting ended at 11.39 am

Chair

Agenda Item 6



Swansea Bay City Region Joint Committee - 6 April 2023

Pentre Awel Project Update

Purpose:	To inform Joint Committee of the progress made and status of Pentre Awel Project.
Policy Framework:	Swansea Bay City Deal Region Joint Committee Agreement
Report Author:	Dr Sharon Burford, Pentre Awel Project Manager
Finance Officer and Pentre Awel Senior Responsible Owner:	Chris Moore (SBCR S151 Officer)
Legal Officer:	Tracey Meredith (SBCR Monitoring Officer)
For Information	

Pentre Awel – Overview and Update

March 2023



1. Project Overview

Pentre Awel is a ‘once in a generation’ development located across 83 acres of land in South Llanelli. It will be the first development of its scale and scope in Wales, creating a unique ecosystem that co-locates business, research, academia, health, leisure and assisted living within landmark infrastructure.

Pentre Awel is a multi-million project to be funded through Swansea Bay City Deal (£40m), other public sector and institutional funding. Carmarthenshire County Council has earmarked capital funding within its Capital Programme to develop the leisure elements. Institutional investment will fund the assisted living, housing and hotel components.

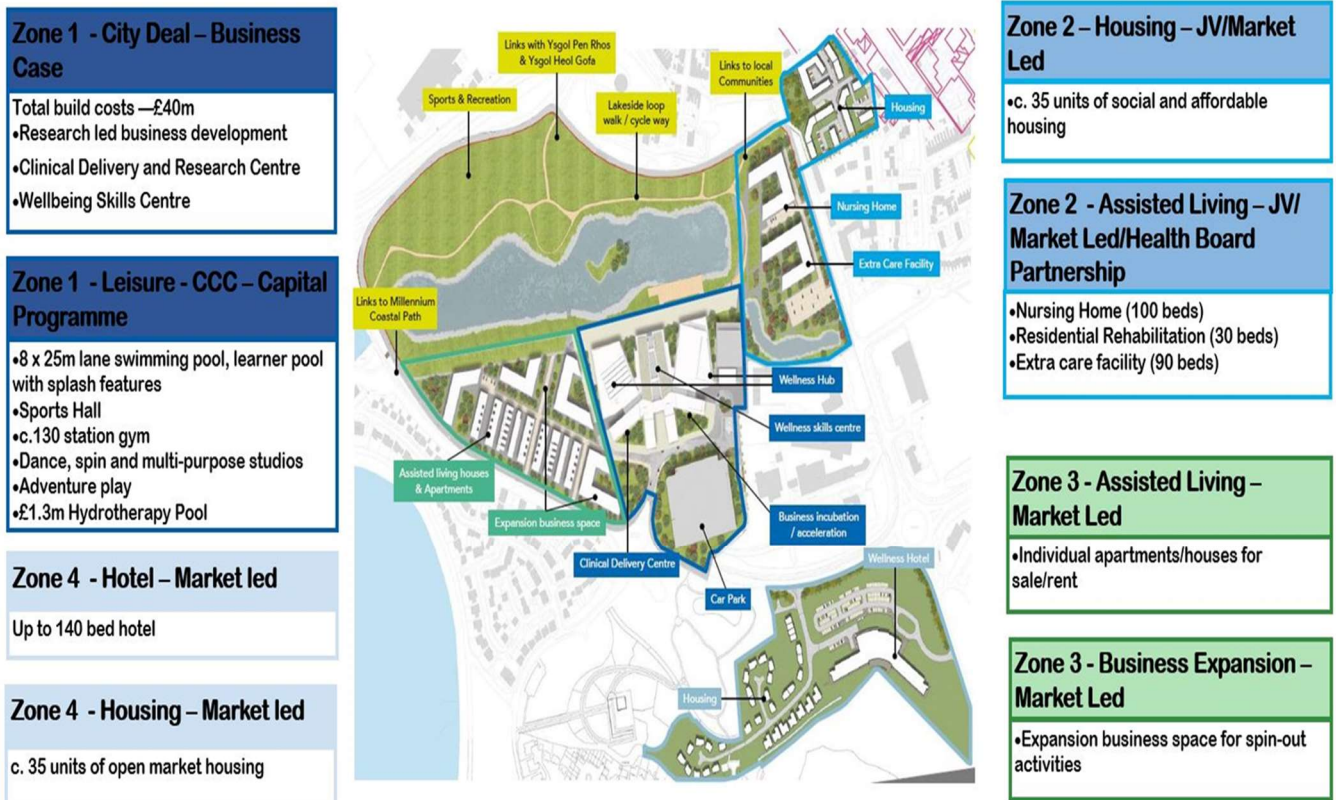
Carmarthenshire County Council is leading the project, working in collaboration with its principal partners – the regional University Health Board, Further and Higher Education, together with a range of local and regional stakeholders, including ARCH, the Regional Learning and Skills Partnership, and community groups.

Pentre Awel is an important project within the Council and City Deal portfolios and is central to the economic recovery / stimulus efforts of the region. Significant commitment has been invested over recent years to bring to bear this strategic development opportunity, including initial master planning and outline planning stages, site preparation and design development.

Pentre Awel will benefit an adjacent Communities for Work cluster where employment, earnings and educational attainment are significantly below county and Welsh averages.

2. Zoning / Phasing Strategy

Pentre Awel comprises four developable 'zones', as outlined in the indicative masterplan below.



In summary, Zone 1 will create requisite infrastructure for education, business, research, leisure and health, all brought together within an enclosed 'street' configuration:

Funded through City Deal:

- A **Business Development Centre** to provide dedicated incubation and acceleration facilities for businesses in life sciences and associated sectors. This will foster collaborations between academia, private and public sector to stimulate expertise and research excellence.
- A **Clinical Delivery Centre** to deliver multi-disciplinary care in a community setting, with an adjacent **Clinical Research Centre** focusing on research, innovation and improvements to population health. The Clinical Delivery Centre comprises a mix of clinical rooms, consultation rooms, functional assessment rooms, therapies zone and a Health Technology Hub totalling c. 1,200m². Hywel Dda will run the Clinical Delivery Centre, with Hywel Dda Research occupying the ground floor of the Clinical Research Centre and TriTech anchoring the first floor. The CRC will provide over 900m² of research space.
- A **Well-being Skills Centre** will provide a broad spectrum of education and training programmes, from Further and Higher Education, to Work-Ready and CPD. Courses will include taught and placement opportunities across health and care disciplines and more widely to include digital / ICT, leisure, management and tourism. This will help address areas of skills shortage within the region and retain young students and professionals. The Centre will be linked to modern clinical practice and service delivery both within the Clinical Delivery Centre and more widely in acute and community settings across the region. Swansea University will situate a Health and Wellbeing Academy within a space of c. 480m², offering a mix of classroom, teaching, office, consulting and changing facilities, together with dedicated reception.
- **Collaborative / shared spaces** with the aim of fostering joint working and co-production between partners and sectors.

Funded by Carmarthenshire County Council:

- **Leisure Centre / Wellness Hub** – state of the art 'dry' and 'wet' leisure provision which will offer replacement facilities for the existing leisure centre in Llanelli Town Centre. Includes an 8 x 25m lane swimming pool, learner pool, hydrotherapy suite, 8 court sports hall, gymnasium and multipurpose studios for dance, spin and other fitness activities.
- **Primary infrastructure** – including car park, landscaping, walkways and public realm.

Zone 2 will provide assisted living accommodation across the continuum of care, including nursing home, residential rehabilitation and extra care facility. Zone 2 also includes designated social and affordable housing.

Zone 3 will provide expansion space for an additional business development centre(s) to accommodate larger SMEs and those that 'spin out' from Zone 1. In addition, Zone 3 will offer up to 144 assisted living dwellings across a range of accommodation types and tenures. This is likely to include one and two bedded apartments and bungalows. Taken together, Zones 2 and 3 will provide a testbed capability for businesses onsite to undertake real-time piloting, monitoring and evaluation of med-tech and assistive living technologies.

There is provision for open market housing and a hotel in **Zone 4**

It is anticipated that Zone 1 will catalyse the rest of the development and provide synergistic opportunities to improve economic and social wellbeing. For example, the assisted living development within Zones 2 and 3 will provide meaningful 'testbed' capabilities for businesses onsite to pilot their products and services (e.g. assisted living technologies such as wearable devices and sensors).

Pentre Awel's research activities will include the development of services and products to live independently and to keep people well in their homes and communities for longer. Pentre Awel will provide appropriate test environments and support to move from a small product development to growing a business.

Pentre Awel aims to reduce inequalities locally through job creation and targeted education/training provision. It will contribute to national and local outcomes relating to employability, skills and tackling poverty by promoting initiatives for economically disadvantaged groups. For example, a 'pipeline' of education/training opportunities will enable career progression within health and care disciplines. In addition, partnerships between health and leisure at Pentre Awel will create opportunities to improve wellbeing across all age cohorts through prevention and health promotion, empowering and informing. More widely, the use of digital health care (telehealth / telecare) will promote independence and improve access to services.

3. Projected Outputs

Through integration of the core elements of Pentre Awel the aim is to provide a unique ecosystem for business, education and research and clinical delivery whilst facilitating improved population health through prevention and health promotion, sports and fitness. Within the first phase a new leisure complex will be created with a state-of-the-art sports and aquatic facility. Through the City Deal funding there will be a focus on education to address skills shortages and on initiatives to improve the unemployment and educational achievements in the area.3.2 Specifically:

Creation of sports and leisure facilities including 8 court multipurpose hall, 130 station gym, spin and dance studios and an 8 lane 25m swimming pool with learner/splash pool.

Regeneration in an area of significant need

- a. Projected to create 1,800 total jobs across whole project
- b. Research based business development and growth

Education Skills and Training

- c. Skills development programmes, many to run alongside clinical delivery
- d. Address key recruitment and retention challenges
- e. Promote careers opportunities and STEM subject engagement through schools

Improved health and care in community – care closer to home.

- f. Quantifiable improvement in health outcomes
- g. Long terms projected reduction in GP demand, reduced chronic condition hospital admittance and readmission.

Community Benefits

- h. Targeted support for residents in accessing work.
 - i. Minimum of 52 weeks of recruitment and training per £1m of spend on construction.
 - ii. Engagement to promote entry level courses and building credits to promote employment. Programmes will facilitate access and affordability.
 - iii. Health promotion and self-management initiatives – including social prescribing and work through schools.
- i. Targets defined for sourcing through local suppliers.
- j. Community groups actively participating in Village facilities.
- k. Reduction in the number of young people in the adjacent Community First area, within the NEET category

4. Procurement

In October 2021, following a comprehensive procurement exercise undertaken via the South West Wales Regional Contractors Framework (SWWRCF), Bouygues UK were appointed to deliver Zone 1 of Pentre Awel. A comprehensive pre-construction period has since been undertaken from October 2021 to January 2023. During the pre-construction period, CCC, external project and cost managers Gleeds, Bouygues UK and its design team worked collaboratively to:

- Review RIBA Stage 3 designs with tenants, with a particular focus on the Clinical Delivery Centre, Clinical Research Centre and wet/dry leisure design.
- Undertake RIBA Stage 4 design
- Review planning conditions and discharge the 'pre-commencement' planning conditions prior to breaking ground on-site.
- Prepare a Reserve Matters Application.
- Agree a programme, identify/assess risks and work toward greater cost certainty. Bouygues have been trying to work to a 'Not to Exceed Price', which forms the basis of this report
- Undertake pre-enablement works to ensure programme and align with tenant timelines.
- A Section 73 application has been agreed to extend outline planning consent for the whole Pentre Awel site. This will secure the future development of Zones 2 and 3 (assisted living and business expansion).

The Pre-Construction phase of the contract with Bouygues is now completed and the Authority has now entered the second phase, namely full mobilisation and Construction.

5. Zone 1 Construction Milestones

Enabling works commenced October 2022 including earthworks, site preparation and piling mat beneath building footprint.

In February 2023 Carmarthenshire County Council and Bouygues UK entered into a construction contract to deliver Zone 1. An 89 week construction programme is now underway with sectional completion of education facilities planned for September 2024 and full completion / operationalisation targeted October 2024.

Piling activity commenced on 13th February and will conclude by end of April. There will be 1050 precast concrete piles driven between depths of 18m and 25m.



In March 2023 Bouygues UK and Carmarthenshire County Council held the formal GroundBreaking event. The Secretary of State for Wales was in attendance along with representatives from all partner organisations, the private sector and community.



6. Community Benefits Being Delivered through Zone 1

BYUK will deliver a programme of community benefits for Zone 1 focused on four key pillars: (1) targeted recruitment and training; (2) supply chain; (3) education initiatives; and (4) community engagement.

An external stakeholder community benefits group (chaired by Donna Griffiths, BYUK) and internal working group (chaired by Helen Morgan, CCC) have been established to facilitate and oversee BYUK's community benefits programmes. The stakeholder group has representation from local schools, Further Education, Higher Education, Hywel Dda University Health Board, Carmarthenshire County Council and third sector.

A successful Meet the Buyer event was held on 30th March 2022 at Parc Y Scarlets to engage the supply chain. The event attracted over 125 businesses, 60% of which were from the SBCD region, with 40% based in Carmarthenshire.

During the pre-construction stage, BYUK has interacted with over 1000 local school pupils and delivered around 25 STEM sessions. Over 350 pupils have participated in BYUK’s Believe Academy.

BYUK will run Student Ambassador and Community Ambassador Programmes during the construction phase. The formal launch of the BYUK Student Ambassador scheme took place at Ysgol Pen Rhos on 26th January 2023.



BYUK and CCC has agreed deliverables for targeted recruitment and training (TR&T). A minimum of 4,680 person weeks of TR&T will be delivered, further disaggregated into targets for ‘new entrants’, ‘apprenticeships’ and ‘trainee and work experience’: These will be monitored through the internal working groups as construction progresses.

4,680 TR&T Person Weeks Breakdown	Apprentice Weeks	1675 p/w
	Trainees/Work experience	1603 p/w
	New entrant (inc unemployed, economically inactive)	1402 p/w

Each subsequent development phase will have its own community benefits programme that will contribute to the overarching project deliverables/outputs.

7. Pentre Awel Components

7.1 Education, Skills and Training (EST)

An EST Implementation Group has been established and forms part of the Pentre Awel governance structure. The aim of the groups is to facilitate the planning and delivery of courses, programmes and apprenticeships which will both run at Pentre Awel and enable the sustainable operation of the development. The EST Group is chaired by Wendy Dearing UWTSD and has representation from UWTSD, Cardiff University, Coleg Sir Gar, The Regional Skills and Learning Partnership, City Deal Skills and Talent Project, Hywel Dda University Health Board, CCC education, social care, Leisure and L&D.

As part of its remit, the group undertook a mapping exercise to chart existing education, skills development and training provision across the region in subject areas relevant to Pentre Awel ie. health and care, sports leisure and recreation, hospitality, digital and management. A detailed workforce planning exercise is now underway to cross-reference future job roles at Pentre Awel (e.g. doctors, nurses, carers, software engineers, data scientists) with current courses and qualifications across all levels (e.g. GCSE, FE, HE and CPD). This will help identify requisite courses, qualifications and career pathways based on projected employment needs on site and to meet regional skills/training gaps and can therefore be used to inform the development of new courses / programmes at Pentre Awel.

Cardiff University is developing the following provision at, or linked to, Pentre Awel: medicine, pharmacy, optometry 'teach and treat', dental and physiotherapy.

7.2 Clinical Services

Health and Care Services delivered within Pentre Awel will form part of the integrated service network both in Carmarthenshire and more widely through neighbouring Counties and Health Boards and with National Networks. The clinical services to be delivered on site are those which are evidenced to provide best outcomes when delivered in a community setting through a multidisciplinary team approach and will support a shift to community-based care / delivering care closer to home. The services to be delivered on site will include physiotherapy, occupational therapy, podiatry, lymphedema, audiology, and chronic conditions.

The development will further contribute to the improvement of health and wellbeing both locally and nationally through integrating education and training, wellness initiatives, research and development, business development and healthcare initiatives.

The health area will also include a Health Technology Hub – making best use of digital technologies to deliver healthcare virtually and a Clinical Research and engineering Centre run by Hywel Dda again with an emphasis on community based trials and innovation, this will include assessment rooms and laboratory space.

7.3 Research, Innovation and Business

Critical to Pentre Awel achieving its required economic impact is research, innovation and business development. To deliver an optimal solution in terms of outputs and therefore economic impact the proposal is to create an integrated innovation and business space with Zone 1 Pentre Awel. The focus of work is the development of a "living laboratory of clinical innovation", an ecosystem that will bring together leisure facilities, life science innovation, enterprises, community healthcare and assisted living into an arena where multidiscipline pathways, academics, enterprises, care staff,

clinicians and students, can work together to deliver improved healthcare and healthcare outcomes.

The Business incubation / growth space at Pentre Awel is designed to help companies to grow, test products and broaden their market opportunities. The facilities will include offices, laboratory space and hot desk areas and will be delivered in partnership with Cardiff University but importantly building a network with Trinity St David and Swansea University. The Accelerate model sets the principles of the 3 Universities working together. In Pentre Awel this will be further augmented by the presence of Hywel Dda clinical research which an already developed track record in collaborative working with academia. Further support has been secured from the All-Wales Academy for Innovation in Health and Social Care as part of its work with SBCR and AgorIP.

There are a number of additional elements that will contribute to the realisation of these economic development objectives. These are:

- The potential development on site of a 'Living Laboratory' comprising c.400 units of assisted living. This could be increased by networking into the wider authority provision and the Delta Wellbeing network.
- The Authority, through its Economic Regeneration Team can offer business and financial advice and further facilities for developing companies.
- The operating model of Delta Wellbeing both in terms of market access and in terms of tech development. Delta will have a presence on site potentially linked to their tech development and adoption.

Together these elements will lead to Pentre Awel having a key regional and national position in the market development and implementation of life science technology.

To ensure that Pentre Awel is ready to operationalise, pilot projects have been instigated as proof of concept:

- Pilot research project undertaken on Hyperbaric Oxygen chamber with a local Pharmacist, in partnership with the Scarlets RFC to trial hyperbaric oxygen treatment for long COVID. This set the principles for accessibility, indemnity and appraisal.
- Pilot undertaken with Ysgol Penrhos – demonstrating the importance of community co-development, impact of nature on the community, young people having voices and well-being.
- A joint working mapping exercise has been undertaken with Hywel Dda Research to ensure that opportunities can be optimised by referral to the most appropriate partner.

These early projects also set principles for the development of evaluation pathways for reporting value-based outcomes and the quantitative analysis of service improvement.

7.4 Leisure

The Layout of the wet and dry areas are now confirmed. This will include an eight lane 25m swimming pool, learner pool and hydrotherapy suite.

The gym has partly been designed by the therapist from Hywel Dda to improve opportunities for cross referral from Health – promoting the shared desire to shift care to the community.

7.5 Outdoor Spaces

A dedicated outdoor spaces working group has been established comprising internal and external stakeholders. This group has developed a longlist of c. 40 ideas for outdoor activities and initiatives which are currently being appraised against a range of criteria to determine their feasibility. Amongst these criteria is the ability to quantify benefits and become part of research trials.

7.6 Assisted Living

A multidisciplinary team has been appointed to undertake design development of Zone 3:

- RIBA Stage 1 concept design for up to 10,000m² of expansion business space
- RIBA Stage 2 design (spatial arrangements, massing) for up to 144 units of retirement accommodation – likely to be a mix of 1 and 2 bed apartments and 3 bedded bungalows.
- Whilst an initial RIBA Stage 2 report has been compiled for Zone 3, the design team has been asked to undertake a supplementary options appraisal of demand by type and marketability to identify the optimal property mix.

Early engagement is currently underway to scope / understand demand for assisted living facilities within Zone 2 – nursing home, residential rehabilitation and extra care.

The assisted living both on site and through the wider care network will provide testbed capabilities for businesses to pilot and research assisted living and broader med-tech devices.

8. Welsh Language

Significant engagement has been undertaken with Carmarthenshire's Policy Team and an action plan drafted looking at opportunities to use and promote the Welsh language across all elements of Pentre Awel. This action plan is supplemented by a Welsh Language Impact Assessment.

9. Integration

Integration underlies the whole concept of Pentre Awel – Working across traditional boundaries. This integration will continue when Pentre Awel becomes operational in order that the project will continue to deliver long terms benefits.

Integration discussions have been underway throughout the planning phase of Pentre Awel, beginning with the early discussions between Health and Leisure. This has widened considerably over time and a dedicated integration work stream has been established including representatives of all partners. As part of this work stream's remit, a 'service mapping' template has been developed to establish a baseline of services and activities that will/could be delivered at Pentre Awel with a view to identifying and evaluating further opportunities for collaboration.

10. Summary

Pentre Awel is a transformational project that will improve social, economic and environmental wellbeing through progressive and sustainable interventions in education, business and research, health and leisure. The economic and social backdrop of Pentre Awel has set the context and principles of the development.

At its core, therefore, Pentre Awel will focus on:

- The development, growth and spin-out of life science businesses.
- The delivery of training programmes to improve critical skills shortages across a range of sectors, including in health and care.
- The delivery of health services in a community setting.
- The provision of leisure services and associated wellness initiatives to improve population health and well-being.
- Healthy independent living.

11. Financial Implications

Public, City Deal and institutional capital is required to deliver the whole of Pentre Awel:

- Business case to draw down of £40m of City Deal money has been approved.
- The City Deal funding provides an important catalyst for the wider project and subsequent benefits realisation programme.
- Independent financial planning has been undertaken to secure institutional funding for this and subsequent phases of the project, including nursing home, assisted living, housing and hotel. An Information Memorandum was sent out to a pre-selected number of investors outlining the project together with financial information and business plans. The aim of the exercise being to obtain best value for the Authority and best long-term Investor partner for the project. Two Bids have now been received and are currently being assessed. Further discussion has been held with the UK Investment Bank and the Department of International Trade in relation to securing investment.
- Running cost projections have been developed and these along with the cash flow requirements to meet the financial planning projections have been used to inform the lease terms with the tenants.
- Funding for the County Council leisure centre elements of the project costs are included within the County Council Capital Programme 2022/23 – 2026/27.
- The Authority has now concluded the pre-construction period and has entered into a formal construction contract with BYUK for an agreed fixed price contract sum as originally proposed. Fixed Price Contract Sum as currently defined = £85,699,420 (included £1.75m adjustment, £2.1m VE, and groundworks set at £12.3m).

12. Legal Implications

There are no legal implications associated with this for Information report.

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

The SBCD Portfolio and its constituent programmes / projects are closely aligned to the Well-being of Future Generations (Wales) Act 2015 and the seven well-being goals for Wales. These alignments are outlined in a Portfolio Business Case for the SBCD, as well as in individual programme / project business cases

Background Papers: None

Appendices: None

Agenda Item 7



Swansea Bay City Region Joint Committee - 6 April 2023

Swansea Bay City Deal Portfolio Business Case

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

Swansea Bay City Deal Portfolio Business Case

March 2023



Document Control

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Date: 30/03/2023

Version: V4.1

Author: Jonathan Burnes/Ian Williams

Owner: Wendy Walters/Rob Stewart

EXECUTIVE SUMMARY

The Swansea Bay City Deal (SBCD) Portfolio Business Case provides an overview of the rationale and collaborative approach taken by the Swansea Bay City Region (SBCR) key stakeholders to successfully deliver a portfolio of nine prioritised projects, identified in March 2017 and later reviewed in 2019. The purpose of the business case is to enable key stakeholders to understand, influence and shape the portfolio, while assisting decision-making through evidence and the identification of risks and issues, validating the portfolio's continuing viability and providing a basis to monitor and evaluate the portfolio.

The Portfolio is now in full delivery with all nine of the headline programmes and projects now approved both regionally and by Governments. The portfolio is delivering in challenging economic conditions following the impact of Brexit and the Covid-19 pandemic and then more recently with the war in the Ukraine which, amongst other factors, have put significant pressure on the construction industry supply chain resulting in increased costs and longer lead times for the delivery of required services. The combined effect of these situations is complex and wide ranging but culminates in the increase of inflationary pressures with resultant construction project costs and delays in delivery schedules. The current cost of living crisis and the surge in energy costs have emerged from these situations over the last 12 months. The need for investment in economic infrastructure is increasingly important albeit extremely challenging.

This is the fourth iteration of the Portfolio Business Case which incorporates the recommendations of both the Gateway 0 Review held in July 2022 and updates on the latest status, impacts, financing and management of the portfolio and its constituent programmes and projects. The purpose of each business case section and the main changes are highlighted below.

Strategic Case

Demonstration of alignment to relevant strategies and policy. Case for change demonstrating the need and potential scope of the proposal.

- Updated information on the strategic alignment of the portfolio with UK, Wales and Regional policy / strategy and current public sector initiatives with the inclusion of 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 update to include the establishment of the SWW Corporate Joint Committee and the publication of the CJC Corporate Plan
- Existing arrangements section updated with acknowledgement of the challenging economic conditions including the increase of inflationary pressures, with resultant construction cost increases and delays in delivery schedules; the surge in energy costs and the impact of the cost of living crisis over the last 12 months.
- Potential Scope section updated with information on anticipated growth sectors identified through the Skills Barometer Research and Report 2023
- Risk section updated with the current red risks and issues to the successful delivery of the Portfolio

Economic Case

Identify the proposal that delivers best public value to society, including wider social and environmental effects.

- Removal of Critical Success Factors Appendix and incorporation of key text into Section 2.3 detailing alignment to Green Book requirements as recommended by UK Government
- Updated business case approval and economic appraisal status Table 2.6 to include date of latest economic appraisal
- Inclusion of current jobs created information in Section 2.7

Commercial Case

Demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

- Updated Procurement Principles section to include a demonstration of procurement delivery in accordance with the agreed principles
- Procurement Update section added, detailed key procurements to date and anticipated procurement over the next 12 months
- Updated procurement pipeline Appendix for all programmes and projects
- Updated register of planned procurement activities at a programme and project level to assist the private sector in identifying potential tender opportunities at an early stage
- Inclusion of construction cost assessment in Appendix identifying a potential funding gap of up to £31.2m to date which is currently being mitigated across the portfolio
- Updated information on community benefits being delivered through the portfolio together with the current register of programme and project community benefits

Financial Case

Demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers.

- Updated funding and investment information including breakdown of private and public sector investment and breakdown of funding per theme and project of the SBCD. Investment is now demonstrated at £1.247bn from £1.240bn in previous business case (original heads of terms £1.274bn)
- Updated income, expenditure and cashflow forecasts
- Updated information on grant drawdown and dissemination with £77m City Deal funds receipted to date and a further estimated £23m expected this financial year. To date £20.7m has been dispersed from the city deal to programmes and projects
- Reprofile of portfolio budget to show a current slippage of £72.5m in the current financial year from the previous version with no effect on total outputs, investment or benefits of the Portfolio
- Updated financial information for the Pentre Awel and Swansea Waterfront projects
- NNDR update on retention of yield generated

Management Case

Demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme.

- Adoption and roll-out of Celoxis P3M software in the monitoring and reporting of portfolio, programme and project activity
- Updated monitoring and evaluation information including updated M&E plan, dashboard presentation and current information for risks, issues, benefits and financial monitoring
- Approved independent assurance arrangements for the Portfolio defined in the draft SBCD Assurance Framework
- Arrangements and guidance for the development and approval of Full Business Cases
- Current Business Case status and project stage summary across programmes and projects
- Updated Portfolio delivery roadmap for all programmes and projects

Appendices

Appendices have been reviewed and rationalised where possible, reflective of the progression of the Business Case into the delivery phase.

Strategic Case

Strategic Context

The SBCD has a current portfolio investment of £1.247bn, funded by the UK Government, the Welsh Government, public sector bodies and industry. This investment will improve regional infrastructure in high value sectors, attract inward investment from businesses and create good job opportunities.

The SBCD aligns closely with the priorities of the UK and Welsh Governments in relation to economic development. It is directly aligned to the UK Government's Industrial Strategy and the Welsh Government's Prosperity for All (2017) strategy and Well-being of Future Generations (Wales) Act 2015. The SBCD also aligns with, and contributes to, the move towards decarbonisation and net zero; a priority of Welsh and UK Governments. This alignment is cascaded down to a regional level, where the SBCD is part of the Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030, which aims to advance regional socio-economic growth. It also aligns with the South West Wales Regional Delivery Plan 2022-2030 which has updated the Economic Regeneration Strategy and the recently published Welsh Government Regional Economic Framework for South West Wales.

Case for Change

Although employment growth in the Swansea Bay City Region has increased considerably since the 1990s, the case for change is underpinned by the fact that employment is in lower value sectors and occupations. There were over 30,000 fewer manufacturing jobs in 2010 than in 1990, which has significantly contributed to the major productivity gap that has emerged between the SBCR and the UK. Productivity in the SBCR has also fallen below the Welsh average level for the past 15 years. The mix of sectors in the regional economy is geared towards lower value sectors compared to the rest of the UK and therefore underperforms in employing those in occupational groups aligned to higher wages. In addition, the nature of the jobs within these sectors is generally of a lower value than elsewhere.

The region relies too heavily on the GVA produced by public sector activities such as health, education and public administration, as well as lower paid jobs in sectors including agriculture, tourism and the foundational economy. The productivity gap between the City Region and the rest of the UK is forecast to remain below average if targeted and collective action is not taken through a City Deal portfolio. The economic analysis undertaken in the development of the South West Wales Regional Delivery Plan confirms that although progress has been made, these features of the regional economy still persist.

The Investment Objectives for the SBCD Portfolio are:

1. Jobs - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).
2. GVA - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. Investment - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

Potential Scope

Supporting high value sectors and addressing long-term barriers to growth is at the heart of the Swansea Bay City Deal. Key business needs have been identified across these high value sectors. Thematically, the SBCR will prioritise broad strategic themes to help tackle its structural challenges

and reduce the economic performance gap between the SBCR and the rest of the UK. These themes are:

- Economic Acceleration
- Life Science & Well-Being
- Energy and Smart Manufacturing

These areas have productivity and GVA potential for growth and are aligned to creating high technology and higher value jobs through start-ups and the attraction of inward investment from larger businesses. They are also areas of focus whereby the region has begun to build foundations to advance through R&D, infrastructure, natural resources, skills and complementary investments.

Key Benefits, Risks, Dependencies, Constraints

<p>Benefits</p> <ul style="list-style-type: none"> • Greater employment opportunities • Strengthened talent retention, attraction and entrepreneurialism • A healthier, greener and more diverse economy through more productive, efficient and profitable companies • More disposable income and spend within the region • Improvements to health and social well-being • Improved supply chains 	<p>Risks</p> <ul style="list-style-type: none"> • Private sector funding contribution/s not realised in line with business case projections • Slippage in delivery of programmes / projects against key milestones • Prog/Proj delivering all outputs and outcomes within the business case • Increase in cost of construction • Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps • In year financial slippage • Pressure on construction industry to meet demand of City Deal and other public sector procurements
<p>Constraints</p> <ul style="list-style-type: none"> • Total funding package: Portfolio budget based on the fixed funding agreement between the region and the Welsh and UK Governments • Capital Funding: Portfolio budget being largely capital investment • Term of the City Deal: The timeframe for the delivery of the Portfolio cannot exceed the term of the City Deal set at 15 years • Resources: Resources available to establish and implement the portfolio and associated programmes and projects • State Aid: Growth Deal projects must comply with relevant State Aid rules 	<p>Dependencies</p> <ul style="list-style-type: none"> • Drawdown of Funding: Annual drawdown of City Deal funding from WG/UKG • Borrowing requirement for lead organisations • Private Sector Engagement: The City Deal cannot be successfully delivered without the engagement of and collaboration with the private sector • Public Sector Engagement: The SBCD requires the commitment of all primary stakeholders to deliver the Deal • Public Sector Delivery: The SBCD requires primary stakeholders to progress the wider economic regeneration plans relating to City Deal funding • Statutory Consents and Planning Approval

Economic Case

Critical Success Factors

The original Critical Success Factors (CSFs) have been aligned with Green Book guidance:

No.	Critical Success Factor	Requirements	Chosen CSF's for Portfolio
1	Strategic Fit and business needs	<ul style="list-style-type: none"> Meets the agreed spending objectives, related business needs and service requirements; and Provides holistic fit and synergy with other strategies, programmes and projects 	Regional Spread GVA impact Impact on UK plc Job Creation
2	Potential Value for money	<ul style="list-style-type: none"> Optimises social value (social, economic and environmental) in terms of the potential costs, benefits and risks 	Consideration that the overall benefits are greater than the individual parts
3	Potential achievability	<ul style="list-style-type: none"> Is likely to be delivered, given the organisation's ability to respond to the changes required, and Matches the level of available skills required for successful delivery 	Skills readiness Readiness in 5-year context
4	Supply side capacity and capability	<ul style="list-style-type: none"> Matches the ability of potential suppliers to deliver the required services Is likely to be attractive to the supply side 	Private sector engagement Readiness in 5-year context
5	Potential affordability	<ul style="list-style-type: none"> Can be funded from available sources of finance Aligns with sourcing constraints 	Private sector investment Readiness including affordability within programme

Table i.i. Critical Success Factors

Option Selection

Following a process of development and review, a shortlist of nine programmes / projects were agreed to be taken forward under the SBCD portfolio. These are summarised below:

Economic Acceleration	Swansea City & Waterfront Digital District	<p>To boost Swansea city centre's economic well-being at the heart of the City Region's economy, while retaining local tech, digital and entrepreneurial talent. This programme includes:</p> <ul style="list-style-type: none"> A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events A 'digital village' development in the city centre to accommodate the city's growing tech and digital business sector A 'Innovation Matrix' and the wider innovation precinct development at the University of Wales Trinity Saint David's new Swansea waterfront campus to enable start-up company support and growth
	Yr Egin	<p>To support and further develop the region's creative industry sector and Welsh language culture. The two-phased programme in Carmarthen, led by the University of Wales Trinity Saint David, features:</p> <ul style="list-style-type: none"> National creative sector anchor tenants

		<ul style="list-style-type: none"> • World class office space for local and regional creative sector SMEs, with opportunities for expansion • Facilities for the community and business networking • The facilitation of engagement between businesses and students
	Digital Infrastructure	To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The programme is made of up of three themes: <ul style="list-style-type: none"> • Connected places • Rural connectivity • Next generation wireless (5G and IOT networks)
	Skills and Talent	To develop a sustainable pipeline of regional talent to benefit from the jobs City Deal programmes and projects will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects/programmes and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.
Life Science & Well-being	SBCD Campuses Project	To develop digital health and platform technologies and clinical innovation to help prevent ill-health, develop better treatments and improve patient care. Advanced research and development facilities will be created, building on the success of the Institute of Life Sciences at Swansea University and expanding on regional expertise in sport and exercise science. This project will be located at Morriston Hospital and Swansea University's Singleton Campus.
	Pentre Awel	Previously named the Life Science & Well-being Village, this development will comprise research, business incubation and development facilities co-located alongside clinical delivery and research. The development will include education, skills and training facilities focussed on health and care in partnership with both further and higher education providers. Zone One will also include a state of the art leisure and aquatics centre. Adjacent zones of the development will see further business expansion space created alongside a wide range of assisted living accommodation and associated test bed opportunities. This project will benefit from and further develop regional expertise in life sciences, while providing training and high-value job opportunities for local people.
Energy and Smart Manufacturing	Homes as Power Stations	A co-ordinated project across the City Region, Homes as Power Stations will see energy-saving technologies introduced to thousands of homes as part of a smart, low carbon new-build and retrofit programme. The project will: <ul style="list-style-type: none"> • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents' health and well-being • Reduce burden on regional health and social services • Benefit regional supply chain businesses • Potentially develop a UK-wide industry in the City Region, with global export opportunities
	Pembroke Dock Marine	This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and off-shore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be

		<p>provided for marine energy innovators to build, test and commercialise their technologies. Programme features include:</p> <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ)
	Supporting Innovation and Low Carbon Growth	<p>This programme will help further decarbonise the regional economy, while safeguarding the regional steel industry and providing high-quality space for the innovation, ICT and research and development sectors. Programme features include:</p> <ul style="list-style-type: none"> • SWITCH - A purpose-built facility and specialist equipment to support the steel and metals industry and supply chain • Electric vehicle infrastructure and mapping • Real-time air quality modelling • Hydrogen production to power hydrogen vehicles • Cutting-edge business spaces to meet evidenced demand including a Technology Centre and Property Development Fund

Table i.ii Programme and Project Summary

Economic Appraisal

The SBCD will deliver a portfolio of projects and programmes that are most likely to offer best value for money and maximum social and economic value to the SBCR. The SBCD portfolio is estimated to generate a Net Present Social Value (NPSV) of £1,114.3 million from a public sector cost of £462.22 million. Eight of the nine programmes and projects have undertaken a robust options assessment and detailed economic appraisal of impact. An extract of the summary economic appraisal is shown below:

Appraisal Category		SBCD Portfolio	Yr Egin	Swansea Waterfront	PDM	HAPS	SI&LCG	Pentre Awel	Campuses	Digital	Skills
A	Net Present Social Value (£m)	1,114.27	150.02	407.51	87.2	16.63	44.7	63.86	18.8	319.2	6.35
B	Public sector cost (£m)	462.22	21.8	138.37	42.7	14.67	127.4	39.11	14.15	38.5	25.52
C	Appropriate BCR	-	3.7	3.95	2.63	2.5	1.6	2.63	2.33	1.5-11	1.4

Table i.iii. Economic Appraisal Summary Extract

The overall impact of the portfolio in terms of GVA and net jobs over the timeframe of the City Deal is shown below:

Programme / Project	15-year Impact	
	GVA £m	Net Jobs
Economic Acceleration		
Swansea City & Waterfront Digital District	669.8	1,281
Yr Egin	89.5	427
Digital infrastructure	318.8	-
Skills and Talent Initiative	-	-
Life Science & Well-being		
SBCD Campuses Project	150.0	1,120
Pentre Awel (Life Science & Well-being Village)	467.0	1,853
Energy and Smart Manufacturing		
Homes as Power Stations	251	1,804
Pembroke Dock Marine	343.4	1,881
Supporting Innovation and Low Carbon Growth	93	1,320
SBCD Portfolio total	2,382.5	9,686

Table i.iv Programme and Project Impact Deliverables

In addition to the above strategic benefits, each project/programme has identified further benefits within their business cases, and a range of benefits that cannot be quantified or monetised in a robust fashion, but which are still a significant consideration in the value for money case for the programmes.

Commercial Case

Procurement Strategy and Principles

The SBCD will not undertake any procurements in relation to the delivery of the portfolio and will not own any assets as a result of the delivery activities. The procurement of SBCD programmes and projects are led by the lead delivery organisation, who may be a local authority, university, health board or private/third sector organisation. These lead delivery organisations are responsible for conducting their own procurement exercises in line with their own organisational policies and procedures. The SBCD will provide the principles, guidance and cohesion for the portfolio procurement as a whole. It will also facilitate engagement and promotion with the private sector and between stakeholders across the portfolio with the aim of maximising private sector investment and benefits to the regional economy.

With all the SBCD projects and programmes approved and moving into delivery, there has been considerable construction and procurement activity since the last iteration of the business case with the completion of the Swansea Arena and the Baglan Technology Centre, progression on 71/72 Kingsway (with completion scheduled for October 2023), Pembroke Dock Infrastructure, MEECE and META projects and the commencement of Pentre Awel. Procurement to the value of £286m has been undertaken across the portfolio to date with £123m programmed for procurement within the next 12 months including major procurements for Innovation Matrix, SWITCH, Campuses and Digital Infrastructure.

The SBCD's Joint Committee approved a supplementary set of procurement principles in November 2020 that aim to encourage project/programme teams to consider wider benefits that can be achieved through procurement.

The 5 Procurement Principles have been addressed as follows:

1. Be Innovative
2. Have an open, fair and legally compliant procurement process
3. Maximise Community Benefits from each contract
4. Use Ethical Employment Practices
5. Promote the City Deal

The PoMO will work across the portfolio to apply these procurement principles and ensure maximum benefit to the region through procurement.

Community Benefits

The use of Community Benefit clauses as a core requirement will bring added value and ensure long-term benefits realisation. Clauses that may be used in community benefit contracts include:

- Supply chain opportunities
- Targeted recruitment and training clauses
- Contributions to education
- Community initiatives

The Financial Case

Financial Overview

The SBCD has an anticipated total capital expenditure of up to £1.247 billion, of which £241 million is derived from the City Deal with the remainder provided by public and private sector partners. The capital expenditure requirements are provided in the financial case, based on the latest available project/programme business cases and aggregated up to provide the portfolio estimates.

No revenue funding is provided through the City Deal for the delivery of the projects/programmes or the operational running costs of the projects, once completed.

Operational revenue requirements for the projects/programmes once the capital expenditure is completed is the responsibility of the project sponsor for every project.

Investment Breakdown

The current portfolio investment breakdown is presented below:

Programme/Project	Investment (£m)			
	City Deal	Public	Private	Total
Swansea City & Waterfront Digital District	50.00	81.25	39.90	171.13
Yr Egin	5.00	18.67	1.50	25.17
Digital Infrastructure	25.00	13.50	16.50	55.00
Skills and Talent	10.00	16.00	3.55	29.55
SBCD Campuses Project	15.00	58.58	62.01	134.95
Pentre Awel (Life Science & Well-being Village)	40.00	57.99	108.19	206.18
Homes as Power Stations	15.00	114.6	375.9	505.50
Pembroke Dock Marine	28.00	16.35	16.12	60.53
Supporting Innovation and Low Carbon Growth	47.70	5.88	5.5	59.08
TOTALS	235.70	382.83	629.16	1,247.69

Table v. Portfolio Investment Breakdown

£5.3m of City Deal funding remains unallocated within the existing Portfolio. Due process is currently being followed through SBCD governance to allocate the remaining City Deal funds through the development of a project business case.

Flow of Funding

A formal process is in place for the monitoring, management and allocation of City Deal funding over the timeframe of the portfolio. Funding agreements are being finalised with the leads for the constituent programmes and projects to ensure that public funds are allocated appropriately and linked to the outputs, outcomes and impacts of each programme / project. Effective monitoring and financial control procedures are in place at each level of the portfolio to ensure accountable and transparent management of funds.

The Management Case

Governance Arrangements

The SBCD governance and assurance arrangements have advanced significantly with all governance committees established and fully operational. A SBCD Senior Responsible Owner (SRO) was appointed in June 2020 and the Portfolio Director having started in post in March 2020. The establishment of the Portfolio Management Office (PoMO) was completed by November 2020.

The SBCD governance structure is shown below:



All nine of the headline programmes and projects have been approved through the regional and Government approval processes and the SBCD Portfolio is now in full delivery.

The table below shows a high-level view of the status of the Portfolio and its 35 constituent projects within the headline projects and programmes.

	No. Project/programme components	%	Value (£)
Initiated	35	100	£1.239bn
Planned	35	100	£1.239bn
Planned (pre-del.)	16	45.5	£0.831bn
Delivery (build/dev)	16	45.5	£0.295bn
Completion > Operation & Monitoring	3	9	£0.113bn

Table vi. Project/programme Delivery Status

P3M Principles

The SBCD will be managed as a portfolio, strategically owned by the Joint Committee and operationally managed by the Programme (Portfolio) Board. This approach will provide oversight and flexibility in the methodologies that the diverse set of programmes and projects will utilise to manage their development and delivery.

Robust governance and approvals of the SBCD will be through its people, structures, strategies and processes - all based on Portfolio, Programme and Project Management (P3M) practices and principles. Formal P3M software has now been adopted to facilitate the effective monitoring and reporting of portfolio, programme and project activity.

The following key procedures, plans and strategies are in place to effectively manage the portfolio:

- Monitoring and Evaluation Plan
- Integrated Assurance and Approval Plan
- Risk Management Strategy
- Financial Monitoring
- Communications and Marketing Plan
- Change Control Procedure

Assurance

The SBCD underwent a Gateway 0 external review during July 2022, where it was given an Amber / Green Delivery Confidence Assessment with four recommendations which are being actioned through the PoMO. A further Gateway 0 review is planned for the portfolio in the summer of 2023. The PoMO has worked with the Welsh Government Integrated Assurance Hub to develop a practical and proportionate Gateway Assurance Framework for the SBCD which incorporates the Portfolio, the nine headline programmes and projects and the many constituent projects and workstreams.

The PoMO will also oversee the SBCD portfolio delivery where all nine projects/programmes will provide monitoring and evaluation updates aligned to the planned timescales, budgets, resources and deliverables set out in their business cases.

Programme and Project Status

A process for the development and approval of businesses cases to Full Business Case status has agreed. The current status of business case development and approval for each of the programmes and projects is shown below reflecting the move of the portfolio to full delivery. The PoMO will continue to facilitate and monitor the continued development of business cases and the delivery of each programme and project to the agreed timescales.

Project / Programme name	Component	Status	SOC	OBC	FBC	Gateway DCA
Swansea City & Waterfront Digital District	Arena & Digital Square	Delivery				Amber Green (Nov 2022)
	Digital Village / Kingsway					
	Innovation Matrix					
	Innovation Precinct					
Creative Digital Cluster - Yr Egin	Phase 1	Delivery				Green (Nov 2021)
	Phase 2					
Digital Infrastructure	Connected places	Delivery				Amber/Green (Oct 2020)
	Rural connectivity					
	Next generation wireless					
Skills and Talent		Delivery				Green (Jan 2023)
SBCD Campuses Project	Singleton	Delivery				Amber/Green (Aug 2021)
	Morrison					
Pentre Awel	Zone 1 (Business, education skills and training, clinical delivery and research.)	Delivery				Amber (Sept 2020)
Homes as Power Stations		Delivery				Amber (Nov 2022)
Pembroke Dock Marine	Pembroke Dock Infrastructure (PDI)	Delivery				Amber (Feb 20)
	Marine Energy Engineering Centre of Excellence (MEECE)					
	Marine Energy Test Area (META)					
	Pembrokeshire Demonstration Zone (PDZ)					
Supporting Innovation and Low Carbon Growth	Swansea Bay Technology Centre	Delivery				Amber (June 20)
	SWITCH					
	AMPF					
	Air Quality Monitoring					
	Hydrogen Stimulus Project					
	LEV Charging Infrastructure					
	Property Development Fund					
SBCD Portfolio	All projects above	Delivery				Gate 0 Review Amber/Green (July 22)

Table v.ii. Programme and Business Case Status

Document Change Record

Version	Date	Author	Summary of key changes	Approved
V1.0	12/08/20	Jon Burnes	This is the first iteration of the SBCD Portfolio Business Case. This document combines the content SBCD Programme Business Case and Implementation Plan and incorporates WG requirements and consultancy support and feedback from Joe Flanagan in June 2020.	Wendy Walters & Rob Stewart
V1.1	19/08/20	Jon Burnes	Informal feedback received from WG to update the portfolio business case and appendices with details on project level economic and financial appraisals, further detail on the financial expenditure profiles at portfolio and project level and project delivery roadmap.	Wendy Walters & Rob Stewart
V1.2	27/08/20	Jon Burnes	Submitted to the WCGIB for the AOR approval process	Wendy Walters & Rob Stewart
V2.0	23/02/21	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members as consultation prior to regional sign off	Wendy Walters & Rob Stewart
V2.1	11/03/21	Jon Burnes / Ian Williams	Final PoBC signed off by SBCD Governance board members	Wendy Walters & Rob Stewart
V3.0	13/01/22	Jon Burnes / Ian Williams	Draft update for consultation and feedback from Project Leads and SROs	Wendy Walters & Rob Stewart
V3.1	18/02/22	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members	Wendy Walters & Rob Stewart
V3.1a	30/06/22		Updated with UKG feedback comments	
V4.1	09/03/23	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members	Wendy Walters & Rob Stewart

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1. THE STRATEGIC CASE

Introduction

The Strategic Case demonstrates alignment of the Swansea Bay City Deal with national and regional strategies and policies, as well as other current or planned programmes, while making a compelling case for change via the programmes and projects within the portfolio. The Strategic Case is presented in two parts, as follows:

The Strategic Context: Explains the background to City and Growth Deals, setting out the Swansea Bay City Region and Deal, its membership, and a review of the relevant strategies and policies to demonstrate strategic fit at UK, Wales and regional levels.

Case for Change: Demonstrates the rationale for the Swansea Bay City Deal and its constituent programmes and projects. This includes details on the relevant socio-economic issues and market failures, the consequent baselined spending objectives for the City Deal, and the main benefits, risks, constraints and dependencies.

The Strategic Case includes the following main changes:

- Updated information on the strategic alignment of the portfolio with UK, Wales and Regional policy / strategy and current public sector initiatives with the inclusion of 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 update to include the establishment of the SWW Corporate Joint Committee and the publication of the CJC Corporate Plan
- Existing arrangements section updated with acknowledgement of the challenging economic conditions including the increase of inflationary pressures, with resultant construction cost increases and delays in delivery schedules; the surge in energy costs and the impact of the cost of living crisis over the last 12 months.
- Potential Scope section updated with information on anticipated growth sectors identified through the Skills Barometer Research and Report 2023
- Risk section updated with the current red risks and issues to the successful delivery of the Portfolio

The Strategic Context

1.1. City and Growth Deals

The purpose of City and Growth Deals is to support cities and regions to deliver responsive and flexible local strategies. These deals are now commonplace in both the UK and devolved governments and give more power and flexibility to regions and cities in terms of employment and skills, infrastructure, business engagement and support, housing, transport and investments. Regions and cities have used these powers to achieve a number of investment objectives, such as providing support to the unemployed, providing training relevant to local need, and supporting a low carbon economy.

The UK Government (UKG) opened negotiations with the Welsh Government (WG) in 2016 over a City Deal for the Swansea Bay City Region (SBCR). The Swansea Bay City Deal (SBCD) was agreed between the UKG, the WG and the four Swansea Bay City Region local authorities in March 2017. The **original heads of terms** included funding commitments of £241m from UKG and WG, and £396m from the four regional local authorities (Carmarthenshire, Pembrokeshire, Swansea and Neath Port Talbot) and other public sector bodies, with an anticipated £637m from private sector investment. Combined, this would deliver over 9,000 gross direct jobs and contribute £1.8bn of Gross Value Added (GVA) to the regional economy with investment and benefits spread across the region.

1.2. Organisational overview

The Swansea Bay City Region spans across four local authority areas with a combined population of approximately 698,000 people. The City Region published an economic regeneration strategy in 2013 with a common vision to enhance the long-term prospects of the region’s economy, businesses and communities. The strategy co-ordinates collective action and identifies routes and initiatives to respond to the structural challenges that are holding back the SBCR economy. This strategy has now been updated with information from the South West Wales Regional Economic Delivery Plan that sets out the ambitions to develop a resilient, broad based and sustainable economy to 2030.

The creation of the SBCR in July 2013 was based on evidence that shows City Regions of more than 500,000 people are in a better combined position than individual local authority areas to stimulate economic growth through attracting investment and generating high-value job opportunities. The population has grown by just over 1.1% (7,651) over the last five years and is expected to grow by a further 1.1% (7,850) over the next five years from 2020.

The SBCD is part of the SBCR strategy and portfolio. It’s a partnership of eight regional organisations made up of local authorities, universities and health boards that aims to accelerate economic and social advancement through regional infrastructure and investment funds. The SBCD partners are:

- Carmarthenshire County Council
- City and County of Swansea Council
- Neath Port Talbot Council
- Pembrokeshire County Council
- Swansea University
- University of Wales Trinity Saint David
- Hywel Dda University Health Board
- Swansea Bay University Health Board

Carmarthenshire County Council is the SBCD Accountable Body. Representatives from each of the eight partner organisations are members of the SBCD Joint Committee and Programme (Portfolio) Board, which are the two formal governance groups that report to the regional stakeholders, UKG and WG. Regional advisers from the business community form the basis for the SBCD Economic Strategy Board, with each board and committee supported by the SBCD Portfolio Management Office (PoMO).

Each SBCD programme / project is led by one of the four regional local authorities, as summarised below in Table 1.1., with each flowing into and supported by the SBCD PoMO.

Lead Organisation	Programme / Project	Strategic theme
Carmarthenshire County Council	Yr Egin	Economic Acceleration
	Skills & Talent	Economic Acceleration
	Digital Infrastructure	Economic Acceleration
	Pentre Awel (LS &WB Village)	Life Science & Well-being
	Swansea Waterfront	Economic Acceleration

City and County of Swansea Council	Campuses Project	Life Science & Well-being
Neath Port Talbot Council	Homes as Power Stations	Energy & Smart Manufacturing
	Supporting Innovation and Low Carbon Growth	Energy & Smart Manufacturing
Pembrokeshire County Council	Pembroke Dock Marine	Energy & Smart Manufacturing

Table 1.1. SBCD portfolio with lead organisation

Each local authority has a successful track record in the development, management and delivery of major programmes and projects related to economic development and regeneration.

1.3. Policy and strategy alignment

The City and Growth Deals fall out of the UKG Industrial Strategy and Welsh Government policy on regional development. From this, the SBCD portfolio strongly aligns to UK, Welsh and regional policies, strategies and targets relating to economic development. The primary aim of this is to create high quality jobs and increase the earning power of people through investment in skills, industries, and infrastructure. Appendix 1.1 presents further detail of the policy alignment at thematic, programme and project level within the individual business cases of the SBCD portfolio. Across the portfolio, the SBCD has demonstrated alignment with 30 UK, 40 Welsh and 9 key Regional level policies / strategies together with a range of local strategies and plans. The key alignments to the SBCD at a portfolio level are summarised below:

Strategy	Core Principles	SBCD Alignment
UK Policy		
<p>Levelling Up White Paper 2022</p>	<p>The White Paper outlines the UK Government approach to address and narrow economic and social disparities across the UK. covering numerous areas of government structures and public policy. The intention is for a long-term programme of change to embed levelling up across all areas of the UK government, local and national, in partnership with the private sector and civil society.</p> <p>The Government identifies 12 missions under the following 4 headline objectives:</p> <ul style="list-style-type: none"> • Objective 1: Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging. This objective targets raised living standards, a focus on R&D, improvements to transport infrastructure and digital connectivity • Objective 2: Spread opportunities and improve public services, especially in those places where they are weakest. The objectives targets education, skills, health and wellbeing. • Objective 3: Restore a sense of community, local pride and belonging, especially in those places where they have been lost. The objective targets physical and community regeneration, housing and planning reforms 	<p>The SBCD aligns closely with the overall aim of the Levelling Up agenda of addressing regional disparities by investing in actions that will boost the economy of South West Wales. The SBCD investment will create an ecosystem that cultivates sectoral developments across four strategic themes where infrastructure, R&D and skills are brought together to secure and maximise socio-economic growth and inward investment. The projects and programmes will contribute directly to the objectives and missions of the Governments approach as follows:</p> <ul style="list-style-type: none"> • Objective 1: the SBCD will deliver large scale interventions which will impact regional economic growth and productivity and create new quality jobs in targeted growth sectors, including R&D. The focus of the SBCD will be to bring jobs, investment and economic growth to the region. Digital connectivity will be enhanced and will catalyse the spread of benefits across the region. • Objective 2 – there is a focus on Life Sciences and wellbeing across the SBCD portfolio which will be bring benefits to all the communities of South West Wales. The Skills and Talent programme will also look to enhance the present and future skills base of the region. • Objective 3 – the projects and programmes of the SBCD will result in major regeneration projects for the city and town centres and wider communities of the region, enhancing the role of these centres and helping to strengthen local identity. • Objective 4 – the SBCD brings together the four local authorities of the region, together with the two universities and two health boards in a dynamic partnerships and businesses. Its governance ensures that decision making is local, accountable and informed. The projects and programmes of the SBCD will also synergise with, and add value to, the actions being delivered through UK Governments Levelling Up and Shared Prosperity Funds.

	<ul style="list-style-type: none"> Objective 4: Empower local leaders and communities, especially in those places lacking local agency. The objective targets the allocation of local growth funds as the Levelling Up Fund and Shared Prosperity Fund to improve local areas. 	
Growth Plan 2022	<p>The Growth Plan 2022 makes growth the government’s central economic mission with the rationale that sustainable growth will lead to higher wages, greater opportunities and provide sustainable funding for public services. The Plan was produced in response the unprecedented challenges for the economy of the UK including high energy prices and inflation.</p> <p>The central objectives of the Plan are:</p> <ul style="list-style-type: none"> Tackling energy prices <ul style="list-style-type: none"> Support on energy costs for households and businesses Increase energy resilience Make homes cheaper to heat Growth <ul style="list-style-type: none"> Increasing private sector investment Getting more people into work with the right skills Getting the housing market moving High quality infrastructure Allowing business to focus on business 	<p>The SBCD portfolio will make a direct and significant contribution to the overall mission and intention of the Growth Plan. The Deal is focused on the promotion of economic growth for the region, Wales and the UK and its resulting benefits which will include higher wages, and greater opportunities are aligned.</p> <p>Specifically, the portfolio will directly contribute to the stated objectives of the Plan:</p> <ul style="list-style-type: none"> Tackling energy prices – through the development of new sustainable energy generation, including off-shore wind and wave technology associated with the Pembroke Dock Marine project which will contribute to energy resilience. The Supporting Innovation and Low Carbon Growth programme will also promote the development of new technologies and alternative energy sources. The Homes as Power Stations project will deliver the rollout of innovative energy technologies for homes throughout the Region. Growth – through the involvement of the private sector in the development of the portfolio and the investment generated as a direct result of the projects and programmes. The Skills and Talent programme will also ensure that the region’s workforce is equipped with the right skills to take advantage new employment opportunities in growth sectors of the economy. The SBCD is also focussed on the provision of high-quality infrastructure that will provide the environment for the region’s businesses to grow.

<p>UKG Net Zero Strategy: Build Back Greener 2021</p>	<p>The strategy sets out policies and proposals for decarbonising all sectors of the UK economy to meet net zero target by 2050. This strategy is a long-term plan for a transition that will take place over the next three decades with many of the policies in the strategy phased in over the next decade or longer. The document sets out clear policies and proposals to keep the UK on track for the UKs carbon budgets, Nationally Determined Contribution (NDC), and then sets out the vision for a decarbonised economy in 2050.</p> <p>The strategy sets targets and aspirations for the following sectors of the economy:</p> <ul style="list-style-type: none"> • Power – to fully decarbonise the power system by 2035 • Fuel supply and hydrogen - to significantly reduce emissions from traditional oil and gas fuel supplies, whilst scaling-up the production of low carbon alternatives • Industry - to decarbonise industry in line with net zero goals whilst simultaneously transforming our industrial heartlands by attracting inward investment, future-proofing businesses, and securing high wage, high skill jobs. • Heat and buildings - improve the energy efficiency of housing and nondomestic properties across the UK, • Transport - ensure greener, faster and more efficient transport including a zero emissions vehicle (ZEV) mandate • Natural resources, waste and fluorinated gases - including low carbon farming 	<p>The SBCD Portfolio will respond directly to many of the policies and proposals of the Net Zero Strategy through the development and delivery of a range of innovative actions that will lead to improvement of energy efficiency and the transition to a low carbon economy.</p> <p>Specific actions in relation to the identified sectors of the economy include:</p> <ul style="list-style-type: none"> • Power – direct contribution through the PDM project and the proposals for off-shore wind and wave power generation. • Fuel supply and hydrogen – through the Hydrogen Stimulus project of the Supporting Innovation and Low Carbon Growth Programme • Industry - development of the SWITCH, Advance Manufacturing Production Facility and Technology Centre within the Supporting Innovation and Low Carbon Growth Programme to promote innovation and low carbon growth. Contribution towards Green Growth and decarbonisation through the Pembroke Dock Marine project • Heat and buildings – HAPS will deliver the rollout of innovative energy efficiency homes throughout the Region. • Transport - directly through the LEV Charging Infrastructure and Hydrogen Stimulus projects of the Supporting Innovation and Low Carbon Growth Programme • Greenhouse gas removal – directly through the SWITCH project of the Supporting Innovation and Low Carbon Growth Programme <p>A carbon reduction assessment of activities contained within the SBCD portfolio has been undertaken by the PoMO. The assessment demonstrates the significant contribution that the portfolio is making towards government net zero agendas and commitments. The document is included for information in Appendix 1.2.</p>
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	<p>practices, tree planting and reforms to waste systems</p> <ul style="list-style-type: none"> • Greenhouse gas removal - greenhouse gas removals (GGRs) w from the hardest to decarbonise sectors such as aviation, agriculture, and heavy industry. 	
UKG Clean Growth Strategy 2020	<p>The UK's approach to reducing emissions, developed in the context of the UK's legal requirements under the Climate Change Act, this strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', helping deliver increased economic growth and decreased emissions.</p> <p>The strategy recognises that clean growth can only be achieved through innovation – nurturing better products, processes and systems – that we will see the cost of clean technologies come down. Key proposals are:</p> <ul style="list-style-type: none"> • Accelerate Clean Growth: Develop Green Finance capabilities • Improve business and industry efficiency: Supporting businesses to improve energy productivity by 20% by 2030 • Improving the energy efficiency of our homes • Rolling out low carbon heating • Accelerate the shift to low carbon transport • Deliver clean, smart, flexible power • Enhancing the benefits and value of our natural resources 	<p>The SBCD Portfolio will respond directly to many of the central proposals of the Green Growth Strategy through the development and delivery of a range of innovative actions that will lead to improvement of energy efficiency and the transition to a low carbon economy.</p> <p>Specific actions include:</p> <ul style="list-style-type: none"> • Improve business and industry efficiency: Enhancing business energy efficiency through next generation and mobile broadband. Development of the SWITCH and Technology Centre to promote innovation and low carbon growth. Contribution towards Green Growth and decarbonisation through the Pembroke Dock Marine project • Improving the energy efficiency of our homes – HAPS will deliver the rollout of innovative energy efficiency homes throughout the Region • Accelerate the shift to low carbon transport – directly through the Supporting Innovation and Low Carbon Growth Programme
Wales Policy		
The Well-being of Future	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to</p>	<p>The SBCD portfolio provides opportunities to address persistent challenges such as climate change, poverty, inequality, jobs and skills in a transformational and preventative way, and in doing so aligns to the ambitions and approach set out in</p>

<p>Generations (Wales) Act 2015</p>	<p>prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Well-being Goals:</p> <ul style="list-style-type: none"> • A Prosperous Wales • A Resilient Wales • A More Equal Wales • A Healthier Wales • A Wales of Cohesive Communities • A Wales of Vibrant Culture and Thriving Welsh Language • A Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>the Well-being of Future Generations (Wales) Act 2015. The four strategic themes and nine associated programmes and projects have significant impact across the seven well-being goals for Wales, and will be monitored and assessed accordingly across these goals.</p> <ul style="list-style-type: none"> • A Prosperous Wales: Delivering across each of these areas through investment in digital, low carbon and the development of productivity enhancing technologies/approaches • A Resilient Wales: Delivering balanced and clean economic growth through enhanced connectivity, low carbon growth and business efficiency. Diversifying and strengthening the regional economy • A More Equal Wales: Providing pathways to securing new job opportunities and the distribution of investment benefits throughout the region. • A Healthier Wales: Major investments in Well-being, Health and Life Sciences to benefit the region’s residents. Major investment in housing infrastructure and the improvement of air quality • A Wales of Cohesive Communities: Ensuring sustainable economic development and enhanced connectivity throughout the communities of the region • A Wales of Vibrant Culture and Thriving Welsh Language: Realising the benefits to the use and growth of the Welsh language and culture through the portfolio investment • A Globally Responsible Wales: Contribution to the long-term global responsibilities to sustainable growth and the environment through innovative low carbon and energy efficient technologies <p>The five ways of working (long-term; prevention; integration; collaboration and involvement) as outlined in the Act will also be used across the portfolio to ensure that sustainable development principles are applied to all that is undertaken. The SBCD PoMO is in discussions with the Office of the Future Generations Commissioner to explore how its programmes and projects can better align to the Act at the scoping and development stages of the programme/project lifecycle.</p>
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<p>Prosperity for All: The National Strategy and Economic Action Plan (2017)</p>	<p>Wales Strategy for prosperity and well-being to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability <p>The Economic Action Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on several areas including:</p> <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development 	<p>Prosperity for All (2017) is the strategy to deliver Taking Wales Forward (2016), while embracing the five ways of working in the Well-being of Future Generations (Wales) Act 2015. The headline commitments and strategy identify four priority areas that are aligned to the SBCD portfolio objectives. These, along with the Prosperity for All cross-cutting themes of early years, housing, social care, mental health, and skills and employment, are all part of the direct and indirect outcomes and benefits of the SBCD portfolio that can support long-term prosperity and well-being. Driving long-term regional economic growth and inward investment across a range of industry sectors and improving the lives of people who live in the region demonstrates the alignment within the SBCD focus areas including smart manufacturing, digital, skills, health and well-being, and energy. Specific direct contributions include:</p> <ul style="list-style-type: none"> • Decarbonisation: Enabling more businesses to become carbon light or free. A major element of the Portfolio to be delivered through the Supporting Innovation and Low Carbon Growth, Homes as Power Stations Programmes and Pembroke Dock Marine projects resulting in innovation of new technologies and incorporation into manufacturing and supply chains • Innovation: Support throughout the Portfolio for businesses to innovate in digital, production and delivery • High quality employment & skills: Development of a pathway to skills training to meet the needs of the SBCD programmes and projects, improving the skills base of the region • R&D, automation & digitalisation: Delivery of new R&D facilities particularly in relation to Health, Life Sciences, Well-being and Low Carbon, supported by the rollout of enhanced digital connectivity throughout the region <p>The Economic Action Plan highlights the key role of regional partnerships in delivering on shared goals. There is a clear commitment by the Welsh Government to a regionally focused model of economic development, with the aim of developing the distinctive strengths of each region “in pursuit of growth”. The SBCD will be a key driver of the regional agenda, strengthening the economy of the City Region and complementing other regional activities.</p>
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Wales Innovates: creating a stronger, fairer, greener Wales	<p>The strategy aims to create and nurture a vibrant innovation culture and help fulfil the wellbeing objectives of the Welsh Government through the promotion and prioritisation of innovation via four objectives:</p> <ul style="list-style-type: none"> • Better Education • Stronger Economy • Health and Wellbeing • Climate and Nature 	<p>The SBCD portfolio aligns with the Wales Innovates strategy, providing the environment and opportunities for the promotion of innovation. The four strategic themes and nine programmes and projects will contribute directly to the objectives of the strategy through:</p> <ul style="list-style-type: none"> • Better Education – the Skills and Talent programme will identify and provide the future skills requirements for the region in emerging and growth sectors of the economy. The programme aims to develop a pathway to skills training to meet the needs of the SBCD programmes and projects and improving the overall skills base of the region • Stronger Economy – all projects and programmes of the SBCD are directly focused on the creation of a stronger economy for SW Wales. The SBCD portfolio will create the high-quality infrastructure that will provide the environment for the region’s businesses to establish, grow and thrive – creating jobs and securing private sector investment across the region • Health and Wellbeing – the SBCD will deliver major investments in well-being, health and life sciences sectors particularly through the Pentre Awel and Campuses projects. The combined impact across the portfolio will achieve significant well-being benefits for residents, including major investment in housing infrastructure, creation of employment opportunities and the improvement of air quality • Climate and Nature – direct contribution to the long-term global responsibilities to sustainable growth and the environment through the development and establishment of innovative low carbon and energy efficient technologies, particularly through the Pembroke Dock Marine, Supporting Innovation and Low Carbon Growth and Homes as Power Stations projects
Regional Policy		
Swansea Bay City Region Economic Regeneration	The Swansea Bay City Region Economic Regeneration Strategy 2013 to 2020 provides an evidence and stakeholder-based framework which aims to strengthen the economy and boost	<p>The SBCD portfolio is a crucial part of the City Region Strategy and the individual programmes and projects will significantly contribute by supporting activity across the four strategic themes through:</p> <ul style="list-style-type: none"> • Inward investment and growth of business

<p>Strategy 2013 to 2030</p>	<p>productivity for the City Region area. The Strategy sets out the Strategic Framework for intervention through 5 Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long-term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. <p>Together with the 4 Cross Cutting themes:</p> <ol style="list-style-type: none"> 1. Thinking and Delivering Together for Regional Success 2. Quality and Intelligence Driven Leadership Action 3. Being and Acting Connected 4. Understanding Sustainable Growth 	<ul style="list-style-type: none"> • Creation of jobs and a skilled workforce • An R&D pipeline of research and innovation • Infrastructure and environment needed for economic activity to flourish and for our region to be an attractive place to work and live. <p>The effective operation and strengthening of the City Deal Governance structure will also facilitate progress on the cross-cutting themes of the strategy.</p>
<p>South West Wales Regional Economic Delivery Plan 2022-2030</p>	<p>The SWW Regional Economic Delivery Plan provides an ambitious route map for the development of the regional economy to 2030. The Plan identifies 3 Ambitions for the economy:</p> <ol style="list-style-type: none"> 1. Resilient and Sustainable 2. Enterprising and Ambitious 3. Balanced and Inclusive <p>It also sets out 3 Missions:</p> <ol style="list-style-type: none"> 1. A UK leader in renewable energy and the net zero economy 2. Building a strong, resilient and embedded business base 3. Growing and sustaining the SW Wales experience offer 	<p>The Plan recognises the direct contribution of the SBCD projects to the Ambitions and Missions identified. The programmes and projects to be delivered through the Portfolio will respond directly to the Missions identified as follows:</p> <ol style="list-style-type: none"> 1. The delivery of the Portfolio will facilitate the transition to a zero-carbon economy with a strong drive for green growth reflected in the emphasis on new digital technology, low carbon growth and energy efficiency programmes, particularly the Supporting Innovation and Low Carbon Growth, Homes as Power Stations and Pembroke Dock Marine projects 2. All programmes and projects will contribute to a strengthening and diversification of the regional economy with a focus on growth sectors and the development of innovation and enterprise ecosystems supporting the growth of new companies. Further support will be provided across the region through the transformational Digital Infrastructure programme and the targeted Skills and Talent programme 3. The programmes and projects will provide high quality facilities to improve the experience of residents, business and visitors throughout the region. They will enhance the quality of the built environment and contribute to the

		distinctiveness of the region. The programmes and projects will also complement the other investments being made by partner organisations in town and city centres and across the many diverse communities of the region.
Regional Economic Framework for South West Wales 2021	The Regional Economic Framework (REF) for South West Wales sets out the Welsh Government approach to economic development for the region and supports a more regionally-focused model of economic development, in accordance with the Welsh Government's Programme for Government, and a commitment to progress the Economic Resilience and Reconstruction Mission for Wales. The REF reflects the Ambitions and Missions identified in the Economic Delivery Plan. The REF outlines the approach that the Welsh Government will take with the key stakeholders in the region to work collectively to develop and realise the ambitions for economic growth.	As outlined above, the SBCD will make a direct contribution to the Ambitions and Missions of the Economic Delivery Plan and will therefore also align with the REF. The SBCD strengthens the regional approach to economic development and already works across the 4 authorities and Welsh and UK Governments to promote collaboration and partnership working. The SBCD will continue to input into the further development of the REF to ensure that priority areas are addressed and the Portfolio, its programmes/ projects, outputs and benefits continue to be aligned to the aims and objectives of the Framework
Draft South West Wales CJC Corporate Plan 2023-28	The Local Government and Elections (Wales) Act 2021 (the LGE Act) created the framework for a consistent mechanism for regional collaboration between local government authorities, namely Corporate Joint Committees (CJCs). The South West Wales CJC was formally constituted in January 2022 and will exercise functions relating to economic development, land use planning, regional transport and energy. The CJC has set 3 well-being objectives to guide their work going forward: 1. To collaboratively deliver the Regional Economic Delivery Plan and Regional Energy Strategy thereby improving the	The SBCD will complement the work of the SWW CJC, promoting regional collaborative working and contributing directly to the first well-being objective of the CJC through the delivery of its programmes and projects in the context of the Regional Economic Delivery Plan (detailed above) and through its contribution to the Regional Energy Strategy (detailed below).

	<p>(decarbonised) economic well-being of South West Wales for our future generations.</p> <ol style="list-style-type: none"> 2. To produce a Regional Transport Plan for South West Wales that is founded on collaboration and enables the delivery of a transport system which is good for our future generations of people and communities, good for our environment and good for our economy and places. 3. To produce a sound, deliverable, co-ordinated and locally distinctive Strategic Development Plan for South West Wales which is founded on stakeholder engagement and collaboration and which clearly sets out the scale and location of future growth for our future generations 	
<p>South West Wales Energy Strategy 2022</p>	<p>This regional energy strategy for the South West Wales Region was commissioned by the Welsh Government and supported by the Welsh Government Energy Service. It has been developed by the South West Wales Energy Core Group, a sub-group of the Regional Directors' forum from the four local authorities in South West Wales.</p> <p>The overall objective of the strategy is to develop a strategic pathway identifying key interventions to deliver on the region's ambitions for decarbonising its energy system. An Energy Vision scenario has been modelled to set out a potential decarbonisation route that will put the region on track to achieve a net zero energy system by 2050.</p>	<p>The SBCD portfolio will make a direct and significant contribution to the objectives, vision and priorities of the South West Wales Energy Strategy through the delivery of its programmes and projects. Decarbonisation is at the heart of the Supporting Innovation and Low Carbon Growth projects, Pembroke Dock Marine projects and the Homes as Power Stations regional programme which will all contribute to the overall objective of a net zero energy system by 2050. Specific contributions to the priorities of the Strategy include:</p> <ol style="list-style-type: none"> 1. Energy efficiency – the HAPS programme will help drive down domestic energy demand across the region. The SWITCH project will help reduce energy demand in the energy-intensive steel industry and promote the decarbonisation of the sector 2. Electricity generation – the Pembroke Dock Marine projects for the development of floating offshore wind and wave energy will increase the availability, reliability and stability of low carbon energy 3. Smart and flexible systems – the HAPs, SILCG and PDM projects will all encourage innovative energy storage technologies and local generation, to

	<p>The vision for SWW is the harnessing the region’s low carbon energy potential across its on and offshore locations, to deliver a prosperous and equitable net zero carbon economy which enhances the well-being of future generations and the region’s ecosystems, at a pace which delivers against regional and national emissions reduction targets by 2035 and 2050.</p> <p>The priorities for achieving this vision are:</p> <ol style="list-style-type: none"> 1. Energy efficiency 2. Electricity generation 3. Smart and flexible systems 4. Decarbonise heat 5. Decarbonise transport 6. Regional coordination 	<p>maximise the use of locally produced energy. The projects will also encourage development of new systems throughout the supply chain</p> <ol style="list-style-type: none"> 4. Decarbonise heat – the HAPS programme will help develop the next generation of decarbonised heat and insulation 5. Decarbonise transport - the SILCG projects of LEV charging infrastructure and the hydrogen stimulus project will further advance the decarbonisation of transport 6. Regional coordination – the SBCD has strengthened regional governance, leadership and coordination in the delivery of regional initiatives and will further promote the initiatives emerging from the SWW Energy Strategy.
Local Policy		
Local plans /strategies relating to the SBCD	<ul style="list-style-type: none"> • LA Plans and Strategies relating to e.g.: <ul style="list-style-type: none"> ○ Economic development ○ Regeneration ○ Skills and Employability ○ Digital Transformation ○ Decarbonisation ○ Well-being plans ○ Local Development • Health Board Clinical Services Plans and Integrated Medium Term/Annual Plans • University Strategic Plans 	<p>The SBCD delivers key transformational programmes and projects across the region to realise growth, productivity, innovation and new jobs, and to upgrade skills and connectivity. This will thereby drive forward many of the aims and objectives of the organisational plans and strategies at a local level.</p> <p>The SBCD Portfolio provides a vehicle for the partnership and collaborative delivery of key strategic projects that will collectively impact the region and realise significant benefits over a 15-year timeframe.</p>

Table 1.2. Policy alignment to the SBCD

1.4. Alignment to existing initiatives

The SBCD Portfolio has been developed within the landscape of a range of public sector initiatives, with the delivery of its programmes and projects benefitting from and adding value to these actions.

Regional Learning and Skills Partnership (RLSP)

The RLSP is a long-established, multi-sector partnership focusing on skills investment and the economic regeneration of the area through the development of a skilled workforce. The RLSP has a long-standing reputation of regional collaborative working with key partners in the region and working with Welsh Government to influence policy on the delivery of skills training in the region. The work of the partnership includes promoting and championing a strategic overview of skills provision to ensure that it meets regional needs and maximises economic opportunities. Central to the activity of the RLSP is the analysis of local labour market intelligence to identify and inform skills and curriculum provision, helping to bridge the gap between education and regeneration in the hope of creating a strong and vibrant economy underpinned by innovation, growth and a capable workforce. RLSP also acts as the regional governance board for the Skills and Talent programme.

A Regional Collaboration for Health (ARCH)

The ARCH partnership operates across the Swansea Bay City Region, encompassing the reach of two local health boards and Swansea University and covering a population size of approximately 1 million people. ARCH brings together expertise and experience from across the three partner organisations and wider stakeholders to tackle health, wealth and well-being challenges within the region through collaborative project-driven approaches to four themes of Skills & Workforce, Research, Enterprise & Innovation, Service Transformation and Well-being. Several projects exist within each of the themes and there is cross fertilisation and shared learning amongst them. Each theme is represented across all partner organisations and engages with wider stakeholders from across the Life Science and Well-being Sector and other sectors as appropriate, including strong clinical and allied health professional engagement. ARCH is a partner on the Campuses and project, participating in their governance boards.

Transforming Towns

A £90 million programme launched in 2020 by the Welsh Government, which is focused on measures to increase footfall by making sure the public sector locates services in town centre locations. This includes tackling empty buildings and land to help bring them back into use, and green town centres. The programme supports major city and town centre regeneration programmes across the region, generating investment, creating jobs, improving the environment and promoting healthy and vibrant town centres.

Levelling Up and the Shared Prosperity Fund

The 2020 UK Government Treasury spending review announced a £4.8 billion Levelling Up Fund for capital investment in local infrastructure across the UK. The first round focused on transport projects, town centre and high street regeneration, and cultural investment. At the end of October 2021, following a competitive application process, £121m was announced for 10 projects across Wales, including 3 within the SBCR. The Community Renewal Fund (CRF) was also launched, which will pilot new programmes that invest in people, boost skills and support local business. The second round of the Fund focuses on the same three investment themes as the first round. Eleven projects have been approved for Wales totalling £208m with £37.8m awarded for 2 projects within South West Wales. The Shared Prosperity Fund is the main source of UK Government funding replacing the European Regional Development Fund and European Social Fund. In December 2022, the UK Government approved a regional investment plan for Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea, helping unlock Shared Prosperity Fund money that has been earmarked for the region

totalling £132m. Calls for funding opportunities have been made through the local authorities for submission early in the new financial year under key themes of Community and Place, Supporting Local Business; and People and Skills. Calls for funding opportunities.

Regional Transportation Programmes

The City Deal Portfolio will complement and add value to the regional and local transportation initiatives being developed and delivered in the area, including Local Transport Plans and Active Travel initiatives. The development of a high quality, integrated, affordable and efficient transportation infrastructure is crucial to maximising the benefits and impacts of the Portfolio through enhanced accessibility both to and within the region. The Swansea Bay and West Wales Metro Programme will enhance rail and bus provision across the 4 local authority areas of South West Wales and will include

- Rail Services and infrastructure enhancement
- Strategic Bus services and infrastructure enhancement
- Strategic integration of bus and rail services
- Active travel measures & interfaces at stations

These major improvements will reduce journey times and frequency, improve customer experience, improve accessibility and accelerate urban regeneration and site development throughout the SBCR.

Freeport Programme in Wales

The Freeport Programme is an initiative being delivered as a partnership by the UK Government and Welsh Government. Aimed at encouraging economic activity, freeports are zones designated by the UK Government as areas with little or no tax. The Freeport Programme has the potential to help Wales compete for global investment and trade, creating thousands of new jobs and putting coastal communities on the path to long-term growth and prosperity. A Celtic Freeport bid led by Neath Port Talbot Council and Pembrokeshire Council in partnership with the ports of Milford Haven and Port Talbot was submitted to governments. In March 2023 the UK Government and Welsh Government announced that two Welsh freeports are to be created with the Celtic Freeport bid for Milford Haven and Port Talbot successful, alongside the Anglesey Freeport. The Freeports were chosen to exploit renewable energy opportunities and are expected to contribute to UK net-zero ambitions.

Digital Connectivity

There are several public and private sector initiatives that seek to improve digital connectivity across Wales and the UK. The SBCD Digital Infrastructure programme will complement and add value to these initiatives, helping to increase digital connectivity across the region.

- **Public Sector** – During the 2021-22 financial year, public sector investment totalling some £6.75m was made throughout the region through the following initiatives:
 - Swansea Bay City Deal (both capital and revenue investment)
 - Connected Places - Local Full Fibre Networks Programme (LFFN) and Rural Gigabit Connectivity Programme (RGC) or connected via other Local Authority funding
 - Access Broadband Cymru Voucher Scheme (ABC)
 - Gigabit Vouchers
 - Superfast Cymru
 - Mobile Connectivity Programs (e.g. Emergency Services Network (ESN) and Shared Rural Network (SRN))
 - Other public sector digital programmes - e.g. LoRaWAN projects
- **Private Sector** – During 2021-22 financial year a total of £21.8m of private sector investment has been made within the region through private sector infrastructure suppliers.

The Case for Change

1.5. Case for change

The SBCD members and partners spanning across the public, private and not-for-profit sectors have worked together to identify and scope the portfolio of nine programmes and projects. These were borne from key partners being part of a long-established approach to regional working across the SBCR. All programmes and projects align to the strategic investment objectives outlined below and were agreed by the SBCD consortium and UK and Welsh Governments in 2017, which have since been updated to provide further clarity. The governance arrangements and portfolio developments have helped to evolve and enhance a cultural change towards collaboration across the SBCR, which is set to continue to advance as the portfolio matures into delivery.

The case for change is based on the following aims:

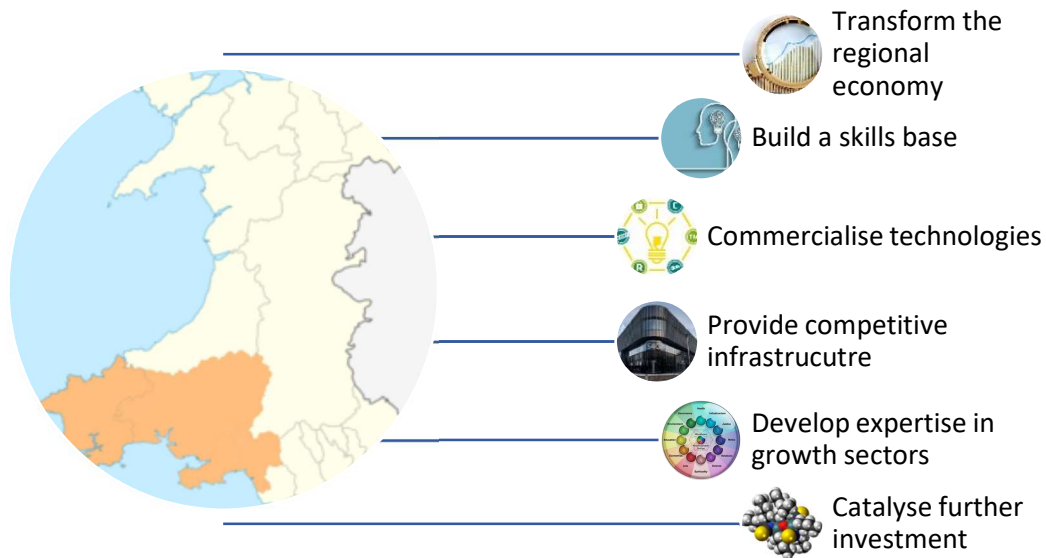


Figure 1.1 Regional aims

1.6. Investment Objectives

The portfolio investment objectives describe the targeted outcomes for the portfolio 2017-2033. To realise the ambitions of the region, and to help achieve the aspirations of the Swansea Bay City Region Economic Regeneration Strategy, regional stakeholders have pledged to work together to achieve the following three SBCD strategic investment objectives:

1. Jobs - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).
2. GVA - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. Investment - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

It is also recognised that since the inception of the Swansea Bay City Deal there has been significant progress in the decarbonisation agenda particularly in relation to the emphasis on meeting net zero obligations and wider environmental ambitions at a national, regional and local level. As the SBCD was first established in 2017 with all nine headline business cases approved by December 2021 by both

Governments, there is no specific decarbonisation investment objective set at a Portfolio level. However, the SBCD Portfolio responds to this agenda across its programmes and projects and will contribute to net zero goals wherever possible.

A point-in-time carbon reduction assessment of activities contained within the SBCD portfolio has been undertaken by the PoMO and reported through the SBCD Joint Committee. The assessment demonstrates the significant contribution that the portfolio is making towards government net zero agendas and commitments. Direct contribution is made via all projects that build SBCD infrastructure by achieving BREEAM excellent as a minimum standard. Significant contribution to support the decarbonisation agenda will also be through the delivery of three energy related projects, upskilling of the workforce through the Skills and Talent Programme and enhancement of the digital connectivity through the regional Digital Infrastructure Programme.

The SBCD Portfolio places the region at the forefront of Energy and Smart Manufacturing innovation as part of the drive towards a low carbon economy. The headline contribution of the SBCD to carbon reduction are listed below with the full assessment contained in Appendix 1.2.

- i. Creating an estimated 80k+ m2 of floorspace with a minimum of BREEAM excellent by 2026
- ii. Creating at least 5,000 jobs across the renewables and energy sectors
- iii. Create at least £620m GVA
- iv. Attract at least £630m of total investment
- v. Estimated to provide at least 6,000 skills and talent opportunities for the energy and , decarbonisation sectors
- vi. Create a regional centre of excellence in the renewable energy sector
- vii. Grow 2 supply chains in the installation, manufacturing and operations of blue and green technologies through PDM And HAPS
- viii. Enhance digital connectivity through full fibre, 5G and Internet of Things (IoT) to future proof the digital economy across the region

The investment objectives will also support the aspirations of the Swansea Bay City Region (SBCR) outlined within the SBCR Economic Regeneration Strategy 2013-2030 and its five complementary Strategic Aims:

Strategic aim 1 – maximisation of business growth, retention and industry specialisation resulting in:

- Retention of key local employers,
- Support employers and businesses to become rooted and committed to growth in the City Region,
- Use expertise, knowledge and opportunities to produce a wider business base,
- National level leadership achieved in key priority sectors,
- Capturing quality inward investment.

Strategic aim 2 – develop skills and ambition to deliver long-term regional success achieved through:

- A change in culture and level of ambition across Regional communities,
- Support skill enhancements across our workforce with clear commitment from employers to support professional development,

- Ensure a fully integrated and aligned skills supply across all realms of education and employment.

Strategic aim 3 – maximisation of job creation:

- Increased employment opportunities through enterprise start-ups,
- Focus on delivering major employment creation schemes,
- Comprehensive partnership-led approach to creating work experience placements and quality apprenticeships,
- Effective CVS networks and social enterprise opportunities, creating jobs.

Strategic aim 4 – knowledge economy and innovation:

- Establish the City Region as a recognised knowledge economy where all types of innovation thrive,
- Connect the economy to world class R & D assets,
- Actively support the dual university model,
- Compete effectively for knowledge economy inward investment projects.

Strategic aim 5 – provide distinctive places and competitive infrastructure:

- Establish a clear and distinctive ‘place’,
- Develop fully fit for purpose land and property infrastructure assets,
- Ensure the City Region has competitive next generation broadband and 4G networks to support business growth, service innovation and facilitate new models of employment.

The Investment Objectives also support the Ambitions and Missions for the regional economy as identified in the South West Wales Economic Delivery Plan 2022-2030:

Ambitions

1. Resilient and Sustainable
2. Enterprising and Ambitious
3. Balanced and Inclusive

Missions:

1. A UK leader in renewable energy and the net zero economy
2. Building a strong, resilient and embedded business base
3. Growing and sustaining the SW Wales experience offer

1.7. Existing arrangements

The SBCR is a large and diverse City Region, containing both urban and rural places with distinctive though inter-connected economies, communities, natural resources and infrastructure. The SBCR is a major driver for the Welsh economy with a resident population of 698,000, supporting regional employment of 322,000 jobs and 23,800 businesses. These businesses and organisations include a mix of many small to medium sized enterprises and national and global organisations such as Tata Steel, Valero and the DVLA, along with high-quality universities with international reputations and links that deliver activities which support teaching, skills, education, research and innovation.

Economic development within the SBCR is headed up by the regional economic development/regeneration directors of the four local authorities, who in turn engage with many local, regional and national stakeholders and sponsors to identify, prioritise and deliver regional economic development initiatives. This co-ordinated, evidence-based and consultative approach led to the creation of the Swansea Bay City Region Economic Regeneration Strategy 2013-2030.

In March 2021, regulations creating four Corporate Joint Committees (CJCs) in Wales as mechanisms for the regional collaboration between local government were made.

The Welsh Government believes that CJCs have a role to play in bringing coherence to regional governance by integrating decision making with the goal to build on existing regional arrangements wherever possible. The wider purpose is to share resources and ensure all local priorities and requirements can be complemented by regional action, ensuring a sense of consistency, harmony and resilience permeates regional public investment, planning and accountability.

The South West Wales CJC is now operational and will exercise the following functions as specified in the regulations:

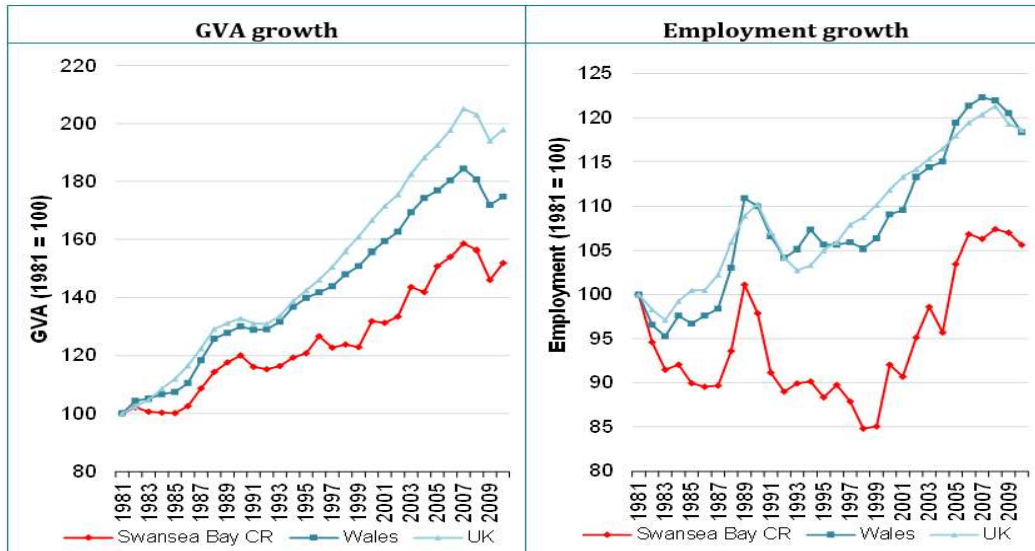
- strategic development planning
- regional transport planning
- economic wellbeing powers

The CJC is being supported by the Regional Regeneration Directors in the fulfilment of its duties with respect to economic development. A draft South Wales CJC Corporate Plan 2023-28 has been produced that identifies 3 wellbeing objectives. The SBCD portfolio contributes directly to the first well-being objective of the CJC through the delivery of its programmes and projects in the context of the Regional Economic Delivery Plan and through its contribution to the Regional Energy Strategy.

The region has benefited from significant investment in the past decade, including Swansea University's new £450m Science and Innovation Bay Campus, UWTSU £60m IQ campus, city and town centre regeneration, a portfolio of incubation centres across the region, major improvements to the A40 in Pembrokeshire, and the Harbour Way Project that links Port Talbot and the Docks to the M4.

The update to the economic context of SBCR Economic Regeneration Strategy in 2016 undertook an analysis of the regional economy which was used as the basis for the establishment of the City Deal initiative. It highlighted that economic performance had been resilient but there remained a persistent productivity gap, and wide variations in productivity within South West Wales. The economy is diverse with key sectors being manufacturing, energy and tourism as well as public sector jobs. Areas of strength and opportunity were identified, particularly in Healthcare, Education, Innovation, Research and Development, Manufacturing, Energy production, Technology, Media and Leisure and Well-being.

Regional GVA performance against the UK average has declined with the move away from the traditionally strong manufacturing traditions of the region since 1981 as show in Figure 1.2. below. The SBCR generated GVA of £10.5bn in 2015, which accounted for 20% of Wales' GVA. The GVA per employee in the Region was £34,300 in 2015 (at 2011 prices), which was 74% of the UK average.

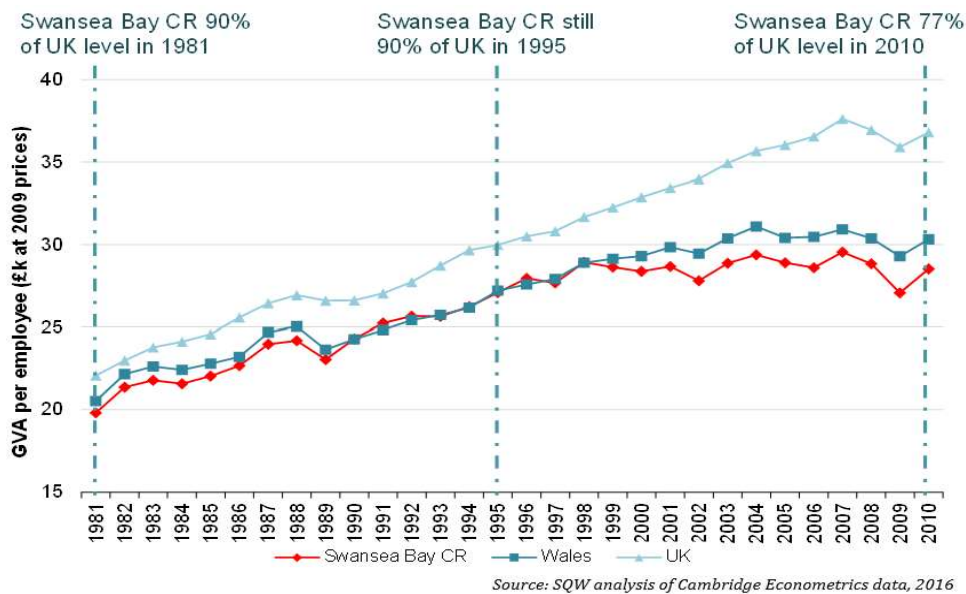


Source: SQW analysis of Cambridge Econometrics data, 2016

Figure 1.2. GVA and employment growth (1981-2010) for the SBCR, Wales and UK

Employment growth had increased considerably since the 1990s, although employment was largely in the lower value sectors and occupations - often in parts of education, health, and the wider public sector. For example, there were over 30,000 fewer manufacturing jobs in 2010 than in 1990, which significantly contributed to the major productivity gap that has emerged between the SBCR and the rest of the UK.

Productivity in the SBCR had also fallen below the all-Wales level for the past 15 years, as shown in Figure 1.3. below. The mix of sectors in the SBCR economy being geared towards lower value sectors compared to the rest of the UK and therefore underperforms in employing those in occupational groups aligned to higher wages. Also, the nature of the jobs within these sectors is generally of a lower value than elsewhere. The region relies too heavily on the GVA produced by public sector activities such as health, education and public administration. The productivity gap between the City Region and the rest of the UK is forecast to remain below average if targeted and collective action is not taken through a City Deal portfolio and other regional activity.



Source: SQW analysis of Cambridge Econometrics data, 2016

Figure 1.3. Productivity for the SBCR, Wales and UK (1981-2010)

The region is characterised by an ageing population, with retirement risk being classed as high. The average number of people aged over 55 for an area of the region's size is 241,117; whereas there are 276,439 in the SBCR. In some instances, this can adversely affect labour force growth, change patterns of savings and expenditure and increase pressure on public social expenditures.¹

In 2021, the South West Wales local authorities, working closely with the Welsh Government, commissioned consultants to revisit the SBCR Economic Regeneration Strategy. The South West Wales Regional Economic Delivery Plan presents an analysis of recent economic performance across the region and provides a strategic approach to unlock the region's potential and ensure that economic growth is resilient, sustainable and inclusive.

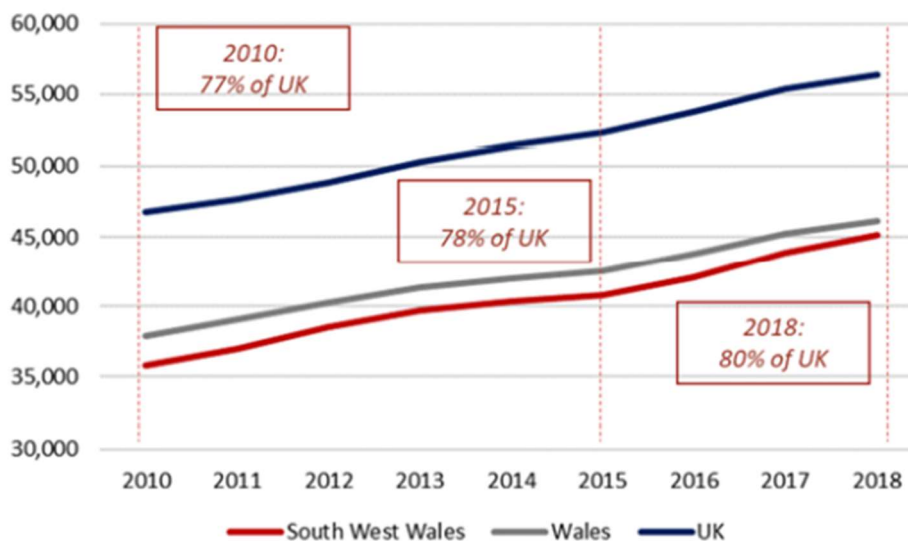
The analysis of the regional economy found that in the years leading up to the Covid-19 pandemic, the economy performed strongly in generating new jobs and by 2019 there were 322,000 jobs in the region, an increase of 20,000 from 2013. However, there is still 'spare capacity' in the labour market. Although the 'jobs density' (the number of jobs per working age resident) has grown steadily, it is still lower than the UK and Wales averages.

There have been steady improvements in the economic activity rate over the past 15 years at a faster pace than in the rest of the UK. However, South West Wales' economic activity rate still falls behind the UK average (and slightly behind the Wales average). If the gap between the 2019 regional economic activity rate (73.8%) and the UK rate (78.9%) could be bridged, it would bring an additional 21,000 people back into the labour market.

The analysis also highlighted that there still remained a large and persistent productivity gap with the UK overall and structural weaknesses in the economy. Economic output (measured in gross value added (GVA)) was around £13 billion in 2018, equivalent to 21% of total Welsh output. The region's GVA increased by around £630 million in 2013-18 (representing growth of about 5% over the period). Within this overall expansion, some sectors grew strongly: combined, wholesale and retail; warehousing; real estate; information and communications; and health and care contributed an additional £689 million to GVA. But some sectors contracted over the period, with the metals, electrical products and machinery sector reducing its output by around £322 million. This suggests a continuing process of adjustment within the economy, which is also reflected in employment growth (and a strengthening share of employment) in hospitality, health, distribution and administrative activities. Nevertheless, manufacturing is of fundamental importance to the regional economy, accounting for 13.6% of total output (and over 25% of output in Neath Port Talbot).

Productivity (the amount of GVA generated for every filled job) was around £45,100 in South West Wales in 2018. The gap with the rest of the UK has narrowed slightly over time. But it is still substantial: in 2018, productivity was around 80% of the UK level as shown in Figure 1.4 below.

¹ World Employment and Social Outlook – Trends 2018 (Kuhn)
<https://onlinelibrary.wiley.com/doi/pdf/10.1002/wow3.127>



ONS, Subregional productivity: labour productivity by local authority district and labour productivity by UK NUTS2 and NUTS3 subregions, 2010-18

Figure 1.4. Productivity for the SBCR, Wales and UK (2010-2018)

The following features of the regional economy were also highlighted:

- Skills - there has been a steady improvement in qualification levels: in 2019, 35% of the working age population was qualified to NVQ4+, compared with 22% in 2004, and the proportion with no qualifications halved over the same period (partly as new entrants to the labour market gradually replace those who leave). But in relative terms, there is still a gap with the rest of the UK, and substantial variation across the region
- Connectivity - here has been transformational progress in the delivery of digital connectivity since the 2014 Regeneration Strategy. Commercial investment and public support through Superfast Cymru and successor programmes have increased access to superfast broadband to over 90% of premises. However, beyond Superfast, there is still a significant rural/ urban digital divide, with ultrafast penetration in Pembrokeshire among the lowest in the UK
- Business - the size of the region’s business base grew in the years leading up to the start of the pandemic. In 2020, there were around 23,800 active enterprises in South West Wales, a number that had steadily increased over the preceding five years – and survival rates keep pace with the rest of Wales and the UK. But the region’s ‘enterprise density’ (the number of enterprises relative to the working age population) and the start-up rate remain lower than in the rest of the UK
- Sites and premises – the region benefits from some substantial sites for industrial expansion, including the large strategic site at Baglan Energy Park, future phases of the Cross Hands development in Carmarthenshire, and key sites at Felindre and Fabian Way in Swansea and the Haven Waterway. However, there is a widely-recognised gap between demand and supply for industrial sites and premises, as low rents (and in some cases high remediation and infrastructure costs on ex-industrial land) make viability challenging, especially west of

Swansea. The evidence is that this acts as a brake on business expansion, both to new investors and to existing local businesses seeking 'grow-on' space

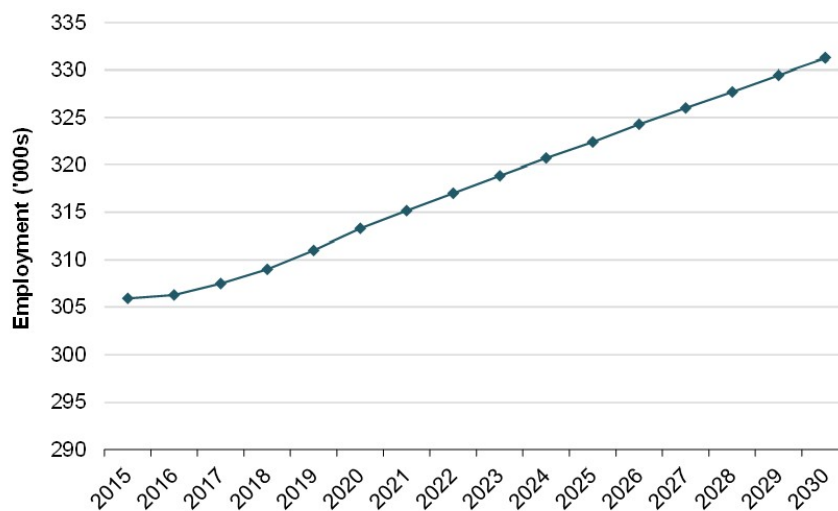
- Carbon Emissions - regional carbon emissions are much higher than the Wales and UK average. These mostly reflect the role of the huge Tata works at Port Talbot, an industrial installation of national significance that remains reliant on coal inputs.

The SBCR's existing situation demonstrates through quantified economic evidence that the region is underperforming economically and failing to reach its full potential.

It also needs to be recognised that over the last 2 years, several unprecedented international situations; Brexit, COVID-19 and the war in the Ukraine have occurred which, amongst other factors, have put significant pressure on the construction industry supply chain resulting in increased costs and longer lead times for the delivery of required services. The combined effect of these situations is complex and wide ranging but culminates in the increase of inflationary pressures with resultant construction project costs and delays in delivery schedules. The current cost of living crisis and the surge in energy costs have emerged from these situations over the last 12 months. These adverse economic conditions have resulted in a difficult operating environment for businesses across many sectors and the region's residents. The need for investment in economic infrastructure is increasingly important albeit extremely challenging.

1.8. Business need

The 2016 economic analysis forecast that the productivity gap between the SBCR and the rest of the UK will remain unless action is taken. Unaltered, by 2030, GVA per worker in the SBCR is forecast to be £43,200 (2011 prices), compared with £59,100 in the UK. That's just 73% of the UK total. If the SBCR does not act to drive productivity improvements, it will continue to perform at about three-quarters of its true economic potential. By 2030, employment is expected to build to 331,000 - an increase of 8% on 2015 figures as depicted in Figure 1.5. below:



Source: SQW analysis of Cambridge Econometrics data, 2016

Figure 1.5. Employment forecast for the SBCR (2015-2030)

The SBCR and SBCD need to focus on the expanding and adjusting sectors to realise potential growth in GVA and employment to sustain and create new employment, whilst driving productivity growth. Even though complex, the scale of opportunity is significant and is needed for the region. If the SBCR

achieves its growth predictions to 2030, and over that period returns to 90% of the UK’s productivity level, then the region would be an £18bn economy as shown in Table 1.3. below:

	2020 (£bn)	2030 (£bn)
Current trajectory	11.6	14.3
At Wales level of productivity	12.5	15.5
At 90% of UK level of productivity	14.1	17.6
At UK level of productivity	15.7	19.6

Table 1.3. Indicative scale of the SBCR economy based on productivity forecasts
 (Source: SQW analysis of Cambridge Econometrics forecasts, 2016)

Based on the evidence presented in a report by SQW (2016) on economic context analysis, it follows that the SBCR:

- Has too few businesses and is not growing its business base quickly enough
- Does not have enough people with high level qualifications and too many people with none
- Needs to address the productivity gap as it is fundamental to raising the prosperity and quality of life for the SBCR
- Needs to create new and sustain existing employment
- Suffers from economic inactivity, which remains too high
- Has relied on imports to meet demand in the high value sectors, with little self-sufficiency in these areas and tradable activity
- Does not have physical infrastructure that’s keeping pace with the needs of growing businesses or our communities. Broadband capacity and digital connectivity are improving, but not quickly enough. Much of our commercial and retail property is low quality and attracts low rents
- Has a regional capital (Swansea city centre) which is underperforming and needs to deliver a commercial, residential and leisure offer to match the ambitions of innovative proposals
- Needs to deliver a step change in the performance of its rural and visitor economies if the region as an integrated whole is to achieve its long-term aims

The evidence base behind the South West Wales Economic Delivery Plan 2022-2030 confirms that, although progress has been made, the needs listed above still remain within the regional economy. The Plan states that the region needs to focus on the following distinctive economic strengths and assets as a platform for future growth:

- Nationally and internationally significant university research assets
- Extensive energy infrastructure and low carbon energy generation potential
- The scope for growth within the business community
- Environmental quality and distinctive ‘sense of place’

It also highlights that the region needs to respond to the following transformational needs that will impact on the economy, its resilience, sustainability and growth:

Decarbonisation - the decarbonisation policy imperative at a national, regional and local level creates a requirement to seek and develop opportunities for innovation and technology development, as well as a need for adaptation to support industrial resilience. The decarbonisation need for the region will be undertaken through:

- the delivery of the region’s low carbon projects at scale
- decarbonising the industrial base

- decarbonising the wider economy (including housing stock and transportation)

Digital transformation – Digitalisation refers to the transformation of the economy through increased use of data and the development of digital technologies such as artificial intelligence, machine learning and robotics. It will be a major catalyst for structural change in the economy and a facilitator for growth across sectors and businesses. There is a need to address the following impacts:

- Effects on industry - facilitating the application of digital technologies to realise efficiency, productivity and competitive benefits across sectors
- Impacts on the labour market - the need to keep pace with the changing demand for skills and the shift in working practices
- Impacts on services – overcoming connectivity barriers and realising benefits of remote access to services e.g. health and care

Demographic change - South West Wales has a growing population. However, the ‘working age’ population has fallen slightly over the past decade. The gradual ageing of the population is also a long-term trend. Key needs for economic intervention to consider include:

- Changing working lives - the concept of ‘working age’ is becoming increasingly fluid, as people work for longer, and more flexibly
- Changes in service demand – there has been strong growth in employment and output associated with health and social care, as demand increases from an ageing population. Changing demographics will support changes in wider demand for goods and services
- Changing communities – some communities are becoming increasingly aged through in-migration of older people and the outmigration of younger people. Retaining and attracting younger people will be achieved through generating economic activity, and providing relevant skills with support community resilience and sustainability

To overcome these identified needs and issues and deliver high-quality jobs, increase GVA and achieve higher productivity levels, the SBCR will need to work regionally with all key stakeholders, particularly businesses, and with the UK and Welsh Governments to:

- Establish projects that provide key infrastructure to develop and connect technologies in high-value sectors aligned to the four strategic themes, in partnership with the private sector, to the benefit of the UK, Welsh and regional economies
- Leverage funding to invest in our skills base and workforce, building upon comprehensive existing partnerships between businesses and the higher and further education sector
- Establish an Investment Fund within projects to promote regional competitiveness, building upon the infrastructure expenditure (above) through fiscal and non-fiscal interventions
- Work with universities and the private sector to apply Research & Development (R&D) practices to start-up ventures, grow and attract inward investment and generate an ecosystem of regional supply chains and export the IP, knowledge and skills base generated regionally on a global platform
- Further establish Swansea as a vibrant regional capital and integrate further with its economic hinterland and ‘travel to work’ catchment area to a much greater extent
- Use enhanced digital networks as a catalyst for driving improved performance and competitiveness in the rural and visitor economies
- Align other expenditure in key areas, such as transport connectivity, housing and education, to complement and reinforce the SBCD

- Establish the SBCR as a diverse and low carbon economy and international centre for renewable energy production and conservation. To retain and develop the regional strategic role in energy into green growth and to secure further investment to unlock the full potential of supply chain development

1.9. Potential scope

To overcome this identified need and realise the regional potential, intervention is required to develop initiatives which create the required infrastructure, attract inward investment from businesses, create good job opportunities in growing and targeted high value sectors, and generate closer partnership working across the region. In doing so the portfolio will respond to the economic performance gap through increased productivity and GVA. The recent economic analysis as part of the South West Wales Economic Development Plan confirms that this approach remains valid and necessary for the future growth and sustainability of the regional economy.

Supporting high value sectors and addressing long-term barriers to growth is at the heart of the Swansea Bay City Deal. Key business needs have been identified across these high value sectors. Thematically, the SBCD will prioritise four broad strategic themes to help tackle its structural challenges and reduce the economic performance gap between the SBCR and the rest of the UK. These themes are:

- **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 next generation digital infrastructure, along with the creation of a digital district in Swansea and its hinterland. In addition, growth in the region's creative industry sector will be supported by optimising the benefits of Welsh language broadcaster S4C's relocation to Carmarthen. A world-leading supportive environment for technology businesses and start-ups will also be created, as well as the development of the skills required to support this economic growth. All activities will be underpinned by a regional skills development programme.
- **Life Science & Well-Being** - To build on existing regional assets through the expansion of research and innovation infrastructure and the piloting of a digitally integrated healthcare environment through a network of health science 'medi-parks', wellness centres and other assets. Building on a new digital architecture, we will transform the delivery of health and social care in the region and contribute to the advancement of genomic medicine in analytics and diagnostics in the UK via network-based solutions.
- **Energy and Smart Manufacturing** - To place the region at the forefront of energy innovation in the areas of sustainable house building to address fuel poverty, while creating a centre of excellence to develop and exploit aspects of marine and other sustainable energy. This will exploit the multi-billion pound asset base in renewable and conventional energy production and the testing and commercialisation of integrated Future Energy Systems for commercial and domestic use. The SBCD portfolio will also contribute directly to the drive towards decarbonisation of the economy and the green industrial revolution including skills for green jobs. In terms of Smart Manufacturing, the portfolio will 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 across Wales and elsewhere in the UK.

These areas have productivity and GVA potential for growth and are aligned to creating high technology jobs through start-ups and the attraction of inward investment from larger businesses. They are also areas of focus whereby the region has begun to build foundations to advance through R&D, infrastructure, natural resources, skills and complementary investments.

The updated Skills Barometer Research and Report published in January 2023 identifies the anticipated growth areas throughout the region in the next 10 years. The highlighted sectors in the table below are the ones most aligned to the priority sectors identified for focus by the Swansea Bay City Deal. The jobs created above the baseline growth in these priority sectors is 12,000 in the period 2022-32.

Industry	Total jobs 2020	Job growth 2022-32 (Absolute)		Job growth (p.a.)	
		Baseline growth	High growth	High growth 2022-32	Actual change 2015-2020
Agriculture, forestry & fishing	4,250	-700	-425	-1.0%	-1.6%
Mining, quarrying & utilities	4,650	-600	-372	-0.8%	-1.3%
Manufacturing	26,000	0	+1,300	0.5%	0.0%
Construction	14,250	+1,500	+1,710	1.2%	1.1%
Motor trades	5,350	-1,700	+107	0.2%	-3.2%
Wholesale	6,750	+500	+270	0.4%	0.7%
Retail	25,000	-8,000	0	0.0%	-3.2%
Transport & storage	10,750	+3,000	+430	0.4%	2.8%
Accommodation & food services	23,000	+4,000	+2,990	1.3%	1.7%
Information & communication	4,100	+1,500	+1,968	4.8%	3.7%
Financial & insurance	5,950	+300	+357	0.6%	0.5%
Property	3,600	+1,000	+540	1.5%	2.8%
Professional, scientific & technical	10,750	0	+2,688	2.5%	0.0%
Business administration & support services	17,750	+5,500	+5,148	2.9%	3.1%
Public administration & defence	25,000	+7,000	+3,750	1.5%	2.8%
Education	25,500	0	+510	0.2%	0.0%
Health	47,000	+4,000	+4,700	1.0%	0.9%
Arts, entertainment, recreation & other services	10,000	-5,500	+1,100	1.1%	-5.5%
Total	269,000	+12,000	+26,770	1.0%	0.4%

Table 1.4. SWW anticipated job growth by sector (Source: Skills Barometer 2023)

This shows the potential of the SBCD priority sectors for the creation of new employment opportunities over the next 10 years.

The SBCD portfolio will address these and other priorities for the region as part of the wider implementation of the Swansea Bay City Region Economic Regeneration Strategy and the Regional Economic Delivery Plan, along with the combined aim of tackling regional challenges including economic inactivity, poor digital and transport connectivity, decarbonisation, poverty and the development of skills. The SBCD recognises that it will not resolve the economic challenges of the

region alone or in isolation but will act in a collaborative and complementary manner to with partner organisations and initiatives to maximise impact and meet the vision, aims and objectives of the regional economic strategies. To support this broader work, the directors of regeneration/economic development for the four regional local authorities meet regularly to ensure oversight of the strategy and the progression of change in the region. Overall strategic direction will be provided through the Corporate Joint Committee.

1.10. Benefits

The intended beneficiaries are those people who experience better standards of living and wellbeing higher real incomes or improved access to products, services and opportunities through the delivery of the programmes and projects. These beneficiaries include a wide-ranging array of private business owners and companies, regional communities and residents, and public and third sector organisations whose value-added is expected to increase through the development and implementation of SBCD programmes and projects.

The SBCD’s approach is pan-region with the aim of stimulating growth and investment (both public and private sector) by providing a framework for the future development needs of the region. Providing a collaborative approach between partners to enhance the outlook and prospectus of the region, Governments have committed funding to support investment in infrastructure and service designed to support local demands under the four key themes. The main benefits will be realised as the portfolio investment objectives relating the jobs, investment and GVA are achieved.

The main direct benefits that will deliver the greatest proportion of the portfolio value are:

- Greater employment opportunities
- Strengthened talent retention, attraction and entrepreneurialism
- A healthier, greener and more diverse economy through more productive, efficient and profitable companies

Associated with these are the following indirect benefits:

- Better collaborative regional working
- More disposable income and spend within the region
- Improvements to health and social well-being
- Improved supply chains
- Increased property values

Further details on the benefits management and realisation process established for the portfolio can be found within the Management Case.

The table below sets out baseline indicators which can be used to help gauge the impact of the SBCD on the regional ambition and the regional benefits delivered through various growth initiatives throughout the Swansea Bay City Region. These indicators will be regularly assessed and updated during the delivery of the portfolio. It is important to note that the SBCD is only one contributor to these indicators with other actions and external factors influencing these over time. The majority of the benefits will be achieved following construction of the infrastructure associated with the projects programmes within the portfolio and therefore towards the latter end of the City Deal timeframe. There will also there will be an inherent and expected ‘benefits delay’ coming through into regional indicators due to the delivery timescales of the SBCD projects.

Baseline for Strategic Outcomes and Indicators	2017	2018
Growth in Regional prosperity		
GVA growth (GVA £m)	13,085	13,606
South West Wales GVA against UK Index = 100	67.3	68.0
GVA growth across South West Wales (From year prior)	+2.45%	+4.0%
Creation of Better-Quality Jobs		
Employment Levels	313,300	307,200
Employment Growth	+4.30%	-2.00%
Employment/Economic inactivity in South West Wales (age 16-64, excluding students)	20.8%	22.1%
A more Skilled Workforce in the region		
Increase in proportion of the population with qualifications (NQF 4)	34.25%	35.63%
Total apprenticeships (Level 2 – 4) as a proportion of total employment	14,025	13,625
Increase in apprenticeships 16- 24 as a proportion of total employment	5,560	5,245
Improvements in Standards of Living across the Region		
Reduce the proportion of workless households	19.35%	20.78%
Income deprivation (percentage of population)	16.5%	Not Available
Gross disposable household income (£)	+2.4%	+4.4%

Table 1.5. Baseline indicators (Source: Various ONS source data, 2020)

1.11. Risks and Issues

The delivery and operational environment of the City Deal has become more challenging over the last 2 years from the combined effects of the Covid-19 pandemic, Brexit, the war in Ukraine and the resulting energy and cost of living crisis. One of the main impacts for the portfolio has been the significant pressure on the construction industry supply chain resulting in increased costs and longer lead times for the delivery of required services. These factors have been reflected in the identification and mitigation of portfolio risks and issues as the programmes and projects have moved into delivery.

The portfolio has an established Risk Management Strategy and is regularly monitoring and reporting on risk across the portfolio through its governance boards at all levels of the portfolio.

Throughout 2022 it has become evident that there are significant changes across the Construction Industry in relation to cost, material availability and resource availability. Therefore, in Quarter 1 2022 the PoMO introduced a Construction Impact Assessment as part of the Quarterly reporting requirements. The Construction Impact assessment sets out to review, record, report, monitor, escalate and mitigate the potential challenges faced in the delivery of the infrastructure elements of the Portfolio.

The identification and assessment of risks to the successful delivery of the Portfolio are aligned to the UK and Welsh Government Guidance, where risks fall into three main categories:

Business	Business related risks remain with the public sector and can never be transferred
Service	Service-related risks occur in the design, build, funding and operational phases of a portfolio and may be shared between the public and private sectors
External	External systemic risks affect all society and are unpredictable and random in nature

Portfolio risks are closely monitored and mitigated through the established processes and also at a programme and project level. The portfolio has 6 current red risks identified which are shown below.

Business	<ul style="list-style-type: none"> Private sector funding contribution/s not realised in line with business case projections
Service	<ul style="list-style-type: none"> Slippage in delivery of programmes / projects against key milestones Prog/Proj delivering all outputs and outcomes within the business case Increase in cost of construction Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps In year financial slippage
External	<ul style="list-style-type: none"> Pressure on construction industry to meet demand of City Deal and other public sector procurements

The portfolio has also identified 2 red issues that are being monitored and mitigated for.

Business	<ul style="list-style-type: none"> Measuring of GVA at a programme and Project level. Delay in funding agreements being approved and signed
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Further details of the SBCD risk and issue management arrangements and identified risks can be found in section 5.8 of the Management Case.

1.12. Constraints

There are a number of constraints placed on the delivery of the SBCD, notably:

- Total funding package: Portfolio budget based on the fixed funding agreement between the region and Welsh and UK Governments
- Capital Funding: Portfolio budget being largely capital investment
- Term of the City Deal: The timeframe for the delivery of the Portfolio cannot exceed the term of the City Deal set at 15 years
- Resources: Resources available to establish and implement the portfolio and associated programmes and projects
- State Aid: Growth Deal projects must comply with relevant State Aid rules

1.13. Dependencies

The following dependencies need to be in place for the delivery of the SBCD:

- Drawdown of Funding: Continued commitment from Welsh and UK Governments on the agreed City Deal funding drawdown profile which is aligned to SBCD investment profile
- Private Sector Engagement: The City Deal cannot be successfully delivered without the engagement of and collaboration with the private sector
- Public Sector Engagement: The SBCD requires the commitment of all primary stakeholders to deliver the Deal
- Public Sector Delivery: The SBCD requires primary stakeholders to progress the wider economic regeneration plans relating to City Deal funding
- Statutory Consents and Planning Approval: Several the City Deal projects will require statutory consents and planning approval

Even though the portfolio works towards common strategic Investment Objectives and the impact of the portfolio depends on the combined delivery of the programmes and projects, there are no interdependencies at portfolio level. The interdependencies that do exist will be at project/programme level and dealt with accordingly by the project/programme teams.

Regional stakeholder interdependencies may also exist and these will be identified and managed through stakeholder management and the SBCD governance committees to identify risks and opportunities relating to synergistic regional projects outside of the remit of SBCD that may impact the SBCD portfolio.

2. THE ECONOMIC CASE

2.1. Introduction

The Economic Case describes how the options for the potential scope of the Swansea Bay City Deal, set out in the Strategic Case, were developed and appraised. It details the overall social value that the Portfolio will deliver during its timeframe, taking into account economic, social and wider benefits that will accrue.

This updated version of the Portfolio Business Case includes the following changes:

- Removal of Critical Success Factors Appendix and incorporation of key text into Section 2.3 detailing alignment to Green Book requirements as recommended by UK Government
- Updated business case approval and economic appraisal status Table 2.6 to include date of latest economic appraisal
- Inclusion of current jobs created information in Section 2.7

The SBCD will deliver a portfolio of programmes and projects that are most likely to offer best value for money and maximum social and economic value to the SBCR. The SBCD portfolio is estimated to generate a Net Present Social Value (NPSV) of £1,114.27 million from a public sector cost of £462.22 million. These figures are detailed below in the economic appraisal section and are derived from SBCD programmes and projects as of March 2022. These estimates for the portfolio are subject to change as business cases become more mature and develop into full business cases for the entire portfolio.

The region began the process to identify and prioritise projects in 2015/16, moving from a long to a short list of projects via an appraisal process. At this time, the region was not required to strictly follow and respond to the Green Book guidance. Since inception, all projects and the portfolio have become better aligned to ensure that the nine shortlisted projects/programmes meet the SBCD investment objectives set out in the Strategic Case.

A timeline of the development of the Portfolio and the key milestones is shown in Figure 2.1 below:

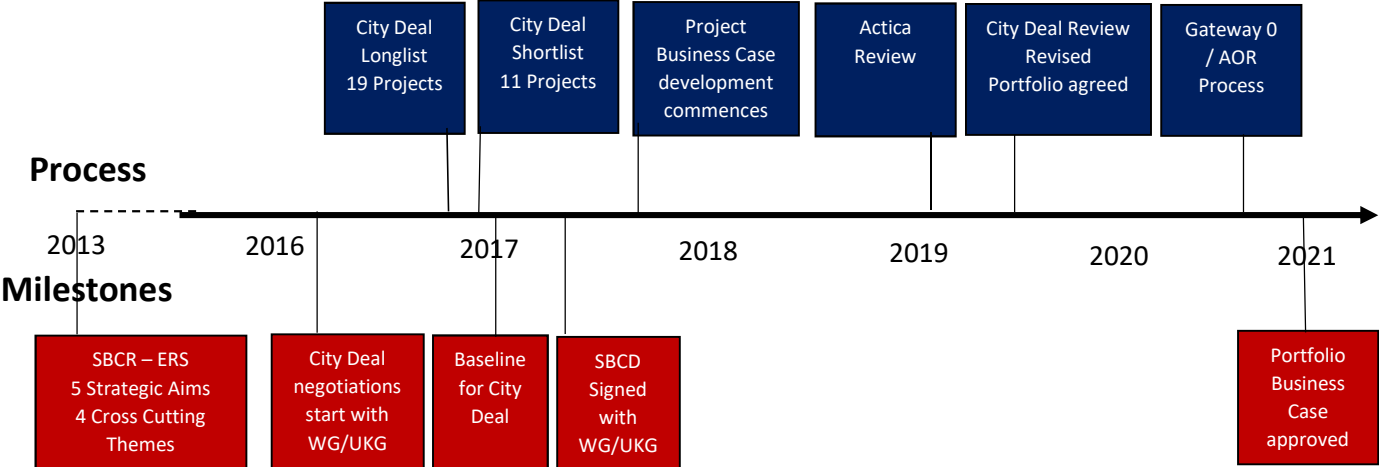


Figure 2.1. SBCD Portfolio Timeline

The nine shortlisted SBCD project/programmes are summarised in Table 2.1. below:

Economic Acceleration	Swansea City & Waterfront Digital District	To boost Swansea city centre's economic well-being at the heart of the City Region's economy, while retaining local tech, digital and entrepreneurial talent. This programme includes: <ul style="list-style-type: none"> • A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events • A 'digital village' development in the city centre to accommodate the city's growing tech and digital business sector • A 'Innovation Matrix' and the wider 'innovation precinct' development at the University of Wales Trinity Saint David's new Swansea waterfront campus to enable start-up company support and growth
	Yr Egin	To support and further develop the region's creative industry sector and Welsh language culture. The two-phased programme in Carmarthen, led by the University of Wales Trinity Saint David, features: <ul style="list-style-type: none"> • National creative sector anchor tenants • World class office space for local and regional creative sector SMEs, with opportunities for expansion • Facilities for the community and business networking • Facilitation of engagement between businesses and students
	Digital Infrastructure	To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The programme is made of up of three themes: <ul style="list-style-type: none"> • Connected places • Rural connectivity • Next generation wireless (5G and IOT networks)
	Skills and Talent	To develop a sustainable pipeline of regional talent to benefit from the high-value jobs City Deal projects/programmes will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.
Life Science & Well-being	SBCD Campuses Project	To develop digital health and platform technologies and clinical innovation to help prevent ill-health, develop better treatments and improve patient care. Advanced research and development facilities will be created, building on the success of the Institute of Life Sciences at Swansea University and expanding on regional expertise in sport and exercise science. This project will be located at Morriston Hospital and Swansea University's Singleton Campus.
	Pentre Awel	Previously named the Life Science & Well-being Village, this development will comprise research, business incubation and development facilities co-located alongside clinical delivery and research. The development will include education, skills and training facilities focussed on health and care in partnership with both further and higher education providers. Zone One will also include a state-of-the-art leisure and aquatics centre. Adjacent zones of the development will see further business expansion space created alongside a wide range of assisted living accommodation and associated test bed opportunities. This project will benefit from and

		further develop regional expertise in life sciences, while providing training and high-value job opportunities for local people.
Energy and Smart Manufacturing	Homes as Power Stations	A co-ordinated project across the City Region, Homes as Power Stations will see energy-saving technologies introduced to thousands of homes as part of a smart, low carbon new-build and retrofit programme. The project will: <ul style="list-style-type: none"> • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents' health and well-being • Reduce burden on regional health and social services • Benefit regional supply chain businesses • Potentially develop a UK-wide industry in the City Region, with global export opportunities
	Pembroke Dock Marine	This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and off-shore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Programme features include: <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ)
	Supporting Innovation and Low Carbon Growth	This programme will help further decarbonise the regional economy, while safeguarding the regional steel industry and providing high-quality space for the innovation, ICT and research and development sectors. The programme includes the following projects: <ul style="list-style-type: none"> • SWITCH - A purpose-built facility and specialist equipment to support the steel and metals industry and supply chain • Electric vehicle infrastructure and mapping • Real-time air quality modelling • Hydrogen production to power hydrogen vehicles • Cutting-edge business spaces to meet evidenced demand including a Technology Centre, Advanced Manufacturing Production Unit and Property Development Fund

Table 2.1. SBCD Project Summaries

The preferred way forward and project selection

2.2. Preferred way forward

To realise the ambitions within the Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030, the four local authorities and other key stakeholders worked collaboratively as the SBCR Board. The Board was initially led by Sir Terry Matthews, supported by the four local authority Leaders and

senior representatives from health boards, universities and the private sector. See Appendix 2.1 for the full Board membership.

During the development of the Swansea Bay City Region Economic Regeneration Strategy, the regional partners agreed to discount the business as usual and ‘do minimum’ options as they would fail to realise the economic ambition for the region. The preferred option was to proceed with establishing a Growth/City Deal programme to deliver a set of prioritised projects that would realise the potential scope set out in the strategic case by creating infrastructure, inward investment and job opportunities.

The SBCR Board agreed on the 10th October 2016 to establish an oversight working group with representation from the four local authorities, two universities and two health boards. The purpose was to review a long list of City Deal projects. Membership of the oversight working group can be found in Appendix 2.1.

2.3. Critical Success Factors (CSFs)

The SBCR oversight working group defined the portfolio CSFs, which have since been aligned to the current Green Book as shown below:

Table 2.2. Critical Success Factors

2.4. Long-listed Options and Preferred Way Forward

The submission of 19 project proposals were received by the SBCR Board at 6pm on Tuesday 11th October 2016. The oversight working group conducted a prioritisation process by reviewing the projects against the CSFs and categorised them as:

- Supported
- Supported for either second phase City Deal or alternative funding sources
- Not supported

	Project title	Lead Organisation	Brief description	Outcome
1	Buildings as Power Stations	Swansea University	A programme of regional low carbon homes development and retrofit with supply chain development. Combine as one project	Supported
2	Innovative Smart Low Carbon Homes	Local Authorities		
3	ARCH Campuses (Phase 1)	City & County of Swansea /Swansea University / Health Boards	The extension of Institute of Life Sciences facilities at the Morrison and Singleton campuses	Supported
4	(CENGs) revenue	City Region Team	Centre of Excellence in Next Generation Services. Combine as one project. CENGs revenue and SBCR CENGs Technology Centre capital	Supported
5	SBCR CENGs Technology Centre	City Region Team		
6	Digital Infrastructure & Test Beds	City Region Team	Digital Infrastructure upgrades & test beds following the themes of Rural, Transport Corridor and Connected City	Supported

7	Swansea City Digital District	City and County of Swansea	Combine as one project. Arena, new offices and public realm development as part of a wider City Centre regeneration programme including the development of a box village and innovation precinct in SA1	Supported
8	Swansea Waterfront	University of Wales Trinity Saint David		
9	Distributed Generation Cluster Hub - Dulais Valley	Neath Port Talbot CBC	Creation of a Dulais Valley Smart Energy Network and a Smart energy network in Milford Haven, Pembrokeshire. Combine as one project	Supported for alternative funding sources
10	Distributed Generation Cluster Hub - Milford Haven	Milford Haven Port Authority		
11	Energy Conversion and Storage Innovation Platform (ECSIP)	Swansea University	Future-proofing new energy generation and storage with carbon reduction	Not supported
12	Factory of the Future	Swansea University	State of the art prototyping facility for Industry 4.0 growth	Supported
13	Innovation System	City and County of Swansea	Creation of The Innovation System that will provide an integrated regional approach to supporting enterprise and innovation, with sector-specific efforts targeting each internet theme	Not supported
14	Pembroke Dock Marine	Milford Haven Port Authority	Expansion of off-shore renewable energy infrastructure and test areas	Supported
15	Skills and Talent	Regional Learning Partnership	Regional skills and talent growth focused facilities	Supported
16	Steel Science Centre for UK Primary Steelmaking	Excalibur Steel UK Ltd	Combine as one project. Establishment of a Steel Science Centre for UK Primary Steelmaking and Strip Steel Production	Supported
17	Sustain	Swansea University		
18	Health & Well Being Village Phase 1	Swansea University/ Health Boards Carmarthenshire CC	New build Community Well-being Hub as catalyst to wider development	Supported
19	Yr Egin	University of Wales Trinity Saint David	New build creative hub with national anchor tenant	Supported

Table 2.3. Long list project options

Below is a summary of the decisions made for the 19 long-listed projects, of which 11 were supported by the oversight working group:

- **Seven projects approved:** Projects subject to no change or revised budgets were 3, 6, 12, 14, 15, 18 and 19.
- **Four projects are the accumulation of 8 projects:** Several of the submitted proposals were deemed more impactful if combined as a result of their scope and synergies. The Board unanimously agreed to combine eight of the projects into the following four projects:

- Projects 1 & 2 as they were similar in concept
 - Projects 4 & 5 were both focused on the Centre of Excellence for Next Generation Services (CENGs), with one being revenue based and the other capital based
 - Projects 7 & 8 formed part of a wider vision for the region with similar outcomes
 - Projects 16 & 17 both focussed on supporting the steel industry
- **Two projects** signposted to a **second phase or alternative funding**: The Board agreed that projects 9 and 10 were worthy projects to take forward, but they did not fully meet the City Deal requirements. It was agreed that they would be supported for either a second phase City Deal or for alternative funding sources.
 - **Two projects not supported**: 11 and 13 were not supported as they were not aligned.

Details on the oversight working group appraisal for the long-list options can be found in Appendix 2.2.

2.5. Short-listed options

The 11 shortlisted projects with project lead authorities are summarised in Table 2.4. below:

Economic Acceleration	Swansea City & Waterfront Digital District	C&C of Swansea/UWTSD
	Yr Egin	Carmarthenshire CC/UWTSD
	Digital infrastructure	Carmarthenshire County Council
	Skills and Talent Initiative	Carmarthenshire County Council
	Centre of Excellence Next Generation Digital Services (since withdrawn)	Neath Port Talbot CBC
Life Science & Well-being	SBCD Campuses Project	C&C of Swansea/ Swansea University/ Health Boards
	Pentre Awel (LS&WB Village)	Carmarthenshire County Council
Energy	Homes as Power Stations	Neath Port Talbot CBC
	Pembroke Dock Marine	Pembrokeshire Council
Smart Manufacturing	Factory of the Future (since withdrawn)	Neath Port Talbot CBC/Swansea University
	Steel Science (merged with Supporting Innovation and Low Carbon Growth)	Neath Port Talbot CBC/Swansea University

Table 2.4. Long list project options

Changes were made to the shortlisted options following the SBCD review in late 2018 and early 2019. The external review undertaken by Actica recommended that the SBCD should be managed as a portfolio, rather than as a set of pre-determined and immutable projects.

As a response to the climate change emergency declared by the Welsh Government in April 2019, a revised programme of projects entitled Supporting Innovation and Low Carbon Growth was approved for inclusion in the City Deal portfolio by Neath Port Talbot County Borough Council's Cabinet in July 2019. This was subsequently approved by the City Deal Joint Committee.

The new project met the original CFSs and subsumed relevant parts of the Centre of Excellence in Next Generation Services (CENGs) and Steel Science projects. Factory of the Future was also no longer supported as one of the prioritised projects. This led to the SBCD portfolio comprising of the nine shortlisted projects as detailed in Table 2.1. above.

2.6. Phased approach and desirability

Commencing in 2017, the SBCD portfolio has a 15-year funding and delivery profile, which was established when the Heads of Terms agreement was signed. The model is a focused period of construction funded by Local Authority borrowing and stakeholder contributions followed by implementation, benefits realisation and repayment by the UK Government and the Welsh Government.

Phase	Term	Delivery
1	Short-term (0-5 years)	Initial investment with focused spend on construction and project development
2	Medium-term (5-10 years)	Implementation, operational, benefits realisation and repayment
3	Long-term (10-15 years)	Operational, benefits realisation and repayment

The SBCD portfolio will be periodically assessed through internal and external reviews to ensure that the portfolio and project desirability is valid and viable. As of March 2022, the desirability categories for each project and its components are deemed core/essential by the SBCD. This is summarised in Table 2.5. below:

Project / Programme name	Years 0 - 5	Years 5 - 10	Years 10 - 15
Swansea City & Waterfront Digital District: <ul style="list-style-type: none"> Arena & Digital Square Digital Village Innovation Matrix / Innovation Precinct 	Core/essential	Core/essential	Core/essential
Yr Egin, Creative Digital Cluster: <ul style="list-style-type: none"> Phase 1 Phase 2 	Core/essential	Core/essential	Core/essential
Digital Infrastructure: <ul style="list-style-type: none"> Connected places Rural connectivity Next generation wireless 	Core/essential	Core/essential	Core/essential
Skills and Talent Initiative	Core/essential	Core/essential	Core/essential
SBCD Campuses Project: <ul style="list-style-type: none"> Singleton Morrison 	Core/essential	Core/essential	Core/essential
Pentre Awel (Life Science & Well-being Village): <ul style="list-style-type: none"> Phase 1 (Business, education skills and training, clinical delivery and research.) 	Core/essential	Core/essential	Core/essential
Homes as Power Stations	Core/essential	Core/essential	Core/essential
Pembroke Dock Marine: <ul style="list-style-type: none"> Pembroke Dock Infrastructure (PDI) Marine Energy Engineering Centre of Excellence (MEECE) Marine Energy Test Area (META) Pembrokeshire Demonstration Zone (PDZ) 	Core/essential	Core/essential	Core/essential
Supporting Innovation and Low Carbon Growth <ul style="list-style-type: none"> Swansea Bay Technology Centre 	Core/essential	Core/essential	Core/essential

<ul style="list-style-type: none"> • SWITCH building • Hydrogen Stimulus project • Air Quality Monitoring project • Low Emission Vehicle Charging Infrastructure • Advanced Manufacturing Production Facility • Property Development Fund 			
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Table 2.5. Portfolio Desirability Categories

£5.3m of City Deal funding remains unallocated within the existing Portfolio. Due process is currently being followed through SBCD governance to allocate the remaining City Deal funds through the development of a project business case.

2.7. Economic appraisal

Each SBCD project business case contains economic appraisals to determine the expected costs and benefits for the chosen options for each project. The current economic appraisal status and summary for each SBCD project/programme is summarised in Table 2.6. and 2.7. below. Appendix 2.3 provides further details on the available economic and financial appraisals for each project.

Project/programme	Business Case Status	Economic appraisal date
Yr Egin	Approved regionally and by WG / UKG	July 2018
Swansea Waterfront	Approved regionally and by WG / UKG	Sept 2019 (Revisited Nov 2022)
Pembroke Dock Marine	Approved regionally and by WG / UKG	Sept 2019
Homes as Power Stations	Approved regionally and by WG / UKG	May 2021
Supporting Innovation and Low Carbon Growth	Approved regionally and by WG / UKG	May 2021
Pentre Awel	Approved regionally and by WG / UKG	April 2020
SBCD Campuses Project	Approved regionally and by WG / UKG	June 2021
Digital Infrastructure	Approved regionally and by WG / UKG	Aug 2020
Skills and Talent	Approved regionally and by WG / UKG	June 2021

Table 2.6. Business Case and Economic Appraisal Status

The development of each project/programme business case will result in the economic appraisal for the SBCD portfolio changing once the appraisals have been updated.

		SBCD Portfolio	Yr Egin	Swansea Waterfront	PDM	HAPS	SI&LCG	Pentre Awel	Campuses	Digital	Skills
A	Net Present Social Value (£m)	1,114.27	150.02	407.51	87.2	16.63	44.7	63.86	18.8	319.2	6.35
B	Public sector cost (£m)	462.22	21.8	138.37	42.7	14.67	127.4	39.11	14.15	38.5	25.52
C	Appropriate BCR	-	3.7	3.95	2.63	2.5	1.6	2.63	2.33	1.5-11	1.4
	Significant unmonetizable costs/benefits		- skills and training opps - new business floorspace - new businesses	- skills and training opps - new business / leisure floorspace - new business start ups	- contribution to decarbon - new floorspace and infrastructure	- homes benefitting from renewable tech - Energy savings - CO2 reduction	- new infrastructure - new enterprises supported - innovation / new patents	- skills and training opps - life science programmes - new business floorspace - R&D	- skills and training opps - life science programmes - new business, R&D, floorspace	- rural community schemes - connectivity improvements - new infrastructure	- increase in higher skills - new apprenticeships - increase in STEM subjects
E	Significant unquantifiable factors		- improved start up opps - improved academic facilities - promotion of Welsh lang	- improved leisure facilities - improved profile - enhanced innovation ecosystem	- innovation in marine/energy - attraction of new investment - people / skills retention	- proof of concept / mainstreaming - reduction in fuel poverty - health and wellbeing - regional supply chain	- future reduction in carbon - job retention in steel industry and related enterprise - centre of excellence	- integrated approach to health care - health and wellbeing	- integrated approach to life science / wellbeing - health and wellbeing	- accelerate 5G - commercial investment - connectivity wellbeing - rural development	- new employment opportunities - people retention - benefits to wider regional initiatives
F	Risk costs by type and residual optimism bias	-	10%	10%	10%	10%	10%	20%	20%	-	20%
G	Switching values (for the preferred option only)	-	86%	-30.5%	-62%	81%	61%	-	-37% benefit reduction	-	-13.33
H	Time horizon and reason	15-year appraisal period for the portfolio. All infrastructure projects will have a residual value at the end of this term.									
I	Preferred option	-	Option 4	Option 2	Option 2	Option 4	Blended	Option E	Option D	Blended	Option 3
J	Date of appraisal	-	July 2018	Nov 2018 Orig. Sept 2019 Rev.	Sept 2019	Aug 2020 Orig. May 2021 Rev.	Jan 2021 Orig. May 2021 Rev.	Nov 2018 Orig. April 2020 Rev.	Sept 2020 Orig. Jun 2021 Rev.	Aug 2020	Jun 2021
K	Appraised by	-	Amion	Amion	Amion	Value People	Value People	Swansea University	Swansea University	Cube	DS Consulting

Table 2.7. Portfolio Summary Appraisal

The initial analysis and assessment for the Gross Value Added (GVA) and jobs created targets were undertaken by a team of specialist economists at Swansea University, who assessed the short-listed projects. Since then, each project/programme has undertaken a more in-depth analysis of these two indicators as part of their economic appraisal of shortlisted options.

The original SBCD heads of terms estimated the creation of £1.8bn GVA and 9,000 skilled jobs. The current estimates show a 32% increase in GVA and 8% increase in jobs created across the SBCD portfolio and are summarised at project and portfolio levels in Table 2.8. below:

Project theme/name	15-year Impact	
	GVA £m	Net Jobs
Economic Acceleration		
Swansea City & Waterfront Digital District	669.8	1,281
Yr Egin	89.5	427
Digital infrastructure	318.8	-
Skills and Talent Initiative	-	-
Life Science & Well-being		
SBCD Campuses Project	150.0	1,120
Pentre Awel (Life Science & Well-being Village)	467.0	1,853
Energy and Smart Manufacturing		
Homes as Power Stations	251	1,804
Pembroke Dock Marine	343.4	1,881
Supporting Innovation and Low Carbon Growth	93	1,320
SBCD Portfolio total	2,382.5	9,686

Table 2.8. SBCD Portfolio Impact Deliverables overarching

It should be noted that the Skills and Talent project, although not contributing directly to regional GVA and jobs, will play a crucial role in the attainment of the impacts detailed for the individual programmes and projects.

In addition to the above strategic benefits, each project has identified further benefits within their business cases, which will be reviewed and revised on a regular basis. Bespoke to each project where construction is a component, additional community benefits will be achieved via the initial procurement process. This will include:

- Construction Jobs
- Supply chain opportunities
- Targeted recruitment and training clauses
- Contributions to education
- Community initiatives

Jobs update:

The total estimated job creation remains at 9,686. To date 524 jobs have been created across the programmes and projects of the SBCD representing 5.41% of the total target. The main job creation will occur following successful completion of the infrastructure projects and are therefore expected to be realised during the latter years of the portfolio timescales.

2.8. Summary

The appraisal contained in the Economic Case has demonstrated the scale of the economic and social value that the delivery of the Portfolio will achieve. The chosen way forward represents a coherent, balanced and achievable portfolio that will meet the Critical Success Factors and will deliver real and lasting benefits to the region. The impacts of the Portfolio will contribute directly to the achievement of the Portfolio Investment Objectives and to the strategic aims of the economic strategy for the City Region, generating new jobs and investment and contributing to increased GVA and productivity within the regional economy. The appraisal information will continue to be updated and refined as programmes and projects are progressed.

3. THE COMMERCIAL CASE

The purpose of the Commercial Case is to provide the overarching principles, objectives and arrangements for the procurement of the programmes and projects within the portfolio. The SBCD will aim to continue to secure social value through the delivery of its constituent programmes and projects, maximising benefits to the region through procurement.

This updated version of the Commercial Case includes the following changes:

- Updated Procurement Principles section to include a demonstration of procurement delivery in accordance with the agreed principles
- Procurement Update section added, detailed key procurements to date and anticipated procurement over the next 12 months
- Updated procurement pipeline Appendix for all programmes and projects
- Updated register of planned procurement activities at a programme and project level to assist the private sector in identifying potential tender opportunities at an early stage
- Inclusion of construction cost assessment in Appendix identifying a potential funding gap of up to £31.2m to date which is currently being mitigated across the portfolio
- Updated information on community benefits being delivered through the portfolio together with the current register of programme and project community benefits

3.1 Procurement strategy and route

SBCD programmes and projects are led by a lead delivery organisation, which may be a local authority, university, health board or private/third sector organisation. These lead delivery organisations are responsible for conducting their own procurement exercises in line with their own organisational policies and procedures.

Public sector led procurement requires the procuring bodies to comply with the following:

- Public Contracts Regulations 2015 and the Public Procurement (Amendment etc) (EU Exit) Regulations 2020
- Welsh Procurement Policy Statement 2021
- The Welsh Government Welsh Procurement Policy Note WPPN 0320 which provides the Welsh public sector contracting authorities an update on public procurement, and on the use of Sell2Wales and the new UK e-notification service Find a Tender after the end of the EU Transition Period.
<https://gov.wales/wppn-0320-post-eu-transition-public-procurement-including-find-tender-service-fts-html>

In 2012, the Welsh Government issued the Wales Procurement Policy Statement which was subsequently reviewed and updated in 2021. The statement sets out the principles by which it expects public sector procurement to be delivered in Wales. Projects will be expected to meet the requirements of this policy statement which seeks to open procurement contracts up to more innovative solutions to ensure that the money that goes into procurement is spent in a way that stimulates development.

The rules aim to minimise bureaucracy for companies bidding and to make it easier for small and medium-sized firms to participate.

EU funded projects

Welsh Government has stated that there will be no change in the existing arrangements for current EU funded projects. For previously approved projects that are receiving funding, all existing EU rules and regulations will continue to apply. The way that projects are managed will not change. This includes:

- submitting and payment of claims
- verification checks
- retention of records

As such, SBCD projects in receipt of EU funding will need to be aware of any conditions within the European Public Contracts Directive 2014/24/EU that relate to procurement.

Any new procurements for WEFO funded programmes after the end of the transition period must continue to be advertised on OJEU/TED. See Welsh Government Welsh Procurement Policy Note WPPN 0320 referenced above for more information.

This iteration of the SBCD Commercial Case maintains the status quo as far as procurement regulation and guidance stands. However, it should be noted that UK Government is currently considering **The Procurement Bill 2022-23** which will reform the way public sector procurement is delivered post EU throughout the UK, except for Scotland. The Bill is not expected to be in force until 2024.

The Welsh Government is currently assessing **The Social Partnership and Public Procurement (Wales) Bill** which is likely to come into effect during 2023/24. This Bill will impose a statutory duty on certain public bodies to consider socially responsible public procurement and to set objectives in relation to well-being goals which those bodies must meet when carrying out procurement, and to publish a procurement strategy.

The Bill will require certain public bodies to carry out contract management duties to ensure that socially responsible outcomes are pursued through supply chains.

The effects of the above will be considered in the next update of the SBCD Business Case.

3.2 City Deal Procurement Principles

Aligned to the Wales Procurement Policy Statement, the SBCD's Joint Committee approved a supplementary set of procurement principles in November 2020 that aim to encourage project/programme teams to consider wider benefits that can be achieved through procurement. These principles link procurement activities with UK and Welsh Government policy and best practice, especially with meeting the objectives of the Well-Being of Future Generations (Wales) Act 2015. The principles also draw on the need for net zero carbon and carbon offset contributions to be considered as part of the procurement exercises. A copy of the procurement principles are attached at Appendix 3.1.

The principles have been drafted in collaboration with industry, as well as legal and procurement specialists, with a view to ensuring that the regional supply chain and local businesses can have the opportunity to achieve the maximum benefit from the City Deal.

Project/programme teams will be required to think innovatively with their procurements, considering all options. This will include considering what best deals can be achieved via the procurement process and whether collaborative purchasing across projects can add value.

High value procurements should be broken down into smaller lots so that regional companies are not excluded from the process. Where this is not possible due to economies of scale or risk, for example,

then Tier 1 contractors should be contractually obliged to undertake the lotting process where existing frameworks allow.

Procurements should be planned well in advance, allowing time for collaborative bidding to take place where appropriate. The Sell2Wales procurement platform provides this facility (see 3.7 – Key contractual arrangements below).

Projects/programmes will be encouraged to work across the portfolio where possible to consider economies of scale where collaborative bidding and purchasing will offer benefit.

Application of Procurement Principles

The following examples demonstrate how the SBCD projects and programmes are meeting the requirements of the procurement principles:

1. **Be Innovative;** Projects are seeking ways of achieving the best outcome from procurement, for example, the award-winning Bay Technology Centre procurement tasked the successful contractor with optimizing the efficiency of the facility, resulting in an innovative approach to construction that ultimately created the first energy positive commercial building in Wales. This approach will be reproduced for the forthcoming elements of SILCG. The Pentre Awel procurement process placed a high level of focus on quality over price, requiring the successful contractor to deliver a higher level of Community benefit and social value from the contract award.
2. **Have an open, fair and legally compliant procurement process;** where appropriate procurements are using existing frameworks and/or Sell2Wales to promote and award contracts. Pentre Awel and SILGC have had advanced engagement with contractors to inform them of forthcoming opportunities and special requirements that will need to be addressed. All significant procurements are being broken down into smaller packages that enable regionally based contractors the opportunity to tender. The SBCD Procurement Pipeline (see 3.3) is publicly available on the SBCD website.
3. **Maximise Community Benefits from each contract;** The achievement of community benefits via procurement is a high priority for SBCD programmes and projects. Swansea Waterfront is overseen by Swansea Council's Beyond Bricks and Mortar team who work with contractors to ensure that the appropriate level of benefit is required, and delivered, via the Council's procurements. This approach ensures that contractors remain on track with agreed targets for Targeted Recruitment and Training, local supply chain inclusion and educational engagement. The Pentre Awel project has created a Community Benefits steering group which assists the contractor with delivery of, and monitors progress against, agreed targets. Meet the buyer events are arranged to inform local supply chain of the tendering opportunities arising from contract awards. These are designed to be as effective as possible using high profile venues and effective promotion via SBCD stakeholders including Business Wales
4. **Use Ethical Employment Practices;** Programmes and Projects are applying project bank accounts where appropriate to ensure fair payment across the supply chains.
5. **Promote the City Deal;** The PoMO ensure that the SBCD is being promoted in procurement releases, any promotional literature issued by projects and their contractors and that SBCD funding is acknowledged on site hoardings. Examples of this include site Hoardings for

In addition to this, the PoMO have produced a report on the assessment of increased construction costs and their effect on portfolio delivery. This report identifies a potential funding gap of up to £31.2m to date, relating to imminent and future construction activity and describes the mitigation actions being employed by the programmes and projects. A copy of the assessment is included at Appendix 3.3.

The PoMO has established a Construction and Community Benefits Sub-group that reports to Programme Board, and which meets quarterly to share lessons learned and best practice in the procurement, construction, social value and related skills areas. The Terms of Reference of the group are attached as Appendix 3.4

3.4 Community Benefits

The use of Community Benefit clauses as a core requirement will bring added value and ensure long-term benefits realisation. Clauses that may be used in community benefit contracts include:

- Supply chain opportunities: Creating opportunities for Small to Medium Enterprises (SMEs) to bid for work through the supply chain. Tier 1 contractors will be contractually obliged to undertake effective 'Meet the Buyer' events as early market engagement
- Targeted recruitment and training clauses: Providing opportunities to specific groups such as the economically inactive or young people who are Not in Education, Employment or Training (NEETs). Work experience placements will be offered to pupils and students in local schools, colleges and universities, along with apprenticeship opportunities for local people during contract periods. Projects/programmes will work in collaboration with the Skills and Talent initiative to ensure maximum benefits are achieved and retained within the region
- Contributions to education: Particularly focused on engaging with schoolchildren, this may involve offering opportunities such as site visits or delivering related information sessions
- Community initiatives: Demonstrating active participation in the community through volunteering days in local communities, sponsoring community initiatives or engaging with local community groups to maintain SBCD communication

Project/programme teams will be required to:

- Provide the PoMO with details of community benefits clauses either included in procurement contracts or agreed with suppliers following appointment
- Provide quarterly updates to the PoMO on the progress made on the delivery of community benefits
- Continual engagement with the PoMO on planned community benefit activity to promote good news stories and identify opportunities for support
- Formally report their community benefit outputs via the Welsh Government Community Benefits Toolkit, or another agreed platform, and provide a copy of this to the SBCD PoMO on an annual basis

The PoMO maintains a Community Benefits Register that tracks Community Benefits requirements against delivery with the current version attached at Appendix 3.5.

Highlight achievements to date include five well attended 'meet the buyer' events, with at least 45 regionally-based and a further 40 plus Wales-based businesses receiving contract awards including micro, SME and large companies. .

At least 77 apprenticeships have been delivered with a wide variety of community and school engagements being undertaken within the localities of development.

Swansea Waterfront for example has achieved the following in delivery of the Arena project:

- 8,197 TR&T weeks
- 6,386 New Trainees, Apprentices and other trainees (weeks)
- 1,811 Existing Apprentices (weeks)

3.5 Service requirements, Outputs and Risk allocation

Portfolio business risk will be managed by the SBCD PoMO within the established governance structure, as detailed in the Management Case. The identification of service requirements, outputs and risk allocation will be managed by the individual project/programme sponsors according to their situation and standing orders. Each project lead authority will have its own internal structure and process for procurement and risk apportionment. The detail on how each sponsor manages its business, service and external risk will be provided in individual project/programme business cases. Projects/programmes will also be required to provide regular updates on procurement activities to the SBCD PoMO. This will include the assessment of risks, progress and deliverables. Project/programme teams will work with the SBCD PoMO to promote major procurement exercises and any 'Meet the Buyer' or local supply chain events.

3.6 Charging mechanisms

Each programme/project will undertake its own assessment of the appropriate charge mechanisms for pre-delivery, design and build phases and whether to apply a fixed price/cost mechanism or to use payment on delivery of agreed outputs/targets. To protect the supply chain and ensure fair and prompt payment, programmes/projects will be required to put in place Project Bank Accounts (PBAs) for all significant procurements. This requirement is in line with Welsh Government policy whereby all procurements with a value of £2m or more and lasting longer than 6 months must consider doing this. Note: Other criteria will also apply - see [Welsh Government guidance](https://gov.wales/wppn-0321-project-bank-accounts-policy-html) at <https://gov.wales/wppn-0321-project-bank-accounts-policy-html> for more details.

3.7 Key contractual arrangements

Each programme/project will undertake its own contract assessment processes aligned to its own organisational requirements. In addition to the standard form of contract chosen, several supplementary requirements will be placed on programme/project teams as outlined in the Portfolio Procurement Principles

Industry has told us that effective communication and early market engagement is critical. Contractors and the wider supply chain need to have advance notification of future tender opportunities. Early notification and supply chain engagement is a key part of this. Where SBCD funding is part of the package, all contracts must be published on the Sell2Wales platform and linked to the City Deal programme/project page at the earliest opportunity.

The SBCD page on Sell2Wales will promote all SBCD procurement opportunities under one banner. This includes those where Procurement Frameworks are to be used and, in doing so, will help to provide consistent and clear communications to the wider supply chain. For opportunities to be promoted well in advance, projects will be required to provide the SBCD PoMO with a procurement plan and timeline at the earliest opportunity.

The use of Community Benefit clauses within SBCD developments as core requirements will ensure the long-term benefits realisation integral to this plan for economic change.

The Welsh Government 'Ethical Employment in Supply Chains' Code of Practice (2017) states that the Government expects all public sector bodies to sign up to the code and the wider public sector supply chain to adopt it. Tier 1 contractors should be made aware of this and encouraged to sign up to the code.

Programmes/projects will be required to work closely with the Skills and Talent initiative to ensure that targeted recruitment and training objectives are met. Each major procurement will be required to produce a plan of engagement with education establishments and delivery of community benefits.

3.8 Personnel implications

Portfolio level - The SBCD has administrative support roles shared between the four partner Local Authorities, with Carmarthenshire County Council as the Accountable body role for the portfolio. A SBCD PoMO has been established with the capacity to manage the governance, assurance and decision-making mechanisms of the portfolio, along with the day-to-day duties required to service the portfolio. This includes senior financial, legal and monitoring personnel and a Senior Responsible Owner (SRO) for the portfolio. See the Management Case for further details.

Programme/Project Level - Sponsors will be required to ensure that key personnel and resources are in place to deliver their programmes/projects accordingly. Programmes/Projects will establish internal lines of communications to include internal stakeholders. These include programme/project managers, procurement teams, community benefits teams, legal and financial assistance, and marketing. Other departments should be included as required.

Matters of concern should be recorded and escalated to the SBCD PoMO at the earliest opportunity. Any significant business issues will be managed by the SBCD PoMO via its governance process. Significant service issues will be addressed by the client organisation supported by the PoMO where appropriate.

3.9 Accountancy treatment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Assets constructed or held as part of a programme/project delivered within the portfolio will be disclosed and held on the Balance Sheet within the lead organisation responsible for the delivery of such programme/project. Assets constructed or held as part of a regional project or programme within the portfolio will be proportioned accordingly or reside within the balance sheet of the Lead Authority in which the asset resides. The Joint Committee will hold no such physical asset as categorised above within its legal remit.

3.10 Updating Business Cases

In line with Better Business Case guidance and standard programme / project management principles, programmes and projects within the SBCD portfolio are required to update their business cases from Outline Business Case to Full Business Case status as and when procurement activities have been completed to ensure compliance with process. An update for the Swansea City and Waterfront Digital District was completed in November 2022 which detailed the procurement process and outcomes for the Arena and 71-72 Kingsway projects. Further business case updates will be undertaken over the coming months.

4. THE FINANCIAL CASE

The purpose of the Financial Case is to demonstrate the affordability and funding of the portfolio, including the support of stakeholders. The Financial Case provides detail on the amount, timing and source of financial investments to ensure the fundability of the programmes and projects. The Case also details the impact upon the balance sheet, income and expenditure and accountancy arrangements of the SBCD.

This updated version of the Portfolio Business Case includes the following changes:

- Updated funding and investment information including breakdown of private and public sector investment and breakdown of funding per theme and project of the SBCD. Investment is now demonstrated at £1.247bn from £1.240bn in previous business case (original heads of terms £1.274bn)
- Updated income, expenditure and cashflow forecasts
- Updated information on grant drawdown and dissemination with £77m City Deal funds received to date and a further estimated £23m expected this financial year. To date £20.7m has been dispersed from the city deal to programmes and projects
- Reprofile of portfolio budget to show a current slippage of £72.5m in the current financial year from the previous version with no effect on total outputs, investment or benefits of the Portfolio
- Information on the financial variances for Pentre Awel and Swansea Waterfront projects
- NNDR update on retention of yield generated

4.1. Swansea Bay City Deal Investment Summary

The SBCD portfolio Heads of Terms signed on 17th March 2017 demonstrated an anticipated investment of £1.3 billion for the Swansea Bay City Region. On the approval of all nine businesses cases this budget has now been revised to establish a portfolio working budget. The budget revision shows a variance of £27m (2%) against the original Heads of terms demonstrated below:

	<u>WG & Central Government Funding</u>	<u>Other Public Funding</u>	<u>Private Funding</u>	<u>Total (£)</u>
Original Heads of Terms (£m)	£241.00	£396.00	£637.40	£1,274.40
Working Budget (as per business Cases) (£m)	£235.70	£382.83	£629.16	£1,247.69
Variance	-£5.30	-£13.17	-£8.24	-£26.71

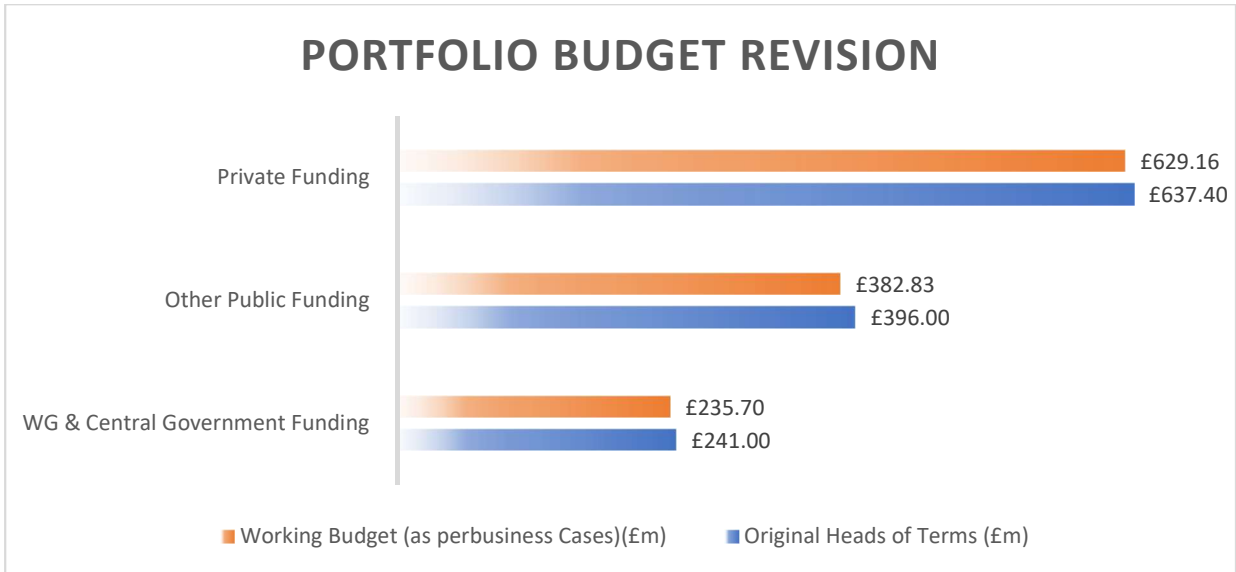


Table 4.1 and Figure 4.1. Funding Apportionment

Investment is categorised under three themes, with each designed to stimulate economic growth, increase GVA and increase the number of high-level skilled jobs in the region. Investment in these areas is summarised in Figure 4.2. below:

Figure 4.2. Funding by Theme

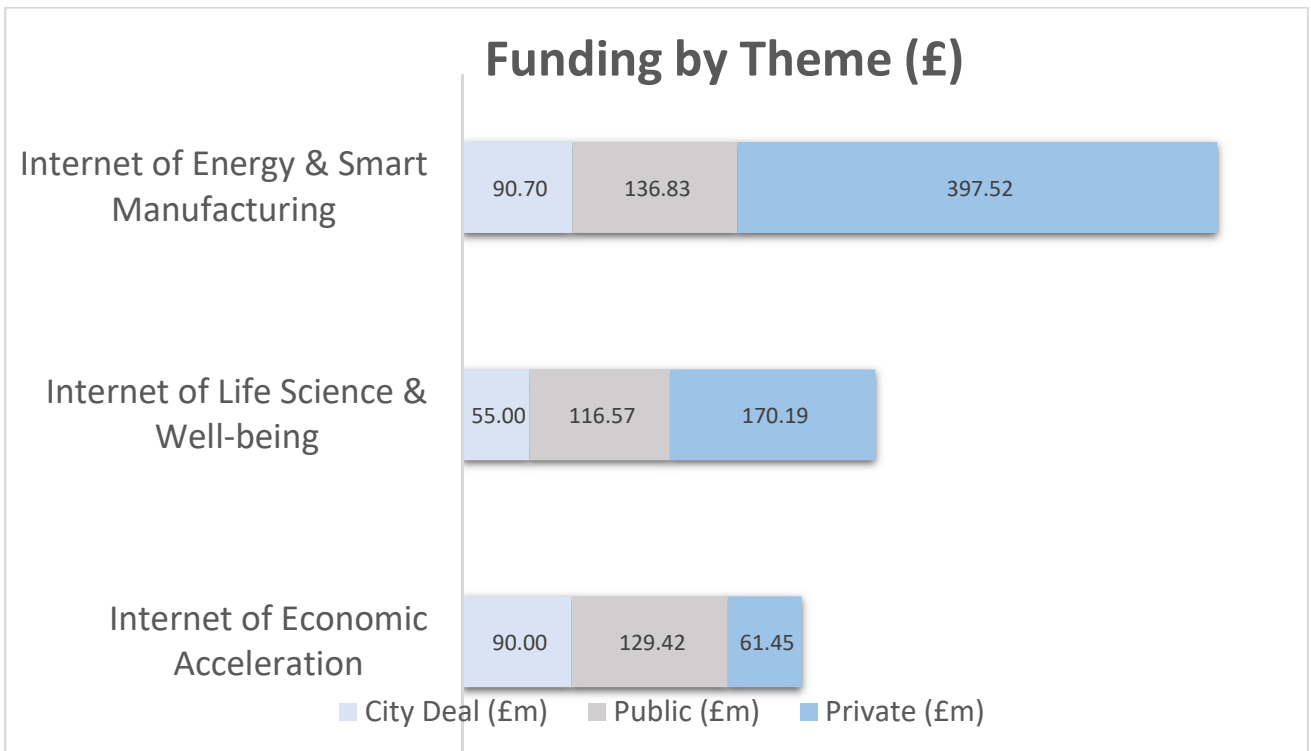


Figure 4.2. Funding by Theme

4.2. Updated Swansea Bay City Deal Investment Summary

The SBCD partnership, through the Internet Coast publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned by 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 nine identified projects/programmes by the Welsh and UK Governments, along with the agreement of necessary governance arrangement and delivery models, make up the SBCD.

The current portfolio investment breakdown presented in Table 4.2. below is based on forecasted investment as of 31st December 2022:

Theme	City Deal (£m)	Public (£m)	Private (£m)	Total (£m)	Revised Budget (Q1) Total (£m)	Variance (£m)
Internet of Economic Acceleration						
Swansea Waterfront	50.00	81.25	39.90	171.15	175.28	-4.13
Yr Egin	5.00	18.67	1.50	25.17	25.17	0.00
Skills & Talent	10.00	16.00	3.55	29.55	30.00	-0.45
Digital Infrastructure	25.00	13.50	16.50	55.00	55.00	-0.00
Total	90.00	129.42	61.45	280.87	285.45	-4.58
Internet of Life Science & Well-being						
Pentre Awel	40.00	57.99	108.19	206.18	200.48	5.69
LS&WB Campuses	15.00	58.58	62.01	135.59	134.95	0.64
Total	55.00	116.57	170.19	341.76	335.43	6.33
Internet of Energy						
Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	0.00
Pembroke Dock Marine	28.00	16.35	16.12	60.47	60.53	-0.06
Total	43.00	130.95	392.02	565.97	566.03	-0.06
Smart Manufacturing						
Supporting Innovation and Low Carbon Growth	47.70	5.88	5.50	59.08	58.70	0.38
Total	47.70	5.88	5.50	59.08	58.70	0.38
Portfolio Total	235.70	382.83	629.16	1,247.69	1,245.61	2.08

Table 4.2. Portfolio Investment Breakdown

These figures are the current financial investment forecast which the SBCD is currently projecting over its 15-year term and is marginally exceeding the approved working budget (£2.08m). Funding elements are subject to change as the portfolio evolves. All business cases have been successfully approved and on implementation of funding agreements, Government funding will be released to projects/programmes up to the value of the agreed project allocation by the Accountable Body.

It is the aim of the SBCD that all projects/programmes will be delivered in a ten-year period in order to maximise the full benefits realisation of the operational schemes during the lifetime of SBCD funding, which is to be released to the SBCR from both the UK and Welsh Governments within a 15-year period.

The overall investment composition comprises of the three following investment components:

- The **City Deal investment** component consists of the government grants awarded by the UK and Welsh Governments, totalling £241m (UKG £115.6m and WG £125.4). Currently only £236m is forecast, with the balance of £5m being further considered for investment. City Deal Grant is awarded to projects over a 15-year term up to a maximum of the allocated value.
- **Public sector** investment consists of investment from local authorities and other public funded and public service organisations. Public sector investment will also consist of match-funded WEFO grant funding. The public sector investment package will differ from project to project as to its composition. The majority of public sector investment will be provided through Local Authority borrowing. Each Local Authority shall be responsible for borrowing to provide funding or otherwise securing funding for projects located in its own area.

Local Authorities may agree that borrowing for a Regional Project should be made by all the Authorities equally or in proportions agreed, or that borrowing should be carried out by one Local Authority on behalf of others if they so agree. Decisions on whether borrowing for any project shall be carried out by one regional Local Authority on behalf of the others – as well as the proportions - shall be determined by the Local Authorities as a matter reserved to them.

Private sector investment includes regional investment from local and national private sector partners. An initial review of private sector contributions was undertaken in September 2022 which review found that most programmes and projects remained reasonably confident that they could achieve the level of private sector contribution outlined in their individual business cases. The process is again being undertaken in Quarter 4 of 2022/23 and will be reported through SBCD governance boards and stakeholders.

4.3. Swansea Bay City Deal Income and Expenditure Summary

The UK Government and Welsh Government capital grant contribution to the SBCD is awarded over a 15-year period. It is currently forecasted at £235.7m. £5.3m of City Deal funding remains unallocated within the existing Portfolio. Due process is currently being followed through SBCD governance to allocate the remaining City Deal funds through the development of a project business case.

The portfolio will disperse funding to the regional Project Lead Authorities to support the projects on which the grant funding was awarded. Funding will only be released from the portfolio on the successful approval of business cases by both the UK and Welsh Governments, up to a maximum of the agreed grant allocation.

An inherent temporary funding gap is recognised, with the funding being released to the portfolio over a 15-year period. Each Project Lead Authority is responsible for managing the cashflows in respect of the projects in which they hold responsibly for delivery. They are also therefore subsequently accountable for managing inherent risks and the funding gaps recognised. Each Local Authority shall be responsible for borrowing to provide funding or securing funding for projects in its own area.

The portfolio expenditure profile is presented in Table 4.3 below:

Portfolio Annual Investment Forecast

Investment Component	Cumulative Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	(20th Mar 2017 to 31st Mar 2022)	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	(£m)	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Capital/Revenue Investment							
Capital Investment	102.88	76.66	195.43	195.80	199.86	236.96	177.11
Revenue Investment	7.48	5.56	16.82	15.89	12.00	1.82	0.52
Total	110.36	82.22	212.25	211.69	211.86	238.78	177.64
Funding							
City Deal Investment	34.29	50.86	35.17	26.02	23.77	24.93	23.15
Public Sector Investment	71.74	40.97	77.30	51.96	57.42	66.97	16.47
Private Sector Investment	3.60	13.58	41.24	114.69	136.94	168.48	147.74
Total	109.63	105.41	153.71	192.67	218.13	260.37	187.35

Investment Component	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	Year 11	Year 12	Year 13	Year 14	Year 15	
	2028-29	2029-30	2030-31	2031-32	2032-33	(£m)
Capital/Revenue Investment						
Capital Investment	-	-	-	-	-	1,184.70
Revenue Investment	0.54	0.55	0.56	0.57	0.68	62.99
Total	0.54	0.55	0.56	0.57	0.68	1,247.69
Funding						
City Deal Investment	4.13	3.35	3.35	3.35	3.35	235.70
Public Sector Investment	-	-	-	-	-	382.83
Private Sector Investment	0.54	0.55	0.56	0.57	0.68	629.16
Total	4.66	3.90	3.91	3.92	4.03	1,247.69

Table 4.3. Portfolio Annual Investment Forecast

Public and Private Investment Breakdown

A breakdown of public and private sector investment is shown in Table 4.4 below.

Description	Public	Private
Formally Committed	£ 308.90	£ 19.67
Final Approval	£ -	£ -
Advanced Engagement	£ -	£ 116.26
Early Engagement	£ 73.93	£ 493.23
Total	£ 382.83	£ 629.16

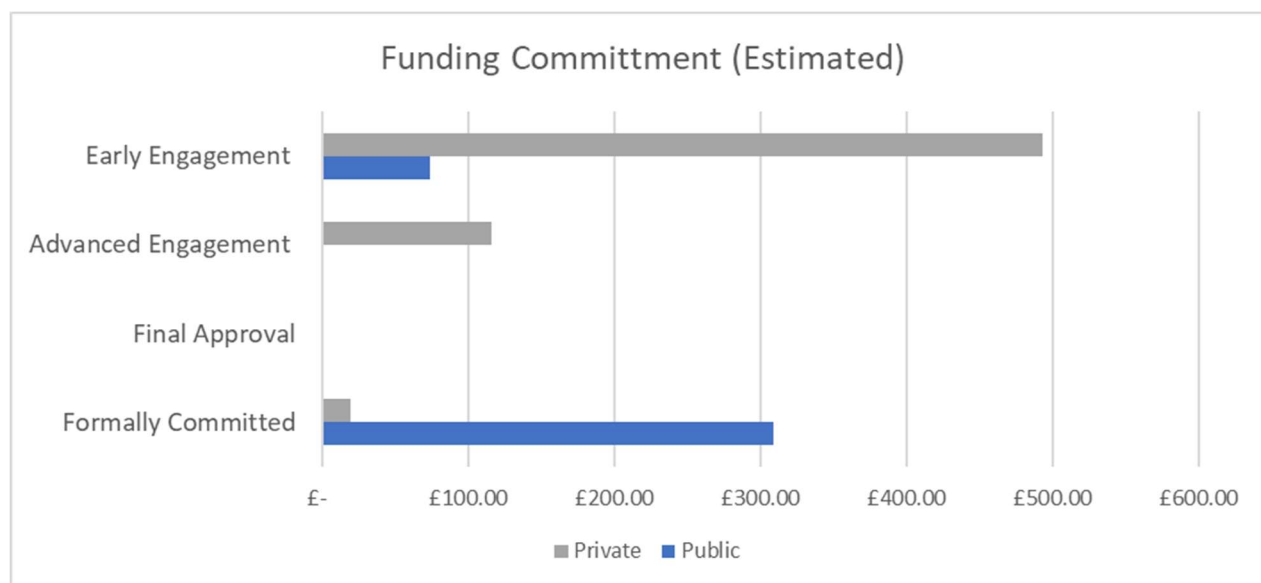


Table 4.4. Public and Private Investment Breakdown

The public and private investment breakdown demonstrate the current level of commitment within the SBCD portfolio.

The funding status has been dissected in to four distinct categories outlining the status at which the commitment is engaged. These categories are demonstrated below:

Formally Committed – this represents the investment proportion confirmed to support the portfolio.

Final Approval - this represents the investment proportion engaged at a conclusive level, prior to formally committing.

Advanced Engagement - this represents the investment proportion engaged at an outline level, with details in a progressive stage of discussion.

Early Engagement - this represents the investment proportion that are currently at a stage of initial discussions.

Portfolio Cashflow (Estimated)

Grant Payment Profile to City Deal Projects	Cumulative Actuals (20th Mar 2017 to 31st Mar 2022)	Current Year				
		Forecast	Forecast	Forecast	Forecast	Forecast
		Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27
Programme/Project	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Total Grant Expenditure	34.29	50.86	35.17	26.02	23.77	24.93
Grant Receipt Profile (anticipated)	77.09	23.09	23.09	23.09	23.09	23.09
Net Cumulative Total - Surplus	42.80	15.02	2.94	0.01	- 0.67	- 2.52

Grant Payment Profile to City Deal Projects	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	
Programme/Project	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	
Total Grant Expenditure	23.15	4.13	3.35	3.35	3.35	3.35	235.70
Grant Receipt Profile (anticipated)	23.09	5.41	5.00	5.00	5.00	5.00	241.00
Net Cumulative Total - Surplus	- 2.58	- 1.29	0.35	2.00	3.65	5.30	5.30

Table 4.5 Portfolio Cashflow

Both UK and Welsh Governments have agreed to frontload the City Deal Grant award to support the Lead Authorities with managing the funding requirements of the portfolio programmes and projects.

This has increased the grant award to £18m in the first three years, further increasing the award to an estimated £23.09m to year ten, with the balance over the remaining years. This significantly eases the borrowing requirement on the portfolio and as such the financial pressures attached to associated borrowing costs. The frontloading equates to an estimated £38m with an estimated saving of between £2m-£4m in interest costs. However, the revised investment profiles now anticipate a cumulative negative cashflow between years 8 to 11, however further project slippage could negate this.

The SBCD has received £77m to date with a further estimated £23m expected this financial year.

To date £20.7m has been dispersed from the city deal.

The current profiles will be revised shortly and continue to be subject to change annually.

Investment Reprofile

During quarter 3 2022, the portfolio re-profiled the approved investment budget to more accurately align to project delivery. The revised budget has indicated that there is forecast slippage in the current financial year against the previous budget profile of £72.5m. It is anticipated that the underspend figure will increase at the financial year end position. A further re-profiling exercise will be undertaken early in the 2023-24 financial year to accurately reflect delivery and expenditure going forward. The current delay in profiled expenditure has not affected the outputs, total investment or benefits of the Portfolio. The reprofiled budget is shown below in Table 4.6.

Revised Profile (£)	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Programme/Project	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29		
Baseline Budget (Q3 2021-22)	22,342,905	40,616,015	43,871,490	50,704,715	154,789,126	174,196,500	188,551,963	206,973,349	210,710,479	163,432,000	-	1,256,188,541	
Revised Budget (Q3 2022-23)	36,712,657	16,737,366	41,830,571	15,081,141	82,216,452	212,245,661	211,691,075	211,857,124	238,784,541	177,635,848	2,895,114	1,247,687,550	
Variance	14,369,752	-23,878,649	-2,040,918	-35,623,573	-72,572,674	38,049,161	23,139,112	4,883,775	28,074,062	14,203,848	2,895,114	-8,500,991	

Revised Profile (%)	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Programme/Project	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	
Percentage of Delivery	0.55%	3.28%	6.96%	13.95%	17.25%	18.53%	13.46%	16.77%	4.81%	4.22%	0.24%	100.00%
Anticipated Delivery	0.59%	1.35%	3.38%	2.30%	6.64%	17.15%	17.11%	17.12%	19.30%	15.00%	0.04%	100.00%
Variance	0.04%	-1.92%	-3.58%	-11.65%	-10.60%	-1.37%	3.65%	0.35%	14.49%	10.78%	-0.19%	0.00%

	Years 2-6	Years 7-10	Balance
Average slippage %	-5.82%	5.85%	0.03%
Average Years	1.33		

Table 4.6 Portfolio Budget Re-profile Q3 2022-23

4.4. City Deal Flow of Funding

The release of funds from the Accountable Body will follow one of two funding routes. This is determined on a project-by-project basis, depending on whether funding is being released to a regional project or a Local Authority project. The flow of funding is shown in Figures 4.4. and 4.5. below:

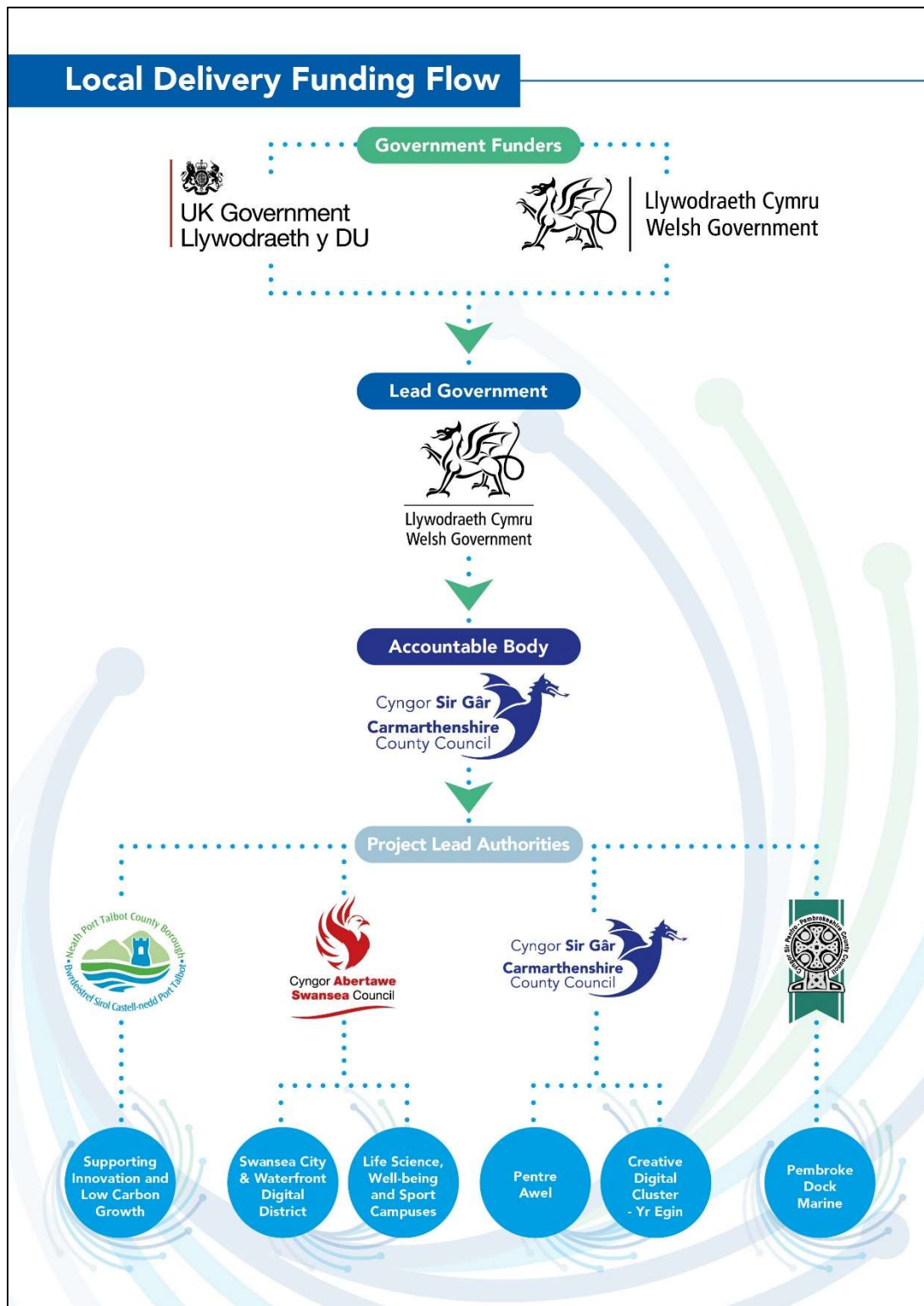


Figure 4.6. Funding Flow for Local Delivery Projects

Regional Delivery Funding Flow

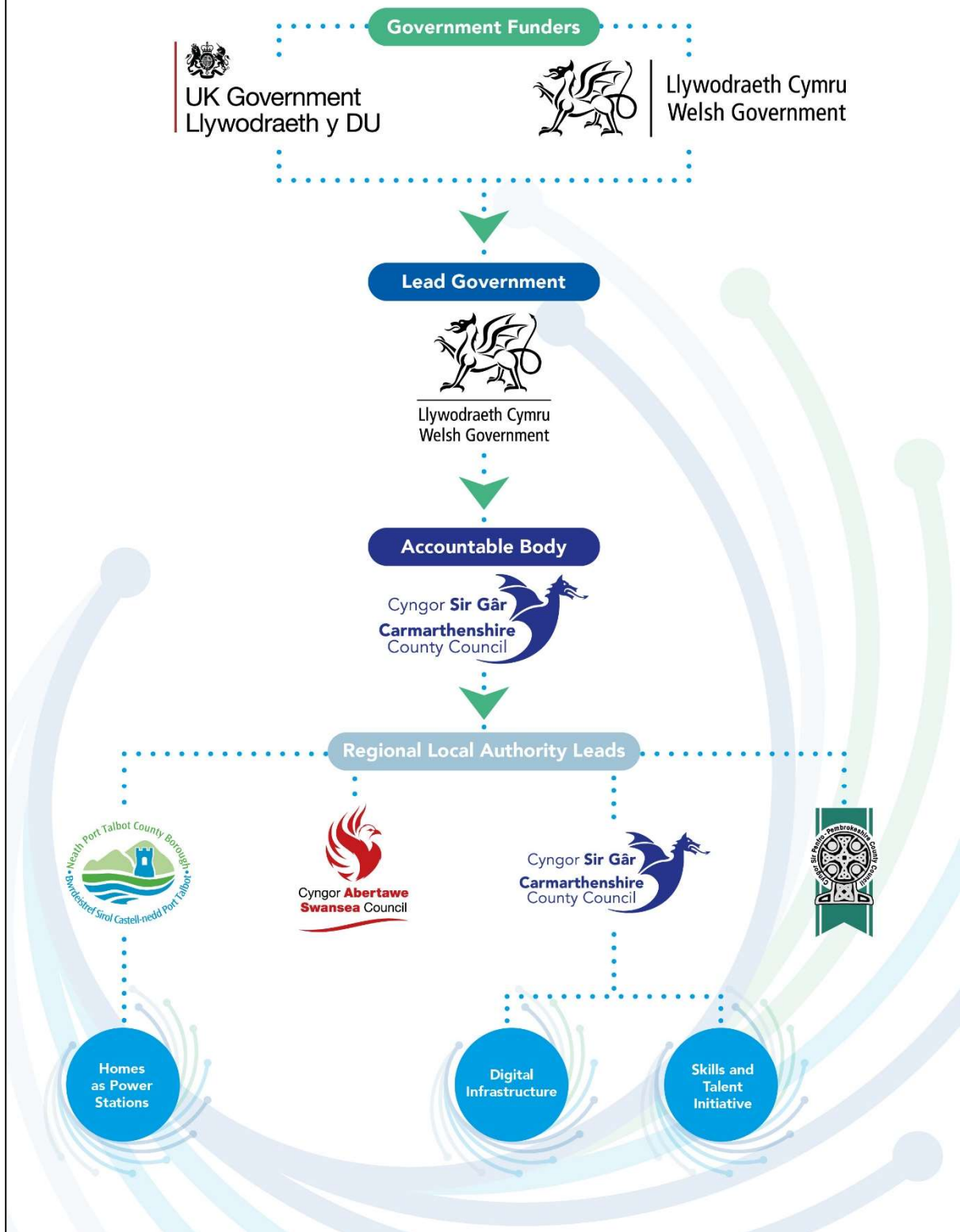


Figure 4.7. Funding Flow for Regional Projects

4.5. Portfolio Financial Overview

The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the SBCD. It is the role of Programme (Portfolio) Board to ensure that all schemes are developed in accordance with the agreed package, while analysing the financial viability, deliverability and risk of each City Deal project proposal to inform reports to the Economic Strategy Board and Joint Committee.

Private sector investment is fundamental to the overall success of the City Deal. There is a requirement for each City Deal project/programme to have in place from the outset a credible and robust financial profile. Letters confirming both private and public sector funding contributions are to be in place for the project prior to SBCD funding being approved where possible, confirming the amount and timing as set out in the project's approved financial profile. Existing projects where necessary will obtain and detail funding commitments when approved. The Project Authority Lead and Project Delivery Lead are to put in place effective financial and project monitoring processes, which will involve quarterly returns from Project Lead Authorities detailing funding and spend updates, with associated commentary on fluctuation. Financial risks are detailed at project/programme level and managed through the Portfolio Risk Register. Funding agreements will be signed at the outset between Project Authority Leads and Project Delivery Leads, setting out funding conditions.

For all projects, in addition to the five-case model assessment process, the Accountable Body will undertake an assessment of the Project's Financial Profile to check that the private and public sector contribution(s) are in line with that set out in the initial project business case from the Project Lead. All variances and changes, including the implications of these, will be reported to the Programme (Portfolio) Board, Economic Strategy Board and Joint Committee for consideration and decision on a course of action as deemed necessary before City Deal funding is approved for the project.

As set out in the Joint Committee Agreement, making decisions on borrowing and on securing other sources of funding other than Government funding for projects is a matter reserved for the Local Authorities associated with the SBCR. Each Local Authority (LA) shall be responsible for borrowing or providing other funding for projects located in its area. If a project is located in the areas of more than one Local Authority, each of the Local Authorities may agree that borrowing or providing other funding should be shared between all of the LAs equally, or in agreed proportions by all of the LAs in whose areas the project is located.

The Programme (Portfolio) Board will ensure that all schemes are developed in accordance with the agreed package and will prepare recommendations to Joint Committee on all schemes.

Regional Projects

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.

The exact level of borrowing and the structure and terms of the borrowing are yet to be confirmed at this point in time, 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. When further details of the investments required for each project are known, a full business case appraisal for each individual project will be completed and submitted to the relevant LA for

approval before submission to the Joint Committee. These full business cases will include the detailed funding proposals and requirements of the Local Authority.

Project Budget Revisions

Pentre Awel Project

Following the tender and procurement process for Pentre Awel, the project budget has been revised to take account of higher than anticipated construction costs for the Zone 1 element. A number of mitigations have been actioned by the project team to reduce costs and ensure the project is fully funded including:

- Value engineering exercise undertaken
- Changes to materiality and some omissions undertaken
- Reduction of building area by 750 sqm
- Local authority to invest further capital into the project
- Increased use of digital and remote delivery for education and training, health and research/innovation

The budget for the project is now £206.18m, an increase of £5.69m. Additional funding has been secured through the local authority lead to ensure the affordability of the project.

Swansea Waterfront

A Full Business Case has now been developed for the Swansea Council led elements of the Swansea City and Waterfront Digital District project. The Financial Case demonstrated a budget of £171.15m, representing a £4.13m reduction in the total project budget as a result of lower than anticipated project costs for the Digital Square and Arena and Digital Village elements.

4.6. Joint Committee Financial Overview,

The financial structure of the portfolio has been split into two distinct delivery areas:

- **Joint Committee** - The Joint Committee has ultimate responsibility and accountability for decisions taken and delivery of the Portfolio. As such, the need for revenue funding to support the Joint Committee and administration functions has been recognised. This was acknowledged by all partners, which led to agreement for an amalgamation of funding consisting of partner contributions (£50k per partner) and applying a 'top slice' to Government grants of 1.5%. The above has subsequently resulted in an annual operating budget of £1.123 million per annum over a five-year period. The 'Top Slice' agreement results in a small funding gap for projects which will be supported through Project Delivery Lead Organisations and partner commitments.
- **Portfolio Investment Fund** - The Portfolio Investment Fund is overseen and upheld by the Accountable Body, which administers the receipt and distribution of SBCD grants on behalf of the Portfolio. The Accountable Body is accountable to the Joint Committee and manages the investment pool in line with Carmarthenshire County Council's Treasury Strategy Policy.

The SBCD provides grants on a project-by-project basis to responsible Lead Authorities. An annual grant award is received from the Welsh Government on behalf of both Governments and is then distributed on actuals in arrears, whilst ensuring clear financial governance is pursued. The agreement with both the UK Government and the Welsh Government totals £1.3 billion, with the grant totalling £241 million relating to the Portfolio Investment Fund (UK

Government £115.6m and Welsh Government £125.4m). Any portfolio balances are invested to ensure effective optimisation of resources until approval is confirmed to initiate the release of funds to the Portfolio. Joint Committee has formally agreed it will afford Lead Authorities to borrow from any such balances that reside in the portfolio. This is done at a set rate on a 12-month term, as cash flow determines.

To support the two financial delivery areas, the following has been approved by the Joint Committee:

- **Government Grant 'Top Slice'** - Annually, up to 1.5% of the Portfolio Investment Fund, specifically the government grants awarded, will be earmarked to support the Joint Committee and central administration functions required to support the delivery of the Portfolio. This is referred to as 'Top Slice' of Government Grants.
- **Retention of National Non-Domestic Rates** - The Welsh Government has agreed in principle (as per below) that 50% of the additional net yield generated through SBCD developments can be retained by the region to support revenue costs associated with the portfolio. This has been acknowledged by the Lead Authorities within the Joint Committee Agreement (JCA - 29th April 2018). On April 11th 2018, the Welsh Government stated that it intends to initiate arrangements to allow the region to retain 50% of the additional net yield in Non-Domestic rates generated by the nine projects/programmes which are to be delivered by the SBCD. There continues to be ongoing dialogue with WG to establish the detail required and formalise a mechanism in respect of how the amount to be retained is to be administered.
- **Interest on Investments** - It is recognised that throughout the lifecycle of the City Deal portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred. Cash balances held by the Joint Committee will be invested through Carmarthenshire County Council as the Accountable Body. Income generated from cash investments will be ring-fenced and redistributed direct to projects based on the allocation outlined within the original Heads of Terms.
- **Borrowing** - The Joint Committee is responsible for overseeing the proportion of each Council's responsibility for borrowing to provide funding for regional Programmes. The capital borrowing (in respect of the Government funded element) for the City Deal Programmes will be re-paid by identified Government funds (UK & Welsh Government) over the 15-year period.

4.7. Monitoring and Evaluation

The total City Deal portfolio expenditure covering all projects/programmes has been reprofiled to an anticipated £1.247 billion funding package. The City Deal portfolio finances will be monitored through the Programme (Portfolio) Board and Joint Committee, with the Economic Strategy Board also making recommendations on possible additional funding opportunities or alternative portfolio expenditure. Regular reports will also be presented by the Accountable Body to the regional Local Authority Directors of Finance and Regional Section 151 Officers' working group.

The monitoring process will allow for the control of project cost variations and visibility of variations at a portfolio level. The financial monitoring template has been developed and will be reported quarterly to Welsh Government.

The monitoring requirements of the Portfolio will require the project authority lead to submit a claim for project funding to the Accountable Body at a frequency to be determined by the Accountable Body. The claim shall include a progress report on the project. The progress report shall include an assessment of risks associated with the project and details of progress against the agreed outputs. After the parties have agreed in accordance with clause 6.7 of the funding agreement that the project

has achieved practical completion, the project authority lead shall not be required to submit claims for project funding. Thereafter, the project authority lead shall complete annual monitoring returns in a form to be specified by the Accountable Body prior to the Accountable Body releasing any project funding to which the project authority lead is entitled. The annual monitoring forms will include an obligation to report on the progress in achieving the agreed outputs. The Accountable Body reserves the right to impose additional monitoring requirements at a frequency and for such period as it considers reasonable in all the circumstances.

In addition to the above monitoring requirement the Accountable Body will require quarterly financial updates on project spend to support the cashflow management of the portfolio. These will detail the actual spend to the period, with forecast outturn over the 15-year duration of the portfolio.

Project lead authorities are also obligated to support the Accountable Body with any progress update reporting as required by the Welsh and UK Governments.

4.8. Accounting Treatment of Portfolio Transactions

Accounting for Income and Expenditure

All income and expenditure in relation to projects outlined within the heads of terms are accounted for within the financial statements of the lead organisation responsible for the delivery of a programme/project or the host project lead Authority in respect of regional projects.

Only income and expenditure incurred directly by the Joint Committee's activities and the disbursement of City Deal grants is accounted for through the portfolio and the financial management systems of the Accountable Body (Carmarthenshire County Council).

The Joint Committee is required to prepare financial statements in accordance with proper accounting practices. Carmarthenshire County Council as the Accountable Body is required to prepare the Swansea Bay City Deal annual statement of accounts by the Accounts and Audit (Wales) Regulations. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and the Service Reporting Code of Practice 2019/20, supported by International Financial Reporting Standards (IFRS).

Revenue Requirement

It has been recognised by the Joint Committee and by both Governments that an element of revenue funding is required to support the central services employed to deliver the City Deal Portfolio. Revenue income to support the portfolio has been agreed as an amalgamation of partner contributions (£50k per partner) and a 'Top Slice' of Government grants (1.5%), with any in-year surpluses transferred to a ring-fenced reserve and managed by Carmarthenshire County Council as the Accountable Body.

The Welsh Government has acknowledged that revenue funding will be required to support the delivery of projects/programmes within the City Deal portfolio. The revenue requirements by projects/programmes of the City Deal are to be managed locally by the Project Lead Authorities. The Welsh Government recognises that the four Local Authorities will need to manage their capital funding to enable revenue expenditure to be supported. To achieve this through the use of the Local Authorities' capital receipts, Local Authorities will reference to the latest direction from Welsh Government Ministers on the use of capital receipts. This was issued under section 15(1) (a) of the Local Government Act 2003, along with accompanying guidance. Specific revenue funding will be detailed within project business cases and funded through partner investment.

Balance Sheet Accounting

Current assets held by the Joint Committee will be accounted for accordingly under the relevant International Accounting Standard, in line with The Code of Practice on Local Authority Accounting in the UK. Currently only such assets classified as current assets are held by the Joint Committee. These consist of cash/cash equivalents and debtor balances. See section 3.7 in the Commercial Case for more information.

Financial Instruments

Financial instruments held by the Joint Committee consist of only cash and cash equivalents. It is recognised that throughout the lifecycle of the City Deal Portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest is calculated on an average rate and is ring-fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury Policy. Within the Treasury strategy, investments are only employed with counterparties whose risk appetite is very low.

Carmarthenshire County Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2017. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

The revised Code identifies three key principles:

1. The Council should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
2. The Council's policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their Council. The Council's appetite for risk should form part of its annual strategy and should ensure that priority is given to security and liquidity when investing funds.
3. The Council should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible Councils to employ in support of their business and service objectives; and that within the context of effective risk management, the Council's treasury management policies and practices should reflect this.

The Council's Director of Corporate Services maintains a counterparty list in compliance with the criteria listed below and revises the criteria and submits them to Council for approval as necessary. This criteria is separate to that which approves Specified and Non-Specified investments as it selects which counterparties the Council will approve rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to

the lowest available rating for any institution. For instance, if an institution is rated by all three agencies and two meet the Council's criteria, and the other does not, the institution will fall outside the lending criteria.

Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. To meet this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, the criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

Furthermore, to support projects with cashflow pressures, the Joint Committee agreed to afford lending of any cash surpluses held within the Portfolio (JC - 29 Oct 2019) to Lead Authorities. This lending will attribute a charge of 0.25% above the Bank of England base rate and will be offered on a 12-month term as portfolio cashflows determine. This portfolio lending option is advantageous to Local Authorities as it allows for reduced borrowing at no detriment to the portfolio or its partners.

All cash and cash equivalents are demonstrated within the Joint Committee Statement of Accounts. These are representative of their fair value, which equates to their carrying value, in accordance with the requirements of IFRS 9 Financial Instruments.

Value Added Tax

Value Added Tax (VAT) is included where appropriate within the forecasts and estimates demonstrated. For projects delivered by local authorities, VAT is excluded from forecasts and estimates under the application of Section 33 of the VAT Act 1994. This Act refunds to (mainly) local government bodies the VAT attributable to their non-business activities and exempt business activities, providing it is considered an insignificant proportion of the total tax they have incurred. Projects or components of projects that are delivered by parties, other than that of local authorities, are subjected to VAT in the manner as regulated by the industry or sector in which they operate, except where regulatory standards dictate a specific treatment or application. Project business cases will identify and detail the application of VAT and include within forecasts and estimates as appropriate.

4.9. Financial Risk Management and Assurance

Financial Risks

The portfolio financial risks are monitored and managed as part of the City Deal's overall risk management arrangements. The City Deal projects maintain, manage and monitor their own risks in line with guidance from the Green Book and the City Region's Accountable Body and SBCD Portfolio Management Office. The Joint Committees operates a portfolio risk register and issues log, specifically including any financial risks identified. These risks will be monitored and updated with mitigating

control actions through the Section 151 Officers' group as a standing item and then regularly presented to the Programme (Portfolio) Board and Joint Committee.

Financial Issues, Dependencies and Interdependencies

The Accountable Body will work through the Section 151 Officer Working Group to determine any actions necessary to address identified issues and will present recommendations for required action to the Programme (Portfolio) Board, Economic Strategy Board and Joint Committee for approval. Regular updates on financial issues, dependencies and interdependencies will also be provided to the Programme (Portfolio) Board and Joint Committee via the PoMO/SRO as appropriate.

Assurance - Internal Audit

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors, from which the Joint Committee gains assurance. Internal Audit is required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS) established in 2013, which are the agreed professional standards for Internal Audit in Local Government.

As required by these Standards, the Head of Internal Audit (Pembrokeshire County Council) prepares an annual report for consideration by the Joint Committee. The format of the Annual Report complies with the requirements of the Code of Practice. The Strategic and Annual Audit Plans are approved annually by Joint Committee and regular reports are presented to the Joint Committee throughout the year on progress and any significant weaknesses identified. In addition, the Internal Audit Unit undertakes fraud investigation and pro-active fraud detection work.

Assurance - External Regulators

The Wales Audit Office as External Auditor to the Joint Committee reviews and comments on the financial aspects of Corporate Governance which include the legality of financial transactions, financial standing, systems of Internal Financial Control and standards of financial conduct and fraud and corruption.

Anti-Fraud and Anti-Corruption Strategy

In line with internal audit requirement, an Anti-fraud and anti-corruption strategy was developed and implemented. This detailed the expectation on officers, members and stakeholders in regard to conduct and reporting. The strategy outlines the Joint Committees zero tolerance approach to fraud and corruption, and the preventative measures taken to safeguard SBCD assets. In the event of fraud or corruption being identified, clear reporting lines and responsibilities are outlined, with the Joint Committees responsibility should appropriate support be required in the event of an investigation.

5. MANAGEMENT CASE

The purpose of the Management Case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the portfolio and that delivery is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change management, benefits realisation and risk management.

This updated version of the Portfolio Business Case includes the following changes:

- Adoption and roll-out of Celoxis P3M software in the monitoring and reporting of portfolio, programme and project activity
- Updated monitoring and evaluation information including updated M&E plan, dashboard presentation and current information for risks, issues, benefits and financial monitoring
- Approved independent assurance arrangements for the Portfolio defined in the draft SBCD Assurance Framework
- Arrangements and guidance for the development and approval of Full Business Cases
- Current Business Case status and project stage summary across programmes and projects
- Updated Portfolio delivery roadmap for all programmes and projects

5.1 Introduction

The SBCD management case provides the SBCD Joint Committee and other key stakeholders with confidence that the capability and capacity to govern and deliver the portfolio at pace is in place, and that they and other governance and delivery structures receive information in a timely and transparent manner to help them make informed decisions and monitor progress. This has been achieved by establishing and operating capacity and capability to implement and manage robust governance and approvals through people, structures, strategies and processes based around Portfolio, Programme and Project Management (P3M) practices and principles. Having these arrangements in place to consider how the SBCD manages business cases, organisation, quality, plans, risk, change and progress will overcome challenges by reducing complexity or increasing portfolio success, and in doing so will require regular revisits to the strategic, economic, commercial and financial cases, and analysis of the SBCD.

The SBCD is a portfolio, strategically owned by the Joint Committee and operationally managed by the Programme (Portfolio) Board. This approach will provide oversight and flexibility in the methodologies that the diverse set of programmes and projects will utilise to manage their development and delivery. More specifically, the portfolio will oversee the SBCD delivery where all nine programmes/projects will provide monitoring and evaluation updates aligned to the planned timescales, budgets, resources and deliverables set out in their business cases and the Portfolio monitoring and evaluation plan.

The SBCD governance and assurance arrangements have further advanced in 2022 with the addition and implementation of Celoxis P3M management software, Dashboard reporting and an agreement in principle that GVA should still be reported on an annual basis. This is to be delivered through the utilisation of published GVA information, notably from ONS and can be supported by economic evaluations as a Project measurement tool. This is reflected in the satisfaction of the external and regional audit review recommendations on the SBCD and successful draw down of further City Deal funds from the Welsh Government and UK Government.

All governance committees continue to be fully operational. The PoMO have received several requests from regional partners and scrutiny committees for information relating to SBCD activities and

progress. Robust governance and approvals of the SBCD are through its people, structures, strategies and processes as detailed in the following Management Case.

The SBCD portfolio underwent a third Gateway 0 external review during July 2022. The review returned an Amber/Green Delivery Confidence Assessment with four recommendations having been received and acted upon. An Action Plan demonstrating progress made with the recommendations is attached in Appendix 5.1. Progress made on the Action Plan is reported with the quarterly monitoring report for the portfolio through SBCD governance arrangements. All recommendations have now been actioned.

The SBCD portfolio is fully in delivery with all programmes and projects approved regionally and by Welsh and UK Governments. The table below shows a high-level view of the status of the Portfolio and its 35 constituent projects.

	No. Project/programme components	%	Value (£)
Initiated	35	100	£1.239bn
Planned	35	100	£1.239bn
Planned (pre-del.)	16	45.5	£0.831bn
Delivery (build/dev)	16	45.5	£0.295bn
Completion > Operation & Monitoring	3	9	£0.113bn

Table 5.1. Summary of Project Status and associated investment

The portfolio will continue to be periodically reviewed by the PoMO and external stage gate reviews to assess and improve its governance, assurance and communications arrangements where possible. This will ensure that the ambition of the portfolio and its associated programmes / projects are aligned in delivery and realised. These arrangements will also ensure that progress and deliverables are communicated effectively through transparency, while demonstrating value for money to the region and people of Wales. To this end a further Gateway 0 review will take place in the summer of 2023.

Governance Arrangements

5.2 Governance and Delivery Structures

The SBCD established a legal governance document - the Joint Committee Agreement (JCA) - in May 2018, which was updated in December 2019. Leading to the establishment of the SBCD Joint Committee, this document outlines the principles, rights and obligations of City Deal arrangements. Under the terms of the JCA, the four regional local authorities and co-opted delivery partners have pledged to work in partnership to discharge their obligations to one another, and to the Welsh Government and the UK Government, to promote and facilitate programmes / projects funded under the SBCD. The management processes and procedures outlined in the JCA include financial cash flow, programme / project approval, risk management and progress updates.

There are a number of outstanding JCA amendments, following a review in the summer of 2021, in order to ensure the accuracy and currency of the document. These changes were anticipated to be presented to the SBCD governance committees for approval in Q1 of 2022-23 but have been delayed as a result of the establishment of the regional Corporate Joint Committee.

The SBCD governance and delivery structure, as outlined below in Figure 5.1., is operational with established Terms of Reference, membership/post holders, and plans and processes in place to govern and deliver the SBCD portfolio.



Figure 5.1 SBCD Governance Structure

Table 5.1. below summarises the key elements of the SBCD governance and delivery structure which includes committees, boards and key roles

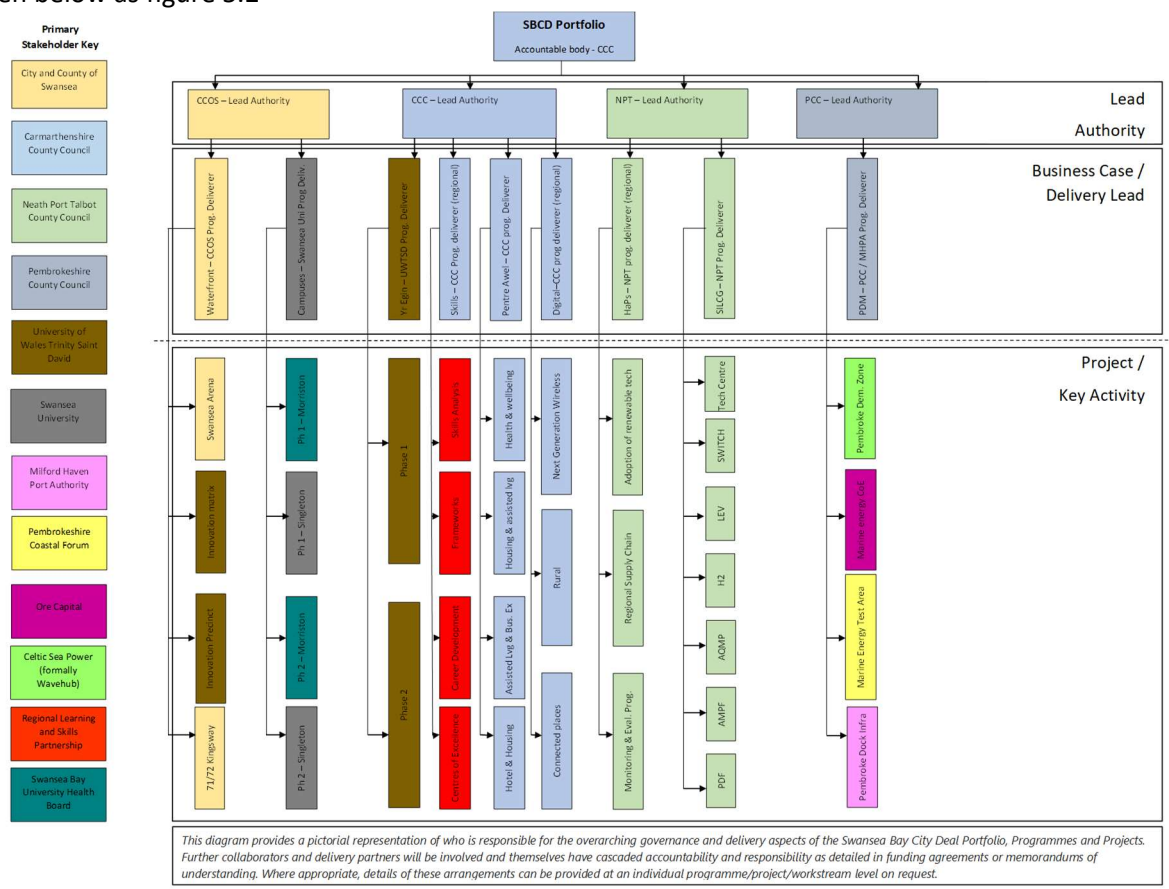
Governance entity	Purpose	Owner/ Lead	Meets	Reports to
Joint Committee	Executive board with overall responsibility for scrutiny and business case approvals. It holds the Programme (Portfolio) Board and PoMO to account. Comprises of the four Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.	CIr Rob Stewart	Bi-monthly	WG/UKG
Programme (Portfolio) Board	Oversees the operations of the SBCD. Responsible for reviewing business case developments and portfolio progress. Consists of the head of paid service of each of the eight primary partners for the SBCD, and is chaired by the SBCD Senior Responsible Owner.	Wendy Walters	Monthly	Joint Committee
Senior Responsible Owner	Appointed by the Joint Committee, the SRO is also the chairperson of the Programme (Portfolio) Board to champion the SBCD and drive its successful implementation by overseeing portfolio delivery and ensuring that appropriate governance arrangements are in place. The SRO holds the Portfolio Director to account.	Wendy Walters	-	Joint Committee

Portfolio Director	Responsible for delivering the Portfolio Business Case and Project Development Roadmap.	Jonathan Burnes	-	Joint Committee and SRO
Programme / Project managers	Experienced individuals who manage the development of the programme / project Business Cases and implement the Assurance and Approval plan and project plan. Also works with the Portfolio Director and PoMO to apply the Portfolio Development Roadmap. Depending on the size and complexity of the programme / project the Programme / Project Manager will run the Programme / Project Team and manage external advisers.	PM for each City Deal project	Monthly	Project / Programme Boards / SRO and SBCD Portfolio Director
Portfolio Management Office	Responsible for the day-to-day management of matters relating to the Joint Committee and the SBCD.	SRO Wendy Walters	Weekly team meetings	Joint Committee /SRO
Economic Strategy Board	Private sector advisory body which acts as the voice of business. Provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region. The Chair is accountable to the Joint Committee.	Chris Foxall	Quarterly	Joint Committee
Joint Scrutiny Committee	Provides advice, challenge and support to the Joint Committee for the SBCD Portfolio and associated cross-cutting regional projects/programmes. The full terms and reference for the Joint Scrutiny Committee are set out in the Joint Committee Agreement.	Cllr Rob James	Bi-monthly	Joint Committee
Accountable Body	Carmarthenshire County Council is the Accountable Body responsible for discharging City Deal obligations for the four Local Authorities including financial and staffing matters, for example. The Accountable body is the primary interface for the City Deal with the Welsh Government and the UK Government.	CEO Wendy Walters Leader Cllr Emlyn Dole	-	Joint Committee

Table 5.2. SBCD Governance and Delivery Structure Overview

The individual Programmes and Project Managers also report to their designated Boards and through their organisational governance processes, using the Programme (Portfolio) Board as the mechanism for formally reporting to the Portfolio.

The composition and complexity of the SBCD has remained the same through 2022-23 and can be seen below as figure 5.2



5.3 Portfolio Management Office (PoMO) and Senior Responsible Owner (SRO)

The SBCD PoMO structure (illustrated below in Figure 5.3) is led by the Portfolio Director, who reports to the Portfolio SRO. The SRO role is fulfilled by the Chair of the Programme (Portfolio) Board. See table 5.1.

The PoMO functions are based on P3M (Portfolio, Programme and Project) development and delivery, which includes aspects of assurance, risk and issue management, benefits and value, communications and stakeholder engagement, information management, finance, resource management, reporting and administration.

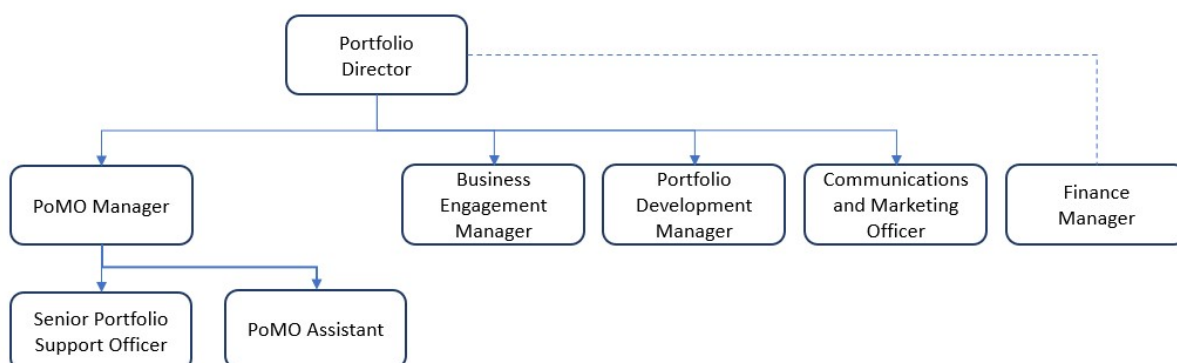


Figure 5.3 Portfolio Management Office (PoMO) Structure

In addition to these roles, all SBCD Programme / Project Leads report into the SBCD PoMO and will be consulted and required to help shape and engage the governance and assurance arrangements and reporting for the portfolio.

Local Authorities provide support services for the operation of the SBCD governance arrangements, as detailed in Table 5.3 below:

Support Service	Purpose	Provider
Financial	Financial leadership and advice from the SBCD host Authority	Section 151 Officer, Carmarthenshire County Council
Legal and Democratic	Legal service support for the JCA and support for the Joint Committee	Monitoring Officer and Head of Democratic Services, City and County of Swansea Council
Internal Audit	Periodic internal audit on the SBCD operations	Pembrokeshire County Council
Joint Scrutiny	Regional test and challenge from Elected Members of the four Local Authorities	Neath Port Talbot County Borough Council

Table 5.3 SBCD Support Services

As the programmes and projects move into the delivery phases of their respective schemes and workflows, many have formalised their governance arrangements and implemented local or regional programme and project boards as part of their governance, reporting and decision-making arrangements. The PoMO has representation on these boards, providing support and guidance from a Portfolio perspective, but also providing the capacity to seek clarity and escalate on behalf of the respective board in a more proactive manner.

5.4 Use of specialist advisors

The PoMO will utilise the services of specialist advisors where appropriate for the development of the Portfolio Business Case and to assist in the delivery of the Portfolio. Table 5.3. below summarises the use of specialist advisors to date that have helped inform and shape the SBCD Portfolio Business Case:

Focus area	Purpose	Timeframe	Provider
Management and reporting	P3M management software	On-going	Celoxis was awarded a contract in September 2022 to provide 12 months + 36 months initial access for their P3M management software which is being rolled out to the Programme Leads through Q1 2023
Assurance	Draft Assurance Framework and Integrated Assurance and Approval Plan (IAAP)	On-going	Facilitated by the Welsh Government Integrated Assurance Hub
Assurance	Gateway 0 review	July 2022	External review team provided through the WG Integrated Assurance Hub
Business case	Better Business Case awareness training	2017	Joe Flanagan and Joseph Lowe, Consultants
Business case	Portfolio business case workshops	July 2020	Joe Flanagan, Consultant
Business case	Business Case Reviewer Masterclass	May 2021	HM Treasury
Economic Analysis	Swansea Bay City Region Economic Context which fed into the Strategic case, case for change	2013 2016	SQW for Regional Economic Strategy 2013-30
Economic Analysis	To determine the investment objective indicators for the SBCD portfolio (GVA, Jobs created and inward investment)	2015	Swansea University, School of Management, Gareth Davies

Table 5.4 SBCD Specialist Advisers

In addition, the SBCR Economic Strategy Board (ESB) is made up of business sector representatives from sectors including energy, finance, life sciences, manufacturing, housing and economic acceleration. While also applying private sector rigour to the assessment of City Deal programme / project business cases, the ESB makes recommendations to the Joint Committee for consideration. New members were appointed as specialist advisers in 2020 to broaden the representation of further sectors including skills and micro businesses. All ESB member appointments used an open recruitment process and all members are unpaid for their SBCD contributions.

5.5 P3M Methods & Tooling

The SBCD portfolio utilises several methodologies to deliver the nine programmes and projects. The SBCD will apply project, programme and portfolio management (P3M) methods, procedures, techniques and competence to achieve its objectives. This will ensure the co-ordinated delivery of required objectives to stakeholders in a planned and controlled manner, while governing and managing the processes that deliver the objectives effectively and efficiently. This has been established through the introduction and continued development of consistent systems, procedures and processes, whilst optimising the co-ordination and allocation of limited resources.

The two primary methodologies adopted across the SBCD are Managing Successful Programmes (MSP) and PRINCE2 (Projects in Controlled Environments). The latter is a project management standard widely used for infrastructure projects, such as many of those within the SBCD portfolio. The Programme/Project Management teams will be responsible for the day-to-day running of their programmes/projects and will be competent in seven aspects of delivery:

- Scope management
- Schedule management
- Finance management
- Risk management
- Stakeholder management
- Resource management
- Change management

There are many similarities between managing projects and programmes. With programmes being made up of multiple projects and/or phases, the latter is used to accommodate different degrees of complexity of scope and can differ in terms of co-ordination, managing interdependencies, transformational change, and benefits management.

The PoMO is working to further support P3M methodology and best practice by implementing programme and project management software to provide a standardised approach to day-to-day management for the portfolio office, along with the wider portfolio team including the respective programme and project teams.

The SBCD PoMO team has previously undertaken a skills audit of its team in order to help inform the selection of potential software. Accompanying this there has been regular discussions with other Welsh City and Growth Deals around what technologies and software they utilise which will be followed by an initial assessment and trial of several suitable packages.

5.6 Monitoring and Evaluation arrangements for performance and benefits

The SBCD Monitoring and Evaluation (M&E) Plan, as detailed in Appendix 5.2, has been established to provide structure and sets out the expectations for the SBCD programme / project teams when undertaking and reporting programme / project monitoring and evaluation. The plan is targeted at Programme / Project SROs, the PoMO and SBCD Programme / Project delivery teams. The Programme / Project SRO is responsible for ensuring that the programme / project team makes appropriate arrangements to collate, monitor and communicate project milestones, deliverables and benefits realisation, meeting the requirements outlined within the SBCD M&E Plan. The M&E Plan aligns to the revised HM Treasury Green and Magenta books and the UK Government's Project Delivery Guidance.

The M&E plan applies at portfolio and programme / project level where a two-way cascade of outputs and outcomes is required to understand performance and impact of the SBCD portfolio. The tools and templates used to monitor and evaluate activity are summarised in the table below, along with their frequency:

Document	Frequency
1. Highlight report	Monthly
2. Monitoring report	Quarterly
3. Annual report	Annually
4. Benefits realisation plan	Continually updated, reported quarterly as part of the monitoring report and reported annually through a dedicated benefits realisation report.
5. Milestone evaluations (mid-term and final evaluations) these evaluations will also incorporate economic impact assessments where appropriate	Years 6, 11 and at the end of the portfolio

Table 5.5 M&E Tools and Templates

The M&E Plan framework summarised in the diagram below was approved by the SBCD Joint Committee in July 2020 and has been updated for this version of the business case.

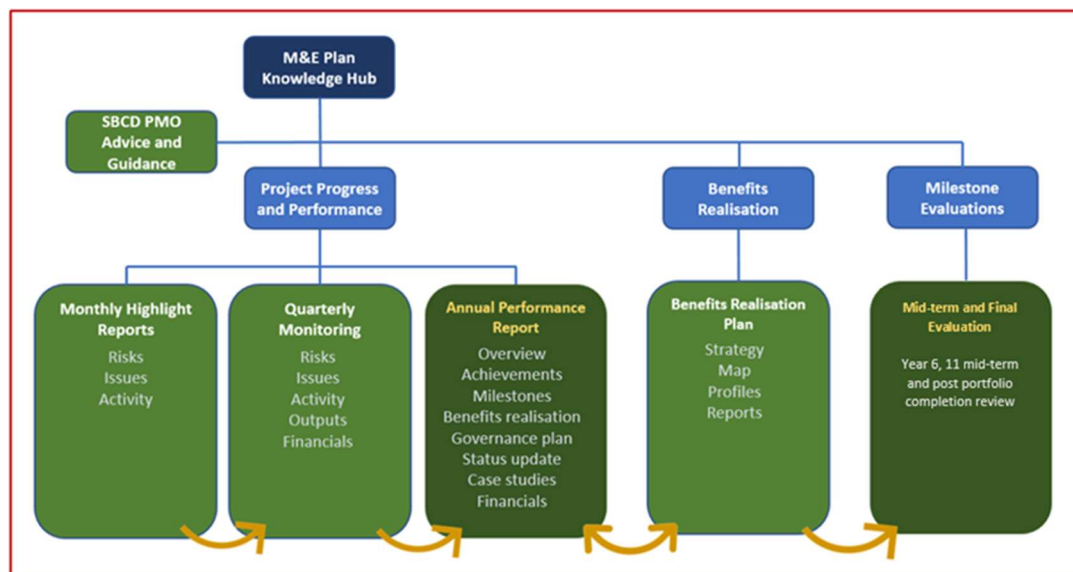


Figure 5.4 M&E Plan Framework

The M&E Plan considers two primary components. Firstly, Progress and Performance, which is a periodic assessment of programme / project delivery, implementation and performance activities; and secondly, Programme Benefits Realisation/Evaluation, which is the evaluation of their results in terms of relevance, effectiveness, and impact. The M&E Plan provides the SBCD governance structures, namely the Joint Committee, Programme (Portfolio) Board, Economic Strategy Board and Joint Scrutiny Committee, with information on the progress and impact made towards achieving the portfolio’s milestones, outputs and outcomes. This information will be shared with the Welsh and UK Governments through periodic updates, reports and reviews, while also being made available to the public on an annual basis. The quarterly monitoring (Appendix 5.3) includes portfolio communications, RAG rating and summary status, key achievements, key planned activities, key risks and issues, output

deliverables, IAAP, construction impact assessment, benefits realisation summary and financial monitoring.

The benefits management will assess and review the outcomes that result in change that were achieved as part of the activities undertaken by the SBCD. The milestones to review benefits will be agreed at programme / project level to ensure that benefits are realistically and meaningfully measured, but as a minimum an annual update will be reported. These will be aligned to the IAAP and external stage gate review process. Further work has taken place throughout 2022/23 to further develop the plan and associated strategy, map, profile, and reports.

Programmes and projects and their delivery partners will also be required to use the Welsh Government Community Benefits Toolkit to capture the full range of Community Benefits outcomes achieved through procurement and will form part of the annual performance review and reported on a quarterly basis for projects / programmes in delivery.

5.7 Assurance process and approvals

Working closely with the Welsh Government’s Integrated Assurance Hub, the SBCD PoMO has established a Portfolio Integrated Assurance and Approval Plan (IAAP), as detailed to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk. All SBCD Programmes / Projects have also established an IAAP, which are live documents and are regularly updated and shared with the appropriate governance structures at programme / project and portfolio levels. Portfolio and programme / project level IAAPs will be updated monthly by programme / project teams and reported through the SBCD governance on a quarterly basis. The portfolio IAAP and a summary schedule of the assurance reviews for the projects and programmes is contained in Appendix 5.4a and 5.4b.

Approvals

All SBCD Outline Business Cases have gone through the established process outlined below for the development and approval of the nine SBCD programmes and projects. ...

	Process	Owner
1.	PM submits Business Case to PoMO	PM
2.	SBCD PoMO reviews business case	SBCD PoMO
3.	SBCD PoMO feedback session	SBCD PoMO/PM/SRO
4.	Business case amendments incorporated	PM
5.	Business case and associated documents shared with ESB members	SBCD PoMO
6.	ESB test and challenge meeting	ESB, SBCD PoMO, PM, SRO
7.	Business case amended with ESB feedback	PM
8.	Business case shared with Programme (Portfolio) Board	SBCD PoMO
9.	Lead organisation(s) Executive Board approval	PM/SRO
10.	Programme (Portfolio) Board presentation to decide whether to take forward to Joint Committee	SBCD PoMO/PM/SRO
11.	Programme / Project presented for Joint Committee regional approval	SBCD PoMO/JC/PM/SRO
12.	External stage gate review (Risk Potential Assessment, 3-day review and recommendation report)	SBCD PoMO/WG/PM/SRO

13.	Business case and recommendation report sent to WG/UKG for approval	SBCD PoMO/WG
14.	WG/UKG review and approval process	WG/UKG

Table 5.6 Business Case Approvals Process

The process is largely sequential, however timings of the assessment points were flexible in the process depending on circumstances, but this was agreed with the PoMO and the respective approvers.

With all OBCs approved and the Portfolio now in full delivery, it is essential that business cases are regularly updated with current information. Full Business Cases (FBCs) will be developed where appropriate to include updated information on procurement as each of the project elements reach this stage. Other areas of the business case will also be updated to ensure that the project remains aligned to policy, meets existing needs and is value for money, affordable and deliverable. The SBCD has guidance for project teams and an agreed process in place for the development of business cases (Appendix 5.5). FBCs will be approved by the lead deliverer/authority and reported through the City Deal regional governance and shared with Governments for information only unless there is a change request that needs regional and / or Governments' approval.

Assurance

The SBCD Portfolio has been subject to several assurance reviews throughout its development and undertakes regular and planned audit and assurance reviews. The recommendations from the WG Accounting Officers review 2020, Gateway 0 reviews in 2020 and 2021, the Actica Consulting external review 2019 and Pembrokeshire Council internal governance review 2019 were successfully completed.

Over the last 12 months, an internal audit undertaken by Pembrokeshire Council in 2022 reported a Substantial (Green) assurance finding with 4 recommendations, which have now been completed and. The Gateway 0 Review in July 2022 reported an Amber / Green Delivery Confidence Assessment with 4 recommendations which have all been completed.

As detailed in the IAAP and in line with Green Book and Better Business Case guidance, the SBCD Portfolio and programmes / projects are subject to OGC (Office of Government Commerce) Gateway Reviews. The SBCD uses the relevant Gateway Assurance product that is appropriate and proportionate to assure successful progression and overall delivery, while supporting the Portfolio and Programme / Project SROs in the successful discharge of their duties.

Stage Gate reviews are instigated and led by the Portfolio or Programme / Project SRO and progressed through the Risk Potential Assessment (RPA) process. All Welsh Government sponsored Programmes and Projects are mandated by Welsh Government Permanent Secretary to complete an RPA form for review/appraisal by the Office of Project Delivery.

All Gateway Assurance reviews are completed on behalf of the SRO. The SRO is the main recipient of a Gateway Assurance report, although the PoMO should agree and include a distribution list for the Gateway report for wider circulation if using in conjunction with an approval process. Detail on the headline portfolio, programme and project reviews are contained in Table 5.6 below.

There is a recognition that appropriate, workable and proportionate assurance needs to be established and undertaken for the projects and workstreams contained within the nine headline programmes and projects. The PoMO, with the agreement of Programme (Portfolio) Board and working in partnership with the Welsh Government Assurance Hub, have developed a SBCD Assurance

Framework which will ensure assurance coverage throughout the Portfolio. The framework provides clarity for programme and project SROs and their teams, Welsh and UK governments and partner organisations on the assurance arrangements that will apply to the SBCD Portfolio. It also provides a framework that meets the requirements and expectations of both governments for the external assurance of the portfolio.

This Framework describes the assurance arrangements for each level of the SBCD Portfolio together with details on the management and operation of assurance reviews. The arrangements for across all levels of the portfolio is summarised in the table below:

Level	Assurance Arrangements
Level 1- Portfolio (1)	Gateway 0 – annual review
Level 2 – Headline Programmes and Projects (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3 – Projects and Workstreams (35)	Gateway 1-5 / PARs for high risk / value projects to be undertaken at agreed decision points based on an assessment of the Risk Potential Assessment (RPA) form for the headline programme / project

Table 5.7 Proposed Assurance Arrangements

The implementation of the assurance arrangements will be overseen by a joint SBCD / WG / UKG Panel. The Assurance Framework and terms of reference of the Assurance Panel is attached at Appendix 5.6.

5.8 Risk and issue management arrangements

Risk is defined as the uncertainty of outcome, whether positive **opportunity** or negative **threat**, of actions and events. The risk must be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does actually happen. Risks that have occurred, or will do so imminently, are no longer risks, but are known as **issues**. They are no longer risks because the uncertainty about whether they will occur has been removed.

A SBCD Portfolio Risk Management Strategy was developed in, 2020 and is aligned to HMT Green Book supplementary guidance: The Orange Book. The strategy (see Appendix 5.7) defines the risk appetite and tolerance of the SBCD, as well as principles of the strategy, along with a documented process for identifying, assessing, addressing and measuring risk and issues. The risk management strategy is led from the top of the SBCD and is embedded in standard practices and processes of the SBCD governance arrangements.

The purpose of the Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed throughout the SBCD Portfolio. This will:

- Inform stakeholders how risks will be identified, assessed, addressed and managed
- Provide a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance, thereby increasing the likelihood of successful delivery of the SBCD aligned to the regional ambitions

- Detail the key roles and responsibilities of groups and individuals associated with the SBCD with respect to programme management
- Signpost to additional resource, support and training
- Provide standard definitions and language to underpin the risk management process
- Implement an approach that follows best practice

The PoMO risk management approach is based on P3M (Portfolio, Programme and Project) and HM Treasury Orange Book best practices.

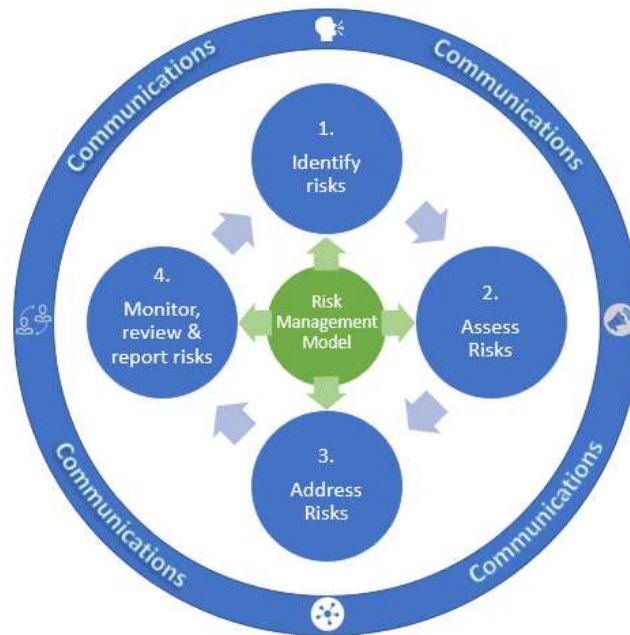


Figure 5.5 SBCD Risk Management Approach

The SBCD currently has a portfolio risk and opportunities register and regularly reports on prioritised risks through its governance structures. The risk register is sub-divided into the themes of development, implementation, operational and financial. Each risk or opportunity provides details of the description, owner, consequence and a review update, accompanied by a scoring based on probability and impact for each risk. The identification and assessment of risks in the risk register are aligned to the UK and Welsh Government Guidance, where risks and opportunities fall into three main categories:

Business	Business related risks and opportunities remain with the public sector and can never be transferred
Service	Service-related risks and opportunities occur in the design, build, funding and operational phases of a portfolio and may be shared between the public and private sectors
External	External systemic risks and opportunities are those throughout society and are unpredictable and random in nature

Business-related risks and opportunities that can affect the scope, time and cost at portfolio level are summarised as follows:

- Displacement as a result of competing with other regions across Wales
- Funding from Welsh and UK Governments
- Inward investment from private sector
- Quality human capital within the region

- Political changes at Regional, UK and Welsh Government levels

Service-related risks and opportunities will be managed by each of the City Deal programmes and projects, who will maintain, manage and monitor their own risk and opportunity registers in line with guidance from the Green Book and the PoMO governance arrangements. Any significant risks or opportunities that may affect portfolio deliverables will be escalated to the PoMO and reported and managed/exploited via the regional governance structure.

External Risks and Opportunities: Although not within the control of the portfolio, external risks and opportunities are significant to portfolio delivery, regional betterment and are therefore monitored and acted on accordingly. Key business risks captured in a SBCD Portfolio Risk Register and SBCD construction impact assessment (Appendix 5.8) include delays to programme and project delivery, shortfall in private sector investment forecasts availability and cost of construction materials and resources, consequences of changes to Natural Resource Wales TAN 15 flood risk management criteria, achievement of targets, and in year slippage of investment.

The Portfolio Risk Register is considered by Programme (Portfolio) Board and Joint Committee on a quarterly basis. This document is also considered by Joint Scrutiny Committee.

The Portfolio Risk Register is an important tool that forms an integral part of the SBCD Portfolio Risk Management Strategy and helps the PoMO document risks, track risks and address them through preventative controls and corrective measures.

Since the securing of the Celoxis P3M software the PoMO has been transferring all current Portfolio documentation onto the system to allow for a more centralised and streamlined approach to Portfolio Management. This includes the Portfolio risk register and will through Q1 of 2023 see all programmes and project key risks included within the system, allowing for more timely reporting and assessing of risks with earlier intervention possible if required.

Throughout 2022 it has become further evident that there are significant challenges across the Construction Industry in relation to cost, material availability and resource availability. Therefore, following in Quarter 1 2022 the introduction of a Construction Impact Assessment as part of the Quarterly reporting requirements the Construction Impact Assessment has had its reporting frequency reviewed and can now be updated on a Monthly basis, allowing Projects a much speedier route to escalation of significant challenges in this area.

The Construction Impact assessment sets out to review, record, report, monitor, escalate and mitigate the potential challenges faced in the delivery of the Infrastructure elements of the Portfolio. This will continue to be reported monthly throughout 2023-24 in order to understand any changes in the Construction landscape and provide a proactive approach to any risks identified through this assessment.

The Swansea Bay City Deal Portfolio Issues Log captures and monitors key portfolio issues that could impact the success of SBCD aims and objectives. When responding to issues, a definitive action is needed in order to resolve the issue, this differs from a risk, threat or opportunity, because its occurrence is no longer subject to uncertainty and is having an impact of the respective Programme, Project or the Portfolio. However, the information that needs to be recorded for the issue remains the same as that for a risk, as does the way it is managed through identification and implementation of control actions, and monitoring and review to determine if what mitigation actions are required.

The SBCD Issues Log is updated quarterly and reported on by exception through the Governance structure via the Quarterly Monitoring Report.

5.9 Stakeholder Management and Engagement

SBCD stakeholders broadly fall into two categories:

Primary stakeholders: Organisations involved in portfolio/programme/project development, delivery, monitoring and evaluation. This includes the UK Government and Welsh Government, the four SBCR local authorities, the two regional health boards and both Swansea University and the University of Wales Trinity Saint David. The primary stakeholders are managed and engaged with via the governance and reporting structures outlined in this Management Case.

The four local authorities form the Joint Committee and have regional control of the SBCD with the other four primary stakeholders having separate letters of engagement creating agreement of a collaborative approach to the successful delivery of the SBCD between all eight primary stakeholders.

Each of the other primary stakeholders has co-opted membership of Joint Committee allowing for full visibility and collaboration across the delivery partners.

Secondary stakeholders: This category includes, among others, communities of interest in business, construction, education, local politics, residents and the media. The secondary stakeholder group may interact with the SBCD in different capacities at different times.

As such, a Communications & Marketing Plan has been established (Appendix 5.9) which will be used as the tool to co-ordinate engagement with all stakeholders and to disseminate information to these communities of interest. The plan has been updated in February 2022 and will be supported by a forthcoming Business Engagement Framework that outlines the City Deal's approach to business focused activities and inward investment.

The Communications & Marketing Plan is a live, evolving document, which forms the basis for content for the SBCD's social media platforms and website. The plan and framework include key SBCD messaging, helping inform content that is regularly distributed to the local, regional, national and specialist media, and to regional businesses, regional business networks, primary stakeholders and other groups.

This approach continues to ensure that positive media coverage is generated, with both the business engagement manager and communications officer acting as an interface between the media and businesses with senior SBCD officers and Joint Committee members. The SBCD Business Engagement manager and communications and marketing officer provide updates through the SBCD governance boards.

5.10 Change Management Strategy

The SBCD Change Control Procedure was approved through the SBCD governance process in February 2021. Recognising that all projects, programmes and portfolio are subject to change, the SBCD Change Control process is vital to ensure the appropriateness of key changes and report them through the correct SBCD and host organisations' governance arrangements. This is aligned to good practice including the Association of Project Management, which defines Change Control as *"the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated and then approved, rejected or deferred."* The approved change control procedure and flow chart can be found in Appendix 5.10. It is owned and updated by the Programme (Portfolio) Board and will be used to highlight relevant changes at project, programme and portfolio level.

The process considers several aspects of change that impact on scope, delivery and benefits which are detailed in the business cases of the associated portfolio, programmes or projects, where a change is likely to affect at least one of the following categories:

- Impact the total cost / financials
- Impact the completion of delivery of output(s) / key milestones
- Impact the quality outlined within the business case for the specified Programme / Project
- Impact the benefits outlined within the business case for the specified Programme / Project
- Impact the GVA, jobs created or inward investment

Any change, positive or negative, resulting in a variance in these considerations must follow the agreed change control process. The change categorisation is currently set as a minor or major change with the latter encompassing any of the above criteria, with the view to established evidenced based threshold limits as programmes and projects present change and move through delivery.

Following the approval of the change process the PoMO will work with Programme / Project leads to implement Change Control across the Portfolio for the aspects outlined in the Business Cases in order to ensure that any change does not have a detrimental impact to the successful delivery of the programmes / projects.

This was successfully achieved in the Summer of 2021 and since then the PoMO has received and recorded numerous change notifications and requests and continued work with Programme and Project leads and SROs has been undertaken to obtain appropriate levels of reporting for Project change.

5.11 Contingency arrangements and plans

The City Deal's Joint Committee Agreement outlines contingency arrangements for several scenarios. The scenarios identified include the withdrawal of a programme / project from the City Deal portfolio, the change of a project local authority lead, and the withdrawal of a partner from the City Deal portfolio. All these scenarios and contingency arrangements will be managed via the portfolio and programme / project risk registers and issue logs and reported accordingly. Risk management is not the same as contingency planning. Risk management is about identifying, assessing, avoiding, mitigating, transferring, sharing and accepting risk; while a contingency plan is about developing steps to take when an actual issue occurs.

The PoMO will establish contingency plans at a programme / project level to develop steps to take when an issue occurs.

When a Risk has undergone all mitigation and the situation becomes certain, the occurrence becomes an issue. The PoMO adopts the following process to ensure the issue is managed appropriately.

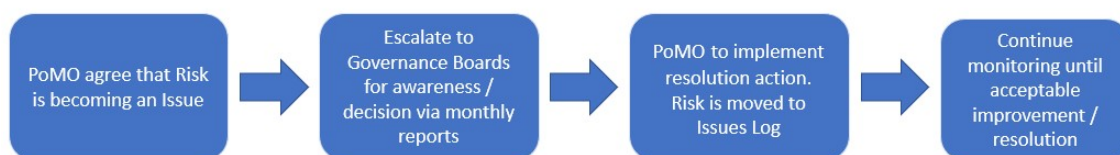


Figure 5.6 Moving a Risk to an Issue

All four local authorities are subject to the JCA, which will be kept under review.

The PoMO will ensure that contingency arrangements are considered and in place at a programme and project level to manage potential scenarios in the development, delivery and operational phases of the individual schemes.

5.12 Portfolio status and key milestones

Table 5.6 provides the status of the nine programme / project business cases for the SBCD portfolio with the current Gateway Review Delivery Confidence Assessment rating, Lead Authority, Programme / Project Lead and Senior Responsible Owner. All business cases have now been approved and are in delivery.

Table 5.7 details a high-level summary of programme / project activity and milestones including the project lifecycle phases of business case development, approvals, procurement, delivery and operational phases.

The PoMO have established a Joint Committee forward work programme, as detailed in Appendix 5.11, covering specific SBCD Portfolio activity that Joint Committee are planning to consider in 2021/22. This also provides an overview of items that have been achieved over the last 12 months.

Project Ownership and Business Case Status Summary – Table 5.8

Project Ownership and Business Case Status Summary – Table 5.8						Business Case Status				
Project / Programme name	Component	Anticipated Investment (£m)	Lead Authority	SRO	Project Lead	Status	SOC	OBC	FBC	Gateway DCA
Swansea City & Waterfront Digital District	Arena & Digital Square	89.2	Swansea	Martin Nicholls	Huw Mowbray	Complete				Amber Green (Nov 2022)
	71 / 72 Kingsway	48.5				Delivery				
	Innovation Matrix	17.4				Delivery				
	Innovation Precinct	13.2				Pre-del.				
Creative Digital Cluster - Yr Egin	Phase 1	14.9	Carmarthen	Steve Baldwin	Geraint Flowers	Complete				Green (Nov 2021)
	Phase 2	10.3				Pre-del.				
Digital Infrastructure	Connected places	20.5	Carmarthen	Jason Jones	Gareth Jones	Delivery				Amber/Green (Oct 2020)
	Rural connectivity	23.0				Delivery				
	Next gen. wireless	11.5				Delivery				
Skills and Talent	Skills Analysis	30.0	Carmarthen	Barry Liles	Samantha Cutlan	Delivery				Green (Jan 2023)
	Career Development					Delivery				
	Frameworks					Delivery				
	CoE's					Pre-del.				
SBCD Campuses	Singleton Ph 1	17.4	Swansea	Keith Lloyd	Clare Henson	Pre-del.				Amber/Green (Aug 2021)
	Singleton Ph 2	65.9				Pre-del.				
	Morrison Ph 1	2.8				Pre-del.				
	Morrison Ph 2	49.0				Pre-del.				
Pentre Awel	Health & Wellbeing	92.0	Carmarthen	Chris Moore	Sharon Burford	Delivery				Amber (Sept 2020)
	Housing & Asst. Lvg.	19.0				Pre-del.				
	Asst. Lvg & Bus. Ex.	53.1				Pre-del.				
	Hotel & Housing	36.1				Pre-del.				
Homes as Power Stations	Adopt Green Tech	120.4	Neath Port Talbot	Nicola Pearce	Oonagh Gavigan	Pre-del.				Amber (Nov 22)
	Monitor & Eval. Prog.	2.25				Delivery				
	Reg. Supply chain	382.9				Pre-del.				
Pembroke Dock Marine	PDI	41.2	Pembrokeshire	Steven Jones	Steve Edwards	Delivery				Amber (Feb 20)
	MEECE	11.2				Delivery				
	META	2.7				Delivery				
	PDZ	5.0				Delivery				
Supporting Innovation and Low Carbon Growth	Swansea Bay Tech. Cnt	8.9	Neath Port Talbot	Nicola Pearce	Brett Suddell	Complete				Amber (June 20)
	SWITCH	20.0				Pre-del.				
	AMPF	17.2				Pre-del				
	Air Quality Monitoring	0.5				Delivery				
	Hydrogen stimulus Proj	2.0				Pre-del				
	LEV Charging Infra.	0.5				Pre-del				
Property Dev. Fund	10.0	Delivery								
SBCD Portfolio	All projects above		Carmarthen	Wendy Walters	Jonathan Burnes	Delivery				Gate 0 Review Amber/Green (July 22)

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Strategy / Policy Alignment	Portfolio	Economic Acceleration				Life Sciences and Wellbeing		Energy and Smart Manufacturing		
		Swansea City and Waterfront	Yr Egin	Digital Infrastructure	Skills and Talent	Life Science and Wellbeing Campuses	Pentre Awel	Homes as Power Stations	Pembroke Dock Marine	Supporting Innovation and Low Carbon Growth
UK										
Levelling Up White Paper 2022										
Growth Plan 2022										
UKG Net Zero Strategy: Build Back Greener 2021										
Build Back Better: Our plan for growth 2021										
Industrial Strategy 2017										
UK Digital Strategy 2017										
Create Together, the UK Creative Industries Council 2016										
Future Telecoms Infrastructure										
5G Strategy for the UK										
Digital Strategy and Leadership										
5G Briefing Paper - UK Parliament										
SRN Ofcom notice of 5G Coverage Compliance										
Innovate UK Industrial Challenge Fund DBEIS										
Catapults										
Climate Change Act										
Construction Sector Deal										
Transforming Infrastructure Performance Plan										
Consultation - Future Homes Standard										
Climate Emergency										

Strategy / Policy	Core Principles	How the Project Aligns
UK		
<p>Levelling Up White Paper 2022</p>	<p>The White Paper outlines the UK Government approach to address and narrow economic and social disparities across the UK, covering numerous areas of government structures and public policy. The intention is for a long term programme of change to embed levelling up across all areas of the UK government, local and national, in partnership with the private sector and civil society.</p> <p>The Government identifies 12 missions under the following 4 headline objectives:</p> <ul style="list-style-type: none"> •Objective 1: Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging. This objective targets raised living standards, a focus on R&D, improvements to transport infrastructure and digital connectivity •Objective 2: Spread opportunities and improve public services, especially in those places where they are weakest. The objectives targets education, skills, health and wellbeing. •Objective 3: Restore a sense of community, local pride and belonging, especially in those places where they have been lost. The objective targets physical and community regeneration, housing and planning reforms •Objective 4: Empower local leaders and communities, especially in those places lacking local agency. The objective targets the allocation of local growth funds as the Levelling Up Fund and Shared Prosperity Fund to improve local areas. 	<p>The programme will also contribute to the levelling up agenda as set out in the Levelling Up White Paper 2022 and to its 12 missions and 4 objectives of the strategy particularly</p> <p>Objective 1 - Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging</p> <p>Objective 3 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost</p> <p>Objective 4 - Empower local leaders and communities, especially in those places lacking local a they</p>
<p>Build Back Better: Our plan for growth 2021</p>	<p>The Government's plan for growth is based around building on 3 core pillars of growth:</p> <ol style="list-style-type: none"> 1. Infrastructure <ul style="list-style-type: none"> a. Invest in broadband, roads, rail and cities b. Invest in local areas through the UK-wide Levelling Up Fund and UK Shared Prosperity Fund, as well as the Towns Fund and High Street Fund c. Help achieve net zero via £12 billion of funding for projects through the Ten Point Plan for a Green Industrial Revolution. d. Support investment through the new UK Infrastructure Bank 2. Skills <ul style="list-style-type: none"> a. Support productivity growth through high-quality skills and training b. Introduce the Lifetime Skills Guarantee to enable lifelong learning through free fully funded Level 3 courses c. Continue to focus on the quality of apprenticeships 3. Innovation <ul style="list-style-type: none"> a. Support and incentivise the development of the creative ideas and technologies that will shape the UK's future high-growth, sustainable and secure economy. b. Support access to finance to help unleash innovation c. Develop the regulatory system in a way that supports innovation. d. Attract the brightest and best people, boosting growth and driving the international competitiveness of the UK's high-growth, innovative businesses. e. Support our small and medium-sized enterprises (SMEs) to grow through two new schemes to boost productivity 	<p>The programme contributes to Build Back Better: Our plan for growth 2021 and to the 3 pillars of growth of Infrastructure, Skills and Innovation. The programme will provide first class facilities to promote business growth (particularly in the tech sectors) and innovation and will support the development of new skills and opportunities within the region</p>

Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<ul style="list-style-type: none"> • Ideas – directly addresses the second and third challenges, by creating the supportive environment needed (in Box Village & Innovation Precinct) for graduates to turn ideas into successful products and services and creating a local ecosystem that will support innovation and sustained growth in the technology sector. • People – The project is working closely with the City Deal Skills & Talent Initiative and local employability projects to ensure local individuals have the skills needed to take advantage of the job opportunities that will be created through the project. • Infrastructure – The project will enable the right infrastructure to be put in place in Swansea to support graduate start-ups (through UWTS's Box Village & Innovation Precinct) and the growth of the technology sector. • Business Environment – as outlined in the Strategy, more opportunities to operate in an environment with advice and challenge, especially from other entrepreneurial businesses, can help businesses succeed initially and through their stages of development. The project will provide this environment for start-up and growing businesses in Swansea, combining flexible space, co-located with other similar businesses, with access to extensive support and curation through UWTS and its wide partner network. • Places – Investment in the project through the Swansea Bay City Deal will strengthen the local economy, and facilitate the growth of highly productive technology based businesses in the region.
UK Digital Strategy 2017	<p>This strategy sets out how the UK will develop a world-leading digital economy that works for everyone. It has seven strands:</p> <ul style="list-style-type: none"> • Connectivity - building world-class digital infrastructure for the UK • Skills and inclusion - giving everyone access to the digital skills they need • The digital sectors - making the UK the best place to start and grow a digital business • The wider economy - helping every British business become a digital business • Cyberspace - making the UK the safest place in the world to live and work online • Digital government - maintaining the UK government as a world leader in serving its citizens online • The data economy - unlocking the power of data in the UK economy and improving public confidence in its use 	<p>One of the seven strands within the UK Digital Strategy focuses on "Making the UK the best place to start and grow a digital business". This includes an emphasis on supporting and growing new businesses, and growing digital clusters across the UK. The project directly responds to this, by facilitating the creation and expansion of innovative technology based businesses in Swansea Bay.</p>
Digital Strategy and Leadership DCMS	<p>Developing a local digital infrastructure strategy:</p> <ul style="list-style-type: none"> • A senior digital champion to lead the process • Bringing together local teams involved in deployment of digital infrastructure • Putting in place the required skills and resources <p>Collaborating with network providers</p>	<p>The project directly responds to this, by facilitating the creation and expansion of innovative technology based businesses in Swansea Bay.</p> <p>Attracting inward investment by working with operators on full fibre planning.</p> <p>City Centre digital strategy underway linking in with regional City Deal business case strands – initial priority is to ensure robust infrastructure over next few years</p>
Climate Change Act	<p>The Climate Change Act established a target for the UK to reduce its emissions by a minimum of 80% from 1990 levels by 2050 with five-yearly interim targets.</p> <p>To note, the Welsh Government has set a more ambitious target of reducing emissions in Wales by at least 40% by 2020 from 1990 levels with a target to reduce emissions by 3% per annum, measured against a baseline of average emissions between 2006 and 2010. This includes all 'direct' greenhouse gas emissions in Wales except those from heavy industry and power generation that are covered by the EU Emissions Trading Scheme.</p>	<p>Supporting the growth of low carbon technology based business sectors.</p> <p>Low carbon strategies at heart of the new developments to reduce energy use and promote resource efficiency, with an aspiration for BREEAM Excellent rated buildings.</p> <p>The projects will be delivered in a globally responsible way through, for example, responsible and (where possible) local sourcing of key materials, and a focus on reduced energy consumption and resource efficiency.</p>
Climate Emergency	<p>Climate emergency declarations have been made internationally. This includes UK and Welsh Governments, and all but one of the regions covered by the Swansea Bay City Deal (Neath Port Talbot has instead announced a Decarbonisation and Renewable Energy Strategy). The focus is to increase ambition to adopt more ambitious targets for reaching net zero emissions.</p>	<p>Supporting the growth of low carbon technology based business sectors.</p> <p>Low carbon strategies at heart of the new developments to reduce energy use and promote resource efficiency, with an aspiration for BREEAM Excellent rated buildings.</p> <p>The projects will be delivered in a globally responsible way through, for example, responsible and (where possible) local sourcing of key materials, and a focus on reduced energy consumption and resource efficiency.</p>

<p>Powering our Net Zero Future (Energy White Paper Dec 2020)</p>	<p>This white paper builds on the Government’s Ten Point Plan to set the energy-related measures the Plan announced in a long-term strategic vision for the energy system, consistent with net zero emissions by 2050. It establishes the goal of a shift from fossil fuels to clean energy, in power, buildings and industry, while creating jobs and growing the economy and keeping energy bills affordable. It addresses how and why our energy system needs to evolve to deliver this goal. And it provides a foundation for the detailed actions the Government will take to realise the vision.</p>	<p>For Digital Village (71-72 Kingsway), high environmental performance is proposed to be achieved by coupling the use of sustainably sourced (certified) materials (including those with high thermal mass), to exceed current building regulations in terms of energy efficiency, harnessing means of natural heating and cooling, and the appropriate use of proven low-carbon technologies. The building has been designed to achieve a BREEAM Excellent rating, and has already achieved this in its design stage. The building has been designed to be a Carbon Zero building in operation. The building incorporates green/blue infrastructure which is a significant aspect of the scheme.</p>
<p>Wales</p>		
<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. There are 7 Wellbeing Goals: <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales The Act also identifies 5 Ways of Working: <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention </p>	<p>The project delivers the goals and ways of working of the Wellbeing of Future Generations (Wales) Act 2015, particularly: <ul style="list-style-type: none"> • A Prosperous Wales – supporting innovative, productive and low carbon activities, and generating wealth and employment opportunities for Swansea Bay City Region residents; • More Equal Wales – reducing regional differences, and utilising social benefit clauses to create employment and training opportunities for workless individuals; • A Wales of Cohesive Communities – revitalisation of a run-down part of the City Centre to create a new connected living and working environment, and supporting technology based business community; • Healthier Wales – New green spaces and high quality public realm will contribute to a healthy urban environment that supports health, recreation and wellbeing. </p>
<p>Prosperity for All 2017</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government: <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected And based around the 5 Priority Areas of: <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability </p>	<p>The project aligns with the Welsh Government’s Prosperity for All strategy, and in particular the Prosperous and Secure theme by generating new secure and sustainable employment opportunities and creating the right environment in Swansea for technology based businesses to grow and thrive.</p>
<p>Economic Action Plan 2017</p>	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including: <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development </p>	<p>The project supports the aspirations and objectives of the Economic Action Plan, particularly by growing higher added value activities, to drive regional growth and tackle regional inequalities, and by delivering modern and connected infrastructure to allow business to grow.</p>

Commercial Property: Market Analysis and Potential Interventions	To inform the new Property Delivery Plan, the report sets out an analysis of the Welsh commercial property market, including current and likely demand, property market responses and the extent to which there is a gap in supply. It also considers potential priorities for, and approaches to, intervention. In line with the Welsh Government's regional approach to economic development, it outlines the priorities for intervention within South East Wales, South West and Mid Wales and North Wales. The report contains an analysis of the property market for South West and Mid Wales.	71-72 Kingsway (Digital Viillage) will accommodate Swansea's growing technology businesses and ICT focused businesses expanding from Swansea University and UWTSU incubation facilities. The Digital Village will act as a catalyst for new private sector led development and refurbishment of further properties on the Kingsway to create a new Central Business District in Swansea City Centre
Equality Act 2010	<ul style="list-style-type: none"> • Due consideration of the nine protected characteristics and promotion of the Welsh language, rooted in business / service planning 	Utilising social benefit clauses to create employment and training opportunities for workless individuals. All signage for new project buildings will be bilingual.
A Living Language 2012-17	Welsh Government's vision is to see a thriving, living Welsh language. The strategy provides the framework to achieve the WG desire to see: <ul style="list-style-type: none"> • an increase in the number of people who both speak and use the language • more opportunities to use Welsh • an increase in people's confidence and fluency in the language • an increase in people's awareness of the value of Welsh, both as part of our national heritage and as a useful skill in modern life • the strengthening of the position of the Welsh language in our communities • strong representation of the Welsh language throughout digital media. 	All signage for new project buildings will be bilingual.
Digital First - Welsh Government	Helping the public sector provide excellent online digital services to the people and business of Wales Seek to develop the infrastructure required to support digital service delivery Digital Transformation forms a central part of the Welsh Governments plans to make public services more meaningful to users	Supports the growth of a collaborative and cohesive technology based business community in Swansea, that will provide employment opportunities for local people. The Digital Arena will provide the digitally enabled conference and events space required by Swansea's tech businesses and Universities
Visit Wales Partnership for Growth	Increasing visitor spend by: <ul style="list-style-type: none"> • more well-being facilities • more all year round attractions, activities and innovative / distinctive experiences 	The new digital arena will offer a broad programme of events that will add to the leisure and cultural offer in the city, and encourage visitors to the Swansea Bay region. The Digital Arena will provide the digitally enabled conference and events space required by Swansea's tech businesses and Universities
Regional		
Swansea Bay City Region Economic Regeneration Strategy 2013-30	The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims: <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. 	The Project supports the vision of the Swansea Bay City Region Economic Regeneration Strategy to raise productivity to 90% of the UK average, by facilitating the growth of higher value activities. Under Strategic Aim 4: Knowledge Economy & Innovation , the Economic Regeneration Strategy highlights the need to support growth sectors and provide pro-actively managed grow on space for high growth firms through business incubation and innovation centres. The Digital Village, Box Village & Innovation Precinct directly respond to this need.

Regional Economic Framework	<p>The Regional Economic Framework (REF) for South West Wales sets out the Welsh Government approach to economic development for the region and supports a more regionally-focused model of economic development, in accordance with the Welsh Government's Programme for Government, and a commitment to progress the Economic Resilience and Reconstruction Mission for Wales. The REF reflects the Ambitions and Missions identified in the Economic Delivery Plan. The REF outlines the approach that the Welsh Government will take with the key stakeholders in the region to work collectively to develop and realise the ambitions for economic growth.</p>	<p>The Swansea City and Waterfront Digital District will contribute directly to a strengthening of the city and regional economy building resilience and accelerating recovery.</p>
South West Wales Regional Economic Delivery Plan 2022-2030	<p>The SWW Regional Economic Delivery Plan provides an ambitious route map for the development of the regional economy to 2030. The Plan identifies 3 Ambitions for the economy:</p> <ol style="list-style-type: none"> 1. Resilient and Sustainable 2. Enterprising and Ambitious 3. Balanced and Inclusive <p>It also sets out 3 Missions:</p> <ol style="list-style-type: none"> 1. UK leader in renewable energy and the net zero economy 2. Building a strong, resilient and embedded business base 3. Growing and sustaining the SW Wales experience offer 	<p>The Swansea City and Waterfront Digital District will directly contribute to the Ambitions and Missions set out in the Economic Delivery Plan.</p>

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
<p>Create Together, the UK Creative Industries Council 2016</p>	<p>UK Creative Industries Council 5 Year Strategy for Cross Industry Collaboration (2016) identifies 8 key drivers for growth;</p> <ul style="list-style-type: none"> • Digital Infrastructure, • Finance for Growth, • Diversity, • Education and Skills, • Intellectual Property, • International, • Regions and Clusters • Regulation. <p>Regarding Regions and Clusters, it states that with rising demand for creative services globally, it will be vital to strengthen creative economies in every region to enhance the UK's creativity, productivity and competitiveness and identifies 3 Big Wins:</p> <ol style="list-style-type: none"> 1. Local infrastructure plans to incentivise growth in the creative economy, 2. Local Enterprise Partnerships (LEPs) to work with local Universities, other education providers and employers to ensure a sustainable skills pipeline for their region 3. The distinctive contribution of the creative industries to the wider economy of each region should be recognised, with improved investment flows 	<p>The project contributes directly to these Big Wins through:</p> <ol style="list-style-type: none"> 1. The City Deal proposals prioritise investment in digital infrastructure. 2. The University's objective to develop a sustainable skills pipeline, working with Carmarthenshire County Council and other providers is at the heart of the project. 3. The University's strategy is both to engage in commercial partnerships with Yr Egin occupiers and co-invest with private sector investors in the small and start-up businesses which will develop at the Yr Egin cluster. <p>The strategy also recognises the creative industries have already proven to be powerful drivers in regenerating individual cities and neighbourhoods, raising their profile, making them more distinctive and more attractive and stimulating places for people to work and live. Yr Egin will meet these objectives creating a locally sustainable cluster delivering high value jobs and skills retention but also providing the means by which much greater commercial interaction and growth can take place with other UK creative clusters to the benefit of each.</p>
Wales		
<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>Yr Egin project will help to deliver on the seven strategic goals of the Wellbeing of Future Generations Act (2015) in part by its inclusion of a major public body as the anchor occupier. The University is committed to the goals of the Act, and considers sustainable, strong performance to be one of the critical measures by which the success of the project will be judged. By relocating such a major public body to Carmarthen, the University will be helping to build a stronger, fairer economy for West Wales and will be enabling people from the region to attain better paid, more highly skilled jobs in their local area. Key to this will be the provision of courses structured around the working environment, leading to the upskilling of the local community that results in a better, fairer job market and economy. The Business Case contains a detailed appraisal of the direct contribution of the project to the Wellbeing Goals and Ways of Working.</p>

<p>Prosperity for All / Taking Wales Forward 2017</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability 	<p>Yr Egin proposal is fully aligned to Taking Wales Forward, and will support the overall Welsh Government strategy to provide more and better jobs in the creative industries. Yr Egin will assist in the practical delivery of all four strands of Taking Wales Forwards, and will ensure sustainable growth and development in both the region and Wales as a whole.</p> <ul style="list-style-type: none"> • Prosperous and Secure - An important aspect of Yr Egin is providing highly skilled, creative jobs for the local population, removing the need for these individuals to relocate out of West Wales. This will also build on the University's strategy of delivering enhanced skills and jobs to the region with the goal of reducing poverty and reducing the current levels of economic deprivation • Healthy and Active - The opportunities provided by the Yr Egin creative cluster will enrich jobs in the local economy and provide a dynamic environment for talent to flourish. By securing • Intellectual and creative capital the 'halo' effect of Yr Egin will extend to positive impact on the health and well-being of the local population. • Ambitious and Learning - Yr Egin will support this by bringing together education and industry, enabling innovation and entrepreneurship between the University and both public and private sectors. Yr Egin will also provide the capability to enhance both academic and vocational routes for learners into education, as well as providing the opportunity for significant, industry based upskilling of the local community. • United and Connected - Yr Egin will deliver extensively on the strategic theme of United and Connected and will transform the way that public service delivery is undertaken by becoming wholly digital. It will also actively assist in delivering the target of achieving 95% of citizens having digital skills by 2021. Another key aspect of Yr Egin (assisted by the inclusion of S4C) will be to provide a creative and digital environment where business can be conducted in Welsh.
<p>Tackling Poverty Action Plan</p>	<p>The key objectives of our Tackling Poverty actions are:</p> <ul style="list-style-type: none"> • to prevent poverty, especially through investment in giving children the best possible start in life. From conception through to early adulthood, our aim will be to reduce inequality at the earliest possible stage and break the link between socio-economic disadvantage, educational under achievement and the impaired life chances that flow from these; • recognising that the best route out of poverty is through employment, we will continue to help people to improve their skills and enhance the relevance of their qualifications. We will also remove other barriers to employment – from practical barriers such as the accessibility of transport and buildings to less tangible barriers such as poverty of aspiration - helping people to move on to and up the employment ladder; • at the same time, we will increase action to mitigate the impact of poverty here and now. We recognise that for more and more people, even being in work will not guarantee that they can escape poverty. We can act to improve the quality of life of these communities, families and individuals. 	<p>The University is committed to positively influencing the regions and areas in which it operates through its position as a major institution. Part of this influence is the positive actions and steps that the University can take towards making Wales a fairer society and tackling poverty in areas such as Carmarthen that have historically underperformed economically when compared to the metropolitan areas of Cardiff and Swansea (Source: ONS 2014). The University believes that this influence is best targeted by working to upskill the local population as well as by directly and indirectly providing employment. By situating a large public organisation within Carmarthen which will in turn attract many other businesses and by providing more opportunities for employment and growth, the Yr Egin project will inject a substantial economic stimulus into the Carmarthen area and will help to reduce poverty in the surrounding region.</p>
<p>A Living Language 2012-17</p>	<p>Welsh Government's vision is to see a thriving, living Welsh language. The strategy provides the framework to achieve the WG desire to see:</p> <ul style="list-style-type: none"> • an increase in the number of people who both speak and use the language • more opportunities to use Welsh • an increase in people's confidence and fluency in the language • an increase in people's awareness of the value of Welsh, both as part of our national heritage and as a useful skill in modern life • the strengthening of the position of the Welsh language in our communities • strong representation of the Welsh language throughout digital media. 	<p>Yr Egin will be the catalyst for promoting and strengthening bilingualism throughout the South West Wales region and will address the priorities set out in Welsh Government strategy for the recovery of the national language. Historically it has been recognised that there are not enough opportunities for business to be conducted in Welsh and the development of both Welsh speaking and bilingual workplaces is a central element of the strategy. Yr Egin will address this by providing employment opportunities within the cluster to Welsh speakers and will develop an ethos of bilingual capability, enabling Welsh speakers to conduct business in their native language. This will be coupled with Yr Egin working with its tenants to ensure that a clear commitment to bilingualism is achieved, developing brand new entrepreneurial opportunities that take advantage of both languages. The inclusion of S4C will be critical to Yr Egin achieving this goal. By relocating the Welsh national broadcaster to Carmarthen (an area of Wales with a higher percentage of Welsh speakers), it is the vision of Yr Egin that Welsh will be seen as a comparable language to English within the cluster, driving and developing an increase in Welsh language skills within the business community and the surrounding area.</p>

Wales Infrastructure Investment Plan	<p>The Wales Infrastructure Investment Plan for Growth and Jobs sets out the Welsh Government's strategic investment priorities, provides a detailed account of sectoral investment plans and sets out the key elements of a new approach to infrastructure investment. The Plan identifies the following investment priorities:</p> <ul style="list-style-type: none"> • Improving transport networks, in particular east-west links in North and South Wales. • Improving telecommunications networks. • Supporting the development of the energy industry in Wales. • Investing in housing. • Delivering more efficient and economical public services. • Improving the quality of the educational estate. • Developing our Enterprise Zones. 	<p>The Yr Egin project aligns with the intentions and aims of the Wales Infrastructure Investment Plan and supports its overall delivery in a variety of ways. The creative industry is highlighted as one of nine major industries, in terms of economic development, focused on through the plan. Key to this is the substantial growth in creative industries in recent years (23% between 2005 and 2009), making it one of the fastest growing industries in the UK. The Plan highlights that the support of the industry is key for improvements to GVA and to growth in Wales as a whole. Yr Egin will create precisely the environment required for the creative and digital industries to flourish. The WIIP also highlights the opportunity that clusters can provide in securing additional economic growth through increases in economic activity.</p>
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Regional		
Swansea Bay City Region Economic Regeneration Strategy	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. 	<p>The Region suffers from a series of overarching economic issues including low GVA, lack of well-paid job opportunities, skills shortages and outward youth migration. This has been recognised within the South West Wales Economic Regeneration Strategy. Yr Egin will directly assist in resolving these issues by the creation of a creative and digital cluster taking advantage of the new infrastructure proposals of the Internet Coast. The economic stimulus that Yr Egin will deliver through the creation of high value, highly skilled jobs and the regional impact of positioning major tenants the Region will provide the springboard for the regeneration of both the local the wider area. Yr Egin will also deliver on the key objective of the City Region's strategy to substantially increase the capacity and capability of the City Region to create and distribute digital content. The clustering effect of Yr Egin will provide opportunities for local businesses, SMEs and startups to take advantage of their proximity to major broadcasters, creating the perfect environment for creative content, leading to increased and more efficient productivity, an increase in opportunity and a rise in GVA for the area as a whole.</p>

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>Put the UK at the forefront of the AI and data revolution - AI and Data require widespread and high capacity digital connectivity</p> <p>Harness the power of innovation to help meet the needs of an ageing society - Key enabler is technology that has fixed and mobile connectivity widely available and high capacity</p> <p>Maximise the advantages for UK industry from the global shift to clean growth - Reduction in the need to travel and the 'Smart' control of energy systems</p> <p>We will become a world leader in shaping the future of mobility- Mobility demands high capacity and widespread mobile communications</p>
UK Digital Strategy 2017	<p>This strategy sets out how the UK will develop a world-leading digital economy that works for everyone. It has seven strands:</p> <ul style="list-style-type: none"> • Connectivity - building world-class digital infrastructure for the UK • Skills and inclusion - giving everyone access to the digital skills they need • The digital sectors - making the UK the best place to start and grow a digital business • The wider economy - helping every British business become a digital business • Cyberspace - making the UK the safest place in the world to live and work online • Digital government - maintaining the UK government as a world leader in serving its citizens online • The data economy - unlocking the power of data in the UK economy and improving public confidence in its use 	<p>Building World Class Digital Infrastructure, including full fibre and 5G - A central part of what Digital Infrastructure project will deliver</p> <p>Give everyone access to the digital skills they need - Widespread deployment and hot-spots of 5G will drive the development of skills</p> <p>Making the UK the best place to start and grow a digital business - Digital Infrastructure is a pre-requisite, alongside the other central SBDC projects in digital media</p> <p>Helping every British business become a digital business - Making high quality digital connectivity widely available is a critical enabler</p> <p>Maintaining the UK government as a world leader in serving its citizens online - Digital transformation requires digital infrastructure to deliver the services</p> <p>Unlocking the power of data in the UK economy - Data analytics is core to new digital services</p> <p>Fixed and mobile networks will be the enabling infrastructure that drives economic growth - The Digital Infrastructure project is based upon this</p> <p>Nationwide Full Fibre connectivity, there must be a sharp increase in the pace of full fibre roll out - Full Fibre is a one of the key objectives under the connected Cities element of Digital Infrastructure project</p> <p>Making the cost of deploying fibre networks as low as possible by addressing barriers to deployment - Part of Digital Infrastructure is the deployment of publicly owned infrastructure assets to reduce roll out costs</p> <p>Supporting market entry and expansion by alternative network operators - Open procurements are planned for all Digital Infrastructure</p>

Future Telecoms Infrastructure DCMS	<p>1.Fixed and mobile networks will be the enabling infrastructure that drives economic growth</p> <p>2.Nationwide Full Fibre connectivity, there must be a sharp increase in the pace of full fibre roll out</p> <p>3.Making the cost of deploying fibre networks as low as possible by addressing barriers to deployment</p> <p>4.Supporting market entry and expansion by alternative network operators</p> <p>5.An 'outside in' approach to deployment that means gigabit capable connectivity across all areas of the UK is achieved at the same time</p> <p>6.A switchover process to increase demand for full fibre services</p> <p>7.We want the UK to have high quality mobile connectivity where people live, work and travel</p> <p>8.Alongside finishing the roll out of 4G networks to meet existing mobile demand, we want the UK to be a world leader in 5G</p>	<p>1.The Digital Infrastructure project is based upon this</p> <p>2.Full Fibre is a one of the key objectives under the connected Cities element of Digital Infrastructure project</p> <p>3.Part of Digital Infrastructure is the deployment of publicly owned infrastructure assets to reduce roll out costs</p> <p>4.Open procurements are planned for all Digital Infrastructure</p> <p>5.Rural connectivity is a key objective of Digital Infrastructure project</p> <p>6.Demand and Supply simulation are both planned within Digital Infrastructure</p> <p>7.Support for supply side actions and lowering build costs for 4G are included</p> <p>8.Construction of 5G hot-spots is a key objective</p>
5G Strategy for the UK	<p>Government has a clear ambition for the UK to be a global leader in the next generation of mobile technology – 5G</p> <p>Digital infrastructure is a building block of the Government's modern Industrial Strategy</p> <p>Deliver three main outcomes: • accelerating the deployment of 5G networks • maximising the productivity and efficiency benefits to the UK from 5G • creating new opportunities for UK businesses at home and abroad, and encouraging inward investment</p>	<p>5G in support of specific and key projects is included</p> <p>Several aspects of the SBCD deal and specifically Digital Infrastructure addresses this directly</p> <p>Accelerating deployment through direct intervention and supporting infrastructure roll-out</p> <p>Projects will demonstrate productivity and efficiency gains across several sectors</p> <p>Availability of leading edge connectivity through Digital Infrastructure project will encourage inward investment</p>
Digital Strategy and Leadership DCMS	<p>Developing a local digital infrastructure strategy:</p> <ul style="list-style-type: none"> • A senior digital champion to lead the process • Bringing together local teams involved in deployment of digital infrastructure • Putting in place the required skills and resources <p>Collaborating with network providers</p>	<p>A central SBCD team under a single leadership is proposed</p> <p>Coordination of the 4 Local Authorities is proposed</p> <p>Development and recruitment of key skills and resources is proposed</p> <p>Working closely with communications Service Providers is proposed</p>
5G Briefing Paper - UK Parliament	<p>Gives a date of 2027 for most of the UK POPULATION to have 5G coverage</p> <p>Acknowledges the need for wider fibre deployments to support 5G</p> <p>Acknowledges the costs and commercial risks for MNOs to roll out 5G</p>	<p>The papers are more aspirational than concrete requirements on CSPs to roll out 5G. However, the commitments are there and engagement by the SBCD team with the intent and how these evolve into full policy and perhaps intervention funding should be kept under constant review</p>
SRN Ofcom notice of 5G Coverage Compliance	<p>SRN is a joint agreement with MNOs to cover the UK with 4G services, Match funded £1bn</p> <p>90% of the UK Landmass must be covered</p> <p>87% of Wales landmass must be covered</p> <p>Baselined in 2020, additional coverage must be in NotSpots</p>	<p>The timescales for SRN are unclear, 14 years is identified as the period this will apply, but no end date is given for the 88% or 90%+</p> <p>The SBCD team would have the opportunity to examine the proposals of the MNOs for coverage in Q3/4 of 2020 and thereby lobby for changes or to be early in additional deployments</p>
Innovate UK Industrial Challenge Fund	<p>Next Generation services are predicated on leading edge digital infrastructure</p> <p>Transforming construction envisages digital design and IoT</p> <p>Robotics across a wide number of sectors</p> <p>Next Generation services for AI and embedded digital technology</p> <p>Leading edge healthcare, including digital technologies</p> <p>Driverless Cars</p> <p>Creative Industries clusters</p>	<p>Includes digital technologies as a key component which will require leading edge connectivity in fibre and 4G/5G</p> <p>Distributed design and IoT are all included in the project</p> <p>Robotics require leading edge fixed and mobile connectivity</p> <p>AI and analytics require leading edge fixed and mobile connectivity</p> <p>Healthcare requires leading edge fixed and mobile connectivity, particularly the new wave of wearable devices</p> <p>Autonomous vehicles need widespread 5G</p> <p>Creative industries are primarily digitally based and need leading edge fixed and mobile connectivity</p>
Catapults	<p>Various Streams, including: Digital, Energy, Future Cities, High Value Manufacturing, Offshore renewable energy and transport systems</p>	<p>Although these are not government entities, they are closely linked with Innovate UK and act as a delivery partner in many cases. A large number of their interest areas align directly with the Digital Infrastructure project</p>

Wales		
Wellbeing of Future Generations Action 2015	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>Prosperous - Directly supports the goal through delivering innovation, low carbon, expands skills and employment to new highvalue roles</p> <p>Resilient - Supports economic change through digital transformation</p> <p>Healthier - Supports technology's part in delivering health of the nation</p> <p>More Equal - Supports the removal of the digital divide across all sectors</p> <p>Cohesive - Supports well connected communities and governments</p>
Digital Strategy For Wales 2021	<p>Identifies priority areas across six missions which, when taken together, aim to accelerate the benefits of digital innovation for people, public services and across our business community.</p> <p>Mission areas are:</p> <ul style="list-style-type: none"> - Digital services - Digital inclusion - Digital skills - Digital economy - Digital connectivity - Data and collaboration 	<p>The City Deal Digital Infrastructure programme will deploy essential infrastructure to realising the missions outlined in the Digital Strategy for Wales. Through deployment, conceptualisation and commercialisation of both fixed and mobile infrastructure the Digital Infrastructure Programme will enable and facilitate achievement of the ambitions under each mission of the Strategy for South West Wales.</p>
Digital First - Welsh Government	<p>Helping the public sector provide excellent online digital services to the people and business of Wales</p> <p>Seek to develop the infrastructure required to support digital service delivery</p> <p>Digital Transformation forms a central part of the Welsh Governments plans to make public services more meaningful to users</p>	<p>Delivering online services requires digital connectivity to those services, through fixed or mobile networks being supported by the project</p> <p>A key element of the infrastructure is the digital connectivity with the right coverage and quality, both delivered by the project</p> <p>Digital Transformation is enabled and driven by the availability of digital infrastructure</p>
Delivering Digital Inclusion - Welsh Government	<p>To ensure that everyone who wants to be online can get online, protect themselves and their friends and families online and do more online to fully benefit from the opportunities the internet and other digital technologies offer</p>	<p>The Digital Infrastructure project is directly focused on this vision and expands upon it to ensure everyone has network access, but also that access meets the demand of the user, including ultrafast and full fibre links and 4G/5G links</p>

<p>Mobile Action Plan - Welsh Government</p>	<p>The planning system has a key part to play in maximising mobile phone coverage across Wales</p> <p>The public sector in Wales has thousands of assets that could be used to site mobile telecommunications infrastructure on public land, public highway and buildings</p> <p>The topography and population density in Wales throws up specific challenges for mobile coverage. Extending coverage as far as possible is likely to require innovative solutions particularly in rural areas.</p> <p>The investment being made by the mobile industry towards regulatory targets will significantly improve mobile connectivity in Wales both in terms of voice and data. However, it is likely that there will still be areas of Wales without a usable and reliable mobile signal</p> <p>The Digital Infrastructure project is directly focused on this vision and expands upon it to ensure everyone has network access, but also that access meets the demand of the user, including ultrafast and full fibre links and 4G/5G links</p>	<p>Specific proposals are made related to a central SBCD function to support efficient planning processes</p> <p>Specific proposals are made related to a central SBCD function to support efficient asset management processes</p> <p>The use of new ways to achieve rural connectivity is included for both fixed and wireless technologies</p> <p>A central team is proposed for SBCD to act as a voice for the region in both investment and regulatory compliance and to work with the Emergency Service coverage requirements</p>
<p>Digital Wales - Welsh Government</p>	<p>1.Inclusivity: Making sure everyone can enjoy the benefits of technology is a key part</p> <p>2.Skills: We will use technology to improve teaching methods and learning. Beyond schools, we will ensure that everyone in Wales can acquire the basic skills and confidence to get online and use digital technologies.</p> <p>3.Economy: We want to drive economic growth. We will support Welsh companies to network with research departments to create and commercialise new digital technologies. We will help more Welsh companies to exploit these developments to innovate, grow and access new markets, especially in our priority sectors</p> <p>4.Public services: We will make more public and government services digital so they are easier to access</p> <p>5.Infrastructure: To deliver all the benefits of digital technology, we aim to ensure that all residential premises and businesses in Wales will have access to high speed broadband. We will continue to work to eliminate 'not spots' and to ensure that there is fair and equal access to higher speed broadband and to improve mobile coverage</p>	<p>1.Digital Infrastructure project has a key objective of the widest possible connectivity services</p> <p>2.Utilising technology for skills and education requires underpinning digital infrastructure of the highest quality as delivery moves into video and augmented reality, both considerations for the project</p> <p>3.Leading edge digital infrastructure will support inward investment and innovation directly</p> <p>4.Digital Transformation in services requires access via digital networks</p> <p>5.A fundamental aspect of the project is to ensure the widest possible coverage of both fixed and mobile communications</p>
<p>Informed Health and Care Wales</p>	<p>This strategy outlines how we will use technology and greater access to information to help improve the health and well-being of the people of Wales. It describes a Wales where citizens have more control of their health and social care, can access their information and interact with services online as easily as they do with other public sectors or other aspects of their lives, promoting equity between those that provide and those that use our services in line with prudent healthcare and sustainable social services.</p> <p>1.Information for You</p> <p>2.Supporting Professionals</p> <p>3. Improvement & Innovation</p> <p>4.A Planned Future</p>	<p>Digital Infrastructure is a direct enabler of all the strategic objectives within this Digital Health and Social Care Strategy for Wales.</p> <p>Specifically, some of the proposed projects under the 5G and IoT actions are directly involved with health projects such as the Well Being village. Generally, an supporting the widest deployment of digital infrastructure, many of the strategic aims become easier to deliver and maintain.</p> <p>1.Wider digital access directly promotes this aim</p> <p>2.System integration directly is supported</p> <p>3.Service change and data availability directly supported</p> <p>4.Digital working directly supported</p>

Transforming Health and Care in Wales	<p>The current situation is of great concern for service users, health and care organisations, health and social care workers, and society more broadly. Health and social care services experience workforce shortages; Wales' outcomes for health and care are not improving as fast as desired; and service delivery is not consistently good. In this final report we recommend to the Welsh Government some key actions that need to be taken to do that, including: clarifying what a set of new models of care might look like; strengthening the power of citizens and users to make change; improving the local leadership and governance needed to implement change; harnessing digital, scientific, technological and infrastructure developments to underpin modernised models of care as well as unlock efficiencies; and at a national level designing the system to expedite and incentivise progress through increased transparency</p>	<p>Recommendations 7 – Harnessing innovation and accelerate technology and infrastructure developments is directly supported. Digital Infrastructure is a critical enabler to achieve this recommendation.</p> <p>Recommendation 8 - Align system design to achieve results. Transformative change happens at several levels, but digital transformation of services is a key driving force that is supported directly by the actions in this business case.</p>
Regional		
Swansea Bay City Region Economic Regeneration Strategy	<p>By 2030, South West Wales will be a confident, ambitious & connected City Region, recognised internationally for its emerging Knowledge and Innovation economy Strategic</p> <p>Aim 1: Business Growth, Retention & Specialisation Strategic Aim 2: Skilled & Ambitious for long-term success Strategic Aim 3: Maximising job creation for all Strategic Aim 4: Knowledge Economy and Innovation Strategic Aim 5: Distinctive Places and Competitive Infrastructures</p>	<p>Knowledge and innovation are strongly supported by digital infrastructure and digital services. The delivery of both are primary objectives for the Digital Infrastructure project</p> <p>Aim 1: Inward investment can be made more attractive by the availability of high quality digital infrastructure. Digital sector businesses tend to drive higher value jobs</p> <p>Aim 2: Digital Transformation affects many sectors and will drive skills and resources to meet the demand. Digital infrastructure is a key enabler for the transformation process</p> <p>Aim 3: High quality digital infrastructure stimulates innovation and digital/media clusters, creating new opportunities</p> <p>Aim 4: First class digital infrastructure is a prerequisite for any knowledge and innovation based approach</p> <p>Aim 5: The project directly supports the widest access to next generation fixed and mobile broadband, including</p>

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The Skills and Talent Programme will develop a sustainable pipeline of individuals to support growth of the four themes and support the future competitiveness of the region. It will nurture indigenous talent through initial education and ongoing career development, while also attracting globally-competitive skills to the region through the private sector investment which ensues from the proposal as a collective. The programme will seek to utilise and maximise the potential of city region partner organisations through the existing RLSP structure and will look to develop and support strategic skills interventions around the key themes of ICT infrastructure and digital skills, Health, Energy and Smart Manufacturing.</p>
Wales		
Wellbeing of Future Generations Action 2015	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>Prosperous - It will directly support an innovative and skilled Wales through developing new skills activity to support the development of the City Deal projects. It will allow for activity to become mainstream enhancing the current skills provision and allowing a greater number of talented individuals to enter the Welsh digital economy. It will support the development of local supply chains and new and innovative business activity through supporting skills development within the digital economy.</p> <p>Resilient - The programme will support the economy of the regional and Wales through the global transition that will arise from technological changes such as automation and artificial intelligence by ensuring residents are equipped with the skills required.</p> <p>Healthier - Skills and Talent will support individuals to participate within the digital economy and access sustainable employment which benefits mental and physical well-being. There will be direct support for the life science and well-being theme which includes Pentre Awel the 'Life Science and Well-being Village' as well as the 'Life Science Campuses' projects. Increased connectivity and the skills to utilise digital technologies will help to address issues related to isolation, loneliness and well-being.</p> <p>Equal - Skills and Talent will support the City Deal in its ambitions to drive through economic transformation within the region and reduce the deficit in GVA performance compared to other parts of the UK. The programme will support a reduction in poverty through providing individuals with the opportunity to access well paid sustainable employment locally.</p> <p>Vibrant Culture - Skills and Talent will support skills activity bilingually where possible and support the progression of bilingual learners into the digital economy.</p> <p>Globally rRsponsible - The skills developed via the programme will support the development of a low carbon economy within the region and improving sustainability, through supporting projects under the Internet of Energy and Smart Manufacturing.</p> <p>Cohesive Communities - Through the Economic Acceleration and the development of skills within the digital economy ecosystem there will be growth opportunities for both local indigenous companies and local supply chains. Improved digital infrastructure and skills to utilise technologies will improve the resilience and cohesion of communities, particularly within rural areas.</p>

<p>Prosperity for All</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability 	<p>The Skills and Talent programme supports the key objectives of the Welsh Government’s Prosperity for All strategy specifically the Ambitious and Learning theme by creating opportunities for all to achieve skills at all levels and from all ages enabling individuals to achieve a better chance of getting a rewarding job and the ability for the region to attract inward investment to the area because of a strong skills base.</p>
<p>Economic Action Plan</p>	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:</p> <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development 	<p>The Skills and Talent programme supports the key objectives of the Welsh Government’s Prosperity for All strategy specifically the Ambitious and Learning theme by creating opportunities for all to achieve skills at all levels and from all ages enabling individuals to achieve a better chance of getting a rewarding job and the ability for the region to attract inward investment to the area because of a strong skills base.</p>
<p>Tackling Poverty Action Plan</p>	<p>The key objectives of our Tackling Poverty actions are:</p> <ul style="list-style-type: none"> • to prevent poverty, especially through investment in giving children the best possible start in life. From conception through to early adulthood, our aim will be to reduce inequality at the earliest possible stage and break the link between socio-economic disadvantage, educational under achievement and the impaired life chances that flow from these; • recognising that the best route out of poverty is through employment, we will continue to help people to improve their skills and enhance the relevance of their qualifications. We will also remove other barriers to employment – from practical barriers such as the accessibility of transport and buildings to less tangible barriers such as poverty of aspiration - helping people to move on to and up the employment ladder; • at the same time, we will increase action to mitigate the impact of poverty here and now. We recognise that for more and more people, even being in work will not guarantee that they can escape poverty. We can act to improve the quality of life of these communities, families and individuals. 	<p>The aim of the Skills and Talent programme is to develop the opportunities for all to achieve higher qualifications and opportunities to work in ground breaking technology through the City Deal projects and other investment opportunities that will be generated in the region. The International opportunities through the Erasmus programme and the development of opportunities for companies and students from overseas to invest, study and work in the region</p>

Skills Implementation Plan	<p>The skills implementation plan was developed to inform future action in relation to post-19 skills and employment policy. The aim of the plan is to provide details of the actions to be undertaken by the Welsh Government working with employers, individuals, trade unions and delivery partners.</p> <p>The four key themes of the Policy Statement are:</p> <ul style="list-style-type: none"> • Skills for jobs and growth: how Wales can stimulate demand for a more highly-skilled society that can drive forward our economy in pursuit of jobs and growth • Skills that respond to local needs: a skills system which reflects the needs of local communities, including a streamlined and accessible employment and skills offer • Skills that employers value: the importance of engaging employers to participate in the skills system and the level of co-investment needed alongside government if Wales is to remain competitive • Skills for employment: the role of the skills system in providing employment support necessary to assist individuals into employment and to progress in work 	The Skills and Talent programme will support the key objectives to improve literacy, numeracy and ICT skills of working adults to at least level 2 and higher.
Schools Improvement Plan	The strategy covers post 16 education and skills via further and higher education, adult and community learning and apprenticeship and aims to deliver. The aspiration of the strategy is to have aspirational young people with opportunities across all levels of education achieve the highest levels of qualifications	The Skills and Talent programme aims to increase the number of people in the region attaining a qualification and to generate opportunities for all to attain higher qualifications to meet the needs of the City deal projects.
Youth Engagement and Progression Framework	Youth Engagement Framework The Youth Engagement and Progression Framework (YEPF) sets out a new approach to developing support for young people who are at risk of or who have become NEET. The Framework has 6 key elements: Identifying young people most at risk of disengagement; Better brokerage and co-ordination of support	The Skills and Talent programme will work with all people in society with the aspiration of raising the skills levels for all across the region. There are a high percentage of individuals who fall within the NEET category and the Skills and Talent programme will work with all employability projects, stakeholders and educational establishments to ensure that the opportunities that will be generated through the whole City Deal portfolio.
Regional		
Swansea Bay City Region Economic Regeneration Strategy	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. 	The Skills and Talent programme will be instrumental in the success of all 5 key aims of the strategy and will deliver on the key skills requirements to meet the needs of the employers in the region.
Regional Employment and Skills Plan	The plan informs and support the Welsh Government's strategic approach to the delivery of employment and skills provision in conjunction with the other two Regional Skills Partnerships in Wales.	The Skills and Talent programme will utilise the work undertaken by the RLSP team including data being generated on the impact of Covid 19 pandemic for future skills needs.

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The ILS Campuses Strategy builds upon excellent industrial, life science and clinical research strengths. The Life Science, Wellbeing & Sport Campuses also underpin wider regional efforts to support regeneration in some of the UK's most deprived areas. The ILS Campuses Strategy builds upon excellent industrial, life science and clinical research strengths. The Life Science, Wellbeing & Sport Campuses also underpin wider regional efforts to support regeneration in some of the UK's most deprived areas.</p> <p>The project aims to deliver:</p> <p>Development of 23.23 hectare (57 acre) International Sports village, a 55-acre Innovation park and Access road (Infrastructure) Capital build elements will comply with (Clean growth) minimum requirements. The initiatives will create a cluster of 300+ firms, 100+ Commercial and innovation opportunities within the Health, Life science, well-being, MedTech and Sports Tech sectors (Business environment) (Ideas: World's most innovative economy) (Artificial Intelligence and data)</p> <p>The initiatives will Create over 1120 new jobs across the construction and operational phases, build skills and training within thriving sector's that generate a wage premium of £6,000 + above the national average wage (People: Good jobs and greater earning power) (Business environment).</p> <p>Outputs of the project such as the International sports village and facilities to support innovation around Life science, Health and Well-being support the targeted output of: One additional year of good health for the region's population (Ageing society)</p>
UK Government Strategy for UK Life Sciences	<p>Building an integrated system of industry, academia and health service. The IL Life Science, Wellbeing & Sport Campuses are underpinned by UK/local sector strengths in industrial capacity and academic research. The alignment with HE/FE and wider skills development and global investors supports delivery of skills and talent.</p>	<p>Embedding innovation activity within an integrated healthcare and life sciences environment will place citizens at the centre of innovation. The focus created by the ILS Campuses will provide sustainable critical mass, and underpin services to support digital inclusion.</p>
The Department for Culture Media and Sport's UK Digital Strategy	<p>This strategy sets out how the UK will develop a world-leading digital economy that works for everyone. It has seven strands:</p> <ul style="list-style-type: none"> • Connectivity - building world-class digital infrastructure for the UK • Skills and inclusion - giving everyone access to the digital skills they need • The digital sectors - making the UK the best place to start and grow a digital business • The wider economy - helping every British business become a digital business • Cyberspace - making the UK the safest place in the world to live and work online • Digital government - maintaining the UK government as a world leader in serving its citizens online • The data economy - unlocking the power of data in the UK economy and improving public confidence in its use 	<p>The project will develop large sites at both Singleton and Morriston and shall work with the Digital infrastructure project and key stakeholders to focus on "connectivity" ensuring requirements are achieved.</p> <p>The project aligns to the strategy / policy in the following ways:</p> <ul style="list-style-type: none"> • The digital sectors - making the UK the best place to start and grow a digital business, by aiming to grow a cluster of 300+ firms and in excess of 100 commercialisation and innovation opportunities within the MedTech, Sports Tech and Life science sectors. • Connectivity - building world-class digital infrastructure for the UK – working with stakeholders and the portfolio's "Digital infrastructure" project to across the capital elements of the project. • Skills and inclusion - giving everyone access to the digital skills they need – working with the Portfolios Skills and talent programme.
The UK Governments 5G Strategy	<p>Government has a clear ambition for the UK to be a global leader in the next generation of mobile technology – 5G</p> <p>Digital infrastructure is a building block of the Government's modern Industrial Strategy</p> <p>Deliver three main outcomes:</p> <ul style="list-style-type: none"> • accelerating the deployment of 5G networks • maximising the productivity and efficiency benefits to the UK from 5G • creating new opportunities for UK businesses at home and abroad, and encouraging inward investment 	<p>Aligned to the SBCR Digital infrastructure project, the project will harness the emerging digital capabilities inclusive of ultra-fast broadband and 5G mobile connectivity to drive technology development and innovation.</p>

<p>The UK Government Building Digital UK (BDUK)</p>	<p>Building Digital UK (BDUK), part of the Department for Digital, Culture, Media & Sport (DCMS) is delivering broadband networks to the UK. Current activity includes:</p> <ul style="list-style-type: none"> • Investment to provide superfast broadband coverage to as many premises as possible beyond the 95% level achieved in December 2017 • Piloting a way to provide gigabit-capable broadband to the hard-to-reach places in the UK through its Rural Gigabit Connectivity programme that is currently funded through to March 2021 • Stimulating private investment in gigabit-capable connections through its UK Fibre programme, currently funded through to March 2021 	<p>Embedding innovation activity within an integrated healthcare and life sciences environment will place citizens at the centre of innovation. The focus created by the ILS Campuses will provide sustainable critical mass, and underpin services to support digital inclusion.</p>
<p>Wales</p>		
<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>The Life Science, Well-being & Sport Campuses project will be inclusive of all, creating diverse opportunities apprenticeships, jobs and continued skills development. Public and private sectors will jointly address the linked determinants of health & well-being between education, health and employment.</p>
<p>Prosperity for All / Taking Wales Forward</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability 	<p>Aiming to build a Wales that is prosperous and secure, healthy and active, ambitious and learning, and united and connected. This will be delivered by securing and creating sustainable employment, shifting the approach from treatment to prevention, inspiring people to be the best they can be and building the vital links that make it easier for people to come together and for the economy to grow.</p>

Economic Action Plan	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:</p> <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development 	<p>The plan sets out the principles to support an economy that increases both wealth and well-being through inclusive growth and fair distribution of benefits across Wales, delivering better jobs closer to home. The Life Science, Well-being & Sport Campuses project responds to four of the seven “Calls to Action”. The Project will expand the capacity and capability to allow investment into training provision through expansion of apprenticeships, foundation, undergraduate, postgraduate training and continued professional development. The project will also enable the enhancement of vocational and innovative learning programmes and engage with employers from across the public and private sectors to ensure a true and sustainable pipeline of talent is commanded. Digital capacity and capabilities will be incorporated into all aspects of the project inclusive of skills development activities.</p>
Parliamentary Review of Health and Social Care in Wales	<ul style="list-style-type: none"> • Harness innovation, and accelerate technology and infrastructure developments • A Health & Care System that’s always learning • Bold new models of seamless care 	<p>This initiative will support the delivery of the quadruple aim advocated within the report. In particular, whilst supporting the delivery of all 10 of the recommendations this project will significantly contribute to harnessing innovation and accelerating technology and infrastructure developments outlined in recommendation seven.</p> <p>The review concludes that while Wales is in prime position to further develop technology and innovation as a key strength in pursuit of the quadruple aim current capacity and capability hinder the ability to deliver at pace. This project will provide both the capacity and capability for technology development and innovation within the region.</p>
A Healthier Wales - Our Plan for Health and Social Care in Wales	information to be provided	<p>The project harnesses and builds on the current life science eco system with a focus on Med tech, Sports Tech, Health, well being and preventative therapies. As such a targetted outcome of the project is One additional "QALY" - Quality of Life year per citizen or additional year of improved health.</p>
Regional		
Swansea Bay City Region Economic Regeneration Strategy	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. 	<p>The Institute of Life Science, Wellbeing & Sport is an expansion for growth in GVA and employment and will main ILS-supported levels of growth throughout the SBCR programme period, delivering 1,120 jobs (directly and indirectly) based upon Life Sciences & Well-being innovation across the regional cluster by 2031 (across both R&D and wider industry).</p> <p>The region will engage with Welsh Government and wider stakeholders to create the SBCR living lab/testbed environment. This will be achieved through ILS and Joint Clinical Research Facility (J-CRF) engagement and activity across SBCR. During the period, the region will utilise its RD&I assets to attract 4 significant inward investments to support balanced cluster growth and opportunity for wider UK sector. This would also involve realising a network of 300 cluster firms within the project period. Expanding technology and knowledge transfer activities between industry, academia and health service. This will involve development in excess of 100 new commercialisation opportunities during the project period, with £48m co-investment and numerous enterprise partnerships.</p> <p>In response to the Case for Change and broader Strategic Case, the Campuses Project has been developed appraising options against the following Critical Success Factors in pursuit of achieving the Spending Objectives;</p> <ul style="list-style-type: none"> • To support the growth of high value employment in the sector • To expand the pipeline of new enterprises in the sector • To enhance the effectiveness of regional RD&I assets for local and UK-wider innovation • To enhance the region and UK sector profile by capturing major international opportunities • To expand the pipeline of innovation opportunities engaged and realised with SBCR RD&I assets

Regional Employment and Skills Plan	information to be provided	<p>SBCD Campuses project will provide a pipeline of healthcare innovations benefitting communities during the development phase (locally and from commercialisation (UK and further afield). This will provide both local economic uplift through improved health and wellbeing and subsequent productivity along with wider societal benefit and skills uplift improving education and skills is both important to our efforts to reduce poverty and to improve the city and economy, which means transforming our education system to ensure children and young people have the necessary skills for the new economy.</p> <p>The SBCD Campuses project will work alongside RLSP to identify skills solutions, including bespoke training where required. An agreement will be developed with the Training Solutions group, resulting in:</p> <ul style="list-style-type: none"> •a better understanding of the needs of the sector within the region; •engagement with Schools to influence curriculum development and promotion of key skills required in the future by the life science sector and projects; •the creation of a skills system that will support the competitiveness of current and future life science companies; •an increase in the number of higher skilled individuals able to take up opportunities in the life science sectors, including those choosing to locate or expand within the region because of the City Deal; •an increased number and quality of apprenticeships will be supported and new opportunities developed through the projects, thereby creating a more skilled workforce in the region; and •encouraging people to learn and go on to work in life science industries in the region. <p>Expanding ILS capacity and capability will allow investment to equip existing and prospective workforces across the Region with the relevant skills for future employment, addressing skill gaps. The project will also enable the enhancement of vocational and innovative learning programmes, engaging with employers from across public and private sectors, remain sustainable and boosting a rapidly changing economy. In line with SBCR digital infrastructure and ARCH ambitions, digital capacity and capabilities will be incorporated into all aspects of the project inclusive of skills development activities.</p> <p>This aligned will also help support the growth of high value employment across the Region by 2031. Creating jobs based upon Life Sciences & Wellbeing innovation (across R&D and wider industry).</p>
A Regional Collaboration for Health (ARCH)	Information to be provided	<p>The SBCD Campuses project will support the health and wellbeing challenges within the region through collaborative approaches. Specifically around Skills & Workforce, Research, Enterprise & Innovation, Service Transformation and Wellbeing.</p>

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Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
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UK

<p>Industrial Strategy 2017</p>	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The Wellbeing Village is an embodiment of the 'five foundations of productivity' outlined in the UK's Industrial Strategy:</p> <ol style="list-style-type: none"> 1. Ideas – the world's most innovative economy Following strategic impetus from the UK and Welsh Governments, the field of life science, with associated R&D, has taken firm footing in the region, and additional investment will increase long-term vibrancy and resiliency. The creation of dedicated life sciences business acceleration, incubation and associated R&D within the Village would be a demonstrable investment in science, research and innovation. This would ensure new ideas are developed and deployed to translate new, credible intellectual properties into industry and commercial practices that will bring improvements in health and personal wellbeing. 2. People – good jobs and greater earning power for all Employment and education / skills development are cornerstones of the Wellbeing Village, with an ambition to provide training at all levels from entry to postgraduate, in response to acute local conditions, to nurture the next generation of professionals. All services provided on site will have a training role including supported employment to improve workplace access opportunities regardless of their stage in life. 3. Infrastructure – a major upgrade to the UK's infrastructure Driven by a green infrastructure network design philosophy, where form will follow function, improvements to local transport, water and energy supply are expected. This is likely to include provision of electric vehicle charging points, green roof, rain-water harvesting for toilet flushing, air source heat pumps and photovoltaics (roof and car park) in order to harness renewable energy to the fullest extent possible. There will be greater availability of high quality business/office space to promote the growth of small and medium-sized enterprises. Moreover, there is a commitment amongst Stakeholder Partners to develop telehealth and telemedicine, and for this networked infrastructure to be readily transferrable to all parts of the region. Finally, the provision of modern assisted living accommodation with state of the art assistive technology – care home and extra care facility – will increase stock and ensure that the country is better placed to deal with the demands of an ageing population by promoting independence. 4. Business environment – the best place to start and grow a business The Business Development Centre will function to provide business incubator/accelerator space offering technical, support and advice services to business start-ups in order to help them realise their growth potential. Growth and retention will help increase life science sector productivity – one of the underlying ambitions of the 'Sector Deals'. In addition, with the potential for a 'living laboratory' linked to assisted living, the CRC, provides an attractive proposition to those developing particular types of innovation 5. Places – prosperous communities across the UK One discernible strength of the Village is its rootedness in place, with the sociodemographic and economic backdrop of Delta Lakes driving a long-term vision for sustainable growth. The Village, as a cluster led by the triumvirate of academia, industry and the public sector, incorporates the other four foundations of the UK industrial strategy. It creates an ecosystem based on the concept of work-learn-play-live bringing together the foundations of productivity in a multi-disciplinary environment to create a prosperous community and a cluster of expertise which will redress economic imbalance by leveraging its R&D capabilities, developing its competitive strengths and maximising high quality innovation. This addresses some of the most pressing challenges to regional growth whilst reducing health and socio-economic inequalities, particularly within the adjacent Communities First area. <p>Grand Challenges- Healthy Ageing The Village aligns to the UK's Industrial Strategy's Ageing Society Grand Challenge as the activity of the Village, particularly research-based businesses development, will harness the power of innovation to help meet the needs of an ageing society and introduce new, more effective and efficient life science and care products to the market. Utilising digital technology and innovative application of R&D to industry the Village will bring together business, academia and civil society to work together to develop new technologies and care products in the field of life-science and well-being. In bringing together public sector services, businesses and research and development in one multi-disciplinary environment the Village will support care providers from all sectors to adapt to meet the needs of changing care demands and introduce new products and services which meet important social and well-being needs of the ageing population. In addition, other activities in the Village such as a state-of-the-art care facility, assisted living technologies and accessible leisure facilities will promote independent living, well-being and good quality of life for all.</p>
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<p>Life Sciences Industrial Strategy</p>	<p>The building blocks of the Life Sciences Industrial Strategy are:</p> <ol style="list-style-type: none"> a) Reinforcing the UK Science Offer b) Growth & Infrastructure c) NHS Collaboration d) Skills e) Regulation 	<p>The co-location of life science research and business development with NHS and industry is a principal strength and, through novel technologies and unique collaborations, will foster advancements in digital health for the benefit of UK patients. 40 The Business Development Centre will offer incubation and growth space and will add significant value to start-ups through strategic partnering, entrepreneurial experience, mentoring, market analysis and technology/product/service validation. The principal focus of research and business development activity will be life science and medical based.</p> <p>The Village will offer facilities to link to areas of specific interest to Hywel Dda UHB to promote local needs-based research and facilitate recruitment and retention of professional staff in the region. The Clinical Research Centre will offer a greater breadth of research activity/applications, including clinical research, patient engagement/impact studies and behavioural science (for example in relation to healthy eating). Taken together, the investment in regional R&D and business incubation through City Deal will create high quality companies in the life science sector that can deliver products, technologies and services which evidence significant social impact; operate staff development and retention programmes; network and collaborate within the ecosystem, and further afield; engage with the community and be scalable globally. In doing so, it is also proposed to develop the local supply chain.</p> <p>The longer-term ambition of the Business Development Centre will be to allow successful companies to grow out of the Village to be replaced by new start-up and spin-in ventures. This will ensure that South Wales, Wales and the UK is at the forefront of life science R&D and, through maximisation of opportunities, the region sustains itself as an 'excellent medtech cluster' (a designation given to the region within the Life Sciences Industrial Strategy). The Project Management Office (PMO) fulfils a co-ordinating function and will pursue direct links with public and private organisations to mitigate against 'missed opportunities' and share information / best practice, which has the secondary benefit of promoting the strategy across the UK as a whole</p>
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<p>Innovate UK Industrial Challenge Fund DBES</p>	<p>Next Generation services are predicated on leading edge digital infrastructure Transforming construction envisages digital design and IoT Robotics across a wide number of sectors Next Generation services for AI and embedded digital technology Leading edge healthcare, including digital technologies Driverless Cars Creative Industries clusters</p>	<p>Embedding innovation activity within an integrated healthcare and life sciences environment will place users at the centre of innovation. The focus created by the Village will provide sustainable critical mass, and underpin services to support digital inclusion. Bringing R&D together with industry and service providers the Village will support digital innovators to develop their ideas and provide an environment in which they can be tested in applications such as in assisted living.</p>
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<p>Equality Act 2010</p>	<p>• Due consideration of the nine protected characteristics and promotion of the Welsh language, rooted in business / service planning</p>	<p>Equality of opportunity will be promoted across all Village domains, including employment, education and training and service access. In rudimentary form this will encompass unfettered access to buildings, 'changing places' facilities, dementia friendly practices, a bilingual and diverse workforce, entry-level training, work placements accessible through the medium</p>
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Wales

<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>A More Prosperous Wales</p> <ul style="list-style-type: none"> • The project will establish a new infrastructure, which will catalyse economic regeneration through business start-up and growth, attraction of inward investment and the consequent creation of jobs at all levels. • The whole development is projected to create 1,853 jobs across an area in great need of employment opportunities. • Provision of an education and skills development capability integrated across the on-site services. • A network of training opportunities will be developed aimed at making a significant and sustainable contribution to meeting the skills shortage in the area, through integrated working with the on-site businesses and services provided by the private, public and third sectors. <p>A Healthier Wales</p> <ul style="list-style-type: none"> • Facilities provided for clinical research • Improved wellbeing of working populations • The services identified for delivery within the Village are in alignment with the University Health Board Strategic Objectives, providing preventative measures to tackle issues such as obesity, diabetes, respiratory health, mental health and dementia. • Enabling modernisation of services in line with the best practice outcomes and healthier lifestyles linked to the life cycle approach to care. <p>A More Equal Wales</p> <ul style="list-style-type: none"> • A major project in an area of significant economic and social need • Integration with the existing community is recognised as a key consideration; the facilities developed on site will be transgenerational, designed to improve quality of life and provide opportunities for people of all backgrounds..
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<p>Welsh Government Taking Wales Forward / Prosperity for All</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government: <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • Brited and Connected And based around the 5 Priority Areas of: <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability </p>	<p>It is the collaborative nature of the Village that offers the opportunity to create joint and meaningful social and economic impact from bold and ambitious plans and investment, including the creation of high value jobs and training and increased GVA output. The Village targets some of the most deprived localities of the region where economic regeneration has most value, whilst using telecare/telehealth to connect to wider communities, including rural and isolated. The development area is adjacent to a Lower Super Output Area ranked within the top 10% most deprived in Wales. Embedding an Open Innovation and collaborative ecosystem in an area of acute need will provide dual benefits: making the region an important UK attractant for home-grown and inward-investing business and providing socioeconomic uplift. The full project scope will provide increased opportunities and services aimed at improving health and prosperity.</p>
<p>Economic Action Plan</p>	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focuses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including: <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development </p>	<p>The Wellbeing Village is responsive to four of the five 'Calls to Action' and all seven 'Economic Contract' principles of the Prosperity for All Economic Action Plan. The co-location of services and R&D / business acceleration infrastructure will bring to pass uniform socio-economic growth across the region, facilitated by digital connectivity (such as telecare/ telehealth), revised training and wellness pathways and business incubation capabilities. In addition, the skills and talent pipeline will be inclusive of people of all ages and abilities through entry level and specialist training. Adjacent Communities First areas will be targeted to provide aspirational opportunities that will help break the cycle of deprivation. We would make an indirect contribution to the fifth call to active as links with international companies will foster the exporting of IPs and products developed in the Village.</p>
<p>Wales Infrastructure Investment Plan</p>	<p>The Wales Infrastructure Investment Plan for Growth and Jobs sets out the Welsh Government's strategic investment priorities, provides a detailed account of sectoral investment plans and sets out the key elements of a new approach to infrastructure investment. The Plan identifies the following investment priorities: <ul style="list-style-type: none"> • Improving transport networks, in particular east-west links in North and South Wales. • Improving telecommunications networks. • Supporting the development of the energy industry in Wales. • Investing in housing. • Delivering more efficient and economical public services. • Improving the quality of the educational estate. • Developing our Enterprise Zones. </p>	<p>The Village aligns with the strategic priorities of the Wales Infrastructure Investment Plan through creating a step change in business, research and development excellence / capacity underpinned by strong public, private and third sector partnerships. Through interconnectivity the Village will deliver prosperity, improve service delivery and create a sustainable, modern and multidisciplinary life science and health workforce. This will be underpinned by the creation of modern infrastructure meeting gaps in the local market for business incubation and research space, including larger premises for growing businesses. It will also provide necessary expansion space for education, skills and training in line with demand and growth projection in the health and care sectors.</p>
<p>Visit Wales Partnership for Growth</p>	<p>Increasing visitor spend by: <ul style="list-style-type: none"> • more well-being facilities • more all year round attractions, activities and innovative / distinctive experiences </p>	<p>Tourism generates over £434m of revenue to Carmarthenshire's economy annually. Under current proposals, a Wellness Hotel (with associated R&D and training utilities) and National Diving Centre would further increase the 'tourism offer' of South Llanelli, enriching existing provision (adjacent Millennium Coastal Path) and supporting a more prosperous economy. Delta Lakes would become a centre for wellness tourism in the Swansea Bay City Region, a rapidly expanding sector: 14% growth rate between 2013-2015, compared to 6.9% growth in overall tourism. \$563 billion global revenue.</p>
<p>Social Services and Wellbeing Act 2014</p>	<p>• Partnership working for the best possible standards of care <ul style="list-style-type: none"> • Suitability of infrastructure and services • Safeguarding of citizens • Involving people in decisions about their car </p>	<p>The Village will serve as a vehicle for delivering the radical change to working practices which have been called for by the Act. Integrating the communities of Llanelli in the collaborative activities will ensure that people have greater control over their care, promote independence, move care closer to people's homes and provide fit-for-purpose facilities to safeguard peoples' wellbeing across the life course. This will also include telemedicine via 'skype' consultation</p>
<p>Parliamentary Review of Health and Social Care in Wales</p>	<p>• Harness innovation, and accelerate technology and infrastructure developments <ul style="list-style-type: none"> • A Health & Care System that's always learning • Bold new models of seamless care </p>	<p>The Village meets all the recommendations of the review, particularly 3, 5, 6, 7 and 8 by maximising the benefits of technology and innovation to pursue the Quadruple Aim and deliver more effective and efficient care. The business incubation/acceleration units will improve system design and provide access to infrastructure for holistic product development (e.g. 3d printing for prototyping) in order to rapidly accelerate development, implementation, and evaluation of seamless care and support whilst allowing a shared space for R&D and industry to continually learn and improve</p>
<p>Regional</p>		
<p>Swansea Bay City Region Economic Regeneration Strategy</p>	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims: <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. </p>	<p>Business Growth, Retention and Specialisation <ul style="list-style-type: none"> • Provision of resources to retain growing Life Science and Health companies in the City Region • Expand and strengthen the Life Sciences and Health ecosystem in the City Region • Deliver excellence in Life Sciences and Health knowledge and expertise for companies in the ecosystem • Continue to take national and international leaders on our journey for Life Sciences and Health in South West Wales <p>Skilled and Ambition for long term success <ul style="list-style-type: none"> • Believer the vision that ARCH is praised with and continue to dare to be brave • Deliver Skills/workforce transformation planned by ARCH including multi and inter disciplinary people • Integrate and co-locate all stages of learning and development pipeline and offer attractive, career long employment opportunities for the through flow of talented people • Address poverty through employment as a key determinant of wellbeing <p>Maximum job creation for all <ul style="list-style-type: none"> • Create new and grow existing enterprises in Life Science and Health • Continued focus on economic development projects for Life Science and Health in the region • Expanded Open Innovation in Life Science and Health offering collaborative opportunities for learners and workers at all levels <p>Partnerships between public private and third sector organisations in Life Science and Health on regional national and international scales <ul style="list-style-type: none"> • Knowledge Economy and Innovation • An innovation framework to support Life Science and Health organisations • Life Science and Health investment initiatives and funds to deliver innovative products processes and services • World class R and D collaborations in Life Science and Health relying on regional assets • Attract and win inward investment opportunities in Life Science and Health • Build on proven research excellence in Life Science and Health <p>Distinctive Places and Competitive Infrastructure. <ul style="list-style-type: none"> • Developments based around place and settings, celebrating and selling our natural environment • State of the art infrastructure and facilities for Life Science and Health • Excellence in connectivity and digital assets • Create Wellness Tourism destinations • Continued reinvestment in Life Science and Health Infrastructure to remain relevant and sustainable • Whole systems approach for integrated solutions </p> </p></p></p></p>
<p>A Regional Collaboration for Health (ARCH)</p>	<p>Information to be provided</p>	<p>The SB&CD Campus project will support the health and wellbeing challenges within the region through collaborative approaches. Specifically around Skills & Workforce, Research, Enterprise & Innovation, Service Transformation and Wellbeing.</p>

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> • Ideas: the world's most innovative economy • People: good jobs and greater earning power for all • Infrastructure: a major upgrade to the UK's infrastructure • Business Environment: the best place to start and grow a business • Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> • Artificial Intelligence and data • Ageing society • Clean growth • Future of mobility 	<p>The HAPS project aligns well with each of these foundations, particularly 'ideas' – where the goal is to create 'the world's most innovative economy'.</p> <p>The HAPS project has greatest strategic fit with the 'clean growth' grand challenge, where the strategy states:</p> <ul style="list-style-type: none"> • 'The move to cleaner economic growth – through low carbon technologies and the efficient use of resources – is one of the greatest industrial opportunities of our time.' • 'We will transform construction techniques to dramatically improve efficiency' • 'For the majority of [the UK's] energy to be clean and affordable, we need much more intelligent systems. Smart systems can link energy supply, storage and use, and join up power, heating and transport to increase efficiency dramatically. By developing these world-leading systems in the UK, we can cut bills while creating high-value jobs for the future.'
Climate Change Act	<p>The Climate Change Act established a target for the UK to reduce its emissions by a minimum of 80% from 1990 levels by 2050 with five-yearly interim targets.</p> <p>To note, the Welsh Government has set a more ambitious target of reducing emissions in Wales by at least 40% by 2020 from 1990 levels with a target to reduce emissions by 3% per annum, measured against a baseline of average emissions between 2006 and 2010. This includes all 'direct' greenhouse gas emissions in Wales except those from heavy industry and power generation that are covered by the EU Emissions Trading Scheme.</p>	<p>The HAPS project aims to reduce emissions through decreasing energy demand and increasing the use of renewable technologies in housing – this decarbonisation of homes will align to this policy and support delivery of emission reduction targets</p>
Construction Sector Deal	<p>The Construction Sector Deal sets out an ambitious partnership between the industry and the government that aims to transform the sector's productivity through innovative technologies and a more highly skilled workforce. One of the benefits outlined in the Construction Sector Deal states 'better homes that are cheaper to run'</p>	<p>Direct alignment with HAPS</p>
Transforming Infrastructure Performance Plan	<p>Transforming Infrastructure Performance (TIP) plan, which is the UK Government's plan to increase the effectiveness of investment in infrastructure – both economic infrastructure such as transport and energy networks, by improving productivity in the way we design, build and operate assets.</p>	<p>The HAPS project is a demonstration project and aligns with the Transforming Infrastructure Performance (TIP) plan, which is the UK Government's plan to increase the effectiveness of investment in infrastructure – both economic infrastructure such as transport and energy networks, by improving productivity in the way we design, build and operate assets.</p>

Consultation - Future Homes Standard	<p>This consultation sets out government plans for the Future Homes Standard, including proposed options to increase the energy efficiency requirements for new homes in 2020. The Future Homes Standard will require new build homes to be future-proofed with low carbon heating and world-leading levels of energy efficiency; it will be introduced by 2025.</p> <p>This document is the first stage of a two-part consultation about proposed changes to the Building Regulations. It also covers the wider impacts of Part L for new homes, including changes to Part F (ventilation), its associated Approved Document guidance, airtightness and improving as-built performance of the constructed home.</p>	The HAPS project is aligned to these proposed energy efficiency requirements.
Clean Growth Strategy	<p>The strategy sets out proposals for decarbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change. The strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions.</p> <ul style="list-style-type: none"> • Accelerating clean growth • Improving business and industry efficiency • Improving the energy efficiency of our homes • Rolling out low carbon heating • Accelerating the shift to low carbon transport • Delivering Clean, Smart, Flexible Power • Enhancing the benefits and value of our natural resources <p>The Strategy recognises that it is only through innovation that new technologies will be developed and the cost of clean technologies come down.</p>	Information to be provided
Ten Point Plan for a Green Industrial Revolution	<p>The Government's Ten Point Plan lays the foundations for a Green Industrial Revolution. The Plan supports the creation of jobs and economic growth around the green economy through the following sectors and activities:</p> <ul style="list-style-type: none"> • Advancing Offshore Wind • Driving the Growth of Low Carbon Hydrogen • Delivering New and Advanced Nuclear Power • Accelerating the Shift to Zero Emission Vehicles • Green Public Transport, Cycling and Walking • Net Zero and Green Ships • Greener Buildings • Investing in Carbon Capture, Usage and Storage • Protecting Our Natural Environment • Green Finance and Innovation 	<p>Point 7: Greener Buildings</p> <p>The HAPS project aligns with and delivers the action detailed in point 7 to improve energy efficiency of homes and replace fossil fuel heating with lower carbon, more efficient alternatives.</p>
Powering our Net Zero Future (Energy White Paper Dec 2020)	<p>This white paper builds on the Government's Ten Point Plan to set the energy-related measures the Plan announced in a long-term strategic vision for the energy system, consistent with net zero emissions by 2050. It establishes the goal of a shift from fossil fuels to clean energy, in power, buildings and industry, while creating jobs and growing the economy and keeping energy bills affordable. It addresses how and why our energy system needs to evolve to deliver this goal. And it provides a foundation for the detailed actions the Government will take to realise the vision.</p>	HAPS aligns to this energy white paper as the paper presents a vision to make the transition to energy efficient homes and shifting away from gas to electricity to heat our homes.
Wales		

Wellbeing of Future Generations Action 2015	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> • Long Term • Integration • Involvement • Collaboration • Prevention 	<p>The Well-being of Future Generations Act aims to improve the social, economic, environmental and cultural well-being of Wales through seven well-being goals:</p> <ul style="list-style-type: none"> • Prosperous Wales – HAPS will directly tackle fuel poverty and play a key role in driving economic growth, supporting the growth of green jobs and skills throughout Wales and increasing the competitiveness of businesses • Resilient Wales – HAPS will tackle poverty and the global threat of climate change by addressing the energy trilemma of affordability, sustainability and security of the energy supply and the need for decarbonisation and contributing to meeting the demand for new houses • Healthier Wales – provision of low carbon, energy efficient homes will have a positive effect on health and well-being and address the health inequalities caused by poor energy efficiency • More Equal Wales – HAPS will work with partners and networks to ensure that the opportunities created by the project will be available and accessible to all; help reduce inequalities within society and address health inequalities caused by poor energy efficiency • Cohesive Community – the project will contribute to meeting societal needs for efficient and healthy housing with lower energy costs • Vibrant Culture and thriving Welsh Language – Opportunities will be taken to promote the Welsh language in the delivery of the project • Globally Responsible Wales – the project will be developed and delivered in line with the sustainable development principles highlighted by the Act. The project will also contribute to the efficient use of resources through new build and retrofit activities
Taking Wales Forward / Prosperity for All	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care • Mental Health • Skills and Employability 	<p>HAPS will contribute to the following priority areas of this strategy:</p> <p>Housing – the HAPS project will contribute to meeting new-build targets in Wales. There is a current shortage of energy efficient new housing in the region. HAPS will facilitate the adoption of a programme of new-build energy efficient housing, with integrated renewable energy, combined with an energy efficiency retrofit of existing stock to improve their energy efficiency will support meeting this target.</p> <p>Skills and employability – through links with the Skills and Talent project, the HAPS project will ensure that people have appropriate skills to take advantage of available employment opportunities linked to renewable technologies in housing. The HAPS project will work with employment initiatives to ensure unemployed (long and short-term) and economically inactive individuals can access appropriate skills training to increase their employment chances.</p> <p>This Plan sets the foundations for Wales to transition to a low carbon nation. Cutting emissions and the moving towards a low carbon economy bring opportunities around clean growth for business, as well as wider benefits for people and our environment. The HAPS project links directly into the following policy areas of the plan:</p> <p>Policy 32 – Developing Routes to Market for Renewable Technologies - The UK also needs newer and emerging technologies to continue to be developed, to provide a diverse mix of generation, which can also provide economic opportunities in exporting technology and expertise.</p> <p>Policy 33 – Increasing local ownership of energy generation. In 2018 Welsh Government held a call for evidence on the benefits of, and challenges in, increasing locally-owned generation⁴⁸. This demonstrated that increasing ownership of energy generation within Wales is likely to increase prosperity and we are now taking forward the actions indicated by the evidence. This includes developing a policy position on ownership of energy generation.</p> <p>Policy 36 - Market Regulation and Investment. In 2017 UK Government published the 'Upgrading our Energy System: Smart Systems and Flexibility' plan. This set out actions government, Ofgem and industry will take to:</p> <ul style="list-style-type: none"> • remove barriers to smart technologies (such as storage and demand-side response); • enable smart homes and businesses; and improve access to energy markets for new technologies and business models.
Innovation Strategy for Wales	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> • improving collaboration • promoting a culture of innovation • providing flexible support and finance for innovation (in partnership with Welsh Government) • innovation in Government • prioritising and creating critical mass 	<p>HAPS will deliver against the 5 themes of the Innovation Strategy.</p>

The Environment (Wales) Act	<p>The Environment (Wales) Act puts in place legislation needed to plan and manage Wales' natural resources in a more proactive, sustainable and joined-up way. It seeks to position Wales as a low carbon, green economy, ready to adapt to the impact of climate change.</p> <p>Relevant sections of the Act are:</p> <ul style="list-style-type: none"> ▫Part 1: Sustainable management of natural resources in a more proactive, sustainable and joined-up way ▫Part 2: Climate change – provides Welsh Ministers with powers to put in place statutory emission reduction targets, including at least an 80% reduction in emissions by 2050 and carbon budgeting to support their delivery. This is vital within the context of existing UK and EU obligations, sets a clear pathway for decarbonisation and provides certainty and clarity for business and investment 	<p>The HAPS project will deliver against the targets of this act and will encourage smart, energy efficient homes to become standard, which in turn deliver reduction in emissions target and decrease energy demand.</p>
Energy Wales: A Low Carbon Transition	<p>The Welsh Government set out its proposals for transitioning to a sustainable, low carbon economy in Energy Wales: A Low Carbon Transition, in 2012. This aims to maximise the long-term economic benefits of the transition, ensuring communities benefit from energy infrastructure developments and careful planning and management of the relationship between energy development and the natural environment.</p> <p>The Welsh Government committed to prioritise efforts on:</p> <ul style="list-style-type: none"> • Leadership providing a clear, consistent framework for investors, regulators and decision-makers and infrastructure, coordination and stability to make Wales a great place to do business • Maximising jobs and wider economic benefits ensuring communities derive long-term benefits • Acting now for Wales' long-term energy future supporting innovation, research, development and commercialisation in the areas that offer the greatest potential for long-term benefit <p>Delivery proposals include: priorities for action, high level milestones and a summary of deliverables for low carbon energy, energy efficiency, energy intensive industries, marine energy, regulatory regimes, infrastructure and other areas. As of April 2017, public services in Wales should use 100% renewable electricity, 50% of which will be generated in Wales.</p> <p>The Programme for Government, Taking Wales Forward 2016-2021, reconfirms the commitment to emissions reductions and support for renewable energy.</p> <p>In a statement in December 2016, the Cabinet Secretary for Climate Change, Environment and Rural Affairs, Lesley Griffiths, outlined energy priorities for the Fifth Assembly, including:</p> <ul style="list-style-type: none"> • Reducing energy consumption • Reduced reliance on energy generated from fossil fuels • An actively managed transition to a low-carbon economy 	<p>The HAPS project delivers the targets of 'A Low Carbon Transition' by providing the evidence base for smart, energy efficient homes. It will also embed the industry in the region maximising jobs and long term economic development.</p>
Green Growth Wales: Local Energy	<p>Sets out the approach to local energy in support of the strategic energy policy. The energy system is in a period of transition – an opportunity for Wales to take control of its own energy needs. The vision is for communities and businesses to use locally generated electricity and heat, from a range of renewable installations, to supply local demand and minimise dependence on central generation:</p> <ul style="list-style-type: none"> ▫Creating local energy systems ▫Tackling poverty for the long term ▫Positioning Wales at the forefront of carbon reduction 	<p>The HAPS project will identify those developments which can be powered by local energy systems. The aim of HAPS is to demonstrate the reduction in energy demand through fabric first approach and energy efficient technologies.</p>

Smart Living Wales	<p>A range of emerging drivers in Wales and the UK have increased interest in how to intelligently balance, interconnect and integrate smarter solutions to assist the balancing of the energy trilemma - security, affordability and low carbon developments. The vision adopted in the Smart Living Demonstrator Framework is:</p> <p>“Wales has the opportunity to influence how we live with energy and resources in the future through demonstrators that will innovatively transform homes, businesses and communities providing multiple benefits for all.”</p> <p>‘Smart Living’ is a concept covering a range of policy and practical interventions that drive low carbon solutions that can deliver a range of societal benefits.</p>	It is within this context that the HAPS project will be developed and delivered
Independent Review of Affordable Housing	<p>The Independent Review Panel were established in May 2016 by the then Minister for Housing and Regeneration, and includes the following recommendations:</p> <ol style="list-style-type: none"> 1. Introduction of a requirement for all new affordable homes to be near zero carbon / EPC ‘A’ using a fabric first approach from 2021, supplemented by technology (renewables) if required 2. Continue to support the trialling of Modern Methods of Construction (MMC) to help establish which methods can contribute to the objective of increasing the scale and pace of affordable housing provision with the existing resources available. <p>Develop a strategy to map out how Wales could further use off-site manufacturing (OSM) and MMC to deliver near zero carbon homes along with an appropriate timetable for achieving this.</p>	Information to be provided
Smarter Energy Future for Wales	<p>The National Assembly for Wales Environment and Sustainability Committee recommends moving to 'near-zero' carbon emissions as the new Welsh Housing Quality standard. It also strongly advocates for local energy systems, with grid level local prioritisation for Welsh customers, based on net positive buildings and homes.</p> <p>The report emphasises the importance of local, sustainable, supply chains for technology development, supply and fitting, increasing Welsh resilience and delivering carbon cuts through the framework laid out in the Wellbeing of Future Generations Act. Finally, the report recommends setting up a not-for-profit, publicly owned energy company, a suggestion that has been endorsed by Ofgem.</p>	HAPS aims to develop a regional skilled and sustainable supply chain which is aligned to the aim of this report.
Prosperity for All - A Low Carbon Wales	<ul style="list-style-type: none"> • Key areas of environmental improvement including industry, transport and waste • Driving sustainable growth and modern infrastructure 	Information to be provided
National Development Framework	<p>The National Development Framework for Wales addresses national priorities through the planning system, including:</p> <ul style="list-style-type: none"> • Sustaining and developing a vibrant economy, • Decarbonisation, • Developing resilient ecosystems, • Improving the health and well-being of our communities. 	The local authority partners will identify development areas across all sectors where the HAPS approach can be adopted.

<p>Tackling Fuel Poverty 2021-2035</p>	<p>Welsh Government has set 3 main targets to determine how successful the Welsh Government has been at achieving the statutory objective in tackling fuel poverty, these are; 1) ensure no households are estimated to be living in severe or persistent fuel poverty as far as reasonable practicable, 2) Not more than 5% of households are estimated to be living in fuel poverty at any one time as far as reasonably practicable 3) the number of all households "at risk" of falling into fuel poverty will be more than halved based on the 2018 estimate.</p>	<p>The HAPS project has clear alignment to these targets and will support in the co-ordination of this work across south west Wales. Ensuring supporting data is gathered and shared will help inform a wider audience and build on best practice to inform a faster roll out of the HAPS concepts within the private sector.</p>
<p>Regional</p>		
<p>Swansea Bay City Region Economic Regeneration Strategy</p>	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambitious for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. 	<p>HAPS is one of nine projects and programmes prioritised to deliver the Swansea Bay City Deal 'Internet Coast' strategy, based on the Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030. The Swansea Bay City Deal is supported by the evidence-based Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030. This strategy comprises five strategic aims to deliver the ambitious vision: 'By 2030, South West Wales will be a confident, ambitious and connected City Region, recognised internationally for its emerging knowledge and innovation economy'. HAPS is aligned to each of the five strategic aims of this strategy:</p> <ul style="list-style-type: none"> ☑ Business growth, retention and specialisation – supporting the creation of new industry in the region, supporting locally-based business growth and creating a sustainable supply chain ☑ Skilled and ambitious for long-term success – working closely with the Skills and Talent City Deal project to ensure the region's workforce has the appropriate skills to maximise the opportunity of HAPS ☑ Maximising job creation for all – supporting diversification of the economy, through the creation of employment opportunities linked to the green growth economy and a sustainable indigenous supply chain ☑ Knowledge economy and innovation – establishing the Swansea Bay City Region as a test bed for smart, low carbon, energy efficient homes and associated product development and commercialisation of innovation ☑ Distinctive places and competitive infrastructure – providing an attractive infrastructure asset for the region

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Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		
Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> •Beas: the world's most innovative economy •People: good jobs and greater earning power for all •Infrastructure: a major upgrade to the UK's infrastructure •Business Environment: the best place to start and grow a business •Places: prosperous communities across the UK. <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> •Artificial Intelligence and data •Ageing society •Clean growth •Future of mobility 	<p>PDM addresses the three Challenges laid out in the UK Industrial Strategy</p> <ol style="list-style-type: none"> 1. Build on our strengths and extend excellence into the future: Pembroke Dock Marine builds upon existing infrastructure and skill base. Not only will this revitalise and increase resilience to the existing supply chain, but it will mean that decades of marine engineering experience will survive and disseminate learning into the nascent marine energy industry and other new and established industries in the wider maritime economy. Wales is already progressing the marine energy opportunity. In April 2019, the total investment in marine energy projects in Wales stands at £96.2 million. Marine energy development in Wales (including technology and site development alongside academic research) have directly created over 566 person years of employment and there are currently 133 Full Time Equivalent (FTE) jobs in Wales in the marine energy sector.23 Pembroke Dock Marine FBC: Strategic Case 21 2. Close the gap between the UK's most productive companies, industries, places and people and the rest: Pembroke Dock Marine is focused on increasing productivity, directly working to manage the current imbalance in productivity between the UK and Europe by 20% as highlighted in the Industrial Strategy. Having infrastructure, testing facilities, supply chain availability, commercial deployment areas and the ORE Catapult-led Centre of Excellence, all in Pembroke Dock, will deliver cost effective technology development and enhance productivity. PDM also includes a Rochdale envelop consent process. Combined, these elements mean that developers can dedicate their focus on the technical design and implementation – rather having to develop their own test facilities and having to solve industry-wide problems in isolation. Much of this productivity loss can be mitigated by PDM, providing shared, managed facilities and convening consortia to address common problems in a geographic location where they can prosper, thus enabling technology developers to concentrate on their core function. The marine energy sector will leverage the expertise of, and provide a major diversification opportunity for, the existing world leading UK marine and maritime industries. These industries are already worth £17bn a year to the UK economy24 but need new applications and markets if current levels of employment and contribution to the economy are to be maintained and expanded. The Green Paper25 highlights disparities in economic performance across the UK. The marine energy industry, by the very nature of where the key wave and tidal resource are located (often remote, coastal communities) is bringing new opportunities to peripheral economies and communities where jobs are needed most. It is actively supporting the supply chain cluster around Pembroke Dock, allowing for diversification away from traditional marine engineering and the oil & gas sectors, and enhancing economic/supply chain resilience in Pembrokeshire. It should be noted that wave and tidal resources in the UK are concentrated along the western coast. Developing these resources would bring the west coast into a better balance with the east coast, where offshore wind is providing real economic benefits. A key activity for MEECE will be to explore the potential for transferring knowledge, skills and processes from other sectors, such as automotive and aerospace, into marine energy. Knowledge sharing from these highly productive sectors can help increase productivity in the supply chain around Pembroke Dock. 3. Make the UK one of the most competitive places in the world to start or grow a business. Pembroke Dock Marine is about creating the right conditions for the new and growing blue economy to thrive. Its unique offering of transmission infrastructure, supply chain capability, natural resource and facilities (albeit in need of modernisation) provides the best value for money opportunity for UK and Welsh Governments to support the sector to commercialise whilst lowering its cost of energy, improving its competitiveness in the UK and Global Markets. There is significant global interest in Wales, as demonstrated by the presence of Swedish company Minesto in Anglesey, and by the commitments from several other non-UK developers to take berths at the Morlais Tidal Demonstration Zone, off Anglesey – Aquantis (US), Instream (Canada), OpenHydro (France), TidaStream (Germany), Tocardo (Netherlands) and Verdant Isles (Ireland). The Australian wave energy developer, Bombora Wave Power, relocated its European operations to Pembroke Dock, bringing its CEO, CTO and Global Development Manager from Perth, Western Australia to commercialise their technology in Pembrokeshire. British companies such as Wave-tricity and Marine Power Systems are already based in Pembroke Dock, and Scottish tidal power company Nova Innovation has recently opened an office in Caernarvon, to support a planned development off Bardsey Island. This demonstrates that due to both Wales' excellent natural resource advantages and appropriately timed strategic interventions, Wales is already a competitive place to start or grow a marine energy business. PDM will enhance this. META, PDZ and MEECE will offer the ability to innovate, demonstrate and validate technologies, and Pembroke Dock infrastructure upgrades will offer developers unrivalled deployment capabilities, and an optimal base for operations and maintenance. On a UK level, there are four marine energy test facilities already established. These are EMEC on Orkney, FabTest in Falmouth, Wave Hub in Cornwall, and the National Renewable Energy Centre in Northumberland. The marine infrastructure of META and PDZ align with and add value to this current offering. The addition of META fills an early stage gap in this network of test sites – it allows device 24 UK Marine Industries Alliance, (2011) A Strategy for Growth for the UK Marine Industries manufacturers to work with their local supply chain and test early stages of devices (subassemblies and components) and to trial deployment techniques, before moving to the other, larger and more remote test sites for longer term testing. This is a level of de-risking that is not readily available to device developers currently. PDZ bridges the gap in the current offering of the test facilities between testing and commercialisation with the provision of a facility to take a developed device and demonstrate operation in multiples within an array for large scale generation. Array layouts and connection arrangements can be tested and optimised under real deployment conditions, opportunities for cost reduction can be identified and tested and array scale technology deployment can be demonstrated to commercial investors. With META in place, the UK test site network enables developers to cover the full range of testing service through the Technology Readiness Levels (TRL) levels, from laboratory-scale to grid connected testing in an offshore environment. With PDZ, technologies are taken from the highest TRL to demonstration of operation and generation at array scale significantly reducing investment risk for future project developments and identifying cost reduction opportunities for future developments. This network is unique and no other country in the world provides this range of established facilities, making the UK a truly competitive place to start and grow a business. <p>The three Challenges that the Industrial Strategy identifies are to be supported by Ten Pillars, and PDM will directly support eight of these as detailed in the Project Business Case (refer to the FBC for a comprehensive breakdown of these):</p> <ol style="list-style-type: none"> 1. Investing in science, research and innovation
Climate Change Act	<p>The UK's emissions targets were revised in 2019 to be net zero greenhouse gases by 2050. The Committee on Climate Change's 2018 progress report to Parliament, Reducing UK Emissions, outlined four messages to Government to get emissions reductions on track. It identified the need to 'Act now to keep long-term actions open' and specifically referenced floating wind a type of emerging technology that could offer cost reduced low carbon energy generation. This will be a critical step in ensuring the need is met for a diverse portfolio of low carbon technology that will meet the increasing electricity demands towards 2050 as stated in the report.</p>	<p>Floating wind energy is one of the decarbonised energy technologies that will be supported by Pembroke Dock Marine, the public funding will help ensure the technology reaches full maturity well in advance of the 2050 targets. The UK's emissions targets were revised in 2019 to be net zero greenhouse gases by 2050. The Committee on Climate Change's 2018 progress report to Parliament, Reducing UK Emissions, outlined four messages to Government to get emissions reductions on track. It identified the need to 'Act now to keep long-term actions open' and specifically referenced floating wind a type of emerging technology that could offer cost reduced low carbon energy generation. This will be a critical step in ensuring the need is met for a diverse portfolio of low carbon technology that will meet the increasing electricity demands towards 2050 as stated in the report. Floating wind energy is one of the decarbonised energy technologies that will be supported by Pembroke Dock Marine, the public funding will help ensure the technology reaches full maturity well in advance of the 2050 targets.</p>
Climate Emergency	<p>Climate emergency declarations have been made internationally. This includes UK and Welsh Governments, and all but one of the regions covered by the Swansea Bay City Deal (Neath Port Talbot has instead announced a Decarbonisation and Renewable Energy Strategy). The focus is to increase ambition to adopt more ambitious targets for reaching net zero emissions.</p>	<p>Pembroke Dock Marine project provides the support structure for the growth of an industry that targets the generation of decarbonised energy and therefore aligns with climate emergency goals. Since the early drafts of the FBC, climate emergency declarations have been made internationally. This includes UK and Welsh Governments, and all but one of the regions covered by the Swansea Bay City Deal (Neath Port Talbot has instead announced a Decarbonisation and Renewable Energy Strategy). The focus is to increase ambition to adopt more ambitious targets for reaching net zero emissions. Pembroke Dock Marine provide the support structure for the growth of an industry that targets the generation of decarbonised energy and therefore aligns with climate emergency goals.</p>
UK Government Marine Policy Statement	<p>Marine renewable energy can provide employment thus creating wide and long-term benefits for both national and local economies. (2.5.3) A secure, sustainable and affordable supply of energy is of central importance to the economic and social wellbeing of the UK. (3.3.1) Marine renewable energy, particularly wave and tidal stream technologies have significant potential in the medium to long-term, (3.3.3) up to 20% of the UK's current energy demand (3.3.21) "It is important for marine planning to take account of appropriate locations for such developments".</p>	<p>The potential impact of inward investment in offshore wind, wave, tidal stream and tidal range energy related manufacturing and deployment activity is significant; as well as the impact of associated employment opportunities on the regeneration of local and national economies.</p>
Marine Strategy Framework Directive	<p>The aim of the European Union's Marine Strategy Framework Directive (MSFD) is to protect the marine environment across Europe, where fundamental to the MSFD is the aim to achieve Good Environmental Status (GES) of the EU's waters by 2020. Of relevance to the marine energy industry, the MSFD seeks to address the impact of impulse underwater (anthropogenic) noise into the marine environment, which can provide adverse environmental effects to marine wildlife and habitats. Due to the high level of uncertainty about the effects of noise, the UK consultation on the MSFD has highlighted that it has not been possible to recommend a specific target for impulse noise which is believed to be equivalent to GES.</p>	<p>PDM will allow industry/catapult/academic led research to overcome some of these challenges by providing a test area for R&D.</p>
Catapults	<p>Various Streams, including: Digital, Energy, Future Cities, High Value Manufacturing, Offshore renewable energy and transport systems</p>	<p>The Offshore Renewable Energy Catapult is one of the four partners in PDM. It will establish a Catapult within the region providing a strong link into the UK's Industrial Strategy, particularly the Strength in Place theme, and would aim to be a key Pembrokeshire asset, attracting further funding into the county, ensuring MEECE's sustainability.</p>

Clean Air Strategy	<p>The Clean Air Strategy details the Government's approach to tackle all sources of air pollution, making air healthier to breathe, protecting nature and boosting the economy. The Strategy is to deliver it's objectives through the following priority actions:</p> <ul style="list-style-type: none"> •Securing clean growth and innovation •Action to reduce emissions from transport •Action to reduce emissions at home •Action to reduce emissions from farming •Action to reduce emissions from industry •Leadership at all levels 	<p>PDM will make a significant contribution to the UK Government's Clean Air Strategy. The proposed development specifically seeks to encourage renewable energy industries across a range of low carbon technologies, in order to reduce greenhouse gas emissions. Furthermore, it is recognised that marine energy technologies have the potential to displace coal and natural gas generation on the grid and to reduce CO2 emissions permanently</p>
Clean Growth Strategy	<p>The strategy sets out proposals for decarbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change. The strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions.</p> <ul style="list-style-type: none"> •Accelerating clean growth •Improving business and industry efficiency •Improving the energy efficiency of our homes •Rolling out low carbon heating •Accelerating the shift to low carbon transport •Delivering Clean, Smart, Flexible Power •Enhancing the benefits and value of our natural resources <p>The Strategy recognises that it is only through innovation that new technologies will be developed and the cost of clean technologies come down.</p>	<p>PDM will make a substantial contribution to achieving Clean Growth Strategy objectives, particularly in relation to wave and tidal stream, where the strategy recognises that "More nascent technologies such as wave, tidal stream and tidal range, could also have a role in the long-term decarbonisation of the UK, but they will need to demonstrate how they can compete with other forms of generation."</p>
Wales		
Wellbeing of Future Generations Act 2015	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> •A Prosperous Wales •A Resilient Wales •A More Equal Wales •A Healthier Wales •A Wales of Cohesive Communities •A Wales of Vibrant Culture and Thriving Welsh Language •A Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> •Long Term •Integration •Involvement •Collaboration •Prevention 	<p>Refer to comprehensive assessment in Business Case</p>
Prosperity for All	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> •Prosperous and Secure •Healthy and Active •Ambitious and Learning •United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> •Early Years •Housing •Social Care •Mental Health •Skills and Employability 	<p>PDM is aligned to a range of priorities articulated within this national strategy. PDM will:</p> <ul style="list-style-type: none"> • realise the economic opportunities of Wales' natural resources and deliver towards Wales' decarbonisation targets; • capture opportunities in a new global industry forecast to be worth £76bn by 2050 with a sustainable floating offshore wind sector adding an additional £10bn per year; • build national resilience to support future generations; • contribute to growth and prosperity by creating additional jobs and GVA; • build on the acknowledgement that "modern infrastructure is a key enabler of competitiveness and productivity" to deliver a site that minimises productivity losses through the provision of shared, managed facilities and by fostering knowledge sharing in highly productive sectors; • increase regional industrial resilience by creating more opportunities for the extensive engineering-focused supply chain that is currently over-reliant on the oil and gas sector; and offer opportunities beyond marine energy and have application in multiple maritime sectors. It is mindful to avoid displacement but sees room for growth in boat building to support the marine energy sector, and the nascent aquaculture sector. <p>Pembroke Dock Marine is aligned with all three issues identified as having National Thematic Relevance – Tradable Services: PDM will establish a potential export market for goods and knowledge, High Value Manufacturing – PDM will be an advanced fabrication site with extensive engineering application (from marine energy to ship building); Enables – PDM will deliver the technologies that will benefit Welsh businesses and communities.</p> <p>Beyond Thematic Relevance, Pembroke Dock Marine aligns with multiple focus points.</p> <p>Decarbonisation - PDM will make a significant contribution to achieving the Welsh Government's target of 70% of electricity consumed in Wales from Welsh renewable sources by 2030, together with locally owned renewable energy capacity in Wales reaching 1 GW by 2030.</p>
Wales Infrastructure Investment Plan	<p>The Wales Infrastructure Investment Plan for Growth and Jobs sets out the Welsh Government's strategic investment priorities, provides a detailed account of sectoral investment plans and sets out the key elements of a new approach to infrastructure investment. The Plan identifies the following investment priorities:</p> <ul style="list-style-type: none"> • Improving transport networks, in particular east-west links in North and South Wales. • Improving telecommunications networks. • Supporting the development of the energy industry in Wales. • Investing in housing. • Delivering more efficient and economical public services. • Improving the quality of the educational estate. • Developing our Enterprise Zones. 	<p>PDM will directly support a central aim of the WIIP which is to support the development of the energy industry in Wales (the industry's importance to Wales is reflected in the WIIP Mid-point Review 2018 (May 2018), which identified that £100m of ERDF has recently been allocated for tidal stream and marine energy projects in Wales) and will use existing resources to create this enhanced infrastructure that has cross-industry application and minimal impact on surrounding civic infrastructure.</p>

<p>Innovation Strategy for Wales</p>	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> • improving collaboration • promoting a culture of innovation • providing flexible support and finance for innovation (in partnership with Welsh Government) • Innovation in Government • prioritising and creating critical mass 	<p>Innovation Wales identifies some key themes where Wales needs to improve its innovation performance, and PDM will help to deliver these themes as follows:</p> <ul style="list-style-type: none"> • Improving collaboration PDM is itself a collaboration, and MEECE's whole business model embraces the ethos of collaboration, and indeed must embrace collaboration as a main innovation delivery mechanism. • Promoting a culture of innovation ORE Catapult is the UK's flagship technology innovation and research centre for advancing wind, wave and tidal energy. Through MEECE, Catapult will bring its experience in promoting and capturing innovation to Pembrokeshire and Wales, leveraging that experience by using META's and, if built, PDZ's unique facilities to trial, demonstrate and validate those innovations. • Providing flexible support and finance for innovation While MEECE will not be able to offer grants to companies, it can provide innovation support through a number of mechanisms, ranging from de minimus aid (free to the company) to fully collaborative projects where all consortium members share costs and benefits. <p>Innovation Wales identifies some key themes where Wales needs to improve its innovation performance, and PDM will help to deliver these themes as follows:</p> <ul style="list-style-type: none"> • Improving collaboration PDM is itself a collaboration, and MEECE's whole business model embraces the ethos of collaboration, and indeed must embrace collaboration as a main innovation delivery mechanism. • Promoting a culture of innovation ORE Catapult is the UK's flagship technology innovation and research centre for advancing wind, wave and tidal energy. Through MEECE, Catapult will bring its experience in promoting and capturing innovation to Pembrokeshire and Wales, leveraging that experience by using META's and, if built, PDZ's unique facilities to trial, demonstrate and validate those innovations. • Providing flexible support and finance for innovation While MEECE will not be able to offer grants to companies, it can provide innovation support through a number of mechanisms, ranging from de minimus aid (free to the company) to fully collaborative projects where all consortium members share costs and benefits. • Prioritising and creating critical mass Under this theme, Innovation Wales recommends that Welsh Government investment should be prioritised around existing or emerging capabilities. PDM meets this criterion, as it builds on proven capabilities in Pembroke Dock, proven capabilities in the development and operation of a world leading test facility by Wave Hub Ltd. and the previous academic expertise developed through the Low Carbon Research Institute (LCRI)
<p>Energy Wales: A Low Carbon Transition</p>	<p>The statement outlines the Welsh Government's ambition to transition to a low carbon economy and ensure that economic benefits and jobs and real community benefits continue to be delivered. The commitment will ensure:</p> <ul style="list-style-type: none"> • Engage and support businesses that help us to achieve our low carbon ambition – ensuring that Wales is the best possible place to do business by being responsive to the needs of businesses and industry as a cornerstone of our approach. • Strive to ensure that our regulatory processes are as simplified and efficient as they can be and provide businesses with clarity and stability. • Engage the UK Government to ensure that there is a credible framework for capital investment to support the transition to a low carbon economy, that the market mechanisms proposed by the Electricity Market Reform are implemented with greater clarity and speed and that they address current inequalities. • Support our vital energy intensive industries in the transition to a low carbon economy, engaging the UK Government to ensure that during transition there is clarity on and mitigation for the exposure of energy intensive industries to policy costs that could 	<p>PDM will contribute strongly to the ambition to create a sustainable, low carbon economy for Wales, by supporting the development of a thriving marine energy sector in Wales.</p> <p>The policy document states that the Welsh Government will:</p> <ul style="list-style-type: none"> • Lead the drive to develop a competitive marine energy sector in Wales. PDM will support this drive by providing essential port infrastructure, test and demonstration facilities and innovation support. • Identify strategic sites for wave and tidal stream developments and the wider actions that will be needed to support them. Morlais and PDZ have been identified as Demonstration Zones for tidal and wave respectively. PDM will be part of the 'wider actions' that support them. • Work with The Crown Estate and industry to bring forward a marine energy leasing round for Welsh waters as soon as possible. This has been achieved through The Crown Estate leases for Morlais and PDZ. PDM will support both Demonstration Zones. • Provide robust and timely information and guidance to the emerging marine renewable energy sector on the nature of the opportunities in Welsh waters. PDM will support the sector in realising these opportunities. • Work with partners to promote Wales as a centre for marine renewables. MEW and PoMH are already key partners in such promotion, and the addition of META, PDZ and MEECE will strengthen this message. • Investigate mechanisms for advancing the deployment of marine energy arrays. The PDZ is a strategic site that has been identified for wave energy array demonstrations and leased as such by the Crown Estate. PDM will support the sector in developing their device technologies to a level where array deployments in PDZ become feasible. PDZ itself could enable deployment of marine energy arrays to the order of tens of megawatts.
<p>Securing Wales Future</p>	<p>This White paper sets out the main issues, which Welsh Government and Plaid Cymru have identified as vital for Wales as the UK transitions away from being a member of the European Union. The document underpins the negotiating position Wales needs to have in place to ensure the country maintains its economic performance in the wake of BREXIT. The project demonstrates good alignment with the rationale behind Wales' position as set out in this document, which is summarised below. Wales is a world-facing nation with the majority of its border comprising of coastline. Marine based transport offers the most cost effective and environmentally friendly method of moving goods from Wales to global markets both within the EU and outside. Investments in Port areas such as those proposed by PDM to support green growth initiatives will improve the economic attractiveness of businesses locating themselves in Wales and support them to grow to meet the needs of a global marine energy prize worth an estimated £76bn by 2050 with a sustainable floating offshore wind sector adding and additional £10bn per year</p>	<p>PDM will be globally significant, offering an opportunity to promote not only marine energy in Wales but wider commercial interests abroad. The project will continue to attract inward investment from around the world, creating or safeguarding jobs as well as increasing inward migration of innovators and business leaders. The links between the sector and academia should also contribute attracting students to Wales' Higher Education facilities. As business' targeting global markets anchor themselves in Wales, the £248m contribution to the Welsh Economy (2013-15) from export of power generating machinery and equipment would be increased.</p>
<p>Energy Policy Statement: A Low Carbon Revolution</p>	<p>The Policy Statement outlines the Welsh Governments Main Actions in the drive towards energy efficiency and low carbon energy. These Actions are:</p> <ul style="list-style-type: none"> • Action on energy efficiency and small scale renewables • Action to produce low carbon electricity on a large scale • Low carbon renewables - Marine: offshore wind, tidal range, tidal stream and wave energy - Onshore wind - Hydropower and geothermal schemes - Bioenergy/Waste • Low carbon nuclear power • Low carbon large scale fossil fuel power generation with carbon capture and storage (CCS) 	<p>Pembroke Dock Marine directly encourages the establishment of new renewable energy industries that will reduce greenhouse gas emissions and promote sustainable economic growth.</p>
<p>Economic Prioritisation Framework</p>	<p>The EPF recognises that EU funds are only one piece of the overall investment jigsaw across Wales and it points the way to joining up the pieces. In doing so, it assists both WFO and potential beneficiaries in determining how to target the activities set out within the Welsh Operational Programmes/ programming documents. The EPF will help identify the opportunities and investments in a geographical or specific thematic area. Operations seeking EU funding support will be expected to describe how they can contribute to, interact with or complement relevant opportunities or investments in ways which can add value and provide wider benefits. It details the programmes and initiatives being developed and delivered in the South West Wales area.</p>	<p>Pembroke Dock Marine is focused on creating the right conditions for industrial growth. While the infrastructure will create value across a wide section of the maritime sector, it will be ideal for maximising market opportunity from the nascent and diverse marine energy sector in the immediate instance. This is not a development built around displacement – these are new facilities that will add to the current UK marine energy proposition and allow the industry to benefit for gains in innovation and operational efficiencies. The new industrial growth will be supported by Pembrokeshire's extensive engineering supply chain. Originally grown around the oil and gas industry, the supply chain has been increasingly pressured with refinery closures. PDM will support supply chain resilience and, in doing so, will ensure a robust and reliable supply chain continues to be available for Valero. It will create high skill, year-round jobs for both the current and future employment markets. Marine energy specifically has significant focus on the STEM skill base. Beyond the dedicated marine energy jobs, a wider cross-section of skills will be created in the supporting supply chain. Pembroke Dock Marine has two key aims – to enhance operational efficiency (driving industrial costs down) and enhanced innovation. The creation of MEECE will focus on increasing collaboration to support innovation and ultimately creating Pembrokeshire based intellectual property.</p>

<p>Wales National Marine Plan</p>	<p>The Plan has an overarching aim to support the sustainable development of the Welsh marine area by contributing across Wales' well-being goals, supporting the Sustainable Management of Natural Resources (SMNR) through decision making and by taking account of the cumulative effects of all uses of the marine environment.</p> <p>Objectives:</p> <ul style="list-style-type: none"> •Contribute to a thriving Welsh economy by encouraging economically productive activities and profitable and sustainable businesses that create long term employment at all skill levels. •Support the opportunity to sustainably develop marine renewable energy resources with the right development in the right place, helping to achieve the UK's energy security and carbon reduction objectives, whilst fully considering other's interests, and ecosystem resilience. •Provide space to support existing and future economic activity through managing multiple uses, encouraging the coexistence of compatible activities, the mitigation of conflicts between users and, where possible, by reducing the displacement of existing activities. •Recognise the significant value of coastal tourism and recreation to the Welsh economy and well-being and ensure such activity and potential for future growth are appropriately safeguarded. Ensuring a strong, healthy and just society •Contribute to supporting the development of vibrant, more equitable, culturally and linguistically distinct, cohesive and resilient coastal communities. •Support enjoyment and stewardship of our coasts and seas and their resources by encouraging equitable and safe access to a resilient marine environment, whilst protecting and promoting valuable landscapes, seascapes and historic assets. •Improve understanding and enable action supporting climate change adaptation and mitigation. Living within environmental limits •Support the achievement and maintenance of Good Environmental Status (GES) and Good Ecological Status (GES). •Protect, conserve, restore and enhance marine biodiversity to halt and reverse its decline 	<p>PDM will assist in achieving the objectives of the Marine Plan by providing pre-consented test areas for marine energy device testing in close proximity to the Strategic Resource Areas.</p>
<p>Innovation Wales</p>	<p>Innovation Wales identifies some key themes where Wales needs to improve its innovation performance</p>	<p>Improving collaboration: PDM is itself a collaboration, and MEECE's whole business model embraces the ethos of collaboration, and indeed must embrace collaboration as a main innovation delivery mechanism.</p> <p>Promoting a culture of innovation: ORE Catapult is the UK's flagship technology innovation and research centre for advancing wind, wave and tidal energy. Through MEECE, Catapult will bring its experience in promoting and capturing innovation to Pembrokeshire and Wales, leveraging that experience by using META's and, if built, PDZ's unique facilities to trial, demonstrate and validate those innovations.</p> <p>Providing flexible support and finance for innovation: While MEECE will not be able to offer grants to companies, it can provide innovation support through a number of mechanisms, ranging from de minimus aid (free to the company) to fully collaborative projects where all consortium members share costs and benefits.</p> <p>Prioritising and creating critical mass: Under this theme, Innovation Wales recommends that Welsh Government investment should be prioritised around existing or emerging capabilities. PDM meets this criterion, as it builds on proven capabilities in Pembrokeshire, proven capabilities in the development and operation of a world leading test facility by Wave Hub Ltd. and the previous academic expertise developed through the Low Carbon Research Institute (LCRI).</p>
<p>Regional</p>		
<p>Swansea Bay City Region Economic Regeneration Strategy</p>	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> •Business Growth, Retention and Specialisation •Skilled and Ambitious for long term success •Maximum job creation for all •Knowledge Economy and Innovation •Distinctive Places and Competitive Infrastructure. 	<p>The SBCE Economic Regeneration Strategy comprises 5 Strategic Aims, and PDM directly supports 3 of these:</p> <ol style="list-style-type: none"> 1. Business Growth, Retention & Specialisation PDM will directly support the transition to a Low Carbon Economy as identified as one of the three Grand Challenge Areas in the Welsh Smart Specialisation Strategy. In addition, by providing diversification opportunities for those supply chain companies that support the pre-existing, onsite Oil & Gas and Offshore Engineering sectors, PDM will help retain existing jobs in and around Pembroke Dock, and the wider region. A successful marine energy industry would also generate very significant Pembroke Dock Marine Business Growth, since the sector is currently in its infancy. The potential for the region to capture these High Growth Companies will be enhanced by the innovation support and relationship-building that MEECE and META will offer, and the enhanced facilities that the infrastructure upgrades at Pembroke Dock will provide – and their ability to attract multi maritime sector opportunities. 2. Skilled & Ambitious for long-term success An Operational Aim requires higher education provision 'that is fully aligned to and shaped by the needs of employers and the key knowledge-based growth sectors'. Through ORE Catapult, MEECE will be able to bring insights concerning future industry needs, in marine energy and offshore wind, and promote these to colleges and training organisations. A key activity for MEECE will be to explore device developer's future technology needs, and these can be translated back to the supply chain to inform them of their future training needs. Early determination of future training needs will enable the supply chain to upskill in parallel with the commercial development of the marine energy sector. Having the right workforce in place at the right time, in the right place will maximise the region's ability to capture and hold market share. 3. Knowledge Economy and Innovation As part of their WEFO-funding application processes, MEECE, META and PDZ all underwent 'regional proofing' by the Swansea Bay City Region, which has subsequently written letters of support for all three operations. <p>4. Business Growth, Retention & Specialisation</p> <p>PDM will directly support the transition to a Low Carbon Economy as identified as one of the three Grand Challenge Areas in the Welsh Smart Specialisation Strategy. In addition, by providing diversification opportunities for those supply chain companies that support the pre-existing, onsite Oil & Gas and Offshore Engineering sectors, PDM will help retain existing jobs in and around Pembroke Dock, and the wider region. A successful marine energy industry would also generate very significant Business Growth, since the sector is currently in its infancy. The potential for the region to capture these high growth companies will be enhanced by the innovation support and relationship-building that MEECE and META will offer, and the enhanced facilities that the infrastructure upgrades at Pembroke Dock will provide – and their ability to attract multi maritime sector opportunities.</p> <p>5. Skilled & Ambitious for long-term success</p> <p>An Operational Aim requires higher education provision 'that is fully aligned to and shaped by the needs of employers and the key knowledge-based growth sectors'. Through ORE Catapult, MEECE will be able to bring insights concerning future industry needs, in marine energy and offshore wind, and promote these to colleges and training organisations. A key activity for MEECE will be to explore device developer's future technology needs, and these can be translated back to the supply chain to inform them of their future training needs. Early determination of future training needs will enable the supply chain to upskill in parallel with the commercial development of the marine energy sector. Having the right workforce in place at the right time, in the right place will maximise the region's ability to capture and hold market share.</p> <p>6. Knowledge Economy and Innovation</p> <p>This Strategic Aim recognises the 'strong engineering heritage' of Swansea University and the University of Wales Trinity Saint David. It also highlights the 'need to boost the economic impact of our research, technology transfer and commercialisation efforts'. Swansea University is a joint beneficiary of the WEFO funding that MEECE is seeking, and a key activity for MEECE will be working with Swansea, and other Welsh and UK universities, to ensure that past and current research outputs are effectively transferred into the private sector. The value of META as a resource for demonstrating and validating products and services created from academic research will be significant.</p>
<p>West Wales and the Valleys ERDF Operational Programme</p>	<p>The Programme details the plan to invest EU ERDF funds to help social and economic growth in West Wales and the Valleys.</p>	<p>Specific Objective 1.2 increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs MEECE has secured its WEFO funding through this SO. Specific Objective 3.1 is: Increase the number of wave and tidal energy devices being tested in Welsh Waters and off the Welsh coast, including multi-device array deployments, thereby establishing Wales as a centre for marine energy production. Objective 3.1 has targets of deploying an additional 20MW of wave and tidal energy, 2 energy support site preparation schemes and 8 renewable energy prototypes by 2023. By investing in the detailed design and consenting of PDZ, it will make investment in the demonstration of wave energy technology in Welsh waters more attractive and prepare the ground for long term private investment to deliver up to 90MW of wave energy generation. META has secured its WEFO funding and Targeted Match funding through this SO. PDZ and PDI is in advanced stages and is expecting to secure its WEFO funding Match funding through this SO.</p> <p>Objective 4.4 has targets to increase employment through investments in prioritised local or regional infrastructure supporting a regional or urban economic strategy. The Port is preparing a business plan to WEFO under this priority whose operation would be the renovation of heritage buildings within the curtilage of the former Royal Dockyard. This would create 2000m² of commercial office and light workshop space as well as interpretation measures.</p>
<p>Natural Resources Policy</p>	<p>The Policy recognises that Wales' natural resources underpin well-being including prosperity, health, culture and identity. The Policy identifies the following headline opportunities:</p> <ul style="list-style-type: none"> • Supporting successful, sustainable communities; • Promoting green growth and innovation to create sustainable jobs; • Supporting a more resource efficient economy; and, • Maintaining healthy, active and connected communities. <p>The following National Priorities are also identified:</p> <ul style="list-style-type: none"> • Delivering nature-based solutions; • Increasing renewable energy and resource efficiency; and, • Taking a place-based approach. 	<p>PDM will directly assist in the "increasing renewable energy and resource efficiency" priority, particularly with new jobs, market opportunities and reduced operating costs and exposure to market volatility.</p>

Clean Growth Strategy	<p>The strategy sets out proposals for decarbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change.</p> <p>The strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions.</p> <ul style="list-style-type: none"> • Accelerating clean growth • Improving business and industry efficiency • Improving the energy efficiency of our homes • Rolling out low carbon heating • Accelerating the shift to low carbon transport • Delivering Clean, Smart, Flexible Power • Enhancing the benefits and value of our natural resources <p>The Strategy recognises that it is only through innovation that new technologies will be developed and the cost of clean technologies come down.</p>	<p>SILCG is aligned to the aim of clean growth i.e. economic growth while reducing greenhouse gases.</p> <ul style="list-style-type: none"> • Decarbonising all sectors of the UK economy through the 2020s • The SILCG will support low carbon industries • The SILCG will support the BEIS ambition to accelerate the commercialisation of clean energy technologies and investment in smart energy systems.
Clean Air Plan for Wales Consultation	<p>The aim of the Clean Air Plan for Wales is to improve air quality and reduce the impacts of air pollution on human health, biodiversity, the natural environment and the economy. This Plan supports delivery of commitments under Prosperity for All: our national strategy. In particular, 'reducing emissions and delivering vital improvements in air quality' to support 'healthier communities and better environments'.</p> <p>This Plan sets out a 10-year pathway to achieving cleaner air. The Plan is structured around four core themes, with actions to enable collaborative approaches to reducing air pollution.</p> <ul style="list-style-type: none"> • People: Protecting the health and well-being of current and future generations • Environment: Taking action to support our natural environment, ecosystems and biodiversity • Prosperity: Working with industry to reduce emissions, supporting a cleaner and more prosperous Wales • Place: Creating sustainable places through better planning, infrastructure and transport. 	<ul style="list-style-type: none"> • Clean air is essential for good health – this programme will enhance monitoring to better understand how and where impacts on air quality are made • Focus on identifying sources of PM10s and hence identify corrective actions
Commercial Property: Market Analysis and Potential Interventions	<p>To inform the new Property Delivery Plan, the report sets out an analysis of the Welsh commercial property market, including current and likely demand, property market responses and the extent to which there is a gap in supply. It also considers potential priorities for, and approaches to, intervention. In line with the Welsh Government's regional approach to economic development, it outlines the priorities for intervention within South East Wales, South West and Mid Wales and North Wales.</p> <p>The report contains an analysis of the property market for South West and Mid Wales.</p>	<ul style="list-style-type: none"> • Supports intervention through creation of 900,000 sq ft of new space over a rolling three-year period, providing premises in a new way • Creation of this space will support indigenous business and encourage inward investment through delivering a modern, attractive and suitable infrastructure for innovative development

Ten Point Plan for a Green Industrial Revolution	<p>The Government's Ten Point Plan lays the foundations for a Green Industrial Revolution. The Plan supports the creation of jobs and economic growth around the green economy through the following sectors and activities:</p> <ul style="list-style-type: none"> • Advancing Offshore Wind • Driving the Growth of Low Carbon Hydrogen • Delivering New and Advanced Nuclear Power • Accelerating the Shift to Zero Emission Vehicles • Green Public Transport, Cycling and Walking • Net Zero and Green Ships • Greener Buildings • Investing in Carbon Capture, Usage and Storage • Protecting Our Natural Environment • Green Finance and Innovation 	<p>SILCG programme is aligned to the aim to 'build back better: to invest in making the UK a global leader in green technologies.</p> <ul style="list-style-type: none"> • SILCG will stimulate the growth of low carbon hydrogen • SILCG will support the ambition to the shift to zero emission vehicles • SILCG will construct greener buildings • SILCG will support green innovation • Port Talbot is identified in the plan as one of the places in the UK pioneering the decarbonisation of transport industry and power
Road to Zero	<ul style="list-style-type: none"> • Transition to zero emission road transport. • Reduction in emissions from conventional vehicles 	<p>The Road to Zero Strategy outlines the mission to put the UK at the forefront of the design and manufacture of zero emission vehicles.</p> <ul style="list-style-type: none"> • The target is for all new cars and vans to be zero emission by 2040. • The strategy also aims to reduce emissions from conventional vehicles during the transition. • The SILCG programme aligns to this as it will develop a regional LEV strategy and coordinate funding opportunities / charging points activity to increase the number of charge points in the region. • The strategy states that the UK is well placed to be a global leader in hydrogen and fuel cell powered transportation which aligns to the SILCG programme
UK Levelling Up White Paper	<p>UK Government programme to level up the UK to transform places and boost local growth through strong innovation and a climate conducive to private sector investment, better skills, improved transport systems, greater access to culture, stronger pride in place, deeper trust, greater safety and more resilient institutions.</p>	<p>Support economic growth through the private sector Deliver actions to support the UK's transition to Net Zero Support Technological Transformation</p>
Wales		
Wellbeing of Future Generations Action 2015	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> • Prosperous Wales • Resilient Wales • More Equal Wales • Healthier Wales • Wales of Cohesive Communities • Wales of Vibrant Culture and Thriving Welsh Language • Globally Responsible Wales <p>The Act also identifies 5 Ways of Working:</p>	<ul style="list-style-type: none"> • Providing high quality jobs and training opportunities, which will lead to improved health, stronger community cohesion and a more vibrant culture • Creating a culture of innovation in the SBCR and diversifying the economic base of the area, through sustainable development aligned to global needs • Anticipated spin-out companies will stimulate further private and public investment in the region • Safeguarding of existing, highly-skilled and well-paid jobs • Creating an attractive region to live and do business in, with opportunities available to all

Prosperity for All	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> • Prosperous and Secure • Healthy and Active • Ambitious and Learning • United and Connected <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> • Early Years • Housing • Social Care 	<ul style="list-style-type: none"> • Creating high-value jobs leading to national prosperity • Encourage a robust talent pipeline, benefitting the region through higher wages and lower levels of underemployment • Provides a focus for inward investment together with indigenous innovation • Providing the right environment for businesses to thrive • The project will house state of the art research equipment and will attract top-class talent to the area leveraging collaboration across the globe • Delivering wider benefits to the regional community
Economic Action Plan	<p>The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting productivity and addressing inequality. The Plan presents Calls to Action on a number of areas including:</p> <ul style="list-style-type: none"> • Decarbonisation • Innovation • High quality employment and skills development • Research and development 	<ul style="list-style-type: none"> • Focus on decarbonisation clearly aligns with key aims • Accelerating low-cost energy generation • Investment in human capital, infrastructure and innovation to address productivity gap • A locus of innovation and research in the Neath Port Talbot region will strengthen the existing local economy and create new sustainable opportunities • Creating quality jobs and delivering industrially relevant training in future-focused technologies and applications will support people-driven economic growth • Enabling public investment with social purpose, delivering increased value • Supporting public sector to become exemplar and drive green growth
Welsh Government Innovation Wales	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> • improving collaboration • promoting a culture of innovation • providing flexible support and finance for innovation (in partnership with Welsh Government) • innovation in Government • prioritising and creating critical mass 	<ul style="list-style-type: none"> • Leading the way through public sector exemplar investment in a cohesive low carbon strategy for the region • Improved opportunities for supply chain productivity • Innovation in decarbonisation will lead to growth of new company clusters in recycling technology, the circular economy, component manufacture and modular construction • It will also increase the research capacity and capability for the region, paving the way for future growth in other sectors
The Environment (Wales) Act	<p>The Environment (Wales) Act puts in place legislation needed to plan and manage Wales' natural resources in a more proactive, sustainable and joined-up way. It seeks to position Wales as a low carbon, green economy, ready to adapt to the impact of climate change.</p> <p>Relevant sections of the Act are:</p>	<ul style="list-style-type: none"> • Contribute to emissions reduction by creating solutions for commercialisation that will allow a range of manufacturing sectors to decarbonise • Promote use of renewable energy sources • Develop energy positive construction technologies to reduce emissions from buildings, providing demonstrators to a wider audience
Prosperity for All - A Low Carbon Wales	<ul style="list-style-type: none"> • Key areas of environmental improvement including industry, transport and waste • Driving sustainable growth and modern infrastructure 	<ul style="list-style-type: none"> • Creating high value jobs and innovation in clean growth will support the vision of establishing Wales as one of the best places in the world to live, work and do business • Deliver research, infrastructure and solutions that are essential to delivering the rapid change needed to hit ambitious targets • Opportunities to use active building (i.e. energy generating) technologies to pilot a modern construction sector • Efficient use of resources and reuse of brownfield sites

<p>A Manufacturing Future for Wales: a framework for action</p>	<p>Consultation document on the Welsh Government’s proposals for the future of the manufacturing industry in Wales. The document outlines the proposed approach which:</p> <ul style="list-style-type: none"> • Encourages greater innovation and headquarter location across Wales • Grows our export potential • Increases quality employment and skills across Wales • Expands the research and development base across Wales 	<ul style="list-style-type: none"> • Directly support the plans for clean, green growth with focus on decarbonisation and waste utilisation – setting the foundations for a circular economy in a regional eco-system that synergizes benefits and growth • The cluster expertise in the area will create an ideal location to deliver green innovation through innovators, supply chain, infrastructure and manufacturers across a range of sectors • Academic and industrial partnership will offer opportunities to develop specialist learning and training to ensure a long-term talent pipeline aimed at attractive, high-quality career opportunities with longevity and resilience
<p>Clean Air Plan for Wales Consultation</p>	<p>Improve air quality for health, nature & prosperity</p>	<p>The plan aims to improve air quality through air quality modelling and real time monitoring to ensure there is a targeted approach. The SILCG is aligned in the following way:</p> <ul style="list-style-type: none"> • The programme will enhance monitoring to better understand how and where impacts on air quality are made; • Focus on identifying sources of PM10s and hence identify corrective actions
<p>Electric Vehicle (EV) charging strategy for Wales (consultation)</p>	<p>Draft strategy for EV charging in Wales</p> <ul style="list-style-type: none"> • Current charging provision in Wales for cars & vans • Future charging needs 	<p>The SILCG is aligned in the following way:</p> <ul style="list-style-type: none"> • Coordinated approach for the region • Mapping current situation, behaviour and future demand in relation to low emission vehicles • Aligned to the Wales strategy
<p>Regional Investment for Wales (RIFW)</p>	<p>4 investment priority areas:</p> <ul style="list-style-type: none"> • Business productivity & competitiveness 	<p>The SILCG is aligned in the following way:</p> <ul style="list-style-type: none"> • Creating the right environment for sustainable and inclusive jobs and growth
<p>Regional</p>		

<p>Swansea Bay City Region Economic Regeneration Strategy</p>	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> • Business Growth, Retention and Specialisation • Skilled and Ambition for long term success • Maximum job creation for all • Knowledge Economy and Innovation • Distinctive Places and Competitive Infrastructure. 	<ul style="list-style-type: none"> • Supporting indigenous industries which are economically critical in terms of GVA and employment • Creating the physical and knowledge-based infrastructure to foster and encourage innovative start-ups, providing support to ensure retention and growth of new businesses <ul style="list-style-type: none"> • In particular, support early-stage knowledge-intensive firms through incubation and innovation stages • Creating highly skilled and well-paid jobs, developing skills to maximise employment in growth sectors • Removing barriers to employment • Supporting business as a regional gateway, increasing entrepreneurial culture • Through specialised training solutions, deliver a talent pipeline for high-growth sectors • Support the 'internet coast' through next-generation digital infrastructure, creating future energy systems, integrating renewable energy with existing asset base and delivering leading-edge research • Contribute to the key themes: <ul style="list-style-type: none"> - Embeddedness - existing base of trained labour - Relatedness - diversifying existing strengths in the area via the metals industry - Connectedness - already established network of steel and metals companies in the area
<p>Regional Economic Framework</p>	<p>Consultation document for the Regional delivery of the Economic Action Plan for Mid and South West Wales. The approach the Regional economic growth is the four broad priority areas agreed by Welsh Government Cabinet for replacement EU funds, but will also reflect additional regional priorities:</p> <ul style="list-style-type: none"> • Reducing income inequalities for people, analysing the factors that create income inequality and reduce disposable and discretionary income • More productive and competitive businesses, including the vital role of innovation and research as well as alternative business models • The transition to a zero carbon economy, taking advantage of the opportunities this creates as well as reducing negative effects • Healthier and more sustainable communities, recognising different challenges in different communities and the role of local areas in identifying priorities in their places. 	<p>The SILCG programme is aligned in the following way:</p> <ul style="list-style-type: none"> • Addressing the areas of weaknesses / threats – will increase productivity, create employment opportunities, provision of low carbon high quality business infrastructure • Build on the strengths of sectoral strengths in energy, advanced manufacturing and innovation centres. • The SILCG programme is aligned to the SBCR Regional Delivery Plan as this action plan will focus on diversification, energy and renewables sectors.

Carbon Reduction Assessment of the SBCD Portfolio October 2022



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1. Executive Summary

- 1.1. SBCD portfolio helps to address and support the grand challenge of carbon reduction with the long term aim of achieving Wales's Net Carbon Zero target by 2050.
- 1.2. As acknowledged in the Welsh Government Net Zero Wales Carbon Budget 2 (2021 to 2025), the SBCD Portfolio contains some significant contributions to existing and future national and regional Carbon reduction targets.
- 1.3. As the SBCD was first established in 2017 with all nine headline business cases approved by December 2021 by both Governments, there is no specific decarbonisation investment objective set at a Portfolio level.
- 1.4. In accordance with local and national policy, each Lead Delivery Organisation will ensure that facilities are procured, built, and operated in compliance with the requirements set out in relevant policies and strategies.
- 1.5. Direct contribution is made via all projects that build SBCD infrastructure by achieving BREEAM excellent as a minimum standard. Significant contribution to support the decarbonisation agenda will also be through the delivery of three energy related projects, upskilling of our workforce through the Skills and Talent Programme and enhancement of our digital connectivity through the regional Digital Infrastructure Programme.
- 1.6. The SBCD Portfolio places the region at the forefront of Energy and Smart Manufacturing innovation as part of the drive towards a low carbon economy and will contribute by:
 - i. Creating an estimated 80k+ m² of floorspace with a minimum of BREEAM excellent by 2026
 - ii. Creating at least 5,000 jobs across the renewables and energy sectors
 - iii. Create at least £620m GVA
 - iv. Attract at least £630m of total investment
 - v. Estimated to provide at least 6,000 skills and talent opportunities for the energy and , decarbonisation sectors
 - vi. Create a regional centre of excellence in the renewable energy sector
 - vii. Grow 2 supply chains in the installation, manufacturing and operations of blue and green technologies through PDM And HAPS
 - viii. Enhance digital connectivity through full fibre, 5G and Internet of Things (IoT) to future proof the digital economy across the region
- 1.7. The three energy related initiatives, Homes as Power Stations (HAPS), Pembroke Dock Marine (PDM) and Supporting Innovation and Low Carbon Growth, all have set projects and targets to support the reduction of carbon emissions. They will catalyse this through infrastructure, technology, manufacturing, business growth and supply chains, research and development and future skills development. Project Specific contributions include:

HAPS: The potential for a Homes as Power Stations blueprint that can be rolled out across the region and wider, providing less reliance on carbon fuelled alternatives resulting in:

- 10,300 homes fitted with renewable technology
- 10,417 + KWh energy saving
- 19,000+ CO2 reduction per year

PDM: The work being done by the Pembroke Dock Marine partners to secure a sustainable renewable energy source for South West Wales and beyond achieving a 1,000 MW contribution to decarbonisation targets and will make a significant contribution to achieving the Welsh Government's target of 70% of electricity consumed in Wales from Welsh renewable sources by 2030

Supporting Innovation and Low Carbon Growth: including, the Bay Technology Centre - the first commercial energy positive building in Wales, the decarbonisation of steel production and the shift to low carbon transport, providing a total of 18,500 sqm BREEAM excellent floorspace.

- 1.8 In summary the SBCD Portfolio will make a significant contribution towards the region's carbon reduction aspirations, albeit indirectly in most cases. More directly, Pembroke Dock Marine will make a significant contribution to achieving the Welsh Government's target of 70% of electricity consumed in Wales from Welsh renewable sources by 2030, and HAPS will create a sustainable housing blueprint that can be rolled out across Wales guiding a long-term reduction in domestic carbon reliance.
- 1.9 The primary assumption throughout this review is that all SBCD capital build projects have been costed to achieve BREEAM Excellent at minimum and that the projects remain to be viable noting that costs of any requirements over and above those originally factored in to the Business Cases may need to be funded from other sources.

2. Purpose

- 2.1. This document was developed at the request of the SBCD Programme Board in July 2022 to determine the level of SBCD Portfolio contribution toward carbon reduction for South West Wales. The PoMO co-ordinated an initial assessment by reviewing project and programme business cases and engaging with the project teams which align to the Welsh Government requirements and guidance, the four Local Authority decarbonisation ambitions and other lead deliverer targets.

3. Background

- 3.1. **The Environment (Wales) Act 2016** placed a duty on Welsh Ministers to set targets for reducing greenhouse gas emissions and to set carbon budgets.
- 3.2. During the same period, **The Well-being of Future Generations (Wales) Act 2015** was introduced which places a duty on each public body to carry out sustainable development. The five ways of working set out in the Act aim to help bodies work together better, avoid repeating past mistakes and tackle long term challenges.
- 3.3. The Welsh Government published the first statutory Low Carbon Delivery Plan, **Prosperity for All: A Low Carbon Wales**, and declared a climate emergency in April 2019, closely followed by Local Authorities developing their approaches to net carbon zero with stated targets for 2030.
- 3.4. In March 2021, the Welsh Government set new legal targets for a 63% carbon reduction by 2030, 89% by 2040, and 100% by 2050.
- 3.5. In October 2021, the Welsh Government published their second emissions reduction plan, **The Net Zero Wales Carbon Budget 2**. This sets out specific policies for the public sector, including a target for decarbonisation plans to be in place by March 2023, targets relating to buildings, vehicles and procurement, and development of a new health and social care decarbonisation plan.
- 3.6. **The Net Zero Wales Carbon Budget 2** says of the Swansea Bay City Deal:
"Swansea Bay City Deal has pledged to work together significantly contribute to the Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030. Key projects are delivering outputs aligned to the decarbonisation agenda focusing on energy savings, tackling fuel poverty and carbon reduction. SBCD will respond directly to improve energy efficiency and the transition to a net zero carbon economy, enabling more businesses to become carbon light or free. Specific actions include:
 - Improve business and industry efficiency: Enhancing business energy efficiency through next generation and mobile broadband.
 - Development of the SWITCH and Technology Centre to promote innovation and low carbon growth.

- Improving the energy efficiency of our homes – Homes as Power Stations Programmes (HAPS) will deliver the rollout of innovative energy efficiency homes throughout the Region
 - Accelerate the shift to low carbon transport – directly through the Supporting Innovation and Low Carbon Growth Programme”
- 3.7. The budget also states that “By 2025 all new City and Growth Deals will have carbon reduction at their core and will contain carbon reduction outputs as key metrics for monitoring and evaluation.” Noting the SBCD was established in 2017 and is therefore not classified as a new City and Growth Deal i.e. 2021 onwards, and had already established its Portfolio projects and programmes, along with key investment objectives.
- 3.8. Regionally, **the South West Wales Economic Delivery Plan 2022-2030** states that the region needs to focus on several distinctive economic strengths and assets as a platform for future growth including extensive energy infrastructure and low carbon energy generation potential.
- 3.9. The plan seeks to establish the SBCR as a diverse and low carbon economy and international centre for renewable energy production and conservation. To retain and develop the regional strategic role in energy into green growth and to secure further investment to unlock the full potential of supply chain development.
- 3.10. It also highlights that the region needs to respond to transformational needs that will impact on the economy, its resilience, sustainability and growth including the decarbonisation policy imperative at a national, regional and local level which creates a requirement to seek and develop opportunities for innovation and technology development, as well as a need for adaptation to support industrial resilience.
- 3.11. The decarbonisation need for the region will be undertaken through:
- the delivery of the region’s low carbon projects at scale
 - decarbonising the industrial base
 - decarbonising the wider economy (including housing stock and transportation)
- 3.12. Within its focus on the energy sector, the plan aims to place the region at the forefront of energy innovation in the areas of sustainable house building to address fuel poverty, while creating a centre of excellence to develop and exploit aspects of marine and other sustainable energy. This will exploit the multi-billion-pound asset base in renewable and conventional energy production and the testing and commercialisation of integrated Future Energy Systems for commercial and domestic use. The SBCD portfolio will also contribute directly to the drive towards decarbonisation of the economy and the green industrial revolution including skills for green jobs
- 3.13. For construction projects, the Welsh Government requires that most new buildings promoted or supported by them, or their sponsored bodies, must meet their Sustainable Building Standards. This includes projects procured directly and indirectly. All SBCD new built infrastructure will achieve BREEAM (Building Research Establishment Environmental Assessment Method) Excellent rating as a minimum requirement. See Appendix 2.
- 3.14. To support the Welsh public sector in addressing Net Carbon Zero via procurement, in September 2021 Welsh Government issued the **Welsh Procurement Policy Note WPPN 06/21: Decarbonisation through procurement - Taking account of Carbon Reduction Plans**, last updated in March 2022. WPPN 06/21 adopts the UK Procurement Policy Note 06/21, providing further information specifically to Welsh public sector contracting authorities to help them meet the 2030 target for a net zero public sector in Wales.
- 3.15. In December 2021 Welsh Government also issued **Welsh Procurement Policy Note WPPN 12/21: Decarbonisation through procurement - Addressing CO₂e in supply chain**, which advises the Welsh public sector on the actions that can be taken to address CO₂e emissions in supply chains for purchased goods and services to help them meet the 2030 target for a net zero public sector. This was also updated in March 2022.

4. Portfolio review

- 4.1. The PoMO undertook an initial review of the programme and project Business Cases as submitted to UK Government and Welsh Government for approval.
- 4.2. It was noted that most of the SBCD Business Cases were in an advanced development stage prior to the 2019 declaration, and a significant number were approved or already in the approval process prior to the announcement of the Net Zero Pathway in March 2021.
- 4.3. As a result, many of the Business Cases have been written without fully integrated Net Carbon Zero targets, although most of the programmes and projects do have carbon reducing elements and synergies to Welsh Government and Local Authority carbon reduction plans, in the main these are secondary outcomes of the schemes and not fundamental outputs.
- 4.4. All Business Cases reference The Well-being of Future Generations (Wales) Act 2015 and acknowledge the requirements therein.
- 4.5. Noting the above, other existing and subsequent, local and national policies will affect how projects are delivered in real time, especially concerning design, construction and procurement.
- 4.6. The key outputs that directly contribute to carbon reduction are summarised in the table below

Digital Infrastructure	Roll out of regional high speed full fibre and mobile broadband, 5G and IOT enabling more low carbon initiatives to be implemented
Skills & Talent	Future skills development including a total of 2,200 additional skills, 14,000 people upskilled, 3,000 new apprenticeship opportunities 3 Centres of Excellence with a potential for two focused on decarbonisation and renewable energy
Home as Power Stations	10,300 homes fitted with renewable technology 10,417 + KWh energy saving 19,000+ CO2 reduction per year
Swansea Waterfront	Kingsway - 10,684 sqm BREEAM excellent floorspace Innovation Matrix - 2,200 sqm of BREEAM: Excellent floor space
Yr Egin	363.4 sqm BREEAM excellent floorspace phase 1
Pentre Awel	50,000 sqm BREEAM excellent floorspace
Campuses	2,700 sqm BREEAM excellent floorspace shared between two locations
Supporting Innovation and Low Carbon Growth	Total 18,500 sqm BREEAM excellent floorspace Creation of Bay Technology Centre – first commercial energy positive building in Wales 1,320 jobs created working in the low carbon sector SWITCH (South Wales industrial transition from Carbon Hub) -industrial research facility helping industry to decarbonise Advanced Manufacturing Production Facility with apprenticeship opportunities Local electric vehicle charging infrastructure to reduce vehicle emissions across the county Increase in Hydrogen production from renewable resources (using excess energy from the BTC)
Pembroke Dock Marine	PDM will make a significant contribution to achieving the Welsh Government’s target of 70% of electricity consumed in Wales from Welsh renewable sources by 2030 and will establish a world-class centre for marine engineering with an immediate focus on low carbon energy leading to 1,000 MW contribution to decarbonisation targets

Further detail can be found in the table at Appendix 1

5. Policy implications

- 5.1. The Net Zero Wales Carbon Budget 2 (2021 to 2025) contains policies and proposals across all ministerial portfolios which are, or will be, incumbent on Local Authorities and Public Bodies to deliver.
- 5.2. This will require SBCD Lead Delivery Organisations (LDO's) to be aware of their responsibilities and to assess how these may affect future delivery of the Programme and Project outputs within the SBCD Portfolio.
- 5.3. Lead Delivery Organisations will need to consider how, within their own Net Carbon Zero plans, the requirements apply for any new design or build yet to be procured and delivered. This is not without cost and is currently being assessed by Welsh Government under the Sustainable Communities for Learning (formerly 21st Century Schools) programme where the transition from BREEAM Excellent to Net Carbon Zero is estimated to add £375/m² in 2022 rising to £405/m² in 2024.
- 5.4. It should be noted that there is no indication yet that this requirement is being applied to the SBCD by Welsh Government however this does not detract from the legal obligations as outlined in the Wellbeing of Future Generations Act nor Planning Policy Wales (currently addition 11) objectives
- 5.5. With the exception of HAPS and PDM, most of the assets being delivered by the SBCD Portfolio will remain within the Local Authority/Public Sector estate and will thus be managed accordingly within the requirements of the Net Zero Wales Carbon Budget 2 and the owning organisations' Net Carbon Zero plans.
- 5.6. The primary assumptions throughout this review are that:
 - a) Capital build projects have been costed to achieve BREEAM Excellent at minimum and that any requirements over and above those originally factored in to the Business Cases may need to source extra funding.
 - b) Those elements of the Portfolio yet to be designed and procured remain cost effective to deliver.

6. Links to resources, policies and guidance

The Well Being of Future Generations (Wales) Act 2015

<https://www.futuregenerations.wales/about-us/future-generations-act/>

Net Zero Wales Carbon Budget 2 (2021 to 2025)

<https://gov.wales/net-zero-wales-carbon-budget-2-2021-2025>

Planning Policy Wales, Addition 11

https://gov.wales/sites/default/files/publications/2021-02/planning-policy-wales-edition-11_0.pdf

The Low carbon delivery plan

<https://gov.wales/low-carbon-delivery-plan>

Welsh Procurement Policy Note WPPN 06/21: Decarbonisation through procurement - Taking account of Carbon Reduction Plans

<https://gov.wales/wppn-06-21-decarbonisation-through-procurement-taking-account-of-carbon-reduction-plans>

Welsh Procurement Policy Note WPPN 12/21: Decarbonisation through procurement - Addressing CO2e in supply chain

<https://gov.wales/wppn-12-21-decarbonisation-through-procurement-html>

Sustainable Communities for Learning Guidance see annex 9 and 16a

<https://gov.wales/sustainable-communities-learning-business-case-guidance>

Carbon Reduction Assessment of activities contained within the SBCD Portfolio

APPENDIX 1 Project Net Carbon Zero Contributions

Below is an initial summary of the key carbon reduction contributions contained within the SBCD Portfolio noting that some programmes and projects are more advanced than others and some have more focus in the carbon reduction sector and hence have more clarity of potential carbon reducing achievements

HAPS	10,300 homes fitted with renewable tech			
	10,417 + KWh energy saving			
	19,000+ CO2 reduction per year			
	The key assumptions adopted from the case studies undertaken by the Cardiff University are shown in Table 4 along with the key values adopted for a new build or retrofit, occurring in 2020. The total value is the sum of the value of each type of fuel saving plus the income from producing electricity. For example, for new build the total value in 2020 per home is: the value of gas saving (£149) plus value of electricity saving (£337) plus income from electricity production (£641) = £1,127 x 50% = £564.			
	Table 2.4: Energy Saving Value/house HAPS Project Test-bed Homes			
	New Build (per house)		Retrofit (per house)	
	Technologies adopted include: Mechanical Ventilation with Heat Recovery (MVHR) Air Source Heat Pump (ASHP) Solar PhotoVoltaics and Batteries		Technologies adopted include: Mechanical Ventilation with Heat Recovery (MVHR) Ground Source Heat Pump (GSHP) Solar PhotoVoltaics and Batteries	
	Energy saving gas	8249 kWh/year	Energy saving oil	9737 kWh/year
	LRVC gas (2020)	1.81p/kWh	LRVC oil (2020)	4p /kWh
	Value saving gas	£149	Value saving oil	£393
	Energy saving electricity	3230 kWh/Year	Energy saving electricity kWh	680
LRVC electricity (2020)	10.42p/kWh	LRVC electricity (2020)	10.42p/kWh	
Value saving electricity	£337	Value saving electricity	£71	
Income from electricity production	£641	Income from electricity production	£1051	
Cost adjustment factor	50%	Cost adjustment factor	50%	

Carbon Reduction Assessment of activities contained within the SBCD Portfolio

Total value per home (2020)	£564	Total value per home (2020)	£758
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Note: this table refers to 2020 for ease of presentation, all values incorporated into the CBA are adapted for the number of new builds and retrofits over time, as well as changes in LRVC

*converted from LRVC price/litre to kWh using 10.122 as per Supplementary Guidance

Table 2.5: Reduction in Greenhouse Gases, HAPS Project Test-bed Homes

New Build (per house)		Retrofit (per house)	
Non-traded CO2 reduction	1179 CO2	Non-traded CO2 reduction	2068 CO2
Non-traded carbon price	£69/tCO2	Non-traded carbon price	£69/tCO2
Non-traded value	£81	Non-traded value	£144
Traded CO2 reduction	4366 CO2	Traded CO2 reduction	2501 CO2
Traded carbon price	£14/tCO2	Traded carbon price	£14/tCO2
Traded carbon value	£61	Traded carbon value	£53
Cost adjustment factor	50%	Cost adjustment factor	50%
Total value per home (2020)	£71	Total value per home (2020)	£99

Table 2.6: Fuel Poor Households in Swansea Bay City Region, 2018

Local authority area	Total households	Fuel poor households	Fuel poor %
Pembrokeshire	51,761	12,083	23%
Carmarthenshire	76,771	18,934	24%
Swansea	100,787	24,394	24%
Neath Port Talbot	58,780	14,450	24%
Regional Total	288,099	69,861	24%
All Wales	1,265,000	291,000	23%

Note: updated figures from Welsh Government stats released in April 22 highlighted the Wales figure for fuel poverty to now be 45%.

Skills Future skills development including

- 2,200 additional skills

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	<ul style="list-style-type: none"> • 14,000 people upskilled • 3,000 new apprenticeship opportunities • 3 Centres of Excellence with a potential for two focused on decarbonisation and renewable energy <p>Over the longer term the Skills and Talent Initiative will be assessing future skills needs in a Zero Carbon future, providing the right skills for future needs. An early pilot project already in place focuses on the renewable energy sector and it is reasonable to assume that this may be the start of a renewables centre of excellence being developed.</p>
Digital	<p>Roll out of regional high speed full fibre and mobile broadband, 5G and IOT enabling more low carbon initiatives to develop. Advanced Digital Infrastructure enables many other social benefits, in relation to carbon reduction. These are linked to travel reductions, more access to remote working and other potential long term requirements such as reutilising existing infrastructure, alternative services and potentially reducing future construction activity giving a reduction in carbon footprint, over a longer period of time</p>
Yr Egin	<p>363.4 sqm BREEAM excellent floorspace phase 1</p> <p>Yr. Egin 1 provides 40,000 sq ft for Welsh Media company S4C and the University's new media faculty and offices, was constructed prior to the announcement of a climate emergency. However, the building has a large amount of energy efficient design achieving a BREEAM excellent rating for sustainability as per WG guidelines.</p> <p>Examples of what has been incorporated within the design areas follows:</p> <ul style="list-style-type: none"> • Ie PVs, Cycle provisions, public transport management plan, passive building management etc
PDM	<p>1,000 MW contribution to decarbonisation targets</p> <p>The programme will establish a world-class centre for marine engineering with an immediate focus on low carbon energy Pembroke Dock Marine provides the support structure for the growth of an industry that targets the generation of decarbonised energy</p> <ul style="list-style-type: none"> • Directly contribute to UK and Welsh decarbonisation targets by enabling industry to upscale devices efficiently to harness 1GW of marine derived energy. • Align with UK aims to establish a decarbonised energy generating industry in order to meet 2050 net zero emissions targets. <p>PDM elements will play a critical part in bringing down the current cost of marine derived energy to a more acceptable level to become comparable with other decarbonised energies such as nuclear.</p> <p>PDM will make a significant contribution to achieving the Welsh Government's target of 70% of electricity consumed in Wales from Welsh renewable sources by 2030,</p> <p>In terms of securing the economic benefits of the transition to a low-carbon economy, research²⁹ indicates that an installed capacity of 60MW, 300MW and 1GW in Wales alone would return £72m, £303m and £840m of GVA. Additionally, 60MW, 300MW and 1GW of</p>

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	<p>installed capacity is expected to create, 2,030, 8,510 and 23,760-person years of employment respectively across the manufacturing and energy, construction and maintenance, distribution, transport and communications and professional and public services sectors.</p> <p>Marine energy technologies have the potential to displace coal and natural gas generation on the grid and to reduce CO2 emissions permanently by at least 1MtCO2 per year after 2030 and at least 4MtCO2 per year after 2040</p> <p>Cost Reduction Tidal stream has potential to reach LCOE of £150 per MWh by 100MW installed, reducing to £90 per MWh by 1GW and £80 per MWh by 2GW. Further reductions are possible with additional focus on innovation and continued reductions in cost of capital towards levels coming through in offshore wind.</p> <table border="1" data-bbox="371 624 1402 735"> <thead> <tr> <th colspan="4">Environmental benefits (discounted, 2018 price)</th> </tr> <tr> <th></th> <th>Option 2</th> <th>Option 3</th> <th>Option 4</th> </tr> </thead> <tbody> <tr> <td>Carbon Dioxide (CO2) savings</td> <td>£8.2 million</td> <td>£2.5 million</td> <td>£8.2 million</td> </tr> </tbody> </table>	Environmental benefits (discounted, 2018 price)					Option 2	Option 3	Option 4	Carbon Dioxide (CO2) savings	£8.2 million	£2.5 million	£8.2 million
Environmental benefits (discounted, 2018 price)													
	Option 2	Option 3	Option 4										
Carbon Dioxide (CO2) savings	£8.2 million	£2.5 million	£8.2 million										
<p>Swansea Waterfront</p>	<p>Total: 12,884 sqm BREEAM excellent floorspace</p> <p>The programme includes low carbon strategies will be at the heart of the design and build of the new developments, to cut energy use and contribute to a low carbon economy in Wales. Including use of Solar panels providing a % of required energy use, , LED lighting and has achieved a 64% materials in construction procured from Wales</p> <p>71/72 Kingsway Floor area: 10,684 sqm, BREEAM: Excellent projected and will be operationally carbon zero. 71/72 Kingsway includes some innovative features to ensure its operationally carbon zero rating. The new development will include a green roof terrace, solar panels on top of the building, trees on each level, underfloor heating and heat recovery systems to minimise energy use with a rainwater capture feature, helping with water supply to plants and trees in and around the building. Glazing throughout the development will allow natural light into the building, further reducing energy consumption. The new pedestrian link between The Kingsway and Oxford Street the development is providing will be lined with greenery and flora. The building is situated on an active travel route, minutes from the city’s main bus and rail stations. Recent improvements on The Kingsway have facilitated Swansea’s push for more carbon neutral ways of travelling, providing wide walkways and cycleways leading off the development. There will also be a bus stop immediately outside the building.</p> <p>Innovation Matrix Floor area 2,200m2 of BREEAM: Excellent high-quality floor space which complements the University’s existing IQ and Y Fforwm buildings, in the heart of UWTSU’s Innovation Quarter. With aspirations to achieve net carbon zero, RIBA 2030 climate challenge applying intelligent building systems and having a “cradle-to-grave” construction strategy.</p>												

Carbon Reduction Assessment of activities contained within the SBCD Portfolio

<p>Pentre Awel</p>	<p>50,000 sqm BREEAM excellent floorspace</p> <p>Pentre Awel Zone 1 will include a significant amount of carbon reducing technologies:</p> <ol style="list-style-type: none"> 1. The building is on target to achieving a BREEAM Excellent rating. With respect to Energy credits and (in particular Ene01 which focusses on the building performance for energy efficiency and carbon emissions reduction) the building is currently achieving between 4-6 credits (to be verified by the BREEAM Assessor) which is in excess of the mandatory minimum for the targeted Excellent rating. 2. Fabric First Approach <p>Throughout the design process the design team has endeavoured to minimise the building energy demand through passive design, supplying energy effectively and utilising renewable energy measures. To complement the fabric first approach in minimising energy demand the building is targeting a construction air permeability of 3 m3 /h.m2 at 50 Pa. This is a significant reduction compared to the regulatory minimum performance of 10 m3 /h.m2 at 50 Pa, which will benefit the scheme in reducing primary energy demand</p> <ol style="list-style-type: none"> 3. Mechanical and electrical design considerations <ul style="list-style-type: none"> • Natural daylight to be utilised wherever practical to reduce the energy use associated with electrical lighting. • Reduced direct solar gain to reduce the need for comfort cooling or air conditioning. • Daylight to be balanced against solar gain. • Solar control glazing will be used on all facades. • High efficiency lighting system (LED) will be provided with presence and absence detection controls, provision of manual control still an option where room function requires this. • High efficiency lighting system (LED) at the perimeter of the building will be provided with daylight linked dimming controls. • Natural ventilation will be utilised whenever possible to reduce the energy use associated with mechanical ventilation and cooling (operation and acoustic dependent) 4. Air Source Heat Pumps <p>The energy strategy incorporates Air Source Heat Pumps (ASHP) as the primary source of heating provision for the whole building. The design has developed to allow the ASHPs to deliver the bulk of the heating demand and to deliver the base load of the building. There will be times of the year when the ASHPs will be supplemented with heat top up from alternative gas boilers, however, The heating system design has been optimised to maximise the heat input from the ASHP.</p> <ol style="list-style-type: none"> 5. Ventilation <p>The building is provided with multiple forms of ventilation generally comprising of either natural or mechanical ventilation proposals. The use of natural ventilation has been provided wherever possible to minimise the use of energy intensive form of ventilation</p> <ol style="list-style-type: none"> 6. Rainwater harvesting <p>Rainwater harvesting is provided to offset the water demand of the building</p> <ol style="list-style-type: none"> 7. Photovoltaic (PV) panels
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Carbon Reduction Assessment of activities contained within the SBCD Portfolio

	<p>PV panels are provided at roof level of the building to provide an onsite electric generation source. The overall area of PV panels has been optimised to deliver the energy savings that contribute to the compliance aspects (energy demand and carbon emissions – Approved Document L2A) and also the credits achieved under BREEAM Ene01. The extent of PV allocation comprises of circa 1250m² panel area which aims to deliver 150 kW peak electricity generation and offset incoming grid derived electricity by some 176,000 kWh per annum</p> <p>8. Electrical Vehicle (EV) charging Up to 10% of the total parking provision within the Zone 1 development will be served by EV charging. 33 spaces in total (29 standard spaces, 4 accessible spaces)</p> <p>9. Future proof design and heat network The first phase of development at Pentre Awel has been progressed with a focus upon dedicated heat generation being delivered from within the confines of the Zone 1 energy centre. Carmarthenshire County Council (CCC) does, however, have a desire to maximise future opportunities through the development of adjacent Zones and, as such, the Zone 1 scheme has been designed to be capable of accepting district heating mains (linked to adjacent energy/heat provision) when available and developed in greater detail as part of the wider site development. To enable this to happen the primary heating circulation, within the Zone 1 energy centre, features capped connections to the distribution pipework that are capable of being connected to an adjacent heat network. This will allow for future flexibility with an opportunity to deliver additional project benefits</p> <p>10. Construction Related Activities/On site operations There will be a number of construction related objectives and measures to deliver during site operations. Primarily these will be focused upon –</p> <ul style="list-style-type: none"> • Minimising carbon miles - and emissions on site • Minimising carbon miles – and emissions from delivery of materials • Maximising the use of recycled and reasonably sources materials • Appropriately mitigating site waste • Reducing and monitoring embodies carbon within the building • Waste management, protecting and enhancing the biodiversity and ecology at Pentre Awel <p>Pentre Awel was one of the first projects in the UK to be awarded 100% funding from the Department for Business, Energy and Industrial Strategy to undertake a heat network feasibility study that will explore options for low carbon heat and energy recovery. This will support Carmarthenshire County Council’s efforts to become a net zero carbon local authority by 2030.</p>
<p>SILCG</p>	<p>Total 28,500 sqm BREEAM excellent floorspace Bay Technology Centre – 18,500sqm state of the art building of modern office and Laboratory space being the first commercial energy positive building in Wales. The innovative design and use of materials will provide a sustainable building that is energy positive with excess energy being used to generate hydrogen within the site. Innovative use of materials includes specialist photovoltaic panels made to look like cladding, and a ‘thermal mass’ of exposed precast floor slabs that can store and transfer heat from the building providing a cost effective heating solution. Winner of Net Zero Award in the 2022 Constructing Excellence Wales (CEW) Awards.</p>

Carbon Reduction Assessment of activities contained within the SBCD Portfolio

	<p>1,320 jobs created working in the low carbon sector</p> <p>SWITCH – A proposed 4,000 m2 BREEAM excellent specialised industrial research facility created to enhance applied research for steel & metals industry - helping industry to decarbonise</p> <p>Advanced Manufacturing Facility – A proposed 6,000 m2 Specialist hybrid facility providing a range of industrial / production units with pilot line and office space with apprenticeship opportunities.</p> <p>Air Quality Monitoring – monitoring levels of air pollution and informing necessary change.</p> <p>The programme also includes supplying Local electric vehicle charging infrastructure to reduce vehicle emissions across the county and a hydrogen stimulus project increasing Hydrogen production from renewable resources (excess energy from the BTC).</p>
Campuses	<p>2,700 sqm BREEAM excellent floorspace</p> <p>2000m2 of research and innovation for Sports Tech and Med Tech development serving as the gateway to the future sports village.</p> <p>700m2 Institute of Life Science innovation at Morriston Hospital co-locating commercial and academic collaboration alongside clinical R&D</p>

APPENDIX 2 – BREEAM

In May 2009 the Welsh Assembly Government published a Ministerial Interim Planning Policy Statement (01/2009) Planning for Sustainable Buildings. This set out an expectation for most new developments seeking planning permission to achieve a minimum sustainable building standard. This was consolidated into section 4.11 of Planning Policy Wales. This was amended in October 2010 when changes were made to England and Wales Building Regulations Part L2A which introduced more stringent requirements for carbon emissions for both residential and non-residential dwellings. In July 2011, BRE introduced an updated BREEAM3 Scheme Document for New Construction (SD 5073), which describes the new environmental performance standard against which new, non-domestic buildings in the UK can be assessed, rated and certified.

BREEAM (Building Research Establishment Environmental Assessment Method) provides a holistic sustainability assessment framework measuring sustainable value in a series of categories and validating its performance with third party certification.

For non-residential developments, a BREEAM rating or an equivalent quality assured scheme may be required based on building floor area:

Building floor area	Policy requirement
<=250 m ²	Exempt
251 to 1,000 m ²	No BREEAM required. Part L+10%* required (10% improvement over the Target Emission Rate (TER) for current Part L of the Building Regulations)
1001 to 2000 m ²	BREEAM 'Very Good' with 'Excellent' for Energy Credits (ENE01)
2001+m ²	BREEAM 'Excellent'

There are exceptions to the BREEAM requirement, some of which may affect projects within the Portfolio e.g. the Campuses refurbishment at Morriston and PDM hangar annexes refurbishment (not exhaustive as other criteria apply):

- all buildings with a floor space of 250m² and under
- all extensions, alterations, refurbishments and change of use of existing buildings
- where Welsh Government provides less than £1,000,000 of financial aid

Appendix 2.1

Membership of the Swansea Bay City Region Board

Sir Terry Matthews KBE OBE, - Chair	Wesley Clover
Cllr Meryl Gravell - Vice Chair	Carmarthenshire County Council
Cllr Jamie Adams	Leader, Pembrokeshire County Council
Cllr Rob Stewart	Leader, City and County of Swansea
Cllr Ali Thomas OBE	Leader, Neath Port Talbot County Borough Council
Cllr Emlyn Dole	Leader, Carmarthenshire County Council
Keith Baker	Chief Operating Officer, Pure Wafer
Mark Bowen	Managing Director, Andrew Scott Ltd
Professor Andrew Davies	Chairman, Abertawe Bro Morgannwg UHB
Professor Richard Davies	Vice-Chancellor, Swansea University
Andrew Evans	Owner/Managing Director, St Brides Hotel, Saundersfoot
Professor Simon Gibson OBE,	Chief Executive, Wesley Clover
Dave Gilbert	Advisor to Swansea Bay City Region Board
Paul Greenwood	Director, Teddington Engineered Solutions
Professor Medwin Hughes	Vice-Chancellor, University of Wales Trinity St David
Barry Liles	Chair of Regional Learning Partnership, Coleg Sir Gâr
Juliet Loporini,	Chair Swansea BID
Rosemary Morgan	Director, Morgan La Roche
Steve Penny,	Director SCFC/Consultant JCP (until February 2016
Nick Revell	Managing Director, Ledwood Mechanical Engineering Ltd
Andy Richards	Wales Secretary, Unite

The oversight working group comprised of the following people:

Steven Phillips	Neath Port Talbot CBC
Phil Roberts	CC Swansea
Mark James	Carmarthenshire CC
Ian Westley	Pembrokeshire CC
Marc Clement	Swansea University
Jane Davidson	UWTSD
Hamish Laing	ABMU
Arthur Emyr	Swansea Bay City Region
Lisa Willis	Neath Port Talbot CBC / SBCR
Sylvia Griffiths	Neath Port Talbot CBC / SBCR

SBCR Oversight working group – appraisal of long list options.

The oversight working group met on Friday 14th October 2016 and reviewed the long list projects against the agreed criteria (see section 2.1 above). The aim of the working group was to review the projects and make recommendations for which projects should proceed.

The CSFs agreed by the SBCR oversight working group were not defined as per the Green Book. The group used the following six criteria to prioritise City Deal projects:

- Regional spread
- Job creation & skills readiness
- GVA impact
- Private sector engagement and investment
- Impact on UK plc - exportability of commercial ideas
- Readiness, albeit in the context of a 5-year deal

Retrospectively, the regional criteria have been aligned to the HM Treasury’s guidance as shown in the table below

No.	Critical Success Factor	Requirements	Chosen CSF’s for Portfolio
1	Strategic Fit And business needs	<ul style="list-style-type: none"> • meets the agreed spending objectives, related business needs and service requirements, and • provides holistic fit and synergy with other strategies, programmes and projects 	Regional Spread GVA impact Impact on UK plc Job Creation
2	Potential Value for money	<ul style="list-style-type: none"> • optimises social value (social, economic and environmental), in terms of the potential costs, benefits and risks. 	Consideration that the overall benefits are greater than the individual parts
3	Potential achievability	<ul style="list-style-type: none"> • is likely to be delivered, given the organisation’s ability to respond to the changes required, and • matches the level of available skills required for successful delivery. 	Skills readiness Readiness in 5yr context
4	Supply side capacity and capability	<ul style="list-style-type: none"> • matches the ability of potential suppliers to deliver the required services, • is likely to be attractive to the supply side. 	Private sector engagement Readiness in 5yr context
5	Potential affordability	<ul style="list-style-type: none"> • can be funded from available sources of finance, • aligns with sourcing constraints. 	Private sector investment Readiness inc affordability within programme

The oversight working group agreed to categorise the projects under the following three headings:

- 1) Supported
- 2) Supported for either second phase City Deal or alternative funding sources
- 3) Not supported

The oversight working group made the following recommendations

H&WB Villages Phase 1 (ARCH / CC Carmarthenshire)

Following a discussion about the 3 H&WB Villages Phase 1: Llanelli, Neath and Swansea, it was considered that the Machynys Village proposal was well developed and had secured private sector match funding, and therefore fitted the criteria to be included in the Phase 1 City Deal proposal and that the Neath and Swansea village developments would be included in the Phase 2 City Deal proposal once they were further developed.

Recommendation: The working group agreed to recommend support for the Machynys development proposal with a £40m City Deal ask (reduced from £85m), and for the Neath and Swansea village developments to be included in the next phase of the City Deal.

Yr Egin (UWTSD)

The working group agreed that phase 2 would be supported on condition that phase 1 is delivered, which requires clarity regarding the Welsh Government's position in relation to phase 1. The group also advised UWTSD to enter into discussion and real dialogue with key individuals and organisations with an interest in the creative industries sector in the region.

Recommendation: The working group agreed to recommend support for Yr Egin subject to the successful delivery of phase 1 and real dialogue with the creative industries sector across the region with a £5m City Deal ask.

Skills and Talent (RLSP)

The working group agreed that the business case needed significant additional work in light of an agreed City Deal project prioritisation exercise to identify those skills needed to deliver the City Deal projects. The group discussed presenting skills as an overarching theme rather than a project.

Recommendation: The working group agreed to recommend support in principle for the Skills and Talent proposal subject to the above, with a maximum £10m City Deal ask and further development of specific skills interventions.

ARCH Campuses (Phase 1) (ARCH)

The working group discussed deliverability and possible sequencing of Morriston and Singleton campuses, and it was recognised that these are linked developments to deliver full benefit. There was a discussion about alternative funding for Singleton through European funding, for example.

Recommendation: The working group agreed to recommend support for Morriston campus with a £15m City Deal ask initially, and to support Singleton when funding is available in a future phase.

CENGS and SBCR CENGS Technology Centre (City Deal Team)

The working group requested clarity on areas of the business case including ownership / governance, IP, licences and State Aid. The group discussed complementarity with the Swansea Waterfront development and the Factory of the Future project.

Recommendation: The working group agreed to recommend support for the CENGS proposal subject to clarity on the above with a £20m City Deal ask and £3m City Deal ask for the building.

Factory of the Future (SU)

The working group concluded that this project would need to complement the CENGS proposal and should focus on engineering and manufacturing products that are not software driven, as opposed to software driven applications and services. This is to ensure complementarity.

Recommendation: The working group agreed to recommend support for the Factory of the Future project subject to the above with a £10m City Deal ask.

Swansea City Digital District (CC Swansea) / Swansea Waterfront (UWTSD)

The working group considered the two proposals together, and it was agreed that the projects would be revised into a combined bid. The working group advised the projects to review the funding profile.

Recommendation: The working group agreed to recommend support for the combined Swansea Digital District project subject to re-profiling with a combined £50m City Deal ask.

Pembroke Marine (MHPA)

The working group agreed on the strengths of this proposal but did consider the financial ask.

Recommendation: The working group agreed to recommend support for the Pembroke Marine project with a £25m City Deal ask.

Dulais Distributed Generation Cluster Hub (NPTCBC) / Milford Haven Smart Grid

The working group recognised these to be strong business cases with significant private sector leverage, however the group considered alternative funding sources to support this proposal such as EU funding opportunities under ERDF Priority 1 or Priority 3.

Recommendation: The working group agreed to recommend support for the Distributed Generation Cluster Hubs, but to seek alternative funding, such as European funding and not City Deal funding in the first instance.

Delivering Innovative Smart Low Carbon Homes (Local Authorities) / Buildings as Power Stations (SU)

The working group agreed to discuss the two proposals at the same time because the same bid was presented twice with two different lead organisations. The working group agreed that one business case should be progressed, linked to low carbon homes rather than buildings as power stations per se in order to address fuel poverty. The working group agreed that the 4 local authorities and Swansea University would meet again to develop a joint proposal and also explore ERDF Priority 3 funding to support the funding package.

Recommendation: The working group agreed to recommend support for a local authority consortium-led new build and retrofit housing proposal supported by Swansea University and SPECIFIC with a £15m ask.

The Internet Coast - Digital Infrastructure and Test Beds (City Deal Team)

The working group discussed the need for digital infrastructure as an enabling mechanism and core element to deliver the internet coast vision. The group agreed that the proposal needs to be developed and defined further with a focus on rural and urban areas.

Recommendation: The working group agreed to recommend support for the Digital Infrastructure and Test Beds proposal. The proposal should focus on rural as well as urban areas and prioritise links to all City Deal projects. It was agreed to recommend a £25m first phase City Deal ask.

Establishment of a Steel Science Centre for UK Primary Steelmaking and Strip Steel Production (Excalibur Steel UK Ltd) / Sustain (SU)+

The working group agreed to discuss the two business cases at the same time and agreed on the need for a project linked to steel.

Recommendation: The working group agreed to recommend support for the Excalibur-led proposal supported by Swansea University and all regional partners (without nominating a private sector lead) with a £20m City Deal ask.

Innovation System (CC Swansea)

The working group did not initially fully understand the nature of the proposal. The group discussed the potential synergy with CENGs and the need for a City Deal core team. The group agreed that this proposal would need to be discussed as part of the City Deal governance arrangements.

Recommendation: The working group agreed to recommend that this proposal is discussed as part of the City Deal governance arrangements.

Energy Conversion and Storage Innovation Platform ECSIP (SU)

The working group agreed that this needed further work and agreed to consider support for this project in a future phase.

Not supported.



Swansea Bay City Deal Procurement Principles

FINAL VERSION approved 12/11/20

3rd amendment 04-11-21

OWNER: Jonathan Burnes

Author: Peter Austin



Swansea Bay City Deal – Procurement Principles

Project Guidance

Foreword

The 15-year Swansea Bay City Region City Deal is a once in a lifetime portfolio of projects and programmes which collectively will achieve:

- Investment of nearly £1.3 billion to support economic growth
- Over £600 million of direct private sector investment attracted
- An overall increase of more than 9,000 gross direct jobs
- A contribution to regional GVA of £1.8 billion

We are in changing times, with UK and Welsh Governments declaring a climate emergency, the uncertainty resulting from Brexit and the unknown long-lasting effects of the COVID-19 pandemic.

Our approach to procurement must be sustainable to build a better future for our future generations.

The Wales Procurement Policy Statement (2015) adopts the Sustainable Procurement Task Force definition of procurement as:

“..the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”.

We want to ensure that our citizens and the regional supply chain can benefit from the portfolio, thus improving the overall economy across the Swansea Bay City Region for future generations.

Our portfolio stakeholders recognise that the adoption of City Deal procurement principles by all project stakeholders, lead officers and suppliers is key to achieving this.

Procurement of suppliers for the construction stage is only the first part of the process, the Principles look beyond the initial construction phase and where appropriate also apply to the operational service of the assets when built.



Cllr Rob Stewart
Chair,
Joint Committee



Ed Tomp
Chair,
Economic
Strategy
Board

Swansea Bay City Deal – Procurement Principles Project Guidance

Introduction

These Principles have been developed for project teams that are developing and delivering projects as part of the Swansea Bay City Deal. The Principles encourage project teams to take a fresh look at the way works, goods and services are specified and procured, so that the maximum economic, social, and environmental benefit to the region can be achieved from the process.

These Principles should be considered when planning procurement for any City Deal funded project and be incorporated, as far as is appropriate, to the specification, design and tender. The Principles look beyond the initial construction phase and apply to the operational service of the assets when built.

We acknowledge that some projects will be at a more advanced stage than others and that the principles cannot be retrospectively applied to previous procurements.

In general, the procurement process for Swansea Bay City Deal projects will be led by one of the Local Authorities, however, in some circumstances, procurement may be undertaken by one of the project sponsors. In this case those organisations should consider and apply these principles, where appropriate, within their own procurement policies and requirements.

In 2012, the Welsh Government issued the Wales Procurement Policy Statement which was subsequently reviewed and updated in 2021. The statement sets out the principles by which it expects public sector procurement to be delivered in Wales.

Projects will be expected to meet the requirements of this policy statement which seeks to open procurement contracts up to more innovative solutions to ensure that the money that goes into procurement is spent in a way that stimulates development.

The local authorities are responsible for conducting their own procurement exercises in line with their own organisational policies and procedures. Public sector led procurement requires the procuring bodies to comply with, for example:

- The UK Public Contracts Regulations 2015 and The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020
- Wales Procurement Policy Statement 2021
- Post Brexit, WPPN 03/20 Post EU Transition Public Procurement including Find a Tender Service (FTS).

These principles have been developed in line with the above and also with the five ways of working of the Wellbeing of Future Generations (Wales) Act 2015. The process has involved consultation with the Swansea Bay City Deal Economic Strategy Board, industry representatives, local authority officers, legal and procurement specialists, third sector representatives and Welsh Government officials.

The 5 Procurement Principles:

- 1. Be Innovative**
- 2. Have an open, fair and legally compliant procurement process**
- 3. Maximise Community Benefits from each contract**
- 4. Use Ethical Employment Practices**
- 5. Promote the City Deal**

The Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act 2015 (“the Act”) places a requirement on Public bodies to carry out sustainable development - the process of improving the economic, social environmental and cultural well-being of Wales. The Act promotes 5 ways of working:

Long Term, Prevention, Integration, Collaboration, Involvement

Towards seven well-being goals

A prosperous Wales

A resilient Wales

A healthier Wales

A more equal Wales

A Wales of cohesive communities

A Wales of vibrant culture and thriving Welsh language

A globally responsible Wales

“Public bodies spend £6 billion per year delivering services and this is an area where changes can be made that contribute to generating apprenticeships, lower carbon emissions, buying from local business and building in health considerations. We must procure goods and services that contribute to global well-being, reduces carbon emissions and supports a circular economy.”

*Sophie Howe, Future Generations Commissioner for Wales
Bolder steps towards A Prosperous Wales*

Compliance with the Act will be embedded in all SBCD projects. This will extend to procurement activities and the Act encourages us to explore innovative approaches to achieving procurement outcomes.

Climate Change

UK and Welsh Governments have declared a state of Climate Emergency and have set ambitious Net Zero Carbon targets.

In Wales, The Environment (Wales) Act 2016 requires Welsh Government to reduce emissions of greenhouse gases (GHGs) in Wales by at least 80% for the year 2050.

In recognition of this, projects that are financially supported by the UK and Welsh Governments will be expected to address their carbon footprint by:

- applying sustainable procurement practices,
- sourcing materials sustainably
- by minimising emissions and other environmental impacts.
- encouraging suppliers to adopt a sustainable approach to site management.
- considering how to maximise the use of recycled or leased products through procurement – buying new is not always the most sustainable avenue.
- adopting and applying the concepts of a circular economy should be a primary consideration where appropriate.

The Welsh Procurement Policy Note WPPN 06/21: Decarbonisation through procurement - Taking account of Carbon Reduction Plans provides more guidance – see resources section.

Swansea Bay City Deal – Procurement Principles

Project Guidance

The Principles

Principle 1 – To Be innovative

Addressing the social and economic needs of the Swansea Bay City Region, including declarations of climate emergency, will require new ways of working and this includes procurement.

Adopting an innovative approach to how things are specified and procured, will maximise the long-term benefits that can be achieved through the procurement process.

a) Procurement approach

Project teams will be expected to:

- explore how specifications and procurement approaches can help to achieve the long-term benefits of the WCFG Act and meet the requirements of Net Zero Carbon balance.
- consider the benefits of making the reduction of carbon footprint a high priority when specifying goods and services and when appointing suppliers.
- share examples of good practice and alternative ways of collaborative working with others.

More sustainable solutions in line with the Future Generations and Net Zero carbon agendas will be reached if this is done consistently across the portfolio.

b) Procured goods and services

Project teams should have a good knowledge of the regional supply chain to assist Tier 1 suppliers.

For sustainable local delivery, teams should:

- consider if there are alternatives to buying new that could offer improved outcomes.
- consider how to achieve the maximum of community benefits via procurement.
- seek Carbon Offset solutions from Tier 1 suppliers.

c) Collaborative purchasing

Project teams are encouraged to consider if the objectives of these principles can be achieved by collaborative purchasing with other projects across the portfolio.

This may also allow the regional supply chain to upscale manufacture of certain items if warned early enough of demand. This could apply to any goods ranging from office furniture to steel or construction materials for example.

Principle 2 – To have an open, fair and legally compliant procurement process

a) Advance contract notification

Industry has told us that effective communication and early market engagement is imperative so that suppliers and the wider supply chain have advanced notification of future tender opportunities. Early notification and supply chain engagement is a key part of this.

City Deal funded Projects are required to use the City Deal project page on Sell2Wales to promote all City Deal procurement opportunities and events.

A Prior Information Notice (PIN) can be used to notify suppliers of the intention to utilise existing Frameworks; providing this information will help clear communication of forthcoming opportunities to the wider supply chain.

Project teams are required to inform the Portfolio Management Office of their procurement timetable and, at the earliest opportunity, when contracts are due to be released.

Swansea Bay City Deal – Procurement Principles **Project Guidance**

See also Principle 5

b) Wherever possible and appropriate, high-value contracts should be broken down into smaller deliverable components.

To provide regional suppliers the opportunity to tender, project teams should consider breaking down large, high value contracts into smaller deliverable components and to use lotting strategies where existing frameworks (if being used) allow.

Advance consideration must be given to how the main contractor will be required to work with the local supply chain to deliver smaller lots/packages within the larger contract.

See Principle 3.

Principle 3 – To Maximise Community Benefits from each contract

Where appropriate, pursuing Community Benefits as **Core** requirements in major procurement exercises, will contribute to the social, economic, and environmental well-being of the wider communities in the region.

Allowing that criteria must be relevant and proportionate to the contract being let, project teams should work with their own County Councils' community benefits, procurement, or economic development teams to develop an appropriate community benefits package.

Project teams should consider how they intend to engage with a main suppliers' Corporate Social Responsibility staff to achieve these benefits as part of the procurement planning exercise.

Community Benefits typically incorporate the following initiatives:

a) Targeted Recruitment and Training

Targeted recruitment and training (TR&T) puts focus on the employment of new entrants, new entrant trainees, apprentices or other trainees recruited from employability and work programmes, training organisations, colleges and shared apprentice schemes across the region.

Tender documents should include a target for construction projects – typically 52 person weeks per £1m, which is the standard norm.

Project teams are required to actively engage with the Skills and Training Initiative, led by the Regional Learning and Skills Partnership. The Skills and Talent Initiative is an overarching City Deal funded project that aims to deliver a regional solution for the identification and delivery of the skills and training requirements for all City Deal projects.

Project teams shall collaborate with shared apprentice schemes such as Cyfle, regional colleges and regionally based training organisations to ensure that the skills are developed and retained locally.

Project teams should consider working with initiatives such as Workways + and Communities for Work.

For major non-construction-based procurement, alternative social benefit approaches should be used, where appropriate for the procurement being undertaken.

b) Commit to supporting the wider regional supply chain

The Portfolio is keen to maximise (so far as consistent with procurement and competition rules) the use of local materials (in particular, steel). See "Procurement Advice Note, use of steel in contracts" link in resources.

Swansea Bay City Deal – Procurement Principles

Project Guidance

Project teams need to ensure (within procurement and competition rules) that first tier suppliers make a contractual commitment to involving the regional supply chain where possible.

Projects should consider the conditions for sub-contracting in a way that supports regionally based suppliers, consortia tendering, the local supply chain and how these procurement principles will be delivered. This may be by holding effective regional meet the buyer awareness events and training in relevant procurement processes.

c) Education, Community and Environmental Initiatives

Procurements should achieve increased educational contributions, environmental benefits and/or community initiatives. This is usually delivered under Corporate Social Responsibility

Suppliers should be required to work closely with local education establishments to provide added value benefits, especially in curriculum and STEM initiatives.

Project teams are encouraged to assess local needs and, where practical, use procurement to support initiatives that address those issues.

Suppliers should be encouraged to work with groups or organisations that are supported by the local authorities e.g. armed forces charter, over 50's forum, equalities groups etc.

As per Principle 1, additional benefits that address the Climate Emergency and that work toward Net Carbon Zero targets are to be encouraged.

d) Reporting

Project teams will be required to provide annual reports to the Portfolio office using the WG Community Benefits Measurement tool – see resources

Principle 4 – To Use Ethical Employment practices

The Welsh Government 'Ethical Employment in Supply Chains' Code of Practice was published in 2017. The Government expects all public sector bodies to sign up to the code and the wider public sector supply chain to adopt it.

a) All projects to adopt the code

The Welsh Government expects all public sector organisations, businesses and third sector organisations in receipt of public sector funding to sign up to the Code of Practice.

Project teams should encourage all Tier 1 suppliers to sign up to the code if they have not already done so.

b) Fair and prompt payment through the supply chain

It is important to ensure a reliable cash flow through supply chains to reduce the risk of supply chain failure. This will enable more rapid circulation of money through the economy and the local community.

Suppliers have the right to expect fair payment terms. Project procurement should recommend the use of Project Bank Accounts (PBA's) on high value contracts where possible. PBAs represent best practice in ensuring fair and prompt payment in the supply-chain.

All project procurements with a value of £2m or more and lasting longer than 6 months must consider putting in place a Project Bank Account*.

Swansea Bay City Deal – Procurement Principles

Project Guidance

This must be stated as a requirement in procurement briefs, ITT documentation etc. and be a condition of contract award.

Project Procurements under £2m should be assessed for suitability of PBA and a PBA set up if appropriate.

*Other criteria also apply, see guidance section.

Principle 5 – To Promote the Swansea Bay City Deal

As the City Deal Portfolio gains momentum, the need to generate interest and positive awareness of the City Deal projects increases.

It is important that the Portfolio is promoted at every opportunity. This begins with procurement notices which should explicitly refer to the City Deal at the earliest opportunity.

The Swansea Bay City Deal logos (as supplied by the Portfolio Office) must be included on all promotional material and site hoardings

Reference to the City Deal funding must be included in any press releases or publicity issued by the project team or suppliers working on the project giving equal status to both the Welsh and English languages.

Suppliers must be informed that the work they are undertaking is being funded via the City Deal Portfolio and the need for them to create awareness of it.

Following the approval of project business cases, project teams will be required by contract to promote the City Deal bi-lingually in English and Welsh on any signs, hoardings or literature and publicity produced in relation to the project.

Press releases, interviews or other promotional activity must reference the City Deal and should be drafted bilingually in collaboration with the City Deal Communication and Marketing Officer.

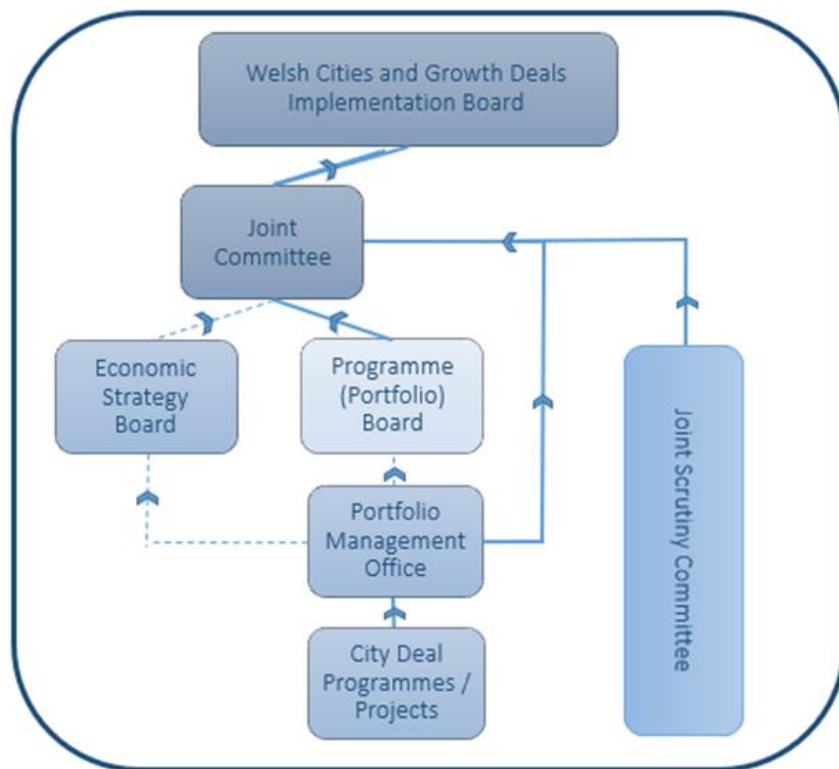
Swansea Bay City Deal – Procurement Principles Project Guidance

Monitoring and Evaluation

The initial procurement process for City Deal projects will make an early pathway for achieving the City Deal Portfolio outcomes and contributions towards the aspirations of the Well-being of Future Generations Act.

As such it is important that procurement is continuously monitored, and its outputs regularly reported and evaluated. Project teams are required to provide the Joint Committee with regular progress reports. These reports should include procurement activities and outputs.

The operational and reporting structure of the City Deal Portfolio is as follows:



As part of its monitoring role, the Economic Strategy Board will review and make recommendations on individual project business cases including procurement exercises. City Deal Portfolio Office will monitor procurement activities and where appropriate, will use Sell2Wales as a recording medium for contract and sub-contractor notices and subsequent awards.

The Community Benefits Measurement Tool will be monitored for achievement of community benefits.

The Joint Scrutiny Committee will review the procurement activities of individual projects as part of its ongoing scrutiny role.

Swansea Bay City Deal – Procurement Principles Project Guidance

Resources

The Welsh Government Public Sector Procurement resource <http://prp.gov.wales/?lang=en>:

Public Sector Procurement after Brexit information can be found here: <http://bit.ly/2SSUjpc>

WPPN 03/20 Post EU Transition Public Procurement including Find a Tender Service (FTS):

<https://gov.wales/wppn-0320-post-eu-transition-public-procurement-including-find-tender-service-fts-html>

Project Bank Accounts: <https://gov.wales/wppn-0321-project-bank-accounts-policy>

Community benefits: A useful e-learning module can be found here: <http://bit.ly/2SDCRpR>

The Community Benefits Measurement tool along with other useful information can be found here: <http://prp.gov.wales/toolkit/?lang=en>

Information about Cyfle Building Skills programme: <http://bit.ly/2P25kTK>

Procurement advice note, use of steel in contracts: <https://bit.ly/3mHvc8T>

Cutting embodied carbon in Construction Projects: <https://bit.ly/3wdEDA5>

Welsh Procurement Policy Note WPPN 06/21: Decarbonisation through procurement - Taking account of Carbon Reduction Plans:

<https://gov.wales/wppn-06-21-decarbonisation-through-procurement-taking-account-of-carbon-reduction-plans-html>



Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated January 2023

Programme	Lead body	Project(s)	Procuring body	Con tract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Swansea City & Waterfront Digital District Page 200	Swansea Council	Indoor arena and digital square	Swansea Council	£105m	Buckingham Group Contracting Ltd appointed	2018	Q4 2019	Q4 2019	Q4 2019
		Arena (ATG) Food and Drink Building services	ATG / Swansea Council	various	Sell2Wales, tbc		Q1 2022		Q1 2022
		71-72 Kingsway office accommodation	Swansea Council	Circa £49.6m	Bouygues UK appointed via SWWRC Framework	2020	Q3 2021	Q4 2021	Q4 2023
		Innovation Matrix	UWTSD	Circa £9m	Procured - Kier PAGABO Framework	2022	Q4 2021	Q2 Q1 2023	Q2 2024
		Innovation Precinct	UWTSD	Circa £17.42m	SWWRC Framework (TBC)	2023	Q4 2023 (Predicted)	Q1 2024 (Predicted)	Q1 2025 (Predicted)

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Yr Egin	UWTSD	Creative Business Hub Phase 1	UWTSD	Circa £10.48m	KIER – via SEWSCAP2 Completed	Dec 2015	March 2016	March 2017	Completed July 2018
		Creative Business Hub Phase 2	UWTSD	tbc	tbc	Q3 2022 – Q1 2023	Q2 2023 (anticipated)	2023 (anticipated)	2024 (anticipated)

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated January 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Digital infrastructure	Carmarthenshire CC	Connected places	Carmarthenshire County Council	£20m	Open procurement	Q3/4 2022	Q2 2023	Q4 2023	Q4 2025
		Rural connectivity	TBC	£25.5m	tbc	Q1 2023	Q3 2023	tbc	tbc
		Next generation wireless (5G and IOT networks)	TBC	£9.5m	tbc	Q1 2023	Q2 2023	tbc	tbc

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Skills and Talent Initiative	Carmarthenshire CC	Courses, training and apprenticeship opportunities	TBC		tbc	Q2 2022	Q3 2022	Q4 - 2022	Q1 - 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
SBCD Campuses	Swansea University	Phase 1a Morryston refurbishment	SU/SBUHB	Circa £1.25m	SWWRFC/Sell to Wales	Q4 2022	Q2 2023	Q2 2024	Q3 2024
		Phase 1b Campuses Building	Swansea University	Circa £12.75m	Design and Build SWWRFC/SEWSCAP	Stage 2 Q4 2022	Stage 3 Q3 2023	Stage 4 Q1 2024	Q4 2025

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated January 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Pentre Awel	Carmarthenshire CC	<p>City Deal funded: Facilities for education, skills and training, business development, clinical delivery and research</p> <p>Carmarthenshire County Council funded: Leisure and aquatics centre and communal infrastructure</p>	Carmarthenshire CC	Circa £70m	Bouygues UK appointed via SWWRC Framework	2018 - 2022	Q2/3 2021	Q4 2022 (enabling work complete)	Completion Zone 1 Q3 2024
		Client side services contract – Gleeds Appointed through WPA framework			Q1 2023 (mobilisation to full construction).				
		Zone 3 procurement of design development – outside City Deal Scope.		Circa 650k	Appointed through WPA framework – AHR	2021/2022	Q3 2021	TBC	TBC

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated January 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Page 203 Supporting Innovation and Low Carbon Growth	Neath Port Talbot CBC	Bay Technology Centre	NPTCBC	Circa £7.9m	SWWRC Framework Morgan Sindall (main contractor)	Q3 2019	Q2 2020	Q3 2020	Q4 2022
		SWITCH Specialist facility (construction)	NPTCBC	Circa £15m	SWWRC Framework	Q2 2022	Q3 2022	Q1 2024	Q2 2025
		SWITCH Specialist equipment	NPTCBC	Circa £5m	tbc	Q2 2022	Q1 2025	Q2 2025	Q3 2025
		Low emission vehicle charging infrastructure	NPTCBC	Circa £0.5m	tbc		Q3 2022		
		Air quality monitoring sensors	NPTCBC	Circa £0.5m	Procured	Q4 2019	-	-	-
		Hydrogen stimulus project	NPTCBC	Circa £1m	tbc	Q3 2022	Q3 2022		
		Advanced manufacturing Production facility (construction)	NPTCBC	Circa £12m	SWWRC Framework	Q1 2023	Q3 2023	Q1 2025	Q2 2026
		Advanced manufacturing Production facility Specialist equipment	NPTCBC	Circa £5m	Tbc	Q4 2022	Q1 2026	Q2 2026	Q2 2026
		Advanced manufacturing Production Facility End operator	NPTCBC	Tbc	Sell2wales	Q4 2025	Q2 2026		

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated January 2023

		Property Development Fund	NPTCBC	Circa £10m	Fund – to be advertised to all Third parties to procure construction				
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Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Page 204 Pembroke Dock Marine	Milford Haven Port Authority	Pembroke Dock Infrastructure							
		a) Hanger Annex Renovations	MHPA	£5.2m	MHPA Procedures (Design) only Sell2 Wales - Construction	Q2 2019/20	Q1 2021	Q3 2021	Q1 2023
		b) Amenity and pocket park	MHPA	£300k	Sell2Wales	Q2 2023	Q4 2023	Q2 2024	Q4 2024
		c) Slipway, berthing & Infilling the Pickling Pond	MHPA	£14m	Sell2Wales	Q4 2019 to Q4 2021	Q4 2020 to Q2 2021	Q2 2022	Q4 2023
		d) Land Remediation and laydown at south of site	MHPA	£6m	Sell2Wales	Q3 2020	Q2 2021	Q2 2022	Q4 2023
		e) Infilling of the Graving dock	MHPA	£3m	Sell2Wales	Q1 2021	Q3 2022	TBA	TBA
		f) Terrestrial development, demolitions, levelling, transportation corridor and Utility provisions.	MHPA	£6.4m	Sell2Wales	Q2 2022	Q4 2022	Q2 2023	Q4 2024

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

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Page 203 Pembroke Dock Marine	Milford Haven Port Authority	Marine Energy Engineering Centre of Excellence						
		Materials for prototypes	OREC	£900k	Sell to Wales / Find a Contract (value dependant)		Q3&4 2021 Q1-4 2022 Q1-4 2023	
		Vessel hire for deployments in META		£26k	Sell2Wales		Q3 2021	
		Meta berthing fees		£196k	SSJ		Q4 2021	
		X Band Radar		£84k	Sell to Wales / Find a Contract (value dependant)		Q3 2022	
		Marine Buoys		£75k	SSJ		Q1 2023	
		Hydrophones		£77k	Sell to Wales / Find a Contract (value dependant)		Q4 2022	
		Acoustic Software		£22k	SSJ		Q12023	
		Marine Energy Test Area Developments						
		Environmental surveys		£30k	Sell to Wales / Find a Contract (value dependant)		Q3 2022	Q3 2022
		Insurance		£30k	Sell to Wales / Find a Contract (value dependant)		Q1 2022	Q1 2022
		Legal support		£10k	Sell to Wales / Find a Contract (value dependant)		Q1 2024	

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

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Page 206 Pembroke Dock Marine	Milford Haven Port Authority	The Pembrokeshire Demonstration Zone							
		Environmental scoping – Defining the scope of the Environmental Surveys that will inform the EIA.	Celtic Sea Power	£150,000	Services Contract Open Below threshold – Sell2Wales		14/02/22	Q1 22	Q3 2022
		Technical feasibility and concept design, initial engineering design of the MOS, on and offshore cabling arrangements to feed into the EIA process.	Celtic Sea Power	£150,000	Services Contract Open Below threshold – Sell2Wales		14/02/22	Q1 22	Q3 2022
		Monitoring & Evaluation	Celtic Sea Power	£30,000	Services Contract Open Below threshold – – Sell2Wales Scope in Development		ITT being drafted to issue in the New Year.		Q2 2023
		Land Agent Support	Celtic Sea Power	£120,000	Services Contract Open Below threshold – – Sell2Wales		15/05/22		
		Animation	Celtic Sea Power	£44,200.00	Services Contract Open Below threshold – – Sell2Wales		18/08/22		Q2 2023
		Research & Development	Celtic Sea Power	Awaiting Contract Award	Services Contract Open Below threshold – – Sell2Wales		Awaiting Contract Award		
		Offshore surveys – environmental surveys to inform the offshore EIA.	Celtic Sea Power	£3,000,000	Service Contract OJEU Open above threshold with PIN – My Tenders & Sell2Wales		16/12/22		Q2 2023

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

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		Pre-Front Engineering Study (design package to prove the feasibility in technical and economic terms)	Celtic Sea Power	Upto £600,000	Service Contract OJEU Open above threshold with PIN – MyTenders & Sell2Wales		01/11/22		Q2 2023
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Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Homes as Power stations Page 207	Neath Port Talbot CBC	Monitoring and evaluation services	NPTCBC	£1m	Sell 2 Wales	2021 Q4	2022 Q1		
		HAPS financial incentives fund	NPTCBC	£5.75m	Fund – to be advertised to all	2021 Q4	2023 Q1 – fund launch		
		HAPS regional supply chain fund	NPTCBC	£7m	Fund – to be advertised to all	2021 Q4	2023 Q2 – fund launch		

Swansea Bay City Deal

Assessment of Increasing construction costs

November 2022



Document Control Note: this document may not be valid anymore. Please check for the latest approved version of the document	
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Author:	Peter Austin/ Phil Ryder
Owner:	Portfolio Board

Swansea Bay City Deal

Assessment of increased construction costs and the effect on Portfolio delivery

1. Summary

- 1.1. This report is an update of the original compiled in September 2022, which contained details on the inflationary pressures, uncertainty and volatility of construction industry costs. This uncertainty led to the PoMO undertaking an assessment based on a mix of actual and forecast costs to try and establish the likely impact of construction cost increases upon the infrastructure elements of the SBCD Portfolio.
- 1.2. Information available from various sources outlined within the report that the SBCD Portfolio has a funding gap of up to £31.2m relating to imminent and future construction activity. This update confirms that still to be the case. Noting, market indications suggest that future construction costs will continue to rise.
- 1.3. The funding gap is based on £397m of planned construction contracts. There is a further circa £250m of planned construction contracts to be awarded across the future zones and phases of the two Life Science and Wellbeing Schemes (Pentre Awel and Campuses). However, any funding gap associated with these future phases has not yet been assessed and included within the report as it is approximately 3 years away from delivery and any assessment now would likely be extremely different to the end outcomes.
- 1.4. This updated report is a point-in-time assessment which confirms that the original estimates of increased cost remain valid and adds an appraisal of the likely effect of any mitigating actions on the Portfolio deliverables.
- 1.5. Although there are a number of mitigating options available to project leads, the common approaches to address the funding shortfall are to:
 - a) Seek more funding
 - b) Revisit the construction brief
 - c) Open dialogue with contractors
- 1.6. Market reports continue to illustrate high and volatile material costs and the importance of client/contractor negotiations when agreeing specifications and terms
- 1.7. In November 2022 the Programme (Portfolio) board resolved that the in-house Governance structure within each Local Authority to be made aware of the potential over spend/issues and the PoMO will continue to appraise Programme Board of current situation through Monthly and Quarterly Monitoring. Programme board to continue to review all new and updated information as provided and continue to review mitigations and potential course of action to resolve any funding gaps that are confirmed and/or do not have a resolution at a project/programme level.

2. Purpose

- 2.1. Following the meeting of Programme Board on 19th July 2022 where a Construction Impact Assessment summary report was presented, the PoMO was tasked with an initial assessment of the potential effect of increased construction costs and to determine the magnitude of any funding gap in relation to the investment required to deliver the Programmes and Projects of the SBCD Portfolio. This is a red risk across the Portfolio and is subject to monthly monitoring.
- 2.2. The report to Programme Board noted that there were a concerning number of Red or Amber risks reported from within the portfolio (5 of 9 headline Programmes and Projects had returned the following information):

Risks	Impact Field	Scope	Targets	Time	Reputation	Stakeholder/ Partnerships	Proj. Costs	Procurement	Resources
Red		3	0	10	0	0	4	0	0
Amber		12	21	13	22	11	28	18	2
Green		29	23	21	22	33	12	26	42

2.3. The summary found that there are currently 3 areas of high concern and 4 areas of medium concern:

High concern	Medium concern
<ul style="list-style-type: none"> • Scope • Time • Project. costs 	<ul style="list-style-type: none"> • Delivery of targets • Potential reputational damage • Project costs • Procurement

2.4. Subsequently the PoMO was asked to monitor the financial shortfall and to produce an appraisal of the effect of any mitigating actions being proposed by the programmes and projects

3. Background

3.1. Several unprecedented international situations- Brexit, COVID-19 and the war in the Ukraine have occurred which, amongst other factors, have put significant pressure on the construction industry supply chain resulting in increased costs and longer lead times for the delivery of required services.

3.2. The combined effect of these situations is complex and wide ranging but culminates in the increase of construction project costs and delays in delivery schedules.

3.3. The ‘Summer 2022 Market Review’ issued by Arcadis, global leaders in sustainable design, engineering, and consultancy solutions for natural and built assets, illustrates the main issues and summarised and reviewed by Infrastructure Intelligence, here:

3.4. Tender price inflation will be between 8% and 10% this year, depending on the project.

3.5. The Ukraine war has added a further 3-5% to the costs of most construction projects. Higher, ranging from 5 to 8% for projects with a greater exposure to the steel market; and that -

3.6. ‘Latest BEIS data tracking inflation for a basket of materials is showing prices up by 25% in a year, the highest level of inflation seen so far in this cycle. However, a closer analysis of the BEIS data shows that there is potential for further upward price pressure for energy intensive products including cement and concrete products, plastic pipes and insulating products’ adding that ‘The cost of energy has a disproportionate effect on the construction industry supply chain.’

3.7. The Civil Engineering Contractors Association (CECA) supported by the Builders Merchants Federation and the Construction Products Association, also reported in July 2022 that:

“Average inflation for products and materials so far this year has been around 23%; with more significant price increases in energy intensive products such as insulation, cement, concrete and many steel products. Further price increases for those products are anticipated in the second half of the year owing to rising energy prices and input costs.”

3.8. “[Buckling Up, GLEEDS Summer 2022 UK Market Report:](#)” adds:

“As the world emerged from the COVID-19 pandemic, 2021 saw significant price escalation. Issues such as increased demand reduced production during lockdowns and raised raw material costs caused price surges. By the end of the year, it appeared that material prices were starting to settle. However, significant cost escalation has been seen as a consequence of Russia’s invasion of Ukraine.

3.9. There has been a 12.1% increase in the ‘All Work’ Construction Materials Price Index between February 22 and May 22.”

3.10. Data from ONS/BEIS indicates the following increases between February 2020 and May 2022 and increases between February and May 2022 and then February 2022 to August 2022:

Commodity	% increase Feb 20 – May 22	% increase Feb 22 – May 22	% increase Feb22 – Aug 22
Cement	16	3.7	9.4
Ready mix concrete	16.7	6.2	9
Pre-cast concrete products – pipes tubes etc	39	8.7	10.3
Pre-cast concrete products – Blocks, bricks , tiles and flagstones	28.2	7.2	7.7
Imported planed or sawn wood	65.2	16.5	0.5
Imported plywood	90.6	13.3	5.7
Fabricated structural steel	134.7	35.1	20.3
Flexible pipes and fittings	23.5	6.8	8.1
Insulating materials thermal or accoustic	24	6.8	18.4
Paint- non-aqueous	33.1	6.3	16.4

- 3.11. The table shows, in all examples, a significant % of cost increases relating to various construction materials has occurred in the four months from Feb 22 – August 22.
- 3.12. The [Gleeds Autumn report](#) for 2022 indicates that commodity prices remain volatile although supply may have improved. Continuing rises in energy costs appear to be negating any potential reduction of material prices.
- 3.13. Further to this, according to BCIS data, since May 22 it is estimated that average costs of construction materials and services will have increased from Quarter 1 by a further 2.8% at the end of Quarter 2 2022 (end of August).
- 3.14. The removal of the red diesel tax rebate in April 2022 will also have a direct effect on contractor's costs. Industry predicts an average increase of [73% on fuel bills alone](#). An indirect effect of this is concern for site safety with theft of white diesel becoming a potential issue leading to a possible increase in site security costs.
- 3.15. As a result of the above issues, delays in delivery are being experienced as high prices lead to difficulties in reaching terms that are acceptable to clients, contractors and funders. Fixed-cost contracts being issued by clients and Tier 1 contractors are becoming less palatable to the supply chain with some contractors declining to tender on unfavourable or high-risk contract terms.
- 3.16. Further issues being reported by the construction sector are skills shortages and an inability to recruit key skilled staff which affect construction delivery in some areas.
- 3.17. Acknowledging the importance and consequences of increased project costs, in October 2021 Welsh Government issued Welsh Procurement Policy Note WPPN 09/21: Sourcing building materials for construction projects in Wales¹, which provides advice to public sector bodies in Wales on how to manage market pressures affecting the availability and affordability of building materials.
- 3.18. WPPN09/21 contains a section covering Actions required by contracting authorities including managing delays due to material supply issues and managing the impact of volatile material prices for existing and future construction works and maintenance contracts.
- 3.19. It should be noted that WPPN09/21 was issued prior to the Ukraine war which is the trigger for much of the current uncertainty and cost increase across many sectors.

4. Looking forward

- 4.1. Reviews from professional cost consultants anticipate forecasted inflation for construction in Wales will range from 4%-5% per annum, compounded over the next two years.
- 4.2. The Gleeds Autumn review for 2022 predicts a 4.5% level of inflation for project costs in Wales during 2023
- 4.3. Arcadis however anticipated a lower effect of 2-3% for 2023 with a potential to return to 4-5% in 2024 as cost of living rises and a potential recession take effect.
- 4.4. Generally, it is forecasted that prices are unlikely to fall significantly, even if supply issues are eased. The mid to long term view for recovery is reasonably optimistic with a plentiful pipeline of work. This is tempered by uncertainty of future recession caused by the cost-of-living crisis and unprecedented energy prices affecting consumers and industry alike.
- 4.5. Whatever the forecasters view the immediate future to hold, the overall picture can, at best, be described as uncertain. Contractors tied into fixed price contracts prior to the recent price surges are most at risk as they deliver contracts that were costed some time ago. Those currently tendering or in contract negotiations have more flexibility to find solutions as they are aware of the volatile market conditions and can negotiate accordingly.
- 4.6. Large construction companies with enough capacity to absorb some costs will do whatever they can to weather the storm within fixed-price contracts, but it seems inevitable that much of the risk will be passed along the sub-contract chain. This in turn puts strain on smaller contractors and their supply chains which may be less robust, having only just recovered from the fallout of the COVID-19 pandemic.
- 4.7. WPPN 09/21 advises that actions should seek to avoid the wholesale transfer of risk along the supply chain which could mean that SMEs are saddled with the risk
- 4.8. More collaboration between clients and contractors is required to find agreeable solutions and this seems to be a trend that is increasing. Innovative approaches to procurement, alternative material use, and more localised sourcing are increasing as options to combat prolonged supply issues.
- 4.9. From a Portfolio perspective, the red and amber concerns will be continually monitored and over time as any issues arise along with associated change requirements, change notifications and change requests will be submitted to the PoMO and reported/escalated accordingly to stakeholders as per the SBCD change procedures.
- 4.10. Due to the staged nature of programme and project maturity within the portfolio, project teams will be in different positions when assessing the likely impact of inflation and construction costs. For example, within the Swansea Waterfront programme, the 71/72 Kingsway element is being delivered according to a fixed-price contract, with the contractor now expecting to manage a potential £2-3m increase in costs. However, Campuses are still in the design stage where cost increases and inflation can be factored into the design process from the outset. Other projects are somewhere in between.
- 4.11. Although there are a number of mitigating options available to project leads, the common approaches to address the funding shortfall are to:
 - a) Seek more funding
 - b) Revisit the construction brief
 - c) Open dialogue with contractors
- 4.12. Currently, sources of extra funding to support existing project delivery are not clear. One potential purpose of this appraisal is to raise the matter with UK Government and Welsh Government as City Deal sponsors to seek advice.

- 4.13. Altering the specification and reducing floorspace may affect the projects' ability to achieve its intended targets; that may be attracting tenants and thus achieving rental income, being able to deliver jobs or being fit for original intended purpose.
- 4.14. Those projects that are in early procurement stages are assessing the procurement pathways available and are entering into dialogue with contractors to manage any cost issues as far as is practical.
- 4.15. The PoMO continues to monitor the impact of inflation, cost and effect of mitigating actions. Any changes will be recorded via the change notification process with any significant change being managed via the change request procedure.
- 4.16. A Construction Costs/Community Benefits sub-group has been formed to allow programmes and project to share best practice and discuss lessons learned. This sub-group will report to the PoMO and Project Leads meeting and Programme (Portfolio) Board.

5. Assumptions

- 5.1. Current estimates (Aug 2022) have been provided by projects, these have been identified where current tender prices have been provided. Cost inflationary estimates have been used where projects are pretender.
- 5.2. Inflation rates have been applied to demonstrate projected estimation figures. Building Cost Information Service ([bcis.co.uk](https://www.bcis.co.uk)) indices were used to calculate projected estimations for future years (2023/24 – 3.2%, 2024/25 – 3.9%). These indices are industry specific and were deemed most appropriate to apply.
- 5.3. Inflationary rates are estimated and where Building Cost Information Service indices have been used these by their nature do not account for volatile or unexpected adjustments.
- 5.4. All forecasting within this report is only current on the day of writing, given the uncertainty and volatility previously discussed all future construction costs will vary from the forecast below and may potentially increase further prior to contract award or during delivery.
- 5.5. HAPS and Skills and Talent have been omitted from assessment due to the specific nature of their delivery.

6. Portfolio Review

- 6.1. Currently the portfolio is demonstrating a £31m increase in construction costs. These costs are then expected to be managed by Local Authorities and Lead partners, cost of which are outside the original budget allocations
- 6.2. The current estimation (August/November 2022) has been derived using actual costs, current tender pricing and cost estimation. These are based on actual and anticipated delivery timelines i.e. build of infrastructure.
- 6.3. Future projections have been derived utilising Building Cost Information Service indices.
- 6.4. Future zones/phases in respect of the life science projects (Pentre Awel and Campuses) have been omitted as SBCD funding is not directly utilised to develop these and due to their nature, a reliable estimate is unobtainable at present.
- 6.5. The following tables describe the current situation (August-November 2022) and any mitigations with potential consequences

<u>Programme/Project</u>	<u>Construction Estimate (Per BC) (£)</u>	<u>Current Estimation (Aug 2022)(£)</u>	<u>Variance (£)</u>	<u>Development Position</u>
<u>SILGC</u>				
Bay Technology Centre	8,500,000	8,883,000	- 383,000	Delivered
SWITCH	15,000,000	17,564,046	- 2,564,046	Estimated
Advanced Manufacturing	17,200,000	21,595,189	- 4,395,189	Estimated
	40,700,000	48,042,235	- 7,342,235	
<u>Pentre Awel</u>	79,000,000	86,000,000	- 7,000,000	Procured
<u>Yr Egin</u>				
Phase 1	14,868,348	14,868,348	-	Delivered
Phase 2	10,301,653	12,956,872	- 2,655,219	Estimated
	25,170,001	27,825,220	- 2,655,219	
<u>Swansea Waterfront - Innovation Matrix/DLF & Precinct</u>				
Innovation Matrix/DLF	13,232,099	15,984,542	- 2,752,443	Estimated
Innovation Precinct	17,424,458	21,092,933	- 3,668,475	Estimated
	30,656,557	37,077,475	- 6,420,918	
<u>Campuses</u>				
ILS Innovation Centre - Singleton	12,790,000	14,451,217	- 1,661,217	Estimated
ILS Innovation Centre - Morriston	2,210,000	2,497,300	- 287,300	Estimated
	15,000,000	16,948,517	- 1,948,517	
<u>PDM</u>				
Pembroke Dock Infrastructure	41,593,611	45,879,000	- 4,285,389	Estimated
	41,593,611	45,879,000	- 4,285,389	
<u>Digital Infrastructuionre</u>	20,500,000	22,097,114	- 1,597,114	Estimated
Net Total	252,620,169	283,869,561	- 31,249,392	
<u>Swansea Waterfront - Arena & Digital Village</u>				
Digital Arena	95,045,842	89,203,265	5,842,577	Delivered
Digital Village	49,648,253	48,540,125	1,108,128	Procured
Total	397,314,264	421,612,952	- 24,298,688	

Programme / Project	Shortfall	Mitigating Actions	Action status	Likely Impact of Mitigation
Campuses	£1,948,517	<ul style="list-style-type: none"> Explore further funding opportunities Reduction of scope i.e. smaller footprint 	Potential Potential	Significant decrease on scope could affect available office space and associated income
Swansea Waterfront a) Digital District & Digital Village	£3m (est. between £2-3m)	<ul style="list-style-type: none"> Fixed price contracts with tier 1 contractor 	Actual	Possible impact on the subcontractors working on this scheme, many of which will be local firms.
Swansea Waterfront b) Innovation Matrix and Precinct	£6,420,918	<ul style="list-style-type: none"> Value engineer project delivery model. Assess viability of alternative funding sources. Reduce volume of infrastructure. Potential change of delivery mechanism for Innovation Precinct to better suit the economic/market environment as well as to take advantage of any partnership opportunities. 	Actual Actual Potential Potential	<ul style="list-style-type: none"> Change to refurbishment (rather than new build) model for Innovation Precinct (likely). Potential reduction in current benefits projections Change in funding arrangements and amounts for both projects. Collaborative approach likely to be developed with key private/public sector partners.
Yr Egin 2 Page 215	£2,655,219	<ul style="list-style-type: none"> Value engineer infrastructure Secure further funding Reduce volume of infrastructure Change phase 2 to align to current regional demands. 	Potential Potential Potential Potential	<ul style="list-style-type: none"> Change of delivery model, potentially leading to lower capital spend. Potential change to overall project outcomes and benefits through reduced volume of infrastructure.
Pentre Awel	£7m	<ul style="list-style-type: none"> Value engineering exercise undertaken. Changes to materiality and some omissions undertaken. Reduction of building area by 750 sqm. Local authority to invest further capital into the project. Increased use of digital and remote delivery for education and training, health and research/innovation. 	Actual Actual Actual Actual Actual	<p>Manageable and appropriate changes to the building design and associated infrastructure.</p> <p>Within the City Deal demise:</p> <ul style="list-style-type: none"> Reduced space to deliver education, skills and training activities Some reduction in business area. Mitigatable via Zone 3 business expansion centre Removed conferencing facility <p>Research, health and innovation spaces have been maintained</p>

SILCG	£7,342,235	<ul style="list-style-type: none"> Review accordingly and see what can be delivered at current rates within the previously agreed budget potentially doing less for more (cost). Look to obtain further funding. For SWITCH, the overall budget for the project is £20M split into £15M build and £5M for specialist equipment. If projected build costs are >£15M then there is a £1M buffer available from the specialist equipment budget to utilise to offset cost increases 	<p>Potential</p> <p>Potential</p> <p>Potential</p>	<p>Nil response in relation to previously highlighted AMPF shortfall of circa £4.395m</p> <p>Nil response in relation to BTC shortfall £383k</p> <p>Less funds available for specialist equipment (SWITCH)</p>
Digital Infrastructure	£1,597,114	<ul style="list-style-type: none"> Continue to monitor the situation and engage with fibre and mobile industry to better understand the situation. Continue to work with the private sector, encouraging and facilitating their investment in our region. Helping to ensure the private sector goes as far as possible with their investment. Seek to secure more public funding towards the regions needs and ambitions for fibre and mobile infrastructure. If necessary, reduce our delivery scope to fit the budget i.e. less infrastructure deployed for the funding we have available. <p>Still relatively confident we will deliver on the key investment objectives of the programme.</p>	<p>Actual</p> <p>Actual</p> <p>Actual</p> <p>Actual</p>	To be confirmed

PDM	£4,285,389	<ul style="list-style-type: none"> • Competitive tenders and further review of Best and Final with additional scrutiny. • Innovation in designs to deliver outcomes and outputs at less cost which has removed an additional £10m from the current estimate above. I.E without this the forecast would have been circa £55m. • Innovative trading and phasing within overall programme to deliver the individual phased outputs and outcomes. • Additional funding sought with WEFO and secured partial help. 	<p>Actual</p> <p>Actual</p> <p>Actual</p> <p>Actual</p>	<p>The 4 bullet points get us to the Outputs as defined within the Final business case and on track to get to the outcomes.</p> <p>The potential Shortfall is still circa £4.3m as above and we are reviewing future phases over 2023 to see where we can apply more of the points to potentially close this gap.</p>
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7. Conclusion/recommendations

- 7.1. The funding gap identified is based on inflationary pressures and rising construction costs with a current estimated funding gap of £31.2m. This gap is based from the anticipated or actual difference in costs from approved outline business case to date (Aug-2022).
- 7.2. The Gleeds Autumn review recommends that “As the challenging backdrop persists, it remains important to make projects attractive to the supply chain to obtain the best prices. Mitigation measures seen include:
- Proactive negotiation with preferred main contractor/subcontractors/suppliers to work through risks and issues
 - De-risking of projects as much as possible through surveys and enabling packages
 - Phasing/splitting of large projects to reduce risk via shorter programme length
 - Early orders to secure materials/products to protect the programme and to obtain cost certainty
 - Booking of key resources/teams to secure the best for the project
 - Use of fluctuation clauses, prime cost (PC) sums, provisional sums, index linking of material supply costs, etc.
 - Increased understanding of pipeline and financial standing
 - Consideration of alternatives in case of sourcing difficulties
 - Being open to different suppliers to ensure competition.

While value management is always important, it is particularly so at a time when budgets are under pressure. Regular reviews should be undertaken to look for opportunities and to ensure the best use of available resources.”


- 7.3. This report has been produced for consideration by SBCD Programme (Portfolio) board.
- 7.4. The Programme (Portfolio) board are now required to assess and agree that the funding gap, mitigations and impact are appropriate and share the report with key stakeholders including both Governments for discussion.
- 7.5. In November 2022 the Programme (Portfolio) board resolved that the in-house Governance structure within each Local Authority to be made aware of the potential over spend/issues and the PoMO will continue to appraise Programme Board of current situation through Monthly and Quarterly Monitoring. Programme board to continue to review all new and updated information as provided and continue to review mitigations and potential course of action to resolve any funding gaps that are confirmed and/or do not have a resolution at a project/programme level.

Swansea Bay City Deal Construction and Community Benefits Sub-Group

DRAFT Terms of Reference November 2022 rev January 2023

Governance Type	Officer Governance
Purpose	<p>The Construction and Community Benefits Sub-group exists as a platform for SBCD Programmes and Projects to discuss matters pertaining to construction, community benefits.</p> <p>To include sharing best practice and lessons learned on:</p> <ul style="list-style-type: none"> • Procurement • Construction sector issues • Community benefits and social value • Skills • Other relevant topics <p>Members may on occasion invite external organisations/businesses to inform discussion topics.</p>
Accountable to	Programme Board
Reporting	Minutes/meeting notes will be shared with the group for agreement and subsequently submitted 'as draft' to the Portfolio Management Office (PoMO) and Project Leads meetings and then to Programme Board via the PoMO
Membership	Membership of the Construction (and Community Benefits) Sub-group is open to all SBCD Programme and Project Leads, SRO's and the PoMO.
Chair	The Chair will (by agreement with the group) be a member of the PoMO, usually the Business Engagement Manager or Portfolio Manager
Voting/Agreement	<p>The Construction and Community Benefits) Sub-group shall not have any formal decision-making Powers and therefore will not require voting arrangements, with agreement being reached by consensus.</p> <p>Where alternative views and opinions are expressed these will be recorded and included in any reporting process.</p>

Conflict of interest	<p>The Construction and Community Benefits Sub-group is formed as an information sharing group and does not have any formal decision-making powers. As such conflicts of interest are unlikely.</p> <p>Should occasions arise where conflicts of interest exist, members have an obligation to declare any such interests which will then be recorded.</p>
Proceedings of meetings	Meetings will be recorded via Minutes/meeting notes indicating any actions arising.
Quorum	The Construction (and Community Benefits) Sub-group shall not have any formal decision-making powers and therefore will not require quoracy.
Frequency	<p>The Construction (and Community Benefits) Sub-group shall meet on a Quarterly basis.</p> <p>Dates of meeting will be issued in advance</p>
Allowances	No allowances will be paid.
Servicing	The Portfolio Management Office will organise appropriate servicing for the meetings.
Review	To be reviewed Jan 2023

 Community Benefits Register - Programmes and Projects	
Version	FINAL V6
Date	Jan-23
Owner	Jonathan Burnes
<p>The Community Benefits register is owned and maintained by the SBCD Portfolio Management Office. It is a working document that will be updated on a quarterly basis with information provided by Project Leads as programmes / projects progress through procurement , construction and delivery. As defined in Welsh Government's "Community Benefits - Delivering Maximum Value for the Welsh Pound – 2014", the primary focuses of Community Benefits policy are:</p>	
Requirement	Example Actions
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)	Apprenticeships & Pathways to Apprenticeships traineeships. work experience / internships. graduate placements. work trials. voluntary work opportunities. National Vocational Qualifications. training of retained staff.
2. Supply chain initiatives, covering:	maximising the opportunities for smaller and more local suppliers and contractors to compete for tenders. sub-contract or supply chain opportunities. measures to ensure prompt and fair payment terms.
2a. the following should be considered where these can add value:	retention of existing workforce. training for the existing workforce. the promotion of the Third Sector including Supported Businesses.
3. Community initiatives	donations of equipment; donation of in-kind labour; landscaping, building services support to regenerate communal areas community consultation; sponsorships and cash donations to organisations/charities based in Wales
4. Contributions to education	work placements – secondary school and college students; visits to primary schools to engage younger children, H&S, the ‘world of work’; landscaping & building services in school grounds – playgrounds, wild life areas; links to the Welsh Government’s Numeracy Employer Engagement Programme; curriculum support – donations of equipment, classroom resources/lesson plans; development of bespoke qualifications with colleges.
5. Environmental initiatives	micro-energy generation; reduced waste to landfill; recycling of eligible materials; reduced water consumption; managing business mileage
6. Equality and Diversity objectives*	Supports and encourages social cohesion Supports minority groups in achieving potential activities encouraging women into STEM subjects / Engineering

* SBCD examples

Campuses

Project	Phase 1 - Singleton		Phase 2 - Morrison	
Project Duration				
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)				
2. Supply chain initiatives				
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.				
3. Community initiatives				
4. Contributions to education				
5. Environmental initiatives				
6. Equality and Diversity objectives				

Project	Digital Arena		71 - 72 Kingsway		Innovation Matrix	
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
other:	Completion of the Welsh Government's Community Benefits Tool	Received interim WGCBT on 04/03/21 and 26/05/22. Awaiting final WGCBT once project has been completed.	Completion of the Welsh Government's Community Benefits Tool	WGCBT report will be completed at the end of the project.	Completion of Welsh Government Community Benefits Tool	
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)	4325 person weeks	8197 TR&T weeks for the Arena project as a whole.	52 weeks Targeted Recruitment and Training per £1million pound spend	Construction started Nov 2021. Process now in place to monitor and measure TR&T - awaiting first measures coming through.	University is confirming with principal contractor due to contract value change - see quarterly report	
	3028 (70%) New Trainees, Apprentices and other trainees	6386 New Trainees, Apprentices and other trainees (weeks) for the Arena project as a whole	1023 (70%) New Trainees, Apprentices and other trainees	6 people taken on and have achieved 119 TRT weeks to date.	University is confirming with principal contractor due to contract value change - see quarterly report	
	1297 (30%) Existing Apprentices	1811 Existing Apprentices (weeks) for the arena project as a whole	524 (30%) Existing Apprentices	Awaiting confirmation of figures from Bouygues.	University is confirming with principal contractor due to contract value change - see quarterly report	
2. Supply chain initiatives	17% - Local (SA Postcode)	33% - Local (SA Postcode)	tenders are asked how they will create opportunities and provide support for SME's to bid for work through your supply chain for this project.	1 MTB event 23% - Local (SA Post Code) 67% - Wales 10% - UK & EU	University is confirming with principal contractor due to contract value change - see quarterly report	
	38% - Wales	30% - Wales	Also there is a reference to PBA and fair payments.		University is confirming with principal contractor due to contract value change - see quarterly report	
	45% - UK & EU	36% - UK & EU			University is confirming with principal contractor due to contract value change - see quarterly report	
	MTB events 3	3			University is confirming with principal contractor due to contract value change - see quarterly report	
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.						
3. Community initiatives	social benefits can be delivered directly to the community in which the successful contractor will operate	- Neighbourhood engagement i.e. site visits, car cleaning and newsletters - Burial of a time capsule, engaged with local community groups. - Social enterprises such as Thrive Women's Aid benefited from employment, fundraising, business support and donations. - Community groups such as employability organisations, colleges, church groups, Swansea prison all benefited from various levels of support ranging from material donations, sponsorship, and information sharing.	The successful Contractor will also be encouraged to secure other value-added, positive outcomes that would benefit the community they operate within. (including school engagement activities)	Contractor looking at setting up a competition with the feeder schools to design a floor each of the Kingsway building and use the donated 3D Printer.		
				- Bouygues are running a series of 'Prepare to Work in Construction' employability courses. - Supported Dementia Friendly Swansea's information hub in the Quadrant Shopping Centre. (Decorating, supplied surplus office furniture, helping them to set up a consultation room for families at the hub by supplying and installing lighting, heating and sockets)		

4. Contributions to education	The contractor is expected to engage positively with school age children	Future Skills team participated in a careers event held at Pentrehafof School for year 11s where they worked collaboratively with Bouygues UK and Willmott Dixon to provide a construction group approach for students to discover careers in the industry		The contractors have been engaging with Gower College Swansea who are also due to receive a donation of 20 laptops from Bouygues. Gower College lecturers will be invited to site to learn modern building skills.	University is confirming with principal contractor due to contract value change - see quarterly report	
5. Environmental initiatives		Coastal Park was opened by Countess of Wessex to celebrate the city's green credentials as Swansea was named the Queen's Green Canopy "Champion City"		- Contractor to donate surplus materials to The vetch community garden and The Wallich - Organised a beach clean with th elocal community	University is confirming with principal contractor due to contract value change - see quarterly report	
		Green Wall on North face of the South Car Park				
6. Equality and Diversity objectives						

Project	Connected Places		Rural connectivity		Next generation wireless	
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)						
2. Supply chain initiatives						
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.						
3. Community initiatives						
4. Contributions to education						
5. Environmental initiatives						
6. Equality and Diversity objectives						



Homes as Power Stations

Project	HAPS Technical Monitoring & Evaluation Contract					
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)						
2. Supply chain initiatives	Offer of an online Meet the Buyer Event to seek a suitable installer of monitoring devices within homes (Electrician)					
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.	Minimum 3 CPD Session per year to Local Authority staff					
	Secondment Opportunities					
	Installer of Monitoring Devices will receive up to 10 days of on the job CPD training.					
3. Community initiatives						
4. Contributions to education						
	Opportunity for appropriate students to use the HAPS programme as part of their research projects as and when it is deemed appropriate and agreed by the HAPS programme team					
	It is anticipated that at least one scholarship / PhD student opportunity to carry out further research across the HAPS programme over a 3 year programme.					
5. Environmental initiatives						
6. Equality and Diversity objectives						

Pentre Awel Community Benefit Register*

Project	Pentre Awel - Zone 1	
Project Duration		
Category	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)	4680 person weeks	
	Apprenticeships	
	Work experience placements	
	New entrant jobs and training	
	Establishment of an Employment & Skills Group	
2. Supply chain initiatives	Meet the Buyer events	First Meet the Buyer event held at Parc y Scarlets on 30/03/22. 140 suppliers engage, around two thirds based in the SBCD region. 50 Carmarthenshire businesses, of which nearly 30 are Llanelli-based.
	Business development support	
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.		
3. Community initiatives	Community Newsletter	July via letter drop to local residents and electronic circulation. Includes updates on current and future works on-site. Second newsletter distributed December .
	Community Ambassadors	15 to 20 Community Ambassadors to be recruited. Recruitment flyer developed and disseminated alongside newsletter.
	Community events	
	Community surgeries	
	Contribution to Llanelli Railway Goods Shed project	
	Social enterprises	

Project Status:

*Pentre Awel (Zone 1) is at the pre-construction stage. Accordingly, specific community benefits measurables/deliverables are currently under discussion and will be confirmed in due course.

48 TOMs (Themes, Outcomes and Measures) agreed with Bouygues UK, including Welsh TOMs in alignment with the WBFGA.

A multi-agency Community Benefits Stakeholder Group has been established with representation from BYUK, schools, higher and further education, Hywel Dda, RLSP, employability programmes, corporate procurement, third sector and community groups. This Group had its inaugural meeting in March 2022 and will meet monthly. An internal group has also been convened to appraise proposals submitted by BYUK.

4. Contributions to education	School Ambassadors Programme	Assembly delivered to Coedcae School and Ysgol Pen Rhos to recruit ambassadors from the school. Ysgol Pen Rhos have completed the selection process and have selected 9 pupils.
	Construction Careers Events and Activities	CITB Women Into Construction Event 01/07/22
	STEM Initiatives (Curriculum Enrichment) Construction Skills Centre of the Llanelli Vocational Village	Safety Assembly/ Go Construct STEM tetrahedron delivered to local schools in July 2022, incl. Ysgol Pen Rhos, Ysgol y Strade, Bryngwyn School and Bryn Y Mor School.
	Pupil Interactions	1054 (July 22- Nov 22)
5. Environmental initiatives	Outdoor engagement	
6. Equality and Diversity objectives	Women in Construction - Girls Believe Academy Special Educational Needs / Additional Learning Needs	Academy delivered to Ysgol Bryngwyn year 7 girls and Coedcae School girls and boys from year 7 during Oct 22 & Nov 22. Session to promote wider STEM careers and the construction industry.

Project	Bay Technology Centre		South Wales Industrial Transition from Carbon Hub (SWITCH)		Decarbonisation		Industrial Futures	
Project Duration								
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people – Targeted Recruitment and Training (TR&T)	KPI 1 - Work Experience Placements (In Education)	13 students						
	KPI 2 - Work Experience Placements (Not in education)	7 Students						
	KPI 3 - Jobs Created (New Entrants)	11 employees						
	KPI 4 - Construction Careers Information, Advice and Guidance Events	6 events						
	KPI 5 - Waged Training Weeks On Site	300 weeks						
	KPI 6 - Qualifying the Workforce	17 certs						
	KPI 7 - Training Plans	5 plans						
	KPI 8 - Case Studies Approved	3 case studies						
2. Supply chain initiatives								
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.								
3. Community initiatives								
4. Contributions to education								
5. Environmental initiatives		Through end of life planning -92% of the building fabric can be recycled						
		0.998 Energy performance ratio – a 281% improvement over building regulations						
		486% net gain on area-based biodiversity through enhanced habitats						
		Created a transition area for calcareous grassland – enhanced biodiversity & invited more species						
		Reduced external lighting to a minimum – ensures bats are undisturbed by development						
		Created a hibernacula and 154m of swales – assists existing species to thrive and invites new ones						
		Created 407m2 of wet woodland						
		Waste & water management approach = drive down overall use						
		Through designing out waste - produced only 2.4 tonnes per 100m2 Typical UK project – 11 tonnes/100m2						
		59 tonnes of construction waste was recycled/recovered (BREEAM Exemplary) 96% construction waste diverted from landfill 42.12% improvement on net water consumption by installing efficient sanitaryware						
	estimated project will reach carbon parity ('payback') with it's embodied carbon figure (at practical completion) in approximately 36 years							
	Estimated it will go onto sequester approximately 864 tonnes of CO2 over the lifecycle of the building.							
6. Equality and Diversity objectives								

Project	Phase 1		Phase 2	
Project Duration	ALL COMMUNITY BENEFITS TO BE SPECIFIED AFTER CHANGE REQUEST PROCESS			
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)				
2. Supply chain initiatives				
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.				
3. Community initiatives				
4. Contributions to education				
5. Environmental initiatives				
6. Equality and Diversity objectives				

Pembroke Dock Marine								
Project	Pembroke Dock Infrastructure		MECE		META		POZ	
Project Duration								
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people – Targeted Recruitment and Training (TR&T)								MHPA Skills Commission – Workshop 11/10/2022 with students and industry. A workshop with the Public Sector and Training provider are in taking place w/c 24/10/2022. Female in STEM – TI co-hosting a workshop for female Ysgol Preseli students considering STEM on the 14 th Oct in our offices in PD. We've Sponsored the transport. Presented at a University of Exeter event. CSP presented: Composites for FLOW in the Celtic Sea at Plymouth University on Sept 8th.
2. Supply chain Initiatives				Providing support to the Celtic Sea Supply Chain Cluster		MEW Working group meeting		Our two floating RUDAR buoys have been deployed from Falmouth Harbour, to c60 miles at sea.
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.								
3. Community Initiatives								We are sponsoring some Lego Sets for the local Welsh Language, Ysgol Caer Elen school in Haverfordwest to help them develop their expertise to compete in future Lego leagues and also Ysgol Bro Gwyn (Fishguard) school with the Supercharged Sea and Lego League entry. https://www.inlaidis.com/posts/celtic-sea-power_flow-industry-supports-first-lego-league-activity-7008206356490895360-z87utm_source=share&utm_medium=member_desktop Celtic Sea Power part funded and collaborated with the other POM partners and The Abund Charity to support students in Ysgol Harri Tudor to create a music video around sustainability. This involved going to the school and presenting the POZ to the students. https://www.mhpa.co.uk/song-writing-project/
								MHPA Skills Commission – Workshop 11/10/2022 with students and industry. A workshop with the Public Sector and Training provider are in taking place w/c 24/10/2022. Female in STEM – TI co-hosting a workshop for female Ysgol Preseli students considering STEM on the 14 th Oct in our offices in PD. We've Sponsored the transport.
								We are sponsoring some Lego Sets for the local Welsh Language, Ysgol Caer Elen school in Haverfordwest to help them develop their expertise to compete in future Lego leagues and also Ysgol Bro Gwyn (Fishguard) school with the Supercharged Sea and Lego League entry. https://www.inlaidis.com/posts/celtic-sea-power_flow-industry-supports-first-lego-league-activity-7008206356490895360-z87utm_source=share&utm_medium=member_desktop
4. Contributions to education			Ongoing 22/23	STEM events with Keystage 3 Learners		1 month work placement at META during August		
			Ongoing 22/23	STEM events to keystage 4 learners in partnership with Pembrokeshire College				
			Ongoing 22/24	Delivering 2 projects with Engineering Education Scheme Wales - Year 12 students at Ysgol Preseli and St David's College, Mandurmp.				MHPA Skills Commission – Workshop 11/10/2022 with students and industry. A workshop with the Public Sector and Training provider are in taking place w/c 24/10/2022. Female in STEM – TI co-hosting a workshop for female Ysgol Preseli students considering STEM on the 14 th Oct in our offices in PD. We've Sponsored the transport. Presented at a University of Exeter event. CSP presented: Composites for FLOW in the Celtic Sea at Plymouth University on Sept 8th.
5. Environmental Initiatives								CSP team members took part in a beach clean on a Pembrokeshire beach, in June of this year. CSP offices have recycling facilities. CSP office only print when really necessary. CSP team ensure lights are turned off at the end of each day. CSP team car share to go to conferences/business trips.
6. Equality and Diversity objectives			Nov/Dec 22	DREC recently won the 'Equality and Inclusivity' award at RUKAWARDS22 Several MECE staff have completed training in BSL. DREC is a member of Inclusive Employers. Webinars on the subject of Diversity and Inclusion are regularly offered to all employees. In Oct 22, topics included - Black History week, Inclusive Sport, and Living with Dystonia				WHDS/CSP have sponsored the inaugural Celtic Sea Woman's Network event in April. £2,500 cost split 50/50 between the POZ and the CFA projects. On October 14th 2022, Tim James at CSP is supporting Insite's 'Girls in STEM' event for students of a local school to attend. Tim will provide an introduction to the organisation and the work which is being carried out. CSP have also sponsored the transport for this event. CSP employed a female in June 2022, as a Planning & Compliance Co-ordinator, to join the Pembroke Dock team, CSP now have five female employees in total. CSP have updated its brand recognising the Welsh language translation of Celtic Sea Power. Pŵer y Môr Celtaidd. All job applications packs, letters and job descriptions are bilingual including the relevant logos of all funders including WFO's ERDF logo. Bilingual Information flyers about CSP and the POZ have been produced along with banners.

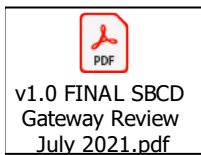
Skills and Talent Initiative Community Benefit Register

Project	Skills & Talent	
Project Duration		
Category	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)		
2. Supply chain initiatives		
2a. considered where adding value: retention of existing workforce,		

As part of the assurance arrangements for the SBCD Portfolio, a Gateway 0 Review was undertaken 19th-21st July 2021. The Review Team report gave a Delivery Confidence Assessment Rating of Amber/Green with 4 Recommendations and a number of advisory comments.

The following Action Plan has been developed in response to these recommendations and provides detail on the PoMO actions to fulfill the recommendations.

The full Gateway 0 Report can be found below:



Portfolio Gateway Review 2022-23 Recommendation Action Plan

ID	Recommendation	Priority	Actions	Target Date	Lead	Sign Off	Status	Dependencies	Update
Gate001	Ensure that individual Business Cases are maintained as live governance tools to keep pace with changing dynamics of the operating environment.	Recommended	PoMO to meet with all programme / project leads to advise on requirements for business case updates Guidance on business case update process to be developed by PoMO Scheduling of business case updates included in programme / project IAAPs	End of Dec 2022 & Ongoing	IW	PB/JC	Completed	Programme / project resource. Timing of key milestones / stages / changes to programmes and projects	Ongoing meetings between PoMO and programme / project leads re: development of business cases Guidance on business case update process approved by Joint Committee on 10th November Programme / project IAAPs being continually monitored and updated by PMs and reported quarterly to detail the business case updates schedule
Gate002	Embed active monitoring of costs across the Portfolio and map against the benefits profiles, to inform any downstream prioritisation or re-phasing options.	Recommended	Financial monitoring and benefits realisation reporting on a quarterly basis Utilise SBCD change management process to identify, report and approve project / programme business case downstream prioritisation and rephasing options Note: Due to the nature of the SBCD portfolio including the annual drawdown of City Deal funds until 2033, timescales involved in delivery and allocation of funds to defined business cases across multiple delivery organisations, the prioritisation or rephasing options across projects and programmes would not be practicable.	End of Dec 2022 & Ongoing	RA/PR	PB/JC	Completed	Project and programmes to engage with monitoring processes and bring forward accurate, timely and robust proposals	Monitoring schedule for quarters 2,3 and 4 in place for 2022/23 PoMO actively engage with PMs and SROs on the change management process. Individual meetings held with all SROs to provide feedback on current reporting quality and provide suggestions for consistency
Gate003	Increase access to PoMO intelligence and data for individual Projects, to facilitate proactive analysis and options planning, thus tightening the governance links and improving speed and quality of decision making.	Recommended	Implementation of P3M software Revision and development of existing portfolio dashboard Sharing and updating governance arrangements and logistics of board meetings	End of Sept 2022 & Ongoing	PR	PB/JC	Completed		P3M software procurement complete. Initial development of baseline information and templates ongoing. PoMO completed Celoxis training in December 2022 and are currently populating quarterly reports for Q3 2022/23 on to the system. Once quarterly reports have been fully uploaded, baseline set up will be complete and will allow project / programme leads to report and record information through the system from the start of Q4 2022/23 Following rollout of P3M software to the programmes / projects, information should be received by the portfolio office in almost real time, allowing for quicker intervention PoMO has updated governance arrangement schedule to all stakeholders in August. JC forward work plan to be updated and reported in September
Gate004	Enhance the clarity of reports and communications through increased use of plain, clear language and executive summaries.	Recommended	PoMO to review previous covering reports and obtain feedback from Monitoring Officer and Sec 151 Officer PoMO to provide guidance for authors of reports and ensures all stakeholders involved in the approval process of documents for use of plain, clear language and executive summaries	End of Sept 2022 & Ongoing	PR	PB	Completed		Review process initiated for SBCD governance groups. October Programme Board instructed PoMO to review all reports and updates for accuracy, clarity and consistency. This was undertaken and individual meetings were set up with SROs throughout November. These meetings covered key areas and requirements for SBCD reports and a Summary Report has been prepared, highlighting key findings and is to be reported back to January 2023 Programme Board for information.

Lists

Portfolio	Critical	Not Actioned	JB
Strategic	Essential	In Progress	PD
Economic	Recommended	Completed	GJ
Commercial	Advisory		PA
Financial			IW
Management			AB
			HT
			RA
			PA/GJ
			PoMO
			PR
			HH
			RA/PR

Swansea Bay City Deal

Monitoring and Evaluation Plan



Swansea Bay City Deal Monitoring and Evaluation Plan

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1. Introduction

- 1.1. The Swansea Bay City Deal (SBCD) portfolio comprises of nine headline projects and programmes estimated to contribute between £1.8-2.4bn to regional GVA and over 9,000 highly skilled jobs. It is therefore vital to monitor and evaluate the portfolio and associated projects so that they are delivered successfully in order to realise the intended benefits.
- 1.2. The importance of measuring performance, the expected benefits and the impact of the portfolio is reflected in the region's approach to learn from experience and make continuous improvements to the process over time.
- 1.3. A vital component of this is ensuring that projects and programmes are initiated in the right way. The establishment of projects through strategic, outline and full business case developments will heighten the chances of successful delivery. The most common causes of project failure include unclear objectives, insufficient resources, over ambitious timescales and scope, among others. All these factors can affect the deliverability and impact associated with a project and therefore must be considered from the outset of the project or programme.
- 1.4. Dedicated time allocated to determining the appropriate monitoring and evaluation of projects and programmes early on in their lifecycle helps to ensure that clear objectives are shaped and that there is an agreed understanding of needs and wants of all primary stakeholders. This will support issues that are critical to the portfolio success, such as accounting for optimum bias during the strategic and outline business case developments. These can then be amended to reflect more realistic objectives aligned to outcomes, focussing on rigorous benefits management from the start.
- 1.5. This Monitoring & Evaluation Plan has been written by the Regional Portfolio Office (PoMO) to communicate the intent and mechanisms of monitoring and evaluation for stakeholders and to support the Project Teams to develop their performance and benefits realisation plans through the programme and project lifecycles.
- 1.6. As a result, effective monitoring and evaluation will lead to:
 - Coordinated measurement of programme and project performance
 - Alignment to SBCD objectives
 - Determining if the programme or project worked
 - Quality information that leads to informed decision making
 - Visible and improved planning, risk and issue management
 - Collaborative and supportive mechanisms for project and programme success
 - Delivery of the widest possible benefits to the region
 - Demonstrable value for money to the public and key stakeholders
 - Creating a culture of learning and sharing across the region and beyond

2. Monitoring and Evaluation Plan Overview

- 2.1. The M&E Plan aims to provide structure and set expectations for the SBCD project and Programme teams when undertaking project monitoring and evaluation.
- 2.2. The M&E Plan will form part of the Regional PoMO Knowledge Hub that contains project related support, training, guidance and templates for the M&E Plan and other PoMO related assurance, governance and good practice.
- 2.3. This Plan is targeted at Senior Responsible Owners (SROs), the Regional PoMO and SBCD Project/Programme Managers and their teams, in conjunction with providing assurances to Welsh Government and UK Government that progress, performance and impact of the £1.3bn SBCD investment is considered and implemented in a robust manner.
- 2.4. The Portfolio Senior Responsible Owner will ensure that the SBCD PoMO have an appropriate Monitoring and Evaluation Plan in place. Led by the SBCD Director, the PoMO will establish and update the M&E Plan to ensure that it functions appropriately. The PoMO will provide support, training and regular updates to inform key stakeholders of progress, opportunities, issues and risks at a portfolio level.
- 2.5. The *Project/Programme* Senior Responsible Owner, the Project/Programme Manager and their teams are responsible for the implementation of the M&E Plan at a project/programme level. This includes the collation, monitoring and communication of milestones, deliverables and benefits realisation. Relevant and timely information will be presented in user-friendly templates and feed into the regional portfolio updates.
- 2.6. The M&E Plan forms part of the SBCD PoMO Knowledge Hub and covers:
 - The approach to monitoring and evaluation at portfolio, programme and project level
 - Principles and good practice to ensure the performance and impact is managed and maximised
 - How monitoring and evaluation fits within the SBCD assurance framework and the guidance set out in the HM Treasury's Green and Magenta Books
 - A suggested RACI (Responsible, Accountable, Consulted and Informed) matrix for the key roles involved in the monitoring and evaluation of the portfolio
- 2.7. The plan utilises key principles and approaches to promote a proactive monitoring and evaluation culture at key stages of the portfolio, programme and project lifecycles. Changes to existing approaches and processes can be amended accordingly under the leadership of the SBCD PoMO.
- 2.8. The M&E Plan aligns with the revised HM Treasury [Green](#) and [Magenta](#) books, UK Government's [Project Delivery guidance](#) and recognised Project Management bodies such

as the [Association of Project Managers](#). The Green Book sets out the economic principles that should be applied to both programme and project appraisal and evaluation.

- 2.9. The plan will also be shared with the WG’s Office for Project Delivery for awareness and input to evolve the guidance and practices. As such, the plan itself can be applied to any local or regional project, programme or portfolio, regardless of the project methodology, such as agile or waterfall.
- 2.10. The M&E Plan will be applied at portfolio, programme and project level, where a cascade of outputs and outcomes will be required to understand performance and impact of the SBCD programme. Figure 1 below visualises the alignment of the monitoring and evaluation processes at programme and project levels. This approach will support a cooperative approach to monitoring and evaluating the projects and programmes by building on the baselines collaboratively.

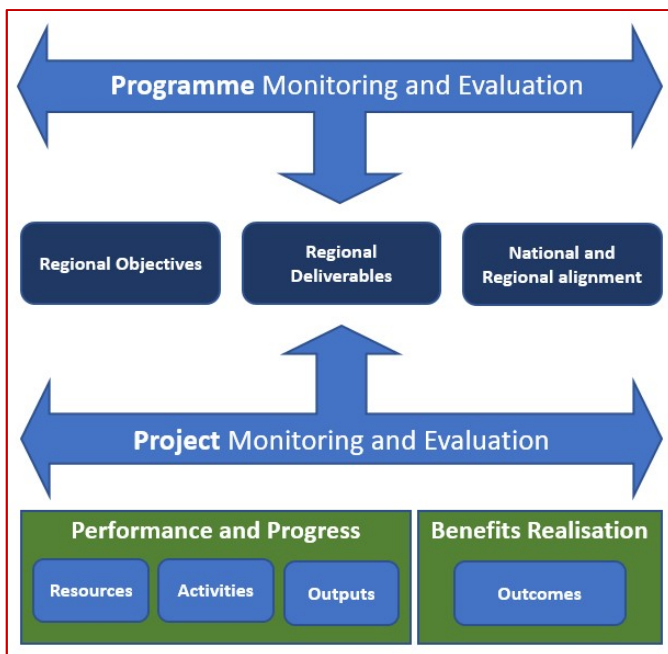


Fig 1. Logic model for Programme and Project M&E

- 2.11. Guidance and advice, as detailed in Fig 2 below will support the embedding of a M&E culture, principles and mechanisms. The recipients include Project and Programme SROs and Project teams. Progress updates will be shared with all SBCD governance groups, including Joint Committee, Programme (Portfolio) Board, Economic Strategy Board, Joint Scrutiny Committee and Welsh Cities and Growth Implementation Board.

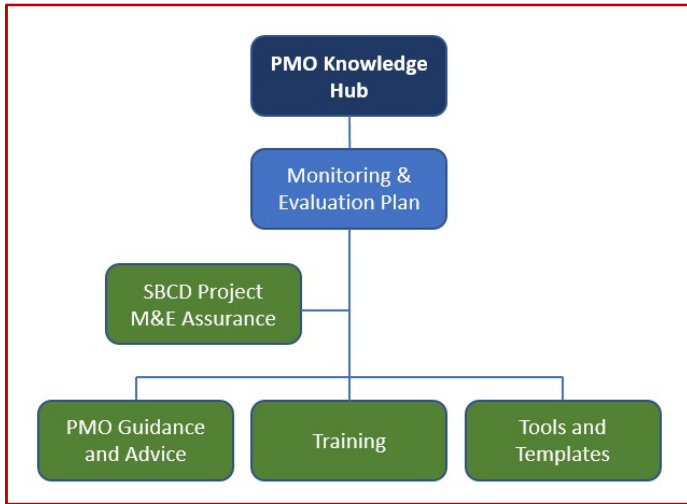


Figure 2. M&E support

2.12. The tools and templates will form part of the SBCD Portfolio Knowledge Hub and will produce the following monitoring and evaluation activity with the associated frequency below:

Document	Frequency
Highlight report	Monthly
Monitoring report	Quarterly
Performance report	Annually
Benefits realisation plan	Continually updated, presented to governance Quarterly and formally reported annually
Milestone evaluations (mid-term and final evaluations) these evaluations will also incorporate economic impact assessments where appropriate.	Milestone evaluations will be undertaken in two main categories. Projects, Programmes and Portfolio Gateway/assurance reviews will be undertaken at appropriate milestones identified in the IAAP. Local reviews will be completed at the end of each delivery phase and at the end of the portfolio. A further optional milestone evaluations plan to be commissioned in years 6 (covering years 1-5), 11 (Covering years 6-10) and at the end of the portfolio (covering the full 15 years).

3. Monitoring and Evaluating Portfolio Performance and Benefits

3.1. The Monitoring and Evaluation (M&E) Plan is made up of two components addressing the target indicators in the portfolio as depicted in Figure 3. Firstly, Portfolio progress and performance, which is the periodic assessment of project implementation and performance activities; and secondly, Portfolio Benefits Realisation, which is the evaluation of their results in terms of relevance, effectiveness, and impact. The M&E Plan will provide the SBCD governance structures, namely the Joint Committee, Programme (Portfolio) Board, Economic Strategy Board and Joint Scrutiny Committee information on the progress and impact made towards achieving the portfolio’s milestones, outputs and outcomes. This information will also be shared with the Welsh Government and UK Government through periodic updates and reviews and made available to the public on an annual basis.

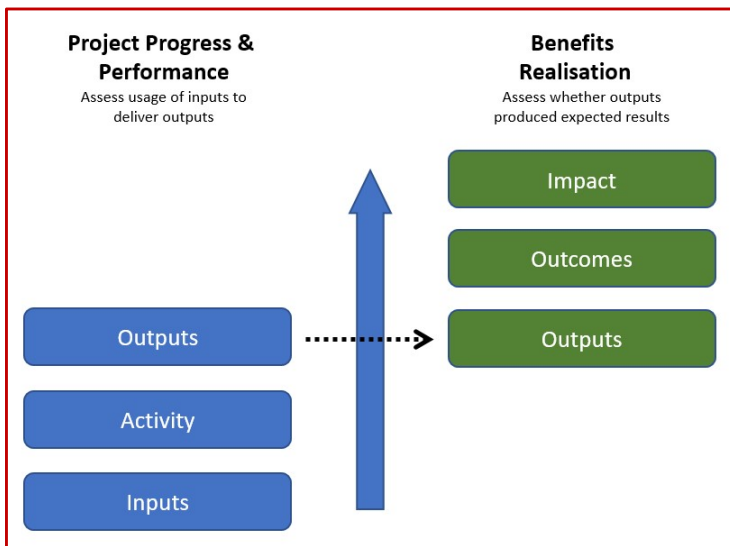


Figure 3. Logical Framework to monitor and Evaluate portfolio performance and impact

3.2. Portfolio progress and performance – Performance monitoring will check and assess whether the portfolio, programme and projects are successful in achieving their objectives by monitoring project activities to improve efficiency and overall effectiveness of the portfolio implementation. Performance monitoring is continuous and will gather information on programme and project implementation against the scheduled plan, including the delivery of quality outputs in a timely manner. Continuous monitoring of project performance will ensure that any issues or constraints, such as technical, resource and financial issues, are identified and managed in an appropriate and timely manner. This will also support the development of clear recommendations for corrective action, and identify lessons learned and best practices for other regional or cross-regional opportunities. All projects will be monitored closely by the SBCD PoMO and will be required to present monthly highlight reports and quarterly monitoring data to Programme (Portfolio) Board and Joint Committee. These reports will be incorporated into a SBCD Annual Report.

- 3.3. Portfolio benefits realisation - Evaluation of the portfolio's success in achieving its outcomes will be monitored Quarterly throughout the portfolio lifecycle with an annual report summarising benefits realised to date and forecasted delivery. The indicators have been further reviewed and refined during the development of this M&E Plan, and tools, methods and indicators for measuring the impact of projects, programmes and the overarching portfolio have been determined and agreed to ensure that a standardised framework is approved and put into practice by all primary SBCD stakeholders, including the SBCD PoMO and Project Managers.
- Further details of Portfolio benefits realisation can be found in appendix 2 of this document – SBCD benefits realisation reporting guidance note
 - The reporting template for individual benefits required to record Programme and Project benefits is included in appendix 1
 - This allows benefits to then be recorded in the Portfolio Benefits Register Summary – Version Q3 – FY21-22 is included in Appendix 5 of this document.
- 3.4. The monitoring and evaluation of portfolio performance and benefits realisation will improve decision-making of the SBCD governance committees and SBCD PoMO by ensuring that the portfolio and associated projects are on track in terms of planned delivery and achieving the intended outcomes by integrating lessons learnt into its planning processes.
- 3.5. The main criterion for monitoring and evaluation activity includes portfolio progress, benefits realisation evaluation, value for money, direct and indirect impact, capacity and capability developments, total impact measures and contextual economic forecasting.
- 3.6. Portfolio achievement monitoring and reporting commenced in Quarter 2 2020, with the first formal annual report being completed in 2021 and aligned to financial year end. Annual Assurance Gateway 0 reviews will be undertaken annually for the Portfolio via an externally appointed team. Projects and programmes will also be subject OGC Stage Gate review process, particularly at Investment Decision, Readiness for Service and Lessons Learned stages. In addition, each project and programme will undergo an evaluation at what was achieved and lessons learned stage review. The incorporation of these reviews and frequent monitoring of activity will ensure that all aspects of the portfolio and projects continuously plan, act, monitor and evaluate throughout their lifecycles, as depicted in Figure 4 below.

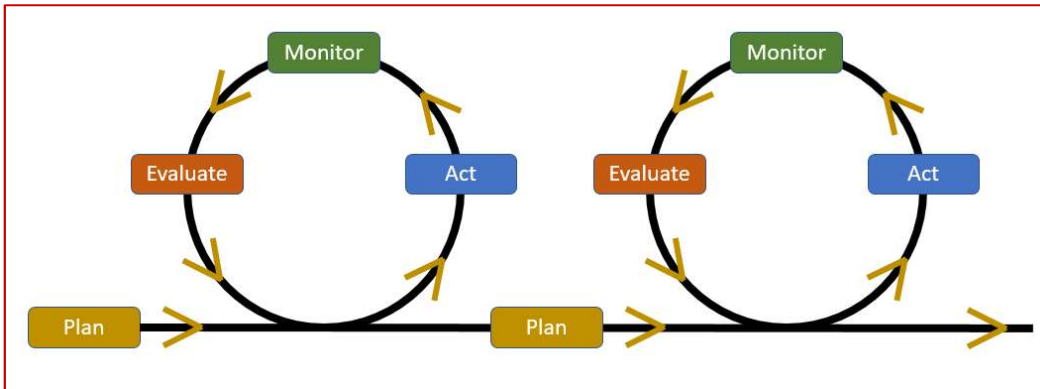


Figure 4. M&E as part of project and programme management and planning

The Milestone evaluations will be undertaken in two categories.

1. Projects, Programmes and Portfolio Gateway/assurance reviews will be undertaken at appropriate milestones identified in the IAAP.
 2. Local reviews will be completed at the end of each delivery phase and at the end of the portfolio. In order to determine the positive progress being made towards achievement of outcomes and will provide constructive recommendations to address any issues and risks identified. It will:
 - Review the effectiveness, efficiency and timeliness of the portfolio and project process model
 - Determine the scale of change and how they are attributable to the SBCD portfolio and projects
 - Compare the benefits and costs of the portfolio and projects to determine value for money and social value, whilst considering total impact measures
 - Analyse effectiveness of implementation and partnership arrangements
 - Identify issues requiring decisions and remedial actions
 - Highlight lessons learned about project design, technical achievement, implementation and management
 - Link across the portfolio and projects with nested logic models to test whether different approaches were successful. For example, the testbed approach of HaPS vs regeneration of Llanelli Well-being village or Swansea City Centre
 - Analyse whether the project is on track with respect to achieving the expected results
 - Propose any mid-course corrections and/or adjustments to the work plan as necessary.
- a. Final Evaluation will take place between three and six months post completion of each project and overall portfolio. In addition to all previous evaluation areas, the final evaluation will review project impact, analyse sustainability of results and whether the project has achieved the outcomes and the development and environmental objectives.

4. M&E Plan Knowledge Hub

4.1. The SBCD Portfolio Knowledge Hub once developed will house the approved processes, mechanisms and templates to monitor and evaluate the portfolio and projects which will be further supported with advice and guidance from the Regional PoMO. The diagram below illustrates the key components of what will be used to govern and assure the SBCD portfolio, programmes and projects by monitoring progress and performance and evaluating the portfolio's success.

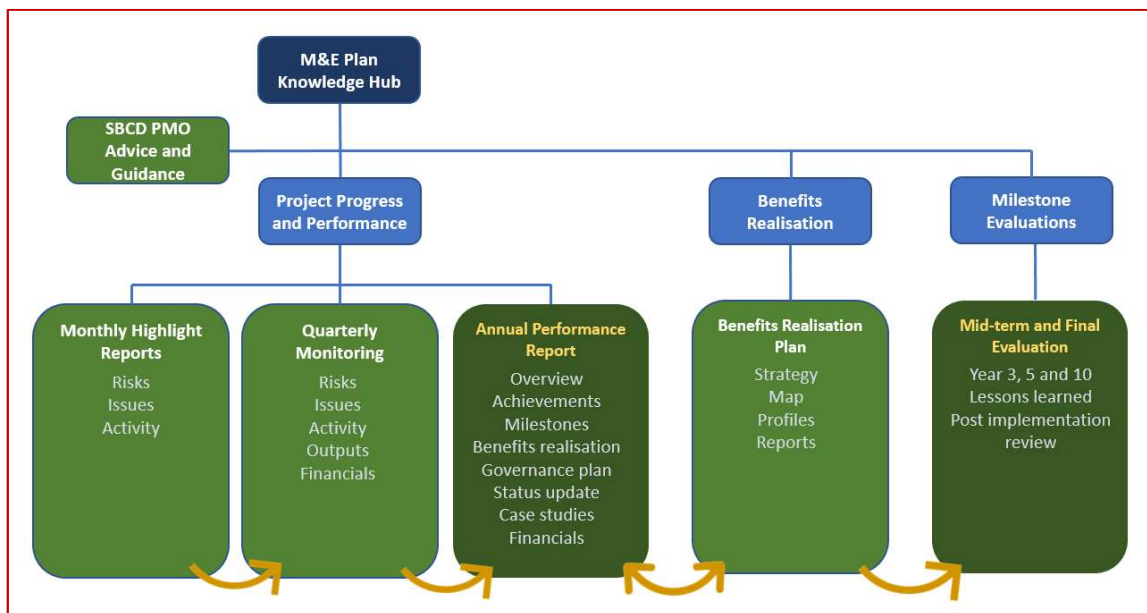


Figure 5. M&E Plan Knowledge Hub

4.2. Project Progress and Performance

4.2.1. Highlight report

Highlight reports will be produced monthly at a portfolio, programme and project level. The purpose is to provide governance structures such as Programme Board and key stakeholders with a collated portfolio summary of the project stage status and progress at regular intervals. The SBCD PoMO will also use these reports to advise and assure the Programme (Portfolio) Board, Project Managers and Governance Boards of any issues or risks, along with achieved and planned activity.

4.2.2. Quarterly monitoring

The quarterly project monitoring report provides an update on the portfolio, programmes and projects and reviews its progress every three months. The Portfolio level report is collated by the SBCD PoMO and is based on Project and Programme level quarterly monitoring reports. The purpose is to provide a summary of the direct outputs from the SBCD projects. Each report is included as an appendix to the quarterly Portfolio Status Report that is provided to the Programme (Portfolio) Board and Joint Committee and will form the basis of the Portfolio implementation plan.

In order to further enhance the regular reporting undertaken by the PoMO a P3M software, called Celoxis has been procured to centralise and standardise information collation, presentation, reporting and recording. The software has been procured for an initial 12 month duration with the option to extend for 36 further months available should the software meet all of the requirements of the Portfolio, Programmes and Projects.

4.2.3. Annual Report

The Annual Report will look back on the previous twelve months of the portfolio, programmes and projects to detail objectives and deliverables, key achievements to date for outputs and outcomes, community benefits, milestones, governance arrangements, portfolio and project status updates, case studies, financial reporting and equality impact assessments. Future priorities and activity for the next period will also be detailed in the report.

4.3. Benefits management

The SBCD benefits management reporting processes will assess and review the SBCD Portfolio benefits that are aligned to the Portfolio Business Case strategic investment objectives and benefits associated at programme and project level to deliver the defined scope in a timely manner and at the anticipated levels.

The benefits associated with the SBCD portfolio have been identified and appraised during the development of the Portfolio, Programme and Project Business Cases and form part of the funding agreement mechanisms implemented by the SBCD to cascade funding and apportion delivery targets. The process identifies the benefits with key stakeholders, identifying owners of each benefit, prioritising and categorising the benefits and establishing baselines. The business case contains the benefits, outcomes, timescales, costs and risks against which continuing viability is tested based on the strategic, economic, financial, commercial and management cases of the HM Treasury five business case model. The Business Case is developed in three iterations: The Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) which mature in detail as the project matures.

During the quarter 2 reporting of FY 21/22 the PoMO provided the first iteration of Portfolio Level Benefits Reporting Log, the current benefits log summary is attached to this monitoring and evaluation plan as appendix 5. The log provides actual and forecasted summaries at portfolio level for Investment, **GVA and Jobs Created.

***GVA monitoring is currently delivered through the anticipated effect as per the Economic Case elements of the respective business cases. Any variance to future reporting will be included in future iterations of the M&E Plan and agreed by all stakeholders using the SBCD Change Procedures.*

The Benefits Log will be updated and reported via the SBCD governance arrangements on a quarterly basis, highlighting any significant variance from plan to inform all relevant stakeholders and change notifications being generated if needed via the SBCD change management processes.

In support of the Portfolio Benefits Log, wider Programme and Project benefits templates will be made available from Q4 FY 21/22 to report on the wider benefits.

Project/programme benefits will form part of the Quarterly monitoring report and Annual Report to ensure wider benefit delivery is reported to Portfolio stakeholders.

The process for reporting benefits while using the templates which feed information into the Benefits Reporting Log (included within the appendices) is outlined below.

- 4.3.1 The establishment, monitoring and reporting of benefits will be shared through benefits realisation templates. These templates outline the wider programme and project benefits and the three core portfolio spending objectives for the SBCD, namely:
 - 4.3.2 Regional investment – split into City Deal, Other Public, and Private investment
 - 4.3.3 Jobs created – Jobs created has been split Pre-procurement (management teams), delivery (i.e. construction jobs – to be measured as FTE) & Operational (the ongoing jobs post handover from the pre-procurement and SBCD teams)
 - 4.3.4 Regional GVA – has initially been split into delivery and operational categories, and is subject to review pending UK Government guidance
- 4.3.5 The lead delivery organisation and associated Senior Responsible Officer (SRO) is responsible for benefits realisation.
- 4.3.6 Any variance from agreed benefits must be agreed regionally by the Joint Committee utilising the SBCD change management procedure. Where a change will have an effect on the portfolio spending objectives or a significant impact on the wider programme/project benefits or deliverables then change will likely need government engagement and approval.
- 4.3.7 All benefits will be annualised where possible for the duration of the portfolio, providing a forecast of anticipated delivery in any given year.
- 4.3.8 Benefit realisation will be reported in two key ways:
 - 4.3.9 Firstly, the respective templates and log will be updated quarterly and form part of the quarterly monitoring report – it is not mandated that updates are made quarterly and only where benefits have been realised/advanced does the template/log require updating.
 - 4.3.10 Secondly, an annual benefits realisation report will be produced which will highlight the following:
 - 4.3.11 Benefits achieved/ realised in the last 12 months – including how this compares against target.
 - 4.3.12 Project/Programme leads are required to update Benefit Log Templates on a quarterly basis. Deviations from plan should be highlighted as soon as reasonably practical to ensure visibility at board level. The ongoing and annual Benefits Realisation Report must consider all change that has occurred in the previous 12 months.
 - 4.3.13 Mitigation strategies should be presented where the benefits realisation has been delayed, reduced or become undeliverable, in order to ensure that the overall level of benefits is safeguarded by the Programme or Project.

4.3.14 Following the transition from delivery to operation there is a responsibility of the SBCD stakeholders to continue to report and record the realisation of benefits for the whole duration of the portfolio. The post delivery mechanisms for achieving this will be consulted upon and agreed by the SBCD JC in due course.

4.3.15 Categories of reporting need to be agreed using the Benefits Profile Reporting template, ensuring that what is being reported is meaningful and meets the requirements of SBCD and its stakeholders. Benefits should only be reported where the impact can be realised and demonstrated as providing tangible improvements.

The milestones to review completed benefits will be a suitable and agreed time at project level which allows time for the embedding of associated outputs and capabilities when benefits can be realistically and meaningfully measured. These can be aligned to the Gateway Review process or at suitable milestones set by the project and detailed in the Integrated Assurance and Approval Plan (IAAP).

The portfolio and each associated programme and project will have a defined and up-to-date Benefits Realisation Plan (BRP). The BRP is a document that profiles all the benefits and how they are forecast to be realised from baseline to target, including baseline and measurement information, identified benefit risks and benefit realisation milestones. These BRPs are currently being developed for wider Programme and Project benefits, but have been compiled for the Portfolio level benefits of Jobs, GVA contribution and Investment. The key element found within the BRP include:

4.4 Benefits Profile

A benefits profile is used to define the benefits and potential dis-benefits of the project or portfolio. The profile is developed early on in the scoping and development phases of a portfolio lifecycle where benefits or dis-benefits are defined, and detail will be provided on how they will be realised and measured.

4.5 Benefits Map

A benefits map, referred to as a success map, is a method to visually represent the links between the project deliverables and the overall business case objectives. The map is used to show where the value and benefits of the project really lie. This will demonstrate the change or impact of the portfolio and project through delivery of outcomes and meeting of regional need.

4.6 Benefits Report

A report produced at an agreed frequency demonstrating the realisation of benefits to date, usually comparing the baseline, target and actuals.

4.7 Community Benefits

SBCD projects will be required to use the Value Wales Community Benefits Toolkit to capture the full range of Community Benefits outcomes, including jobs and educational

support initiatives and training, in order to provide a consistent and thorough way of measuring such benefits. These will be part of the annual performance review process.

4.8 Milestone Evaluations

The Milestone evaluations will be undertaken in two categories.

Projects, Programmes and Portfolio Gateway/assurance reviews will be undertaken at appropriate milestones identified in the IAAP.

Local reviews will be completed at the end of each delivery phase and at the end of the portfolio. In order to determine the positive progress being made towards achievement of outcomes and will provide constructive recommendations to address any issues and risks identified

4.9 Final Evaluations

Final Evaluation will take place between three and six months post completion of each project and overall portfolio. In addition to all previous evaluation areas, the final evaluation will review project impact, analyse sustainability of results and whether the project has achieved the outcomes and the development and environmental objectives.

a. Risk and Issue Management

A Portfolio Risk Management Strategy covers the portfolio and individual Local Authority led projects, with quarterly reviews at project and programme level. The Risk Register will be reported on a quarterly basis to Programme Board and Joint Committee and shared with Joint Scrutiny Committee and Welsh and UK Governments on the same basis. Risks will be identified, evaluated and prioritised to minimise, monitor and control the probability and impact of such events or to maximise the realisation of opportunities.

b. Alignment with the Well-being of Future Generations (Wales) Act 2015

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 SBCD 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 portfolio, it also has a significant impact across the seven well-being goals for Wales and will be monitored and assessed accordingly across these goals. The five ways of working (long-term; prevention; integration; collaboration; and involvement) as outlined in the Act, will also be used across the portfolio to ensure that the sustainable development principle is applied to all that is undertaken.

c. Equality Impact Assessments

The Equality Act 2010 introduced the Public Sector Equality Duty (PSED). This requires public bodies in Wales to assess the likely impact of proposed and reviewed policies and practices on our ability to comply with the PSED and publish reports of assessments where a substantial impact is detected.

Equality Impact Assessments (EIA) are a tool to help the SBCD portfolio ensure that the policies, practices and decisions are fair, meeting the needs to the public and businesses to ensure that they are not inadvertently discriminating against any protected group as identified in the [Equality Act 2010](#).

The process to conduct EIAs will be to work through several questions. Firstly, one set will screen proposals to determine whether a full impact assessment is required, and the second set of questions forms the basis of a full Equality Impact Assessment. The full assessment will identify the affected group and enable data analysis of those affected groups, which leads on to analysis of the impact based on that data analysis. A final section requires any negative impacts and mitigating actions to be noted.

d. Welsh Language Act

The Welsh Language (Wales) Measure was passed by the National Assembly for Wales and was given royal assent on 9 February 2011. The Welsh language's official status has a legal effect, which means that Welsh should be treated no less favourably than the English language in Wales. The Welsh Language Standards were created as a regulatory framework in order to set standards on specific organisations. The purpose of Welsh Language Standards is to:

- Ensure clarity to organisations in relation to the Welsh language
- Ensure clarity to Welsh speakers on what services they can expect to receive in Welsh
- Ensure greater consistency in Welsh language services and improve quality to users

As part of our work, we commit to complying with the highest set of Standards, placed on organisations across the region. In order to achieve this the PoMO have developed a Welsh Language Policy for Guidance in use of the City Deal, approved by JC on 14th October 2021

5 Financial monitoring and evaluation

6.1 Financial performance

The total City Deal portfolio expenditure covering all projects is within the £1.3 billion funding package. The City Deal portfolio and project finances will be monitored through quarterly monitoring and annual performance reports. The Programme (Portfolio) Board and Joint Committee will receive financial monitoring updates through these reports, along with the Economic Strategy Board and Joint Scrutiny Committee where appropriate, to monitor and assure Portfolio (encompassing Programme/project) financials. In doing so, they will also make recommendations on possible additional funding opportunities or alternative portfolio expenditure. These reports will also be presented by the Accountable Body to Regional Section 151 Officer working group. The Accountable Body will, in collaboration with the UK and Welsh Government have agreed the financial monitoring process which is aligned to the overall reporting processes for the City Deal and based on best practice principles and guidance on project monitoring contained within the HM Treasury's Green and Magenta Books.

The monitoring process will allow for the control of project cost variations and visibility of variations at a portfolio level.

6.2 Monitoring Requirements

The Project Authority Lead shall submit a claim for Project Funding to the Accountable Body on a quarterly basis. The claim shall include actual expenditure sums and will be approved by the lead authority Section 151 Officer and Project/Programme Senior Responsible Owner. Within the legal funding agreement there is acknowledgement that whilst transactional level documentation is not required to support claims, this should be made available on the request of the Accountable Body.

After the parties have agreed in accordance with clause 6.7 of the funding agreement that the project has achieved practical completion, the Project Authority Lead shall not be required to submit claims for project funding. Thereafter the Project Authority Lead shall complete annual monitoring returns in a form to be specified by the Accountable Body prior to the Accountable Body releasing any project funding to which the Project Authority Lead is entitled. The annual monitoring forms will include an obligation to report on the progress in achieving the agreed outputs. The Accountable Body reserves the right to impose additional monitoring requirements at a frequency and for such period as it considers reasonable in all the circumstances.

In addition to the above monitoring requirement the Accountable Body will require quarterly financial updates on project spend, to support the cashflow management of the portfolio. These will detail the actual spend to the period, with forecast outturn over the 15 year portfolio.

The SBCD operating budget will also be monitored and reported on a quarterly basis to Programme (Portfolio) Board and Joint Committee.

Project Lead Authorities are also obligated to support the Accountable body with any progress update reporting as required by the Welsh Government and UK Government.

6.3 Portfolio Expenditure Forecast

The table below demonstrates the forecast spend of the City Deal portfolio cumulatively over the 15-year grant period, as at 31st December 2021. This forecast position excludes all transactions in respect of the Joint Committee's operational activities.

Investment Component	Working Budget (as per BC) Total (£m)	Portfolio Forecasted Total (£m)	Variance (£m)	Variance
City Deal	235.70	235.70	0.00	0.00%
Public	381.85	390.15	8.30	2.17%
Private	622.56	625.04	2.48	0.40%
Grand Total	1,240.11	1,250.89	10.78	0.87%

Cumulative portfolio Expenditure Forecast (Estimated) – Figure 6

6.4 Portfolio Funding Forecast

Investment Component	Cumulative Actuals (20th Mar 2017 to 31st Mar 2021)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	101.22	47.43	144.18	161.60	176.48	190.99	210.28
Revenue Investment	5.61	3.28	10.61	12.59	12.07	10.68	0.43
Total	106.83	50.70	154.79	174.20	188.55	201.67	210.71
Funding							
City Deal Investment	11.20	20.90	53.04	35.17	26.02	23.77	24.93
Public Sector Investment	82.41	24.20	48.38	56.39	37.56	56.85	67.89
Private Sector Investment	3.60	3.67	32.79	45.17	123.55	132.28	137.01
Total	97.21	48.78	134.21	136.73	187.12	212.90	229.83

Investment Component	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	163.43	-	-	-	-	-	1,195.62
Revenue Investment	-	-	-	-	-	-	55.27
Total	163.43	-	-	-	-	-	1,250.89
Funding							
City Deal Investment	23.15	4.13	3.35	3.35	3.35	3.35	235.70
Public Sector Investment	16.47	-	-	-	-	-	390.15
Private Sector Investment	146.97	-	-	-	-	-	625.04
Total	186.58	4.13	3.35	3.35	3.35	3.35	1,250.89

Portfolio Funding Forecast – Figure 7

With the funding being released to the portfolio over a fifteen-year period an inherent temporary funding gap is recognised. Each Project or Programme Lead Authority is responsible for managing the cashflows in respect of the projects in which they hold responsibly for delivery, and subsequently are accountable for managing inherent risks and the funding gaps recognised. Each Authority shall be responsible for borrowing to provide funding or securing funding for projects and programmes in its own area.

6 Regional and external scrutiny

There will be a level of independent monitoring and scrutiny both regionally and by external bodies such as Welsh and UK Government. These will be in accordance with the processes and governance arrangements put in place or facilitated by the SBCD PoMO.

Key to this is the IAAP which provides detail on assurance activity across the portfolio including:

- Governance groups reporting
- Key documentation review and approvals
- Internal functional assurance
- Independent assurance (inc. Gateway Reviews)
- Internal and external audit

6.1 Regional PoMO

The SBCD PoMO will provide guidance, support and assurance to all projects in the SBCD portfolio. The SBCD PoMO will work on a risk-based approach to support and intervene when projects and programmes are deviating from the agreed timescales, budgets or deliverables. Escalation of risks and issues will be accessed and communicated through the Project/Programme SRO, Portfolio Director and Portfolio SRO prior to being presented to the formal governance groups.

6.2 Joint Scrutiny Committee

The Joint Scrutiny Committee will provide a scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committees/related entities. It has been agreed by the four Councils that Neath Port Talbot County Borough Council will be the lead authority to take responsibility for the scrutiny function responsibility and its administration. The details of the committee are set out in the Portfolio Business Case and Implementation Plan, where the role of the Joint Scrutiny Committee is to provide advice, challenge and support to the Joint Committee, based around financial affairs, risk management, governance and resource utilisation. Joint Scrutiny committee also has direct responsibility to scrutinise the regional projects including Digital Infrastructure, Skills and Talent Programme and Homes as Power Stations. To support scrutiny, reports will be regularly shared and can be requested throughout the portfolio lifecycle.

6.3 Internal Audit

Pembrokeshire County Council lead on the internal audit function for the SBCD and will work closely with the SBCD PoMO and key stakeholders to gather information and provide recommendations and follow up actions on a frequent basis.

6.4 Government sponsoring bodies

The Welsh Government and UK Government can commission an independent review of the SBCD if the arrangements and progress are not in accordance with the timeframes and deliverables outside of an agreed tolerance. These assessments will provide both the Welsh and UK Government Ministers with an assessment of the deliverability of the SBCD. A review commissioned by Welsh Government and UK Government was undertaken in January 2019 by Actica Consulting Ltd. The recommendations from the review have been actioned and incorporated into the SBCD operations.

6.5 Independent Assurance

The Portfolio Assurance Framework describes the independent assurance arrangements that will apply to the portfolio, the headline programmes and projects and their many component projects and workstreams. This framework has been produced jointly by the SBCD PoMO and Welsh Government Integrated Assurance Hub (WG IAH) and describes the arrangements for the SBCD Portfolio which are aligned to best practice, and are proportionate, practicable and fit for purpose. It supports the delivery of the IAAP and describes the OGC Gateway Review process and it will be applied. The framework also describes the establishment of an independent assurance capability within the SBCD community, to supplement the existing WG IAH, in order to ensure an effective, comprehensive and proportionate approach.

6.6 External Regulators

Audit Wales as External Auditor to the Joint Committee reviews and comments on the financial aspects of Corporate Governance which includes the legality of financial transactions, financial standing, systems of Internal Financial Control and standards of financial conduct and fraud and corruption.

7. Roles, responsibilities and communication

Key roles and responsibilities for each task or deliverables set out in the SBCD M&E Plan are outlined in the RACI (Responsible, Accountable, Consulted, Informed) matrix below. The RACI matrix considers all stakeholders for the M&E plan activity who will be:

- Responsible: person who performs the activity
- Accountable: person who is ultimately accountable and has the Yes/No/Veto
- Consulted: person that needs to feedback and contribute to the activity
- Informed: person that needs to know of the decision or action

Roles and Responsibilities		RACI Matrix														Responsible, Accountable, Consulted, Informed					
Swansea Bay City Deal Programme		ROLES																			
Deliverable or Task	Status	Senior Responsible Officer (SRO)	Joint Committee	Programme Board	Economic Strategy Board	Joint Scrutiny Committee	PMO Director	PMO Manager	PMO Support	Finance Manager	Marketing & Comms	Business Engagement	Senior Responsible Owner	Project Manager	Section 151 Officer	Monitoring Officer	Internal Audit	Welsh Government	UK Government	Consultants	
		Governance				Regional PMO						Projects		Other Stakeholders							
Programme & Project Progress and Performance																					
Monthly highlight report		C	I	C	I	I	A	R	C	C	C	C	A	R	C	C	I	I	I	I	
Quarterly monitoring		C	I	C	C	I	A	R	C	C	C	C	A	R	C	C	I	I	I	I	
Annual performance report		C	A	C	C	C	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Programme & Project Benefits realisation																					
Strategy		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Plan		C	I	C	I	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Profiles		C	I	C	I	I	I	R	C	C	C	C	A	R	C	C	I	I	I	I	
Reports		C	I	C	I	I	I	R	C	C	C	C	A	R	C	C	I	I	I	I	
Programme and Project Milestone evaluations																					
Mid-term evaluation (Year 3, 5 and 10)		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Lessons learned		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	
Post implementation review		C	A	C	C	I	R	C	C	C	C	C	A	R	C	C	I	I	I	I	

R Responsible	Assigned to complete the task or deliverable.
A Accountable	Has final decision-making authority and accountability for completion. Only 1 per task.
C Consulted	An adviser, stakeholder, or subject matter expert who is consulted before a decision or action.
I Informed	Must be informed after a decision or action.

Figure 8. Roles and Responsibilities

Further to the RACI matrix, the table below summarises specific responsibilities of the Senior Responsible Owners at portfolio, programme and project level along with the Regional PoMO and local Project Teams. These roles are the ones that are broadly responsible and accountable for the successful establishment and delivery of the M&E plan.

Position	Key responsibilities
Portfolio Senior Responsible Owner	Accountable to the Joint Committee for ensuring the SBCD portfolio has appropriate Monitoring & Evaluation plan in place.
SBCD PoMO (Director, Manager and support staff)	<p>Ensure an appropriate M&E plan and systems are established and functioning.</p> <p>Collate project milestones, deliverables and benefits realisation at a portfolio level.</p> <p>Monitor, manage and communicate change control of the portfolio M&E.</p> <p>Periodically review and revise to changing portfolio needs.</p> <p>Ensure relevant and timely M&E information is provided in user-friendly formats to key stakeholders and senior management.</p> <p>Provide training and mentoring for key stakeholders.</p> <p>Act as a focal point to organise and manage monitoring reviews, evaluations.</p>
<i>Project/Programme</i> Senior Responsible Owner	Accountable to their host organisation and SBCD PoMO for ensuring the SBCD project/programme has appropriate Monitoring & Evaluation practices in place.
Project/Programme Manager/Lead	<p>Establish project milestones, deliverables and benefits realisation.</p> <p>Monitor, manage and communicate change control of project M&E.</p> <p>Ensure that the Regional PoMO M&E plan and systems are embedded locally within the project and is functioning appropriately.</p> <p>Work with PoMO to periodically review and revise the M&E plan to changing portfolio and project needs.</p> <p>Ensure relevant and timely M&E information is gathered, summarised and presented in user-friendly formats to key stakeholders and senior management.</p> <p>Act as a focal point to organise and manage monitoring reviews and evaluations.</p>

Appendices

Appendix 1 – SBCD Benefits Profile Reporting Template

SBCD Benefits Profile

Programme / Project: Life Science, Wellbeing and Sport Campuses																	
Management Information	Benefit Number											Version					
	Benefit Short Name																
	Objective Description																
	Wider Benefit Detail																
	Benefit Owner																
	Benefit Type	<i>Quantifiable</i>															
Commitment	Financial (or other) Value																
	How has this financial value been derived																
	Current Commitment																
	Delivery Timeframe	Benefits Realisation Starts										Benefits Realisation ends					
Realisation Forecast	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Number Forecast	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	Xx	
Measurement	Current target																
	Actual Benefit (Delivered to date)																
	Description of Measure																
	Unit of Measure																
Mechanism of Measurement																	

	Frequency of reporting		Frequency of Measurement		
Business Action	Business Changes required	<i>*What Business changes are required for realisation. What plans are in place to enable Business change*</i>			
	Risks to realisation	<i>*Description of the threats to achieving full benefit realisation (ideally with how they will be mitigated* These risks should be derived by the red risks in the programme/project risk register.</i>			
		Risk Log Ref	Description	Mitigation	Status
	Links & Dependencies	<i>*Summary of the link with other Benefits and activities and dependencies on aspects of this or other programmes and projects*</i>			
		Programme / Project	<i>*Programme / Project Name*</i>	Link / Dependency	<i>*Description of Link or Dependency*</i>

Appendix 2 – Definitions of Portfolio Benefits

GVA contribution – this is defined by the PoMO as the financial contribution that each programme and project will generate and return to regional GVA. This is determined using the Economic case elements of the Respective Business Cases. Discussions are ongoing with Welsh and UK Government officers to determine the appropriateness of GVA at a Micro Level (i.e Programme and Project).

Investment – Investment is categorised across 3 categories:

- Public Sector Investment – Investment from delivery partners classed as public sector, notably Local Authorities, Health Boards and Universities.
- Private Sector Investment – funding leveraged from the private sector from non-public sector organisations.
- SBCD Investment – the allocated investment agreed as a combined contribution from UK and Welsh Government.

Jobs – Jobs are defined across 3 categories:

- Pre-procurement jobs – these are primarily management jobs and include the Delivery teams, Project and Programme managers and Leads and the PoMO staff.
- Delivery/construction jobs – these are jobs created or retained by delivery partners/contractors and will be reported as Full Time Equivalent roles.
- Operational Jobs – these are created as a result of the Project/Programme/Portfolio and will be the ongoing jobs created as a result of SBCD post delivery. This includes direct and indirect jobs created.

Appendix 3 – Monthly reporting template

Project Title

Name
Project Manager

Project Partner Lead:

Activities Completed



Activities Planned



Risks

Issues



Project Title		Programme / Project Lead	
Local Authority Lead			
Project Delivery Lead		Reporting Period	Q3
SRO			

Budget						
Total Budget						
City Deal						
Public						
Private						
Description						
Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
R	A	G				Score Red/Amber or Green depending on current area status

RAG Status	
R	<p>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</p> <p>Remedial plans are not proving effective.</p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</p> <p>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p>Programme / Project is proceeding according to plan.</p> <p>Risks/issues are being managed within the programme / project.</p> <p>No need to escalate to next level.</p>

Key achievements
•

Key Activities planned

Key Risks / Issues	
Risk Description	Mitigation
Operational	
Implementation	
Financial	

Outputs
-

Appendix 5 – Portfolio Benefits Log Summary



Benefits%20Summar
y%20-%20Portfolio%

Appendix 6 – Financial reporting



Appendix%20B%20-
%20PIF%20-%20Inve:

Swansea Bay City Deal Portfolio Quarterly Monitoring Report Quarter 3 (October - December 2022)

Programme / Project Scorecard							
Prog / Proj	Status Update	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall (change)
Digital Infrastructure	Programme team are currently undertaking a benefits realisation exercise to quantify the impact of the programme to date on connectivity of the region. It is anticipated this will show positive progress against programme deliverables. Over half of the staffing resources for the programme have been successfully recruited with remaining posts currently either out to advert or due to be issued early in 2023. Stakeholders within UK and Welsh Government are fully engaged, working closely with the programme to ensure national, regional local connectivity projects are aligned. Telecoms providers have shown active interest in the programmes schemes and regional stakeholders remain fully committed to and engaged with the programme. However competing demands and growing pressures within the public sector mean capacity to deliver at an organisational level is increasingly challenging.						↔
Pembroke Dock Marine	Remains Amber. Cost increase has been included in Program Board papers. MHPA have concluded discussions with WEFO and are further along contract process. Given the uncertainty, there is still potential for cost uncertainty to impact project / program deliverables but will be updated and managed through project / program governance.						↔
Pentre Awel	<u>Delivery</u> – Unchanged from Green following the RMA & SAB approval over the summer period, dischargement of pre-commencement conditions and completion of Stage 4a design. <u>Finance</u> - risk at amber. Contract offer submitted by BYUK which was challenged and commercial reduction achieved along with open procurement on selected works packages. Lease agreements with proposed tenants for Zone 1 progressing. Risks relating to build costs, inflation & materials being managed by Bouygues and Gleeds.						↔
Yr Egin Page 264	Increasing economic uncertainty and Covid implications impacting on levels and nature of demand. Following Phase 1 Lessons Learned exercise, an updated Creative Sector demand analysis has identified a significant change in the type of target companies (by financial size) and nature of provision required (bespoke support services rather than leased floorspace). Internal team putting in place process to identify required revisions to scheme to meet requirements of industry post-COVID. Project team now moving forward with Change Identification Notice for Egin Phase 2						↔
Campuses	Delays with the funding agreement have started to affect the timeline of the project. Work is currently being carried out to define an appropriate formal change request. Scope of the project remains unchanged as per the Business case however particular focus is on the affordability of the Phase 1 Singleton development and Morryston Management Centre. Mitigating actions formulated and pending project board approval. Delivery and finance amber due to funding agreement not being signed. Funding agreement meeting taken place between, city deal, Swansea Uni and Swansea Council. SU taking paper to internal finance and strategy board for reasonable endeavours sign off this month.						↔
Homes As Power Stations	HAPS Technical Co-ordinator appointed, commenced role Oct 22. Supply Chain first phase of work will commence with the support of OPUS BS Ltd. Business Case review commenced to ensure project realisation is up to date in view of economic changes. AAP Complete - Amber rating			↑			↔
Supporting Innovation & Low Carbon Growth	NPTCBC Internal audit undertaken October/November – result ' Substantial Assurance ' highest achievable rating. Multiple projects in delivery namely BTC, SWITCH, AQMP, LEV,PDF. Programme implementation and delivery plan live. SILCG Programme Board meets quarterly. PAR planning underway. Delivery Amber due to pandemic delays etc but also learning from BTC construction has informed a revised timeline for construction. Lessons learned from BTC construction has helped inform future projects						↔
Skills & Talent	Full project team now recruited and in post. Change to amber in financial due to underspend through programme slippage. Due to the nature of the programme and pilot projects in the pipeline this is not of particular concern at this stage.			↓	↑		↔
Swansea City & Waterfront Digital District	Swansea Waterfront Business Case completed and change notifications submitted to PoMO team for January Programme Board sign off. Gateway Review completed on the Digital Arena and Digital Village projects with Amber/Green rating. Discussions ongoing between Swansea Council & UWTSO about the delivery of the Innovation Precinct. Trinity projects - funding on red				↑		↔

Title	Portfolio Management Office (Communications & Marketing)	Reporting Period	Q3 2022/23
Officer	Heidi Harries (SBCD Communications & Marketing Officer)		

Key achievements

- 38 positive mentions in local, regional, national and specialist media. Previous quarter was 45, therefore down by 7 mentions. This included coverage on Wales Online, Western Mail the South Wales Evening Post, Wales Business Insider, Business News Wales, Wales 247, Inside Media, and specialist publications. Topics covered include, Step forward for £30 Skills project, Arena generates jobs and visitors for the City, Yr Egin holds first International Media Festival, Bay Technology Centre wins another award, META test space expanded, Five additional pilot projects approved.
- Twitter posts - From 1st October to 31th December 'reach' was 131k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 1,556.
- Facebook posts - From 1st October to 31th December 'reach' was 7,648k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 995.
- Update the Portfolio Communications and Marketing plan, for approval by Programme Board in February.
- Finalised the key milestones log for projects and programme activity until the end of the Financial Year.
- Evaluated the 4theRegion event proposal and the Marine Energy Wales event proposal.
- Represented the City Deal in the Welsh Business Show and Welsh Construction Show, Ministry of Furniture open day, Pembrokeshire Council Careers Event and RLSP Skills Launch Event.
- Completed the Welsh Growth Deal Annual Review with the Communications Officers from the other Welsh growth deals.
- Press Release on the five newly approved Skills & Talent pilot projects.
- Social posts on various events the City Deal has attended, 71/72 Kingsway construction video, Swansea Arena visitor numbers, HAPS Monitoring and Evaluation Contract, Yr Egin International Media Festival, new staff members, job opportunities, S4C Birthday, Awards projects have won.
- Attendance in ongoing Marketing and Communications subgroup meetings with the Pembroke Dock Marie project and Pentre Awel project.

Key Activities planned

- Prepare the SBCD Annual Report for 2022.
- Design and print a SBCD leaflet
- Attend the Carmarthenshire Careers Fair and the 4theRegion Event.
- Plan regional City Deal events like the Showcase Event.
- Attend a Marketing and Communications subgroup meeting for projects where possible.
- Prepare a UK Government and Welsh Government potential visit plan
- Press Releases on new tenants at The Bay Technology Centre and the Awards the City Deal projects have won.
- Ministerial visit for Pentre Awel
- Continued updates on the website and social media.

Title	Portfolio Management Office (Business Engagement)	Reporting Period	Q3 2022/23
Officer	Peter Austin (SBCD Business Engagement Manager)		

Key achievements over the last 3 months

Support Programmes and Projects

Ongoing business engagement support for programmes and projects this quarter includes:

- Skills and Talent Initiative pilot projects and attendance at a Careers Wales schools' event at Pembroke College.
- Supporting Pentre Awel with attendance at the community benefits steering group.
- Supporting HAPS with contracts and supply chain

The first Project Leads' Construction Sub group meeting was held in October Chaired by Business Engagement Manager.

Planning regional showcase events and other event attendance including a review of marketing material for younger audiences and general public consumption

Support stakeholder groups

Support activities this quarter include ongoing attendance at Circular Economy (CEC) and Princes Trust Digital Skills Pathway steering group meetings. Liaison with Business Wales / Antur Cymru re supply chains and business opportunities arising from WG programs and SBCD activity.

Facilitating discussions between Net Zero Industry Wales and regional LAs, assisted NPTCBC with Innovate UK Launchpads bid. Meetings have been held with Kelly Marsh from WG Inward Investment Team and with Cathy Martin Growing Mid Wales. The PoMO supported the RLSP at their skills plan launch event at Swansesa.Com Stadium in December.

Business Engagement

Engagement activities this quarter include, attending:

- The South West Wales Regional Contractors Framework meet the buyer event at Parc y Scarlets,
- The SA1 Business Club showcase event Dylan Thomas Centre Swansea,
- The Insider Media Property Lunch.
- The Welsh Business Show and Welsh Construction Show.

Several meetings this quarter with businesses:

- Premier Modular, a private sector enquiry looking to expand activity in the region;
- Choose2Reuse Llanelli in support of Cwmpass;
- Wood Knowledge Wales re better involvement with SBCD projects
- Tetrattech and Prestigious Recruitment also looking to take advantage of opportunities from SBCD.
- Several meetings with Waymaker / Pure Energy Wales Renewables Ltd. Private sector inward investment enquiry supporting Barry Hale CCC and WG.

Economic Strategy Board

Activities include the ongoing Secretariat role for ESB and coordinating ESB meetings with Chair. This quarter focussed on facilitating the nomination process for ESB Chair and Vice-Chair.

ESB met in October receiving reports from Jane Lewis on progress with the Skills and Talent pilot projects and from Luke Millward on the regional EARTH project.

Planning future work programme for Board, next meeting to be held in Pembroke Dock on 1st March and liaising with CJC team re role of external advisors.

Other Activity

Other activity this quarter included arranging letters of support for the Celtic Freeports bid, finalising reports for Programme Board: Construction Cost Impact / Carbon Reduction Impact of portfolio / Private sector investment report.

Meeting Technology Wales re support for Wales Tech Week 2023.

Meeting 4theRegion re supporting the Swansea City Centre Conference 2023

Ongoing Activity

- Monitoring Portfolio procurement pipeline
- Responding to enquiries received via the City Deal email inbox
- Managing SBCD LinkedIn account
- Support Comms & Marketing officer in promotion of SBCD

Key Activities planned

- Continue to support stakeholders, programmes and projects.
- Continue to engage with businesses
- Continue support for ESB, noting next meeting scheduled for February '23
- Planning attendance at shows and events during 2023 inc MEW showcase and Swansea City Conference during March
- Supporting Comms & Marketing officer in promotion of SBCD via social media and website revisions and creating new portfolio promotional materials.

Project Title	Digital Infrastructure Programme	Programme / Project Lead	Gareth Jones
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q3 2022/23
SRO	Jason Jones		

Budget	
Total Budget	£55m
City Deal	£25m
Public	£13.5m
Private	£16.5m
Description	
<p>To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The project is made of up of three Project workstreams:</p> <ul style="list-style-type: none"> • Connected Places • Rural connectivity • Next generation wireless (5G and IOT networks) 	

Key achievements
<ul style="list-style-type: none"> • Commissioned independent benefits realisation exercise to quantify programme impact to date. Due for completion by end Q4 2022/23. • Finalised draft Regional Digital Portfolio of Opportunities • Reviewed and mapped newly released OMR PR data on plans for commercial fibre build to end of 2025 and assessed implications for the region • Established baseline of benefits measures for the programme • Approved additional £100k funding allocation to the Regional Digital Innovation Network enabling the project to expand its scope and therefore impact • Successfully recruited four resources into local authorities with the remaining posts either out to advert or due to be launched in early 2023. • Identified opportunities for 5G investment at key City Deal and other strategic sites across the region • Awareness raising session delivered to regional stakeholders on ongoing investment in rural mobile infrastructure across the region by the Shared Rural Network

Key Activities planned
<ul style="list-style-type: none"> • Complete recruitment of local resources to support local delivery of programme • Recruitment of co-ordinator to central DI Team • Signatory of collaboration agreements between LA partners • Launch Digital Portfolio of Opportunities pending Board approval in January 2023 • Supporting Local Authorities with ongoing Digital Infrastructure interventions and investment. • Programme risk mitigation ongoing. • Market engagement with operators and suppliers ongoing. • Additional lobbying for, facilitating, and supporting of private sector investment. • Collate performance figures for benefits measures identified for the programme • Hold launch event for Regional Digital Innovation Network in partnership with regional partners and Welsh Government

Outputs
<ul style="list-style-type: none"> - More public sector assets with gigabit capable FFTP connections - Increased, future proofed DUCT / asset infrastructure - Regional Innovation Network established - 5G Testbed(s) deployed - More mobile infrastructure - Community based interventions delivered

Project Title	Pembroke Dock Marine	Programme / Project Lead	Steve Edwards
Local Authority Lead	Pembrokeshire County Council		
Project Delivery Lead	Milford Haven Port Authority	Reporting Period	Q3 2022/23
SRO	Steven Jones		

Budget	
Total Budget	£60.47m
City Deal	£28m
Public	£16.35m
Private	£16.12m
Description	
<p>This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and offshore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Project features include:</p> <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ) 	

Key achievements (Overall Objective ID shown in brackets)

<p>PDI update</p> <ul style="list-style-type: none"> • Continued close monitoring of projected costs due to inflation/global supply issues following COVID and the current war in Ukraine. • Submission of LBC change for slipway flank walls submitted, awaiting sign off from PCC Historical Conservation Officer and CADW. • Temporary stank in place. • 1/3rd existing slipway demolished with testing of material underway prior to reuse in timberpond or removal from site for treatment. • 12 of 77 slab pours complete for east side new slipway. • Jack up barge and piling rig in position, piling commenced. Delay to start due to bad weather however piling is not on the critical path with lost time expected to be reduced by double shifting. • M&E works to T Head structure commenced. • Drainage works to timber pond 75% complete.

- Services diversions underway.
- Timberpond infill underway – currently approx 50% complete
- Slipway extension works commenced.
- Workboat pontoons gangways/stairs placed and in manufacture.
- Notifications to stakeholders/tenants impacted by works regularly updated.
- Lot 2 (land remediation – clearance, levelling, concrete) clearance of spoil piles and reduction of levels across site underway. Demolition of existing buildings complete.
- Hangar Annexes: Annex 1 roof is now complete, Crittal screen in place, glazing throughout and walls lined ready for plaster. Externally Annex 1 is ready for the Sto render system to begin. Annex 2 & 3 have had the scaffolding stripped ready for the application of lime render (currently awaiting a warmer weather window). Internally walls and ceilings are lined in annex 2, glazing units installed and M & E continues in annex 3. Annex 4's kitchen has been installed, 2nd fix carpentry throughout and the start of final floor finishes. External landscaping of annex has started, including install of EV charging points.

PDZ update

- Market update has been issued (Links available until Feb 2023)
- Part 1 – Sets out the project against its original deliverables and the market influences that have occurred in the last 18 months
- Part 2 – sets out the key considerations and how CSP are seeking to maintain the ability of this project to support the emerging FLOW / Low Carbon sector as well as how the industry will be able to benefit from the activities being progressed.
- Future Opportunity is being market tested before for release next quarter helping to align eligible activity with market activity and inward investment.
- Grid application finalised for submission, pre-application meetings held.
- Animation and Land Agent procurements awarded and work has commenced looking at onshore cable routes in Pembrokeshire and Carmarthenshire.
- Technical Concept Design final report fully delivered.
- Environmental Specialist procured (Marine Space) to provide support in creating ITT scope for the offshore surveys.
- Published circa £3m of ITT on Sell2 Wales for offshore surveys and Pre-feed technical design.
- Environmental scoping comments received from NRW through the Discretionary Advice Service.
- Final scoping report targeting next funding period.

META update

- META attend International WaTERS Workshop. The workshop aims to bring together representatives from existing and planned wave and tidal test facilities worldwide to share knowledge, build connections and collaborations for the future. (IP5a, IP5b)
- Ocean Energy Europe Conference 2022, The PDM project was used as a case study in the presentation to showcase the capabilities and facilities. (OP16, OP11)
- Introduction to Sixth Form Evening & Higher Level Careers Fair (OP13, OP14, OP12)
- META deployment documents approved by NRW (IP5a, IP5b)
- MEECE buoy re-deployed at Dale Roads (IP5a, IP5b)
- META marine license variation granted (IP5a, IP5b)
- META benthic survey work ongoing (IP5a, IP5b)
- MEECE tidal anchor project completed at META (IP5a, IP5b)

MEECE update

- Successfully re-deployed our Research Buoy at the Dale Roads META test site, the Intelligent Moorings system as well as the Hexigone and Grafmarine panels have been installed and will be tested for the next 4 months.
- Attendance at Future Energy Wales
- Attended networking event hosted by Falck Renewables and BlueFloat in Cardiff.
- STEM activities with EESW, Pembrokeshire College and Welsh Valleys Engineering Project
- Attendance Floating Offshore Wind, Renewables UK, 12th & 13th October in Aberdeen.
- Attendance at International Conference on Ocean Energy, Ocean Energy System, 18th – 20th October 2022, San Sebastian, Spain, also presented a poster.
- Attendance at Energy Industries Council – The Celtic Sea Floating into a new Era

- Completed the procurement process and issued a PO for an X-Band RADAR system which we will install in the Haven Waterway. This will be a key asset in our legacy operation, and will allow us to build expertise in short term weather window assessment for offshore operations and other novel uses for X-Band radar technology.
- Completed the procurement processes for a range of underwater noise measurement hardware and modelling software. These assets will underpin development of subsea noise expertise for MEECE going forward.
- Completed a first round of wind tunnel measurements at Swansea university as part of our Vortex Generator project, which seeks to prove that innovative vortex generators attached to wind turbine blades can improve annual energy production on large turbines by up to 5%. Future work will involve live testing on OREC's 7MW turbine at Levenmouth in Scotland.

Key Activities planned

- PDI**
- Lot 1:
 - Continue demolition of slipways and construction new slab for east side
 - Complete piling for workboat pontoons
 - Complete M&E works to T Head structure
 - Commence demolition T Head structure
 - Complete fabrication of T Head gang/walkaways and associated fabrication items
 - Continue filling timber pond
 - Complete timber pond drainage diversions
 - Lot 2
 - Continue removal of spoil piles, place hardcore., commence ductwork install.
 - Hangar annexes
 - Change over from old to new switchgear
 - Completion of Annex 4 and handover
 - Lime render Annex 2 & 3
 - External drainage and landscaping of Annex 3
- PDZ**
- Complaint Release, Evaluation and Selection of Preferred Supplier for:
 - Offshore Survey ITT (£2.7m - £3.3m)
 - Pre Feed Technical Design (upto £600k)
 - Draft Compliant ITT for the following procurements
 - Onshore Survey Procurement (draft ITT ready for issue).
 - Monitoring & Evaluation Review
 - Submit scoping report and receive formal opinion from NRW and other statutory consultees
 - Kick off and commence Delivery of R&D Review with successful contractor
 - Formal Submission of Grid application and return of offer from National Grid ESO
 - Achieve 95% confidence in the budget/schedule (Feb 23)
 - Update and Agree Revised Short Term Outputs with WEFO and Business Case Addendum in format for SBCE.
 - Identification of landowners regarding all routes & introductory letters to be sent out introducing CSP and the Project.
 - Future Opportunity document and memorandum of understanding to be openly offered to potential collaborators on a fair, open and transparent basis.
 - Agree Business Case Addendums with all funders.
- META**
- Deployment of RRES project at Warrior Way
 - Progress MEECE seaweed project at Dale Roads
 - Plan Marine Energy Wales conference 2023
- MEECE**
- Attendance at Marine Energy Wales Annual Conference 21st – 22nd March 2023, Swansea Arena
 - Exploration of potential sites for installation of our X-Band radar system on the Haven shoreline.

- Continued support for the Celtic Sea Supply chain Cluster Board and activities.
- Support for and attendance at Haven Waterway Future Energy Cluster Senedd Event

Project Title	Pentre Awel	Programme / Project Lead	Sharon Burford
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q3 2022/23
SRO	Chris Moore		

Budget	
Total Budget	£199.19m
City Deal	£40m
Public	£51
Private	£108.19

Description	
<p>Proposed for an 83-acre site at Delta Lakes in Llanelli, Pentre Awel will be the first development of its kind in Wales. The project will include the co-location of academic, public, business and health facilities to boost employment, education, leisure provision, health research and delivery, and skills and training.</p> <p>City Deal will provide the requisite investment for business incubation and acceleration facilities, laboratory space, testbed capabilities, a well-being skills centre, clinical research centre and a clinical delivery centre to deliver multi-disciplinary care closer to home. The design for Zone 1 will create an 'ecosystem' by facilitating joint working across traditional boundaries, integrating education and training programmes within a clinical setting and fostering interface between health and leisure for the benefit of population health.</p> <p>Pentre Awel will include state-of-the-art leisure centre funded by Carmarthenshire County Council.</p> <p>A network of integrated care and rehabilitation facilities will also be provided on site to enable the testing and piloting of life science technologies aimed at enhancing independent and assisted living.</p> <p>Assisted living accommodation will also feature, along with a nursing home, expansion space for businesses, elements of both open market and social and affordable housing, and a hotel.</p>	

Key achievements in Q3 2022/23
<p>Project development</p> <p>Zone 1 construction update:</p> <p>Bouygues have now gone to the market for all works packages and a price presented to the Authority for the construction of Zone 1. This was challenged and a package of measures including an agreement for a commercial reduction and open procurement developed. This position was taken to Cabinet on the 9th January and approved, this will now go to Full Council on the 25th January. Subject to Full Council agreement, CCC will enter into contract with BYUK early February.</p> <ul style="list-style-type: none"> • Commencement of enabling works in October 2022, comprising site strip, providing new drainage and piling mat • Bouygues Community Benefits continue to be delivered including - Girls Believe Academy delivered to Ysgol Bryngwyn year 7 girls and Coedcae School girls and boys from year 7 during Oct 22 & Nov 22. Session to promote wider STEM careers and the construction industry. 1054 (July 22- Nov 22) Pupil Interactions delivered • TR&T deliverables agreed with BYUK – a minimum of 4,680 person weeks of targeted recruitment and training will be delivered by BYUK <p>Project Update:</p> <ul style="list-style-type: none"> • Lease agreements for Hywel Dda Clinical Delivery and Swansea University Health and are Academy nearing completion. Further discussions underway on the lease for Hywel Dda Clinical Research and TriTech

- Capital Planning underway with Hywel Dda Health Board – this will cover Hydrotherapy and Audiology, and fit out of research areas
- Agreement continued with Cardiff University to develop the Business and Innovation areas
- Business case under development with UWTSO
- Research and Innovation workshop held this has set the parameters for the development of the research and innovation development on site.
- First research project under way – partnership with a local pharmacy and the Scarlets. Pilot for future working protocols.
- Outdoor spaces working group is developing a list of options for outdoor activities and initiatives at Pentre Awel based around four key themes: leisure and recreation, education and development, environment and health and community.
- EST mapping exercise completed – baseline of current course/programme provision across the region in relevant subject areas
- Catering options developed linked to the Corporate Healthy Eating Strategy to include impact on local businesses
- Communications strategy developed
- Pentre Awel brand guidelines updated – 1) Pentre Awel logo now refers to Llanelli, Carmarthenshire and Wales following feedback from local businesses; 2) two-stage brand promotion strategy adopted
- Research and engagement work has been undertaken between Cardiff University and Ysgol Penrhos pupils and parents to explore the use/navigation of local areas – ‘making space for nature’. A subsequent report and action plan has been produced which evidences the value of the Green Open Space. These findings will be reflected within the outdoor spaces group.

Key Activities planned Q4 2022/23

- Progress through CCC Governance process and enter into NEC 3 construction contract with BYUK - Progress from pre construction to construction phase for Zone 1
- Sign tenancy agreements with Hywel Dda UHB and Swansea University for their areas within the Zone 1 building
- Complete EST mapping exercise in partnership with RLSP Skills & Talent – using the baseline of current course information to identify gaps in skills and consequent mapping against opening and steady state operation.
- Complete and sign off Welsh Language Action Plan and Impact Assessment
- Community open evening / meet the contractor and groundbreaking events proposed March 2023 – Secretary of State for Wales to be in attendance
- Complete research and innovation pathway detailing entry and referral points to optimise development opportunities.
- Develop the health capital bid with Hywel Dda UHB, including potential for Business Justification Case
- Finalise whole site operating model. This describes the operating context for Pentre Awel and maps within the Authority structure.
- Confirm the details business case for all Teach and Treat options.
- Complete RIBA Stage 2 design for zone 3 assisted living and the construction strategy
- Progress scoping/modelling work for Zone 2.

Project Title	Yr Egin - Creative Digital Cluster	Programme / Project Lead	Geraint Flowers
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	University of Wales Trinity Saint David	Reporting Period	Q3 2022/23
SRO	Prof. Medwin Hughes (Vice Chancellor)		

Budget	
Total Budget	£25.17m

City Deal	£5m
Public	£18.67m
Private	£1.5m
Description	
<p>To support and further develop the region’s creative industry sector and Welsh language culture, led by University of Wales Trinity Saint David campus in Carmarthen. Phase 1 was completed in September 2018 and features:</p> <ul style="list-style-type: none"> National creative sector anchor tenants World class office space for local and regional creative sector SMEs, with opportunities for expansion Facilities for the community and business networking <p>Facilitating engagement between businesses and students as well as accommodating dynamic growth of the creative and digital industries within Carmarthenshire and SW Wales.</p>	

Key achievements	
Project Development	
<ul style="list-style-type: none"> University internal team has met and is in the process of developing a new delivery strategy for Egin Phase 2 Egin Phase 2 envisioned to be 	
Key Activities planned	
<ul style="list-style-type: none"> University continues to refine scope to accommodate new requirements from industry. Project team has now undertaken Change Identification Notice process to formalise changes to the Egin Phase 2 project and is working in conjunction with PoMo to develop new scheme. University now undertaking formal internal process in conjunction with INSPIRE to establish new project requirements in light of anticipated industry needs going forward. Expected delivery methodology to likely change to preserve BCR due to inflationary pressures 	

Project Title	SBCD Campuses Project	Programme / Project Lead	Clare Henson
Local Authority Lead	City and County of Swansea		
Project Delivery Lead	Swansea University	Reporting Period	Q3 2022/23
SRO	Keith Lloyd		

Budget	
Total Budget	£130.44m
City Deal	£15.00m
Public	£58.01m
Private	£57.43m
Description	

The project harnesses unique capabilities and the thriving life science ecosystem in the Swansea Bay City Region to establish an international centre for innovation in life science, wellbeing and sport, supporting preventative interventions in healthcare and medicine and driving the growth of a globally significant Sports Tech industry. The project will deliver R&D, trials and testing facilities, enabling co-location of research and industry alongside clinical infrastructure and investment opportunities. An emphasis on digital and data-driven innovation at the intersection of life sciences, health, wellbeing and sport is a key differentiator for this project within the South Wales health and life sciences sector.

Key achievements

- Approval granted by Welsh and U.K. Governments.
- Project delivery board appointments made.
- All Gateway review recommendations have been addressed, 8 currently completed and 3 ongoing actions.
- Communication and relationship manager appointment (Richard Lancaster)
- Ministerial visit completed by M.P. David T.C. Davies to mark project approval.
- Ministerial visit by Vaughan Gethin
- Project Manager appointed (Clare Henson)
- Business Development and Communications Manager appointed (Alex Evans)
- Project support officer appointed (Sara Merrells)
- Draft funding agreement received and currently under review.
- Sketty lane - Further BCIS assessment to provide quick indication of cost increase undertaken.
- Sketty Lane –3 consultancy services to support project. Architect -led multidisciplinary design team, project management, cost management tendered. Review and evaluation conducted, waiting formal appointment.
- Morryston management Centre procurement on hold until- signing of funding agreement
- Morryston Management centre design brief signed off.

Key Activities planned

- Formal change request submitted.
- Funding agreement completed
- Singleton phase 1 design agreed.
- Procurement stage starts for “Morryston management centre”, Design team appointments made

Project Title	Homes as Power Stations (HAPS)	Programme / Project Lead	Oonagh Gavigan
Local Authority Lead	Neath Port Talbot County Borough Council		
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q3 2022/23
SRO	Nicola Pearce		

Budget	
Total Budget	£505.5m
City Deal	£15m
Public	£114.6m
Private	£375.9m

Description

HAPS is a regional pioneering project to facilitate the adoption of houses with energy efficient design and renewable technologies in both new build and existing housing stock in the public, RSL and private sector across the City Region. The project will support the implementation of renewable technology by facilitating collaboration across the region and creating a platform to share lessons learned. The Technical Monitoring and Evaluating contract will provide data and the ability to realise many of the projects benefits. HAPS will support a regional supply chain of proven technology to enable the wider benefits associated with the project.

The project will:

- Facilitate the take up of renewable technologies and energy efficient design in new build and existing housing stock
- Support a regional supply chain of proven technologies.
- Establish an open access knowledge sharing hub to share the project findings with all sectors across the region and wider
- Tackle fuel poverty
- Further decarbonise the regional economy
- Improve residents’ health and well-being

Key achievements

Project Development

- Primary Funding Agreement in place (Between CCC and NPTCBC)
- Inter Authority and Third Party Funding agreements in final draft
- Project underwent a Peer Assessment Review (PAR) in July 22 – Amber/Red rating
- Subsequent Assurance of Action Plan review (AAP) in Nov 22 – Amber rating
- Staff – HAPS Technical Co-ordinator commenced role October 22.
- Technical Monitoring & Evaluation contract awarded (£1m).
- Ongoing discussions with stakeholders to formulate the Financial Incentives Fund criteria.
- Project Board agreed consultancy support for initial Supply Chain work, consultant appointed.

Key Activities planned

Project Development

- Promote a pre-call notification in readiness to launching the Financial Incentives Fund
- Continue to work closely with UK & Welsh Government to ensure the Optimised Retrofit Programme and ECO 4 Flex opportunities are maximised alongside HAPS funding.
- Commence Business Case Update – Economic Case to be reviewed initially
- Progress an event plan to baseline what we know about housing developments and lessons learned in readiness to launch the Financial Incentives Fund.
- Work with Supply Chain consultant on preparing and planning initial phase of work.
- Continue to plan stakeholder engagement and communication
- Seek input from Technical Advisory group on ‘Scoping and Scoring’ criteria for funds
- Update Business Case – Economic Case section
- Continue liaison with Skills and Talent program to ensure opportunities to address skills shortages are addressed.

Outputs

Project Outcomes

- Facilitate the adoption of renewable technologies in 10,300 properties
- Develop a regional supply chain of HAPS related renewable technologies
- Technical Monitoring and Evaluation - determine the efficacy and impacts of renewable technologies on new build and existing housing stock
- Establish knowledge sharing hub for all sectors

Project Outputs

- Reduction in energy use as a result of the additional technologies funded by HAPS for new build and retrofit homes,

New build = £564 per home Retrofit = £758 per home by 2033

- Reduction in greenhouse gas (GHG) emissions as a result of reduction in energy use, New build = £71 per home Retrofit = £99 per home by 2033

	Supporting Innovation and Low Carbon Growth		
Local Authority Lead	Neath Port Talbot County Borough Council	Programme / Project Lead	Brett Suddell
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q3 2022/23
SRO	Nicola Pearce		

Budget	
Total Budget	£58.7 m
City Deal	£47.7 m
Public	£5.5 m
Private	£5.5 m
Description	
<p>The Supporting Innovation and Low Carbon Growth (SILCG) programme has been developed to deliver sustainable growth and job creation in the Swansea Bay City Region, with a targeted focus on the Port Talbot Waterfront Enterprise Zone area. It aims to create the right environment for a decarbonised and innovative economy.</p> <p>The programme will support the green industrial revolution and will be delivered in partnership with industry, academia and government.</p> <p>The Programme of interlinked projects comprises:</p> <ul style="list-style-type: none"> • Bay Technology Centre • South Wales Industrial Transition from Carbon Hub (SWITCH) with Swansea University • Hydrogen Stimulus Project with University of South Wales • Air Quality Monitoring Project • Low Emission Vehicle Charging Infrastructure • Advanced Manufacturing Production Facility • Property Development Fund 	

Key achievements
<p>Project Development</p> <ul style="list-style-type: none"> • NPTCBC Internal audit undertaken October/November – result ‘Substantial Assurance’ highest achievable rating and rarely awarded • Met to discuss regional events with SBCD • Attended 4 day Better Business Case foundation course start of October • Attended first SBCD construction sub group meeting • Presented to SBCD Programme Board in November • NPTCBC is lead local authority on a recent InnovateUK submission to identify interested parties around an innovation cluster entitled <i>NOW SWITCH (Net Zero Wales Sustainable Welsh Innovation to Transition from Carbon Hub) a</i>

consortium of SW Wales Local Authorities, Net Zero Industry Wales and Welsh Universities. Decision was expected on 5/12 but this has now been deferred to 2023.

Bay Technology Centre

- Final evaluation report completed by Wavehill
- Developed tenant criteria form to ensure tenants meet WEFO criteria
- Recorded a promotional video for BTC

SWITCH

- Open day on 19th October at SU Bay campus and SAMI (Singleton Campus) for prospective contractors to see facilities and equipment to gain better understanding of requirements. Good attendance and potential contractors found the event useful.
- HoT reviewed by Swansea University
- 3 Contractor submissions reviewed jointly by NPTCBC and one SU rep started in December to be completed in January

Advanced Manufacturing Production Facility

- Met with Industry Wales twice to discuss strategy moving forward with AMPF
- Land purchase by WG now complete (December)

Property Development Fund

- Heavily oversubscribed at EoI stage requesting £12.5M in grants only £4.5M available
- Stage 1 deadline extended (at request of companies) to 13th January – expect approx.50% of EoI applications to be submitted to stage 1
- Review panel met to decide timeline for reviewing applications individually and then as a panel

Hydrogen Stimulus Project

- Funding agreement between NPT and USW finalised
- Preparatory works undertaken
- Procurement of electrolyser equipment process commenced

Air Quality Monitoring Project

- Air Quality Data Analyst and Scientific Officer in place
- Ricardo undertaken review of Year 1 data
- Appointment of Ricardo consultants for Year 2 activities
- Meeting with Vortex, NPT, NRW and WG on 28/10
- Presentation of project results to WG

Low Emission Vehicle Charging Infrastructure

- Developed and released consultant tender to advise on EV strategy for NPTCBC
- Following an evaluation exercise consultancy support has been procured from Arcadis to deliver NPT ZEVIS (Zero Emission Vehicle Infrastructure Strategy).
- Direct appointment of Arcadis via professional services contract/framework – contract awarded 7/11 with expected completion of 12 weeks (Feb 2023).

Key Activities planned next Quarter

Project Development

- Introduce new SILCG Programme Board format at March's PB meeting
- Present to joint committee at February's meeting
- WG PAR review to take place in May 2023 with pre-PAR online discussion on 24/04 and pre-PAR workshop (in person) on 2/05 prior to PAR w/c 15th May for 5 full days

Bay Technology Centre

- Further tenants to be signed up
- Continued promotion to attract tenants

SWITCH

- Sign Heads of Terms and lease documentation prior to appointing contractor
- Assessment completion of 3 subcontractor submissions

Advanced Manufacturing Production Facility

- Establish ToR for working group
- Working group to meet to discuss requirements with involvement of UK/WG, academia and industry input
- Pre-market engagement event with end users/operators
- Presentations from key UK centres of excellence to programme board (March) to help inform decision making process

Property Development Fund

- Stage 1 deadline extended to 13th January at request of companies
- PDF review panel will meet end of January to shortlist
- Companies will be informed end of Jan whether or not invited to stage 2

Hydrogen Stimulus Project

- Funding agreement between NPT and USW to be signed off

Air Quality Monitoring Project

-

Low Emission Vehicle Charging Infrastructure

- 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
- Complete NPT strategy via Arcadis (Feb 2023)
- Identify/Progress NPT public facing fast track programme (March 2023)
- Arrange EV workshop to carry out mapping and gap analysis exercise (March 2023)

Outputs

Project component	Expected Outputs
Technology Centre	Construction of an energy positive hybrid commercial building (2500 m2) completed
SWITCH	Specialised open access facility created to enhance applied research for steel & metals industry (4000 m2) Provision of specialised equipment to enhance research for steel & metals industry
Hydrogen Stimulus Project	Increase the capacity for hydrogen production at the Hydrogen Centre at Baglan Energy Park
Air Quality Monitoring Project	Procurement & installation of 70 sensors in and around the Port Talbot Air Quality Management Area (AQMA)
LEV Charging Infrastructure	Regional strategy for LEV charging
Advanced Manufacturing Production Facility	Specialist hybrid facility providing a range of industrial / production units with pilot line and office space. (4000 m2)

	Provision of open access specialist equipment advised by industry with academia input
Property Development Fund	Property Development Fund targeted on the Port Talbot Waterfront Enterprise Zone (expected premises created 6000 m2)

Project Title	Skills and Talent	Programme / Project Lead	Samantha Cutlan
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	South West Wales Regional & Skills Partnership	Reporting Period	Q3 2022/23
SRO	Barry Liles		

Budget	
Total Budget	£30m
City Deal	£10m
Public	£16m
Private	£4m
Description	
To develop a sustainable pipeline of regional talent to benefit from the high-value jobs City Deal projects will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.	

Key achievements
<p>Business Case Development</p> <ul style="list-style-type: none"> 6 Pilot project applications have now been approved by RLSP board Remainder of 3 Skills team members now recruited and in post.
Key Activities planned
<ul style="list-style-type: none"> Receive and review further pilot project applications. Second Gateway Review January 2023 Barometer being revisited and updated. Claims process set up, and first claim cycle due to commence shortly. Marketing strategy completed, with a view of increased marketing activity and website updates to raise awareness of Programme and stimulate further pilot applications.

Outputs
<ul style="list-style-type: none"> Create 14,000 individuals with increased level of skills within 10 years Create at least 3000 new apprenticeship opportunities, to include level 3 to Degree apprenticeships. Create Centre of Excellence for specific sectors. 2,200 additional skills 20 new course frameworks updated/created 2 Centres of excellence Create a clear career pathway through school, FE, HE and apprenticeship and into the world of work.

Project Title	Swansea City & Waterfront Digital District	Programme / Project Lead	Huw Mowbray
Local Authority Lead	Swansea Council		
Project Delivery Lead	Swansea Council	Reporting Period	Q3 2022/23
SRO	Martin Nicholls		

Budget	
Total Budget	£175.35m
City Deal	£50m
Public	£85.38m
Private	£39.97m
Description	
<ul style="list-style-type: none"> To boost Swansea city centre’s economic well-being at the heart of the City Region’s economy, while retaining local tech, digital and entrepreneurial talent. This project includes: A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events A ‘digital village’ development in the city centre to accommodate the city’s growing tech and digital business sector Innovation Matrix development at the University of Wales Trinity Saint David’s new Swansea waterfront campus to enable start-up company support and growth 	

Key achievements
<p>Digital Arena</p> <ul style="list-style-type: none"> Arena open and 145,000 tickets have been sold to date. SC project team continuing with final snagging works. Swansea Council Beyond Bricks and Mortar team working with Buckingham on final community benefit data. Hotel: Consultants JLL reported the offer from Cairns which is the best reasonable obtainable in the market. Funding support discussions ongoing with WG. <p>71/72 Kingsway:</p> <ul style="list-style-type: none"> Base slab levels completed. Programme ontrack for completion October 2023. BYUK citing inflationary pressures Discussions ongoing to consider cost implications and discuss alternative design proposals. (Reviewing design whilst maintaining quality and maintenance). Commercials – Flex tenant HoT's advanced/final location in building agreed Lettings Strategy - planned Building Management Strategy/Service Charge in progress. Innovation Matrix planning approval was received on 5th July 2022. Stage 4 design is substantially complete. The University now estimates that the Innovation Matrix Project is approx. £1,995,000 over the current agreed budget. This viability gap is the direct result of global inflationary factors that have prompted unprecedented cost pressures far beyond industry BCIS inflationary estimates made in previous budget iterations. The University Estates Committee has now discussed the IM viability gap in detail in detail and has determined that 1) the project process will be paused while consideration is given to how the viability gap may be bridged, 2) that the Innovation business model will be reviewed and updated to fully inform any decision on overall viability, 3) that alternative funding streams will be sought to reduce the viability gap The outcome of these discussions will be taken to University Council on 24th November for a final decision on the future of the project. <p>Innovation Matrix</p> <ul style="list-style-type: none"> Innovation Matrix planning approval was received on 5th July 2022. Stage 4 design is substantially complete. The University now estimates that the Innovation Matrix Project is approx. £1,995,000 over the current agreed budget. This viability gap is the direct result of global inflationary factors that have prompted unprecedented cost pressures far beyond industry BCIS inflationary estimates made in previous budget iterations.

- The University Estates Committee met and after a process of attempting to secure other funding, has now agreed to fund the additional cost requirements on the Innovation Matrix project. This now means that the Innovation Matrix project can proceed but the University wishes to know the outcome of the ongoing discussions between SBCD and Government with regards to additional resource that would help to lessen the impact this has on University finances.

Innovation Precinct

- The University has now drafted the first stage of the Change Request Notification for Innovation Precinct, which seeks to change the delivery method of the project into a refurbishment of an existing building within Swansea City Centre.
- The University has undertaken significant private sector engagement to assess the viability of private sector partnership to deliver the Innovation Precinct project.

Key Activities planned

Arena

- Continue to explore Hotel delivery options.

71/72 Kingsway

- Construction continues on programme.
- Further detailed letting/operator discussions continue for 71/72 The Kingsway
- Digital connectivity currently being explored.

Innovation Matrix

- Identification of additional sources of funding to cover the cost increase identified above
- Innovation Matrix project can now proceed with construction. University wishes to know outcome of additional funding discussions between SBCD and Government.

Innovation Precinct

- Following ongoing discussions with Swansea Council, the project is likely to be subject to a change request notification later in the year
- Continued dialogue with Swansea Council and potential private sector developer to assess options and feasibility for refurbishment of existing building within Swansea City Centre.

Outputs

Physical delivery of arena (circa 80,000 square feet with a 3,500-capacity), along with digital square is on track.

Physical delivery of 71/72 The Kingsway, which will comprise circa 115,000 square feet of office space.

Discussions on-going with UWTSB about their element of the project (Innovation Matrix).

Caveat: Covid 19 could have an impact on jobs and GVA.

ANNEX 1

RAG Status	
R	<p><i>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</i></p> <p><i>Remedial plans are not proving effective.</i></p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p><i>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk. Remedial plans are in place and are being monitored to ensure that risk is mitigated.</i></p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p><i>Programme / Project is proceeding according to plan. Risks/issues are being managed within the programme / project.</i></p> <p>No need to escalate to next level.</p>

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Swansea Bay City Deal Progress/Reporting Dashboard

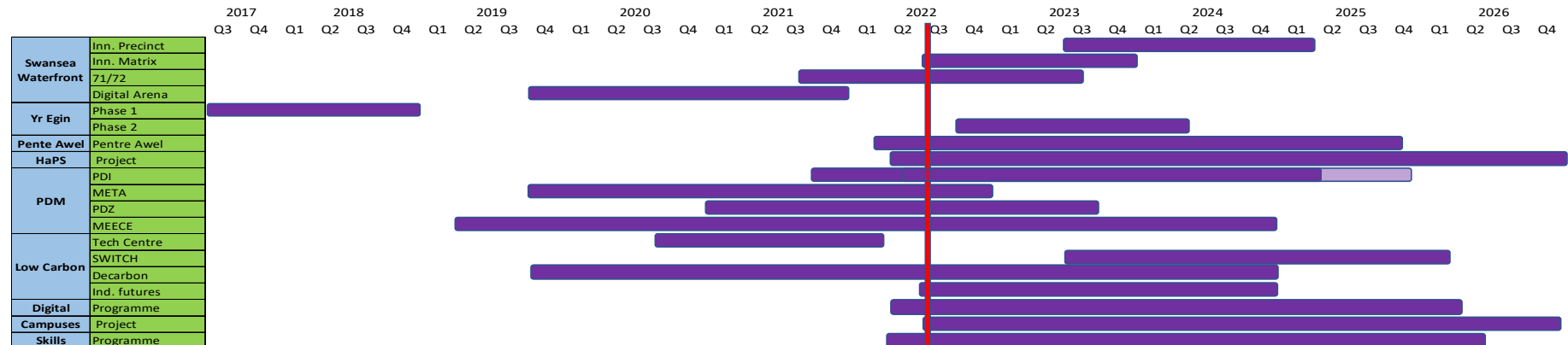


Drafted by:	Phil Ryder
Date:	13/01/2023

1. Project/Programme RAG status

Project/Programme	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	RAG Status
Pentre Awel	Green	Green	Green	Yellow	Green	Green
Campuses	Yellow	Green	Green	Yellow	Green	Yellow
Waterfront & Digital District	Yellow	Green	Green	Red	Green	Yellow
Yr Egin	Green	Yellow	Green	Yellow	Green	Yellow
Digital Infrastructure	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Skills and Talent	Green	Green	Green	Yellow	Green	Green
Pembroke Dock Marine	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Supporting Innovation & Low Carbon Growth	Yellow	Green	Green	Green	Green	Green
Homes as Power Stations	Yellow	Green	Red	Yellow	Yellow	Yellow

2. Portfolio Delivery Timeline



Key

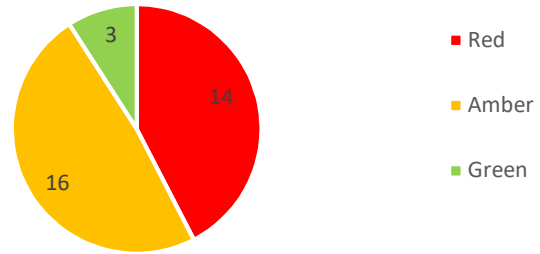
Delivery Period

Current date Line

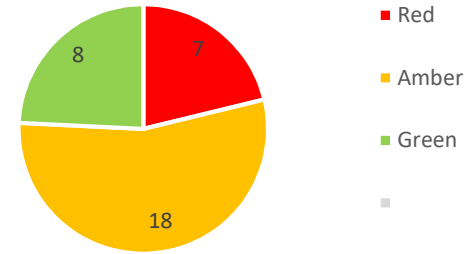
Please note these quarters are calendar quarters

3. Portfolio Risk & Issue Management

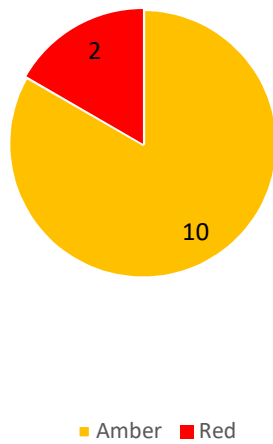
Original Risk Rating



Mitigated Risk Rating



Open Issues



4. Risk Management – Rising Amber Risks

REF.	Title	Description	Current Control Actions	Previous Score	Residual Probability	Residual Impact	Residual Rank
41	In Year Underspend	Early indications from financial reporting across Q1 and Q2 2022-2023 indicate a likely underspend for the current FY	15/12/22 PoMO met with all SRO's to highlight level of in year underspend with a request to confirm remaining forecasted spend for Q3 and Q4. SRO's also requested to better forecast future years spend aligned to updated Business Cases. PoMO have appraised UKG and WG officers of in year underspend.	12	5	4	16

5. Risk Management – Top Red Risks

REF.	Title	Description	Current Control Actions	Residual Probability	Residual Impact	Residual Rank
26	Private sector funding contribution/s not realised in line with business case projections.	Risk that private sector funding is not realised as per portfolio business case projections that will impact on the deliverability of outputs and outcomes of the SBCD.	15/12/22 A paper reviewing the sources and profiles of private sector contribution is being prepared for Programme Board Q3	4	4	16
31	Increase in cost of construction.	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend.	15/12/22 Construction Cost Assessment report v3.0 submitted to Programme Board. Lead delivery organisations to monitor and report on a monthly basis. Continue to work with PM's to ensure all change is documented through the change process. Construction & Community Benefits sub group in place which provides a forum for on going discussion.	5	3	15
33	Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps.	Proposed updates to the TAN and maps have recategorised the vulnerability of certain developments, increased the extent of the flood maps and the ability of land owners and local authorities to potentially achieve planning permission and ultimately develop land affected by the 2021 updates.	15/12/22 No further update. Update requested from the regional WLGA representative, awaiting response.	4	4	16
43	Slippage in delivery of programmes / projects against key milestones	As all City Deal Business Cases have now been approved the risk that City Deal doesn't achieve the outcomes intended within the timescales agree due to slippage in delivery of programme against key milestones resulting in borrowing and recouperation not accurately reflecting spend. Has been re-assessed following the closing of Risk ID SBCD013.	15/12/22 Slippage is aligned to spend as per Risk ID 041. PoMO met with SRO's to discuss and confirm current project plans and mitigations against slippage. Recommended action from a Gateway Assurance Review at a programme level has highlighted the need for programmes and projects to ensure they have complete and robust delivery plans.	4	4	16
47	Prog/Proj delivering all outputs and outcomes within the business case	Lack of alignment between Project/Programme Business Case deliverables and funding agreement outputs, outcomes and impact leads to potential confusion and non-delivery of anticipated benefits, resulting in the portfolio not achieving its objectives.	15/12/22 Benefits profiles for Portfolio level benefits have been agreed with all programmes / projects. On going engagement to ensure major project level benefits are agreed, forecasted and reported at appropriate times.	3	5	15

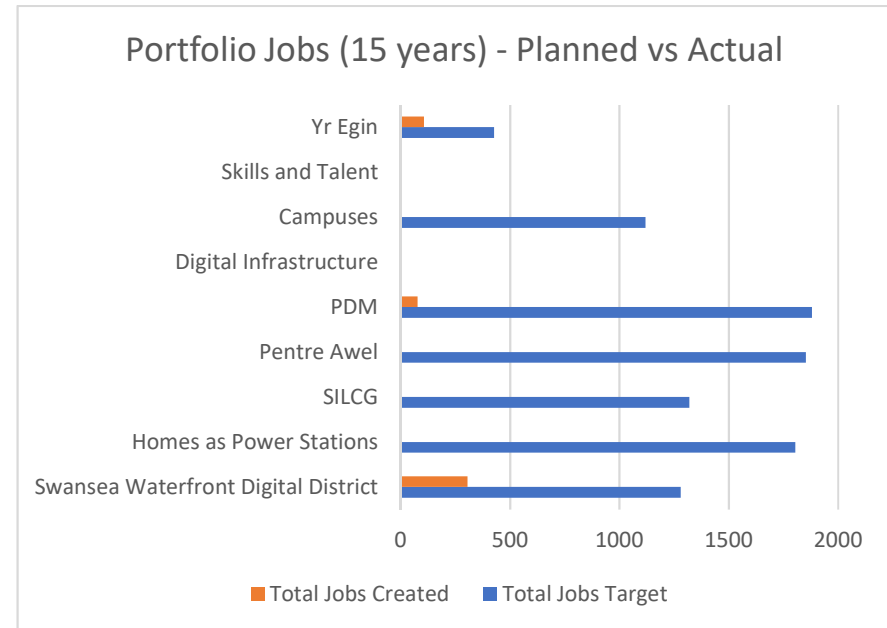
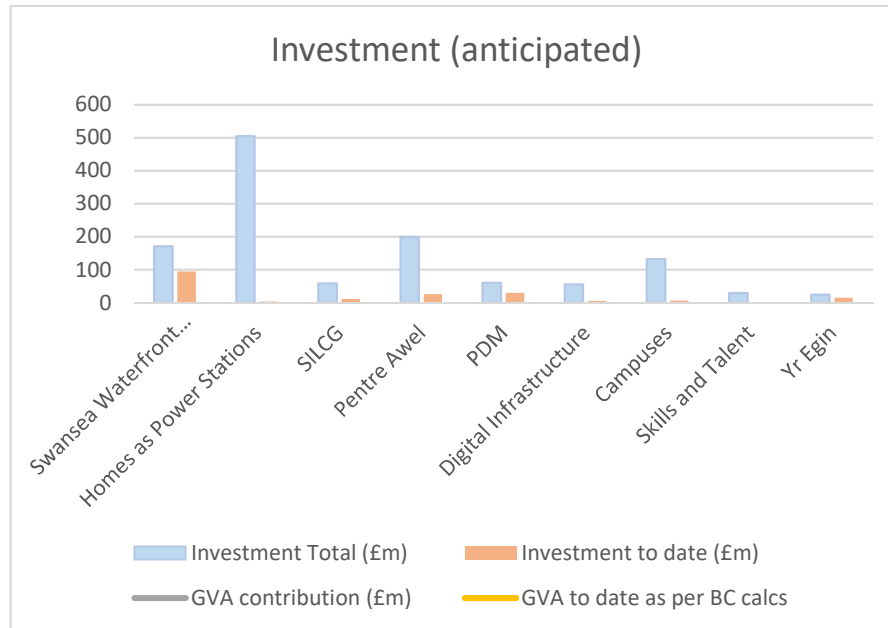
50	Pressure on construction industry to meet demand of City Deal and other public sector procurements	Construction Industry reporting issues across supply chains especially recruitment and response to tender calls due to inflationary pressures and market volatility. Particularly regarding the amount of contracts likely to be issued over the next year.	15/12/22 Construction & Community Benefits sub group formed. Construction Impact Assessment being monitored on a monthly basis . Programmes and Projects being encouraged to use change notification process to advise of any slippage or other issues.	3	5	15
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6. Issues Management – Red Issues

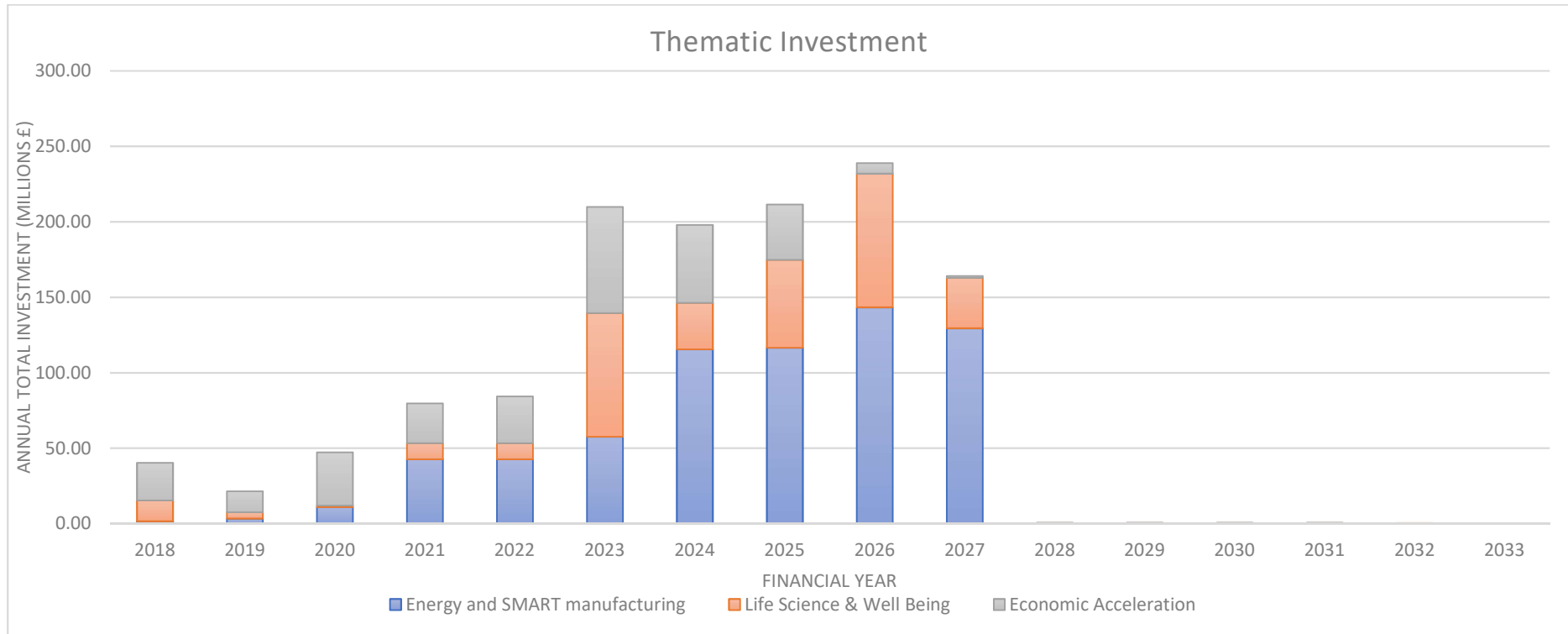
REF.	Title	Potential Impact	Current Update	Priority
22	Measuring of GVA at a programme and Project level.	One if the HoT requirements is GVA contribution, whilst the Portfolio will deliver uplifts in GVA it's quantification method is still unknown and as a result the PoMO are unable to report GVA as a holistic Portfolio Metric.	30/09/22 Paper submitted to the WCGIB on 13th June and accepted in principle. Further consultation required and currently with DLUC for decision. In the interim, UK / WG City Deal contacts have accepted that we will not report quarterly on GVA. 19/12/22 On going. Awaiting formal response.	Red
25	Delay in funding agreements being approved and signed	Impacts on disbursement of grant. Delay to delivery of projects. Knock on effect with ability to recruit. Potentially impacting on benefits realisation.	30/09/22 8 out of 9 programmes / projects have now committed to the primary funding agreements Campuses currently being worked on with legal officers / partners with a view of being entered imminently. Secondary agreements currently being developed for Campuses, HAPS, Skills & Talent and Digital Infrastructure between Lead Authority and Lead Deliverer. 19/12/22 Digital Infrastructure current status of secondary funding agreement is that it's been to legal colleagues and is now being finalised ready for signatory	Red

7. Benefits Realisation

Project/Programme	Total Investment Target (£m)	Total Investment to date (£m)	Total Jobs Target	Total Jobs Created
Swansea Waterfront Digital District	171.54	94.12	1281	306
Homes as Power Stations	505.50	3.73	1804	5
SILCG	58.70	10.88	1320	1
Pentre Awel	199.19	25.18	1853	2
PDM	60.47	29.56	1881	77
Digital Infrastructure	55.30	5.32	0	6
Campuses	131.98	5.88	1120	2
Skills and Talent	30.00	0.60	0	2
Yr Egin	25.17	14.87	427	107
	1237.85	190.13	9686	524
% of target		15.36%		5.41%

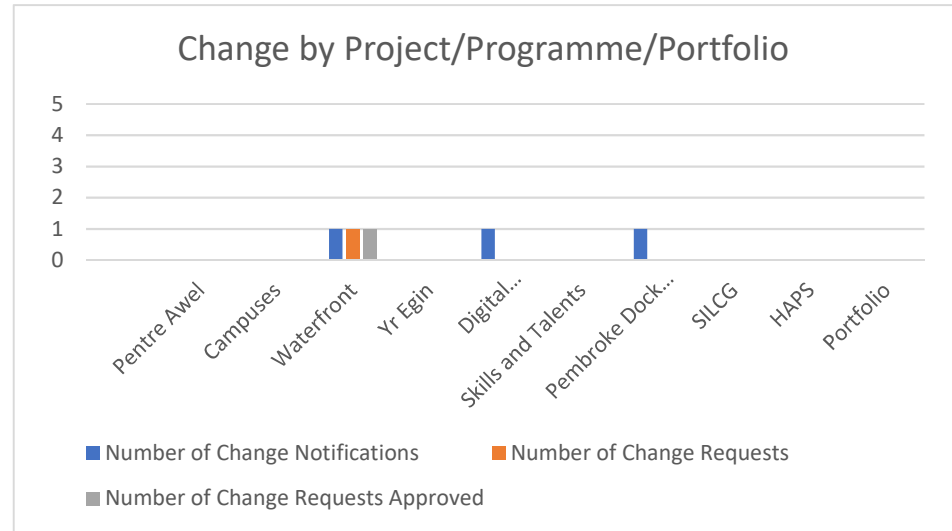
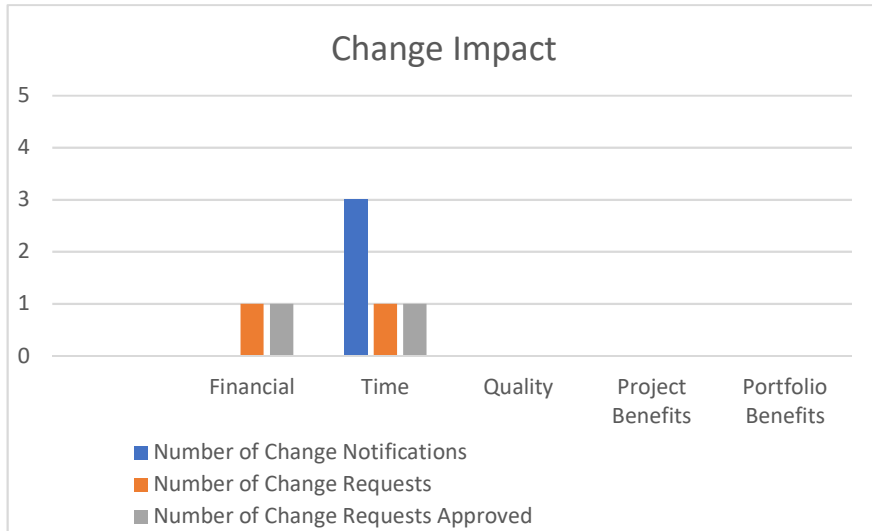


8. Financial Management



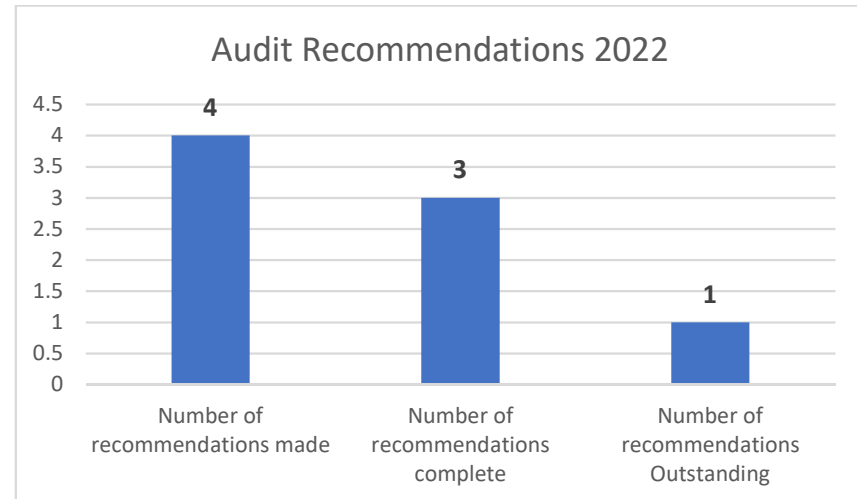
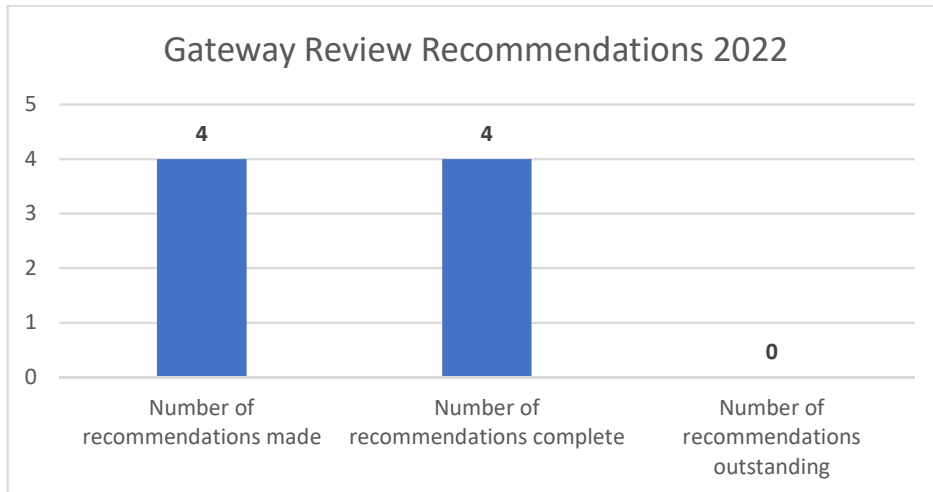
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Difference since Q4 2021-22	0.00	0.00	0.00	0.00	-87.70	33.11	1.58	-5.80	40.53	17.24	0.54	0.55	0.56	0.67	0.48	0.00

9. Change Management

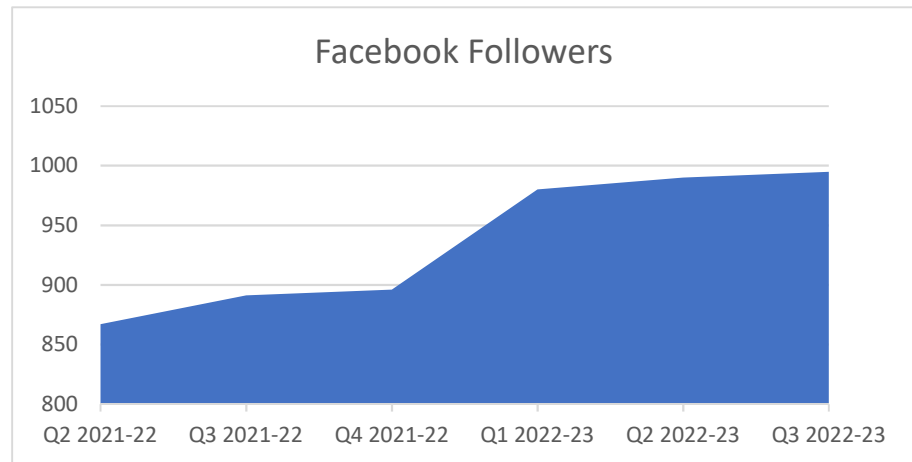
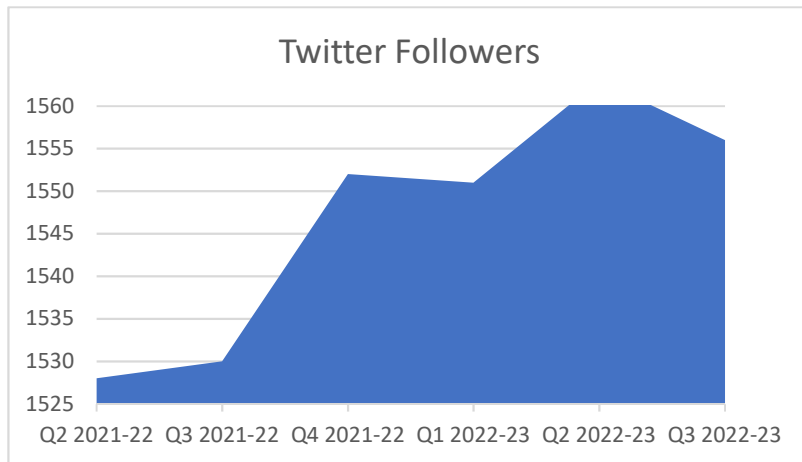
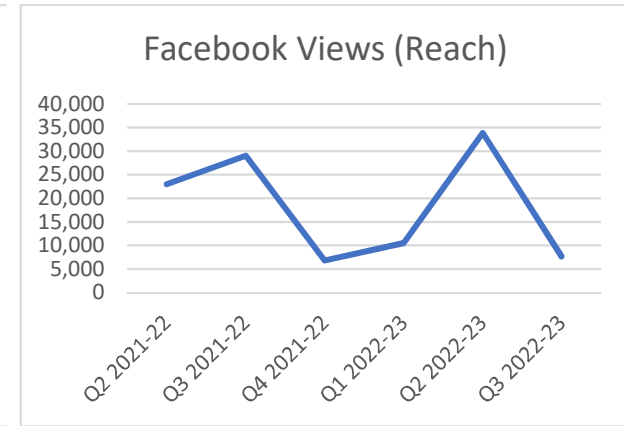
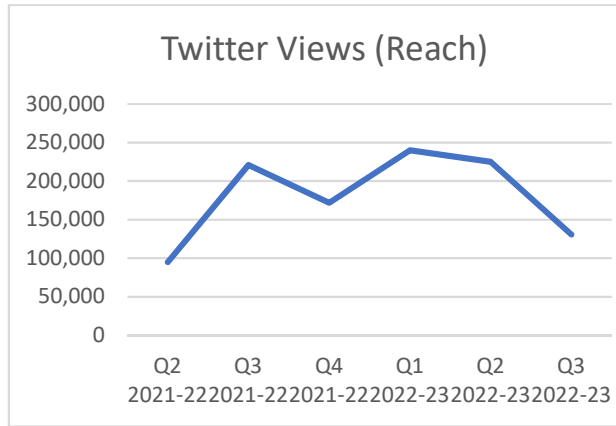
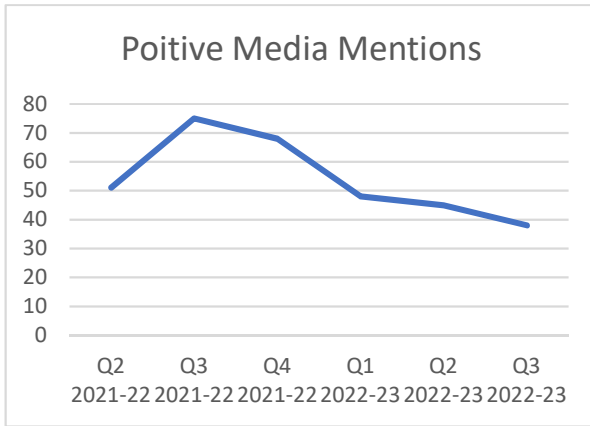


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10. Assurance & Audit Reviews



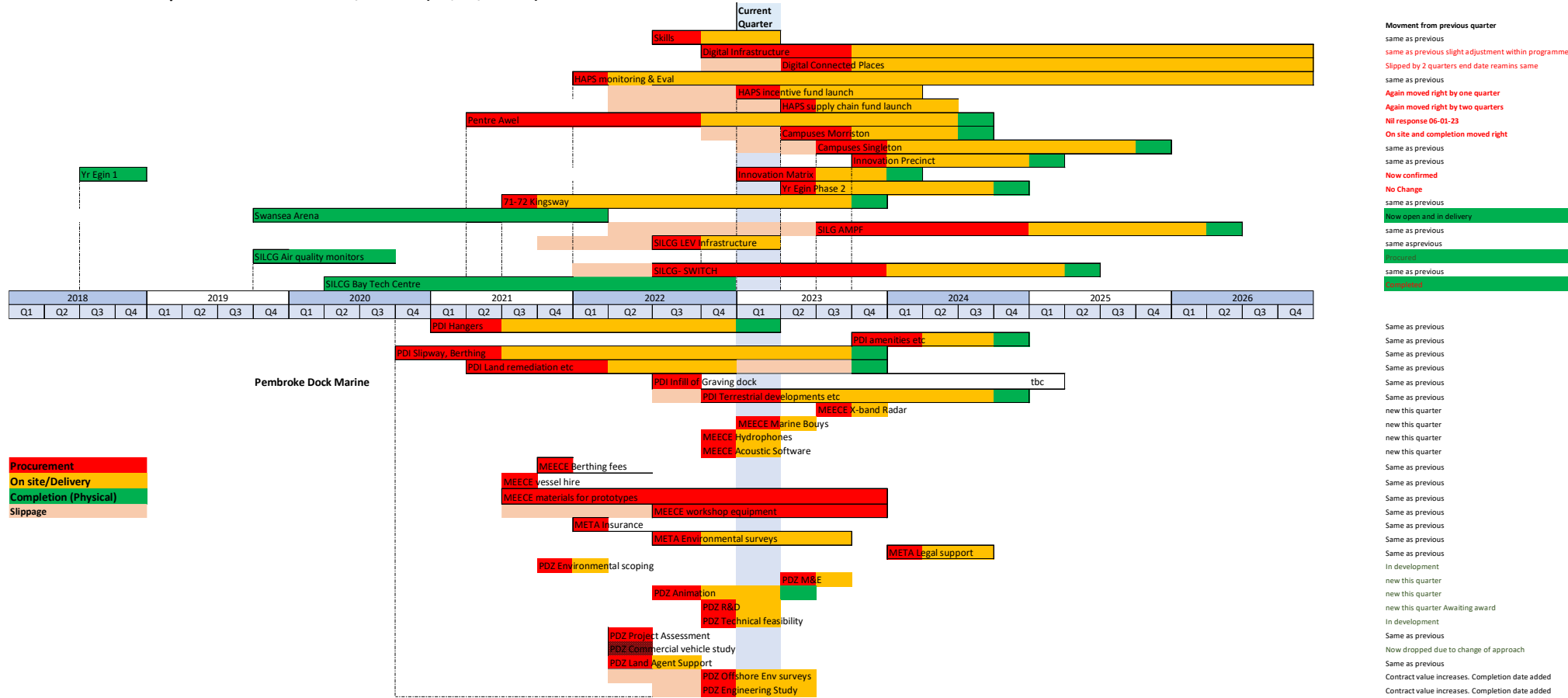
11. Communications and Engagement



12. Procurement Pipeline

Below is a pictorial representation of key procurement activity across the Programmes and Projects making up the Portfolio.

SBCD Procurement Pipeline Version 4: 14/10 2022 (Q3, 22/23 F.Y.)



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13. Future inclusions

There are several additional aspects of reporting that the PoMO will look to include in coming iterations, initially, these will include:

- Resource (people) management – this is the resources required by each deliverer, identified within the respective business cases to deliver the SBCD schemes and the current levels of staffing against this commitment.
- Further breakdowns of financials as recently requested at JC.
- Quarterly updates on forecasted benefits, do the actual vs planed show progress being ahead, behind or as forecast.
- LinkedIn reach/stats
- Visits and Event info



Swansea Bay City Region Joint Committee 2nd February 2023

Financial Monitoring Report 2022/23 - Provisional Outturn Position Quarter 3

Purpose:	To provide Joint Committee with an update on the latest financial position of the Swansea Bay City Region.
Policy Framework:	Swansea Bay City Deal
Consultation:	Accountable Body
Recommendation(s):	It is recommended that Joint Committee:
1)	Review and approve the financial monitoring update report.
Report Author:	Chris Moore
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD

1. Introduction

This report details the forecasted year end outturn position of the Joint Committee and the Portfolio Investment Fund. The Financial Monitoring Report presents the City Deal Accounts in a detailed format, in line with Carmarthenshire County Council's financial management system.

2. JOINT COMMITTEE – Estimated Forecast Outturn Position

2.1. Supplementary Information

The outturn position includes 'Top Slice' of Government Grants in terms of income. On drawdown of government grants, 1.5% of this will be utilised to support the PoMO

and the direct administration functions of the Portfolio. Any contribution from Government grants utilised within the financial year will be transferred to a ring-fenced reserve at year end, for utilisation in future years.

A detailed breakdown of the Joint Committee financial outturn position is included in Appendix A.

2.2. Joint Committee and Accountable Body

The Joint Committee and Accountable Body expenditure forecast is estimated at £1,065k. This is in respect of democratic support, support of the portfolio monitoring officer and legal fees in respect of the funding agreements. Internal audit has been forecasted and has recently been undertaken. The Accountable Body expenditure is attributable to service provision by the Portfolio Section 151 Officer to the Swansea Bay City Deal and the annual external audit review by Audit Wales.

The accrued interest in residual cash balances is invested in line with Carmarthenshire County Council's approved Treasury Management Strategy. Any interest accrued on such cash balances is dispersed back to projects on an appropriate apportionment methodology (JC – 11 June 2020). The accounting management of this has been amended to clearly demonstrate the interest accrued and paid out. The accrued interest for 2022-23 is estimated at £900k.

2.3. Joint Scrutiny Committee

The Joint Scrutiny Committee expenditure consists of democratic services and related costs, provided by Neath Port Talbot County Borough Council. This has been forecasted at £21k.

2.4. Portfolio Management Office (PoMO)

For the period ended 31st March 2023 the expenditure is estimated at £649k. The PoMO staffing cost is estimated at £501k which includes the 2022-23 pay adjustment. There is an underspend of £50k against budget, this is due to all posts being budgeted at the top of grade, savings due to in year temporary staffing vacancies and a small recharge in respect of the Finance Manager for work outside the SBCD.

Rents and service charges in respect of office space total £23k, fees including consultancy and gateway reviews have been forecast at £26k and conferences, marketing and advertising estimated at £39k including the annual event. ICT costs has been forecasted at £11k which includes project management software purchased and associated training. Central Recharges of £26k has been included being the contribution to Carmarthenshire County Council as the host Authority's costs for supporting the PoMO. These include payroll, Pensions, Creditors, Debtors, Human Resources support, Information Technology Support, financial systems support, Chief executive administration support, employee support and all necessary insurances.

2.5. Provision for Unwinding

This is an annual provision for the unwinding of the PMO at the end of its five-year operational requirement. Currently the total estimate is £152k, however it is demonstrated as 3/5th of an adjusted appointment (£99k) within the financial monitoring due to an accounting policy treatment.

2.6. Income

Total income for the year demonstrates £1,749k. This consists of partner contributions (£50k per partner) £400k, anticipated drawdown of 'Top Slice' of £449k from the dispersed grant awards and estimated interest derived from cash balances £900k.

2.7. Financial Monitoring - Statement of Balances

The prior year (2021/2) balance carried forward in reserve demonstrates £220k. Currently the estimated year end position of the City Deal accounts demonstrates a deficit of £84k, this is due to a timing effect attached to the grant dispersed to projects/programmes within the year. This results in an anticipated reserve of £137k at year end.

3. PORTFOLIO INVESTMENT FUND – Forecast Outturn Position

Provisional Portfolio Investment Outturn Position

The overall estimated investment position is demonstrated at £1.248bn (Quarter 2 2022/23 - £1.248bn) over the fifteen-year life of the portfolio. The revised budget (Quarter 1 2022/23) comprised of a total investment of £1.246bn, currently the City Deal is presenting a small over investment against the revised budget of £2m. At the time of reporting, up to date figures were not available for Pembroke Dock Marine, Pentre Awel and Supporting Innovation and Low Carbon Growth.

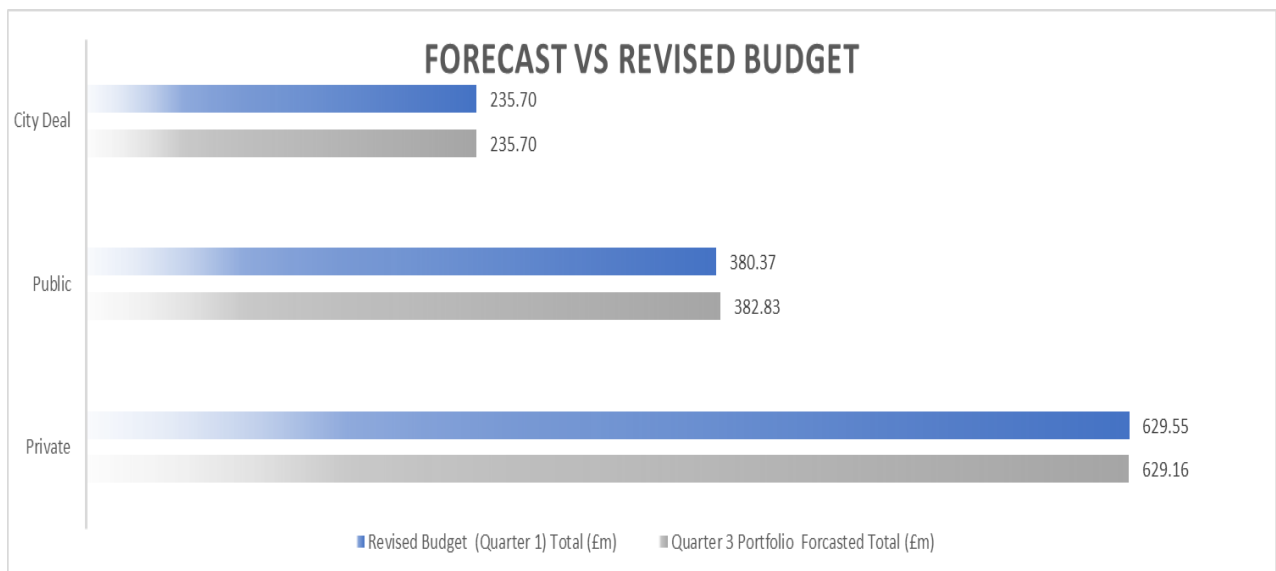
Details of significant variances are outlined below:

Swansea Arena is currently demonstrating an underinvestment of £4m against budget due to the reappropriation of costs across the whole Copr Bay site. Work on final costs is still being undertaken and will be reported on in Quarter 4 in line with the amended programme being agreed with the contractor. The innovation matrix is currently demonstrating an over investment of £2m, which will be reviewed during quarter 4. A business case revision is currently being undertaken with a review of financials included.

Pentre Awel has commenced construction and is demonstrating £6m over investment against budget. Work is estimated to be completed during Autumn 2024.

Prior Quarter Portfolio Forecasted Total (£m)	Investment Component	Revised Budget (Quarter 1) Total (£m)	Quarter 3 Portfolio Forecasted Total (£m)	Variance (£m)	Variance
235.70	City Deal	235.70	235.70	0.00	0.00%
382.83	Public	380.37	382.83	2.46	0.65%
629.61	Private	629.55	629.16	0.39	-0.06%
1,248.14	Grand Total	1,245.61	1,247.69	2.08	0.17%

Prior Quarter Programme/Project Forecast Total (£m)	Programme/Projects	Quarter 3 Forecast				Revised Budget (Quarter 1) Total (£m)	Variance (£m)	Variance (%)
		City Deal Investment (£m)	Public Sector Investment (£m)	Private Sector Investment (£m)	Programme/Project Total (£m)			
55.00	Digital Infrastructure	25.00	13.50	16.50	55.00	55.00	0.00	0.00%
505.50	Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	-	0.00%
135.59	LS&WB Campuses	15.00	58.58	62.01	135.59	134.95	0.64	0.47%
60.47	Pembroke Dock Marine	28.00	16.35	16.12	60.47	60.53	-0.06	-0.10%
206.18	Pentre Awel	40.00	57.99	108.19	206.18	200.48	5.69	2.84%
30.00	Skills & Talent	10.00	16.00	3.55	29.55	30.00	-0.45	-1.50%
59.08	Supporting Innovation and Low Carbon Growth	47.70	5.88	5.50	59.08	58.70	0.38	0.65%
171.15	Swansea Waterfront	50.00	81.25	39.90	171.15	175.28	-4.13	-2.36%
25.17	Yr Egin	5.00	18.67	1.50	25.17	25.17	-	0.00%
1,248.14	Grand Total	235.70	382.83	629.16	1,247.69	1,245.61	2.08	0.17%



Provisional Annual Investment Forecast 2022/23

The forecast estimated investment for the financial year ended 31st March 2023 is demonstrated at £82m. The annual investment forecast is currently demonstrating an annual under-investment of £85m, in respect of the following:

The PDM project is continuing to review spend profiles on their public and private sector investment which could potentially affect the current year estimates. Currently the forecast was based on quarter four estimates, with a small slippage into the current financial year causing a slight over-investment. This is not expected to have an impact on the total investment.

Swansea Waterfront is demonstrating an in-year underinvestment due to accelerated City Deal spend in the previous year in respect of the arena, slippage in respect of private sector investment (including the hotel development) and slippage in project delivery in respect of the Innovation Matrix. This this is not expected to have an impact on the total investment for the programme.

Pentre Awel's annual investment profile was estimated as at quarter 3, currently construction enabling works have commenced and will be completed as at Autumn 2024. Whilst slippage has occurred this financial year due to small spend in the preliminary stages, this will accelerate over the remaining 17-month period of construction. This is not expected to have an impact on the total investment for the project.

The Skills and Talent project is demonstrating slippage in delivery within the year. The project has currently awarded funding to six successful school, further and higher education pilot projects and will review the funding mechanism in the new year. This this is not expected to have an impact on the total investment for the project.

The SWITCH project is currently demonstrating slippage due to the delay of construction procurement and tendering, caused particularly by the COVID-19 pandemic but also as this project involves a close working relationship and agreement with the delivery partner namely Swansea University. Unfortunately, the Swansea University Project Manager left recently and there is ongoing dialogue with the new interim PM to agree on building requirements and specifications which caused the process to be drawn out over an extended period of 18 months. This is not expected to have an impact on the total investment for the project.

Digital infrastructure is currently demonstrating slippage within its rural project due to a "pause and review" which has been instigated for up to 3 months on the rural in-fill procurement, which has a planned spend of £6 million on Superfast broadband. This is due to an ongoing Open Market Review (OMR) being conducted by the Welsh Government and UK Government. The time will be spent liaising with Welsh and UK Governments on the outcome of the OMR, assessing the data and trying to better understand how far known private and public sector interventions are likely to go. This will support decision making with regards to whether investment is required and if so where investment should be directed from a commercial perspective. This will help to mitigate the risk of premises receiving double subsidy. It will also help to ensure we spend our funding in the most cost-effective way with maximum impact. There is anticipated capital slippage on connected places due to complications and delays associated to our regional collaborative procurement and slippage on Next Generation Wireless due to the capacity of the programme and its partners to deliver within this financial year. We will continue to update the regions Digital Infrastructure board on the evolving situation with future decisions brought back for discussion and authorisation. This this is not expected to have an impact on the total investment for the project.

Portfolio Summary						
Prior Quarter Forecast Total	Description	Revised Budget	Quarter 3 Provisional Outturn Position			Variance
			Actuals (to Date)	Commitments	Forecast Commitments	
(£)		(£)	(£)	(£)	(£)	(£)
	City Deal Investment					
33,387,394	Capital	77,556,688	5,924,032	-	30,653,362	36,577,394
2,124,427	Revenue Expenditure (where capital receipts directive applied)	3,389,281	407,676	102,088	1,439,632	1,949,396
35,511,821	City Deal Total	80,945,969	6,331,708	102,088	32,092,993	38,526,789
	Public Sector Investment					
27,421,104	Capital	32,206,441	7,264,224	383,000	19,773,880	27,421,104
2,761,798	Revenue	5,840,485	-	-	2,751,798	2,751,798
30,182,902	Public Sector Total	38,046,926	7,264,224	383,000	22,525,678	30,172,902
	Private Sector Investment					
12,660,110	Capital	46,920,379	-	-	12,660,110	12,660,110
1,306,650	Revenue	1,306,650	187,312	25,000	644,338	856,650
13,966,760	Private Sector Total	48,227,029	187,312	25,000	13,304,448	13,516,760
	Project Total					
73,468,608	Capital	156,683,508	13,188,256	383,000	63,087,352	76,658,608
6,192,875	Revenue	10,536,415	594,988	127,088	4,835,768	5,557,844
79,661,483	Project Total	167,219,924	13,783,244	510,088	67,923,120	82,216,452

Annual Programme Investment Breakdown 2022/23 (Estimated)						
Prior Quarter Forecast Total	Description	Revised Budget	Quarter 3 Provisional Outturn Position			Variance
			Actuals (to Date)	Commitments	Forecast Commitments	
(£)		(£)	(£)	(£)	(£)	(£)
9,506,208	Digital Infrastructure	17,602,392	229,312	102,088	9,335,584	9,666,984
7,465,000	Homes as Power Stations	7,465,000	-	-	5,162,000	5,162,000
187,312	LS&WB Campuses	5,377,312	187,312	-	5,190,000	5,377,312
30,659,565	Pembroke Dock Marine	28,525,579	-	-	30,659,565	30,659,565
10,546,738	Pentre Awel	58,067,866	1,860,368	-	8,659,739	10,520,107
841,821	Skills & Talent	5,366,667	42,028	25,000	308,617	375,645
4,545,702	Supporting Innovation and Low Carbon Growth	11,769,275	-	383,000	4,162,702	4,545,702
15,909,137	Swansea Waterfront*	33,045,833	11,464,224	-	4,444,913	15,909,137
-	Yr Egin	-	-	-	-	-
79,661,483	Total	167,219,924	13,783,244	510,088	67,923,120	82,216,452

*budget as per business case

Capital and Revenue Apportionment

There is currently an estimated revenue requirement of £62m (5%) to deliver the city deal projects. This will be supported through the use of the Local Authorities flexible capital receipts directive, and alternative public and private sector commitment. The revenue requirement demonstrates a small change compared with the prior period (Quarter 2 2022/23 - £63m), this is as a result of some small fluctuation across several projects.

Capital/Revenue Summary (Estimated)

Investment Component	Capital Forecast (£m)	Revenue Forecast (£m)	Total Forecast (£m)	Revenue Proportion
City Deal	214.97	20.73	235.70	8.80%
Public	353.75	29.07	382.83	7.59%
Private	616.74	12.43	629.16	1.98%
Grand Total	1,185.46	62.23	1,247.69	4.99%

4. Financial Implications

The forecasted Joint Committee year end out-turn position (as at 31st March 2023) indicates a deficit of £84k, which will be supported by the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £1,833k, which is offset by income through partner contributions of £400k and the 'Top Slice' of dispersed Government grants of £449k and interest income of £900k.

The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved, a revised budget was compiled in quarter one for the


portfolio demonstrating £1.246billion. The estimated portfolio forecasted investment position (as at 31st March 2023) demonstrates over investment against the revised budget of £2m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.248billion. This is subject to fluctuation over the life span of the project and will be monitored quarterly through financial templates and through the Portfolio risk register.

5. Legal Implications

There are no legal implications associated with this report.

Appendices:

Appendix A – Provisional Outturn Position.

		Joint Committee - Provisional Outturn Position Financial Year 2022/23 <i>as at 30th November 2022</i>		
Description	Actuals 2021/22 (£)	Agreed Budget 2022/23 (£)	Forecast Outturn 2022/23 (£)	Variance (£)
Joint Committee and Accountable Body				
Room Hire	-	1,910	1,910	-
Subsistence & Meeting Expenses	-	3,496	-	3,496
Travel	-	-	-	-
Democratic Services - CCS	27,483	26,605	26,605	-
Monitoring Officer & Legal Services	35,659	36,640	36,640	-
External Legal Advisory Fees	-	25,000	-	25,000
Internal Audit Support	18,924	21,115	21,115	-
Staff Recruitment Expenses	-	-	-	-
External Audit Fees	14,971	25,000	21,830	3,170
Section 151 Officer	55,329	56,435	56,435	-
Interest paid out to projects	39,575	-	900,000	(900,000)
Joint Committee and Accountable Body Total	191,942	196,201	1,064,535	(868,334)
Joint Scrutiny Committee				
Subsistence & Meeting Expenses	-	7,012	-	7,012
Travel	-	1,248	-	1,248
Democratic Services - NPT	21,332	21,226	21,226	-
Joint Scrutiny Committee Total	21,332	29,487	21,226	8,261
Portfolio Management Office				
Recharges - Employee Costs (direct)	461,842	552,056	501,401	50,654
Staff Recruitment Expenses	-	-	-	0
Training of Staff	1,220	26,530	5,000	21,530
Response Maintenance	-	-	-	0
Rents (The Beacon)	14,889	16,270	16,270	0
Rates (The Beacon)	6,688	7,184	7,184	0
Public Transport - Staff	-	2,081	520	1,561
Staff Travelling Expenses	76	16,646	4,162	12,485
Admin, Office & Operational Consumables	-	2,601	2,000	601
Furniture	-	1,000	500	500
Fees (including Gateway Reviews)	29,557	26,010	26,010	0
ICT Computer Hardware & Software	43	2,500	10,500	(8,000)
Subsistence & Meetings Expenses	10	8,323	3,000	5,323
Conferences, Marketing & Advertising	17,151	78,030	39,015	39,015
Projects & Activities Expenditure	-	14,566	-	14,566
Translation/Interpret Services	3,317	10,404	5,202	5,202
Printing & Copying	84	4,682	2,341	2,341
Photocopying Recharge	-	-	-	0
Central Recharge	-	-	25,512	(25,512)
Portfolio Management Office Total	534,876	768,883	648,617	120,266
Provision for Unwinding of PMO				
Redundancies	-	37,674	98,631	(60,957)
Provision for Unwinding Total	-	37,674	98,631	(60,957)
Total Expenditure	748,149	1,032,245	1,833,009	(800,764)
Funding Contributions				
Welsh Government - Revenue Grant	-	-	-	-
SBCD Grant Revenue Contribution	(314,119)	(723,000)	(449,196)	(273,804)
Partner Contributions	(400,000)	(400,000)	400,000	-
Interest Income	(39,575)	-	(900,000)	900,000
Total Income	(753,694)	(1,123,000)	(1,749,196)	626,196
Provision of Service - (Surplus) / Deficit	(5,545)	(90,755)	83,813	(174,568)
Movement to Reserves				
Description		2021/22 (£)		2022/23
Balance Brought Forward from previous year - (Surplus) / Deficit		(214,816)		(220,361)
Net Provision of Service - (Surplus) / Deficit		(5,545)		83,813
Balance Carry Forward - (Surplus) / Deficit		(220,361)		(136,548)

Summary of Scheduled Reviews 2022/23

Portfolio / Project / Programme	2022/2023												Status	RPA updated
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
SBCD Portfolio				Gate 0									Review undertaken 20th-22nd July - Amber Green DCA	Yes
Digital									PAR				Assessment meeting held 11th June. Review 5th - 7th Dec	Yes
Campuses													Gate 0/3 scheduled May 2023	Yes
HAPS				PAR									Review 11th-13th July. Amber Red DCA. Follow up AAP to be arranged	Yes
SILCG											PAR		Assessment meeting held 6th September. 4/5 day PAR with workshop. Date tbc	Yes - amendments suggested. Re-submission awaited
Pentre Awel								Gate 0					Assessment meeting required with WG IAH	No
Pembroke Dock Marine									Gate 0				Assessment meeting required with WG IAH	No
Yr Egin									Gate 0/3				Assessment meeting required with WG IAH	Yes
Swansea Waterfront - Arena / Kingsway									PAR				Assessment meeting held. PAR for CCS led projects - 15th-17th Nov 22	Yes
Swansea Waterfront - Matrix / Precinct									Gate 2/3					
Skills and Talent										Gate 0			Planning meeting 12th Jan @10:00 am, Review 25th-27th Jan 23	Yes

Portfolio / Project / Programme	2022/2023																								Status	RPA updated
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec					
SBCD Portfolio				Gate 0												Gate 0							Review undertaken 20th-22nd July - Amber Green DCA. Next Review tbc in July 23	Yes		
Digital														Gate 0									Assessment meeting held 11th June 22. Review postponed - rearranged date for Review tbc	Yes		
Campuses																					PAR		Next Review shown on IAAP as December 23.	Yes		
HAPS				PAR				AAP								PAR							Review 11th-13th July. Amber Red DCA. AAP held 11th November - Amber DCA. Next Review tbc in July 23	Yes		
SILCG																			PAR				Assessment meeting held. Review postponed from May to September - date to be confirmed	Yes		
Pentre Awel																PAR							Assessment meeting being arranged ahead of a PAR at the end of June	No		
Pembroke Dock Marine																			PAR				Assessment meeting held. Date for PAR agreed for w/c 25th September	Yes		
Yr Egin														Gate 3									Gateway 3 for Yr Egin Ph.2 shown on IAAP as May 23. Likely to be rearranged for later date.	Yes		
Swansea Waterfront								PAR								PAR							UWTSD PAR provisionally scheduled for July 23. Assessment meeting to be held 13th April	Yes		
Skills and Talent										Gate 0													Review undertaken 25th-27th Jan 23 - Green DCA rating	Yes		

Swansea Bay City Deal

Guidance Note

Business Case Development



Swansea Bay City Deal Guidance Note

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Date:	10/11/2022
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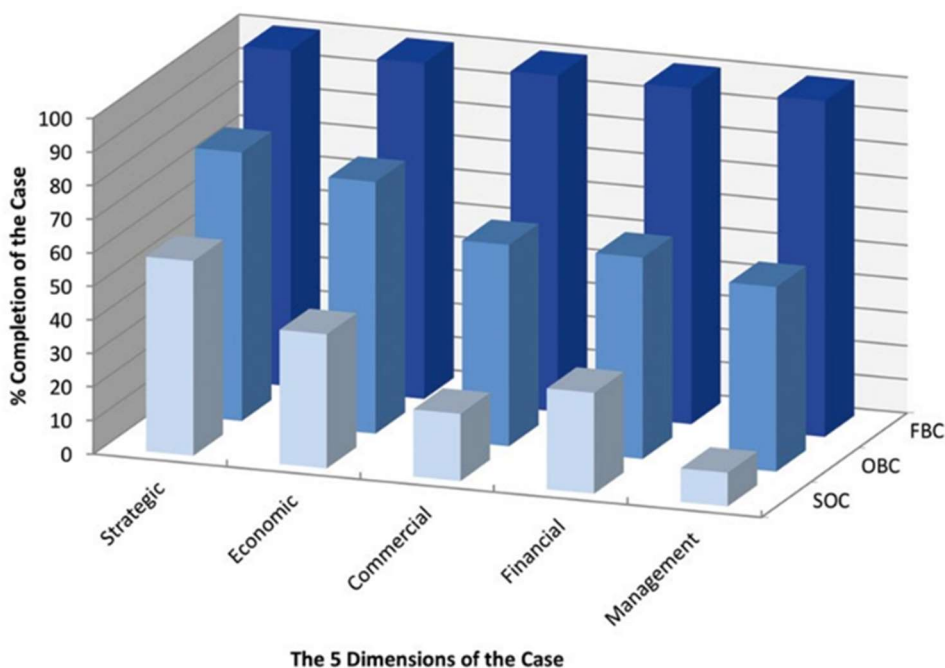
Business Case Development

1. Overview

- 1.1. The following guidance provides the process and requirements for Senior Responsible Owners (SROs) and Project Leads to update the Swansea Bay City Deal (SBCD) project and programme business cases.
- 1.2. Business cases are an essential management and governance tool for programmes and projects and a key element in ensuring successful delivery.
- 1.3. Adopting HM Treasury’s Green Book guidance and as part of the governance and approval arrangements for the SBCD, there is a requirement for the 9 headline business cases to be maintained and updated on a regular basis.
- 1.4. The updating of business cases is particularly important at points in the project or programme lifecycle when decisions are made, milestones are achieved or in preparation for assurance reviews during the procurement, delivery and operation phases.
- 1.5. It is the responsibility of the SROs to oversee business case updates. Ensuring stakeholders are informed and that the business case remains current, viable and deliverable.

2. Better Business Case Guidance

- 2.1. HM Treasury’s Better Business Case guidance must be adhered to when updating business cases. Business case development and approval and is detailed in the Welsh Government Governance and Assurance Framework for the City Deal.
- 2.2. Updates should cover all five dimensions of a business case as illustrated below.



- 2.3. All nine business cases have been developed past the Strategic Outline Case (SOC) stage and are at Outline Business Case (OBC) or working towards Full Business Case (FBC). Definitions of each business case stage is summarised in the table below.

Swansea Bay City Deal Guidance Note

Strategic Outline Case (SOC)

The SOC establishes the business need for a proposed project, its strategic drivers and any resulting investment in resources. The main purpose is as a scoping and planning document with a focus on strategic issues and the identification of options for detailed assessment at the next stage. The SOC is developed across the 5 business case dimensions and determines the strategic context for the project, makes the case for change and explores options for the preferred way forward.

Outline Business Case (OBC)

The OBC revisits and builds upon the information contained in the SOC to further develop the 5 business case dimensions. The OBC has a focus on determining value for money through the identification of a preferred option through an economic appraisal process, the detailing of the potential procurement arrangements, ascertaining affordability and funding requirements and planning for successful delivery in the management and governance of the project. The OBC provides the organisation and sponsors the information to make a well-informed decision to invest in the project.

Full Business Case (FBC)

The main tasks involved in producing the FBC focuses upon revisiting and updating the conclusions of the OBC and documenting the outcomes of the procurement process. The 5 dimensions of the business case are updated with particular emphasis on the economic, commercial and financial cases. The FBC identifies the market-place opportunity which provides optimum value for money, sets out the commercial and contractual arrangements for the negotiated deal, confirms the deal is still affordable and details the management arrangements for the successful delivery, monitoring and evaluation of the project.

3. SBCD Approach to Updating Business Cases

- 3.1. Due to hybrid nature of the nine SBCD business cases and the varying stages of delivery for individual projects within them, the PoMO have been discussing the most appropriate process to update, and format to present, business case updates across the Portfolio with the WG and UKG Sponsors.
- 3.2. Business case updates could be a result of many instances. For example, procurement of a solution, in preparation for a Gateway assurance review, key milestone decision, significant change to current plan or schedule, change of strategic organisation, tranche or project completion, economic assessments, etc.
- 3.3. It has been agreed that SROs and Project Leads have two options in their approach to update a business case:

Option A – Business Case rewrite (updating of existing business case document)

Option B – Business Case addendum (as a single document)

Swansea Bay City Deal Guidance Note

- 3.4. In either approach, business case updates need be to clearly summarised and reflect key changes or progress since the original or previous version that was submitted via the SBCD governance arrangements.
- 3.5. Updates must cover all five business case dimensions, noting that dimensions with no change needs to be stated.
- 3.6. For clarity, a diagram is attached at Appendix A which provides specific detail on the process and the responsibilities within it.
- 3.7. The Better Business Case Guidance process to move from OBC to FBC summarised below must also be followed.
- 3.8. A full description of this process is described within the Better Business Case guidance documents [Guide to developing the project business case | GOV.WALES](#), and below is an extract of the process, which includes procurement updates for the Economic and Commercial Cases.

Step 1 Procuring the VfM solution

Actions:

1. Revisit and update the case for change (Strategic Case)
2. Revisit the OBC options (Economic Case)
 - Confirm that the conclusions of the OBC economic appraisal are still valid. Confirming that rankings, benefits etc remain the same. If any of the **key assumptions** have altered, the FBC must demonstrate that the recommended option continues to offer better public value than the other available options
3. Detail the procurement process and evaluation (Economic Case)
 - Confirm the procurement strategy, route and evaluation criteria that were followed as set out in the OBC and explain any changes
 - Confirm that the option offering best public value is recommended for the approval, subject to affordability

Step 2 Contracting for the Deal

Actions:

4. Set out the negotiated Deal and contractual arrangements (Commercial Case)
 - Choice of Service provider and the detail of the Deal and contract
 - Revisit the headings of the Commercial Case and update
5. Set out the financial implications of the Deal (Financial Case)
 - Confirming the affordability of the Deal
 - Revisit the headings of the Financial Case and update

Step 3 Ensuring successful delivery

Actions:

6. Finalise project management arrangements and plans
7. Finalise change management arrangements and plans
8. Finalise benefits realisation arrangements and plans
9. Finalise risk management arrangements and plans
10. Finalise contract management arrangements and plans
11. Finalise Post-Project Evaluation arrangements and plan

Swansea Bay City Deal Guidance Note

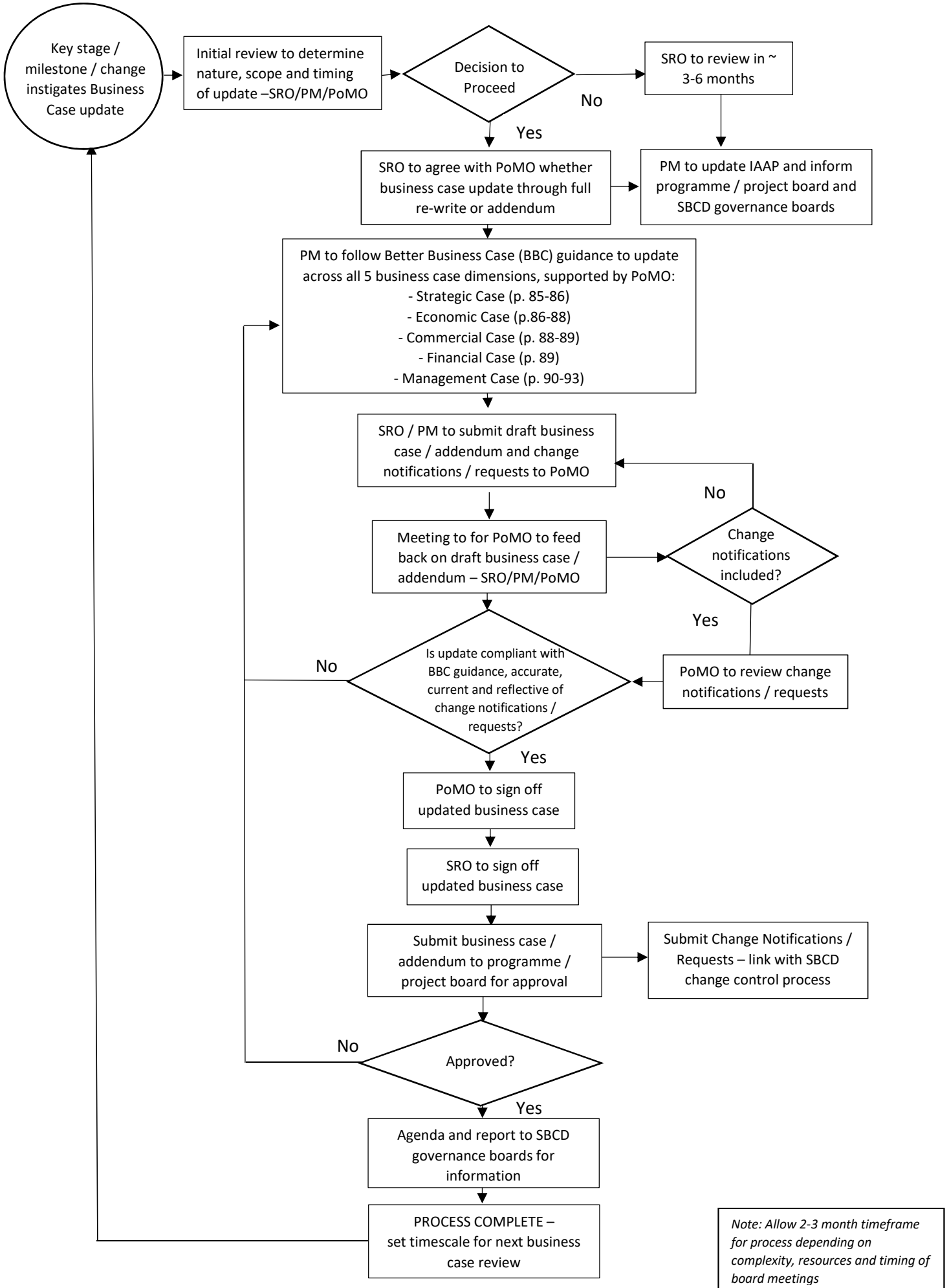
4. Roles and Responsibilities

- 4.1. The PoMO will oversee the SBCD business case update process and offer support and advice on updating of business cases.
- 4.2. The PoMO will also ensure timely SBCD governance updates to wider SBCD stakeholders, boards and committees as required, by way of reports and presentations from all projects and programmes.
- 4.3. SROs/Project teams are responsible for updating their business case at appropriate times, reflecting the schedule in their Integrated Assurance and Approval Plan (IAAP) and engaging with their stakeholders, including the SBCD PoMO to outline their approach and timeframes prior to proceeding with a business case update.

5. Approvals

- 5.1. Updated business cases are to be presented for approval to the project or programme governance board by the SRO and reported to the PoMO for information and inclusion to appropriate SBCD governance boards.
- 5.2. All business case changes should be reported through a change notification, outlining the changes made within the update.
- 5.3. If there are significant changes to the business case, the SRO must oversee the completion and reporting of a change request. The change management process is overseen by the PoMO where advice and guidance will be provided, in order to ensure the appropriate level of approval is given to any submitted change request.

Annex A - SBCD Business Case Update Process



Swansea Bay City Deal Gateway Assurance Framework



Llywodraeth Cymru
Welsh Government

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Date:	January 2023
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Author:	Ian Williams
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- 1. Portfolio IAAP
- 2. RPA Form Template
- 3. SBCD Assurance Panel – Terms of Reference

1. Purpose

The purpose of this document is to provide a framework for the management, resourcing and governance of Gateway assurance arrangements for the Swansea Bay City Deal (SBCD) Portfolio and its constituent programmes, projects and workstreams. The framework provides clarity for programme and project Senior Responsible Owners (SROs) and their teams, Welsh and UK governments and partner organisations on the assurance arrangements that will apply to the SBCD Portfolio. It also provides a framework that meets the requirements and expectations of both governments for the external assurance of the portfolio.

The establishment and application of independent assurance arrangements are an essential and integral part of ensuring successful delivery of portfolios, programmes and projects, and the realisation of their benefits. Due to the high value, risk rating, complexity and the significant number of discrete project elements within the SBCD Portfolio, it is essential that the assurance arrangements are effective and practical. It is also important that clarity is provided to all stakeholders on assurance requirements, the process involved and their respective roles and responsibilities to ensure the effectiveness of the assurance arrangements.

The framework supports the Portfolio Integrated Assurance and Approval Plan (IAAP) which provides a tool for the management of assurance activity associated with the development, delivery and operational phases of the programmes and projects.

This framework has been produced jointly by the SBCD Portfolio Management Office (PoMO) and Welsh Government Integrated Assurance Hub (IAH) and describes the arrangements for the SBCD Portfolio which are aligned to best practice, and are proportionate, practicable and fit for purpose.

2. Background

2.1 Assurance and Gateway Reviews

The HM Treasury Guidance for Better Business Cases highlights the importance of integrating effective assurance arrangements in the development, delivery and evaluation of projects and programmes. Assurance provides independent and impartial confirmation that a programme / project and its various activities are on track and that the spending objectives can be delivered successfully. It also improves the prospects of achieving the intended outcomes and benefits.

The Better Business Case guidance for developing programme and project business cases aligns with the Cabinet Office Gateway Review assurance process and the Welsh Government Assurance Process. This process examines projects at key decision points in their lifecycle and looks ahead to provide assurance that they can progress successfully to the next stage. OGC Gateway Reviews are regarded as best practice in central civil government throughout the UK and are applicable to a wide range of programmes and projects. The Gateway Reviews deliver a 'peer review', in which independent practitioners from outside the programme/project use their

experience and expertise to examine the progress and likelihood of successful delivery of the portfolio, programme or project. They are used to provide a valuable additional perspective on the issues facing the project team, and an external challenge to the robustness of plans and processes.

It is designed to provide independent guidance to SROs, programme and project teams and to the departments who commission their work, on how best to ensure that their programmes and projects are successful. Essentially, the Gateway review Process provides support to SROs in the discharge of their responsibilities for the delivery of the programme or project and to achieve their business aims, by helping the SRO to ensure:

- the best available skills and experience are deployed on the programme/project
- all the stakeholders covered by the programme/project fully understand the programme/project status and the issues involved
- there is assurance that the programme/project can progress to the next stage of development or implementation and that any procurement is well managed in order to provide value for money on a whole life basis achievement of more realistic time and cost targets for programmes and projects
- improvement of knowledge and skills among government staff through participation in Reviews
- Provision of advice and guidance to programme and project teams by fellow practitioners
- Provision of assurance to the SRO that the programme / project will deliver its aims and objectives.

Portfolio and Programme Reviews are carried out under OGC Gateway™ Review 0: Strategic assessment.

Project Reviews are carried out under OGC Gateway Reviews 1 - 5; and can undergo up to five Reviews during its lifecycle – three before commitment to invest, and two looking at service implementation and confirmation of the operational benefits. Project Reviews may be repeated as necessary depending on the size, scope and complexity of the project.

The Gateway process identifies the following key stage decision points:

- Gateway 0 – Strategic Assessment for Portfolios / Programmes
- Gateway 1 – Business Justification
- Gateway 2 – Delivery Strategy
- Gateway 3 – Investment Decision
- Gateway 4 – Readiness for Service
- Gateway 5 – Operations Review and Benefits

Additionally, PARs (Project Assessment Reviews) tailored to specific terms of reference have been extremely useful in framing reviews for a number of SBCD projects that don't necessarily coincide with the above stages.

Other alternative and supplementary 'products' available for SROs include Project Validation Reviews (PVR) and Critical Friend Review (CFR).

The standard format for a Gateway Review involves the formation of a Review Team consisting of a paid independent consultant as the Review Team Leader (RTL) and two supporting Review Team Members (RTMs) from the public sector. This Team undertakes a series of interviews with selected stakeholders over a 2-day period and produce a report to the SRO on the third day which includes a Delivery Confidence Assessment (Green / Amber Green / Amber / Amber Red / Red) together with recommendations to support the delivery of the programme or project going forward. For more complex projects and programmes with many stakeholders, a 5-day review can be undertaken. In circumstances where a Review returns a Delivery Confidence Assessment (DCA) of either Amber/Red or Red, an Assurance of Action Plan (AAP) Review is invoked. This is a single day follow-up review that is normally undertaken within 3 months of the original review and is based around an assessment of progress against the action plan developed to address the review recommendations.\

2.2 SBCD Portfolio, Programmes and Projects

The SBCD has a current portfolio investment of £1.3bn, funded by the UK Government, the Welsh Government, public sector bodies and the private sector. This investment will improve regional infrastructure in high value sectors, attract inward investment from businesses and create good job opportunities. It is a partnership of eight regional organisations made up of local authorities, universities and health boards.

The portfolio is to be delivered over a 15-year period 2017-2033 and with the following investment objectives:

1. **Jobs** - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).
2. **GVA** - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. **Investment** - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

These investment objectives will be realised through the successful delivery of 9 headline programmes and projects each of which has developed a programme or project business case aligned to the Better Business Case guidance.

Responsibility for the delivery of the programmes and projects lies with the identified lead authority / lead delivery organisation.

The SBCD structural diagram below shows the organisational responsibility for the

delivery of each element of the portfolio and demonstrates the complexity and magnitude of projects and workstreams incorporated within the headline programmes and projects. All nine of the headline business cases have received regional and Government approval and the SBCD Portfolio is now in full delivery.

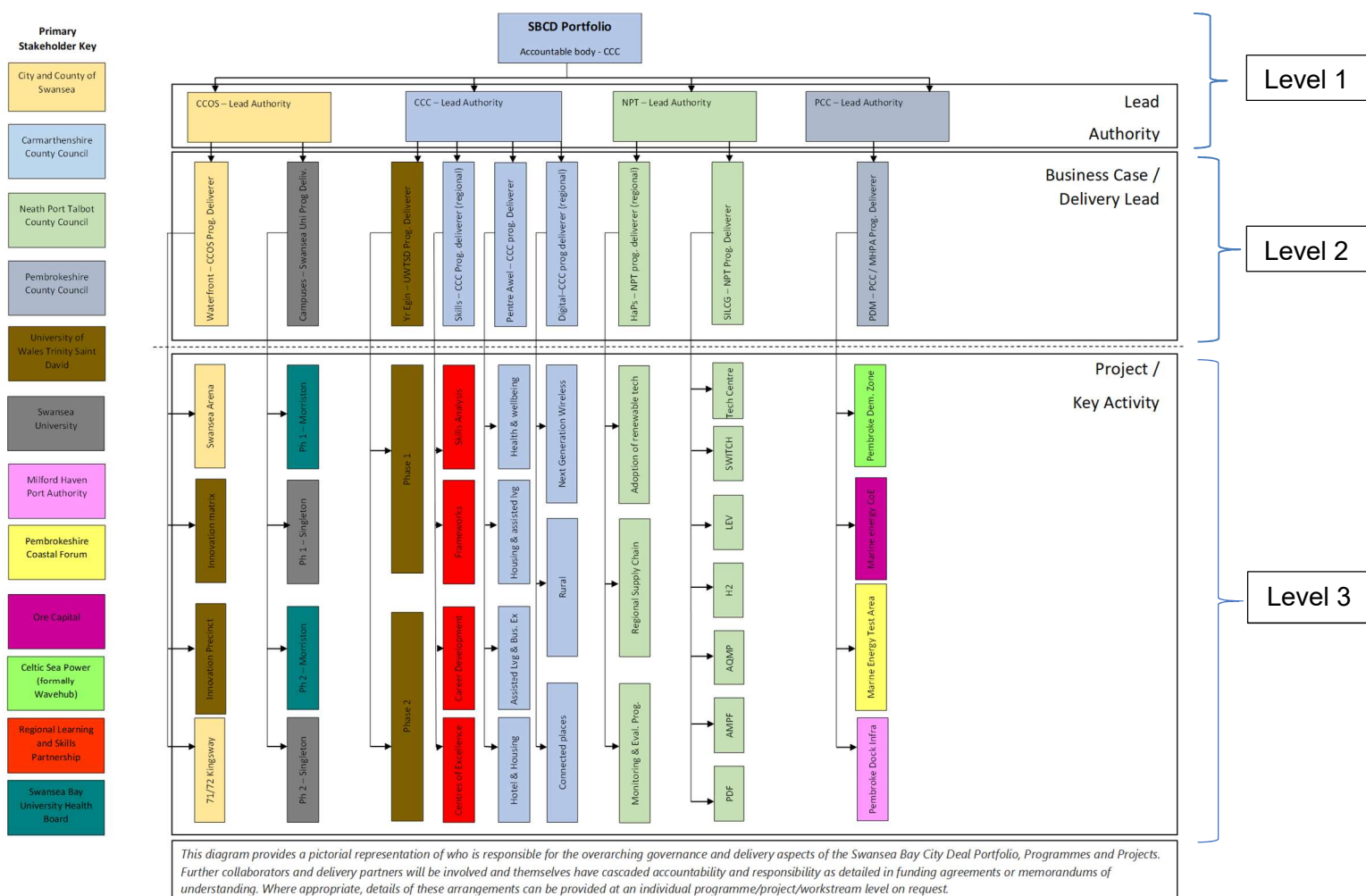
The diagram below illustrates that the component activities of the SBCD fall within one of the following levels:

Level 1 - SBCD Portfolio (1).

Level 2 – Headline Programme and Project Business Cases (9). Led by a SBCD local authority and delivered by either a lead authority or SBCD partner organisation.

Level 3 – Projects and Workstreams (35). Delivered either by a SBCD local authority or partner organisation

All the headline business cases (Level 2) within the SBCD portfolio have been approved both regionally and by Governments and the portfolio is in full delivery. The constituent projects and workstreams (Level 3) are at various stages of development and delivery.



2.3 Previous Assurance Arrangements

The SBCD Assurance Framework is aligned to the assurance arrangements that already exist for Welsh City and Growth Deals. These arrangements have been developed in the context of the City and Growth Deal Governance and Assurance Framework. This Framework outlines the appropriate and proportionate application of best practice governance, assurance and Programme & Project Management (PPM), underpinned by an Integrated Assurance and Approval Plan (IAAP).

The WG Governance and Assurance Framework specifies that programme / project lead organisations must commission Gateway assurance for Portfolios, Programmes and Projects for the SBCD portfolio and set these out within its IAAP. Assurance reports must be shared with the WCGIB as part of assurance oversight. Portfolio/Programme and Project flowchart process maps have been developed and are intended to aid the development of the IAAP. The flowcharts set out an indicative process including planned and potential consequential assurance, key regional delivery partner and Government approval points from discovery through business case development and on into the delivery phase.

It is acknowledged that the Gateway review process supports a rigorous governance framework to manage key processes including business planning, investment appraisal and business case management (including benefits management), programme and project portfolio management, risk management, procurement/acquisition, and service and contract management. It is also recognised that partner delivery organisations will have individual assurance arrangements and obligations that will be fulfilled in programme and project delivery.

Working closely with the Welsh Government's Integrated Assurance Hub, the SBCD PoMO has established a Portfolio IAAP, to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are undertaken and are proportionate to levels of cost and risk. An IAAP has been established for all SBCD Programmes / Projects, which are live documents and are regularly updated and shared with the appropriate governance structures at programme / project and portfolio levels. Portfolio and programme / project level IAAPs are updated by programme / project teams and reported through the SBCD governance on a quarterly basis. The IAAPs provide details on the nature and timing of assurance arrangements at all levels including:

- Governance groups reporting
- Key documentation review and approvals
- Internal functional assurance
- Independent assurance (inc. Gateway Reviews)
- Internal and external audit

The current Portfolio IAAP and project template is attached at Appendix 1.

Gateway Reviews are required and undertaken at both a Portfolio business case level and at the 9 headline Programme or Project business case level as shown in the table below. Reviews are administered by the Welsh Government Assurance Hub, under

accreditation by the Infrastructure and Projects Authority (IPA), to coincide with key decision points in the delivery of a programme / project at the request of the SRO. There is a 10-12 week lead in time for a review and a cost of approximately £6,500 to the commissioning organisation for a typical 3-day review. The SBCD PoMO facilitate the process and support the SRO and project team through the scoping, interview and feedback sessions. The PoMO also track the scheduling of reviews through the project IAAPs.

Within the headline business cases for the programmes and projects there are many constituent projects and workstreams. Some of these are of a high value and risk and are crucial to the success of the headline programme / project and consequently to the success of the Portfolio overall. Previously, there has been no systematic Gateway assurance arrangements at this level across the SBCD Portfolio. It is acknowledged however that evaluations / reviews, such as WEFO related projects, may be required by other funding sponsors. The SBCD assurance arrangements would seek to supplement these existing arrangements and not to replace or duplicate.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 - annual
Level 2: Headline Programme and Project Business Cases (9)	Gateway 0 / PARs – Reviews undertaken predominantly as part of the defined business case approval process
Level 3: Projects and Workstreams (35)	No current systematic Gateway assurance arrangements across the SBCD Portfolio.

2.4 SBCD Assurance Context and Issues

HM Treasury advice on Better Business Cases Guidance assurance arrangements indicates that there should be independent assurance throughout the lower level of SBCD projects and workstreams (Level 3). Some of these projects are high value / high risk projects that could have significant consequences for the success of their headline programme / project and the overarching SBCD portfolio. It is acknowledged by SBCD, its partner organisations and Welsh and UK Government sponsors that appropriate assurance arrangements need to be in place across the whole of the portfolio.

It is recognised that appropriate and effective assurance is required at all levels within the SBCD Portfolio. It is also acknowledged that there would be considerable practical issues with undertaking the full suite of Gateway reviews at Level 3 through the defined Gateway Review process using external Review teams. With the portfolio now being in full delivery there is a requirement for rigorous, effective and frequent assurance activity to ensure that the portfolio has the best opportunity to deliver its defined benefits to the region.

The main challenge to assuring all Level 3 projects is the number of reviews that would need to be completed which would cause significant issues for both the

delivery organisations and the IAH relating to:

Programme / Project resource

There is already pressure on some programme and project teams to provide resource to undertake Reviews in terms of organisation, administration and providing support to the review team. These pressures are likely to become more significant as an increased number of projects and workstreams progress through delivery.

Stakeholder commitment

The programmes and projects have many common stakeholder organisations / individuals that would be involved in a Review. To follow the prescribed arrangements at all levels of the Portfolio would lead to unmanageable time pressures on senior officers in the partner organisations in attending and managing reviews.

Management

The need for a 10-12 week lead-in time for Gateway reviews is acknowledged and are scheduled in the IAAP to coincide with key decision points. However, as programmes and projects are proceeding at pace through delivery, it will become difficult to manage and capture all key decision points for the component projects and workstreams and avoid delays to delivery. Under the current arrangements there have been instances where project reviews have not been undertaken at the most opportune time.

Assurance community resource

The ability of the assurance community to provide this level of resource placing significant pressure on the existing WG assurance community for RTLs/RTMs.

In consideration of the above, there is an identified need to establish Gateway assurance arrangements which address these challenges whilst ensuring that assurance is comprehensive, practical, proportional, fit for purpose and robust.

3. Delivery of SBCD Assurance Arrangements

3.1 Principles and Approach

The management and delivery of this Framework and the undertaking of reviews will align to the following guiding principles:



The Gateway assurance arrangements for the SBCD have been developed jointly between the SBCD PoMO and the Welsh Government Integrated Assurance Hub (IAH). A series of meetings and workshops have been held to discuss the most appropriate response to the challenges identified in implementing an effective Gateway assurance process throughout all Levels of the portfolio.

The table below summarises the agreed approach to assurance arrangements for each level of the Portfolio.

Level	Assurance Arrangements
Level 1: Portfolio (1)	Gateway 0 – annual review
Level 2: Headline Programme and Project Business Cases (9)	Gateway 0 / Gateways 1-5 / PARs – periodic reviews with the option of undertaking Gateway 1-5 to incorporate key decision points of component projects and workstreams
Level 3: Projects and Workstreams (35)	Gateway 1-5 / PARs for high risk / value projects to be undertaken at agreed decision points based on an assessment of the Risk Potential Assessment (RPA) form for the headline programme / project

Programme / project RPAs will be used as a key assessment tool for the WG IAH to determine the appropriate form and level of assurance. When considering projects / workstreams at Level 3, the WG IAH, in discussion with the SRO and PoMO, will recommend what decision points could be blended together in a review e.g. a Gateway 0 for the headline programme blended with a Gateway 3 for a component project. The WG IAH would also recommend which project / workstreams should be

subject to a separate Gateway process and at what decision points a review is undertaken.

This approach will be supplemented by the activities of the PoMO in supporting and reviewing business case development and programme / project delivery throughout the process. For example, based upon a review of a current RPA, the WG IAH may recommend that separate Gateway 3 and 5 reviews are undertaken on a component project at Level 3. The PoMO will then work with the programme / project SRO to ensure that there is robust business case development up to the Gateway 3 stage and that delivery is in accordance with the approved project plan up to the Gateway 5 stage. The SRO will ensure that there is a robust business case and any appropriate amendments are completed in preparation for the Gateway review and that delivery is in accordance with the approved project plan.

The approach outlined represents a robust, workable and proportionate application of formal assurance arrangements for the portfolio.

3.2 Roles and Responsibilities

The table below details the key individuals and groups involved in the operation of the SBCD Assurance Framework and their main roles and responsibilities in the process.

<p>Joint SBCD/WG/UKG Assurance Panel</p>	<ul style="list-style-type: none"> • Oversight of SBCD Gateway assurance arrangements • Review and development of the assurance process
<p>WG Integrated Assurance Hub</p>	<ul style="list-style-type: none"> • Management of the WG IAH assurance community • Management of OGC Gateway Process for the SBCD Portfolio (Levels 1-3) including AAP reviews • Provision of training and accreditation for SROs, RTLs, RTMs • Identification and provision of RTLs / RTMs • Review of RPA forms and assessment of assurance needs • Specialist advice on the management of reviews • Responsibility for the Gateway products and how they are administered • Quality assurance of reviews, processes and documentation • Joint SBCD/WG/UKG Assurance Panel representative

SBCD Portfolio SRO	<ul style="list-style-type: none"> • Overall responsibility for the establishment of robust Gateway assurance arrangements for the SBCD following WG IAH standards • Initiation of reviews for Level 1 • Ownership of Portfolio business case
SBCD Portfolio Director	<ul style="list-style-type: none"> • Direct responsibility for the establishment and co-management (with WG IAH) of effective assurance arrangements for the SBCD • Joint SBCD/WG/UKG Assurance Panel representative
SBCD PoMO	<ul style="list-style-type: none"> • Responsible for the establishment and management of the SBCD assurance arrangements • Advice and support on the management of reviews • Implementation of the Portfolio IAAP • Review of RPA forms prior to submission to WG IAH • Updating of Portfolio business case • Advice on, and review of, business case development • Joint SBCD/WG/UKG Assurance Panel representative
Programme / Project SROs	<ul style="list-style-type: none"> • Responsibility for the establishment of robust Gateway assurance arrangements for programmes / projects and workstreams • Initiation of reviews for Levels 2 and 3 • Completion and updating of RPA forms • Ownership and updating of programme / project business cases • Completion of Gateway Review action plan • Undertaking and reporting of AAP review if required • Implementation of the programme / project IAAP including review recommendation progress • Financial arrangements for the costs associated with undertaking a review
SBCD Partner Organisations	<ul style="list-style-type: none"> • Financing and hosting of reviews • Participation in reviews for Levels 1-3
WG / UKG City Deal Leads	<ul style="list-style-type: none"> • Joint SBCD/WG/UKG Assurance Panel representatives • Conduit to the Welsh City and Growth Deals Implementation Board (WCGIB)

4. Management of Reviews

4.1 Review Process

Reviews will be coordinated by the Welsh Government IAH through the established OGC Gateway process and will follow the agreed process as shown below.

The Portfolio IAAP is the key document for the scheduling of Gateways reviews across the programmes and projects of the portfolio. This document will need to be kept up to date by the SRO and their teams, reported through the established monitoring process and implemented according to the agreed timescales.

The SRO should ensure that the business case is updated prior to a Gateway Review, in accordance with the Better Business Case 5 Case model, to ensure that information is current and sufficient for an effective review to be undertaken.

Initiation of Review

A milestone review of the IAAP for programmes and projects will be the main prompt for the initiation of a review and the type of review to be undertaken. Reviews can be initiated by the programme / project SRO, SBCD PoMO or WG/UKG. The RPA form is the key document for detailing the various risks associated with the programme / project and needs to be completed / updated thoroughly and objectively prior to a review. The SRO will be responsible for the completion and updating of the RPA for submission for initial appraisal by the PoMO and then for assessment by WG IAH. The RPA form template is attached at Appendix 3.

The initiation process should be undertaken at least 12 weeks prior to a scheduled review.

Assessment Meeting

On receipt of updated RPA form, an Assessment Meeting will be arranged by the WG IAH with the programme / project SRO and PoMO to determine the appropriate timing, scope and type of review to be undertaken. The SRO will be briefed on the Gateway Review process and provided with the Assurance Pre-Planning Pack to assist with the preparation for the review. The Assessment Meeting will need to be undertaken 10-12 weeks prior to a scheduled review. During this meeting, the SRO will be advised of the need to produce a Terms of Reference (ToR) for each review. This does not need to be comprehensive, but simply a paragraph that describes the main focus for the review. This will avoid any ambiguity and ensure that both the Review Team and SRO fully understand the parameters of the review. Finally, the SRO will be advised to provide the RTL with any reading material appropriate for the portfolio/programme/project and the ToR, 2 weeks in advance of the Planning Meeting.

Appointment of Review Team

The WG IAH will be responsible for the selection and appointment of the RTL and RTMs for reviews based on the discussion at the Assessment Meeting.

Planning Meeting

A Planning Meeting will be held approximately 2 weeks prior to the review in order for the review team to meet with the programme / project SRO and team members. The SRO will brief the review team on the current status of the programme / project and any specific issues from the terms of reference for the team to consider. The SRO will present the interview schedule for key stakeholders to be agreed / amended with the review team. The review team will also finalise the key documentation required prior to undertaken the review.

Gateway Review

The review team will undertake the review and feedback to the SRO and attendees nominated by the SRO at the Emerging Finding meeting at the end of each day. A draft review report including a Delivery Confidence Assessment (DCA) and review recommendations will be provided to the SRO in advance of the Review Draft Report Feedback Meeting at the end of the review and discuss in detail at the meeting. The SRO will have the opportunity to correct any factual inaccuracies in the report prior to final report being issued. The PoMO, WG IAH and other attendees nominated by the SRO will be in attendance at the Feedback Meeting. A final Review Report will be shared with the PoMO and WG IAH.

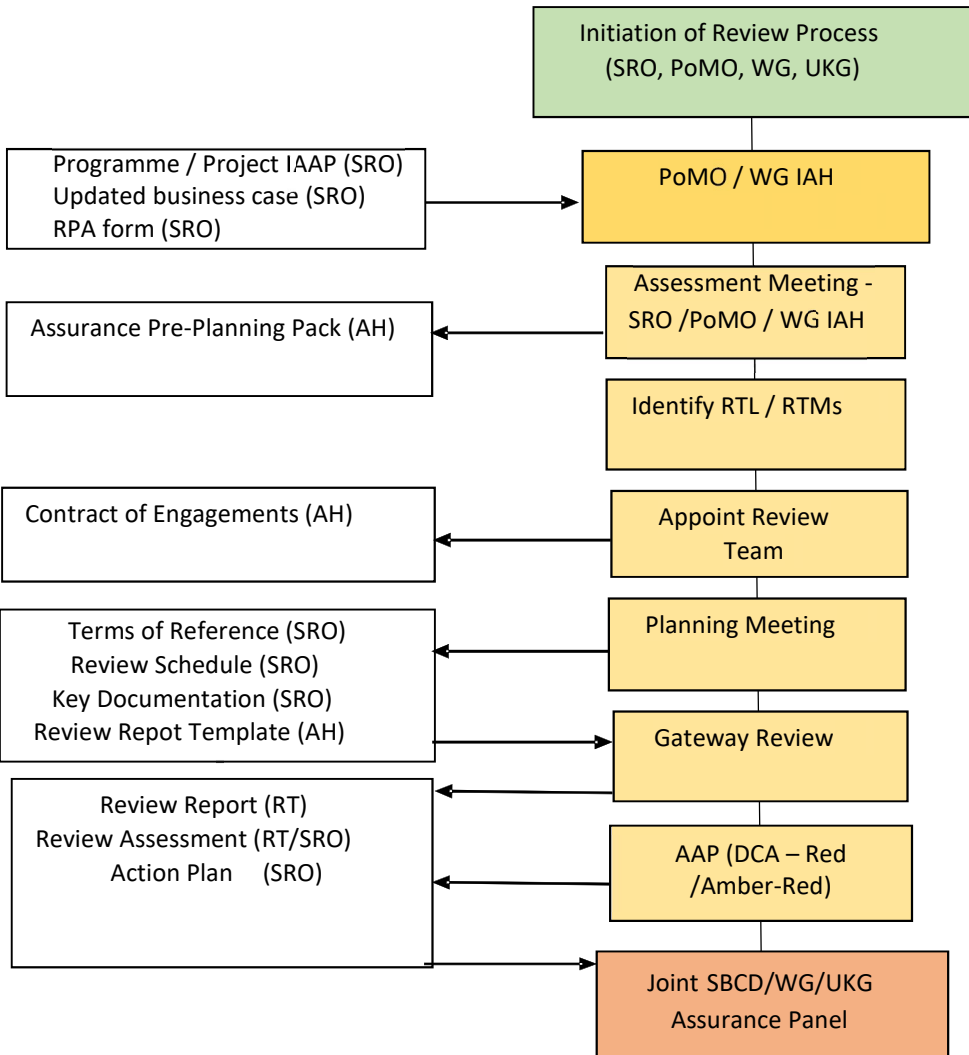
Post Review

Following the review, a 360-degree assessment will be undertaken for the RTL and RTMs and feedback sought from the SRO. The SRO will produce an action plan for completing the review recommendations. These will be presented the Joint SBCD / WG / UKG Assurance Panel.

In the event of a review returning an Amber Red or Red DCA rating, the SRO will be expected to commission an Assurance of Action Plan (AAP) review within 3 months of the initial review. This will involve the development of a robust action plan to respond to the recommendations of the review within the timescales set. Arrangements for the AAP review will be undertaken by the WG Assurance Hub. The outcome of the AAP will be reported through the SBCD Assurance Panel and SBCD governance boards.

DOCUMENTATION

REVIEW PROCESS



The timescale from the Assessment Meeting to the Gateway Review being undertaken is commonly 10-12 weeks.

4.2 Format and Scope of Reviews

The Welsh Government IAH Gateway Assurance Guidance document provides guidance on the structure of each OGC Gateway Review ‘product’, and the areas of investigation to be addressed by the Review Team, together with examples of the evidence which would demonstrate to the Review Team the satisfactory nature of responses to the various topics.

These topics and the examples of evidence are indicative and not prescriptive; within the overall objectives of each Review stage. The Review Team will consider whether

additional or different topics need to be addressed, and the evidence to be sought. Approaches may vary according to the context of the programme or project – for example, IT-enabled business change, property/construction, or policy development/implementation.

All reviews will be undertaken according to the format and scope described by this guidance and tailored to the specific needs of each programme / project. Central to the process is the undertaking of ‘conversations’ with key stakeholders around the specified / agreed areas of review. These will be undertaken according to the established OGC Gateway Review Code of Conduct and will include the following key principles:

- ‘conversations’ are conducted in an impartial and constructive manner
- ‘conversations’ are confidential and non-attributable
- the Review Team will seek to triangulate any themes/comments or evidence heard across several conversations to ensure that they have a solid basis for any observations/recommendations that are contained in the review report
- documentation supplied to the Review Team will be treated with the strictest confidentiality and destroyed at the end of the review.

Reviews will normally be undertaken over a three-day period with two days dedicated to conversations with key stakeholders and third day for report writing and reporting back on the findings to the SRO. The timeframes for a review can be extended for complex programmes / projects with many stakeholders.

4.3 Review Team Arrangements

The Welsh Government IAH will be responsible for the selection and appointment of RTLs and RTMs for reviews from within the established assurance community and through their existing arrangements.

RTL and RTM selection will be informed by the specific nature and scope of review and the essential skills identified for review team members in the assessment stage of the review. All potential RTLs and RTMs will complete a Gateway Reviewer Application to identify an individual’s skill sets and experience.

The Welsh Government IAH will provide the appropriate training and accreditation for all RTLs and RTMs through their existing training modules and specified accreditation requirements.

RTMs will require authorisation for release to undertake reviews by their line manager. RTLs and RTMs will need to sign the Contract of Engagement prior to undertaking the review.

4.4 Standards and Quality

Reviews will be undertaken according to the 14 Gateway Assurance Principles set by OGC™

Communications & Leadership

1. The Senior Executive is committed to the OGC Gateway process & brand
2. The SRO is the client for the OGC Gateway Review and is responsible for the effective implementation of recommendations
3. OGC Gateway is part of a planned and integrated assurance regime for supporting the effective delivery of programmes and projects

Delivery and Best Practice

4. OGC Gateway Reviews are prioritised and resourced commensurate with inherent risk, complexity and priority
5. OGC Gateway Reviews are carried out at appropriate points throughout the entire lifecycle of programmes and projects
6. The OGC Gateway process is applied to preparing and undertaking Reviews
7. Lessons learned from OGC Gateway Reviews are to be shared across the PPM community at national, strategic and local levels
8. The OGC Gateway Review Team must be independent of the programme/project, its management and associated support activities and is responsible for the content of the final report
9. OGC Gateway Reviews are undertaken by a team of accredited peers, with the requisite skills, knowledge and experience, that are drawn from an effectively managed reviewer pool
10. The Review will be short, focused and forward looking, delivering a report to the SRO on the final day of the review
11. OGC Gateway recommendations will be candid & practical, based on best practice & evidence and prioritised for urgency of implementation

Style

12. The process will be open with access to all stakeholders & documentation
13. The OGC Gateway Review process will be undertaken in a confidential manner, with a non-attributable report
14. A 'peer to peer' coaching style will be adopted, with a no 'no surprises' approach

The Welsh Government IAH, whilst adhering to the OGC Gateway Assurance Principles, have its own set of standards and quality that the Team and Reviewer community adhere to. These will be applied to all Levels of review for the SBCD Portfolio.

Flexible – The IAH will, where possible, take a flexible approach to Gateway Assurance Reviews, managing the SRO's requirements and expectations.

Honesty and integrity – The IAH maintains an honest approach to Gateway Assurance Reviews and will provide recommendations for Gateway Reviews if they are applicable at the time. We maintain an open and honest approach with our Reviewer Community and will provide feedback when required

Helpful not a Hindrance – The IAH will support Programmes and Projects through

the Gateway Assurance Process, and will provide advice and guidance, ensuring that the Assurance Process is a helpful one and not a hindrance to the Programme/Project.

Feedback – The Hub provides feedback to both the SRO and Reviewer Community, where required, the Hub in return will also gather feedback on the IAH team performance to support and maintain the standards of delivery

Trend Analysis – The Hub provides Trend Analysis that supports future Programmes and Projects, supports learning and development and supports the Organisation development.

Quality – The Hub expects and maintains a high quality of delivery and will provide the highest quality of Reviewers to each review. We conduct 360-degree feedback to help develop all our reviewer community. We provide open and honest feedback within the Team to maintain a high level of delivery.

4.5 Financial Arrangements

The programme / project SRO will be responsible for financing the costs incurred in undertaking the Gateway Review through their organisational or project budgets.

This will include the consultant fee for the RTL and the travel and subsistence expenses incurred by the RTL. The WG IAH expenses form will be used to claim back expenses relating to the review.

Any accommodation and hospitality costs for RTMs will also be borne by the programme / project SRO.

4.6 Documentation

The following documentation will be utilised by the WG IAH in the management and delivery of assurance reviews.

Assessment and Planning

Risk Potential Assessment Form (IAH-RPA)

Assurance Pre-Planning Pack

- Welsh Government Gateway Assurance Guidance
- SRO Briefing Note (IBN002)
- Assurance Process Checklist
- Assurance Review Schedule
- Interviewee Briefing Note (IBN001)
- Welsh Government Assurance Reviews – Customer ‘tips’

Review and Review Team

RTL / RTM Reviewer Contract of Engagement

- Travel and Subsistence Policy
- Expenses and claims forms

OGC Gateway Review Report Templates

Post Review

360-degree assessment form

Action plan template

5. Governance and Oversight

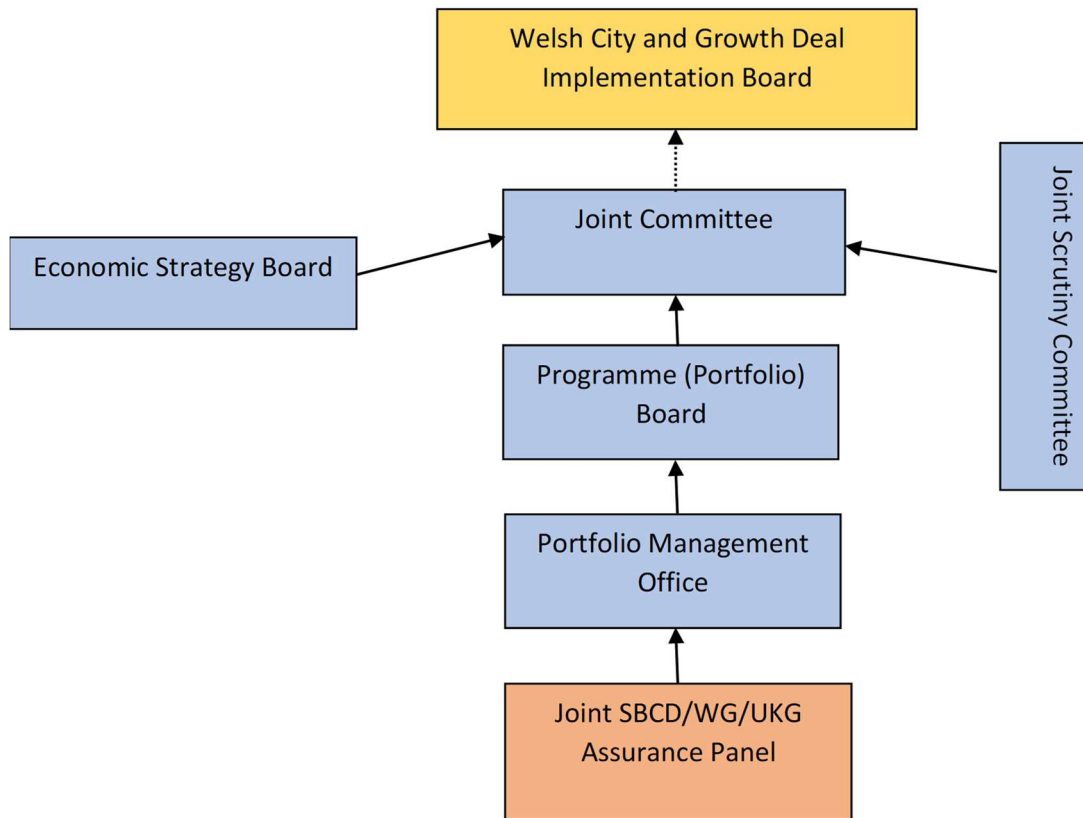
5.1 Joint SBCD/WG/UKG Assurance Panel

Oversight of the development and implementation of the SBCD Assurance Framework will be undertaken by the Joint SBCDWG/UKG Assurance Panel. The Panel will be chaired by Welsh Government Head of Integrated Assurance with representation from the SBCD PoMO, the Welsh Government and UK Governments leads for City and Growth Deals.

Draft terms of reference are attached at Appendix 4. Main duties and responsibilities of the Assurance Panel will be:

- Ensure that appropriate assurance arrangements are in place for the delivery of the SBCD portfolio of programmes, projects and workstreams, including oversight of IAAPs, progress on action plans and AAPs
- Identify the appropriate level of reviews to be undertaken for programmes and projects
- Ensure the specified standards are met in the management and delivery of reviews
- Ensure that the quality of the OGC Gateway process and products are maintained in the delivery of reviews
- Oversee the assessment, scheduling and delivery of reviews
- Monitor and assess the progress of programme / project action plans in relation to review recommendations
- Assessment, identification and facilitation of training needs to ensure the successful operation of the SBCD Assurance Framework
- Ongoing review and development of the SBCD Assurance Framework
- Provide reports to SBCD governance groups on the delivery of the independent assurance arrangements for the portfolio

The Panel will report on a quarterly basis via the Portfolio Management Office into the formal governance arrangements for the SBCD as shown below:



5.2 SBCD Governance Reporting

Outcome and progress report(s) of each project / programme Gateway Review will be made available at the earliest opportunity to SBCD Programme (Portfolio) Board and then SBCD Joint Committee for information. Joint Scrutiny Committee can also request these to be on their agenda of their committee meetings. Reporting will include the terms of reference of the review, a summary of the report findings, DCA rating and an action plan for addressing the review recommendations. For the Portfolio Gateway Review and for the three regional projects (HAPS, Digital Infrastructure and Skills & Talent), the SRO will be required to also submit the full Gateway Review for information.

In the event of a project / programme returning an Amber Red or Red DCA rating, the full Gateway Review report and the subsequent AAP review report will also be submitted to the SBCD governance boards, which includes sharing of the full report to the UKG and WG representatives.

6. Development and Review

The SBCD assurance arrangements as described in this Framework will be further developed as the process is implemented.

The Framework will also be formally reviewed by the Joint Assurance Panel on a six-

monthly basis.

It is acknowledged that the OGC Gateway Review process will be revised with the introduction of the Get to Green proposals. Further advice will be provided by the WG Assurance Hub on the implications for Gateway Reviews in Wales and the process described in this Framework.

Appendices

1. Portfolio IAAP
2. RPA Form Template
3. SBCD Assurance Panel – Terms of Reference

Swansea Bay City Deal Portfolio Risk Management Strategy



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1. Introduction

1.1 Overview

- 1.1.1 The Swansea Bay City Deal (SBCD) will deliver an estimated portfolio investment of £1.13bn across nine project and programmes in partnership with four local authority areas within the Swansea Bay City Region.
- 1.1.2 The SBCD Portfolio Business Case provides details on the management of the portfolio of programmes and projects that respond to the regional needs to increase regional GVA, opportunities for high level skilled jobs and inward investment. These programmes and projects will be delivered against a set of constraints affecting cost, benefits and risk, whereby each will be assessed against the Green Book five business case model.
- 1.1.3 The SBCD Risk Management Strategy is aligned to the HMT Green Book supplementary guidance: [The Orange Book](#).
- 1.1.4 Risk is defined as this uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. The risk must be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does happen. Risk management includes identifying and assessing risks and then responding to them.
- 1.1.5 Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The amount of risk which is judged to be tolerable and justifiable is the risk appetite.
- 1.1.6 The level of risk after these internal controls are known as the residual risk and is the exposure the SBCD has in respect of the identified risk and therefore should be deemed acceptable or justifiable and within the SBCD risk appetite.
- 1.1.7 SBCD risk management considers the environment in which it operates and provides full consideration to the risk priorities of SBCD partners organisations, as these will influence the risks and provide context on how they should be managed.
- 1.1.8 The PoMO functions are based on P3M (Portfolio, Programme and Project) development and delivery.
- 1.1.9 The risk management strategy will be led from the top of the SBCD and embedded in standard practices and processes of the SBCD governance arrangements. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives, where training and support will be made available via the SBCD PoMO.

1.2 Purpose

- 1.2.1 The Swansea Bay City Deal Portfolio purposefully seeks to promote an environment that is risk 'aware' and strives to place risk management information at the heart of key decisions. This means that the SBCD PoMO, primary stakeholders, governance structures and third parties can take an effective approach to managing risk in a way that both address significant challenges and enable positive outcomes for the SBCD Portfolio.

- 1.2.2 The purpose of this Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed throughout the SBCD Portfolio and thus will:
- Inform stakeholders how risks will be identified, assessed, addressed and managed
 - Provide a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance and thereby increasing the likelihood of successful delivery of the SBCD aligned to the regional ambitions
 - Detail the key roles and responsibilities of groups and individuals associated with the SBCD with respect to programme management
 - Signpost to additional resource, support and training
 - Provide standard definitions and language to underpin the risk management process
 - Implement an approach that follows best practice

1.3 Definitions

The City Deal means the Swansea Bay City Deal agreed between the Member Authorities and UK and Welsh Governments.

SBCR is a partnership between the local authorities of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

P3M means Portfolio, Programme and Project management functions, best practices, principles and practices.

The PoMO means the Portfolio Management Office which oversees the SBCD development and delivery and in particular, P3M functions such as assurance, risk and issue management, benefits and value, communications and stakeholder engagement, information management, finance, resource management, reporting and administration.

Risk can be defined as the uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. It is the combination of likelihood and impact, including perceived importance.

Risk Management is the systematic application of all the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress.

Risk Owner is a person with accountability and authority to effectively manage the risk.

Risk Strategy is the overall organisational approach to risk management as defined by the Accounting Officer and/or governance board. This should be documented and easily available throughout the organisation.

Risk Appetite the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.

Inherent Risk is the exposure arising from a specific risk before any action has been taken to manage it.

Residual Risk is the exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective.

1.4 Principles

- 1.4.1 The SBCD portfolio risk management Strategy is based on five principles. These principles aim to assist with increasing confidence in achieving the programme outcomes and making better decisions by utilising forward-looking and proactive tools that enable the SBCD to build a better chance for successful socio-economic outputs and outcomes for the region. They are:
- **Dialogue** - with and amongst key stakeholders to identify risks
 - **Debate and challenge** - collective debate and constructive feedback to challenge organisational and traditional thinking to ensure the decisions are the right ones to make
 - **Culture** - that cultivates creativity, diversity and open ways of thinking from staff engagement and empowerment to contribute and be listened to
 - **Risk appetite** - clear on conduct, behaviour and the level of risk that the SBCD is willing to accept or tolerate in order to operate safely
 - **Independent thinking** - obtaining views from someone who can independently challenge the risk management strategy, practices and ways of thinking to overcome the issues associated with “groupthink”
- 1.4.2 By adhering to these principles, the SBCD will remain relevant, move forward and assure a sustainable future for our region.
- 1.4.3 The SBCD risk management strategy is targeted to all the projects and programmes associated with the portfolio and the key stakeholder members on the governance boards of the SBCD and the UK and Welsh government as sponsoring bodies.

2. Risk Management

2.1 Risk Management Policy Statement

- 2.1.1 The SBCD faces numerous risks (opportunities and threats), which have the potential to disrupt achievement of the investment objectives of the SBCD, for better or worse. The SBCD will use risk management to take better-informed decisions and improve its ability to achieve or exceed its strategic and operational objectives.
- 2.1.2 The SBCD considers risk management to be fundamental to good P3M practice and a significant aspect of governance. Accordingly, risk management must be an integral part of the SBCD routine decision-making and must be incorporated within strategic and operational planning processes at all levels.
- 2.1.3 The SBCD’s **Risk Management Strategy (RMS)** supports this policy statement and contains details of the processes by which risk management will be carried out, reported and managed, including the tools and systems to be used.
- 2.1.4 The RMS will be led from the top of the SBCD and embedded in standard practices and processes of the SBCD governance arrangements. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives.
- 2.1.5 The SBCD PoMO will regularly review and monitor the risk management process and the development of an appropriate risk management culture across the SBCD.

2.2 Benefits of Risk Management

2.2.1 There are several benefits that result from adhering to structured and standardised Risk Management. Most importantly:

- Identifies threats and opportunities to SBCD Portfolio and raises awareness
- Reduces the level of risk which threatens the delivery of SBCD Portfolio
- Elevates communication between stakeholders and the SBCD Portfolio
- Improves decision making at all levels
- Provides confidence from primary stakeholders and governing committees that risks are effectively identified, monitored and evaluated
- Results in fewer surprises

2.3 Risk Categorisation

2.3.1 The SBCD portfolio risk register captures and monitors key portfolio level risks to the delivery of the City Deal and achievement of its aims and objectives. It will be monitored by Joint Committee, Programme Board, Economic Strategy Board and Joint Scrutiny Committee via circulation prior to each meeting and issues tabled for discussion as necessary. This identifies what aspect of the SBCD portfolio could be impacted. See Appendix 1 for more detail on the Impact Criteria.

Category	Ref. No	Description
Contractual	C1	Ineffective use or management of contacts leads to increased costs
Environmental	C2	Environmental incidents
Financial	C3	Financial risks facing the Councils
Health & Safety	C4	Harm to employees / public
IT	C5	Failure of systems / cyber attack
Objectives	C6	Threat to achieving portfolio objectives
People / Social	C7	Threat to / from society / groups / public
Physical / Assets	C8	Damage to organisational property
Political	C9	Adverse actions caused by changes in local/ regional/national governments
Professional	C10	Lack or loss of qualified employees
Projects	C11	Threat to / from individual projects
Regulatory / Legal	C12	Changes to regulations / law
Reputation	C13	Negative publicity
Schedule/Timescales	C14	Threats to timelines / critical path(s)

2.4 Risk Classification

2.4.1 The identification and assessment of risks in the risk register are aligned to the UK and Welsh Government Guidance, where risks fall into three main categories:

Business	Business related risks remain with the public sector and can never be transferred
Service	Service-related risks occur in the design, build, funding and operational phases of a programme / project and may be shared between the public and private sectors
External	External systemic risks affect all society and are unpredictable and random in nature

2.4.2 **Business-related risks** that can affect the scope, time and cost at portfolio level are summarised as follows:

- Displacement as a result of competing with other regions across Wales
- Lack of funding from Welsh and UK Governments
- Lack of inward investment from private sector
- Lack of quality human capital within the region
- Political conflict at Regional, UK and Welsh Government levels

2.4.3 **Service-related** risks will be managed by each of the City Deal programmes / projects, who will maintain, manage and monitor their own risk registers in line with guidance from the Green Book and the PoMO governance arrangements. Any significant risks that may affect portfolio deliverables will be escalated to the PoMO and reported and managed via the regional governance structure.

2.4.4 **External Risks:** Although not within the control of the portfolio the following external risks are significant to portfolio delivery and are therefore monitored accordingly.

2.4.5 **Brexit:** In 2016 a referendum was held to decide whether the UK should remain in the European Union or not. No dedicated process is in place to monitor the effects of Brexit (at July 2020) due to delays in implementation by UK Government. High-level monitoring is being undertaken at Welsh Government and Local Authority level.

2.4.6 **Covid-19:** At the time of the Business Case update in July 2020, the long-term effects of Covid- 19 and the Brexit situation are largely unknown. This situation will be closely monitored over the coming months, where risks and mitigating actions will be continually under review. To support this process, the SBCD PoMO coordinated all projects to populate a Covid-19 Impact Assessment template, which is reported through governance structures to actively manage the identified Covid-19 risks. This is a live document that is regularly reviewed by the PoMO.

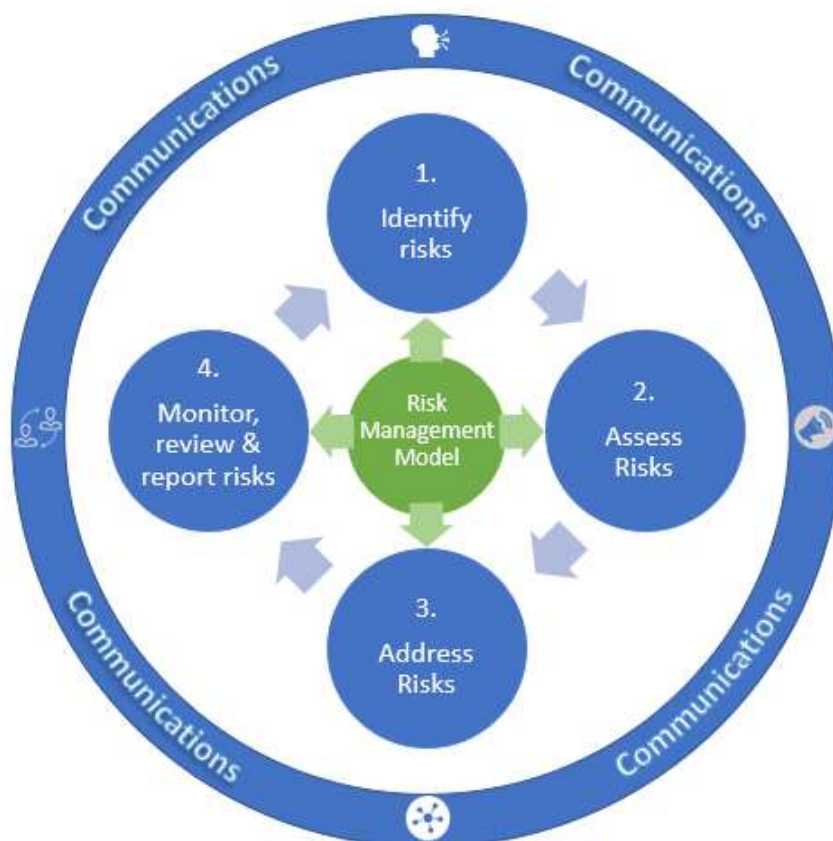
2.4.7 Key business risks captured in a SBCD risk register and Covid-19 impact assessments include SBCD partner withdrawal, delays to project approval, funding draw down and portfolio delivery delays, achievement of targets, reputational effect and change to scope and objectives.

3. The Risk Management Model

3.1 Introduction

- 3.1.1 SBCD portfolio works towards a comprehensive and integrated approach to risk management where:
- Staff are clear about what risk management is intended to achieve
 - Significant risks are being identified and managed effectively
 - Guidance on risk management is easily accessible
 - A consistent approach is followed across the portfolio, programmes and projects using a common language for risk management and it is seen as an integral part of good corporate governance
- 3.1.2 The PoMO risk management approach is based on P3M (Portfolio, Programme and Project) and HM Treasury Orange Book best practice principles and practices.
- 3.1.3 This section details the agreed arrangements that are needed to ensure the effective management of risk across the portfolio. The SBCD approach to risk management is based on best practice and involves four key steps as outlined in Section 3.1.4 below.
- 3.1.4 The risk management model is non-linear, whereby the elements of risk management need to be balanced with each other for it to be effective. Risks are also treated together as the management of one risk may be more effective by controlling several simultaneously. The process to manage risks is represented by four main elements for illustrative purposes, but in practice they blend together.

The SBCD Risk Management Model:



3.1.5 Effective communication and consultation between SBCD portfolio is critical to the successful management of risk. These are not one-off standalone events but important factors at every point of the process and it is vital that staff at all levels across the organisation are involved if risk management is to be truly embedded and a useful management tool.

3.2 Identify Risks

3.2.1 Risks should be related to objectives and should encompass the cause of the impact and impact of the objective (the cause and impact) which might arise. Once identified risks will be assigned to an appropriate owner who has the authority and responsibility to manage and monitor the risk. The risk owner may not be the person who addresses the risk. Risks can be identified by either commissioning a risk review and/or by self-assessment.

3.2.2 **Continuous risk identification** is then necessary to identify new risks that were not initially seen and to monitor any changes in already reported risks.

3.2.3 Risks are identified by a variety of means, (e.g. brainstorming, SWOT analysis, workshops, previous experiences, etc). SWOT Analysis through a workshop environment is the technique the SBCD PoMO adopt to determine the Strengths, Weaknesses, Opportunities and Threats to deliver the portfolio both internally and externally. This technique enhances the ability to identify risk within the wider government context.

S trengths	W eaknesses
What do you do well? What unique resources can you draw on? What do others see as your strengths?	What could you improve? Where do you have resource limitations? What are you lacking?
O pportunities	T hreats
What opportunities are open to you? Media / press coverage How can you turn strengths into opportunities?	What threats could harm you? What threats do your weaknesses expose? Regulatory changes

3.2.4 Describing the risk is equally important to ensure that risks are fully understood, and to assist with the identification of actions, the cause and impact of each risk must also be considered. A good risk description avoids ambiguity and confusion. Typical phrases used to do this include:

Cause	Risk	Impact
Lack of clarity in programme / project specification leads to ...	Failure to deliver outcomes as expected resulting in ...	Customer dissatisfaction and damage to reputation

3.2.5 Once the risk, the cause and the impact to the SBCD portfolio has been identified the risks are recorded in the Risk Register.

3.3 Assess risks

3.3.1 Once a risk is clearly defined, the SBCD’s approach to risk management is to assess the risk in terms of probability of occurrence and the plausible impact that its potential consequences using the Risk Assessment Matrix detailed below.

Risk Assessment Matrix		Impact				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Fundamental (5)
Probability	Almost Certain (5)	Low	Medium	High	High	High
	Likely (4)	Low	Medium	Medium	High	High
	Possible (3)	Low	Low	Medium	Medium	High
	Unlikely (2)	Low	Low	Low	Medium	Medium
	Extremely Unlikely (1)	Low	Low	Low	Medium	Medium

3.3.2 **Probability** is scored as follows:

- 5 = Probability is **certain** will occur in most circumstances >80%
- 4 = Probability is **likely** to occur 51% - 80%
- 3 = Probability is **possible** of occurring 26% - 50%
- 2 = Probability is **unlikely** to occur but potentially exists 10% - 25%
- 1 = Probability is **extremely** unlikely to occur <10%

3.3.3 **Impact** is scored using a 1 to 5 scale (See Appendix 1 for Impact Criteria):

- 5 = Incidence would be **fundamental** to the ability to deliver the portfolio at all
- 4 = Incidence would be **major** on the ability to deliver the portfolio
- 3 = Incidence would be **moderate** on the ability to deliver the portfolio
- 2 = Incidence would be **minor** on the ability to deliver the portfolio
- 1 = Incidence would be **insignificant** on the ability to deliver the portfolio

3.3.4 The outcome of the risk assessment is determined by multiplying probability by impact and will produce a score that translates into an evaluation of the risk as being high, medium or low.

3.3.5 The assessment needs to be compared to the risk appetite to determine the level of action required. Focus needs to be given to residual risk i.e. the risk after control has been applied and therefore is the actual exposure that SBCD portfolio faces. Information about the inherent risk is also considered to determine if there is over-control in place. The risk assessment will provide the SBCD portfolio with a risk profile that enables the SBCD PoMO to prioritise risk, capture the reasons for decisions, records how risk is being addressed and facilitates the sharing, facilitation and monitoring of risks for all those concerned with risk management.

3.3.6 In order to maintain consistency across the SBCD portfolio, the ‘5 x 5’ scoring matrix (3.3.2) should be used for managing and reporting risks for the City Deal portfolio, programmes and projects. Risk magnitude is determined by categorising as High, Medium or Low.

3.3.7 Risks are given two scores; Firstly, at the point the risk is identified, with any existing controls in place (i.e. before anything new has been done to manage it). This is the “inherent risk” score and is calculated only once, at the time the risk is identified. The score remains unchanged thereafter, to act as a baseline for future risk management activity.

Risk Appetite

3.3.8 The amount of risk, the SBCD portfolio is willing to take on, accept, tolerate or be exposed to, in the pursuit of its objectives, is known as its risk appetite. It is essential to consider risk appetite prior to considering how to address risks. Application of risk appetite requires a standardised escalation process across the portfolio, programmes and projects.

Risk Appetite Status

Status	Management action required
Comfortable	The Joint Committee and Programme Board accepts the level of risk presented as within its' comfort zone
Manageable	The Joint Committee and Programme Board accepts the level of risk presented, subject to suitable and effective risk controls being in place, working and evidenced
Unacceptable	Risks at this level <u>may</u> be accepted, subject to approval of Joint Committee and Programme Board, based on rigorous control measures and regular evidenced reporting of control effectiveness by SBCD PoMo

3.3.9 Within the parameters set by its Risk Tolerance, the SBCD portfolio will be open to risk taking in activities which support the fulfilment of its objectives. Objectives may carry numerous inherent risks and within this context, risk appetite may vary on a case-by-case basis. Risks will therefore be assessed as they arise, in proportion with the opportunities that they present and the controls that will be introduced to protect the SBCD portfolio from financial/reputational loss or non-compliance with legislation.

3.3.10 The SBCD portfolio maintains an effective management process to manage risks. Any risks that are an unacceptable exposure to the SBCD, stakeholders or third parties are mitigated as far as possible. Where a proposed activity or venture has a residual risk that is considered unacceptable and there is no means of reducing the risk to an acceptable level the activity may be rejected.

3.3.11 The SBCD will seek to enhance sustainability and improve the region. The SBCD will be open to risk taking to achieve these goals.

3.3.12 In deciding the risk appetite and delegated risk appetite (risk tolerance levels), consideration needs to be given to:

- Environmental and wider economic factors, including current government

- required reductions in budgetary spending
 - Funding levels and its overall capacity to bear risk
 - The amount of risk that is acceptable (what risk could be justified if it happened)
- 3.3.13 The SBCD will seek to enhance knowledge and understanding of national and globally important issues through its commitment to excellence in economic development. SBCD portfolio is open to an appropriate level of risk taking which is beneficial to advancing the region and supports the achievements of its objectives.
- 3.3.14 The SBCD's reputation will directly influence its ability to attract interest and inward investment, which in turn will influence the opportunities on offer. To this extent, the SBCD will ensure that appropriate measures are in place when exposed to risks which promote and enhance its ambition to become more productive.
- 3.3.15 The SBCD recognises that it must build infrastructure to fulfil its potential and achieve its strategic objectives. The SBCD consists of a portfolio of programmes and projects to transform its economic landscape and infrastructure, whereby risks will be controlled through robust project management, oversight and governance.
- 3.3.16 The SBCD operates in a challenging environment with economic recovery from Covid-19 and Brexit, increasing competition and political differences. The SBCD aims to be competitive by attracting industry, creating highly skilled jobs and creating an ecosystem of innovation, enterprise and engagement. The SBCD will be open to risk taking in order to achieve these goals.
- 3.3.17 The SBCD must be responsive to increasing demands within the various sectors in which it operates and will reflect upon its efficiency and effectiveness with the aim of delivering strategic change within the region for these sectors. Regional change will expose the SBCD to risk and this will be mitigated through strong leadership and meaningful engagement with all stakeholders in order to promote a culture of innovation, development and resilience.

3.4 Address Risks

- 3.4.1 The SBCD will address risks through internal controls and by defining its level of tolerance to achieve its objectives by setting the parameters which determine the acceptance of risk (risk tolerance).
- 3.4.2 Risks rated as Red will be deemed to have exceeded tolerance levels and will be subject to escalation to Programme Board (PB) and Joint Committee (JC) for review and action. The target residual rating for a risk is expected to be 'medium' or lower. In the event that this is not deemed realistic in the short to medium term, this shall be discussed as part of the Governance Boards, and this position regularly reviewed with the ultimate aim of bringing the level of risk to a tolerable level.
- 3.4.3 Not all risks will be required to be managed continually, so having assessed and prioritised the identified risks, cost effective action needs to be taken to manage those that pose the most significant threat.
- 3.4.4 Some risks are unavoidable, and it is not within the ability of the SBCD portfolio to completely manage it to a tolerable level - for example many organisations have to

accept that there is a risk arising from COVID-19 as referred to in 2.4.1 which they cannot control. In these cases, contingency planning is required.

- 3.4.5 The SBCD will accept a degree of financial risk in order to develop and improve; whilst overall, it will adopt a cautious approach to promote financial stability.
- 3.4.6 The SBCD operates in a highly political and legislative environment and will operate within the relevant value for money, legal and regulatory frameworks. The portfolio will not seek to take risks to systemic compliance in these areas.
- 3.4.7 The SBCD portfolio will accept risks that could result in short term adverse but will seek to avoid any longer-term exposure to adverse publicity.
- 3.4.8 There are five key aspects to addressing risk.

Tolerate	Agree that any further action to treat a risk is not cost effective or proportionate in relation to the current risk and decide to tolerate it as it is.
Treat	Implement cost effective measures to reduce or further control a risk to an acceptable level.
Transfer	Move the responsibility for risk or a specific component of risk to another party. This might be achieved through legislation, contract, insurance or other means.
Terminate	Choose an alternative solution or not to be involved in, or to withdraw from, an activity or opportunity because of the risk involved.
Take the opportunity	Actively take advantage of risk through realisation, enhancement and exploitation, where it is seen as an opportunity to gain benefit.
Monitor, review and report risks	Risk management should be thought of as an ongoing process and as such risks need to be reviewed regularly to ensure that prompt and appropriate action is taken to reduce their likelihood and/or impact. The Risk Register is used to monitor, track and review risks to become more proactive to provide solutions to problems that could have been anticipated.

3.5 Monitor, Review and Report Risks

- 3.5.1 Risk management should be thought of as an ongoing process and as such risks need to be reviewed regularly to ensure:
 - Prompt and appropriate action is taken to reduce their probability and/or impact
 - New risks are identified and evaluated
 - Mitigating actions are in place to control the risk
 - Risk management is effective
 - The current risks still exist
- 3.5.2 The Risk Register is an important tool that forms an integral part of the SBCD Portfolio Risk Management Strategy and helps the PoMO document risks, track risks and address them through preventative controls and corrective measures.

3.5.3 Risk Register Template

Risk Theme	Ref	Title	Date Raised	Category	Owner	Risk Description	Inherent Probability	Inherent Impact	Inherent Rank	Original Control Actions	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank	Reported Change	Review Date
	SBCD001			C6 C14			4	3	12			3	3	9	↑ (2,3)	Jan-21

3.5.4 The Risk Register includes the following elements:

Risk Theme	SBCD Portfolio Risk Register defines risks associated to 1. Development 2. Implementation 3. Operational 4. Financial
Reference	A numerical identifier for each risk
Title	Summary of Risk
Date Raised	Date the risk was first identified
Category	The category to which the risk could impact (See 2.3)
Owner	Accountable point of contact for the risk
Risk Description	Description of the Risk, cause and Impact on the Portfolio
Inherent Probability	Assessed at the point of risk identification, how likely is it that the risk will occur prior to any mitigating action.
Inherent Impact	Assessed at the point of risk identification, how significant would the impact be if the risk were to occur prior to any mitigating action
Inherent Risk	The exposure arising from a specific risk before any action has been taken to manage it
Original control action	First steps to control the risk after being identified
Update/Control	Regular progress update / steps that are planned to mitigate the risk
Revised Probability	The probability of the risk occurring after mitigating action has taken place. This can deviate from the inherent probability depending on whether controls in place are taking effect. This can change month on month
Revised Impact	The impact if the risk occurs after mitigating action has taken place. This can deviate from the inherent impact depending on whether controls in place are taking effect. This can change month on month
Revised Risk	The exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective

- 3.5.5 The SBCD PoMO are responsible for creating, maintaining, reviewing and reporting on the Portfolio Risk Register. Frequency of review will be dependent on the circumstances and environment around the risks but will be a minimum of every three months. Risks rated Red will be subject to more detailed and frequent monitoring. Programme / project risks will be the responsibility of the allocated lead. These risks will be reported to the PoMO on a quarterly basis.
- 3.5.6 Portfolio risks will be reported on a quarterly basis to the SBCD governance structures and shared with Welsh and UK Governments on the same basis enabling senior managers and primary stakeholders to be more fully aware of the extent of the risks and progression being made to manage them.

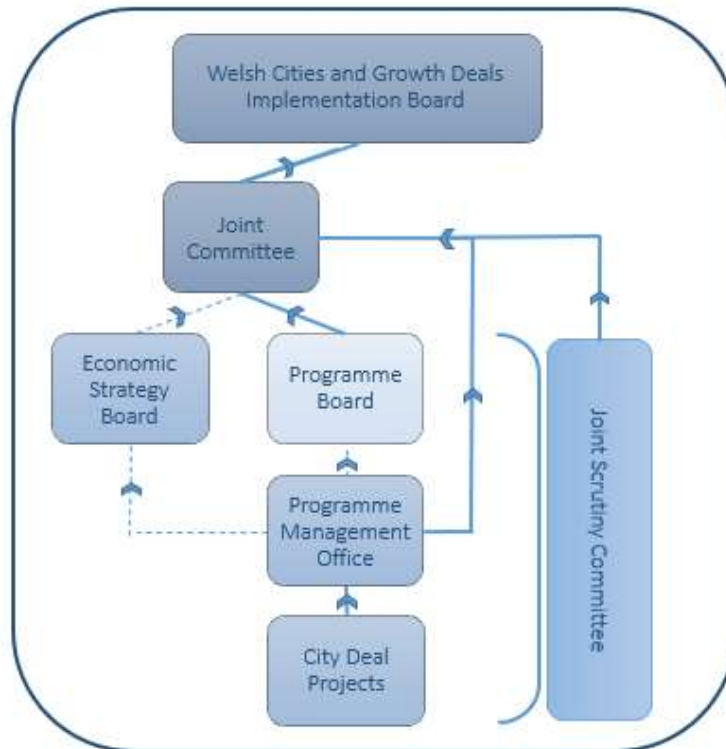
4. Issues

- 4.1 Risks are events which can be anticipated, but when or how often they may happen is uncertain.
- 4.2 Issues are events which have happened or are known to be about to happen and thus their occurrence is certain.
- 4.3 The urgency with which an issue must be addressed is potentially higher than that for a risk, (i.e. a threat or opportunity), because its occurrence is no longer subject to uncertainty. However, the information that needs to be recorded for the issue remains the same as for a risk, as does the way it is managed; identify and implement control actions, monitor and review to determine if further control actions are required, reporting, etc.
- 4.4 Issues will be captured, assessed and monitored via an Issues Log.

5. Governance

5.1 Governance Structure

- 5.1.1 To ensure risk management is effectively implemented, the PoMO are responsible for ensuring that an agreed approach is in place for adequate and effective risk management and control. All primary stakeholders should have a level of understanding of the SBCD risk management approach and regard risk management as part of their responsibilities. Staff and managers that are accountable for achieving an objective are accountable for managing risks to achieve the objective.



5.1.2 The SBCD governance and delivery structure, as outlined above is operational with established Terms of Reference, membership/post holders, and plans and processes in place to govern and deliver the SBCD portfolio.

5.2 Escalation of Risk

5.2.1 A key element to effective risk management is on-going vigilance and the communication and escalation of risk information to the appropriate management level. The reporting and escalation of risk within the SBCD portfolio is based on the Governance structure.

5.2.2 Risk escalation is based on the following key principles:

- Escalation process needs to be managed and have ownership. It is not sufficient to simply escalate a risk to the next management level. It is important that when a risk is escalated, it is reassessed as to its impact on the achievement of objectives at that next level.
- All SBCD staff are empowered to escalate. Importantly, escalation should not be seen as a failure. Escalation is a tool to ensure that risks that cannot be resolved at one level are relayed to the next level to ensure that every effort is made to mitigate the risk.
- Escalation needs to be timely. It is important that risks are escalated early and in good time to affect a resolution.
- Escalation should be documented. It is important that all risks are recorded, where appropriate, in risk registers. Any verbal escalation should be followed up with written or email documentation detailing the risk and retained.

5.2.3 Reasons for Risk escalation:

- The Probability and / or Impact scores of a risk when periodically assessed may increase significantly
- The probability and / or Impact scores of a risk when first identified is significant enough to warrant escalation immediately
- The scope of the risk may increase, (additional stakeholders included, range of causes and / or consequences increases)
- Existing controls not taking a positive effect
- Uncertainty as to what additional / amended controls to apply
- Budget / resources / staffing no longer sufficient to operate existing controls

5.2.4 Escalating risk does not always delegate the management of risk upwards. Risks can sometimes be de-escalated if risk owners feel there are appropriate resources to mitigate the risk at the lower level.

5.2.5 Once escalated, the next management level becomes alerted to the risk, reassesses the risk as to its impact on the achievement of objectives at that next level and takes appropriate action. This may mean:

- Accepting risk at the higher level
- Changing the activity, or
- Adjusting the level of risk, they judge suitable for the level below to manage

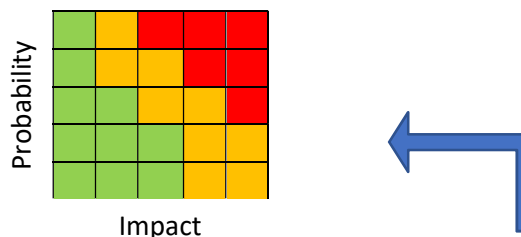
5.2.6 In order to ensure that only those risks which truly require consideration for additional support are escalated, the following guidelines should apply:

	Automatically		Exceptionally
Risk Score	Residual risk score of 20 or 25 And Score not expected to reduce without additional control actions being implemented	OR	Residual risk score of 15 or 16 And The risk owner does not have sufficient knowledge / resources to effectively manage the risk and do not expect the residual risk score to reduce without additional action

5.2.7 Risk escalation process

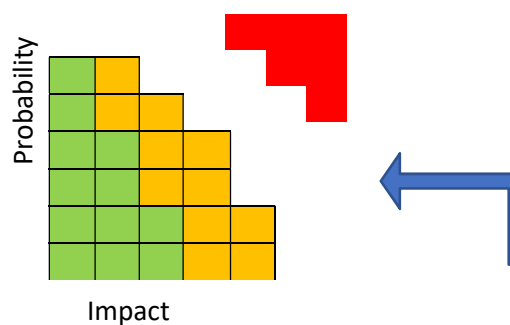
Level 0

Joint Committee
Welsh Cities & Growth
Deals Implementation
Board



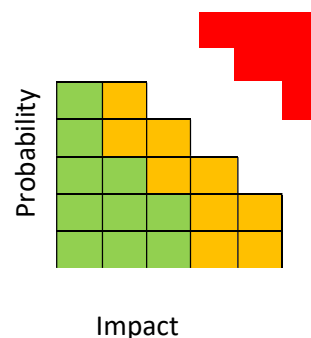
Level 1

Joint Scrutiny Committee
Programme Board
Economic Strategy Board
SBCD Portfolio



Level 2

Programme
Project



5.3 Responsibilities

The following section details the key staff and groups involved in the SBCD Risk Management Strategy and their associated roles and responsibilities.

All SBCD related employees

- Manage day to day risks and opportunities effectively and report risk management concerns to their line managers
- Participate fully in risk workshops and action planning as appropriate
- Attend training and awareness sessions as appropriate

Risk Owners

- Ensure risks are clearly defined to make explicit the risk the cause and the impact that may arise
- Provide assurance that the risks for which they are the risk owner are being effectively managed.
- Ensure the controls that are in place to manage the risk are proportionate to the context and level of risk
- Confirm the existence and effectiveness of existing actions and ensuring that any further actions are implemented

Portfolio Director

- Ensure that effective risk management arrangements are in place to ensure the SBCD exposure is at an acceptable level
- Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability
- Establish and monitor that clear, effective and proportionate governance is in place for all programmes and projects, including risk management
- Evaluate the adequacy of the risk management strategy and supporting documentation to achieve SBCD objectives
- evidence provided or in the depth or scope of the reviews undertaken
- Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required
- Report to Joint Committee on a quarterly basis
- Report to Programme Board on key risks via PoMO Highlight report on a monthly basis and Quarterly Monitoring reports
- Report to Joint Scrutiny Committee on a two-monthly basis

Portfolio Management Office

- Provide a full toolkit of guidance and documentation to the SBCD portfolio including a reporting template risk register template, risk assessment matrix, guidance on categorisation of risks, reporting schedule and frequency of reporting
- Has overall accountability for the SBCD risk management process
- Constructively review the risks held on the portfolio risk register and holds regular risk workshops to identify new risks
- Provide adequate information in a timely manner to primary stakeholders and third parties on the status of risks and controls
- Identify gaps in control and/or over control, and provide the opportunity for continuous improvement
- Provide direction and guidance to programme and project leads to ensure consistency of reporting and recording risks and ensure appropriate action is being taken to mitigate risks

Programme / Project Leads

- Identify, assess and monitor risk appropriately document significant project or programme risks
- Where risks remain intolerable, these will be formally reported to the Portfolio Director for resolution
- Clearly identify risk ownership
- Ensure timely reporting of risks to the PoMO on a quarterly basis
- Record risk via the standardised risk template
- Report risks via programme / project board and host organisation

SBCD & Programme / Project Senior Responsible Owner (SRO)

- This applies to both portfolio and programme / project SRO
- To understand how the objectives of the SBCD and project / programme SRO may be affected by risks to the portfolio
- To escalate risks and issues to the Joint Committee chair
- Oversee portfolio director / project lead to monitor and control risks and issues
- To identify, understand and drive the successful mitigations of portfolio risks

Section 151 Officer (Chief Finance Officer) & Monitoring Officer

- Active involvement in all business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered

Accountable Body

- Carmarthenshire County Council is the Accountable Body responsible for discharging City Deal obligations for the four Local Authorities
- The Accountable body is the primary interface for the City Deal with the Welsh Government and the UK Government

Joint Committee

- The Joint Committee comprises the four local authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.
- The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the SBCD
- Have strategic responsibility for risk management as part of their responsibility for governing delivery of the SBCD
- To ensure that portfolio, programme and project risks are effectively identified and managed and that any impacts on SBCD portfolio that may follow implementation are reported and managed
- Report any risk impact to Joint Committee host organisations
- Continual review of portfolio risk register via quarterly updates by PoMO
- Understand that good risk management is a key part of the Member Authorities culture

Joint Scrutiny Committee

- The Joint Scrutiny Committee shall comprise of 12 members in total, 3 each from the 4 Constituent Authorities
- Provide a scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committees/related entities
- Provide advice, challenge and support to the Joint Committee on risk management
- Consider the implications of risks and provide relevant advice

Programme Board

- Programme Board will consist of the Chief Executives from each of the Councils or another officer nominated by the Chief Executive and accountable to the Joint Committee, the Programme Board prepare recommendations on the SBCD portfolio
- Support programme and project development
- To ensure that portfolio, programme and project risks are effectively identified and managed and that any impacts on SBCD portfolio that may follow implementation are reported and managed.
- consider the implications of risks and provide relevant advice
- Continual review of portfolio risk register via quarterly updates by PoMO
- Provide advice and guidance on key programme and project risks on a monthly basis via Highlight Report provided by the PoMO

Economic Strategy Board

- Reporting to the Joint Committee, the Economic Strategy Board is made up of representatives from the private sector in key City Deal themes including energy, life sciences, manufacturing and housing
- The Economic Strategy Board acts as the voice of business, providing strategic direction for the City Deal through advice including but not limited to risk management
- Monitor progress of SBCD portfolio risk register
- Provide independent assurance to the on the overall adequacy of the risk

Appendix 1 – Impact Criteria

Category	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Fundamental
Contractual	Barely noticeable reduction in scope/ quality / schedule	Minor reduction in scope / quality / schedule	Reduction in scope or quality, project objectives or schedule.	Significant reduction in ability to meet project objectives or schedule	Poor contractor management results in inability to meet project objectives.
Environmental	Activities with hardly any environmental risk or impact that are site specific	Activities with little environmental risk or impact that are site specific	Activities with moderate environmental risk or impact that are site specific	Activities with high environmental risk or impact that are site specific	Major incident
Financial	Damage, loss, (£< 1k)	Damage, loss, (£1- 10k)	Damage, loss, (£10- 100k).	Damage, loss, (£100k- 1m).	Damage, loss, (£>1m).
Health & Safety	Trivial injury(ies)	Minor injury(ies)	Major injury	Major injuries	Death(s)
IT	Interruption not impacting service delivery	Short-term interruption to service delivery	Interruption with unacceptable impact on service delivery	Sustained interruption to service delivery	Permanent loss of service delivery leading to knock on effects
Objectives	Barely noticeable reduction in scope / quality / schedule	Minor reduction in scope / quality / schedule	Reduction in scope or quality, project objectives or schedule	Significant reduction in ability to meet project objectives or schedule.	Inability to meet project objectives.
People/Social	Complaints results in barely noticeable effect on scope / quality / schedule	Local media coverage with minor effect on scope / quality / schedule	Local media coverage with medium effect on scope / quality / schedule	National media coverage with significant reduction in scope / quality / schedule	International media coverage with inability to meet project objectives.
Physical / Assets	Damage, loss, theft (£< 1k)	Damage, loss, theft (£1-10k).	Damage, loss, theft (£10-100k)	Damage, loss, theft (£100k- 1m).	Damage, loss, theft (£>1m).
Professional	Staffing / competence results in barely noticeable reduction in scope /quality / schedule	Staffing / competence results in minor reduction in scope / quality / schedule	Staffing / competence results in reduction in scope or quality, project objectives or schedule.	Staffing / competence results in significant reduction in ability to meet project objectives or schedule.	Staffing / competence results in inability to meet project objectives.
Projects	Minor internal threat to / from individual projects	Major internal threat to / from individual projects	Minor external threat to / from individual projects	Major external threat to / from individual projects	Stops work
Regulatory / Legal	Minor internal breach	Major internal breach	Minor external breach	Major external breach	Stops work
Reputation	Complaints	Local media	Regional media	National media	International media
Schedule / Timescales	<10% overrun	10% - 15% overrun	15% - 25% overrun	25% - 50% overrun	>50% overrun

The purpose of the combined risk/issues assessment and impact assessment is to highlight and quantify the specific risks/issues currently being experienced throughout the construction industry. SBCD Programme Board and Joint Committee have requested that all programmes and projects assess their current status and ongoing monitoring with regards the potential impact these construction challenges will have on the successful delivery of the portfolio and the constituent programmes and projects - a summary and likely impact is required below which is consistent with the change procedure for the SBCD - **The findings and ongoing reporting of this assessment will form part of the quarterly monitoring reports and will be shared with all stakeholders including Welsh Government and UK Government.**

Area Impacted	Summary of the likely impact from risk/impact assessment	Likely impact (quantified)		
Cost/Finance		<i>*GBP£*</i>		
Delivery timeline / outputs / milestones		<i>*Months*</i>		
Quality / specification of the proposal highlighted in the business case		<i>*% or value or life expectancy etc.*</i>		
Benefits outlined within the business case / benefits register / funding agreement		<i>*% difference*</i>		
Impact on portfolio level benefits				
GVA		<i>*GBP*</i>		
Jobs Created		<i>*Nr*</i>		
Inward investment		<i>*GBP*</i>		

The categories above are consistent with the SBCD change procedure and should be reported as changes through the PoMO as outlined within the procedure

Identify project risks associated with construction industry risks in the table below and determine to what extent they affect the impact criterion (Blue shaded section):
 Note: Once the above is complete, move to the impact assessment matrix worksheet before completing the Corrective action section (red shaded section)

High
Medium
Low

Ref No.	Risk	Scope and key objectives	Impact Criteria							Corrective action				
			Targets	Timescales	Repetition of project risks/ deliver	Stakeholders/ partnership involvement	Project costs	Procurement	Staff resources	Risk mitigation(s)	Requirements for recovery (October)	Review Date		
Identify as Risk or Issue														
People														
1	Decreased available labour and/or suitable subcontractors and suppliers	Risk	Low	Low	Low	Low	Low	Medium	Medium	Low	Working with University and SBUHB procurement teams to formulate an engagement plan with potential contractors and suppliers whilst observing stakeholder strategy requirements. Communication plan will also ensure milestones and objectives are announced to stakeholders, public and potential suppliers on requirements via various methods to raise awareness of potential suppliers.	Meetings with procurement and commi teams to form a strategy	Jul-22	
2	main contractor delivery/management team - skills and capacity issues in terms of project delivery	Issue	Low	Low	Low	Low	Low	Medium	Medium	Low	Ensure contractor delivery and management team have	Stipulations, acceptance criteria and reassurance procedures built in to tender process.	Jul-22	
Materials														
3	Lack of availability of construction materials	Risk	Low	Medium	Medium	Low	Low	Medium	Medium	Low	Prior planning, communication with suppliers / contractors and industry monitoring. Incorporate cost index monitoring, supplier updates and procurement team flow of information.	Identify current monitoring strategies.	Jul-22	
4	Quality of materials (due to lack of stock of preferred option)	Issue	Low	Low	Low	Low	Low	Medium	Low	Low	Early engagement with suppliers, call off orders, altern	Early industry monitoring and communication between SB&CD projects as to their current status. Intend incorporating into construction contract.	Jul-22	
Finance														
5	Rising construction costs results in exceeding/increasing programme / project budget	Risk	High	Medium	Low	Medium	Medium	High	Medium	Low	Transferring risk via indemnity insurance, contractor and supplier early engagement, defining quality criteria and wengaging procurement principles.	early engagement with procurement teams to define additional potential mitigating actions.	Oct-22	
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low	Transferring risk via indemnity insurance, contractor and supplier early engagement, prior checks completed, staged funding release.	early engagement with procurement teams to define additional potential mitigating actions.	Oct-22	
Timing														
7	Delays in project programme due to traditional infrastructure project factors such as ground/weather/construction site issues etc.	Risk	Low	Medium	High	Low	Low	Medium	Low	Low	Advance planning, engagement with suppliers / contra	Early engagement with estates teams, PMO's and land owners	Oct-22	
8	Delay in obtaining relevant construction related / operational approvals	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low	Prior planning, work packages and working groups set up to monitor timelines and approval process.	Appoint working group / work order	Oct-22	
Policy/political														
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning stages	Issue	medium	medium	low	low	low	Medium	low	low	regular monitoring of industry / governmental requirements.	appoint risk owner. Continue to monitor.	Oct-22	
Other														
10	Please highlight any other risks/issues in relation to construction not highlighted above													

Identify project risks associated with construction industry risks in the table below and determine to what extent they affect the impact criterion (Blue shaded section):
 Note: Once the above is complete, move to the impact assessment matrix worksheet before completing the Corrective action section (red shaded section)

High
Medium
Low

Ref No.	Risk	Scope and key objectives	Impact Criteria							Corrective action			
			Targets	Timelines	Reputation of project (as to other)	Stakeholders/partnership/commitment	Project costs	Procurement	Staff resources	Risk mitigation(s)	Requirements for recovery (Date)	Review Date	
Identify as Risk or Issue													
People													
1	Decreased available labour and/or suitable subcontractors and suppliers	Issue	Low	Medium	Medium	Medium	Low	Low	Low	Low	SC Risks lie with contractor through the construction contract.	Contractor to resolve their resourcing	Apr-23
2	main contractor delivery/management team - skills and capacity issues in terms of project delivery	Risk	Low	Low	Low	Low	Low	Low	Low	Medium	SC Risks lie with contractor through the construction contract.	Contractor to resolve any issues	Apr-23
Materials													
3	Lack of availability of construction materials	Issue	Low	Low	Medium	Medium	Low	Low	Low	Low	SC Risks lie with contractor through the construction contract.	Contractor to resolve any issues	Apr-23
4	Quality of materials (due to lack of stock of preferred option)	Issue	Low	Low	Low	Low	Low	Low	Low	Low	SC Risks lie with contractor through the construction contract.	Contractor to resolve any issues	Apr-23
Finance													
5	Rising construction costs results in exceeding/increasing programme / project budget	Issue	Low	Low	Medium	Medium	Low	High	Medium	Low	Risk change relates to temporary halt on Innovation Matrix due to extensive cost increases. Further funding is being investigated.	Additional funding sourced to deliver Innovation Matrix	Apr-23
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	Risk	Low	Low	Low	Medium	Low	Low	Low	Low	SC Risks lie with contractor through the construction contract however they have reported significant rises in costs.	Contractor to resolve any issues	Apr-23
Timelines													
7	Delays in project programme due to traditional infrastructure project factors such as ground/weather/construction site issues etc.	Issue	Low	Low	Medium	Medium	Low	Low	Low	Low	SC Risks lie with contractor through the construction contract.	Contractor to resolve any issues	Apr-23
8	delay in obtaining relevant construction related / operational approvals	Risk	Low	Low	Low	Low	Low	Low	Low	Low	SC Risks lie with contractor through the construction contract.	Contractor to resolve any issues	Apr-23
Policy/political													
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning phases	Issue	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Tan 15 impacts the innovation matrix.	Discussions ongoing.	Apr-23
Other													
10	Please highlight any other risks/issues in relation to construction not highlighted above												

Identify project risks associated with construction industry risks in the table below and determine to what extent they affect the impact criterion (blue shaded section):

Note: Once the above is complete, move to the impact assessment matrix worksheet before completing the Corrective action section (red shaded section)

Ref No.	Risk	Impact Criteria							Corrective action			
		Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders / partnerships commitment	Project costs	Procurement	Staff resourcing	Risk mitigation(s)	Requirements for recovery (October)	Review Date

High
Medium
Low

Identify project risks associated with construction industry risks in the table below and determine to what extent they affect the impact criterion (blue shaded section):
 Note: Once the above is complete, move to the impact assessment matrix worksheet before completing the Corrective action section (red shaded section)

High
Medium
Low

Ref No.	Risk	Impact Criteria	Impact Criteria								Risk mitigation(s)	Corrective action	Review Date
			Scope and key objectives	Targets	Timescales	Representation of project risks to deliver	Risk reduction / partnership commitment	Project costs	Procurement	Staff resourcing			
People													
1	Decreased available labour and/or suitable subcontractors and suppliers	Issue	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	PM to ensure contractor is adequately resourced and reports issues in weekly meetings	12.10.22 lack of suitable local talent is resulting in movement of staff between partners and other local stakeholders, compromising deliverability and quality 05/10/22: Weekly Client/Consultant/Contractor PM meetings held, along with Bi-weekly Risk Reduction Meetings and Monthly Project meetings to track and resolve issues in a timely manner	Apr-23
2	main contractor delivery/management team - skills and capacity issues in terms of project delivery	Risk	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	PM assigned to managing contractor	05/10/22: Weekly Client/Consultant/Contractor PM meetings held, along with Bi-weekly Risk Reduction Meetings and Monthly Project meetings to track and resolve issues in a timely manner	Apr-23
Materials													
3	Lack of availability of construction materials (Brexit, Covid-19, Ukraine war, widened construction demand)	Issue	Low	Medium	Medium	Low	Low	Medium	Medium	Low	Increase inflation allowances and programme delays	15/12/22: Inflation increases in the order of £0.5M incurred to date (calculated as contract using BCIS indices) 05/10/22: Advance planning and early orders placed where ever possible to mitigate price rises. Areas within Port allocated for additional storage for large items, such as piles, to assist with calling off early order. 5/4/22: Material price increases continue to rise. 26/5/21: Allow additional contingency allowance to account for increases in prices	Apr-23
4	Quality of materials (due to lack of stock of preferred option)	Issue	Low	Low	Low	Low	Low	Medium	Low	Low	Request material updates from contractor in project meetings	05/10/22: Client NEC Site Supervisor undertakes onsite checks of materials/workmanship to ensure specifications and details are adhered too.	Apr-23
Finance													
5	Rising construction costs results in exceeding/increasing programme / project budget	Issue	Medium	Medium	High	Medium	Medium	High	Medium	Low	This risk will vary based on the maturity of the brief at the point of establishing the budget and type of project. Cost databases to verify the budget for the project lot, as well as carrying out market testing, together with benchmarking capabilities to test for robustness before signing off for use will be used.	12.10.12 DEVEX funding also being impacted meaning the ability to get to point of capitalisation revenue costs is being compromised. 05/10/22: In addition to Client held risk and contingency sums the final main contractor sums include identified contractor costs agreed with Client/Consultants. Continued/regular tracking of costs and interrogation of payment applications continues. 01/08/2022: WEFO Grant increased to £8.2M in response to increased material costs/inflation. Identified Client and Contractor Risk pots agreed and sum added to budget/contingency increased. 20/8/21: WEFO has advised that a 50% increase in cost over the agreed budget will result in a claw back percentile. 14/10/21: Continue review of contractor pricing as received. Impact from COVID pandemic on material prices and inflation is under review.	Apr-23
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	Risk	Medium	Medium	High	Medium	Medium	Medium	Medium	Low	This is to be monitored on a progressive basis by MHPA and Chandler KBS. Thorough vetting will be required for the selection of the supply chain by appointed contractor	05/10/2022: continued monitoring of contractors financial health during course of project 01/08/2022: continued monitoring of contractors financial health during course of project	Apr-23
Timelines													
7	Delays in project programme due to traditional infrastructure project factors such as ground/weather/construction site issues etc.	Issue	Low	Medium	Medium	Low	Low	Medium	Low	Low	PM managing programme and ensure contractors keep to schedule	05/10/2022: Float included in contract programme to allow for delay/weather 01/08/2022: Float included in contract programme to allow for delay/weather	Apr-23
8	delay in obtaining relevant construction related / operational approvals	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low	Ensure good communication with regulatory bodies to inform the program	05/10/2022: ongoing liaison with PCC/NRW/CADW during project 01/08/2022: ongoing liaison with PCC/NRW/CADW during project	Apr-23
Policy/political													
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning phases.	Issue	medium	medium	low	low	low	Medium	low	low	Commercial Director aware of requirements and keep dialogue with project PM	12.10.22 offshore substation location finalisation being delayed due to Crown Estate leasing area and HND delay. Continuing to survey to maintain ability to add value with project but pushing output target back.	Apr-23
Other													
10	Please highlight any other risks/issues in relation to construction not highlighted above												Apr-23
	COVID-19; Government restrictions of social distance working. Site closure, reduced efficiency of output and programme delays as a result of government regulations.		low	low	low	low	low	low	low	low	Key to mitigating this risk is communication and as such will ensure regular dialogue is maintained with the project team and key stakeholders to mitigate the impact by ensuring, information is provided regarding construction activities and any implications on port operations that could impact the construction works. By opening the dialogue with stakeholders at an early stage these events can be incorporated into programmed works or mitigated to ensure there is minimal impact to the programme.	5/4/22: Welsh Government advice reduces controls for COVID-19 allowing work to revert to normal conditions	Apr-23
	Extreme weather		low	low	low	low	low	low	low	low	Seek to maximise off-site fabrication where possible. Sufficient float should also be identified within the contractor's programme to allow for severe weather conditions. Challenge contractor programme once available	01/08/2022: float included in programme to cover weather delays 11/1/22: HA - Onsite work commenced during winter and programme altered to accommodate weather forecasts. 25/10/21: Lot 1 Contractor Final Pricing Programme expected 29th October 2021	Apr-23
	Possible increased costs and programme delays with UK Government leaving the European Union		medium	medium	high	medium	medium	high	medium	low	No allowances in the current cost plan is included for the effects of BREXIT tariffs when the UK leaves the European Union.	12.10.22 lack of clearly identifiable replacement funding following the closure of the ERDF program placing doubt on projects ability to meet expected outputs, outcomes and impacts 05/10/22: Impact/Allowances have been calculated into final agreed contract sums This is to be monitored with the to-be-appointed Contractor when agreeing a contract sum	Apr-23
	Lone working of surveyors/contractors		low	low	low	low	low	low	low	low	Risk Assessments prepared and reviewed. Permit to Work issued and regular contact with Gate 1 Security stipulated.	Ongoing monitoring of work on site - raised at regular PDM meetings and minuted. RAMS and Permits managed by Project Manager.	Apr-23
	Accident on site		low	low	medium	medium	medium	low	low	low	All works to be carried out in accordance with Ports MPO02 (management of contractors).	Ongoing monitoring of work on site - raised at regular PDM meetings and minuted. RAMS and Permits managed by PM.	Apr-23

Scope creep	medium	medium	medium	medium	medium	medium	medium	medium	Scope to be monitored against contracted package. Items that could be considered creep in scope to be clearly segregated from items that are additional to the original scope (eg engineering design).	PM to monitor and report through regular PDI team meetings.	Apr-23
	low	low	low	low	medium	low	low	low	Ensure the successful contractor has the necessary experience to undertake the works and deploys robust risk and method statement assessments for key activities to avoid the risk of contamination as well as having readily available pollution control measures on site in the event of an emergency	<p>05/10/22: Ecologists instructed/consulted as required along with MHPA Environmental Manager throughout project period.</p> <p>01/08/2022: Redesign slipway to mitigate costs increases has resulted in an overall reduced ecological impact than previously identified</p> <p>5/8/22: Both Marine Licence Variations have been approved and issued.</p> <p>20/12/21: Marine Licence Variations submitted with revised method statements in early December 2021</p> <p>14/10/21: NRW Marine Licences have been issued and will be adhered to. .</p>	Apr-23
Environmental damage arising											

Identify project risks associated with construction industry risks in the table below and determine to what extent they affect the impact criterion (blue shaded section):

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Medium
Low

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PROJECT RISKS TO BE SPECIFIED FOLLOWING CHANGE REQUEST PROCESS

Using the assessment of the risks associated with each assessment criteria provide an impact score associated with each in the table below:

ASSESSMENT CRITERIA	SCORING				October								
	0	5	10	20	Waterfront	Campuses	Yr Egin	PDM	Pentre Awel	Digital	SILCG	HAPS	Skills
Scope and key objectives	No change to project scope and key objectives	Limited and minor changes to project scope and key objectives	Widespread and major changes to project scope and key objectives	Significant change to project scope and key objectives	5	5	0						
Targets	No risk to achieving project targets	Short-term, limited impact to achieving project targets	Widespread, but relatively short term impact on achieving project targets	Significant, long-lasting impact on achieving project targets	5	5	0						
Timescales	No foreseeable delays to progress project	Potentially minor delays (0-6 months)	Potentially major delays (6-12 months)	Potentially significant delays (1 year+)	5	5	5						
Reputation if project fails to deliver	No negative impact on City Deal reputation and programme	Local and limited negative impact on City Deal reputation and programme	Regional and limited negative impact on City Deal reputation and programme	Significant impact on City Deal reputation and programme	10	5	0						
Stakeholders/partnerships commitment	No issues over stakeholder commitment and involvement	Limited and minor issues over stakeholder commitment and involvement	Widespread and major issues over major or multiple stakeholder commitment and involvement	Significant issues over a major or multiple key stakeholder commitment and involvement	0	0	0						
Project costs	No variance to project costs	0-10% variance	10-20% variance	20%+ variance	0	5	10						
Procurement	No impact on procuring services or infrastructure	Minor impact on procuring services or infrastructure	Major impact on procuring services or infrastructure	Significant impact on procuring services or infrastructure	5	5	5						
Staff resourcing	No impact to recruit and retain required staff	Limited impact to recruit and retain required staff	Widespread and major impact to recruit and retain required staff	Significant impact to recruit and retain required staff	10	5	0						
TOTAL					40	35	20	0	0	0	0	0	0
					C	C	D						

Suggested project categories relating to the risk and impact assessment score are as follows:

Project Risk and Impact Score	Suggested Project Category	Intervention
100+	A	Joint Committee commissioned task and finish group to conduct an in-depth review
50-99	B	Intervention required. Monitored and supported by the Regional Programme Office in conjunction with Project Team
25-49	C	No intervention required. Continue to monitor locally with support from the Regional Programme Office
0-24	D	No intervention required. Continue to monitor at a project level

The context in which the project operates and an element of common sense will be considered alongside the impact



Portfolio Communications and Marketing Plan

Heidi Harries,
Communications and Marketing Officer
Issue 6: January 2023

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1. Overview of the Swansea Bay City Deal

The Swansea Bay City Deal (SBCD) is an investment of up to £1.3 billion in the Swansea Bay City Region, which encompasses Neath Port Talbot, Swansea, Carmarthenshire, and Pembrokeshire. It consists of a portfolio of 9 transformational programmes and projects which are funded by the UK Government, Welsh Government, public sector bodies and private sector.

The 8 primary stakeholders that constitute the City Deal are Swansea County Council (CCS), Carmarthenshire County Council (CCC), Neath Port Talbot Council (NPTC), Pembrokeshire County Council (PCC), Swansea University (SU), University of Wales Trinity Saint David (UWTSD), Hywel Dda University Health Board, Swansea Bay University Health Board.

Planned over a 15-year period, from 2018, the City Deal will transform the City Region into a centre of excellence for several regional priority sectors, delivering the thematic benefits of:

1. Economic Acceleration
2. Life Science and Well-being
3. Renewable Energy and Smart Manufacturing.

A regional economic boost of at least £1.8 billion is projected over the lifespan of the portfolio, with the creation of over 9,000 jobs.

The portfolio includes 6 area specific projects/programmes:

1. The Pentre Awel development in Llanelli, Carmarthenshire.
2. A life science, well-being and sport Campuses scheme in Swansea.
3. The City and Waterfront Digital District in Swansea.
4. A Low Carbon programme in Neath Port Talbot.
5. The creative digital cluster in Yr Egin, Carmarthen.
6. An off-shore testing area and associated facilities for marine energy technologies in Pembrokeshire.

There is also 3 regional programmes and projects which will run across the whole of the City Deal region.

1. A Homes as Power Stations project.
2. A major Digital Infrastructure improvement programme.
3. A Skills and Talent initiative that will give local people a pathway to access the employment opportunities being created.

The City Deal will help address persistent regional challenges including a lack of jobs and skills, poverty, inequality and rurality in a transformational and preventative way. It will also close the economic gap between the Swansea Bay City Region and other more affluent parts of the UK, helping act as a catalyst for further investment and jobs in the coming years.

All projects and programmes have received approval from the UK Government and Welsh Government as of December 2021 and therefore the entire portfolio is now in full delivery.

2. Objectives of Portfolio Plan

This Portfolio Communications and Marketing and Plan outlines key information and describes the City Deals' approach towards Communications and Marketing at a Portfolio level. It ensures that marketing and communications is co-ordinated and is delivered efficiently and effectively to the governance groups, partner organisations and wider audiences. Our aim is to keep all stakeholders informed, engaged and to maximise opportunities arising from communications. It also includes protocols and tools to ensure a co-ordinated activity across the portfolio and region.

This plan will be updated on an annual basis.

3. Portfolio Key Messages

The key messages below refer to the SBCD Portfolio, and will be reference in all communications, (wherever possible) to highlight the benefits and importance of the deal. The information should be used in the body of the text, in quotations, on social media, marketing collateral and on the website.

The Swansea Bay City Deal – an investment of up to £1.3 billion – will:

- Provide the City Region an economic boost of at least £1.8 billion over the 15-year lifespan of the portfolio.
- Create over 9,000 jobs for local people.
- Deliver opportunities for regional businesses to benefit from major programme/project procurement.
- Help retain regional talent.
- Catalyse further investment.
- Transform the City Region into a centre of excellence for sectors including life sciences, smart manufacturing and low carbon energy innovation.
- Raise the City Region's profile throughout the UK and beyond

4. Portfolio Facts and Figures

The following should be quoted with all correspondence relating to the SBCD portfolio:

- Total investment: Up to £1.3 billion
- Funding breakdown: The total investment package currently estimated is made up of £235.7 million UK and Welsh Government funding, £330.2 million other public sector investment, and £591.79 million from the private sector.
- Economic impact across the region: At least £1.8 billion over the 15-year lifespan of the portfolio
- Jobs: More than 9,000 jobs over the 15-year lifespan of the portfolio

5. Summary of the Programmes and Projects

Below is a breakdown of the nine programmes and projects that make up the portfolio.

SRO = Senior Responsible Owner. PM = Project or Programme Manager.

5.1 Digital Infrastructure programme

With links to all the City Deal projects, the Digital Infrastructure programme aims to support a thriving digital economy across the City Region that will stimulate private and public sector investment, improve public services, and generate well-paid job opportunities.

Working alongside UK and Welsh Government and suppliers, the programme's ambition is that every home and business in the Swansea Bay region will have access to full fibre or mobile broadband capable of offering speeds of up to 1gbps, 30 times faster than superfast broadband. The programme will develop a regional digital economic development strategy which will outline the region's vision for what this 21st century infrastructure is used for and a methodology for how the opportunities can be maximised.

The programme will also invest in 5G and Internet of Things (IoT) use cases, trials, and testbeds to encourage early adoption of imagined technology and provide a foundation for future innovation and future proof the digital economy in the region.

Type: Regional

Leading Delivery Organisation: CCC

Budget: £55.3m

Thematic Benefit: Economic Acceleration

SRO: Jason Jones

PM: Gareth Jones

Partners: NPTC, SSC, PCC, Swansea Bay University Health Board, Hywel Dda University Health Board, UWTSU, SU.

5.2 Skills & Talent programme

The Skills and Talent programme aims to deliver a regional solution for the identification and delivery of the skills and training requirements for all City Deal projects.

Working alongside partners from the private sector, higher and further education, schools and the third sector, the project team will map out gaps in current provision and establish the skills and training needed for students, teachers and lecturers both now and in future.

Bespoke education and training solutions will then be introduced, which align to the needs of industry and key City Deal themes. Investment will include funding for equipment and the development of courses to support the projects. To date 6 pilot projects have been approved.

Type: Regional

Leading Delivery Organisation: Regional Learning & Skills Partnership

Budget: £30m

Thematic Benefit: Economic Acceleration

SRO: Barry Liles

PM: Sam Cutlan

Partners: CCC, CCS, NPTC and PCC.

5.3 Homes as Power Stations project (HAPS)

The HAPS project aims to deliver smart, low carbon, energy-efficient homes through a co-ordinated approach across the City Region. The project will deliver a programme of new build developments,

the retro-fitting of existing buildings and local supply chain development support. The aim of the project is to help tackle fuel poverty, cut carbon emissions, and meet the need for more housing. It will monitor the health and wellbeing aspects of warmer homes and the reduction in fuel poverty.

Type: Regional
Budget: £505.5m
SRO: Nicola Pearce
Partners: CCC, CCS, and PCC.

Leading Delivery Organisation: NPTC
Thematic Benefit: Energy and Smart Manufacturing
PM: Oonagh Gavigan

5.4 Swansea City & Waterfront Digital District project

Swansea City and Waterfront Digital District project is made up of three elements:

The 3,500-seater Swansea Arena in the city centre that is open for business since March 2022 and accommodates concerts, shows, exhibitions, conferences, and other events.

A state-of-the-art office development in 71/72 Kingsway that is under construction and will provide space for technology and digital businesses, with conference and meeting facilities and act as a catalyst for further development on The Kingsway. The development will benefit from world class digital connectivity and integration with smart city technology.

An Innovation Matrix and Innovation Precinct development at the UWTSD SA1 area, for start-up businesses that will foster entrepreneurship through close links with academia.

Type: Local
Budget: £168.4m
SRO: Martin Nicholls
Partners: UWTSD

Leading Delivery Organisation: CCS
Thematic Benefit: Economic Acceleration
PM: Huw Mowbray

5.5 Yr Egin project

Open since October 2018, Canolfan S4C Yr Egin is a digital and creative cluster at the UWTSD campus in Carmarthen. It's an iconic building with an auditorium, state-of-the-art office spaces and post production facilities, for professional and community activities.

A second phase will support the creative industry sector in the region, allowing for cross-sector engagement between new and established businesses in West Wales. It will cater for a range of 'new' technological services that will be made available for the region helping to promote growth and employment in the creative sector.

Type: Local
Budget: £25.2m
SRO: Steve Baldwin
Partners: CCC

Leading Delivery Organisation: UWTSD
Thematic Benefit: Economic Acceleration
PM: Geraint Flowers

5.6 Pentre Awel project

Combining advanced life science research and business development facilities with a state-of-the-art leisure centre, extra care housing and nursing care, Llanelli's Pentre Awel will be among the first developments of its kind, located in Llanelli, Carmarthenshire.

Education and training facilities will be at the heart of the project and will focus on training the next generation of healthcare professionals, all set within landscaped green spaces.

Located in an attractive lakeside setting, Pentre Awel is aimed at boosting the local economy, creating new, high-quality jobs and improving people's health and well-being, while also leaving a long-term legacy for local communities and beyond.

Type: Local
Budget: £200.5m
SRO: Chris Moore
Partners: Cardiff University, UWTSU, SU, Hywel Dda University Health Board

Leading Delivery Organisation: CCC
Thematic Benefit: Life science and well-being
PM: Dr Sharon Burford

5.7 Campuses project

The Campuses project will deliver two complementary initiatives across two sites in two phases in Swansea, that add value to the regional life science, health and sport sectors.

Advanced research and development facilities will be created, building on the success of the Institute of Life Science at Swansea University's Medical School. Collaboration between SU, industry and NHS partners will place the project at the forefront of new technologies to improve healthcare, while creating new life science and sport-tech companies and well as highly skilled jobs.

Projects will include a facility at SU Singleton Campus and Morriston Hospital where research will be undertaken alongside world-leading clinical delivery.

Type: Local
Budget: £135.0m
SRO: Keith Lloyd
Partners: CCS, Swansea Bay University Health Board, Hywel Dda University Health Board, ARCH Partnership

Leading Delivery Organisation: Swansea University
Thematic Benefit: Life science and well-being
PM: Clare Henson

5.8 Supporting Innovation and Low Carbon Growth (SILCG) programme

The SILCG programme will deliver sustainable jobs and growth to support a decarbonised and innovative economy. It includes 7 interlinked projects including:

The Baglan Technology Centre, which is now actively looking for tenants, provides flexible office space for start-up companies and businesses, with a focus on the innovation, ICT and R&D sectors.

A specialist facility which will support the steel and metals industry in Port Talbot, Wales and the UK, while reducing carbon footprint.

An Industrial Futures project with a hybrid building providing production units and office space to support start-ups and businesses in the innovation and manufacturing sectors.

Decarbonisation projects including a low emission vehicle charging network, air quality monitoring and a hydrogen stimulus project.

Type: Local
Budget: £58.7
SRO: Nicola Pearce
Partners: SU, University of South Wales

Leading Delivery Organisation: NPTC
Thematic Benefit: Economic Acceleration
PM: Brett Suddell

5.9 Pembroke Dock Marine project (PDM)

The Pembroke Dock Marine project will create a world class marine engineering fabrication, test and deployment hub, delivering the support and infrastructure needed to further grow Wales' blue economy.

The project expands upon the Swansea Bay City Region's established facilities and extensive skill base, ensuring maximum operational efficiency and increased innovation opportunities, which will help drive down marine energy production costs.

Focusing on the growth of decarbonised energy production, the project includes dedicated early stage and commercial scale test sites, a CATAPULT innovation centre, and industry focused port infrastructure to ensure developers improve the effectiveness, cost efficiencies and installation of their innovative technology.

Type: Regional

Budget: £60.5

SRO: Steven Jones

Leading Delivery Organisation: PCC

Thematic Benefit: Economic Acceleration

PMO:

October to December: Port of Milford Haven –Steve Edwards

January to March: ORE Catapult – Emma Lewis

April to June: Pembrokeshire Coastal Forum - Tom Hill

July to September: Celtic Sea Power – Tim James

Partners: Port of Milford Haven, Marine Energy Wales, ORE Catapult, Wave Hub, Pembrokeshire Coastal Forum.

6. Bilingual Guidance

All external City Deal communications such as media releases, brochures, adverts, social media and exhibition material both printed or online should be in Welsh and English to comply with the Welsh Language Standards. The Welsh language should be positioned so that it may be read first and will not be treated less favorably than the English language, in terms of:

- Presentation e.g., use of font, size, colour and format.
- Position and prominence.
- When and how the material is published, made available or exhibited.
- Promotion and availability.

The SBCD Welsh Language Guidance document (September 2021) outlines bilingual guidance.

CCC provides the City Deal with an English to Welsh translation service for large documents and the Communications and Marketing Officer carries out smaller day to day translations.

7. Official Spokespeople

Key people have been identified as official spokespeople for the Portfolio and should represent the City Deal in radio and TV interviews as well as in press releases and other media relations. The Communications and Marketing Officer will co-ordinate these requests.

- English language interviews are by Cllr Rob Stewart (CCS Leader and Joint Committee Chairman)
- Welsh language interviews are by Cllr Darren Price (CCC Leader and Joint Committee Member)

8. Photography

The Communications and Marketing Officer will co-ordinate photo opportunities and where possible, the following people will appear:

- Cllr Rob Stewart - Chairman of the Joint Committee
- The relevant senior members of the organisation(s) leading on the project/programme
- UK Government or Welsh Government Ministers and/or Officials

Where possible, photographs are to be located at project sites or at a location appropriate to the project or programme.

9. Protocol for Media Communications

With multiple partners involved in the portfolio, a protocol is required for the management of press releases, media responses and statements, interview opportunities, social media posts and events.

9.1 Portfolio Level Communications

The SBCD's Communications and Marketing Officer will lead on all media activity at a portfolio level. This content requires approval from:

1. SBCD Senior Responsible Owner
2. Chair of Joint Committee
3. SBCD Portfolio Director
4. Project/programme lead organisations (where relevant)
5. SBCD Project Senior Responsible Owner and project manager (where relevant)
6. UK Government and Welsh Government (where relevant)

The importance of the announcement/statement will dictate the seniority of the approval needed and will be determined by the SBCD Portfolio Director.

Quotes are to be included from:

- The Chairman of Joint Committee
- The relevant senior Joint Committee members of the organisation(s) leading the project (e.g. Council Leaders, University, Health Board etc)
- UK Government and Welsh Government (if relevant)

Before distribution to the media, all approved press releases of this nature are to be sent for information to the Joint Committee and Economic Strategy Board members, the UK Government and Welsh Government and other key stakeholders relevant to the project or programme.

They will also be shared on the SBCD social media channels as well as being uploaded to the website.

9.2 Regional Projects and Programme Communications

The SBCD's Communications and Marketing Officer will lead on all regional projects and programmes media communications and this content will also require approval from those outlined in **section 9.1**.

Working closely with the project/programme PM and SRO, all lead delivery organisations will be informed and engaged throughout the process. Roles and responsibilities will be outlined by the Communications and Marketing Officer and communicated to all relevant stakeholders.

The lead delivery organisations will be requested to display the press releases bilingually on their website and share / like social media posts using the following:

Facebook - @SBCityDeal; Twitter - @SBCityDeal; Linked In - @Swansea Bay City Deal @Bargen Ddinesig Bae Abertawe #sbcitydeal

9.3 Location Specific Projects and Programme Communications

For projects and programmes that are location specific, the lead deliverer in conjunction with partner organisations will lead on PR activities. The SBCD Portfolio Management Office (PoMO) must be made aware via the SBCD Communications and Marketing Officer during the planning of the activity and central support can be made available from the SBCD Communications and Marketing Officer. Details of the PR activity will be sent to the Joint Committee chairman and other relevant stakeholders for information or approval, as required.

Reference to the SBDC must be included in the body of the text as a minimum. Further details should also be included in the body of the text or otherwise as a footnote/editor's note.

Suggested text to be used is:

The Swansea Bay City Deal is an investment of up to £1.3 billion in a portfolio of major programmes and projects across the Swansea Bay City Region, which is being funded by the UK Government, Welsh Government, public sector and the private sector. Over the 15-year lifespan of the portfolio, the City Deal will boost the regional economy by at least £1.8 billion, while generating over 9,000 jobs. The Swansea Bay City Deal is being led by the four regional local authorities - Carmarthenshire Council, Swansea Council, Neath Port Talbot Council and Pembrokeshire Council - together with the Swansea Bay University and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David, and private sector partners.

Partners should include bilingual story content on their websites and should also reference SBCD in social posts where possible:

Facebook - @SBCityDeal; Twitter - @SBCityDeal; Linked In - @Swansea Bay City Deal @Bargen Ddinesig Bae Abertawe #sbcitydeal

9.4 Additional Media Communication Information

All photograph opportunities will include members of relevant City Deal partners. The SBCD Communications and Marketing Officer will work with the Project Manager to determine the roles and responsibilities of individuals when photograph opportunities arise. The photographs will be made available for use in all PR related activities, including the website and social media.

Representatives of all City Deal project and programme partners will have equal opportunity to give interviews to the media. Where only one person is required for interview, all partners should be informed prior to the interview. All interviews should, wherever possible, reference other City Deal partners and be done in Welsh and English.

9.5 Negative Publicity

Where possible, any potential negative news must be dealt with proactively and any issues should be brought to the attention of the SBCD Communications and Marketing Officer at an early stage in order to prepare a suitable reactive response.

The SBCD Portfolio Director, SBCD Senior Responsible Owner and the Joint Committee chairman will be kept up-to-date of any potential negative PR and provided with the facts in case they are required to comment. They will be sent links to relevant online stories that are published and provided with hard copies of any that are in print.

9.5.1 Portfolio Level PR: The SBCD Communications and Marketing Officer will lead on this type of negative publicity and be responsible for communicating the information with the relevant chairs.

9.5.2 Regional Projects and Programmes: The SBCD Communications and Marketing Officer will take the lead, and work closely with the Project Manager, lead deliverer and delivery partners to establish the facts and formulate a response. The Project Manager is responsible for informing the Senior Responsible Owner and providing information to the project board members.

9.5.3 Location Specific Projects and Programmes: The lead deliverer will take the lead, working closely with the project partners and project manager, and ensuring that the SBCD Communications and Marketing Officer is kept informed. The Project Manager is responsible for informing the Project/Programme Senior Responsible Owner and providing information to the project board members.

10. Protocol for Official Visits

All portfolio, programme and project level ministerial engagements, whether requested by the PoMO or by the ministers' teams will be led by the SBCD Communications and Marketing Officer. The officer will:

1. Liaise with the Government Officers that support the Minister to determine the purpose of the visit and the logistical requirements (e.g. timeframe, duration, mode of meeting, attendees, etc).
2. Seek approval from the most senior person(s) from the Lead Authority and Lead Deliverer for the visit and ask them to attend. For regional programmes and projects all four Leaders will be invited to attend. If a Leader is unable to attend an alternative date could be considered or suitable political substitute to represent their Local Authority.
3. Ensure that the SRO is invited to take part and that the PM supports the arrangements, is continually in the communication loop and is in attendance.
4. Raise awareness of the request with the Chairs of the governance boards: Programme Board, Joint Committee and Economic Strategy Board. The chairs will be invited to attend.
5. Raise awareness with the Welsh Government Regional Team and take a course of action if advised to do so. The Welsh Government may be asked to attend.
6. Keep all stakeholders updated with developments.
7. Follow up with Minister and supporting Officers to see if there's any follow-on actions or further information required.
8. Coordinate PR following visit and seek approval in the usual way.

All roles and responsibilities surrounding the visit will be determined by the SBCD Communications and Marketing Officer and PMs and partner organisations will be required to assist by organising the details around the visit such as location, guest speakers and schedule for the day. Dates and times must not be confirmed without prior discussion with the SBCD Communications and Marketing Officer.

The PoMO periodically provides the UK Government and the Welsh Government with a list of key project and programme milestones that are identified by the project and programme leads. These will form the basis of a schedule for regional visits.

11. Use of SBCD Logo

All PR activity and marketing materials, either printed or online, will contain the SBCD logo. Guidelines for use are follows:



Colours

CMYK

	100% cyan
	100% + 60% magenta
	70% cyan + 60% yellow
	30% cyan + 20% black

RGB

	0, 159, 227
	0, 92, 169
	69, 179, 132
	162, 195, 214

Web

	#009fe3
	#005ca9
	#45b384
	#a2c3d6

Pantone

	PMS - 801
	PMS - 300
	PMS - 339
	PMS - 644

Formats

The logo is available in the following formats:

JPEG for desktop publishing (MS Word, PowerPoint, etc.)

EPS or **TIFF** for high quality printing, **JPEG** or **PNG** for web.

Requests for the logo should be made to:

marketing@carmarthenshire.gov.uk



Font - 'Ubuntu'

Available from:

<http://font.ubuntu.com>

<https://fonts.google.com/specimen/Ubuntu>

To be used in web and print projects.

Can be downloaded and used freely. Is covered by an Ubuntu Font Licence.

Background colours



Try to avoid placing the logo on a coloured background where possible. If this is unavoidable then please use as above or use a white version of the logo on a dark background and a black version on a light background. For electronic usage the logo must appear on a white background.



Recommended minimum size



To ensure visibility, legibility and accessibility, the logo, wherever possible, should not be used at a width that is less than 40mm as shown left.

Clear space



Allow for clear space all around the logo equal to the height shown left.

The logo is bilingual. Regardless of the language of the materials it appears on, neither English or Welsh should be removed.

12. Use of Primary Stakeholder Logos

The following illustrations should be used when displaying City Deal and partner logos on marketing materials.

When only one stakeholder logo is required, they should be displayed as follows:



When all stakeholder logos are required, they should be displayed as follows:



When all stakeholder logos and UK Government and Welsh Government logos are required, they should be displayed as follows:



13. Stakeholder Power & Interest Matrix

The following SBCD stakeholders have been identified and will have engagement throughout the portfolio lifecycle. Depending on the stakeholders' place in the matrix different communications approaches may be needed.

	Keep Satisfied (High Power & Low Interest)		Manage Closely (High Power and High Interest)	
High Power	Regional Local Authority Cabinet Members Regional Council Members (All) Local Authority Ward Members Regional AMs and MPs UK national media	UK national TV news outlets UK national radio news outlets Wales European Funding Office Farmers Union for Wales National Farmers Union	SBCD Primary Stakeholders Joint Committee Members Programme Board Members Economic Strategy Board Members Joint Scrutiny Board Members SBCD Project Managers/teams Welsh Government SBCD officials UK Government SBCD officials UKG Secretary of State for Wales UKG Under Secretary of State for Wales	WG Ministers for Economy & Transport WG Minister for Finance Regional Learning and Skills Partnership Wales Online BBC Online South Wales Evening Post Western Mail Private sector project partners Regional business community

	Monitor (Low Interest and Low Power)		Keep Informed (High Interest and Low Power)	
Low Power	Regional bloggers Tenants that occupy City Deal premises Swansea Civic Society Business Wales Local Authorities economic development teams	Antur Cymru Institute of Welsh Affairs National Trust Regional MEPs Construction Futures Wales Major regional employers	Specialist media Business News Wales Wales 247 Wales Business Insider Local radio stations Local newspapers 4theRegion Regional Business Improvement Districts Chambers Wales	Federation of Small Businesses Swansea Bay Business Club SA1 Waterfront Business Club Regional supply chain businesses Regional Town and Community Councils 3 other Welsh City and Growth Deals Oriol Science SWIC (South Wales Industrial Cluster) Welsh Government Energy Service Pembrokeshire Coastal Forum
	Low Interest		High Interest	

14. Portfolio Communications and Marketing Activity

A wide variety of communications and marketing activity will be used by the SBCS Communications and Marketing Officer to raise awareness of the SBCD portfolio. These will include:

- **Press Releases and Feature Articles:** Regular press releases and articles will be written when key milestones are reached or when programmes and projects are topical. News stories and trends will be monitored to establish opportunities to maximise exposure. Pro-active articles will be written, whenever appropriate, to raise the profile of the City Deal. Partner organisations and private sector companies will be included where appropriate.

The SBCD Communications and Marketing Officer follows a Key Milestone log which is updated on a 6 monthly basis by the project and programme leads.

Annual feature pieces will be written that encompass key highlights at a regional level by working in collaboration with the Cardiff Capital Region, Ambition North Wales and Growing Mid Wales. This will be done and distributed each December, focusing on the progress during the calendar year.

All press releases and feature articles will be bilingual to comply with the Welsh Language Guidance and will feature on the City Deal website and partner organisations if relevant. They will also be shared on social media and sent to all board members and partner organisations who will also be encouraged to share the news.

A Press Release distribution list is shown in **section 21** of this plan and is updated regularly.

- **Social media:** Continue to grow the City Deal's Twitter and Facebook accounts by posting regularly with relevant and engaging content either about a story written directly about the City Deal or by relevant partners. Examples of content would include sharing press releases, pictures of visits, exhibitions and events, job opportunities, and meet team members.

Businesses and other key organisations/influencers across the region are being followed and where relevant, their posts will be liked or shared.

The LinkedIn City Deal account will also share regular posts. This is monitored by the SBCD Business Engagement Manager.

- **Website:** Continue to update and develop the website with refreshed pages for the project and programme pages, and an updated timeline. Subpages will be created for projects and programmes so that additional information can be provided. E.g. information on the Skills & Talent pilot projects, separate pages on each SILCG project etc.
- **Events:** Following positive feedback from the SBCD Showcase Event in March 2022 follow up City Deal led events will be planned across the region. There is a plan for an event in each of the four local authorities and the PoMO is exploring the idea of focusing the events on the themes or by location. These events will be organised by the PoMO, with approval from the Portfolio Director, the Portfolio's SRO and the Joint Committee Chairman.

The PoMO will also attend and represent the City Deal in events held by other organisations throughout the year including 4theRegion, the Welsh Business Show, the Welsh Construction

Show and Introbiz. The PoMO will also attend Careers Fairs planned across the region to inform the younger generation about the opportunities available.

The SBCD Business Engagement Manager and SBCD Communications and Marketing Officer maintain a Portfolio Event Plan, and this is a regular agenda item in the wider team meetings to encourage representation at events from Project Managers.

Events The SBCD Communications and Marketing Officer and Business Engagement Manager attended in 2022 include:

Event	Type of event	Location
SBCD Showcase Event	Private and Public sector	Parc Y Scarlets
4theRegion	Businesses and the general public	Swansea Arena
Pentre Awel Meet the Buyer	Construction professionals	Parc Y Scarlets
Introbiz	Businesses and the general public	Brangwyn Hall
Preparing Learners for the Renewable Revolution	Students/Children	Bridge Innovation Centre
Innovation Matrix Meet the Buyer	Construction professionals	Online / Teams
Welsh Business Show	Businesses	Ffos Las
Renewable Revolution Launch	Students/Children	Pembrokeshire College
Yr Egin Breakfast Meeting	Businesses	Yr Egin
UK Government Pembroke Dock Marine Visit	UK Government Officials	Bridge Innovation Centre
Renewable Revolution: Meet the Students	Students/Children	Pembrokeshire College
Welsh Business Show	Businesses	Swansea.com
Welsh Construction Show	Construction professionals	Swansea.com
Pembrokeshire Careers Event	Students/Children	Pembrokeshire College
SA1 Business Club	Businesses	Dylan Thomas Centre
RLSP Skills Launch Event	Businesses	Swansea.com

- **Brochure:** An informative bilingual 28-page City Deal brochure has been produced for use in events and meeting. This brochure is high-level containing information suitable for partners, government officials and potential investors. It will be updated and reprinted as required.
- **Leaflet:** A less formal leaflet will be produced with simpler information, suitable to hand out to the public, school children etc at events.
- **Infographics:** A suite of infographics has been developed that will continue to be used across marketing collateral.
- **Case Studies:** Interviews will be conducted with individuals and companies who have benefited from the City Deal to build case studies for use in press releases, the website and in printed materials.

- **Competitions and Community Lead Campaigns:** Opportunities will be explored that will allow the City Deal to engage with a wider audience through competitions and campaigns.
- **Branding of empty units and hoardings:** Vacant premises in town and city centre locations across the City Region will continue to be used to carry branded City Deal content along with hoardings or large format posters on project sites.

Section 12 illustrates the approved order and layouts of the logos.

- **Stationary/Branded Items:** A City Deal tablecloth and T-shirts have been produced for uses in events. Pens and lanyards are available as give-aways, and other suitable branded items for the general public and school children will also be explored.
- **Presentations:** Visually appealing, PowerPoint presentations will be kept up to date and made available for use in events and meetings.
- **Awards:** Opportunities will be explored for awards that programmes and projects can apply for. PR will be written on awards the projects and programmes have one. An awards section will also be created on the website.
- **Partnerships with Charities and Sponsorship Opportunities:** Establish a working relationship with relevant charities and promote the partnership where possible. Sponsorship opportunities will also be explored with organisations and projects relevant to City Deal.
- **Bios:** Written biographies on key people within the City Deal which can be used for information packs for events, added to the website and integrated into press releases.
- **Newsletters:** A summary of key achievements and milestones will be sent to the SBCD database in the form of a newsletter. Partners will be asked to include articles from the newsletter on their versions.
- **Videos and Time Lapse Photography:** Opportunities will be explored for displaying the City Deal promotional video on screens across the region, including Swansea city centre's big screen, in Yr Egin in Carmarthen, and at colleges, universities and council buildings throughout South West Wales. Fly-through videos, drone footage and time lapse photography opportunities will also be explored, with a few of the existing project fly-through videos updated.
- **Third Party Marketing and Communications:** Opportunities for paid collaboration with Business News Wales and 4theRegion will be explored, with a focus on broadening the City Deal communication to a wider audience not currently accessible. Additional marketing tools such as podcasts and digital discussions will also be looked at as part of the offering.

15. Communications and Marketing Sub-Groups

Communications and Marketing Group Meetings with each Project Lead and relevant Communications/Marketing Officers from the lead delivery and partner organisations are held on a quarterly basis for most projects. The purpose of the meetings is to discuss upcoming key milestones and developments and plan the approach to the milestone by establishing roles and responsibilities. Project/Programme level Communications and Marketing Plans are also discussed during the meetings, with updates circulated to all members.

Quarterly meetings will be put in place for the Projects/Programmes that are yet to have regular Communications and Marketing meetings and draft plans will be discussed and updated.

16. Internal Communications

Internal communications with key stakeholders are vital for keeping people informed, encouraging buy-in, raising further awareness and giving a more holistic view of the City Deal.

The SBCD's key stakeholders include:

- Joint Committee members
- Programme Board members
- Economic Strategy Board members
- Joint Scrutiny Committee members
- Eight partner organisations (primary stakeholders)
- Regional Local Authority economic development directors
- UK Government (Relevant officials and politicians)
- Welsh Government (Relevant officials and politicians)
- Private sector partners

The SBCD Communications and Marketing Officer will share communications and marketing information to internal stakeholders by using a variety of methods including:

- Face-to-face or digital meetings with senior representatives at all partner organisations. This includes UK Government and Welsh Government Ministers and officials.
- Presentations or speeches to key audiences
- SBCD formal governance reports, such as monthly highlight, quarterly monitoring and annual review reports outlining key achievements and milestones
- Video content highlighting progress and opportunities
- Project site visits and tours (where appropriate)
- Inclusion of content on the Intranets of partner organisations
- Team meetings with programme/project leads

17. Communications with Regional Businesses and Private Sector

The SBCD Business Engagement Manager is responsible for engagement with regional businesses, the wider private sector and wider business-related networks. A complementary Business Engagement and Investment Framework is in development to support the Portfolio Communications and Marketing Plan. Business Engagement methods include:

- **Liaising with Business Representative Organisations and Trade Bodies:** Maintaining regular contact and attending meetings with regional business organisations, including Chambers Wales, Federation of Small Businesses, Institute of Directors, Swansea Bay Business Club, SA1 business club, CITB, ECITB and local Chambers of Commerce, Business Improvement Districts (Swansea and Llanelli) and the CCP (Carmarthenshire, Ceredigion and Pembrokeshire) Business networking group.
- **SBCD Regional Events:** Organising and attending City Deal led events including Procurement Events and City Deal Showcase Events.
- **Other Business-related Events:** Participation and attendance in events as noted in section 15 including The Welsh Business Shows and Welsh Construction shows, Introbiz networking conferences and 4theRegion Swansea City Centre conferences.
- **Partner Newsletters:** Regular progress updates in newsletters distributed by organisations including 4theRegion, the Regional Engagement Team, and the Regional Learning and Skills Partnership. Articles also appear in Chamber Chat magazine – a quarterly publication put together by the Chambers Wales.
- **Articles:** Appearing in publications, websites and e-newsletters including Business News Wales and Wales Business Insider. These e-newsletters are distributed to thousands of businesses throughout the City Region and beyond.
- **Online content:** A procurement page has been added to the City Deal website, which will highlight tendering/contract opportunities
- **Direct Contact**
Responding to enquiries submitted to the City Deal email inbox or received by other members of the PoMO

Further approaches to keep the regional business community informed about the City Deal include:

- Direct communications in relation to relevant updates/news
- Further business-focussed communications with specialist business media
- Strengthening of a City Deal LinkedIn account, with regular posts
- Continuous updating of database for regional business contacts

	Jan - March	April - June	July - Sept	Oct - Dec
Bespoke Business Engagements*	17	15	12	11

*Not including shows or events.

18. Communications and Engagement Schedule

The SCBD Communications and Engagement Schedule complements this SBCD Communications and Marketing Plan and contains a forward plan of communications and marketing activity at a project and programme level. This is a live document and managed by the SBCD PoMO.

The SCBD Communications and Engagement Schedule contains a forward plan of communications and marketing activity and is a live document.

19. Key Communications and Marketing Contacts

A list of key communications and marketing contacts are shown below, and up-to-date contact details can be requested through the SBCD Communications and Marketing Officer (updated 4/1/23)

Organisation	Name	Job Title
Swansea Bay City Deal	Heidi Harries	Communications and Marketing Officer
Carmarthenshire County Council	Deina Hockenhull	Head of Marketing and Media
Carmarthenshire County Council	Caio Higginson	Senior Communications Officer
Swansea County Council	Lee Wenham	Head of Communications
Swansea County Council	Greg Jones	Senior Communications & Business Engagement Officer
Neath Port Talbot	Sylvia Griffiths	Strategic Communications and Marketing Adviser
Neath Port Talbot	Robin Turner	Senior Communications Officer
Pembrokeshire County Council	Anthony Topazio	Communications Officer
UK Government in Wales	Sarah Drew	News and Digital Manager
UK Government in Wales	Chris Herdman	Head of News and Digital
Welsh Government	Martyn Williams	Chief Press Officer
Swansea University	Jacqui Bowen	Head of Public Relations
Swansea University	Delyth Purchase	Press Office Manager
Swansea University	Richard Lancaster	Communications and Relationship Manager
University of Wales Trinity Saint David	Eleri Beynon	Head of Corporate Communications & PR

University of Wales Trinity St David	Rebecca Davies	Executive Press and Media Relations Officer
University of Wales Trinity St David	Lowri Thomas	Principal Communications and PR Officer
Gower College	Marie Szymonski	Marketing and Admissions
Hywel Dda University Health Board	Sundeep Sehijpal	Communications Manager
Swansea Bay University Health Board	Susan Bailey	Head of Communications
Port of Milford Haven	Anna Malloy	Engagement and Communications Manager
Port of Milford Haven	Anna Mullarkey	Marketing and Communications Executive
Port of Milford Haven	Sara Aicken	PR and Communications Executive
Marine Energy Wales	Jess Hooper	Programme Manager
Marine Energy Wales	Abi Beck	Communications Manager
Cardiff Capital Region	Suzanne Cheserton	Head of Governance, Policy & Communications
Ambition North Wales	Erin Gwenlli Thomas	Communications and Engagement Officer
Growing Mid Wales	Angharad Massow	Communications Manager

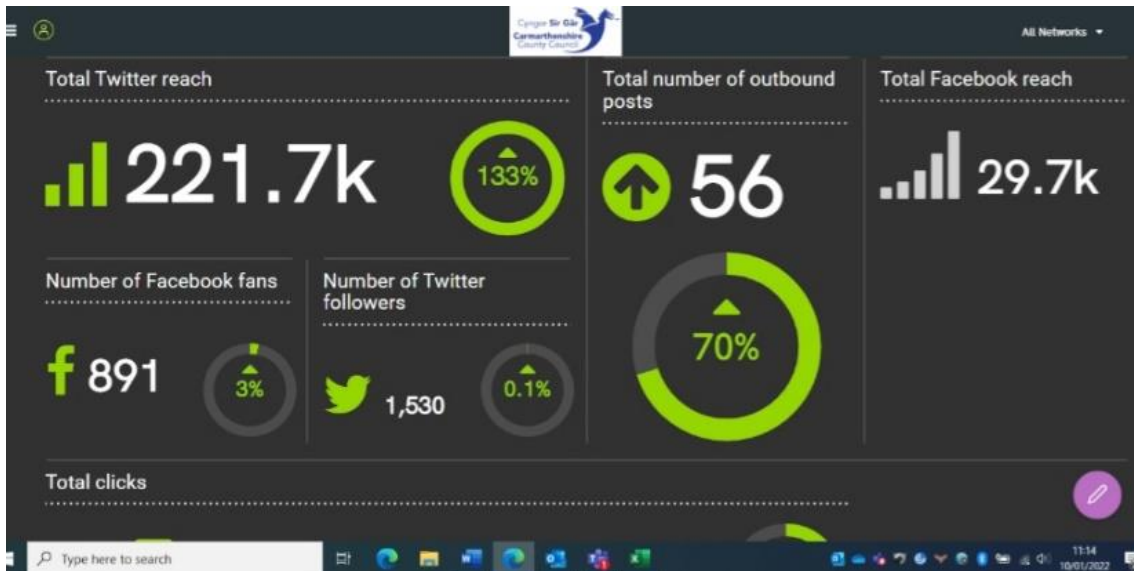
20. Monitoring and Evaluation

To monitor the effectiveness of communications and marketing, the following measurement methods will be used.

20.1 Social Media Monitoring

The performance data below will be extracted from Crowd Control (the platform used to plan and publish social media).

- **Reach:** The number of people in the target audience who are exposed to the social post. This will be displayed separately for Facebook and Twitter.
- **Followers / Fans:** The number of people who follow (Twitter) or fans (Facebook).



This information is reported on in the Marketing section of the Quarterly Monitoring Reports.

2022 figures are as follows:

	Jan - March	April - June	July - Sept	Oct - Dec
Facebook Followers	896	980	990	995
Twitter Followers	1,552	1,551	1,563	1,556
Facebook Reach	6,834	10,486	33,861	7,648
Twitter Reach	172,146	240,000	225,000	128,913

20.2 Press Releases

Press coverage will be monitored and logged daily using google alerts, manually searching for the Swansea Bay City Deal online, and by looking in local newspaper titles.

They will be logged in a table as follows:

Date	Press Release	Project	Media Title	Type
08/11/2022	Bay Technology Centre wins another award	SILCG	Business News Wales	Online
08/11/2022	HAPS project only created 6 jobs	HAPS	Nation.Cymru	Online
10/11/2022	Swansea named in top 4 UK Cities	Swansea	Wales 24/7	Online
10/11/2022	Investment company acquires key City Centre properties	Swansea	Swansea Bay News	Online
10/11/2022	Swansea named in top 4 UK Cities	Swansea	Swansea Bay News	Online
10/11/2022	Skills programme wins national award	Skills	Business News Wales	Online

25/11/2022	META test space expanded	PDM	Offshore Energy	Online
25/11/2022	META test space expanded	PDM	Western Telegraph	Online
25/11/2022	META test space expanded	PDM	Western Telegraph	Paper
23/11/2022	Martin Nichols named as Chief Exec of Swansea Council	Swansea	Swansea Bay News	Online
30/11/2022	Walters Group confirm land management on Pembroke Port	PDM	Business News Wales	Online

2022 figures are as follows:

	Jan - March	April - June	July - Sept	Oct - Dec
Positive Media Mentions	68	48	45	38

21. South Wales based Newspapers and Radio Stations

The SBCD distribute press releases to several key newspapers and radio station in the South West Wales region. Below is the circulation figures/reach and geographical areas covered in the main titles which help give an understanding of how many people are exposed to the PR (updated 4/1/23):

Organisation	Frequency	Circulation/Reach Papers: per issue Radio: per week	Area	Source
South Wales Evening Post	Daily	8,608	Swansea, Neath Port Talbot and Carmarthenshire	ABC.org.uk
Western Mail	Daily	7,177	Wales	ABC.org.uk
Llanelli Star	Weekly	3,236	Llanelli and surrounding area	ABC.org.uk
Carmarthen Journal	Weekly	4,068	Carmarthen and surrounding area	ABC.org.uk
Western Telegraph	Weekly	unavailable	Pembrokeshire and West Wales	
Wales Online	24/7	unavailable	Wales and beyond	
BBC Radio Wales	24/7	317,000	Wales-wide	RAJAR
BBC Radio Cymru	24/7	164,000	Wales-wide	RAJAR
The Wave	24/7	91,000	Swansea Bay area, including Carmarthenshire and Neath Port Talbot	media.info
Swansea Bay Radio	24/7	24,000	Swansea Bay area, including Carmarthenshire and Neath Port Talbot	RAJAR
Radio Carmarthenshire	24/7	94,700	Carmarthenshire	RAJAR
Radio Pembrokeshire	24/7	27,000	Pembrokeshire	media.info
Heart South Wales	24/7	111,000	South and West Wales	482,000 listeners a week

22. Regional/Wales-wide Media Contacts

A list of key SBCD Media contacts is shown below and contact details are able for each one by request through the SBCD Communications and Marketing Officer. Details will be updated on a quarterly basis.

Title	Name
Wales Online	Richard Youle
Wales Online	Robert Lloyd (News editor)
Wales Online & South Wales Evening Post	Jonathan Roberts
Wales Online	James Arnott (Content editor)
Wales Online & Llanelli Star	Christie Bannon
Wales Online & Carmarthen Journal	Rob Harries
Wales Online & Carmarthen Journal	Ian Lewis
Western Mail	Chris Pyke (Business reporter)
Western Mail	Sion Barry (Business editor)
BBC Online (Wales)	newsonline.wales@bbc.co.uk
BBC Wales newsgathering	newsgathering.wales@bbc.co.uk
BBC	Aled Scourfield
ITV Wales	Dean Thomas (West Wales reporter)
Newsdesk ITV Wales	news@itvwales.com
Western Telegraph & Milford Mercury	Bruce Sinclair (Chief reporter)
Western Telegraph & Milford Mercury	Fiona Phillips
Tenby Observer	editor@thetenbyobserver.co.uk
South Wales Guardian	dla@swguardian.co.uk
South Wales Guardian	Clare Snowdon (Reporter)
South Wales Guardian	news@southwalesguardian.co.uk
Guardian	Daniel Laurie
The Wave (Radio)	news@thewave.co.uk
The Wave (Radio)	Emma Grant (News Editor)
South Wales Radio	news@southwalesradio.com
Business News Wales	news@businessnewswales.com;
Business News Wales	Mark Powney
Wales Business Insider/Inside Media	Douglas Friedli
Wales Business Insider/Inside Media	Laurence Kilgannon
West Wales Chronicle	newsdesk@westwaleschronicle.co.uk
Wales 247	Rhys
Wales 247	requests@wales247.co.uk
Llanelli Online	Alan Evans
Cambrian News	Simon Middlehurst (editor)
Trinity Mirror	Gemma Parry (Evening Post)
Trinity Mirror (Star)	Oliver Roderick
Heart FM	Paula Hughes
The Herald	Jon Cole
The Herald	editor@herald.email

Swansea Bay	news@swanseabay.tv
Tivy-Side Advertiser	tivyside@gwent-wales.co.uk
Western Mail	newsdesk@mediawales.co.uk
Mail on Sunday	news@mailonsunday.co.uk
Radio Carmarthenshire	news@nationbroadcasting.wales
Daily Telegraph	dtnews@telegraph.co.uk
The Independent	newsdesk@independent.co.uk
News Wales Service	news@walesnews.com
The Times	home.news@thetimes.co.uk

Swansea Bay City Deal

Change Control Procedure

January 2021

**Document Control**

Note: this document may not be valid anymore.
Please check for the latest approved version of the document

Date: 14/01/2021

Version: V1.0

Author: Phil Ryder

Owner: Portfolio Board

Version	Swansea Bay City Deal Change Control Procedure	Name
Draft V1		Page
14/01/2021		Author PR

1 - Purpose

Purpose is to provide an acceptable procedure for the delivery of change requirements for the duration of the Swansea Bay City Deal Portfolio.

2 – Background

The Swansea Bay City Deal is a Portfolio made up of 9 programmes / projects with delivery across South West Wales by 8 Key Stakeholders, Delivery Partners and Lead Authorities with a projected investment of between £1.15bn and £1.3bn.

Due to the nature of Projects and Programmes there will inevitably be a need for change thus providing the requirement for a change control process.

The Association for Project Management defines change control as *“the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated and then approved, rejected or deferred.”*

The Change Control Process will detail the potential impacts and benefits for stakeholders, how stakeholders will be engaged to understand the impact (positive or negative) of the change and how the changes will be communicated, implemented and managed.

The change control strategy and plan will be owned by the Portfolio Board and will highlight the changes that result from projects and programmes at project, programme and portfolio level.

3 – Items to be considered

The process for change management is outlined below and covers all aspects of change that will have an impact to any deliverables, objectives and benefits agreed as part of the approval process undertaken for all aspects of the Projects, Programmes or the Portfolio.

The change is likely to affect at least one of the following categories:

- Impact the total cost or finance;
- Impact the completion of delivery of output(s)/ key milestones;
- Impact the quality outlined within the business case for the specified Project/Programme
- Impact the benefits outlined within the business case for the specified Project/Programme;
- Impact the GVA, jobs created or inward investment.

Any changes resulting in a variance in these areas must follow this change control process, it is important to note that changes can be both positive and negative.

Version	Swansea Bay City Deal Change Control Procedure	Name
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14/01/2021		Author PR

4 – Change log Management and collation

As part of the Portfolio Business Case and associated Monitoring and Evaluation Plan the Portfolio Management Office will keep a change log which will record all changes within the Portfolio. Change control reporting will take place for all SBCD Portfolio change and include full summarisation for significant change and notification only of minor change, reporting appropriately to the following levels of Governance at the prescribed frequency following the respective project, programme or portfolio board:

- Portfolio Board;
- Joint Committee;
- Welsh and UK Government;
- Economic Strategy Board
- Joint Scrutiny Committee

It is therefore a requirement of the individual project or programme to forward their respective change log following their reporting at their scheduled project or programme board. The Portfolio Management office will then collate this information into a Portfolio Change log for the purposes of reporting, monitoring, evaluating, and informing.

The minimum expected information will include:

- Change ref/ID
- Description of change
- Owner/originator/identifier
- Impact of change – cost, timeline, quality, benefits, portfolio objectives
- Approval status
- Approver/approval level required

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5 - Process

Ref #	Detail	Timeline	Owner
4.1a	Identification of a potential change within the respective project or programme		Project Leads (PLs)
4.1b	If the change identified is a Portfolio change not linked to a specific project or programme then the Portfolio Management Office (PoMO) will Identify the potential change		PoMO
4.2	<p>As soon as a change is identified the owner must complete a change identification notification (example contained within appendix) and forward to the Senior Responsible Office (SRO) and PoMO – this notice will include details of the outline areas that will be affected and a brief description of the change.</p> <p>In the event the change does not need to follow this process and is agreed solely at a project/programme level the lead will notify the PoMO of the relevant aspects of the change to record and report this accordingly in line with the overall portfolio governance arrangements.</p>	2 days	PoMO
4.3	<p>Review and determine whether the change is:</p> <ul style="list-style-type: none"> • Justifiable, acceptable and should proceed for approval. • Whether the change is significant enough to warrant scrutiny by a change advisory board or can this change be resolved at a project or programme level. • Agree a realistic timeline of when a decision is required. 	3 days	PoMO/PLs/SRO
4.4	Add the change to the relevant risk register or issue log and the respective change log, if not already included.	Immediately	PoMO/PLs
4.5	If the change is within the approval thresholds agreed for the project or programme and no change advisory board (CAB) is required this change can now be taken to the relevant Project / Programme board (PB) for approval.	Next PB	PLs
4.6	If the change does require scrutiny by a change advisory board then it is proposed a board should convene Monthly to review all change requirements or could be called on an ad hoc basis if the change request requires agreement sooner than the next scheduled board.	Max of 21 days from agreement to submit to CAB	PoMO
4.7	<p>The CAB convenes and:</p> <ul style="list-style-type: none"> • Ratifies the decision to proceed (if required) • Agrees an appropriate level of approval (if above PB) within the threshold levels agreed. 		CAB
4.8	If the Approval level for the change is the project / programme board then the following steps must be	Within 7 days of CAB	PoMO/PLs

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	<p>followed – if required an ad hoc PB can be called to agree change:</p> <ul style="list-style-type: none"> • PB determine suitability of resolution presented and approve change. • Once approved the SRO/PL/PoMO to final review the change and complete an impact assessment for submission to Portfolio Board and Joint Committee for information. • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 		
4.9	Convene a resolution meeting before escalating to compile all evidence and complete a change request notification		
4.10	<p>If the Approval level for the change is the portfolio board then the following steps must be followed – if required an ad hoc PB can be called to agree change:</p> <ul style="list-style-type: none"> • Review and amend resolution as required • Approve • If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required. • If rejection follow the general point at the end of this process. • Advise Joint Committee / WG / UKG of the change • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 	Within 7 days of CAB	Portfolio Board
4.11	<p>If the Approval level for the change is the Joint Committee then the following steps must be followed:</p> <ul style="list-style-type: none"> • Review and amend resolution as required • Approve • If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required. • If rejection follow the general point at the end of this process. • Advise WG / UKG of the change • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 	Within 7 days of Portfolio Board	Joint Committee

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5.8	<p>If the Approval level for the change is Welsh or UK Government then the following steps must be followed:</p> <ul style="list-style-type: none"> • Review and amend resolution as required • Approve • If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required. • If rejection follow the general point at the end of this process. • The project or programme team can now implement the change into their programme. • Update issue log and risk register as required and continually review change and impacts until complete. 	Within 14 days of Joint Committee	WG / UKG
General	If at any point a decision to reject the change is agreed then a risk mitigation meeting is to be called immediately to determine the impact of rejection will have and formulate a strategy to reduce the potential impact.		All
General	It is envisaged that this process is suitable for the approval of the majority of change for the overall Portfolio projects and programmes, however in the event that approval of a change is time critical then amendments to this procedure and timelines associated can be agreed at the initial review meeting (4.3) with the agreement of all relevant parties.		

5 - Timeline

Item	Number of Days to action	Cumulative Total Days
Complete and submit Change Identification Template	2 Days	2 Days
Initial Review (SRO, PL, PoMO)	3 Days	5 Days
Change Advisory Board or Project / Programme Board if CAB not required	21 Days	26 Days
ADVISE WELSH/UK GOVERNMENT OF LIKELY CHANGE / REVIEW REQUIREMENTS		
Resolution Meeting to determine preferred solution post CAB	3 Days	29 Days
Portfolio/Programme/Project Board post CAB Review and/or approval	7 Days	36 Days
Joint Committee Review post relevant P3M board review and/or approval	7 Days	43 Days
Welsh/UK Government approval	14 Days	57 Days

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6 – Threshold limits

Threshold Limits for approval at the following levels require further consideration:

- Project/Programme
- Portfolio Board
- Joint Committee
- Welsh/ UK government

Until appropriate limits can be agreed it is anticipated that any significant change to the programme or project in the following areas

- Impact the total cost;
- Impact the completion of delivery of output(s)/ key milestones;
- Impact the quality outlined within the business case for the specified Project/Programme
- Impact the benefits outlined within the business case for the specified Project/Programme;

or any change to the Portfolio objectives will need to be reported accordingly.

- Impact the GVA, jobs created or inward investment.

All other minor changes that do not significantly affect the areas above continue to be approved by the Project/Programme until thresholds are agreed but the PoMO need to be informed of any changes.

All changes are subject to the terms and conditions set out in the respective funding awards and respective funding agreements.

Within the legal funding agreements there is potential for permissible change to the project scope or outputs providing the changes follow the approved change control procedure. This is detailed within clause **6.3 Project Agreed Outputs** of both primary and secondary funding agreements as outlined below:

“Any Party to this Agreement may propose a change to the Project Agreed Outputs by serving a Request for Change to the Project Agreed Outputs on the other Party. Such Request for Change to the Project Agreed Outputs on the other Party shall be in writing and shall identify the change proposed. The Project Authority Lead shall submit any Request for Change to the Project Agreed Outputs to the Accountable Body who may request the Joint Committee to seek approval from the Welsh Government. A Request for Change to the Project Agreed Outputs shall not come into effect until it is approved by either the Accountable Body or the Welsh Government”

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Appendix - Templates

Templates include:

- Change Identification Notice – This is to be completed in the event of a change requiring review and or approval by the PoMO/SRO/PL



Draft change
notification.docx

- Change Request Notice – This is to be completed once a solution is proposed and all supporting documentation is available in order to allow approval of the proposed solution.



Draft change
resolution - request for

- Change confirmation Notice – This is to be completed and submitted to the PoMO for confirmation of any project changes not following this process for reporting and information purposes – a template to be provided from the respective lead authorities internal processes.

Swansea Bay City Deal

Change Control Flow Diagram

January 2021

**Document Control**

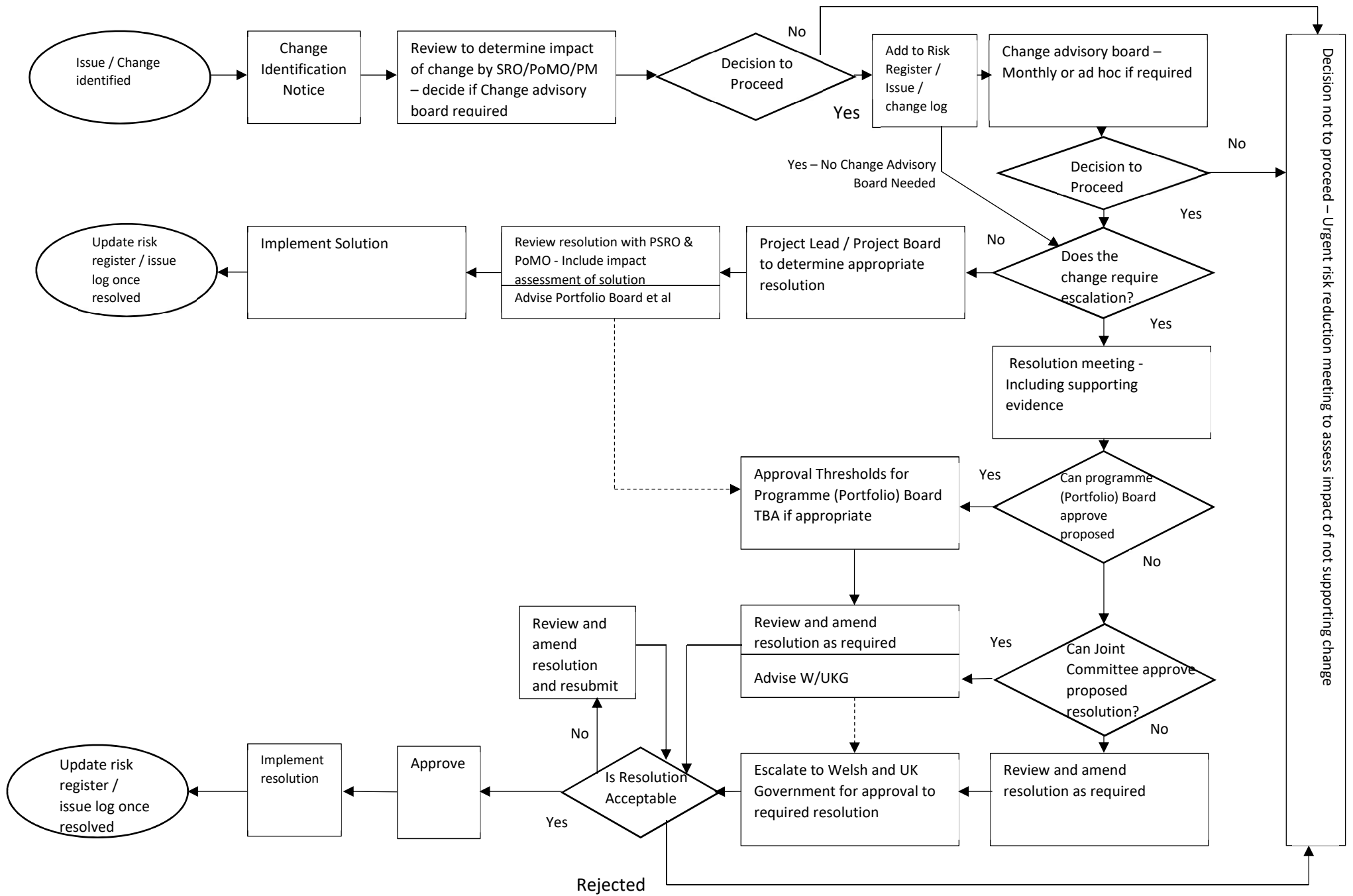
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Please check for the latest approved version of the document

Date: 14/01/2021

Version: V1.0

Author: Phil Ryder

Owner: Portfolio Board



Category	Action	Development Timeframe	JC Board Date	Responsibility
Governance	SBCD Highlight Report	Monthly	All	PoMO / PB / JC
	Joint Committee Meetings	Bi Monthly	Bi Monthly	SBCD PoMO / Democratic Services
	GVA Proposal	TBC with UKG	TBC	SBCD PoMO / PB / JC
	SBCD Portfolio Gateway Review	July 2022	10 th November 2022	PoMO, PB, JC
	Update Yr Egin Business Case / Change Request	Q4 2022/23	TBC	PoMO / PB / JC / UKG & WG
	Joint Committee Forward Workplan	October 2022	10 th November 2022	PoMO / JC
	HAPS Update to JC	November 2022	10 th November 2022	PoMO/ PB / JC
	Review ESB Forward Work Plan	November 2022	2 ND February 2023	PoMO / ESB
	SBCD Business Case Development Process	September 2022	10 th November 2022	PoMO / PB / JC,
	SBCD Assurance Framework	September 2022	10 th November 2022	PoMO / PB / JC / WG
	Review Joint Committee Terms of Reference	TBC (post CJC Implementation)		SBCD PoMO /JC
	Portfolio Gateway Assurance Framework to JC	September 2022	10 th November 2022	SBCD PoMo / PB / JC / WG
	Elect Joint Committee chair (annual basis)	November 2022	10 th November 2022	PoMO / JC
	SBCD Portfolio Gateway Review signed off	November 2022	10 th November 2022	PoMO / PB / JC
	Co-opted Governance Board Membership updated	November 2022	10 th November 2022	PoMO, JC
	Declarations of interest - Status Update	November 2022	2 nd February 2023	PoMO / PB / ESB / JSC / JC
	Review ESB Chair	October 2022	2 nd February 2023	PoMO / ESB / JC
	Review / Inform of Programme Board Chair	January 2023	2 nd February 2023	SBCD PoMO / PB / JC
	Inform of Roll out Celoxis to Programme / Project Leads	January 2023	2 nd February 2023	PoMO / PB / JC
	SILCG Update to JC	January 2023	2 nd February 2023	PL / PoMO / PB / JC
Revised Waterfront Business Case	January 2023	2 nd February 2023	PoMO / PB / JC	

	Portfolio Business Case Update	Jan-Mar 23	6 th April 2023	PoMO / PB / JC / UKG&WG
	Homes As Power Stations Business Case Update	Q1 2023	TBC	PoMO / PB / JC
	Digital Infrastructure Business Case Update	Q1 2023	TBC	PoMO/ PB / JC
	Skills & Talent Business Case Update	Q1 2023	PoMO/PB/JC	
	SBCD Quarterly Monitoring Report <ul style="list-style-type: none"> • Dashboard • Programme / Project activity planned / undertaken • Integrated Assurance & Approval Plan • Portfolio Risk Register • Portfolio Issues Log • Financial Monitoring • Benefits Realisation • Procurement Pipeline • Communications & Marketing • Community Benefits 	Q1 (April – June), Q2 (July – September), Q3 (October – December), Q4 (January – March)		SBCD PoMO / JC
	Construction Impact Assessment	Monthly	Bi Monthly	PoMO / PB / JC
	SBCD Ministerial Report	Bi Monthly	Bi Monthly	SBCD PoMO / UKG & WG
	Revised Monitoring & Evaluation Plan	November 2022	2 nd February 2023	SBCD PoMO / JC
Comms & Engagement	SBCD Annual Report	January 2023 - May 2023	TBC	SBCD PoMO / PB / JC
	SBCD Primary Stakeholder Event / Local roadshows	Oct 2022 - March 2023	TBC	SBCD PoMO / JC
	Comms & Marketing Plan revised	January 2023	2 nd February 2023	PoMO / PB / JC
	Business Engagement & Investment Framework	TBC by LA's	TBC	SBCD PoMO / JC
Legal	Joint Committee Agreement amendments	TBC by Monitoring Officer		JC
Finance	Quarterly Monitoring	Q1, Q2, Q3, Q4	Quarterly	SEC151 Officer / JC
	NNDR Process - Letter confirming approval when process agreed	November 2023	TBC	SEC151 Officer / JC

	Internal Audit Terms of Reference	November 2022	10 th November 2022	SEC151 Officer / PoMO / PB / JC
	Wales Audit - Performance Audit	Q4 2022/23	2 nd February 2023	SEC151 Officer / Audit / JC
	Joint Committee Annual Budget	Q1 2023/24	2 nd February 2023	SEC151 Officer / JC
	Wales Audit Plan	April 2023	6 th April 2023	SEC151 Officer / Audit / JC
	External Wales Audit Plan/Audit	April 2023	6 th April 2023	SEC 151 Officer / JC
	Financial Statements	April 2023	31 st July* (Extraordinary Meeting Required)	SEC151 Officer / JC
	Operational Revenue Reporting	Q1 2023/24	TBC	SEC151 Officer / JC
	Wales Audit	June	TBC	SEC151 Officer / JC

Agenda Item 8



Swansea Bay City Region Joint Committee - 6 April 2023

Swansea Bay City Deal Highlight Report

Purpose:	To update Joint Committee on the programmes / projects progress that form part of the Swansea Bay City Deal Portfolio as outlined in Annex A
Policy Framework:	Swansea Bay City Region Joint Committee Agreement
Report Author:	Amanda Burns, Senior Portfolio Support Officer
Finance Officer:	Chris Moore, Section 151 Officer, SBCR
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCR
For Information	

1. Introduction

- 1.1 The SBCD Highlight Report attached at Appendix A details the monthly progress made and activities planned for the SBCD Portfolio's constituent programmes and projects.

2. Financial Implications

- 2.1 Financial implications are outlined within the Business Cases of each programme / project. Financial risks are recorded and managed through the portfolio risk register. Portfolio Financial reporting is presented as a separate report.

3. Legal implications

- 3.1 There are no legal implications.

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

- 4.1 The SBCD Portfolio and its constituent programmes / projects are closely aligned to the Well-being of Future Generations (Wales) Act 2015 and the seven well-being goals for Wales. These alignments are outlined in a Portfolio Business Case for the SBCD, as well as in individual programme / project business cases

Background Papers: None

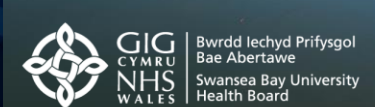
Appendices:

Appendix A: Swansea Bay City Deal Highlight Report



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BAE ABERTAWE
SWANSEA BAY
City Deal

SBCD Highlight Report
February / March 2023



Communications and Marketing



Heidi Harries
Communications
and Marketing Officer

SBCD Portfolio Office January – March 2023

Activities Completed

- Communications and Marketing Plan Issue 6 approved by Programme Board
- Co-ordinated audio interview on the Freeport bid
- Draft 1 of new City Deal leaflet
- Represented the City Deal in HAPS Stakeholder Engagement Event
- 4thRegion event planning including quotes for Press Releases
- Attended Pentre Awel Breaking Ground Event
- Participated in a Pentre Awel and PDM Communications Group meetings
- Site visit to PDM with the EBS
- Updated the website and created social posts on: Pentre Awel breaking ground, Hangar Annexes nearing completion, Business and Economy roundtable discussion, HAPS Supply Chain Event, 71/72 Kingsway reaching street level, new starters

Activities Planned/Ongoing

- Write and design the 2022-23 Annual Report.
- Complete the new City Deal leaflet.
- PR and advert for 4thRegion Event.
- PR on awards the portfolio has won to date
- PR on opening of the Bay Tech Centre
- Help with the planning of the official opening of the Bay Tech Centre
- Co-ordinate Welsh Gov visit to Bay Tech Centre and Pentre Awel
- Co-ordinate Welsh Gov and UK Gov visit to PDM and the Skills pilot project
- Plan/design website updates.
- Evaluate the Business News Wales proposal and planning a schedule of activity.
- Attend the Marine Energy Wales Event, 4thRegion Event and Circular Economy Event.
- Plan the Pembrokeshire Mini-showcase Event.

Risks

Increases in constructions costs may have implications to overall project budgets/timelines/quality which may create variance from the figures that the press have already publicised.

Slippage in delivery may create negative press

Issues

None



Business Engagement



Peter Austin
Business Engagement
Manager

SBCD Portfolio Office



Activities Completed

Activities

- Facilitated ESB meeting at Pembroke Dock, including site visit and discussion group
- Coordinated Second PL's Construction Sub group meeting with guest speaker Ed Evans from CECA
- Supported PDM / MEW with attendance at Senedd ORE event
- Supported HAPS meet the buyer event PyS
- Supported Gwynt Glass meet the buyer event Parc y Scarlets

Attendances:

- Princes Trust Digital steering group
- National PMO meeting
- SA1 Business Network
- Joint Scrutiny Committee re Construction Costs Report
- Social Business Wales annual conference

Meetings

- Jess Morgan, Head of Decarbonisation Pems NPA
- Paul Thorburn MD ReesWorx, re Campuses opportunities
- Swansea University re forthcoming programme development
- Jess Harrington, Make the Change Consultancy re portfolio opportunities
- Wales Autoforum re programme synergies

Activities Planned/Ongoing

Current

- Updating and drafting private sector investment report
- Business Engagement support for programmes and projects, Skills, Pentre Awel, HAPS, Campuses & Yr Egin
- Planning regional showcase events
- Updating Portfolio events plan
- Planning next ESB meeting in Neat Port Talbot
- Arranging attendance at key events

Ongoing

- Coordinating ESB meetings with Chris Foxall
- Monitoring Portfolio procurement pipeline
- Responding to enquiries received via the City Deal email inbox
- Managing SBCD LinkedIn account
- Attendance at CEIC steering group meetings
- Waymaker private sector enquiries with Barry Hale CCC

Risks

- Projects adopting silo approach to business engagement
- Potential cost increases during construction phases of projects
- Poor take up of offer of support from ESB to assist projects with supply chain creation, private sector investment or building sectoral eco systems could cause opportunities to be missed.

Issues

None



Pentre Awel

Project Partner Lead: Carmarthenshire County Council



Dr Sharon Burford
Project Manager

Activities Completed

- Final contract sum for Zone 1 works agreed and the Authority entered into the NEC 3 construction contract.
- Main construction works commenced and a formal GroundBreaking event held with the Secretary of State for Wales in attendance along with representatives from all partner organisations, the private sector and community.
- Schools Ambassador programme commenced with the recruitment of representatives from Ysgol Pen Rhos.
- Ongoing delivery of community benefits activities, including 1100 pupil interactions with local schools during the pre-construction.
- Promotion of Stem careers in the construction industry including Girls Believe Academy.
- Review of contractor deliverables for Targeted Recruitment and Training, including for example long-term unemployed.
- Meetings held with Cymdeithas Yr Iaith, and CCC Policy and a Welsh language strategy and impact assessment completed and submitted.
- Strategic Partnership with Cardiff University continued for 2023. Cardiff will lead the Innovation and Business. Increased discussions with Swansea University and University of Wales Trinity St David to develop an integrated innovation delivery model reflecting the strengths of all three Universities and Hywel Dda Health Board.
- Scoping Teach and Treat facilities with Cardiff University.
- Integration Workshops held and mapping exercise underway to enable opportunities for integration of leisure, health, research and education building on the Pentre Awel aims for enhanced cross boundary working.
- Skills mapping exercise underway to identify skills needed at Pentre Awel, these are mapped against current skills providers and gaps identified to ensure Pentre Awel can operate both on opening and in steady state operation

Activities Planned

- Joint CCC and Bouygues UK community event to engage local residents and organisations – Q1 2023
- Recruitment of further Community Ambassadors and School Ambassadors Q1 2023
- Development of whole site operating model.
- Commence the planning for other tenancies including Third Sector and commercial opportunities including catering.
- Complete RIBA Stage 2 design of Zone 3 assisted living accommodation
- Scoping and modelling of Zone 2 (nursing home, residential rehabilitation, extra care facility), including funding model.
- Capital bid in preparation with Hywel Dda University Health Board for specific elements to enable enhanced scope. For example, an audiology booth and enhanced hydrotherapy scope to widen patient access.
- Gateway Review to be scheduled for June/ July.
- Revisit private capital opportunities.



Risks

- Zone 1 not delivered to programme and budget.
Mitigation - Bouygues UK appointed; Construction Board established; stakeholders engaged to review designs; technical working groups underway; Gleeds and Arup providing design adjudication, cost consultancy, NEC3 PM and supervisor roles Construction contract signed and 89 week programme commenced.
- Failure to maximise whole system benefits.
Mitigation – workstream groups (incl. education, health, research and leisure; Community Benefits Group formed to monitor and facilitate Bouygues Community Benefits Programme



Digital Infrastructure



Gareth Jones
Programme Manager

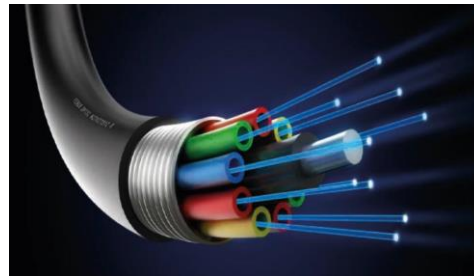
Programme Partner Lead: Carmarthenshire County Council

Activities Completed

- Completed benefits realisation for 2021/22 confirming significant public and private investment in the region which contributes to Digital Infrastructure Programme objectives.
- Established model and methodology for ongoing benefits realisation for the programme.
- Recruited co-ordinator to central DI Team.
- Scoped opportunities for duct investment.
- Identified opportunities for 5G investment and initiated discussions with key partners.
- Completed data analysis and stakeholder and market engagement as part of pause and review for Connected Places hub site procurement.
- Established plans and timescales for significant Shared Rural Network (SRN) investment across the region working with UK and Welsh Government.
- Recruited additional programme funded local authority resources to deliver defined programme of work at a local level.
- Supporting Local Authorities with ongoing Digital Infrastructure interventions and investment.
- Market engagement with operators and suppliers ongoing.
- Additional lobbying for, facilitating, and supporting of private sector investment.

Activities Planned

- Complete pause and review of connected places hub site procurement including full options appraisal and identification of preferred way forward.
- Complete benefits realisation for 2022/23.
- Signatory of collaboration agreements between LA partners
- Complete remaining recruitment of programme funded local authority resources to support delivery
- Launch Digital Portfolio of Opportunities pending Board approval
- Complete Digital Infrastructure highlight video for promotion of programme across multiple channels.
- Run rural pathfinder project utilising Welsh Government Local Broadband Fund.
- Confirm plans for UK Government Project Gigabit investment in the region and identify preferred way forward to meet remaining needs across the region.
- Confirm funding for initial 5G project(s) in collaboration with regional partners.



Risks

Resources

IF public sector partners don't prioritise delivery and adoption of digital infrastructure **THEN** there is a risk the programme will not achieve it's outputs and outcomes.

Funding & collaboration agreements

IF the region does not agree templates and protocol for funding and collaboration agreements to facilitate Regional City Deal Programmes (Digital, Skills and HAPS) **THEN** the Digital Programme cannot recruit and fund resources for individual Projects within the Regions Local Authorities and potentially cannot deliver the Programme on behalf of the Region.

Issues

Delivery

Lack of available Local Authority, University and Health Board resources to support the Programme and it's individual Projects due to competing priorities.

Delivery

The Digital Infrastructure landscape has continuously evolved since the business case was approved and the telecoms industry continues to develop at pace across the region. Recently released OMR data shows that the proposed hub-site procurement may no longer be required to the same scale as originally recommended. The programme needs to be agile enough to respond to changes in the external environment and natural evolution within the telecoms market.

Supporting Innovation & Low Carbon Growth

Project Partner Lead: Neath Port Talbot Council



Dr Brett Suddell
Programme Manager

March, 2023

Activities Completed/Planned

Bay Technology Centre

- 3 Tenants on site occupying 11.56% of the available lab and office floor space
- Full page advert taken out in Insider Wales
- Hydrock (consultants involved in build) produced and launched excellent video on innovative approaches employed in constructing BTC, this will be made available via SILCG website
- Planning underway for official opening next quarter

South Wales Industrial Transition from Carbon Hub (SWITCH)

- This quarter has mainly been occupied by carrying out evaluation on 3 high quality bids received in relation to 2 stage design and build process evaluation conducted by NPT and Swansea University.
- Developing Heads of Terms and Letter of Indemnity legal documents. As soon as Lol is signed the winning contractor will be announced, expected to be announced imminently

Property Development Fund (PDF)

- Stage 1: 9 applications received, panel assessments undertaken, decision to be announced next week
- If all stage 1 submit stage 2 applications and are approved then only £27K remains of £4.5M budget, exceeded number of targets

Air Quality Monitoring Project

- Vortex monitors currently being considered for use in PM10 exceedance day source apportionment exercises, and to support investigations into other high concentrations of common pollutants.
- Ricardo are to continue QA/QC of the network
- With support from Ricardo, the Vortex data is to be used alongside Port Talbot's other monitoring sites in PM10 breach day reports, to ascertain trends and source apportionment and at a local level.

Low Emission Vehicle Charging Infrastructure

- Main focus was the continued development of the Neath Port Talbot Zero Emission Vehicle Infrastructure Strategy (NPTZEVIS) to be finalised next quarter.
- NPT ZEVIS sets out our vision for EV charging in NPT and the enabling role NPT holds by working in collaboration with regional partners, commercial partners, communities and businesses within the NPT area.
- Attended various meetings and events

Advanced Manufacturing Production Facility (AMPF)

- Meetings with Industry Wales to support pre market engagement event to develop the scope aligned to the needs of industry and engage potential operators
- Planning to send out a series of online questionnaires to Industry/businesses, FE, HE, Schools, to ascertain needs from each group in relation to AMPF

- Meetings/visits with local centres to discuss existing provision will continue next quarter.

Hydrogen Stimulus Project

- since 1st December has been about site clearance and preparation for electrical and mechanical provision for the project. Also looking at site security/ public protection and will be looking to enhance fencing shortly.
- Working with Protium Green Solutions on the installation of a 100kW electrolyser on site, which is now in the commissioning phase (additional green H2 available from start of project)
- During the quarter we have been awarded funds via the Welsh Govt HyBRID SBRI for a further project (attract additional funding part of H2 project)
- Further proposals for funding in the Hydrogen Space are currently being made via EPSRC Centre for Doctoral Training and Place Based Innovation Acceleration Account rounds
- Funding Agreement being reviewed by University of South Wales to be agreed in the next quarter.

Additional Activities:

- Attended 4 day intensive Managing Successful Programmes foundation and practitioner course
- Presented programme updates to SBCD PB, SBCD JC and SBCD JSC



Project Partner Lead: Pembroke Dock Marine Board



Activities Completed

ALL: PDM partners are hosted visit from Economic Strategy Board.

PDI:

- Various stakeholder visits.
- Lots 1 & 2a construction works are underway/progressing. Lot 2a Reserved Matters sign off received.
- Annex 1 crittal windows installed, tape & jointed & first coat of paint throughout. Annex 2 Lime render base coat applied, access ramp formed, plaster & first coat of paint. Annex 3 2nd fix M&E ongoing & decoration. Annex 4 Lift installed, M&E ongoing, external landscaping started.

PDZ:

- Pre- Front End Engineering Design procurement complete for 400MW and 1GW platform.
- PDZ future Opportunity live and returning MoU's from private sector interests.
- Procurement of Monitoring & Evaluation and R&D Evidence base review (now underway)
- WEFO (co-funding) CCT targets met and Article 125 Audit all completed successfully.

META:

- Participation in Hydrogen Innovation Initiative event
- Participation in Scotmer symposium Interactions of marine environment and marine energy, and efficient assessment of impacts.
- Deployment of rope lines for settlement trials
- Publication of paper "Characterizing the Marine Energy Test Area (META) in Wales, UK", Renewable Energy journal.
- Participation in PBIAA workshop, Bristol
- Set up and run Coastal Challenge Day event – careers day and site visits for 14-16 yr olds. Around Milford Haven Waterway
- Initiation of Tidal Turbine deployment, Warrior Way

MEECE:

- Hosted and attended Catapult Network [Hydrogen Innovation Initiative](#) SEED South Wales Industrial Cluster event.
- Attended Haven Waterway Future Energy Cluster Senedd Event
- Attended Place Based Impact Accelerator Account ([PBIAA](#)) workshop, up to £5M funding

Activities Planned

PDI:

- Visit to Pembrokeshire College
- Annex 4 completion and handover to client. Annex 2&3 lime render to be completed, kitchen, showers & W/C fit out. Annex 1 M&E throughout and remove old switchgear.

MEECE:

- Attendance and exhibition at MEW Annual Conference showcasing our latest projects. Hosting a side room at the event with the University partners delivering posters and engaging in 1:1 meetings.

PDZ:

- Offshore Survey Campaign ITT was re-issued due to no compliant bids first time round.
- Agree re-profile with WEFO in parallel with offshore survey services.

META:

- META Conference Swansea Arena 21 / 22 March
- NRW Marine Licence Team inward visit 9 March

Risks

- PDI: Material costs continue to present risk and are being monitored against the budgeted allowance for inflation.
- PDZ: Risk of loss of co-funding. compressed timeline associated with offshore survey campaign from having to re-issue ITT could mean full campaign undeliverable & not being able to spend some ERDF funds. Mitigated in some part through the market confirming the timescales (which can still be delivered by June 23), ensuring tendered contract is a weather inclusive price. WEFO do have to agree to the re-profile though.



Swansea City & Waterfront Digital District

Project Partner Lead: City & County of Swansea



Huw Mowbray
Project Manager

Activities Completed

Gateway recommendation

The PAR gateway recommendation for a structured governance meeting between Swansea Council and UWTSD took place on March 2nd.

Hotel: WG panel have approved in principle the use of Town Centre Loan to assist gap funding.

Positive meeting held with developer who is prepared to find solutions to additional construction .

71/72 Kingsway: Construction continuing onsite.

In the process of appointing letting agents JLL and Avison Young to manage letting and branding for the site.

Ongoing discussions on building management strategy are progressing.

Innovation Matrix .Started onsite March 6th 2023.

Tenant HoT's at 65% of available net lettable space.

Planning for Handover Meetings progressing well. Social Value targets on track.

Innovation Precinct: Change Request with incorporated comments re-submitted. Business Process consultant appointed,



Arena - from the East

Activities Planned

Arena

Hotel – HoT's with preferred developer being finalized.

71/72 Kingsway.

Progress Lettings Strategy and Building Mgt Strategy
Construction continuing onsite.

Innovation Matrix

Further round of tenant engagement planned for March/April.

Workstreams in place to define Furniture and AV solutions.

Innovation Precinct

Options appraisal workshop planned to validate the direction of travel.



Risks

- Effect of Covid-19 and Material shortage on construction, including programme slowdown and impact on costs
- Inflationary pressures cited by BYUK arising from cost pressures experienced by themselves & sub-contractors on supply/availability/cost of fuel/materials attributed to Brexit, Covid, Ukraine situation:
- Effect of Covid-19 upon level and type of commercial demand for 71/72 Kingsway, Box Village and Innovation Precinct, also concerns about tenant fit-out contributions.
- Hotel: difficulties in funding are impacting delivery timescales.
- TAN15 may impact the Innovation Matrix.

Issues

Impacts of Covid and effects on redevelopment including timescales, costs and occupier demand.



Homes as Power Stations

Project Partner Lead: Neath Port Talbot Council



Activities Completed

Supply Chain Development

- Contract awarded to OPUS Ltd to carry out initial phase of work to map and capture baseline Supply Chain activity within the region.
- Event held at Parc Y Scarlets to engage with LA's and RSL's and gather procurement information.

Technical Monitoring Contract

- Contract Awarded to Cardiff University Welsh School of Architecture.
- Inception Meeting undertaken with Prof Jo Patterson

Communication

- Initial meeting held with Urban Foundry to supporting the creation of a 'Comms Plan' to ensure an appropriate and wide dissemination of information to various stakeholders.
- Arranged for Swansea Standard / Constructing Excellence in Wales showcase event to be recorded. This will be used to highlight and share best practice.

Skills

- Supported an MCS (Microgeneration Certification Scheme) Grant Application for NPTCBC to increase the number of qualified renewable installers in the region.
- Met with the Installation Assurance Authority to seek ways to increase and ensure standards in the region.

Additional Activity

Co-ordinated a regional application to Innovate UK Fast Followers, seeking further funding to unblock non-technical barriers associated with HAPS, outcome will be known by end of April.

Attended

- Site visit to Welsh School of Architecture demonstration house.
- IHP Learning Event
- WLGA Seminar 4 – Territorial Leadership on Climate Change
- WLGA Seminar 5 – Climate Risk and Adaption Leadership
- ECO4 Flex Statement of Intent for Wales Meeting
- Constructing Excellence in Wales / Swansea Standard show case event – sharing best practice.
- Met with several private companies manufacturing technology, associated with HAPS, within the UK.

Activities Planned

- OPUS Ltd to present Supply Chain report to HAPS Project Board.
- Re-advertise the Supply Chain Lead role utilising contacts in Universities across the region.
- Launch Financial Incentives Fund – April '23
- Complete collation of information and data to support update of Business Case.
- Create and implement brand strategy and logo.



Oonagh Gavigan
Project Manager

8.3.23

Risks

Cost increases and supply issues in relation to technologies.

TAN 15 – Updated TAN may have potential implications for the location of some assets and wider implications not yet known

Ensure alignment to other energy efficiency in housing programmes. This is in progress with on-going engagement.

Issues

None identified



Yr Egin

Project Partner Lead: UWTSD

Activities Completed

Following the completion of the creative sector analysis for Phase 2 UWTSD has been developing an appropriate delivery strategy based around the sector analysis, the SBCD aims and objectives and the strategic aspirations of the University.

University engaged with SBCD to agree IAAP process & timeline for developing Egin Phase 2 model. Senior University staff meeting completed to develop themes for delivery around '4 Pillars Approach'.

Following senior leadership team discussions, the University has now elected to pursue a Digital Production Facility approach to Egin Phase 2, bringing key space and equipment for use by the wider industry. This aims to boost creative and digital activity in the region.



Activities Planned

Agreement of new change control and IAAP process with SBCD, in line with current development Programme for Egin Phase 2.

Start of professional development of Egin Phase 2 physical solution, including SoA ratification and design. Egin Phase 2 likely to inhabit existing University building to reduce capital costs to level of demand available in the region.

University continues to work with Skills and Talent Programme in relation to Egin Phase 2

University has now commissioned expert consultant to establish parameters and demand for Digital Production Facilities at Egin Phase 2. Work to continue in developing project in conjunction with expert advice, to include equipment requirements, space requirements and operational needs.



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David



Geraint Flowers
Project Manager

Risks

Failure to agree project outputs and specification, leads to no Egin Phase 2 solution presented

Major cost increases in construction industry through inflationary pressure.

Issues

Significant impact on demand for additional lettable space has made original Egin Phase 2 delivery model redundant.

Lack of unified view of specific needs of creative industry in the region from industry



SBCD Campuses

Project Partner Lead: Swansea University



Clare Henson
Project Manager



Activities Completed

Further Meetings with all workstreams

Research and Innovation Manager recruited and in post – Dr Natalie de Mello

WS1 **Morrison Management Centre**

On hold until signing of secondary funding agreement

WS2: **Sketty Lane.**

Completion of awards procedured for all external Consultant appointments, including:

- Architect-led Design Team - AHR;
- Project Management - Pickerad;
- Cost Management Coreus.

Project 'kick-off' meeting undertaken.

Early design review taken place with stakeholders

Engagement highlights

Secured the West Wales Player Development Centre and U18s male and female programmes establishing the WRU as the first strategic partnership

Market appraisal received from Gains group by LEAD technologies

Visit by MINT diagnostics

Visit by Swim Wales

Follow up meetings with Vodafone

WP9: **Morrison link Rd**

WSP instructed to undertake ecology surveys

Activities Planned

Follow up meetings with all workstreams and leads

Continued work in relation to Primary Funding agreement to achieve sign off.

Continued Stakeholder engagement activity with potential incubator businesses

WS2: **Sketty Lane:**

Develop design programme to identify stakeholder engagement points and RIBA design stages;

Undertake construction cost estimate bench-marking to provide robust cost plan for scheme;

Develop construction project programme to reflect design team appointments and current anticipated timescales.

Engagements:

Visit by Vodafone UK senior leadership

Ongoing Tri party meetings between Ospreys, University and Council

Risks

University income benefit currently under threat of not achieving 2022 (5 year) target due to programme development and delays, workstream established to plan mitigating actions.

Sketty Lane existing design brief and accommodation schedule/specification exceeds cost plan budget.

Issues

Delays in receipt of funding agreement may have an effect on the Morrison management centre refurbishment timeline, as a secondary agreement needs to be produced between SU and SBUHB before work begins.



Skills and Talent

Samantha Cutlan
Programme Manager



Project Partner Lead: Carmarthenshire County Council



Activities Completed

7 pilot projects approved.

Gateway Review 0 completed, January 23 achieving a Delivery Confidence Assessment (DCA) rating of Green.

Skills Solution group continues accepting pilot applications, with early discussions underway for at least 9 further pilot projects.

Barometer review completed..

Pentre Awel EST skills gap analysis and workforce planning complete.



Activities Planned

Continued engagement with stakeholders and City Deal Skills Group being set up to aid development of further pilot projects to meet Skills Gaps within region.

Attend SBCD Programme Board April 2023 to provide a progress update on the programme and share findings from the recent Gateway Review

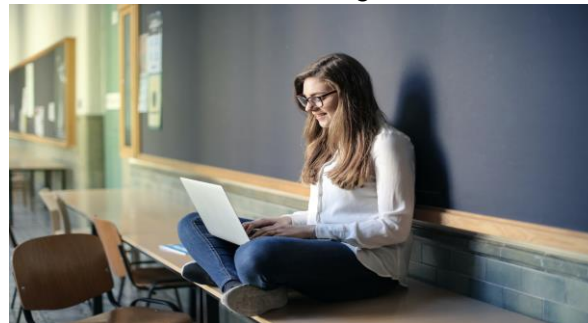
Youth Forum being set up.

Planning and preparation for second quarterly claims cycle for pilot projects.

Website update.

Further receipt of Pilot project Applications

Work Experience Project being developed for the region
Planned activity with schools and colleges to highlight the opportunities available in the region.



Risks

With the other City Deal projects being at different stages of delivery, a lack of knowledge of their specific skills needs/gaps, could delay pilot project development in those key areas. Continued engagement with the 8 City Deal projects during the Skills Barometer review will help to address this. We are also in the process of setting up another Skills Group made up of the City Deal Project Managers to drive the skills conversation forward.

Issues

Impact of Covid-19 on the training landscape and the changing needs of businesses as a result of the pandemic could result in the need to identify new ways of upskilling individuals. These issues will be identified within the pilot projects developed.

