

Cyd-Bwyllgor Dinas-Ranbarth Bae Abertawe

Lleoliad: Cyfarfod Aml-Leoliad - Ystafell Gloucester, Neuadd y Ddinas / MS Teams

Dyddiad: Dydd Iau, 28 Gorffennaf 2022

Amser: 10.30 am

Cadeirydd: Cynghorwyr Rob Stewart Cyngor Abertawe

Aelodaeth:

Cynghorwyr:

Steve Hunt

Darren Price

David Simpson

Cyngor Bwrdeistref Sirol Castell-Nedd Port Talbot

Cyngor Sir Gar

Cyngor Sir Benfro

Cynrychiolwyr Cyfetholedig Heb bleidlais:

Maria Battle

Chris Foxall

Bwrdd Iechyd Prifysgol Hywel Dda

Cadeirydd dros dro Bwrdd Strategaeth Economaidd Abertawe

Yr Athro Medwin Hughes

Steve Wilks

Emma Woollett

Prifysgol Cymru y Drindod Dewi Sant

Prifysgol Abertawe

Bwrdd Iechyd Prifysgol Bae Abertawe

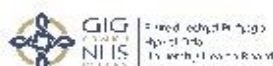
Gwyltio ar-lein: <https://bit.ly/3yWgXTN>

Agenda

Rhif y Dudalen

- 1 Ymddiheuriadau am absenoldeb.**
- 2 Datgeliadau o fuddiannau personol a rhagfarnol.**
www.abertawe.gov.uk/DatgeluCysylltiadau
- 3 Cofnodion.**
Cymeradwyo a llofnodi, fel cofnod cywir, gofnodion y cyfarfod blaenorol.

1 - 4



- 4 Cyhoeddiad/Cyhoeddiadau'r Cadeirydd.**
- 5 Cwestiynau gan y Cyhoedd**
Mae'n rhaid i gwestiynau gael eu cyflwyno'n ysgrifenedig i'r Gwasanaethau Democrataidd democratiaeth@abertawe.gov.uk erbyn ganol dydd fan bellaf ar y diwrnod gwaith cyn y cyfarfod. Rhaid bod y cwestiynau'n ymwneud ag eitemau ar yr agenda. Ymdrinnir â chwestiynau o fewn cyfnod o 10 munud.
- 6 Diweddariad am Brosiect Morol Doc Penfro. 5 - 10**
- 7 Monitro Portffolio Chwarterol Bargaen Ddinesig Bae Abertawe. 11 - 53**
- 8 Adroddiad Swyddfa Archwilio Cymru. 54 - 71**
- 9 Datganiadau Ariannol 2021/22. 72 - 146**
- 10 Llythyr Sylwadau. 147 - 151**
- 11 Monitro Ariannol Bargaen Ddinesig Bae Abertawe 2022/23 - Sefylla Alldro Dros Dro Chwarter14. 152 - 159**
- 12 Adroddiad Blynyddol Bargaen Ddinesig Bae Abertawe. 160 - 202**

Cyfarfod nesaf: Dydd Iau, 10 Tachwedd 2022 am 10.30 am

Huw Evans

**Huw Evans
Pennaeth y Gwasanaethau Democrataidd
Dydd Gwener, 22 Gorffennaf 2022**

Cyswllt: Gwasanaethau Democrataidd - (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, 23 June 2022 at 10.30 am

Present: Councillor Rob Stewart (Swansea Council) Presided

Councillors:

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

Co-opted Non-Voting Representatives:

Steve Wilks Swansea University

Officers:

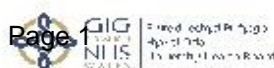
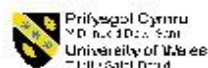
Richard Arnold Finance Manager (Swansea Bay City Region)
Jason Blewitt Audit Wales
Jonathan Burnes Director (Swansea Bay City Region)
Huw Evans Head of Democratic Services (Swansea Council)
Non Jenkins Audit Wales
Gareth Jones Digital Infrastructure (Swansea Bay City Region)
Karen Jones Chief Executive (Neath Port Talbot Council)
Steven Jones Director of Development (Pembrokeshire Council)
Tracey Meredith Joint Committee Monitoring Officer (Swansea Council)
Chris Moore Joint S151 Officer (Carmarthenshire Council)
Martin Nicholls Interim Chief Executive (Swansea Council)
Phil Ryder Swansea Bay City Deal Programme Office
Wendy Walters Chief Executive (Carmarthenshire Council)
Ian Williams Swansea Bay City Deal Programme Office

Apologies for Absence:

Councillor(s)

Maria Battle (Hywel Dda University Health Board) and Medwin Hughes (University of Wales Trinity Saint David)

William Bramble (Chief Executive (Pembrokeshire Council))



1 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct, no interests were declared.

2 Minutes.

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

3 Announcement(s) of the Chair.

The Chair welcomed Councillor Darren Price (Leader of Carmarthenshire Council) and Councillor Steve Hunt (Leader of Neath Port Talbot Council) to their first Swansea Bay City Region Joint Committee.

4 Public Questions

There were no public questions.

5 Digital Infrastructure Update. (For Information)

Gareth Jones (Swansea Bay City Region Programme Office) submitted an information report outlining the progress made and status of the Swansea Bay City Deal Digital Infrastructure Programme.

6 Swansea Bay City Deal Quarterly Monitoring Report(s) / Highlight Report.

Jon Burnes (Swansea Bay City Region Portfolio Director) submitted a report that provided an update of the Swansea Bay City Deal (SBCD) Quarterly Monitoring Report for the SBCD Portfolio and its constituent programmes / projects.

He specifically provided updates and progress relating to:

- SBCD Highlight Report.
 - Business Engagement.
 - Communications & Marketing.
 - Pembroke Dock Marine.
 - Digital Infrastructure.
 - Pentre Awel.
 - Swansea City & Waterfront Digital District.
 - Homes as Power Stations.
 - Supporting Innovation & Low Carbon Growth.
 - Yr Egin.
 - SBCD Campuses.
 - Skills & Talent.
- Dashboard Quarterly Monitoring.
- SBCD Quarterly Monitoring Report (Portfolio & Programmes / Project).
- Integrated Assurance & Approval Plan.
- Portfolio Risk Register.
- Covid 19 Impact Assessment.

- Portfolio Gateway 0 Review Action Plan.
- Procurement Pipeline.
- Portfolio Issues Log.
- Benefits Realisation.
- Construction Impact Summary.

Resolved that the Quarterly Monitoring Report for the SBCD Portfolio and its constituent programmes / projects be noted.

7 Swansea Bay City Deal Financial Monitoring 2021/22 - Provisional Outturn Position Quarter 4.

Richard Arnold (Swansea Bay City Region Programme Office) submitted a report that provided an update of the latest financial position of the Swansea Bay City Region.

Resolved that the Financial Monitoring update report be reviewed and approved.

8 Joint Committee Revised Budget 2022/2023.

Richard Arnold (Swansea Bay City Region Programme Office) submitted a report that provided an update a revised budget in respect of the administration and support functions for the Swansea Bay City Deal portfolio.

Resolved that the Revised Budget in respect of the administration required to support and deliver the Swansea Bay City Deal be considered and approved.

9 Internal Audit Report.

Matthew Holder (Swansea Bay City Region Internal Audit) submitted a report that sought approval for the findings and actions of an Internal Audit review into the Swansea Bay City Deal Portfolio.

Resolved that the findings and actions of an Internal Audit review into the Swansea Bay City Deal Portfolio be approved.

10 Audit Wales - Audit Plan 2021/22.

Jason Blewitt & Non Jenkins (Audit Wales) submitted a report that informed of the plan and scope in respect of the external audit of the Swansea Bay City Deal Statement of Accounts.

Resolved that the proposed plan and scope of the external audit as outlined in Appendix A of the report be reviewed and agreed and that it be undertaken by Audit Wales of the Swansea Bay City Deal Joint Committee Statement of Accounts.

11 Swansea Bay City Deal Showcase Event Feedback. (For Information)

Heidi Harries (Swansea Bay City Region Programme Office) submitted an information report outlining the post event report covering the City Deal Showcase Event held on 3 March 2022 as outlined in Annex A of the report.

12 Joint Committee Provision of Documentation.

Phil Ryder (Swansea Bay City Region Programme Office) submitted a report that sought approval on the future provision of documentation to the Joint Committee and Joint Scrutiny Committee.

Resolved that the proposal set out at Section 2 of the report and the documentation to be provided to the Governance Boards be approved.

The meeting ended at 12.23 pm

Chair

Agenda Item 6



Swansea Bay City Region Joint Committee - 28 July 2022

Pembroke Dock Marine Update

Purpose:	To inform Joint Committee of the progress made and status of the SBCD Pembroke Dock Marine Programme
Policy Framework:	Swansea Bay City Deal Region Joint Committee Agreement
Report Author:	Steve Edwards (Commercial Director, Port of Milford Haven)
Finance Officer:	Chris Moore (SBCR Sec151 Officer)
Legal Officer:	Tracey Meredith (SBCR Legal Officer)
For Information	

1. Introduction

1.1 The Pembroke Dock Marine (PDM) Business Case identified its purpose as:

“Pembroke Dock Marine (PDM) will create terrestrial and marine assets combined with research, development and innovation support to establish a world-class centre for marine engineering with an immediate focus on low carbon energy, and wider application across the blue economic sectors (such as ship building, aquaculture, oil and gas, and nuclear) creating additional economic growth and the strongest possible project resilience.

1.2 Project resilience and longevity has remained at the centre of PDM’s development. It originated as a delivery base for the wave and tidal sector (a sector predicted to have a global value of £76bn by 2050¹) but early on identified the need to remain flexible and to create spaces and facilities that can be used cross-sector to drive innovation and operational efficiency. As the FBC has developed, the floating offshore wind opportunity has come to the forefront presenting a significant immediate manufacturing opportunity for UK industry – with a key opportunity off the Welsh coastline. It is a larger market with more immediate opportunity with the Crown Estate

¹ Ocean Energy Forum (2016). Ocean Energy Strategic Roadmap 2016, building ocean energy for Europe

estimating a UK GVA contribution of £33.6bn and an annual UK export value of at least £550m by 2050² - and also has opportunities for co-location with the wave and tide industries.

- 1.3 Since the early drafts of the FBC, climate emergency declarations have been made internationally, including by UK and Welsh Governments with a focus on reaching net zero emissions by 2050. Public money will play a key role in creating the infrastructure needed to reach such targets. Pembroke Dock Marine provides the support structure for the growth of an industry that targets the generation of decarbonised energy (and an associated export industry) therefore aligning with climate emergency goals and validating the use of public money.
- 1.4 PDM is expected to create in excess of 1,800 jobs and have positive impact on creating supply chain resilience protecting more jobs. While the project does anticipate labour migration into the region (as many developers will bring their businesses with them) it will also create significant opportunities for rewarding careers and skills expansion for the current local labour market and the next generation. The majority of jobs are expected to be high skill and year-round, which will help strengthen the region's annual productivity that is currently overly reliant on seasonal employment and a reducing oil and gas industry. It will create links between academia and industry to drive innovation and deliver a centre of engineering excellence.
- 1.5 It is being delivered in an economically deprived coastal community, far removed from London's economic hub and in a region heavily reliant on economic support from the EU. With that support about to be removed, Pembrokeshire needs to become more sufficient in order to not be a drain on the UK's economy. The creation of high-skill employment will help boost the region's economic growth and stem Pembrokeshire's extensive outward migration while attracting inward migration. This will have a positive impact on the local economy and higher residency numbers will support reduced per person costs for Local Authority provision of services. PDM will positively influence social cohesion and mental well-being for this and future generations. It is also being delivered adjacent to town infrastructure in an existing industrial area resulting in minimal community disruption.
- 1.6 Swansea Bay City Deal funding will leave a significant legacy in Pembrokeshire. It will build the home of a new industry reskilling a new generation and revitalising an economically disadvantaged region. Net Zero provides the region with significant challenges and opportunities. The Pembrokeshire economy will have to transition from the current oil and gas sector to a low carbon future whilst retaining high value jobs. Pembroke Dock Marine will play a crucial role in this transition delivering innovation, resilience, diversification and ultimately drive down costs in the Blue Economy.
- 1.7 Pembroke Dock Marine is seeking £28m of funding from the Swansea Bay City Deal (£2.45m from UK Govt and £25.55m from Welsh Government) to deliver a £60.4m project within 5 years of approval. This will leverage immediate match funding of £16.8m of European funding, and private sector investment of £13.5m. In addition, it will leverage inward investment estimated to be in the region of £60m private/public funds from technology developers (IO 2). Releasing £410 million in longer term inward investment (IOs 8 & 9), and £73.5 million annual GVA. All investment is dependent on securing the Swansea Bay City Deal funding.

² Macroeconomic Benefits of Floating Offshore Wind in the UK, Crown Estate and ORE Catapult, Sept 2018

1.8 The project and its economic, climate and regeneration benefits are in danger of being lost to the region, Wales and the UK. Each partner has been investing at risk and can no longer face delays in the decision process.”

2. Pembroke Dock Marine Status

2.1 Business Case





- Pembroke Dock Marine was identified as a potential Swansea Bay City Deal project in 2016.
- The business case was developed by the four partners: Marine Energy Wales, Port of Milford Haven, Offshore Renewable Energy Catapult and Celtic Sea Power (formerly Wave Hub Development Ltd).

2.2 Governance

- Collaboration agreement approved 23 September 2021.
- A Programme Board has been established.

2.3 Funding

- The formal funding agreement was signed 2 July 2021.
- Pembroke Dock Marine’s funding allocation is £60.47M., of which £28 million is from Swansea Bay City Deal

Element:	Marine Energy Engineering Centre of Excellence	Pembroke Dock Infrastructure	Marine Energy Test Area	Pembrokeshire Demonstration Zone	Combined outputs
Delivered by:					Pembroke Dock Marine Consortium
Headline Deliverable:	Establish the Marine Energy Engineering Centre of Excellence for research and innovation.	Reshape the physical infrastructure of Pembroke Port, Gate 4, to ensure maximum operational efficiencies for UK industry.	Create pre-consented and licensed zones within the Milford Haven Waterway for component and scaled device testing.	Deliver Phase 2: the consents and Securing of Grid for the 180MW Pembrokeshire Demonstration Zone targeting both wave and floating wind technologies.	Globally marketable proposition covering cradle to grave solutions for 21st century marine engineering and marine renewable needs
Total SBCD	£4m	£21.55m	£0.78m	£1.67m	£28m
Full Cost	£11.18m	£41.59m	£2.68m	£5.02m	£60. 47m
% Capital Spend	14.9%	100%	15.7%	0% ³	72.2%

The following additional funding, as outlined in the Business Plan, was secured:

ORE Catapult:

To establish the Marine Energy Engineering Centre of Excellence for research and innovation (Marine Energy Engineering centre of Excellence, MEECE):

- £5m WEFO SO 1.2 Research and Innovation

³ Wave Hub Ltd are proposing to capitalise all PDZ Phase 2 expenditure at the FID for Phase 3 Construction estimated for completion in 2024- 2025 outside of the SBCD funding phase. Therefore, spend is classified as Revenue for this FBC

- £1.04m ORE Catapult
- £0.74 Academia
- £0.4m Other

Port of Milford Haven:

To reshape the physical infrastructure of Pembroke Port, Gate 4, to ensure maximum operational efficiencies

- £13.046m Port of Milford Haven
- £6m WEFO 3.1. Marine Energy
- £1m WEFO SO 4.4. Connectivity and Urban Development

Marine Energy Wales:

To create pre-consented and licensed zones within the Milford Haven Waterway for component and scaled device testing (Marine Energy Test Area, META)

- £1.19m WEFO SO 3.1 Marine Energy
- £400k WEFO's targeted match funding
- £0.3m Coastal Communities Fund

Celtic Sea Power:

To deliver the consenting for the Pembrokeshire Demonstration Zone for the testing of full-scale arrays for both wave and floating wind technologies.

- £3.162m WEFO 3.1. Marine Energy
- £132k Wave Hub Development Ltd
- £60k Welsh Government grant

Ongoing engagement with WEFO to obtain additional financial support due to increased costs resulting from inflation/commodities increases and availability.

3. Pembroke Dock Marine Delivery Summary

3.1 Over-arching activity in 2021

- Partners attended SBCD portfolio showcase 3rd March
- Partners attended MEW conference in Llandudno in March
- IOD briefing on SBCD and PDM at Milford Haven 26th May

3.2 Partner specific activity in 2021

ORE Catapult, MEECE:

- Approval of the PCC Planning reserved matters and discharge conditions for Phase 1 received.
- Marine license variation for workboat pontoons approved/issued by NRW
- Standard Variation Letter has been signed by all Partners.
- Collaboration agreement has been signed by all university partners and ORE Catapult.
- New office opening at MSparc, North Wales
- Research Engineer has been recruited and joined the team MEECE marine buoy installed with and began testing a research project
 - New innovation manager starting
 - Attended MEW conference, delivering meet the expert session

Port of Milford Haven, PDI:

- Approval of the PCC Planning reserved matters and discharge conditions for Phase 1 received.
- Marine license variation for workboat pontoons approved/issued by NRW
- Planning Reserved matters approved, and Marine licence variations issued by EA
- Workboat pontoons design complete
- Hangars:
 - CGIs complete
 - Annex 4: Concrete repairs complete, render removed, existing wall ties replaced, foundations dug for link building, containment and cable run complete (but not live); New roof complete, footings and concrete pour for foundations complete in readiness for new link building, 1st Fix M & E, and dry lining all underway.
 - Annex 3: New openings internally complete; New roof complete, Concrete repairs complete, External underpinning completed
 - Annex 2: Soft strip complete and ready for roof demolition
 - Annex 1: Switchgear redesign complete, WPD engaged
- Surface water drainage complete across site ready to create new outlet.
- Lot 1: Agreed terms for Lot 1 ECC Contract with Main Contractor, Main Contractor ECC Contract issued for workboat pontoons/pickling pond infill and demolition works. SAB Approval received
- Lot 2A: 100% "For Construction" design issued for pricing. Both applications for the Phase 2a Reserved Matters application and the Phase 2a Discharge of Conditions application have now been submitted.

Marine Energy Wales, META:

- Successful recovery of SELKIE turbulence testing tool developed by Swansea University
- Marine Licence Variation application submitted to NRW
- Business Development Services contracted to support project
- Attend, exhibit and present at Marine Energy Wales Conference
- Town and Country Planning consents for site improvements permitted
- MEECE marine buoy installed at Dale Roads test site

Celtic Sea Power, PDZ:

- Legal and Grid technical Support Procurements concluded
- Environmental Support Procurement Live
- Pre-Application for grid submitted and engagement with NGrid, and other key OTNR Stakeholders underway.
- Team will be increasing to 4 as of 1st June, 5th role being advertised
- Environmental Scoping and Technical Procurement Awarded.
- CSP Hosted FLOW summit in Exeter April 27th

4. Pembroke Dock Marine Risks

Risks and Issues

- Redesign work underway for slipway to address increasing costs due to inflation/commodities increases and availability
- Capital cost increase PDI project budget. Further phases are at different stages in the PDI development plan but MHPA continue to work to inform options to mitigate (IP1)
- Ensuring appropriate level of project and program governance / reporting is established to maintain the projects value to the SBCD whilst ensuring the project remains delivery and impact focused.

- PDI Lot 1 ECI design stage prolongation will result in delayed start to Lot 1 Slipway/workboat pontoons and extended completion dates (Jan 2024) Ongoing material costs increases presenting a risk to deliver IP1 to budget.
- Due to the issue raised around redesign work for slipway (noted below) there is a risk this may impact completion date – currently Dec 2023
- PDI Lot 1 Construction Programme end date (see below)
- Floating Offshore Wind requirements presenting significant opportunity but further intervention in transmission infrastructure and multiple regional ports needed in order to connect the projects to the UK energy system & compete with European ports to capture benefit.
- Mitigations – Ongoing dialogue with contract partners and funding bodies. Early collaboration discussions with Regional Ports ongoing

5. Financial Implications

The project is funded through £28.0m City Deal Funding, £16.4m public sector funding and £16.1m private sector funding. There is Ongoing engagement with WEFO to obtain additional financial support due to increased costs resulting from inflation/commodities increases and availability.

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

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

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

6. Legal Implications

There are no legal implications associated with the report.

Background Papers: None

Appendices: None

Agenda Item 7



Swansea Bay City Region Joint Committee - 28 July 2022

Swansea Bay City Deal Quarterly Portfolio Monitoring

Purpose:	To inform Joint Committee of the SBCD Quarterly Monitoring Report for both the SBCD Portfolio and its constituent programmes / projects
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee: 1) Notes the Quarterly Monitoring Report for the SBCD Portfolio and its constituent programmes / projects
Report Author:	Amanda Burns (SBCD Senior Portfolio Support Officer)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

SBCD Quarterly Monitoring Report for the SBCD Portfolio and its constituent projects provides the Programme (Portfolio) Board with a summary of key activity for the last 3 months and current quarter planned activity.

2. Background

2.1 Annex A: Dashboard Quarterly Monitoring

A summary of all the Quarterly Reporting documentation. It was agreed by JC that the following components to be included in the initial iteration in quarterly monitoring dashboards:

Item	Theme	Annex
1.	Programme / Project RAG Status	A / B
2.	Portfolio Delivery Timeline	-
3.	Portfolio Risk Register	C
4.	Issues Log	D
5.	Covid Impact Assessment	
6.	Benefits Realisation	E
7.	Financial Management	
8.	Change Management	
9.	Assurance & Audit Reviews	F
10.	Communications & Engagement	
11.	Procurement Pipeline Summary	

2.2 Annex B: The SBCD Quarterly Monitoring Report is made up of 2 levels with several components

- Portfolio
 - Communications and Marketing
- Programmes / Project
 - Scorecard with status summary
 - Previous quarter achievements and current quarter planned activities

2.3 Annex C: Portfolio Risk Register - Red and New Risks

The Swansea Bay City Deal portfolio risk register captures and monitors key portfolio level risks to the delivery of the City Deal and achievement of its aims and objectives.

2.4 Appendix D: Portfolio Issues Log - Red and New Issues

The Swansea Bay City Deal portfolio issues log captures and monitors key portfolio level issues to the delivery of the City Deal and achievement of its aims and objectives.

RAG status now added to the Issues Log to show level of severity

2.5 Appendix E: Benefits Realisation

The SBCD Benefits Register captures the annualisation of Portfolio benefits for Investment, GVA and Jobs that will be delivered up to 2032/33

Currently awaiting Supporting Innovation & Low Carbon Growth, Bay Technology Centre FTE's

2.6 Annex F: Portfolio Assurance

The SBCD has undertaken a portfolio and 3 project/programme Gateway reviews over that last 12months. Gateway Review Delivery Confidence Assessment (DCA) Ratings for each programme / project are shown alongside the scheduled date for the next review.

2.7 Appendix G: Construction Impact Summary

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

3. Financial Implications

There are no financial implications associated with this report. Portfolio financial monitoring will be reported separately through the Accountable Body.

4. Legal Implications

There are no legal implications associated with this report.

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

The SBCD Portfolio and its constituent 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 project business cases.

Background Papers: None

Appendices:

- A: Dashboard Quarterly Monitoring
- B: SBCD Quarterly Monitoring Report
- C: Portfolio Risk Register - Red and New Risks
- D: Portfolio Issues Log - Red and New Issues
- E: Benefits Realisation Summary
- F: Portfolio Assurance
- G: Construction Impact Assessment

Swansea Bay City Deal Progress/Reporting Dashboard

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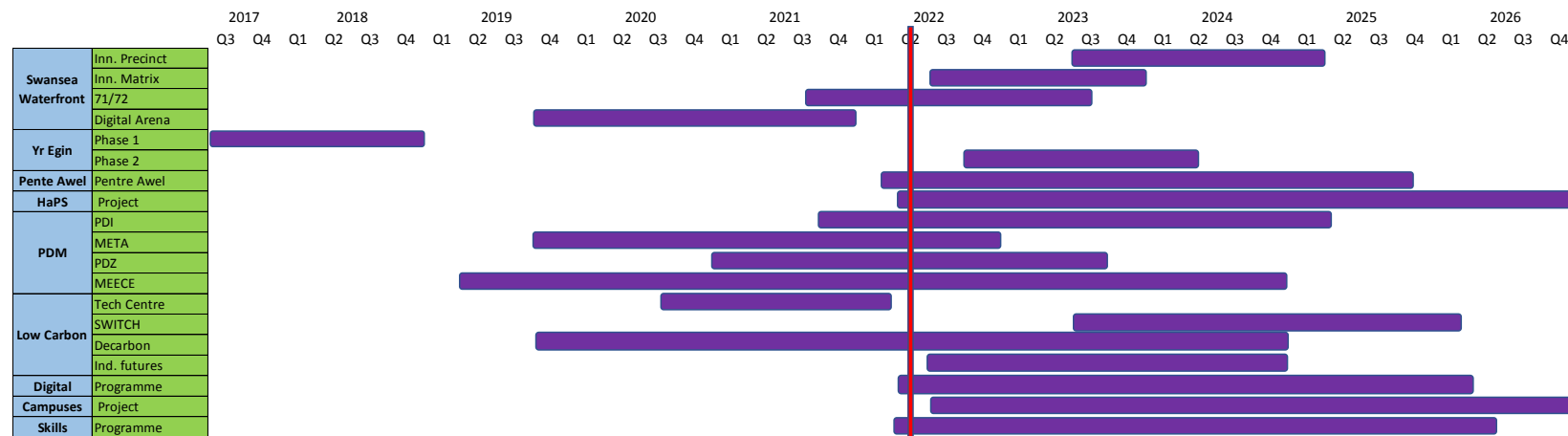


Drafted by:	Phil Ryder
Date:	01/07/2022

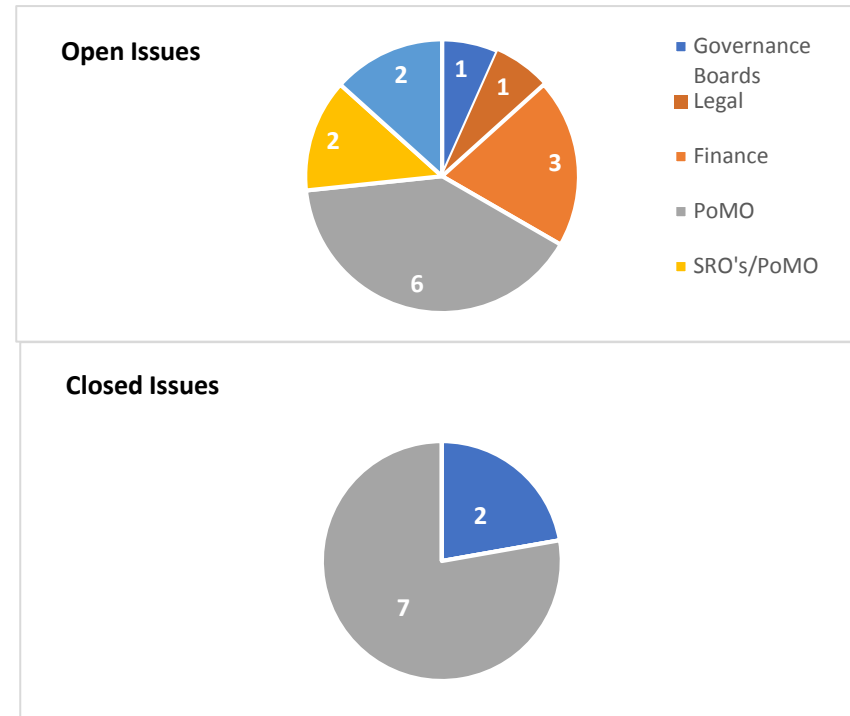
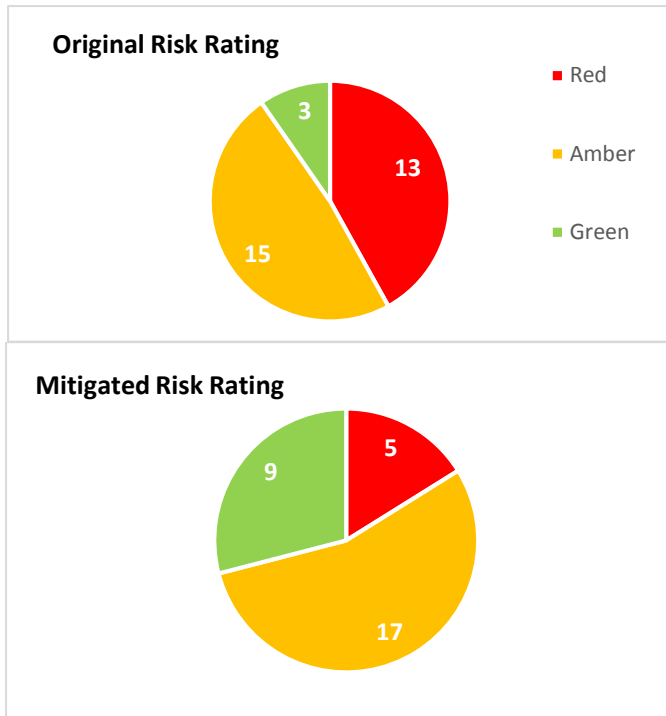
1. Project/Programme RAG status

Project/Programme	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	RAG Status
Pentre Awel						↔
Campuses						↔
Waterfront & Digital District						↔
Yr Egin						↔
Digital Infrastructure						↔
Skills and Talent						↔
Pembroke Dock Marine						↔
Supporting Innovation & Low Carbon Growth						↔
Homes as Power Stations						↔

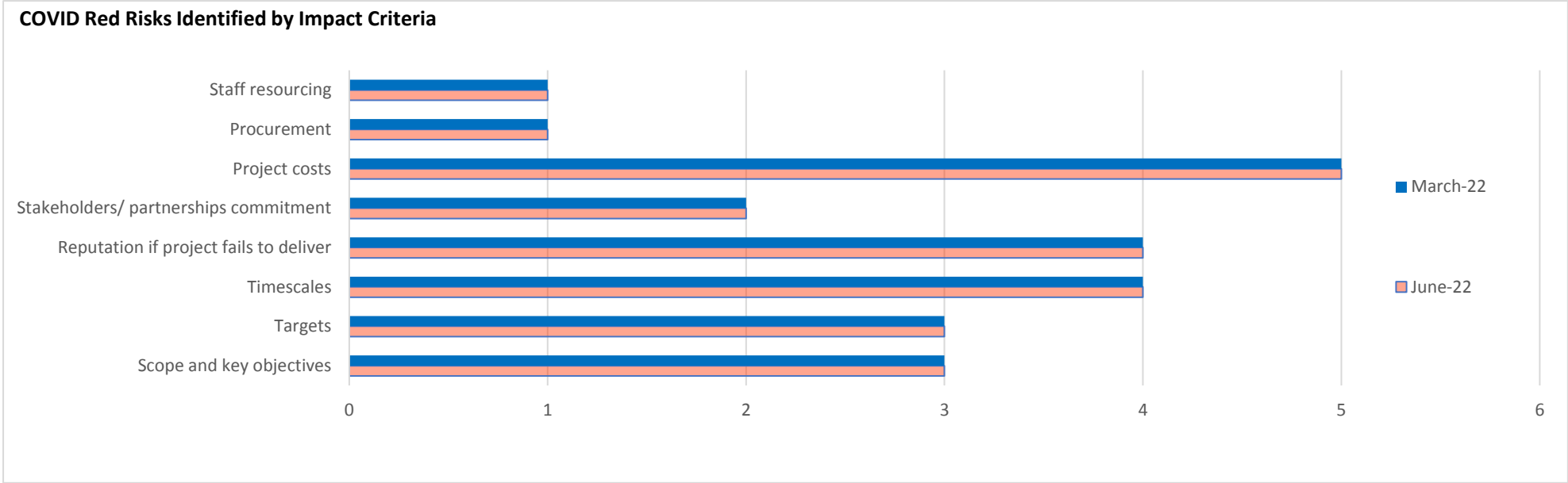
2. Portfolio Delivery Timeline



3. Portfolio Risk & Issue Management



4. Risk Management – COVID Impact Assessment Red Risks



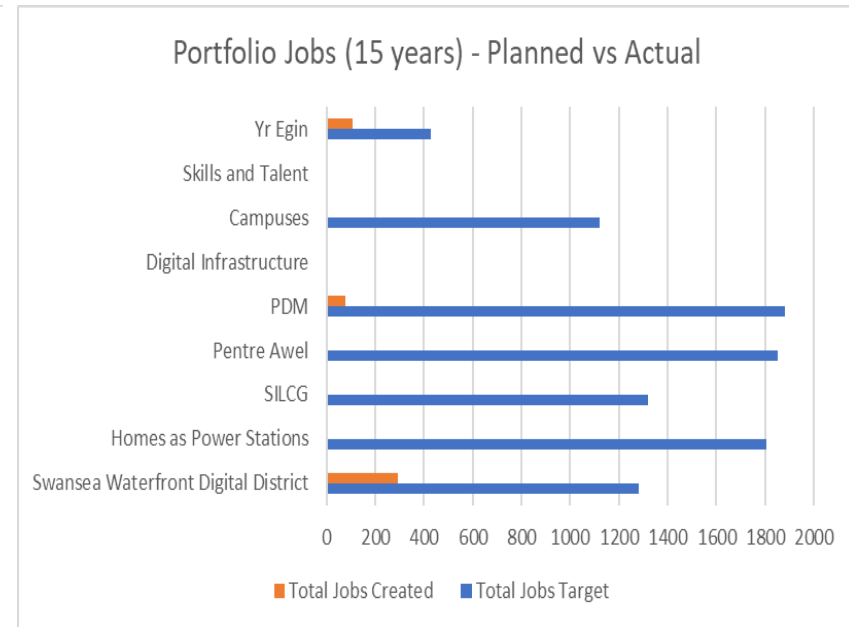
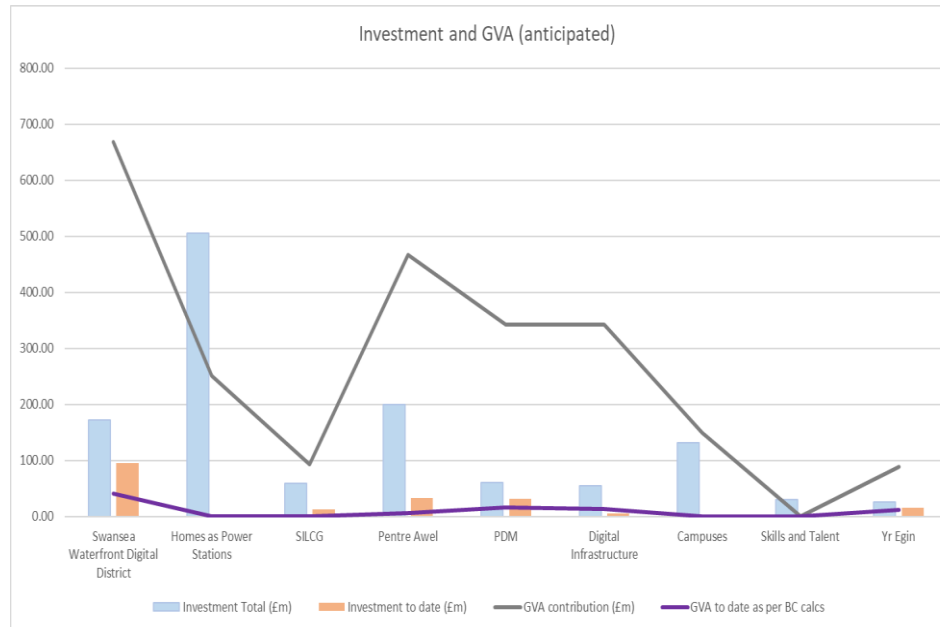
5. Risk Management – Top Red Risks

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.	21/06/22 The Portfolio is on track to realise the Private Sector funding however it is acknowledged that the timescales have slipped marginally due to macroeconomic events, Business Case development and approval process.	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.	21/06/22 Construction Impact Assessment being reviewed on a monthly basis at the request of Programme (Portfolio) Board. Any change is being presented at the meeting.	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.	24/06/22 Technical Advisory Note has been updated 10th March 2022. PoMO to engage with Cllr Stewart and Wendy Walters to gain clarity on latest position. To be raised at the next Programme / Project Leads meeting to enquire whether this still poses an issue locally and what plans are in place.	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.	24/06/22 Agreement by Programme Board and Joint Committee of Governance documentation going forward to report progress and provide challenge on future slippage. Financial monitoring is now focussed on delivery investment and will continue to monitor going forward with any significant variance managed through the change management process.	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.	08/07/2022 Discussions have taken place with CCOS legal. Finance Manager is reviewing all funding agreement documentation and CCOS legal will support any amends/updates required in order to ensure alignment between BC and funding agreements.	3	5	15 New Risk

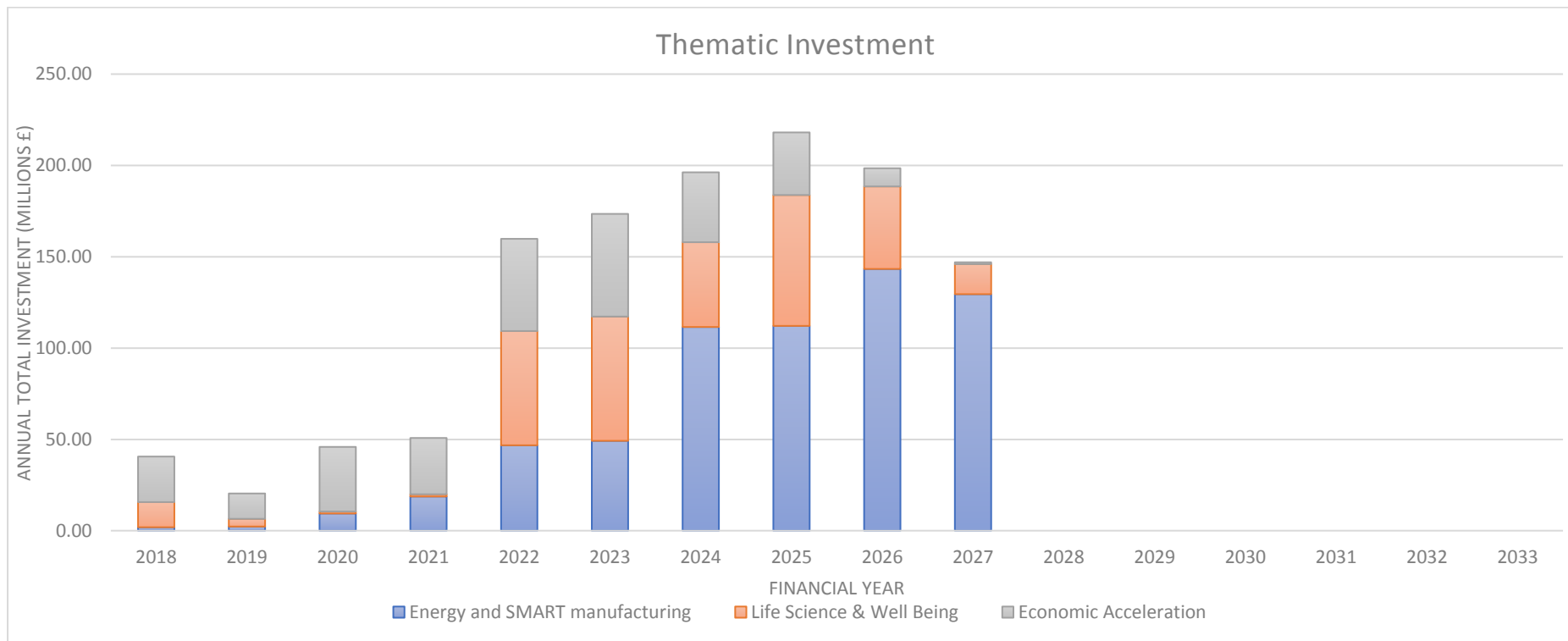
6. Benefits Realisation

Project/ Programme	Investment Target (£m)	Investment to Date (£m) (Movement since last Quarter)	Jobs Target	Jobs Created	GVA Target (£m) (Movement since last Quarter)	Anticipated GVA YE21/22 (£m) (Movement since last Quarter)
Swansea Waterfront	171.54	94.70	1281	291	669.00	40.97
HaPS	505.50	1.92	1804	5	251.00	0.00
SILCG	58.70	12.99	1320	1	93.00	0.00
Pentre Awel	199.19	33.52	1853	2	467.00	5.50
PDM	60.47	32.06	1881	77	343.00	15.55
Digital Infrastructure	55.30	5.05	0	3	343.00	12.60
Campuses	131.98	2.43	1120	2	150.00	0.54
Skills and Talent	30.00	1.54	0	2	0	0.00
Yr Egin	25.17	14.87	427	107	89.00	11.42
Total (number)	1237.85	199.08 (+41.49)	9686	490	2405.00 (0)	86.58 (+27.25)
Total (%)		16.08%		5.06%		3.60%

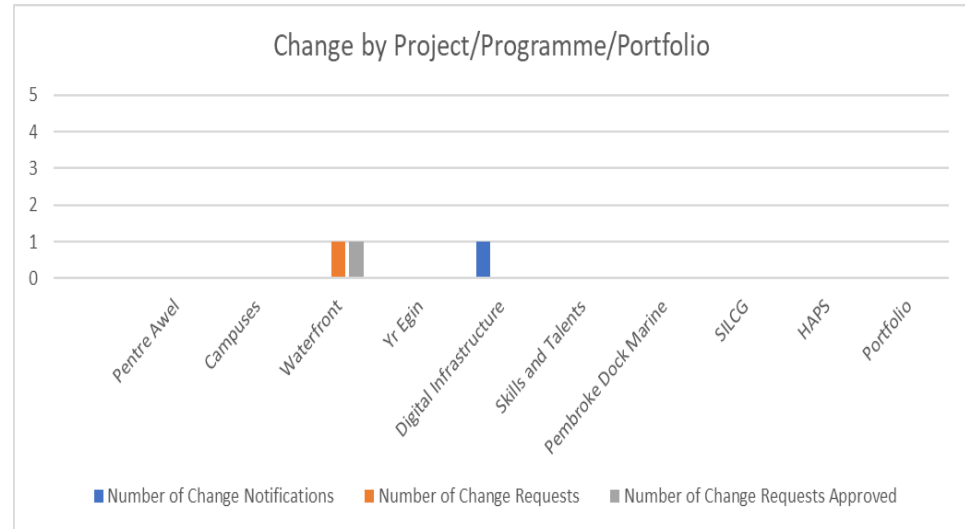
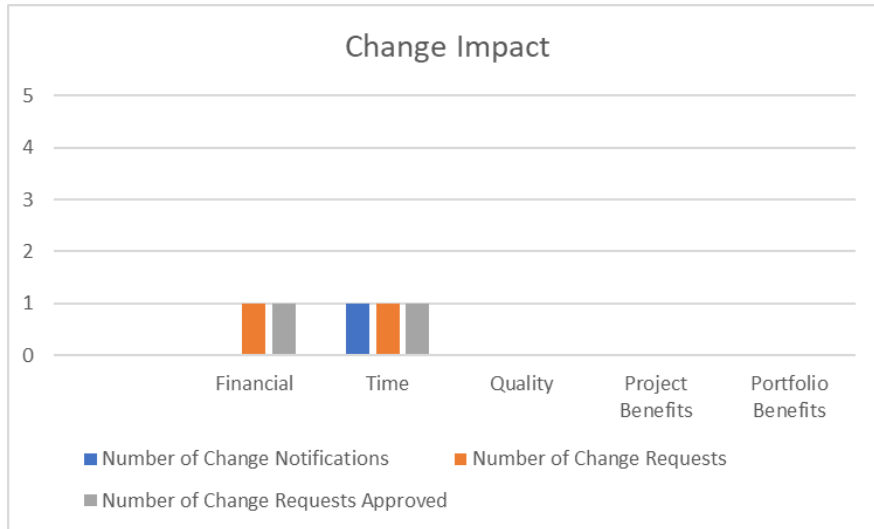
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7. Financial Management

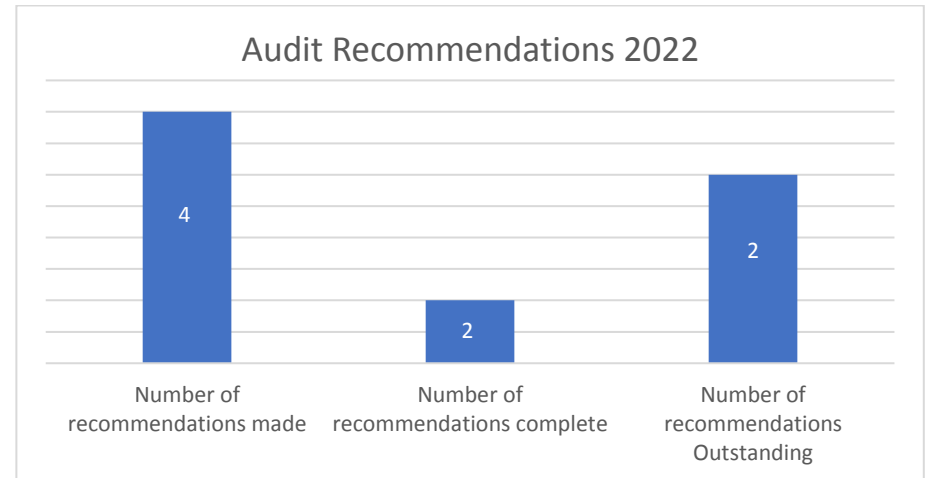
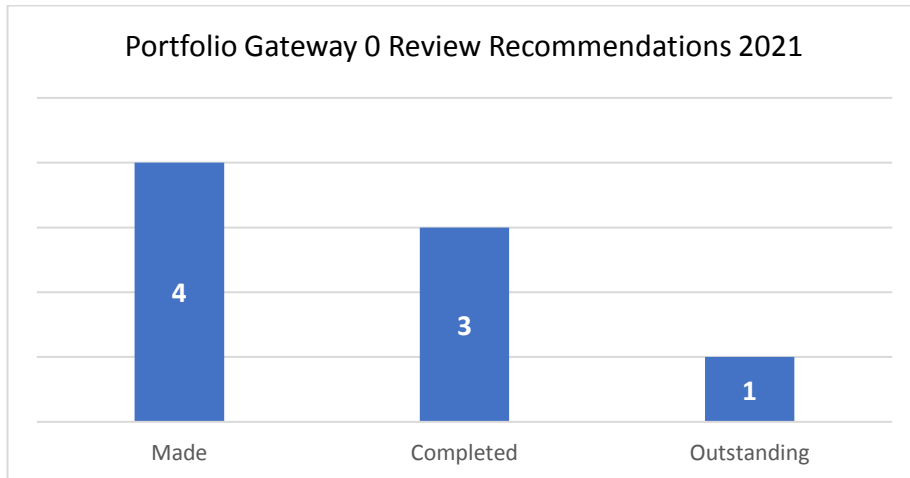


8. Change Management

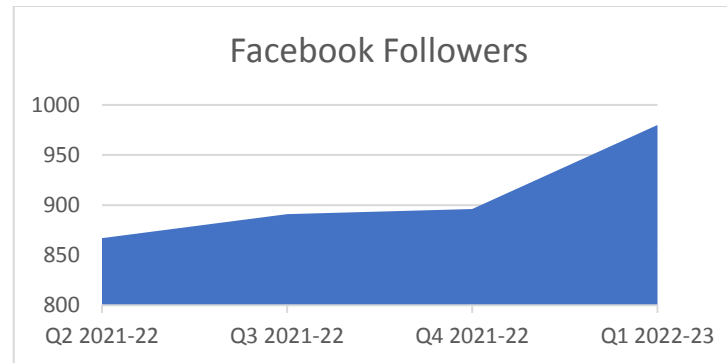
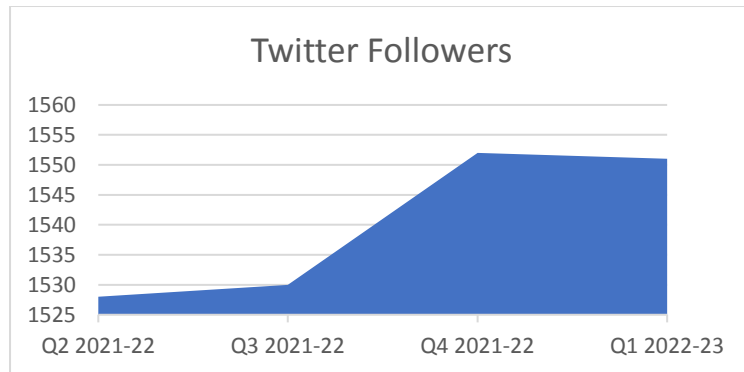
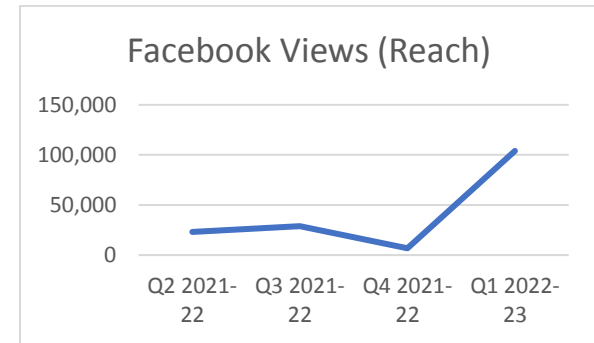
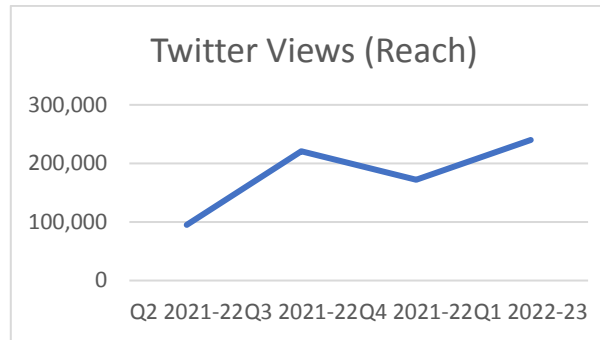
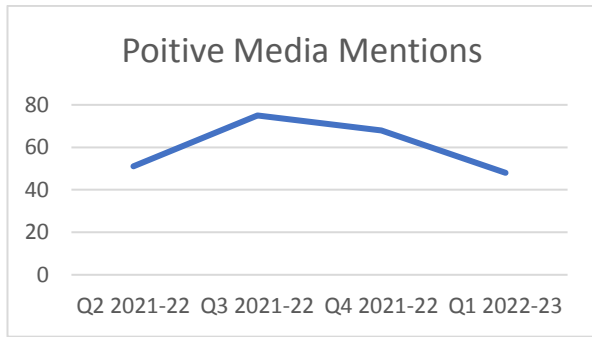


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9. Assurance & Audit Reviews



10. Communications and Engagement

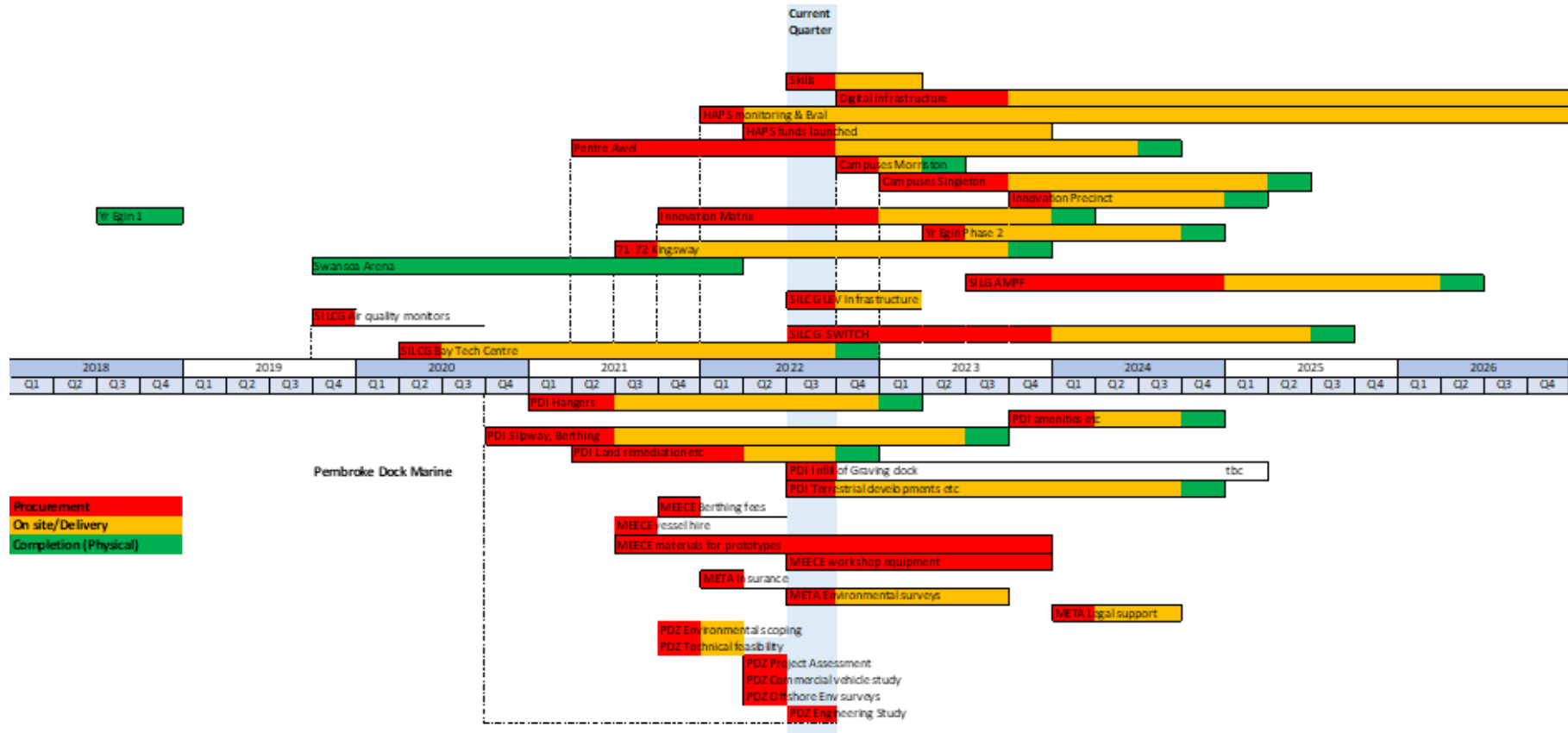


SBCD LinkedIn metrics June 2022

Total Followers	475	New in last Quarter		37
Quarter	July – Sept 2021	Oct – Dec 2021	Jan – Feb 2022	Apr – Jul 2022
Page views	129	159	261	187
Unique Visitors	49	81	110	78

11. Procurement Pipeline

Below is a pictorial representation of key procurement activity across the Programmes and Projects making up the Portfolio.



Swansea Bay City Deal Portfolio Quarterly Monitoring Report Quarter 1 (April-June 2022)

Programme / Project Scorecard							
Prog / Proj	Status Update	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall (change)
Digital Infrastructure	The programme has been assessed as Amber / Green via a thorough external peer stage gate review.						↔
Pembroke Dock Marine	Overall RAG status is Red due to financial risks and issues relating to rising construction costs. Project Partners are in the process of implementing mitigations to de-risk project, whilst balancing the need to progress delivery.						↔
Pentre Awel	<u>Delivery</u> – Updated from Amber to Green following the appointment of Bouygues UK as preferred contractor for Zone 1 and commencement of pre-construction activities. A maximum price has been secured and presented to CCC full Council in March. Reserve Matters Application (RMA) approval in June 2022 secures a key milestone on the project’s critical path. <u>Finance</u> – Remains Green as lease agreements with proposed tenants for Zone 1 are progressing. Risks relating to build costs, inflation and materials are being managed by Bouygues and Gleeds.						↔
Yr Egin	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). Project team now moving forward with Change Identification Notice for Egin Phase 2.						↔
Campuses	Business Case approved in Dec 2021 so currently in Delivery phase. 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. Mitigating actions formulated and pending project board approval.						↔
Homes As Power Stations	Scope agreed and fund guidance in development. Project Team to be appointed in Q4 Funding agreements in progress. Ongoing stakeholder mapping and engagement. Bi-Monthly HAPS project board meetings in place. PAR Review to take place July 2022.						↔
Supporting Innovation & Low Carbon Growth	Multiple projects in delivery namely BTC, SWITCH, AQMP, LEV,PDF Programme implementation and delivery plan live SILCG Programme Board meets quarterly PAR planning underway for Sept 2022 review. Internal audit planned for Sept 2022 . 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	Awaiting HR approval for recruitment of Programme Office team members, which is currently posing a resource challenge.						↔
Swansea City & Waterfront Digital District	71-72 Kingsway (Digital Village) in construction phase. Swansea Waterfront Business Case is being updated and plan to go through change request in May to reflect 71-72 going to FBC. Gateway Review zero agreed for Sept 2022. Discussions ongoing between Swansea Council & UWTSO about the delivery of the Innovation Precinct						↔

Title	Portfolio Management Office (Communications & Marketing)	Reporting Period	Q1 2022/23
Officer	Heidi Harries (SBCD Communications & Marketing Officer)		

Key achievements over the last 3 months – April, May and June

- 48 positive mentions in local, regional, national and specialist media. This is 29% down from the previous quarter, which is expected due to the election period covering over half the period. 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 Pentre Awel Meet the Buyer Event, Property Development Fund launch, Construction work begins on 71/72 Kingsway, Swansea Arena welcomes thousands of visitors, Green award for Bay Technology Centre
- Twitter posts - From 1st April to 30th June 'reach' was 240k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 1,551. This is a 40% increase from the last quarter.
- Facebook posts - From 1st April to 30th June 'reach' was 104k – this is the number of people that saw the posts, engaged, clicked on, re-tweeted, commented or liked. Number of followers is 980. This is a 1429% increase from the previous quarter. Both Twitter and Facebook engagements have increased due to posting more regularly and tagging more relevant organisations.
- Represented the City Deal in events including the Introbiz Event, Renewable Energy Revolution Event, Skills Pilot Project Launch, Welsh Business Show.
- Social posts on the Innovation Matrix Meet the Buyer Event, Vacant job opportunities, Urdd opening in Yr Egin, Property Development Fund, IoD Event.
- Finalised the first draft of the Campuses Communications plan which has been approved by the board.
- Finalised the Word document containing the text for the Annual Report.
- Attended Marketing and Communications subgroup meetings with the Pembroke Dock Marie project.

Key Activities planned – July, August and September

- Complete the 2021 - 2022 Annual Report and present to board in the finalised format for approval.
- Create Marketing and Communications subgroups for the remaining projects and programmes.
- Start to create Marketing and Communications plans for the remaining projects and programmes.
- Explore the marketing proposition from Business News Wales
- Visit Pembroke Dock Marine project.
- Press Release on Skills and Talent pilot scheme, The Bay Technology Centre Opening, Crossflow Digital Technology.
- Potential Ministerial visit for Pentre Awel.
- Schedule of key milestones for projects and programmes to plan future activity.
- Continued updates of the website and social media.

	Supporting Innovation and Low Carbon Growth	Programme / Project Lead	Brett Suddell
Local Authority Lead	Neath Port Talbot County Borough Council		
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q1 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"> • Programme Board meets frequently – change in meeting format from September being introduced to allow for external presentations and meetings themed around one project activity – unanimous support from SILCG Board for this • Regular stakeholder engagement • Project delivery / implementation plan developed – live document • Met with Industry Wales to progress links with industry • Attended skills solution group meeting • Visited Energy Centre at Gower College to forge closer working relationship • Active role in NPT Innovation webinars • Attended TATA/RWE collaboration launch on supply chain engagement • Regular attendance at PoMO meetings • Timely submission of PoMO documentation • Promotion of SBCD and projects at various events <p>Bay Technology Centre</p> <ul style="list-style-type: none"> • Working group meets monthly • Hosted UK Dept for communities, local government and levelling up • Hosted National Infrastructure Commission Wales visit • Promotional video showcasing environmental credentials of building • Furniture installed in building • Building contractors won two awards for BTC – Constructing excellence Wales Net Zero & Insider Wales Sustainability award • Prospective tenants visits taken place, preliminary discussions around heads of terms undertaken <p>SWITCH</p> <ul style="list-style-type: none"> • Working group meets fortnightly to develop building specification (NPT/SU) • Continued D&B Process • Equipment lists of legacy and new equipment supplied by Swansea University

- Funding & operating agreement, Heads of Terms documents prepared

Advanced Manufacturing Production Facility

- Discussions with Industry Wales and SWIC

Property Development Fund

- Scheme guidance prepared
- Press releases issued
- Agreed governance procedures
- Pipeline of expression of Interest form requests – deadline 22nd July

Hydrogen Stimulus Project

- Funding agreement between NPTCBC and USW developed

Air Quality Monitoring Project

- Replacement sensors installed in place of faulty sensors
- Data collection and analysis in progress
- External review of gathered data by Ricardo consulting, initial report received and reviewed, comments fed back
- Data Analyst recruitment process completed, person started

Low Emission Vehicle Charging Infrastructure

- NPT Council –ZEV Infrastructure Strategy and Delivery Plan developed
- NPT Council – Identification of fast track charging hubs in key locations within NPT
- Zero Emission Vehicle (ZEV) infrastructure funding – mapping exercise
- Identify approved framework providers for consultancy support and EV Charge Point Operators
- Map all internal ZEV locations and proposed infrastructure installations
- Map all external and public ZEV charging locations

Key Activities planned next Quarter

Project Development

- NPTCBC Internal audit to be undertaken in September
- Meeting with WG to discuss PAR

Bay Technology Centre

- Building due for Handover in July
- Prospective tenants signed up and in building
- Working group to continue to meet
- Continued promotion to attract tenants

SWITCH

- Sign Funding & operating agreement, Heads of Terms and lease documentation
- Prepare tender documents for design and build of the facility
- Tender for D&B released 2022/23 Q2

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 to help inform decision making process in September

Property Development Fund

- EoI Assessments undertaken and shortlisted companies to Stage 1 application process
- PDF Team to continue to meet

Hydrogen Stimulus Project

- Funding agreement between NPT and USW to be signed off
- Procurement of electrolyser equipment

Air Quality Monitoring Project

- Data collection ongoing
- Analysis of data obtained to date
- Meeting between NPTCBC, Vortex and Ricardo to discuss report

Low Emission Vehicle Charging Infrastructure

- Develop and release consultant tender to advise on EV strategy for NPTCBC
- Develop format approach for the Strategy Document – style, content, infographics. Deliver strategy framework document ASAP, identify future work areas and develop them in parallel or as priority/project/funding opportunities dictate
- Further development of the Infrastructure Strategy and Delivery Plan specification consulting with various external stakeholders
- Developing engagement strategy with:
 - Equivalent peers at Carmarthen, Swansea, Cardiff and Newport
 - Other regional colleagues with respect to Low and Zero Emission Vehicle Infrastructure
 - Other public and private sector organisations Low and Zero Emission Vehicle Infrastructure
- Anticipate appointing consultant end of July 2022 with the NPT Council consultancy work completed January 2023. Although this is an indicative timeframe with an exact project programme being confirmed once the work has been commissioned to the respective consultant.

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	Q1 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 • Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • Pembrokeshire Demonstration Zone (PDZ)

Key achievements (Overall Objective ID shown in brackets)
PDI update

- Pembroke Port Business Networking Event - An opportunity for businesses based at Pembroke Port to network with each other and with the Port's Commercial Manager. **(OP11, OP16)**
- POMH Audio Interview- Business News Wales - Chief Executive of the Port of Milford Haven Tom Sawyer gave an interview to Business News Wales. Mentioned Pembroke Dock Marine project and the wider benefits for the region. **(OP16)**
- Radio Interview - Chief Executive of the Port of Milford Haven Tom Sawyer interviewed live on Pure West Radio, mentions of Pembroke Dock Marine project and the renewables industry. **(OP16)**
- Port Of Milford Haven (POMH) OnBoard Magazine - Article about Hangar Annexes works underway in OnBoard magazine including results of public naming competition. **(OP11)**
- Pembroke Port Business News Email: May 2022 - Monthly email newsletter to the Pembroke Port business community. This month's email contains an article about an IOD event which included an update at Ty Hotel, Milford Waterfront on the next steps for the Pembroke Dock Marine Project. **(OP16)**
- Building names & logos announced **(OP16)**
- Pembroke Dock Marine webpage - Overview of the Pembroke Dock Marine development on the Pembroke Port website. **(OP16)**
- Annex 4: New roof complete, footings and concrete pour for foundations complete in readiness for new link building, 1st Fix M & E, and dry lining all underway.
- Annex 3: New roof complete, Concrete repairs complete, External underpinning completed
- Lot 1: Main Contractor ECC Contract issued for workboat pontoons/pickling pond infill and demolition works. SAB Approval received
- Lot 2A: 100% "For Construction" design issued for pricing. Both applications for the Phase 2a Reserved Matters application and the Phase 2a Discharge of Conditions application have now been submitted

PDZ update

- Celtic Sea Power (CSP) - OFGEM consultation response (Minded to Decision on Anticipatory Investment) - Anticipatory Investment is the mechanism by which UK govt want to see multi user substations de-risked and funded in the future. CSP with their MOS Project is seeking to align with this mechanism but see some change needed to make the market more successful. **(OP15)**
- Environmental scoping and technical procurement awarded, technical and environmental work streams underway. **(IP4)**
- CSP Hosted FLOW summit in Exeter April 27th. **(OP16)**
- Pembroke Team to 5 FTE **(IP6D)**
- CSP responded to OFGEM's minded-to-decision around Anticipatory Investment **(OP15)**
- Ongoing positive engagement with BEIS, OFGEM and National Grid ESO on PDZ's Multiconnection Offshore Substation (MOS) Proposal. **(OP15)**

META update

- META Town & Country Planning variation consented - META variation to planning consents went to committee on the 5th April and was approved without objection. **(IP5a, IP5b)**
 - Pembrokeshire College Renewable Energy Workshop - META project staff held a workshop for year 10 engineering students at Pembrokeshire College increasing awareness of the emerging industry and opportunity in Pembrokeshire. The students were tasked to design and build an floating offshore wind platform. **(OP14)**
 - Preparing learners for Renewable Revolution - META team presented and exhibited to Pembrokeshire College's Engineering, Computing and Construction Faculty - supporting teaching staff to prepare learners for the renewable revolution. **(OP14)**
- META Device deployment - MEECE deployed the marine test buoy at the META Dale Roads test site. The buoy features Nanodeck solar storage panels from Welsh company Grafmarine, along with a live stream data logger from META's SELKIE project partner. Current data sources include GPS, Load Cells, NMEA connected instruments and interfacing with the buoy's Victron power management system. Local supply chain companies Mainstay Marine Solutions and Williams Shipping helped build and launch the device. **(IP5a, IP5b)**
- Meeting with technology developer BEEEX - Meeting with Singapore based technology developer BEEEX to discuss testing opportunities at META **(IP5a, IP5b)**
 - Marine Energy Wales (MEW) staff present at All Energy Conference - MEW staff attend and present at All Energy Conf on the topic of Marine Renewable Energy opportunities in Wales **(OP11)**

<p>MEECE update</p> <ul style="list-style-type: none"> • Attended networking events with the Institute of Directors, and The Crown Estate. • Presented to Neath Port Talbot Council's Manufacturing and Innovation Forum. • Presented a paper at the Ocean, Offshore & Arctic Engineering (OMAE) Conference in Hamburg. • Supported and attended the Haven Waterway Future Energy Cluster event in Westminster.

Key Activities planned

<p>PDI</p> <ul style="list-style-type: none"> • Hangar Annex works continuing. (IP1) • Royal Haskoning is producing new drawings for slipway. (Ground investigation works will inform new design.). Physical slipway completion anticipated in August 2023. WEFO notified. (IP1) • Demolition of units in preparation for Access Infrastructure elements in June. End date- December 2023. (IP1) • Lot 2 - land remediation (Millforge). Projected to commence in June (reserved matters before starting). Contractor identified. (IP1) • Ongoing preparation works for the demolition of Annex 1 scheduled for beginning of May. (IP1) • The Aloud Charity engagement is underway with dates in May identified. (OP16) • Lot 1: Review of slipway redesign to be finalised, costed and then instructed. Main contractor to mobilise to site and commence works • Lot 2A: Main contractor to return price and programme for ECC contract • Lot 3: Commence programme and costing review. • Holistic Network Design due for consultation. • Responding to OFGEM's Minded to Decision around Shared Assets and Anticipatory Investment. <p>PDZ</p> <ul style="list-style-type: none"> • Delivery of the Environmental Scoping Review and associated Work Packages from Black & Veatch. (Mid-August) (IP4) • Visit and re-examine proposed cable routes using latest and most up to date information. (IP4) • Procure Land Agent Support Services to work through discussions with potentially impacted (IP4) • Delivery of time critical ornithological surveys on the PDZ. (IP4) • Delivery of time critical Extended Phase 1 Habitat surveys on the cable land fall options and onshore routes. (IP4) • Procurement or EIA and EIA production services via OJEU procurement (IP4) • Technical Works Pre Feed procurement. • Respond to Minded-to-Decision on Pathway to 2030 consultation. (OP15) • Procure Animation for PDZ. (OP16 / IP4) <p>META</p> <ul style="list-style-type: none"> • Ongoing site characterisation and data collection (IP5b) • Prepare and submit documentation to regulatory bodies for upcoming projects (IP5a) <p>MEECE</p> <ul style="list-style-type: none"> • MEECE support available, and wider ORE Catapult support initiatives such as OWGP, Fit4OR, Launch Academy and the Celtic Sea Cluster. (OP11) • In advanced talks with a Celtic Sea Developer to fund a South Wales cohort of Fit4OR.

Project Title	Pentre Awel	Programme / Project Lead	Sharon Burford
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q1 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 Q1 2022/23
<p>Project development</p> <ul style="list-style-type: none"> • Unanimous approval of the Reserve Matters Application (RMA) at Planning Committee in June 2022. This is a key milestone that will help facilitate a targeted start onsite in October 2022. Projected completion date remains summer 2024. PR incl. latest imagery available via Newsroom • Ecology and Ground Investigations surveys undertaken and informed RMA. Reptile fencing erected around Zone 1 development area • SAB (sustainable drainage) application submitted 1st June 2022 • RIBA Stage 4 designs for Zone 1 have been ‘frozen’ with a view to pricing and tendering subcontractor work packages • Bouygues UK (Zone 1 contractor) have engaged local organisations to plan and deliver a programme of community benefits, focused on four core ‘pillars’ of activity: targeted recruitment and training, supply chain, education initiatives and community engagement • CCC and BYUK have agreed 48 TOMs (Themes, Outcomes and Measures) • Education, Skills and Training (EST) group has commenced a mapping exercise to plot out current health and care, digital, sport and leisure, business and hospitality courses being delivered across schools, FE, HE and CPD within the SBCD region • Health and Wellbeing Implementation group held its inaugural meeting. This group will confirm the health services to be delivered at/from Pentre Awel

- Strategic partnership with Cardiff University in place to lead on innovation and business development functions building on their innovation partnership and expertise.
- A multidisciplinary group has been established to consider how the outdoor space can be used to align with the project objectives of health promotion, prevention and facilitating independence. This group will hold its first meeting in July and will look at the way the outside space can be used to help achieve the overall project outputs and facilitate movement around the site.
- Gateway 2 Assessment for Department for International Trade ongoing
- Whole site operating group established

Key Activities planned Q2 2022/23

- Early enabling works to commence onsite, including erection of site hoarding
- Determination of SAB application
- Submission of s.73 application to extend outline planning consent for whole site
- Host Ministerial visit 28th July 2022 – briefing and site visit for David TC Davies MP
- First Community Newsletter to be circulated by BYUK to update on current and planned activity onsite.
- Recruitment of 15 to 20 Community Ambassadors
- Confirmation of Hydrotherapy Pool charity funding Complete Lease Agreements with partners.
- Offers of Private funding available, Project to determine which is most beneficial at key milestones.
- Complete RIBA Stage 2 design development of Zone 3
- Commence scoping/modelling work for Zone 2
- Research and Innovation workshop scheduled 8th July 2022 – this will inform the subsequent research and innovation implementation group

Project Title	Swansea City & Waterfront Digital District	Programme / Project Lead	Huw Mowbray
Local Authority Lead	Swansea Council		
Project Delivery Lead	Swansea Council	Reporting Period	Q1 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 in Q1	
Business Case & Project Development	
<ul style="list-style-type: none"> • Arena open and events scheduled for the year. Copr Bay team continuing with final snagging works. 	

- Swansea Council Beyond Bricks and Mortar team have won a highly commended accolade at the UK-wide Go Awards scheme for their work on the Copr Bay project.
- Hotel: Consultants JLL reported the offer from Cairns which is the best reasonable obtainable in the market. Funding support is required and the project team are pursuing funding options.
- 71/72 Kingsway - Pile capping continues, drainage and preparation work in progress.
- Innovation Matrix planning approval was received on 5th July 2022. Stage 4 design is substantially complete.

Key Activities planned Q2

Arena

- Continue to explore Hotel delivery options.

71/72 Kingsway

- The Business case to be signed off to reflect the 71-72 moving to FBC.
- Construction continues on programme.
- Further detailed letting/operator discussions continue for 71/72 The Kingsway

Innovation Matrix

- Market testing underway with a target for cost certainty by the end of August.
- Start on site October 2022

Innovation Precinct

- Following ongoing discussions with Swansea Council, the project is likely to be subject to a change request notification later in the year

Project Title	Homes as Power Stations	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	Q1 2022/23
SRO	Nicola Pearce		

Budget	
Total Budget	£505.5m
City Deal	£15m
Public	£114.6m
Private	£375.9m
Description	
<p>A regional project to facilitate the take up of energy efficient design and renewable technologies in new build and existing housing stock in the public, RSL and private sector across the City Region. The project will support the renewable technology in housing supply chain and will share the learning via an open access knowledge sharing hub.</p> <p>The project will:</p> <ul style="list-style-type: none"> • Facilitate the take up of renewable technologies and energy efficient design in new build and existing housing stock • Support the regional supply chain • Establish an open access knowledge sharing hub to share the project findings with all sectors • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents’ health and well-being 	

Key achievements
<p>Project Development</p> <ul style="list-style-type: none"> Established formal governance in place - HAPS Project Board Primary Funding Agreement in place Inter Authority and Third Party Funding agreements in progress Formalised stakeholder engagement plan (live document) Formalised project delivery / implementation plan (live document)
Key Activities planned
<p>Project Development</p> <ul style="list-style-type: none"> Project Plan being developed taking into consideration various Work Streams Stakeholder Engagement progressing, ensuring correlation with WG Gov / UK Gov plans and funding opportunities. Finalise Monitoring & Evaluation Specification procurement documentation PAR Review taking place 11-13 July 2022 Recruitment of staff – Supply Chain Lead & Technical Co-ordinator

Project Title	Digital Infrastructure Programme	Programme / Project Lead	Gareth Jones
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q1 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"> Site lists submitted from partners for hub site procurements. Secured involvement from additional partners namely; two police forces and a range of community halls across the region. Realigned rural capital spending plan to align with UK Government timelines and OMR review findings Several community voucher scheme projects now either in delivery or awaiting approval from DCMS across the region. Participating in the UK Government’s National DCIA Early Adopters Group

- Several new mobile cell sites being planned across the region and existing structures being upgraded as part of the Shared Rural Network which is a partnership between UK Government and Industry.
- Initiated recruitment of local resources to support delivery of the programme.
- LoRaWAN Gateways being deployed weekly across the Region. Joint procurement delivered between NPT and Swansea to appoint a contractor to install all remaining Gateways.
- SQW commenced work on developing Regional Portfolio of Opportunities.
- Engaged with Welsh Government programme; 5G Wales Unlocked

Key Activities planned

- Schedule formal Market Engagement for Connected Places hub-site procurement
- Issue PIN for Connected Places hub-site
- Signatory of MoU's between Digital Infrastructure Programme and partners for delivery of Connected Places hub-site procurement
- Submit bid to DCMS Gigahubs programme to increase the scale of our planned hub-site procurement.
- Launch consultation for regional digital opportunities and draft Portfolio
- 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.
- Digital Programme collaboration agreements with the 4 Local Authorities to be signed.
- Human resource recruitment for individual revenue funded projects completed.
- Establish a baseline of benefits measures for the programme and collate performance figures for Q1 22/23
- Quantify investment for 21/22 financial year, including baselining of metrics
- Finalise scope for initial 5G project(s) and continue to refine additional regional opportunities.
- Plan launch event for Regional Digital Innovation Network
- Change Notification submitted to PoMO see APPENDIX A

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	Q1 2022/23
SRO	Keith Lloyd		

Budget	
Total Budget	£130.44m
City Deal	£15.00m
Public	£58.01m
Private	£57.43m
Description	
<p>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.</p>	

Key achievements
<ul style="list-style-type: none"> • Approval granted by Welsh and U.K. Governments. • Project delivery board appointments made. • All Gateway review recommendations have been addressed, 7 currently completed and 4 ongoing actions. • Communication and relationship manager appointment (Richard Lancaster) • Ministerial visit completed by M.P. David T.C. Davies to mark project approval. • Project Manager appointed (clare Henson) • Recruiting 3 further team members (project administrator, project support officer, business engagement and communications manager) • Draft funding agreement received and currently under review. • Sketty lane - Ecological assessment conducted, revised cost estimate received. •
Key Activities planned
<ul style="list-style-type: none"> • Design team appointments “Morrison Management Centre” • Private sector engagement and work streams commence with Industry Wales, E.S.B, and Department of International Trade. • Formal change request submitted. • Funding agreement completed • Singleton phase 1 design agreed. • Morrison Management centre design signed off. • Procurement stage starts for “Morrison management centre”

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	Q1 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
<p>Project Development</p> <ul style="list-style-type: none"> University conducted sector demand study (completed August 2021) and has reported findings back to SBCD Change Identification process now formally started with PoMo (SBCD)
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 undertaking internal consultancy process to develop requirements for Egin Phase 2 in the context of industry requirements.

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	Q1 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"> First pilot project application has been reviewed by Skills Solution Group who recommended approval to RLSP. Following RLSP Board discussion it received approval. First pilot project application received and approved.
Key Activities planned
<ul style="list-style-type: none"> Appoint the remainder of the Skills Team. Receive and review further pilot project applications. School engagement events planned for Autumn term. Second Gateway Review October 2022

ANNEX A

Change Identification Notice



The Project/Programme Lead/Manager (PM) is required to give this notification of potential change under the governance arrangements of the Swansea Bay City Deal to both the City Deal Portfolio Management Office (PoMO) and the Project/Programme Senior Responsible Officer (PSRO) as soon as they become aware of any matter that might;

- 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;
- Impact the GVA, jobs created or inward investment.

Change Description & Description of Impact

Following recruitment of the Digital Programme team in Summer/Autumn 2021 the formal commencement date for programme delivery has been confirmed as 1st October 2021.

Whilst the Digital Programme remains on target to deliver all the objectives, benefits and outcomes identified in the authorised Business Case, timelines and financial spend forecast periods need to be realigned to accurately reflect the confirmed start date and associated delivery phase for the programme.

If timescales are not updated the programme risks being reflected inaccurately in terms of progress against agreed milestones and spend profiles in regional reporting.

The Digital Infrastructure Programme team have revised timescales within the business case to this effect. This also provided an opportunity to update a number of minor outstanding details namely;

1. Confirmation of specialist advisors appointed to the programme in August 2021
2. Confirmation of team structure, recruitment and resource requirements
3. Confirmation of the established programme governance structure including up to date terms of reference for the Digital Infrastructure Programme Board in Annex 1
4. Inclusion of the latest programme risk register in Annex 2
5. Inclusion of detailed measures which will demonstrate and support benefits realisation in Annex 3.

These updates along with the revised timescales in terms of milestones and spend profiling strengthens the business case and ensures the programme is robust and accurate in reporting throughout the City Deal governance structure.

These updates impact the criteria below as follows:

- Impact the total cost – *no impact*
- Impact the completion of delivery of output(s)/ key milestones – *no impact on actual completion of milestones however the dates for completion have now been updated to reflect formal delivery phase commencement date of 1st October 2021*

- Impact the quality outlined within the business case for the specified Project/Programme – *no impact*
- Impact the benefits outlined within the business case for the specified Project/Programme – *no impact*
- Impact the GVA, jobs created or inward investment. – *no impact*

Risk Register/Issue Log reference -

Impact of change – Mark with an X as applicable

<u>Cost</u>	<u>Timeline</u>	<u>Quality</u>	<u>Benefits</u>	<u>Portfolio Benefits/ Objectives</u>
	<u>X</u>			

Change to Project Plan (if required attach revised plan) attach all relevant evidence of impacts that are selected

- The PSRO and PoMO must acknowledge receipt of this Identification Notice and agree there is a potential risk which might impact one or all of the above aspects of the Portfolio/Programme/Project.
- Enter any accepted risks onto the Project/Programme risk register
- Once a potential change is identified and notified to the PoMO and relevant PSRO any of the three parties (PoMO, PSRO or PM) can instruct any risk mitigation meeting with participants to be agreed by all three stakeholders.
- During the risk mitigation meeting, participants must;
 - Make and consider proposals of how risks might be avoided or mitigated.
 - Seek solutions to resolve any risks that cannot be avoided or mitigated.
 - Decide on appropriate actions to follow and who is responsible for their completion.
 - Remove resolved risks previously added to the risk register.
- If following the risk mitigation meeting or issuing of a Change Identification Notice a change of scope is required a formal, appropriate approval process to the change must be agreed upon and actioned by the PM/PSRO and/or PoMO.

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>

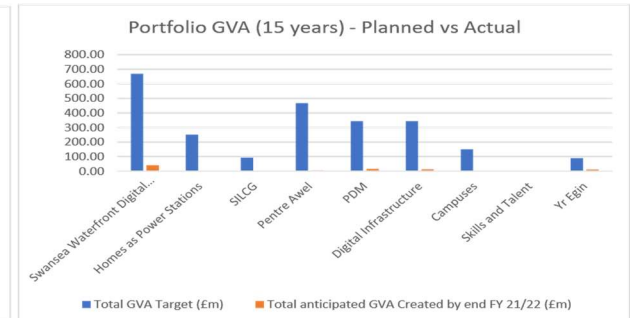
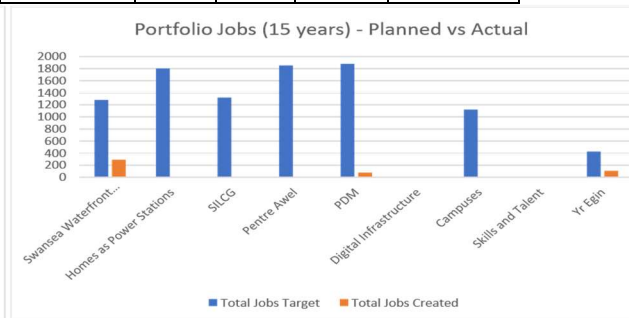
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Ref	Title	Date Raised	Risk Description	Inherent Probability	Inherent Impact	Inherent Rank	Original Control Actions	Review Update/Control Actions	Residual Probability	Residual Impact	Residual Rank	Reported Change
SBCD026	Private sector funding contribution/s not realised in line with business case projections	Mar-18	Risk that private sector funding is not realised as per portfolio business case projections that will impact on the deliverability of outputs and outcomes with specific connection to jobs target of the SBCD	5	5	25	Projects required to complete full five case business model including robust financial detail and commercial case identifying and confirming sources of income.	<p>21/10/21 At present limited private sector funding has been committed, however as the portfolio develops further investment will be stimulated as programmes / projects and supply chains mature. This will be monitored quarterly.</p> <p>05/04/22 The Portfolio is on track to realise the Private Sector funding however it is acknowledged that the timescales have slipped marginally due to macroeconomic events, Business Case development and approval process.</p> <p>21/06/22 As previous. Further update TBC</p>	4	4	16	↔
SBCD031	Increase in cost of construction	01/07/21	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend	5	3	15	The PoMo will work closely with programme / project leads to identify potential impact and determine whether it is managed locally or whether intervention at Portfolio level is required.	<p>13/12/21 Construction Impact Assessment currently with Programme / Project Leads and SRO's for completion in readiness for the January Governance Boards.</p> <p>05/04/22 PoMo presented the Construction Impact Assessment to Programme Board on 29th March 2022. 3 completed returns, 3 returned with rationales for nil responses and 3 nil responses. Continued ongoing evaluation quarterly until all procurement activity is completed, will then be reviewed accordingly. PoMo facilitated an Event on 14th February 2022 hosted by Civil Engineering Construction Association (CECA) and Constructing Excellence in Wales (CEW). All Programme / Project Leads, SRO's and other City Growth Deals in Wales were invited to attend.</p> <p>21/06/22 Construction Impact Assessment being reviewed on a monthly basis at the request of Programme (Portfolio) Board. Any change is being presented at the meeting.</p>	5	3	15	↔
SBCD033	Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps.	11/10/21	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.	4	4	16	<p>Welsh Government are monitoring effectiveness of Planning Policy Wales (PPW) and Technical Advice Note (TAN) 15 through a notification direction and sustainable development indicators.</p> <p>Coordinated challenge (Lead by WLGA) to Welsh Government to ensure the updating of TAN 15 does not have a negative impact on regeneration activity.</p> <p>Carry out additional Environmental Impact Assessments (EIA)</p> <p>Consultation with Lead Local Flood Authority and planning authorities</p> <p>Flood Map for planning embedded</p> <p>Strategic Flood Consequences Assessment (SFCA) to be undertaken to provide the evidence to inform policies and site selection processes for all strategic and local development plans.</p> <p>Flood consequences Assessment (FCA) to be carried out to assess the risk of development in a flood risk area.</p> <p>Progress as planned across the portfolio, being cautious that future planning applications might be affected and raise any concerns as early as possible</p> <p>Programmes and Projects to review the potential impact of the updated TAN and provide a statement indicating whether or not they believe their schemes could be affected and any other measures they are taking on top of those listed here.</p>	<p>25/01/22 NRW have issued a letter to local authorities stating their flood maps are still to be considered when contemplating planning applications between now and June 2023.</p> <p>05/04/22 SBCD Programme (Portfolio) Board identified there is still a potential impact associated with TAN 15. It has been agreed that the PoMo will escalate this to Joint Committee following the elections with the intention that the Local Authority Leaders will pick up the conflicting information in relation to the implementation of the proposed changes with the WLGA. The PoMo have engaged with Programmes / Projects to determine potential areas that are affected by the new maps</p> <p>24/08/22 Technical Advisory Note has been updated 10th March 2022. PoMo to engage with Cllr Stewart and Wendy Walters to gain clarity on latest position. To be raised at the next Programme / Project Leads meeting to enquire whether this still poses an issue locally and what plans are in place.</p>	4	4	16	↔
SBCD043	Slippage in delivery of programmes / projects against key milestones	Mar-22	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.	4	4	16	Due to numerous factors, there has been some slippage in the original forecast investment, there will likely be some delays in delivery across the Portfolio for various reasons, including, COVID restrictions, Postponements in business case submissions and approvals and other factors such as resource and material availability may need to be monitored and mitigated as infrastructure elements move further into delivery. The portfolio level benefits have now been forecast for the remaining duration of the portfolio, however regular review will be required in order to ensure risks do not become issues and appropriate mitigation measures are adopted by the programmes and projects to meet the delivery commitments of the wider portfolio. PoMo are now monitoring the Procurement Pipeline	<p>05/04/22 The City Deal Finance Manager and PoMo Manager are now working with the Programme / Project Leads, to identify changes to plan and report them through the Change Control Process. Procurement Pipeline is now part of the Quarterly Monitoring process that is presented to Governance Boards. PoMo have created a Dashboard to summarise activity and risk across the Portfolio which is presented quarterly through the Governance Boards.</p> <p>24/06/22 Agreement by Programme Board and Joint Committee of Governance documentation going forward to report progress and provide challenge on future slippage. Financial monitoring is now focussed on delivery investment and will continue to monitor going forward with any significant variance managed through the change management process.</p>	4	4	16	↔
SBCD047	Prog/Proj delivering all outputs and outcomes within the business case	Jun-22	Risk that programmes and projects will not deliver elements of the business case resulting in depleted benefits being delivered. Currently funding agreements ensure that programmes and projects are committed to the delivery of business case objectives through the delivery of the outputs, however some of the business cases rely on the outcomes in order to realise the benefits within them. It is a risk if both outputs and outcomes are not delivered upon, however if an output or outcome is not attempted then the organisation will have failed to use best endeavours	3	5	15	Discussions have taken place with CCOS legal. Finance Manager is reviewing all funding agreement documentation and CCOS legal will support any amends/updates required in order to ensure alignment between BC and funding agreements.		3	5	15	↔

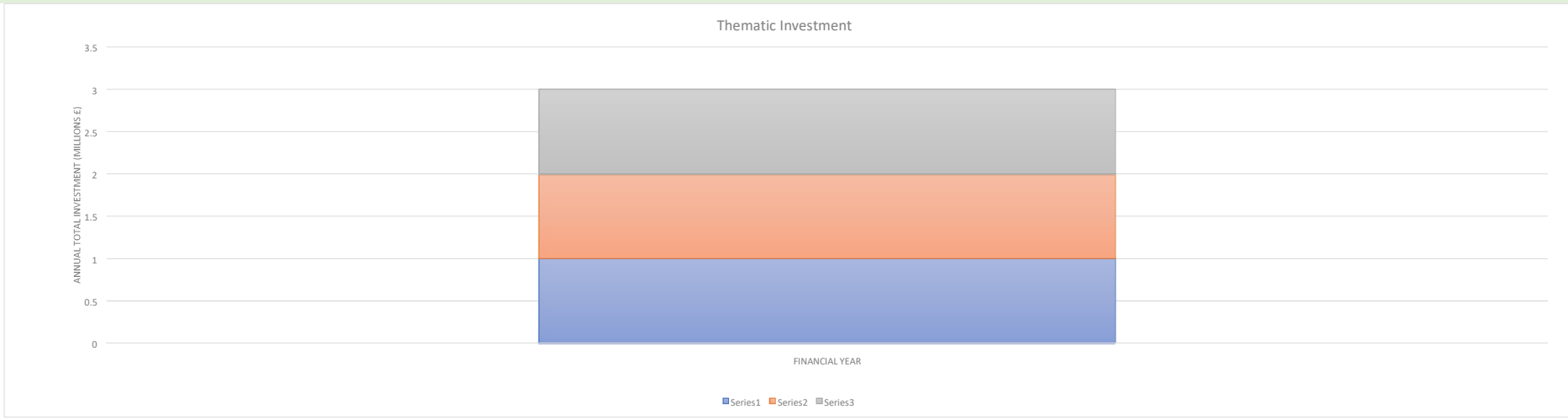
Programme / Project Name		SBCD Portfolio Management Office									
Director / Programme / Project Lead Name		Jonathan Burnes									
Last Updated		Jun-22									
ID	Risk ID (if applicable)	Date Identified	Status	Priority	Issue Description	Owner	Escalation Needed (Y/N)?	Impact	Original Action	Follow-on actions & Final Resolution	
SBCD017		14/02/22	Open	Red ↕	Approval of Governance Board documentation outside the timescales set out in the Meeting Protocol approved by JC	PoMO	N	PoMO spending unnecessary time chasing approval of documentation. Governance Board members receive papers later than anticipated allowing less time to digest. Also a chance of not being able to publish papers meaning they will slip to the following month due to the legal amount of time set to release documents	Request approvers set aside time in their diaries each month to review documentation Raise with Portfolio SRO PoMO to tweak Guidance document PoMO to meet with S151 and Monitoring Officer during the review period to discuss process for signing off documentation.	31/03/22 Board documents are shared asap with Monitoring and Section 151 Officers. Meeting with Monitoring Officer with suggested improvements which have been subsequently implemented by PoMO. 29/06/22 To be monitored going forward.	
SBCD022		16/02/22	Open	Red ↕	Measuring of GVA at a programme and Project level - The PoMO has confirmed that currently GVA cannot be measured as an indicator. This is due to the nature of GVA and it being a Macro measure i.e. regional, an accurate measure at a micro level e.g. proj. or prog. is not achievable	W/UKG & PoMO	N	One if the HoT requirements is GVA contribution, whilst the Portfolio will deliver uplifts in GVA it's quantification method is still unknown	UKG/WG have been tasked with confirming with their economists how this can be calculated. If this is not an achievable metric, they are tasked with determining a suitable metric (if required)	31/03/22 The appropriateness of using GVA , which is a Macro economic indicator as a measure of success at Portfolio, Programme and Project level are on-going with WG and UKG. 29/06/22 Proposal submitted to Programme (Portfolio) Board 31st May and WCGIB 13th June for consideration. Awaiting feedback from UKG &WG ahead of resubmission to Programme (Portfolio) Board to consider.	
SBCD028	SBCD039	24/06/22	Open	Amber ↕	Ability to update JCA	Legal	Y	Due to outside factors further delays in the updating of the JCA will prevent the audit recommendations being completely closed and may cause some functional restrictions in the requirements of the various boards and committees and the Portfolio Management Office in discharging their governance requirements for the City Deal	The JCA requires updating following audit recommendations, in order to ensure the agreement is fit for purpose following the 'bedding' in period of the Portfolio Management team, coupled with the progress made across the Portfolio with Programmes and Projects moving past approval and into delivery.	13/04/2022 It has been agreed that any updates that were proposed as a result of audit or assurance will be included, any further updates will need to be agreed and updated with a deed of variation by Joint Committee following the local elections taking place on 5th May 2022 24/06/22 Escalated from Risk to Issue	

 Item 7e Swansea Bay City Deal Benefits Recording Register - Portfolio Summary										
Project/Programme	Total Investment Target (£m)	Total Investment to date (£m)	Total Jobs Target	Total Jobs Created	Total GVA Target (£m)	Total anticipated GVA Created by end FY 21/22 (£m)	Business Case Status	Project Stage	Stage Commencement	Stage Completion
Swansea Waterfront Digital District	171.54	94.70	1281	291	669.00	40.97	Approved - FBC	Partial Delivery (2/4)	Oct-19	Q4-2027
Homes as Power Stations	505.50	1.92	1804	5	251.00	0.00	Approved - OBC	Pre-procurement	Jul-21	Q1-2022
SILCG	58.70	12.99	1320	1	93.00	0.00	Approved - OBC	Partial Delivery (2/7)	Nov-20	Q4-2025
Pentre Awel	199.19	33.52	1853	2	467.00	5.50	Approved - OBC	Pre-construction	Oct-21	Q1-2022
PDM	60.47	32.06	1881	77	343.00	15.55	Approved - OBC	Partial Delivery (1/4)	Sep-21	Q1-2024
Digital Infrastructure	55.30	5.05	0	3	343.00	12.60	Approved - OBC	Pre-procurement	Mar-21	Q2-2022
Campuses	131.98	2.43	1120	2	150.00	0.54	OBC regionally approved	Pre-approval	Jul-21	Q1-2022
Skills and Talent	30.00	1.54	0	2	0	0.00	Submitted - OBC	Pre-approval	Jul-21	Q4-2021
Yr Egin	25.17	14.87	427	107	89.00	11.42	Approved - FBC	Partial Operation (1/2)	Sep-18	Q4-2023
	1237.85	199.08	9686	490	2405.00	86.58				
		16.08%		5.06%		3.60%				



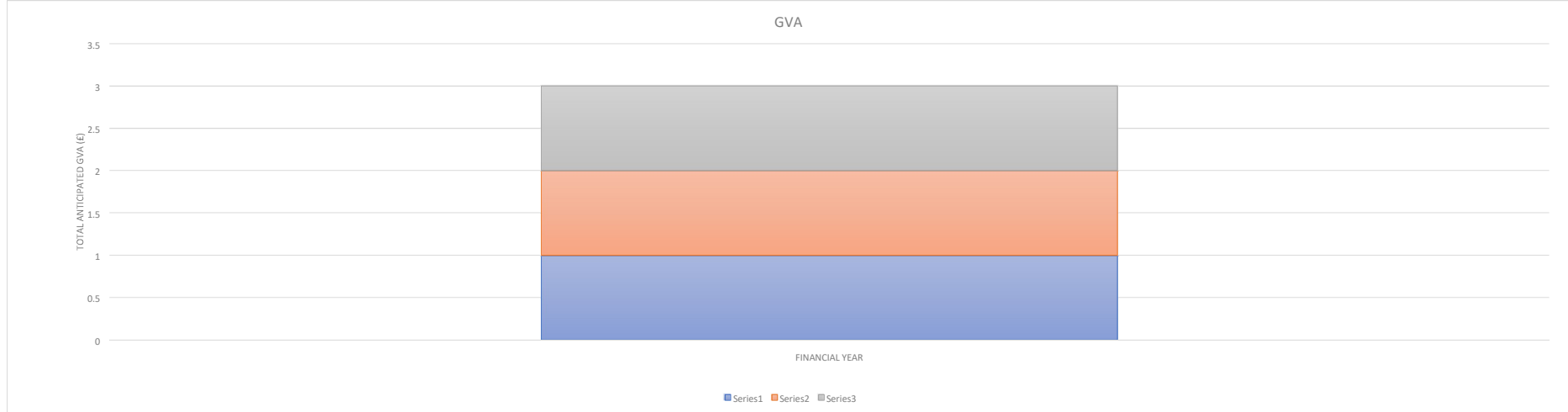
Investment Summary

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Energy and SMART manufact	0.00	1.00	140.00	219.00	878.00	1185.00	1687.00	1931.00	2173.00	2467.00	2844.00	3239.00	3652.00	4072.00	4478.00	0.00
(SILCG)	0.00	0.00	0.00	5.00	32.00	66.00	116.00	186.00	276.00	366.00	654.00	942.00	1230.00	1519.00	1807.00	0.00
(PDM)	0.00	1.00	0.00	63.00	236.00	266.00	317.00	412.00	425.00	529.00	618.00	725.00	850.00	981.00	1099.00	0.00
(HaPS)	0.00	0.00	140.00	151.00	610.00	853.00	1254.00	1333.00	1472.00	1572.00	1572.00	1572.00	1572.00	1572.00	1572.00	0.00
Life Science & Well Being	0.00	2.00	0.00	2.00	14.00	24.00	44.00	84.00	187.00	331.00	481.00	661.00	864.00	1074.00	1324.00	0.00
(Pentre Awel)	0.00	1.00	0.00	0.00	11.00	21.00	41.00	81.00	184.00	328.00	478.00	658.00	861.00	1071.00	1321.00	0.00
(Campuses)	0.00	1.00	0.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Economic Acceleration	28.00	16.00	13.00	25.00	206.00	428.00	653.00	893.00	1123.00	1373.00	1575.00	1816.00	2158.00	2484.00	3001.00	0.00
(Digital)	28.00	14.00	13.00	22.00	147.00	297.00	447.00	597.00	747.00	897.00	1049.00	1200.00	1426.00	1652.00	1881.00	0.00
(Skills)	0.00	1.00	0.00	1.00	57.00	129.00	204.00	294.00	374.00	474.00	524.00	614.00	730.00	830.00	1120.00	0.00
(Yr Egin)	0.00	1.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
(Swansea waterfront)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Portfolio Yearly Investm	28.00	19.00	153.00	246.00	1098.00	1637.00	2384.00	2908.00	3483.00	4171.00	4900.00	5716.00	6674.00	7630.00	8803.00	0.00



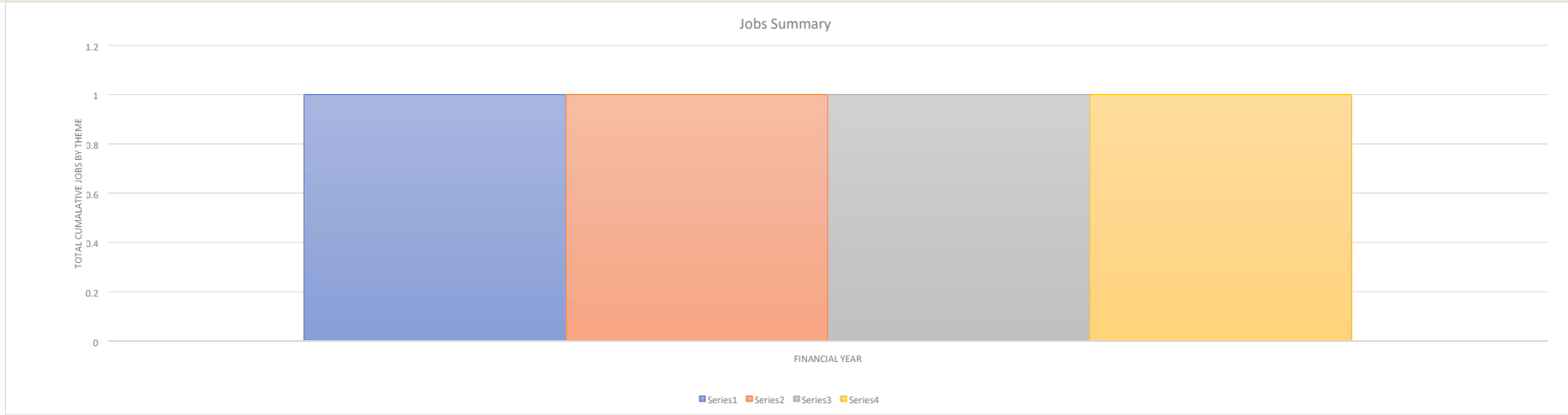
GVA Summary

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Energy and SMART manufact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(SILCG)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(PDM)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(HaPS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Life Science & Well Being	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Pentre Awel)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Campuses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Acceleration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Digital)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Skills)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Yr Egin)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Swansea waterfront)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Portfolio Yearly Investm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change form previous Quarterly																



Jobs Summary

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Energy and SMART manufact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1321.00	0.00
(SILCG)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1321.00	0.00
(PDM)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(HaPS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Life Science & Well Being	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1099.00	0.00
(Pentre Awel)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1099.00	0.00
(Campuses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Acceleration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Digital)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Skills)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Yr Egin)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Swansea waterfront)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Delivery Jobs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Yr Egin)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Portfolio Yearly Investm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2420.00	0.00
Change form previous Quarterly																



Portfolio Assurance

Appendix F

Portfolio/Programme/Project	Stage	Latest Review Date	DCA Rating	Next Planned
Portfolio	0	July 2021		July 2022
Homes as Power Stations	PAR (2/3)	June 2020		July 2022
Supporting Innovation & Low Carbon Growth	PAR (2/3)	June 2020		Sep 2022
Pentre Awel	PAR (2/3)	Sep 2020		Oct 2022
Digital Infrastructure	0	Oct 2020		Sep 2022
Pembroke Dock Marine	PAR (2/3)	Feb 2020		Dec 2022
Yr Egin	5 (Ph 1)	Nov 21		Dec 2022
Swansea Waterfront & Digital District	0	-		Sep 2022
Skills & Talent	0	June 21		Nov 2022
Campuses	PAR (2/3)	Aug 21		May 2023

Swansea Bay City Deal

Construction impact assessment summary report



Date	July 2022
Version	V3.0

Construction Impact Assessment Summary Report

1.0 Introduction

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.

2.0 Returns

As of 14th April 2022 following multiple discussions and requests for completion of the SBCD construction impact assessment, below is the status of returns.

Programme/Project	Status of Return
Swansea Waterfront	Complete
Swansea Campuses	Complete
SILCG	Complete
Skills and Talent	Nil return – not currently a direct issue
Yr Egin Phase 2	Nil return – current review of delivery strategy and strategic alignment will complete within next few months once strategy complete and approved.
Pentre Awel	Complete
PDM	Complete
Digital infrastructure	Nil return – on-going BC updates will complete within next few months once BC updates complete.
HaPs	Nil return

3.0 Construction impact assessment (CIA) Requirements

The CIA has been developed with 9 key questions listed below, whilst providing projects the opportunity to highlight specific risks or issues under question 10:

		Identify as Risk or Issue
	<u>People</u>	
1	Decreased available labour and/or suitable subcontractors and suppliers	
2	main contractor delivery/management team - skills and capacity issues in terms of project delivery	
	<u>Materials</u>	
3	Lack of availability of construction materials	
4	Quality of materials (due to lack of stock of preferred option)	
	<u>Finance</u>	

5	Rising construction costs results in exceeding/increasing programme / project budget	
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	
	<u>Timelines</u>	
7	Delays in project programme due to traditional infrastructure project factors such as ground/weather/construction site issues etc.	
8	delay in obtaining relevant construction related / operational approvals	
	<u>Policy/political</u>	
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning phases	
	<u>Other</u>	
10	Please highlight any other risks/issues in relation to construction not highlighted above	

These questions are scored across 8 fields of potential impact of low/medium/high (probability x impact). The fields of impact are:

Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/ partnerships commitment	Project costs	Procurement	Staff resourcing
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Once completed the author must then identify mitigations that are/will be put in place along with any resource requirements in enacting these mitigations.

4.0 Summary of Risks identified in returns

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

5.0 Quantification of impact

Once known the impact of these risks becoming issues will likely result in a change, the CIA has been developed so that all quantification links to the 5 categories of change derived in the SBCD change procedures, namely:

- Financial/costs
- Timescales
- Quality
- Programme and/or project benefits are impacted
- Portfolio benefits are impacted

6.0 Summary/status

Areas of High concern

There are currently 3 areas of high concern, these being:

- Scope
- Time
- Proj. costs

All of these areas 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.

Areas of Medium concern

There are currently 3 areas of medium concern, these being:

- Delivery of targets
- Potential reputational damage
- Proj. costs

As projects and programmes develop, all areas of concern will continually be monitored through the construction impact assessment, in order to ensure that all change is reported, recorded, escalated and approved appropriately, any mitigations required are implemented and the overall success of outcomes, outputs and impacts are not affected.

Annex 1 – Quantification of Construction Impact

Purpose

The Construction Impact Assessment highlights the potential risks of rising construction costs and increased resource issues. Once any issues come to fruition, the Programmes and Projects making up the SBCD Portfolio will quantify the potential impact and provide mitigation as to what measures are currently being implemented to overcome the issues.

Background

The Construction Impact Assessment was introduced by SBCD PoMO at the end of 2021 as a reporting mechanism for Programmes and Projects to allow the identification and quantification of wide spread risks and issues affecting the construction industry. Since its inception many Projects have identified key risks to their construction activity identified within the summary report.

Items/Affects/Quantification

As a result of the implementation of the Construction Impact Assessment, two of the SBCD schemes have identified and quantified issues within their projects/programmes causing their organisations to need further funding to ensure the delivery of the schemes remains on track.

Project/Programme	Impact	Mitigation
PDM	Pembroke Dock Marine identified an under-budget position in excess of	The PDM delivery team have worked hard to mitigate the issues, coming up with solutions

	£1m for construction activity associated with PDI element.	that reduce some cost pressures through design without impacting on deliverables and securing additional funding from WEFO to cover the remaining shortfall.
Innovation Matrix (IM)	Currently the IM project which forms part of Swansea Waterfront have identified a shortfall in budget of £0.442m. This is due to inflationary impacts on construction costs and this has the potential to increase to £0.75m by the time construction activity is contracted.	UWTSD have factored this shortfall into their financial forecasts and are currently looking at avenues in which to fund the shortfall and determine if some/all of this deficit can be found. If there are no avenues to reduce this deficit from funding sources available outside of the IM funding profile then UWTSD are proposing to utilise funding from their reserves in the short term to allow the project to commence and be delivered as planned.

Next Steps

There are several steps that are now being taken in order to try and better understand the potential risks.

- Construction Impact Assessments will now be updated on a Monthly basis, if there is a quantifiable change within the Month, meaning the reporting of issues and impacts will be more frequent and timely to the SBCD governance boards.
- Change notifications will be submitted by the Programmes and Projects once the impact is fully realised.
- Change requests will be submitted if there is a need to reduce any aspects of delivery in order to safeguard the overall project.
- Review forecasted inflation information and provide a general picture of where the impact to the Portfolio will end up.

Conclusions

In conclusion, rising costs and resource issues have been a problem for the Construction Industry in general over the last 12 months and there are no signs that this will change in the short term. To date we have seen minimal cost increases from a Portfolio perspective, however once aggregated the final increase in costs for the delivery of Construction elements could be substantial.

The PoMO will continue to work with leads to identify and report issues as and when they arise whilst supporting any mitigation activities deemed appropriate. In the event that project elements become unviable as a result of this current situation the PoMO will work with Project SRO's, Programme (Portfolio) Board, Joint Committee and Welsh and UK Government in a bid to ensure that the overall aims and objectives of the Portfolio are fully delivered and meet the aspirations set out within the region.

Agenda Item 8



Swansea Bay City Region Joint Committee – 28 July 2022

Audit Wales Report

Purpose:	The Auditor General is responsible for providing an opinion on whether the Statement of Accounts demonstrate a true and fair view of the position of the Swansea Bay City Deal Joint Committee as at 31 st March 2022. The report summarises the findings from the undertaken audit
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee: 1) Receive the Audit Wales audit of the 2021/2022 Statement of Accounts report for the Swansea Bay City Deal Joint Committee
Report Author:	Chris Moore (SBCD S151 Officer)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

Carmarthenshire County Council as the Accountable Body is responsible for the financial stewardship of the Swansea Bay City Deal. Accounts in respect of the Swansea Bay City Deal were not required in previous years and were presented through an annual return. This is the first year the Swansea Bay City Deal Joint Committee has had to compile a Statement of Accounts in line with the Accounts and Audit (Wales) Regulations 2014, as amended in 2018. The Statement of Accounts was audited by Audit Wales, with the audit letter including the audit opinion and findings presented in appendix A.

2. Audit Wales Report

The Auditor General is responsible for providing an opinion on whether the statements demonstrate a true and fair view of the position of the Swansea Bay City Deal Joint Committee as at 31st March 2022. The attached report summarises findings concluded from the audit undertaken.

3. Financial Implications

There are no financial implications within this report.

4. Legal Implications

There are no legal implications associated with this report.

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

The SBCD Programme and its constituent 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 project business cases.

Background Papers: None

Appendices:

Appendix A: Swansea Bay City Deal ISA260 Audit Report- Audit Wales

Audit of Accounts Report – Swansea Bay City Deal Joint Committee

Audit year: 2021-22

Date issued: July 2022

Document reference: 3072A2022

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

We intend to issue an unqualified audit report on your Accounts There are some issues to report to you prior to their approval.

Audit of Accounts Report

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Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2021-22 accounts in this report.
- 2 We have already discussed these issues with the Section 151 officer and his team.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £142,755 for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Senior Staff Remuneration – £1,000
 - Related Party disclosures for officers and members – £1,000
- 6 We have now substantially completed this year's audit but at the time of drafting this report, the following work is outstanding:
 - the final review of our audit file; and
 - our final review of the revised 2021-22 financial statements.
- 7 We would also like to draw to the attention of the Committee that on 27 July 2022, local government electors may exercise their rights under sections 30 and 31 of Public Audit (Wales) Act 2004 to question the Auditor General about or make objections to the joint committee's accounts for the year ended 31 March 2022. Should any issues arise from this process we would need to consider these before being able to certify the joint committee's financial statements. We will provide a verbal update of this situation to the Committee at its meeting on 28 July 2022.
- 8 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Impact of COVID-19 on this year's audit

- 9 The COVID-19 pandemic has had a continuing impact on how our audit has been conducted. We summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

Timetable	<ul style="list-style-type: none">• The deadline for completing your accounts was 31 May 2022.• We received the draft accounts on 17 June 2022.• Our deadline for completing our audit was 31 July 2022.• We expect your audit report to be signed on 29 July 2022.
Audit evidence	<p>We received the majority of audit evidence in electronic format and have used various techniques to ensure its validity. Where we have been unable to obtain certain audit evidence due to it not being available electronically, we have devised alternative audit methodologies to obtain sufficient audit evidence. Specifically:</p> <ul style="list-style-type: none">• officers provided electronic working papers in accordance with our agreed working paper schedule;• officers provided audit evidence to the audit team via email; and• officers were available by video conferencing for discussions, and for the sharing of on-screen information/evidence.
Electronic signatures	<p>The current plan is for the Committee to approve the 2021-22 financial statements at its virtual meeting on 28 July 2021. If still necessary at the time of approval and signing, we will accept electronic signatures. We anticipate that your audit report will be signed electronically.</p>

Proposed audit opinion

- 10 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 11 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 13 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

14 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

15 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were no significant issues arising in these areas this year.

Appendix 1

Final letter of representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

28 July 2022

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Swansea Bay City Deal Joint Committee for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation. We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom UK 2021-22; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements in the financial statements.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Committee on 28 July 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Section 151 officer

Date:

Signed by:

Chair of the Committee

Date:

Appendix 2

Proposed audit report

The independent auditor's report of the Auditor General for Wales to the members of Swansea Bay City Deal Joint Committee

Opinion on financial statements

I have audited the financial statements of:

- Swansea Bay City Deal Joint Committee for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Swansea Bay City Deal's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Swansea Bay City Deal Joint Committee as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Joint Committee's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual statement of accounts other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual statement of accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages 19 and 20, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Joint Committee's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Joint Committee's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals.
- obtaining an understanding of the Joint Committee's framework of authority as well as other legal and regulatory frameworks that the Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Joint Committee.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Joint Committee; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Joint Committee's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Swansea Bay City Deal Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
29 July 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£10,905 (Increase to supplies and services expenditure in the CIES)	Comprehensive Income and Expenditure Statement (CIES) Note 8 – External Audit Fees The audit fees for 2020-21 and 2021-22 were amended to ensure that they agreed to the Annual Audit Plan presented to the Joint Committee. This resulted in an increase of £10,905 to supplies and services expenditure in the CIES.	To correctly disclose the actual audit fees.
Various (No overall effect on the primary statements)	A number of minor amendments were made to the financial statements relating to either revisions to disclosures of information or narrative changes.	To ensure the accuracy of the financial statements.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Agenda Item 9



Swansea Bay City Region Joint Committee – 28 July 2022

Statement of Accounts 2021/22

Purpose:	To seek Joint Committee's approval for the SBCD Programme's Annual Statement of Accounts for the 2021/2022 financial year.
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee: 1) Approves the 2021/2022 post-audited SBCD Statement of Accounts
Report Author:	Chris Moore, SBCD S151 Officer
Finance Officer:	Chris Moore, SBCD S151 Officer
Legal Officer:	Tracey Meredith, SBCD Monitoring Officer

1. Introduction

Carmarthenshire County Council as the Accountable Body is responsible for the financial stewardship of the Swansea Bay City Deal. This is the second year the Swansea Bay City Deal Joint Committee has had to compile a Statement of Accounts in line with the Accounts and Audit (Wales) Regulations 2014, as amended in 2018. The Statement of Accounts has been reviewed by Audit Wales and the amendments noted in the ISA 260 have been included. Audit Wales intends issuing an unqualified audit opinion on these Accounts, which has been included within the Statement of Accounts. The Statement of Accounts is attached at Appendix A.

2. Statement of Accounts 2021/2022

The Statement of Accounts present full financial statements for the financial year 2021/22, as required by legislation.

To the period which ended on 31st March 2022, the Joint Committee expenditure incurred totalled £748k, with income contributions from partners, the 'Top Slice' of Government grant and interest generated on cash portfolio cash surpluses. This resulted in a surplus of £6k with the balance being transferred to the City Deal reserve, which now demonstrates £220k in total.

Further income received by the Joint Committee included the fourth instalment of Welsh and UK Government City Deal Grant totalling £23m. Grant of £13.5m was dispersed to projects during the year.

Accrued interest will be dispersed to projects on an annual basis apportioned on the basis of the City Deal grant award. This was approved at Joint Committee on July 10, 2020.

Debtor and creditor amounts represent contributions outstanding from partners and funders, and the amount owing to Carmarthenshire County Council as the Accountable Body.

3. Financial Implications

The total annual expenditure of the Joint Committee was £748k, with income through partner contributions, top slice and interest earned totalling £754k. This resulted in surplus position of £6k. The current reserves reside at £220k for the Joint Committee, and £52m for the portfolio investment fund.

City Deal grant totalling £23m and generated interest of £39k was accounted for within the year. Payments totalling £13.5m has been disseminated from the Accountable body.

The estimated portfolio forecasted investment position (as at 31st March 2022) demonstrates an underinvestment of £2m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.239bn. 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. The remaining business cases were approved within the year and the portfolio is now in full delivery.

4. Legal Implications

The Joint Committee is required to approve a full set of accounts to comply with the Accounts and Audit (Wales) Regulations 2014, as amended in 2018.

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

The Swansea Bay City Deal programme and its constituent 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 project business cases.

Background Papers: None

Appendices:

Appendix A: Swansea Bay City Deal Joint Committee - Statement of Accounts 2021/22



Joint Committee

Annual Statement of Accounts

2021/22



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Swansea Bay City Deal

The Swansea Bay City Deal is a £1.2 billion investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

The City Deal is being funded, subject to the approval of project business cases, by the UK Government, the Welsh Government, the public sector and the private sector.

Over the next 11 years, the City Deal will boost the regional economy by £1.8 billion and generate over 9,000 new, high-quality jobs.

City Deal projects are based on key themes of Economic Acceleration, Life Science and Well-being, Energy, and Smart Manufacturing. Each project will be supported by world class digital infrastructure and a Skills and Talent initiative that will give local people a pathway to access the jobs that will be created.

The Swansea Bay City Deal is being led by the four regional local authorities – Carmarthenshire County Council, City and County of Swansea Council, Neath Port Talbot County Borough Council and Pembrokeshire County Council - together with the Abertawe Bro Morgannwg and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David. The UK and Welsh Governments are funding bodies supporting the City Deal Grant.

Chair's Statement

"It is my pleasure to introduce the Swansea Bay City Deal financial statement for 2021/2022.

Progress over the last 12 months has been fantastic and we now see ourselves in a unique position where all nine of our projects and programmes have been approved by the Welsh Government and the UK Government, moving us from the planning stage into full delivery.

Yr Egin, led by the University of Wales Trinity Saint David in Carmarthen has achieved another full year of anchoring S4C and small businesses in the creative sector; March saw the opening of the iconic Swansea Arena and is already attracting world class acts in comedy and music in addition to being as fantastic exhibition centre.

Buildings have also been constructed and renovated in the last 12 months; The Technology Centre in Baglan for our Supporting Innovation and Low Carbon Growth programme and the Hangar Annexes in Pembroke Dock Marine. Our three regional projects; Digital Infrastructure, Skills and Talent and Homes as Power Stations are also taking shape, as well as our Life Sciences Projects, Pentre Awel and Campuses with exciting things planned for the next 12 months.

The achievements to date demonstrate the real progress we are making in the region, which will play a fundamental role in boosting our economic recovery and our vision of transforming and regenerating South West Wales into a region of excellence for businesses and residents. Worth over £1.8 billion to the regional economy, the City Deal will improve people's lives in both rural and urban areas by raising aspirations, creating over 9,000 well-paid jobs, improving services and boosting skills. The last 12 months have proven that we are well on the way to achieving this."



Councillor Rob Stewart

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council

Narrative Report

The Swansea Bay City Region is an important driver for the Welsh and UK economy. An area with a significant coastal footprint, with rural idyllic landscape, complimented with diverse urban centres, the region offers opportunities far and wide reaching.

The Portfolio offers regional partners new ways of working and resource to unlock significant potential, to stimulate economic growth and increase added value in the region.

Taking a regional collaborative approach enables the Authorities to plan and deliver services more effectively, through strategic land use planning, strategic transport and economic development.

The City Deal is expected to boost the region estimating;

- Funding and investment of £1.2 billion for interventions to stimulate economic growth.
- Pan-region investment, ensuring all localities and citizens can benefit.
- Over 9,000 additional gross direct jobs.
- A contribution to regional Gross Value Added of over £1.8 billion.

The aim of the Swansea Bay City Deal is to create an outward-looking City Region with the innovation, capacity and infrastructure to inform and advance solutions to major regional challenges.

Within the United Kingdom City Deals have been adopted by Governments to give local areas specific powers and freedoms to help regions in supporting economic growth, job creation and to stimulate investment in local projects.

During March 2017 the then Prime Minister Theresa May visited the City of Swansea to meet with region Council Leaders to formally sign-off the Swansea Bay City Region Deal, bringing the current portfolio into fruition.

The award of City Deal funding was based on local demand-led elements labelled under four key themes, each adopted to provide the region with value added growth and economic stimulation. The portfolio comprises of nine projects each designed around four key themes of Internet of Economic Acceleration, Life Science and Well-being, Energy, and Smart Manufacturing.

On establishment of the Swansea Bay City Region Deal, a shadow Joint Committee was formed consisting of all four regional participating Authorities, with support from four co-opt portfolio partners (Swansea University, University of Wales Trinity St David, Swansea Bay Local Health Board and Hywel Dda Local Health Board) to oversee delivery of all eleven projects within the established portfolio.

On approval by all four participating Authorities the Joint Committee was formalised by the investiture of the Joint Committee Agreement (JCA) on 29th August 2018. The JCA constitutes governance arrangements, embedding a structured framework of control through outlining accountability and responsibility, thus allowing Authorities to discharge their functions appropriately to successfully deliver projects under the City Deal Portfolio.

OUR VISION

Based on the Swansea Bay City Region Economic Regeneration Strategy 2013-2030, the Swansea Bay City Deal sets out an integrated, transformational approach to delivering the scale and nature of investment needed to support plans for growth in the Region.

The strategic vision is to create a super smart innovation region which will inform and advance solutions to some of the most pressing challenges of modern times in the areas of economic acceleration, smart manufacturing, energy, life sciences and well-being.

The City Deal provides a once in a generation opportunity to further consolidate the region's role in technological innovation through the creation of interconnected testbeds and living laboratories, designed not only for proof of concept but also for proof of business.

Using the transformational powers of next generation digital technologies, and supported by a portfolio of tailored skills development, the City Deal will accelerate the region's innovation, technological and commercialisation capabilities to support the establishment and growth of local innovation businesses, while also acting as a catalyst to attract further inward investment.

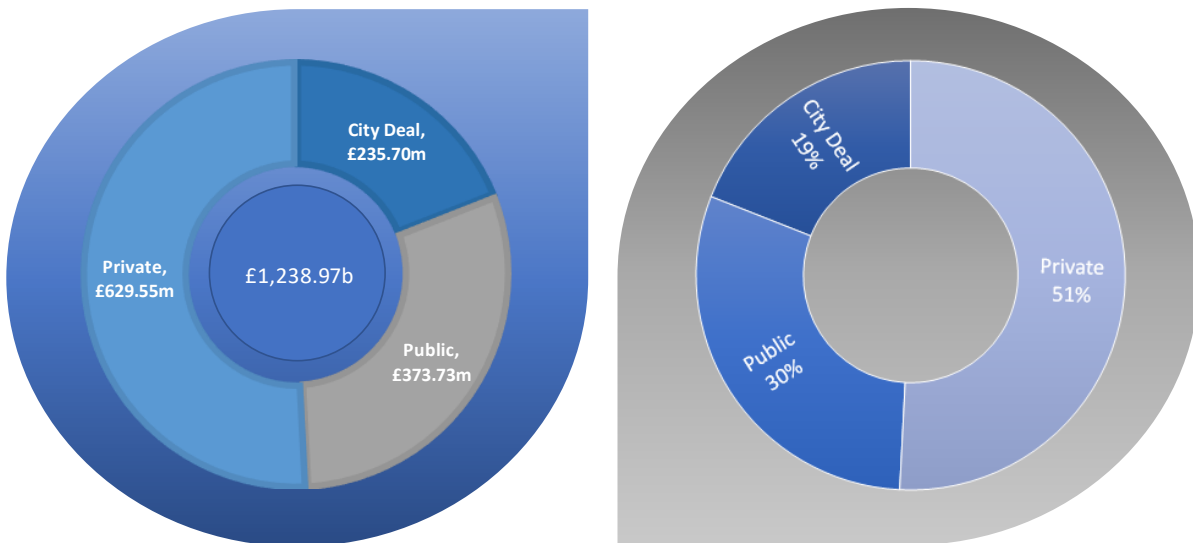
Swansea Bay City Region Deal Investment

The City Deal program is fabricated through three forms of funding components, constituting in £1.2 billion of investment within the South Wales region.

The total investment package is made up of £235.70 million (19%) UK and Welsh Government funding, £373.73 million (30%) other public sector investment, and £629.55 million (51%) from the private sector. This totalling £1,238.97 billion.

The Heads of Terms set out the commitment by both Welsh and Central Government to support the City Deal with an investment totalling £241 million. The balance of this investment in being considered by the Joint Committee.

Funding Apportionment



Swansea Bay City Region Deal Grant Funding Profile

It is the aim of the Swansea Bay City Region Deal that all projects will be delivered by 2028/29 in order to maximise the full benefits realisation of the operational schemes during the lifetime of City Deal funding, which is to be released in the form of a capital grant to the Region from both the UK and the Welsh Governments over a 15-year period. On 2nd March 2021 the UK Government announced that it would be cutting its grant payment profile term from fifteen to ten years, front loading its financial commitment to 2027/28.

The Portfolio will disperse funding to the regional Project Authority Leads to support the projects on which the grant was awarded. Funding will only be released by the Accountable Body on behalf of the Joint Committee on the successful approval of business cases by both UK and Welsh Government.

With the funding being released to the portfolio over a fifteen-year period an inherent temporary funding gap is recognised. Each Lead Authority is responsible for managing the cashflows in respect of the projects in which they hold responsibility 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 in its own area.

Swansea Bay City Region Deal Investment Breakdown

The Swansea Bay City Region Deal partnership, through the 'Internet Coast' publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned with 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 now nine identified projects by the Welsh and UK governments, and the agreement of necessary governance arrangement and delivery models.

The overall estimated investment position is demonstrated at £1.239 billion over the fifteen-year life of the portfolio. The revised budget comprised of a total investment of £1.241 billion. Currently the City Deal is presenting underinvestment against the revised budget of £2m. Details of significant variances are outlined below:

Swansea Arena is currently demonstrating an underinvestment of £6 million against budget due to the reappropriation of costs across the whole Copr Bay site. This in total demonstrated a movement of £16m in comparison to last period due to the site becoming active and a full site review of apportionment rates to better reflect accounting estimates being undertaken. Work on final costs is being undertaken and will be reported on in Quarter1/2 in line with the amended programme being agreed with the contractor.

Campuses has reported additional investment against budget (£5 million) to include the project management team costs and associated interest cost for delivering the project.

Portfolio Investment Breakdown

Investment Component	Revised Budget Total (£m)	Quarter 4 Portfolio Forecasted Total (£m)	Variance (£m)	Variance
City Deal	235.70	235.70	0.00	0.00%
Public	380.66	373.73	- 6.94	-1.82%
Private	625.04	629.55	4.51	0.72%
Grand Total	1,241.40	1,238.97	- 2.43	-0.20%

Funding elements are subject to change as the portfolio evolves and matures. On the successful approval of business cases the Accountable Body will release Government grant funding to projects up to the maximum of the agreed allocated value. Grant values are subject to change, however this will be supported by a full business case and approval by the Joint Committee and both UK and Welsh Governments, as outlined within the Joint Committee Agreement.

Organisational Overview and External Environment

The Joint Committee is composed of the four Regional Local Authority Leaders, supported by the four Authority Chief Executive Officers and four non-voting co-opt partners. Internal Audit and External Audit (Audit Wales) report independently to the Joint Committee. Chaired by Councillor Rob Stewart, Leader of the City and County of Swansea Council, the Joint Committee whilst not itself a legal entity, rather a joint arrangement under a joint committee agreement, holds responsibility and accountability for the delivery of the Swansea Bay City Region Deal Portfolio.

To oversee delivery of the portfolio, the Joint Committee is supported by an Economic Strategy Board (ESB) (comprising of private sector advisers), Portfolio Board (comprising of the four regional authority Chief Executive Officers and co-opt partners), and an oversight board in the form of a Joint Scrutiny Committee. The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the Swansea Bay City Region Deal. The role of the Portfolio Board is to ensure that all schemes are developed in accordance with the agreed process, analysing the financial viability, deliverability and risk of each City Deal project proposal. This detailed analysis will then be reported to the ESB and Joint Committee.

To ensure successful delivery the portfolio has embedded core administration functions conforming to statutory and regulatory requirements, with a constructive governance framework entrenching transparency, integrity, objectivity, accountability and responsibility.

The financial structure of the portfolio has been split in to two distinct delivery areas the Joint Committee including administration and statutory functions, and the Portfolio Investment Fund.

Joint Committee

The Joint Committee has ultimate responsibility and accountability for decisions taken and the delivery of the City Deal Portfolio. There is recognition by both the UK and Welsh Governments of a requirement for revenue funding to support the Joint Committee's activities, including the administration and statutory functions. This was also acknowledged by all partners and subsequently an agreement was concluded to support these central functions with an amalgamation of funding consisting of partner contributions (£50k per partner) and applying a top slice to Government grants of 1.5%.

Portfolio Investment Fund

The Portfolio Investment Fund is overseen and upheld by the Accountable Body who administer the receipt and distribution of City Deal grant on behalf of the Joint Committee. The Accountable Body is accountable to the Joint Committee and manages the City Deal grant and investment pool in line with Carmarthenshire County Council's approved Treasury Management Strategy.

The Joint Committee distributes Government grants on a programme/project basis to Project Lead Authorities. An annual grant award is receipted from Welsh Government on behalf of both Governments and then distributed on actual expenditure in arrears ensuring clear financial governance is pursued. The total investment package is an anticipated £1.2 billion, with grant totalling £241m relating to the Portfolio Investment Fund (UK Government £115.6m and Welsh Government £125.4m). Any portfolio cash balances are invested to ensure effective optimisation of resources until approval is confirmed to initiate the release of funds from the Portfolio. Joint Committee have 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 cashflow determines.

Government Grant 'Top Slice'

The Joint Committee has approved the 'Top Slice' of Government grants on an annual basis up to a value of 1.5%. This allocation will be earmarked to finance the Joint Committee, central administration and statutory functions required to support the delivery of the Portfolio.

Retention of National Non-Domestic Rates

Welsh Government have agreed in principle (as per below) that 50% of the additional net yield generated through City Deal 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).

Welsh Government (Cabinet Secretary for Finance, 11th April 2018)

'I intend to initiate arrangements to allow the region to retain 50% of the additional net yield in Non-Domestic rates generated by the 9 projects which are to be delivered by the Deal'

The Joint Committee formally agreed (JC-10th February 2022) the distribution basis of the allocated retention. Officers are working with Welsh Government to establish a robust process for the drawdown of the retention of rates.

Gateway Reviews

The Welsh Government Assurance Process (consistent with the OGC Gateway) is the responsibility of the Integrated Assurance Hub (IAH) and authorised to deliver assurance under accredited license from the Infrastructure and Projects Authority (IPA), which is part of the UK's Cabinet Office. This process is designed to provide independent guidance to Senior Responsible Owners (SROs), portfolio and project teams and to the departments who commission their work, on how best to ensure that their portfolios and projects are successful.

As part of the assurance arrangements for the SBCD Portfolio, an independent Gateway 0 Review was undertaken in July 2021.

The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub Guidelines. Seventeen 'conversations' were held with stakeholders between 19th -21st July together with a workshop session with the four local authority Leaders.

The SBCD Portfolio received an Amber-Green Delivery Confidence Assessment (DCA) rating. The summary finding of the Review were:

- Swansea Bay City Deal Portfolio has made significant progress in the past 12 months.
- The establishment of a professional, well-resourced Portfolio Management Office has been key to the progress, as has the dedication and commitment of the SROs in evolving the governance arrangements.
- It is also evident that the leadership of the individual programmes and projects has been key to successful delivery in these regards.
- There is strong stakeholder support and optimism across all sectors and a commitment from the Joint Committee to spending wisely now that the funding has come on stream from UKG/WG.

The Review Team made four prioritised recommendations to the Portfolio SROs to ensure that the portfolio is positioned for effective management and delivery. There were also a number of advisory comments made to further support the delivery of Portfolio.

Current Economic Climate

This financial year has seen a period of significant political and economic uncertainty at a national level. The most significant factor affecting the Joint Committee was the ongoing COVID-19 pandemic.

Partners and Governments are fully committed to the City Deal recognising it as an important driver in the economic recovery of the region and country. Despite the unprecedented challenges, the City Deal's continued progress should reassure regional businesses and residents that partners remain focused on delivering the City Deal as soon as possible. The remaining programme/project business cases were approved during the year, with the portfolio now in full delivery.

The Joint Committee has conducted an assessment of the risks and issues affecting the delivery of the portfolio and will address and manage the matters identified that could significantly impact the delivery or scope of the Swansea Bay City Deal Portfolio. The Joint Committee will continue to monitor these impacts, risks, and issues.

The financial statements are required to reflect the conditions applying at the end of the financial year.

The City Deal's financial standing has been maintained at a prudent level, with internal audit presenting an assurance rating of 'Substantial'; There are none or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur, or their impact is not likely to affect the achievement of the SBCD objectives. green rating

European funding has been secured within three City Deal programmes and is formally committed until 2023.

Current reserves are ring-fenced for specific purposes to meet current and future commitments in the delivery of the City Deal.

Operational Model

Business Case Model

The need to get the best possible value from spending public money will always remain a constant for the Joint Committee and its partners. To this end, all City Deal business cases must be developed using the HM Treasury and Welsh Government's Five Case Model - an approach which is both scalable and proportionate. It is recognised as best practice and is the Treasury's standard methodology.

The business case, both as a product and a process, provides decision-makers, stakeholders and the public with a management tool for evidence-based, transparent decision-making and a framework for the delivery, management and performance monitoring of the resultant scheme.

Each business case in support of a SBCD project must evidence:

- Strategic Case - the intervention is supported by a compelling case for change that provides a holistic fit with other parts of the organisation and public sector
- Economic Case - the intervention represents best public value (to the UK as a whole)
- Commercial Case - the proposed project is attractive to the marketplace, can be procured and is commercially viable
- Financial Case - the proposed spend is affordable
- Management Case - what is required from all parties is achievable

As set out in the Joint Committee Agreement, the Project Business Case shall include a Resolution of the Project Authority Lead and all Councils in whose area the project shall take place will approve the submission of the Project Business case.

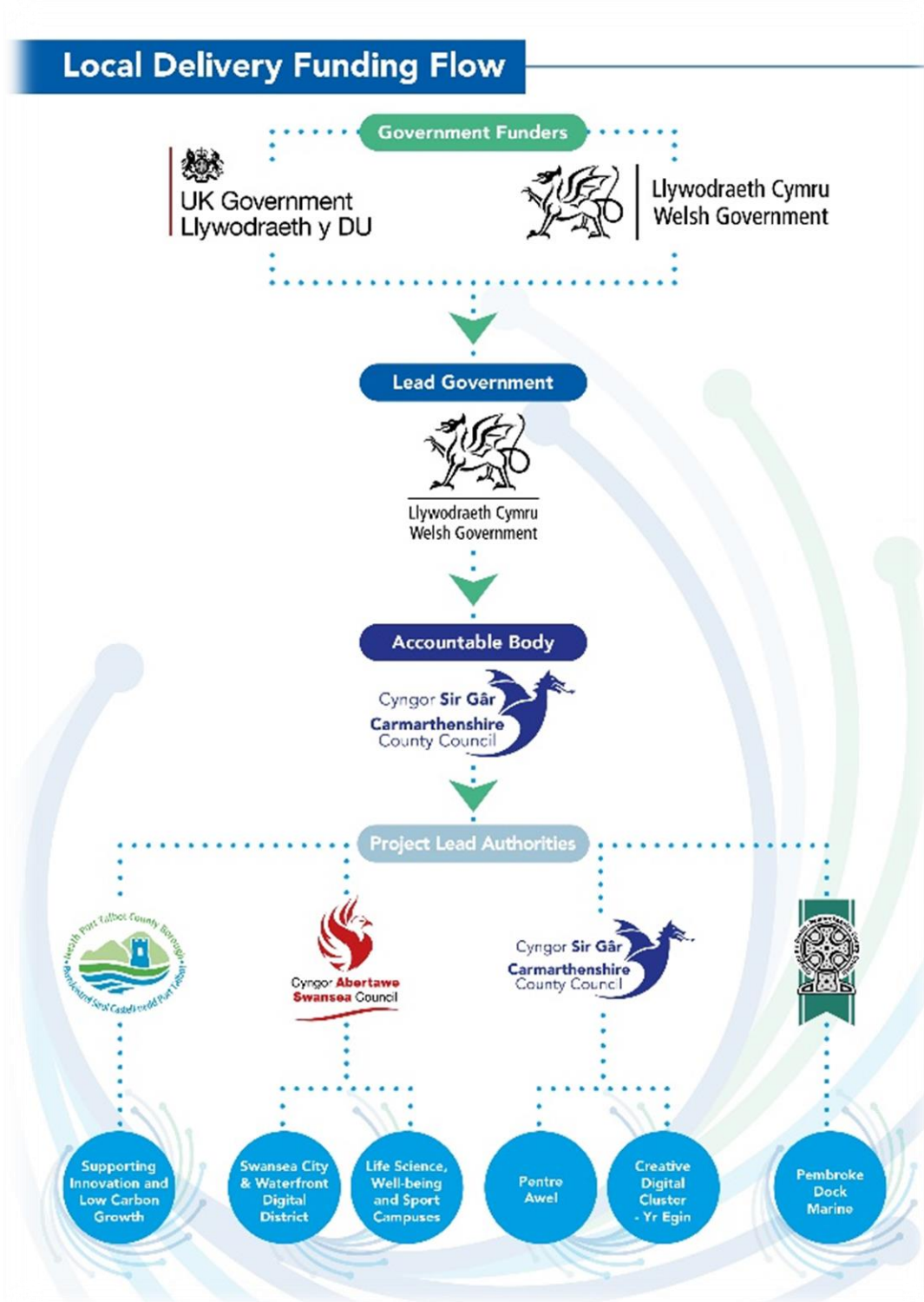
The Portfolio Management Office has day to day responsibility for managing the assessment process for projects.

To assist a speedier assessment process, the UK Government and Welsh Government have agreed an informal iterative review process for assessing draft versions of business cases in order to assist Project Leads in the production of complete full business cases which are appropriate for 5 case formal review process.

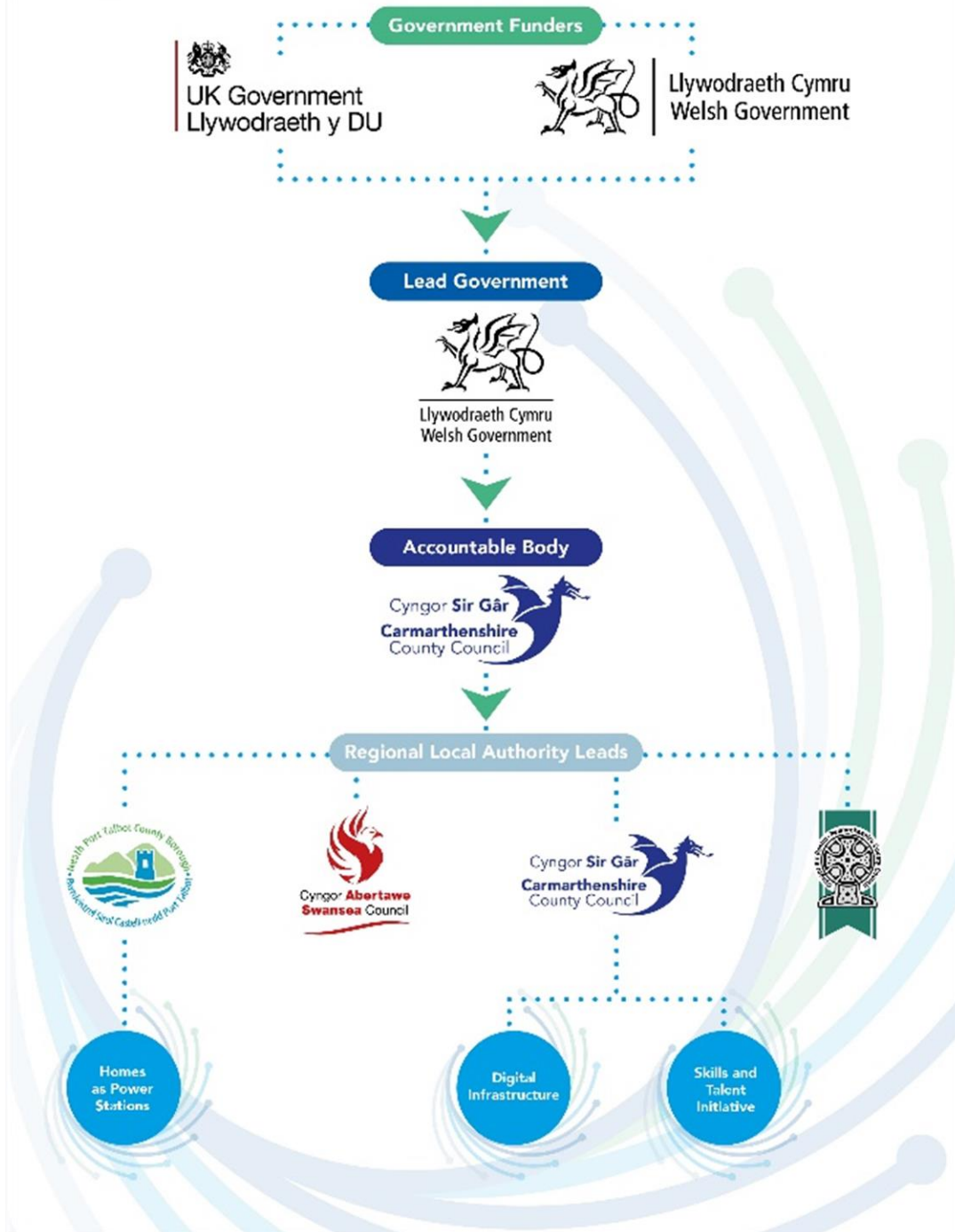
On completion of the final draft business case and following approval from the respective Regional/Project Authority Lead(s), full business cases for each of the City Deal projects will undergo assessment by the Portfolio Management Office before being considered by the respective City Deal governance structures. After approval by the Joint Committee the project business case will be forwarded to the UK Government and Welsh Government for approval to release City Deal Government project funding to the Accountable Body.

City Deal Flow of Finances

The release of funds from the Accountable Body will follow one of two funding routes. This is determined on a Programme/project basis depending on whether funding is being released to a regional project or a Local Authority lead project. The flow of funding is demonstrated below:



Regional Delivery Funding Flow



Summary of Financial Performance

Joint Committee Annual Year-End Outturn Position 2021/22

The year-end outturn position compared with the predetermined set annual budget is demonstrated below for both the Joint Committee and Portfolio Investment Fund (PIF). An extract of the Joint Committee's reserve is also summarised.

Joint Committee Budget and Out-Turn Position 2021/22

<u>Actual</u> <u>2020/21 (£)</u>	<u>Description</u>	<u>Budget</u> <u>2021/22 (£)</u>	<u>Actual</u> <u>2021/22 (£)</u>	<u>Variance</u> <u>2022/22 (£)</u>
	<u>Gross Expenditure</u>			
75,630	Joint Committee	129,749	82,067	47,682
185,908	Accountable Body	79,244	88,045	(8,801)
21,332	Joint Scrutiny Committee	28,757	21,332	7,425
375,495	Portfolio Management Office	749,180	556,705	192,475
14,850	City Deal Assurance Grant	-	-	-
673,215	Total Expenditure	986,930	748,149	238,781
	<u>Income</u>			
(400,000)	Partner Contributions	(400,000)	(400,000)	-
(168,050)	'Top Slice' of Government Grants	(723,000)	(314,119)	(408,881)
(32,464)	Investment Income	-	(39,575)	39,575
(14,850)	WG Government Revenue Grants	-	-	-
(615,364)	Total Income	(1,123,000)	(753,694)	(369,306)
57,851	Net Annual Total - (Surplus)/Deficit	(136,070)	(5,545)	(130,525)

Portfolio Investment Fund Out-Turn Position 2021/22

<u>Actual 2020/21</u> <u>(£)</u>	<u>Description</u>	<u>Budget</u> <u>2021/22(£)</u>	<u>Actual</u> <u>2021/22 (£)</u>	<u>Variance</u> <u>2021/22 (£)</u>
	<u>Gross Expenditure</u>			
11,203,320	Project Lead Authorities	23,086,000	13,538,281	(9,547,719)
11,203,320	Total Expenditure	23,086,000	13,538,281	(9,547,719)
	<u>Income</u>			
(36,000,000)	Government Grant Income	(23,086,000)	(23,086,000)	-
(36,000,000)	Total Income	(23,086,000)	(23,086,000)	-
(24,796,680)	Net Annual Total - (Surplus)/Deficit	-	(9,547,719)	(9,547,719)

Summary of Reserves (Extract from Balance Sheet) 2021/22

<u>31st March 2021</u> <u>(£)</u>	<u>Description</u>	<u>31st March 2022</u> <u>(£)</u>
214,816	Usable Reserves - Revenue	220,361
42,796,680	Capital Grants Unapplied	52,344,399
-	- Unusable Reserves	-
43,011,496	Total Reserves	52,564,760

Supporting Information

Operational Summary

The operation costs demonstrate a surplus of £6k which will be transferred into a ring-fenced reserve to be utilised in future years. Costs exceed prior year due to the Portfolio moving into delivery phase and the Portfolio Management Office establishing itself.

Salary and Pension Liabilities

The Joint Committee is not itself a separate legal entity and as such cannot enter into contracts for the provision of goods and services. Officers directly employed to support the Joint Committee are contractually employed through Carmarthenshire County Council. It is the responsibility of the employing Authority to remunerate officers and commit to current and future pension liabilities that may arise from these arrangements. During the year the portfolio management office was expanded to eight staff members to support the activities of the portfolio.

The Joint Committee reimburse all costs in respect of salary and on-costs, including all employer related pension costs and account for this within its Income and Expenditure account. No liability is recognised within the statements of the Joint Committee in respect of future pension liabilities.

Investment Activities

Portfolio balances are invested in line with Carmarthenshire County Council's approved Treasury Management Strategy. Interest is calculated on an average rate and 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 Management Strategy.

On the 11th June 2020, the Joint Committee approved the distribution of income generated from investments back to programmed/projects based on an allocation outlined within the original SBCD Heads of Terms.

General Reserves

Usable Reserves

A General Fund Usable Reserve has been established due to income through partner contributions, interest on investments and 'Top slice of Government Grants' exceeding actual spend to date. The reserve currently resides at £220k and will support operations in future years.

Capital Grants Unapplied Reserve

The Capital Grants Unapplied Reserve comprises of portfolio balances created through the receipt of City Deal Government grant exceeding funding released to Project Authority Leads. Funding is only released to Project Authority Leads based on spend in arrears and upon approval of business cases and engagement in funding agreements. Payments and commitments to projects with a total of £13.5m were transacted during the year.

The SBCD received the grant award offer letter for financial year 2021/22 totalling £23.09 million on the 30th March 2022, with subsequent acceptance and grant receipt during April 2022.

Annual Review

“The Swansea Bay City Deal achieved a significant milestone in December 2021, when all nine of its transformational projects and programmes were approved by the UK Government and Welsh Government. This means that the whole portfolio, estimated to attract £1.3 billion of investment by 2033, is now in full delivery and will provide opportunities for many regional businesses and residents.

As the portfolio progresses with its procurement, build, funding distribution and operations, the nine projects and programmes will identify many opportunities to secure private sector and other public sector funding and utilise the City Deal funds to catalyse the region to attract further investment opportunities and partnerships.

The 3,500 capacity Swansea Arena was launched in March 2022 and is open for business with several sell out shows and tours already taking place. The Bay Technology Centre in Port Talbot completed its build in 2022 and is currently signing up tenants. Yr Egin continues to operate with 18 partners located on site which includes their anchor partner, S4C, contributing a staggering £18.2m of local economic impact per year. Contractors have been appointed to begin construction on several sites, including the multi-million-pound Pentre Awel project in Llanelli, the high profile 71/72 Kingsway office development in Swansea, and the historic hangar refurbishments at the Port of Milford Haven.

All lead deliverers and Local Authority Leads are engaging well with the Portfolio Management Office and the requirements from Government sponsors to ensure robust governance and reporting is in place to support the successful delivery of the anticipated outputs, outcomes and impact of the Swansea Bay City Deal. The Portfolio assurance process was undertaken in July 2021 and received a Green/Amber status with key recommendations being on track for implementation. The 2021 Regional Audit also reflected positively on the governance and reporting arrangements with all recommendations nearing successful completion.

The Portfolio Management Office is now embedded and several appointments have been made to enhance the project and programme teams within the lead delivery organisations, including Homes as Power Stations, Pembroke Dock Marine, Skills and Talent, Digital Infrastructure, Pentre Awel, Campses, Swansea City & Waterfront Digital District and Supporting Innovation and Low Carbon Growth.

Our efforts and success over the past twelve months will set us up for further advancements across the region and ultimately transform the City Region’s economic prosperity and aspirations, while also retaining young talent in the region through the generation of high-value jobs and opportunities in sectors including life sciences and well-being, energy, digital, creative and smart manufacturing.”



Dr Jonathan Burnes

Portfolio Director

Swansea Bay City Deal

Statement of Responsibilities

for the Statement of Accounts

The Joint Committee Responsibilities

The Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Director of Corporate Services.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

Joint Committee Approval

Approval of Statement of Accounts post audit.

Signed: **R Stewart**

Dated: **28/07/2022**

Councillor **Rob Stewart**

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council



Certificate of the Chief Finance Officer

The Director of Corporate Services Responsibilities

The Portfolio Section 151 Officer (Director of Corporate Services) is responsible for the preparation of the Joint Committee's Statement of Accounts, in accordance with proper accounting practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2021/22.

In preparing this Statement of Accounts, the Director of Corporate Services has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper and timely accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities;

Certification of Accounts

I certify that the Statement of Accounts on pages 27 to 31 demonstrates a true and fair view of the financial position of Swansea Bay City Region Deal at 31st March 2022 and its income and expenditure for the year ended 31st March 2022.

Signed: **C Moore**

Dated: **28/07/2022**

Chris Moore *FCCA*

Director of Corporate Services

Swansea Bay City Region Deal Section 151 Officer

Carmarthenshire County Council



Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Swansea Bay City Deal Joint Committee

Opinion on financial statements

I have audited the financial statements of:

- Swansea Bay City Deal Joint Committee for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Swansea Bay City Deal's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Swansea Bay City Deal Joint Committee as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Joint Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual statement of accounts other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual statement of accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages 19 and 20, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Joint Committee's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Joint Committee's policies and procedures concerned with:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- o Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals; and
- o Obtaining an understanding of the Joint Committee’s framework of authority as well as other legal and regulatory frameworks that the Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Joint Committee.

In addition to the above, my procedures to respond to identified risks included the following:

- o reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- o enquiring of management, the Joint Committee and legal advisors about actual and potential litigation and claims;
- o reading minutes of meetings of those charged with governance and the Joint Committee; and
- o in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Joint Committee’s controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Swansea Bay City Deal Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales’ Code of Audit Practice.

Adrian Crompton

24 Cathedral Road

Auditor General for Wales

Cardiff

29 July 2022

CF11 9LJ

The maintenance and integrity of Swansea Bay City Deal’s website is the responsibility of the Accountable Body; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

A

ccounting Policies

The Statement of Accounts summarises the transactions of the Swansea Bay City Region Deal for the 2021/22 financial year and its position at the year ended 31 March 2022.

Carmarthenshire County Council as the Accountable Body is required to prepare annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and the Service Reporting Code of Practice 2021/22, supported by International Financial Reporting Standards (IFRS).

Property, Plant and Equipment

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 project delivered within the portfolio will be disclosed and held on the Balance Sheet within the Project Lead Authority responsible for the delivery of such project.

Assets constructed or held as part of a regional project within the portfolio will be proportioned accordingly or reside within the balance sheet of the Project Authority Lead in which constituency such asset resides.

The Joint Committee will hold no such physical asset as categorised above within its legal remit.

Related Party Disclosures

Related parties denote the possibility that the SBCD financial position and profit or loss may have been affected or influenced by the existence of related parties, inhibiting the SBCD Joint Committee to operate and conduct its duties independently.

A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.
- An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

Disclosure:

For the financial year 2021/22 all related party transactions are identified under the Notes to the Accounts, schedule 9. Related Party Disclosures.

Accruals Basis (Concept)

Financial Statements are prepared under the Accruals Concept of accounting which requires that income and expense must be recognised in the accounting periods to which they relate rather than on a cash basis. An exception to this general rule is the cash flow statement whose main purpose is to present the cash flow effects of transaction during an accounting period.

The Joint Committee applied the Accruals concept throughout the preparation of the Financial Statements and Accounts.

Under the Accruals basis of accounting, the Joint Committee recognized income in the accounting period in which it was earned. Income received was recognised within accounting period in which it arose, rather than in the subsequent period in which it will be received. Expenses, in contradiction, were recorded in the accounting period in which they incurred. Therefore, accrued expenditure was recognized in the accounting period in which it occurred, rather than period in which it was paid.

Revenue Income

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 “Top Slice” of Government grants (1.5%). Any surpluses are transferred to a ring-fenced reserve.

Cash and Cash Equivalents

Cash Equivalents are investments that are readily convertible to known amounts of cash with no change in value. Cash is withdrawn and deposited depending on a deficit or surplus of cash on the day. All call accounts are classified for this purpose. Cash Equivalents also includes fixed term investments that mature within three months or less from the date of acquisition.

The Joint Committee does not operate its own independent bank account, all cash related transactions are managed through Carmarthenshire County Council as the Accountable Body.

Carmarthenshire manage the Joint Committee’s cash balances and short-term Investments in line with their own approved Treasury Management Strategy.

The Treasury Management Strategy allows Carmarthenshire to successfully manage the Joint Committee’s funds independently from its own resources and ring-fence any reserves for future utilisation by the Committee. Arrangements consist of short-term investments through approved financial institutions to maximise the return on cash balances, whilst managing the cash requirement of approved projects within the portfolio.

Government Grants

The Government grant was awarded to fund expenditure incurred and future spend in the delivery of the approved projects within the portfolio. The terms and conditions of the grant award were not accepted by 31st March 2022, and as such, transactions in respect of the grant award have been included based on the below judgments and methodology in line with **The Code of Practice on Local Authority Accounting in the UK, Section C; Government and Non-Government Grants**.

Government grants are recognised within the statements of the Portfolio when there is reasonable assurance that:

- the Portfolio (projects) will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Repayment of funding attached to the grant award will be initiated as a last resort on the occurrence of a notification event, and subsequent failed remedy (Welsh Government, Award of Funding - Terms and Conditions). As such, the Terms and Conditions are interpreted to be that of a **restrictive** nature, under **The Code of Practice on Local Authority Accounting in the UK** (Restriction - Paragraph 2.3.2.14; a return of funding obligation does not arise until such time as it is expected that a condition based on the occurrence (or otherwise) of a specified future event will be breached).

The afore mentioned accounting principle has concluded in the below treatment of government grants;

The receipt of grant is included within the balance sheet as Cash and Cash Equivalent, with a Capital Grants Unapplied Reserve created.

Funding Agreements demonstrating the legal framework between the Accountable Body and Lead Authorities embedding the terms and conditions, obligations and target outputs attached to the funding, were approved by the Joint Committee.

Events After the Reporting Period

Events occurring between the end of the reporting period and the date when the financial statements are authorised for issue are required to be accounted for in accordance with International Accounting Standard 10.

No events have been recognised as occurring after the reporting period.

Reserves

All reserves are considered usable reserves as they are available for future use in the delivery of the portfolio. There are two forms of reserve held within the City Deal:

Usable Reserves

This reserve is created through partner contributions, interest and the “Top Slice of Government Grants” exceeding operational expenditure. A prior year reserve was carried forward and is included within the Movement in Reserves Statement.

Capital Grants Unapplied Reserve

Reserves are created through the value of capital grant receipted exceeding the allowable release of funding to Project Lead Authorities in line with project delivery. Relevant grant is released and matched with eligible expenditure, with any balance residing in this reserve. This reserve is held within the accounts of the Accountable Body but ring-fenced to the Swansea Bay City Region Deal.

Financial Instruments

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 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 conducts 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.

Going Concern

The Swansea Bay City Deal Joint Committee Statement of Accounts have been prepared on a going concern basis. There has been no indication that the Swansea Bay City Deal cannot operate in its current form or fail to deliver its objectives outlined within the original Heads of Terms. Five projects have currently been approved by both UK and Welsh Government and three grant awards have been receipted and in line with the agreed profile.

Value Added Tax

VAT payable has been excluded from expenditure with exception where it is not recoverable from HMRC. The VAT on income receivable has been omitted from the statements.

Provisions, Contingent Assets and Liabilities

Provisions

A provision is a liability of uncertain timing or amount. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

The Joint Committee will recognise a provision if it is probable that an outflow of cash or other economic resource will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. When payments are made, they are charged to the provision account held within the balance sheet and are credited back to the service category if no longer required. All provisions are reviewed at the end of the financial year.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable.

Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

A contingent liability is not recognised in the Statement of Financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes of the Statement of Accounts.

Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

Judgements and Key Assumptions

There were no further critical judgments made in the preparation of the financial statements other than those outlined within the specific accounting policies adopted and the estimations used in the compilation of the statement of accounts.

No information key assumptions concerning the future, and other key sources of estimation uncertainty were disclosed at the end of the reporting period.

Financial Statements

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of the delivery of portfolio outputs in accordance with generally accepted accounting practices, rather than the amount to be funded from the award of grant. The reconciliation to the grant position is shown in the Movement in Reserves Statement.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves. The Provision of Services line shows a surplus of £9,553,264 with operational expenditure of £748,149 being the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The Balance Sheet

This shows the assets and liabilities of the Joint Committee as at 31 March 2022.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period.

Notes to the Financial Statements

These are the notes that accompany the financial statements and provide further information to support the stated accounts.

Comprehensive Income and Expenditure Statement

The below statement demonstrates all income and expenditure, received and incurred by the Joint Committee throughout the financial year. The statement represents the accounting cost of service provision during the financial year 2021/22, aligned with United Kingdom Generally Accepted Accounting Practices.

Actuals 2020/21 (£)	Description	Actuals 2021/22 (£)	Notes
<u>Cost of Service</u>			
366,284	Employee Expenditure	463,060	1
21,577	Premises Related Expenditure	21,577	2
-	Transport Related Expenditure	76	3
199,291	Supplies & Services	183,416	4
87,998	Support Services	80,020	5
675,150	Total Operating Expenditure	748,149	
<u>Income</u>			
(400,000)	Partner Contributions	(400,000)	6
(168,050)	Top Slice' of Government Grants	(314,119)	6
(14,850)	Other: Government Grant	-	6
(582,900)	Total Operating Income	(714,119)	
92,250	Net Cost of Service - (Surplus) / Deficit	34,030	
<u>Financing and Investment Activities</u>			
(34,398)	Investment Interest Income	(39,575)	14
(34,398)	Net Financing and Investment Activities	(39,575)	
<u>Taxation and Non-Specific Grant Income and Expenditure</u>			
(36,000,000)	Capital Grants and Contributions Received	(23,086,000)	15
11,203,320	Capital Grants and Contributions Applied	13,538,281	15
(24,796,680)	Net Taxation and Non-Specific Grant Income	(9,547,719)	
(24,738,828)	Total (Surplus) / Deficit on Service Provision	(9,553,264)	
<u>Other Comprehensive Income and Expenditure</u>			
-	Other Income and Expenditure	-	
-	Net Other Comprehensive Income and Expenditure	-	
(24,738,828)	Total (Surplus)/Defecit on Comprehensive Income and Expenditure	(9,553,264)	

Movement in Reserves Statement

The statement below demonstrates the Swansea Bay City Deal reserve position as at 31st March 2022.

Description	General Fund Balance (£)	General Fund Earmarked Reserves (£)	Capital Grants Unapplied (£)	Total Usable Reserves (£)	Unusable Reserves (£)	Total Reserves (£)
Balance Brought Forward (as at 1st April 2020)	272,668	-	18,000,000	18,272,668	-	18,272,668
<u>Movements in Reserve during Financial year 2020/21:</u>						
Provision of Services - Surplus / (Deficit)	24,738,828	-	-	24,738,828	-	24,738,828
Adjustments Between Accounting Basis and Funding Basis Under Regulations - Surplus / (Deficit)	(24,796,680)	-	24,796,680	-	-	-
Total In-Year Reserve Movement	(57,852)	-	24,796,680	24,738,828	-	24,738,828
Balance Carried Forward (as at 31st March 2021)	214,816	-	42,796,680	43,011,496	-	43,011,496
<u>Movements in Reserve during Financial year 2021/22:</u>						
Provision of Services - Surplus / (Deficit)	9,553,264	-	-	9,553,264	-	9,553,264
Adjustments Between Accounting Basis and Funding Basis Under Regulations - Surplus / (Deficit)	(9,547,719)	-	9,547,719	-	-	-
Total In-Year Reserve Movement	5,545	-	9,547,719	9,553,264	-	9,553,264
Balance Carried Forward (as at 31st March 2022)	220,361	-	52,344,399	52,564,760	-	52,564,760

Balance Sheet

The below statement demonstrates the assets held and the committed obligations and liabilities of the Joint Committee, together with its current reserve balance, as at the 31st March 2022.

<u>31st March 2021</u> (£)	<u>Description</u>	<u>31st March 2022</u> (£)	<u>Notes</u>
<u>Non-Current Assets</u>			
	- Long Term Debtors Capital	-	
	- Total Long Term Assets	-	
<u>Current Assets</u>			
50,000	Short Term Debtors	23,157,874	9
43,091,790	Cash and Cash Equivalents	34,862,577	10
43,141,790	Total Current Assets	58,020,451	
<u>Current Liabilities</u>			
(130,294)	Short Term Creditors	(5,455,691)	12
(130,294)	Total Current Liabilities	(5,455,691)	
<u>Long Term Liabilities</u>			
	- Long Term Creditor	-	
	- Total Long Term Liabilities	-	
43,011,496	Total Net Assets	52,564,760	
<u>Total Reserves</u>			
214,816	Usable Reserves - Revenue	220,361	13
42,796,680	Capital Grants Unapplied	52,344,399	15
	- Unusable Reserves	-	
43,011,496	Total Reserves	52,564,760	

Cashflow Statement

The statement below demonstrates how cash and cash equivalents are generated and applied to the portfolio by the Joint Committee. These are presented through classifying cashflows as ascending from either operating, investing or financing activities, during the Financial Year.

<u>Actuals 2020/21</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2021/22</u> <u>(£)</u>	<u>Notes</u>
(24,738,828)	Net (surplus)/Deficit on the provision of services	(9,553,264)	
24,693,394	Adjust net surplus or deficit on the provision of services for non-cash movements	27,369,771	17
(45,434)	Net Cashflows from operating activities	17,816,507	
(24,831,078)	Investing Activities	(9,587,294)	17
	- Financing Activities	-	17
(24,876,512)	Net increase) / Decrease in cash and cash equivalents	8,229,213	
(18,215,278)	Cash and cash equivalents at the beginning of the reporting period	(43,091,790)	
(43,091,790)	Cash and cash equivalents at the end of the reporting period	(34,862,577)	

Notes to the Accounts

1. Employee and Related Expenditure

<u>Actuals 2020/21</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2021/22</u> <u>(£)</u>
366,284	Employee and Related Expenditure	461,840
	- Training Of Staff	1,220
366,284	Total Employee and Related Expenditure	463,060

Direct employees supporting the activities of the Joint committee are contractually employed by Carmarthenshire County Council, with additional support being provided by Carmarthenshire on a recharge methodology.

In adherence with the International Accounting Standard; IAS 19- Employee Benefits, the employing body is required to provide disclosure of information concerning the income and expenditure of its pension scheme and any related assets and liabilities.

As the Joint Committee is not by right a separate a legal entity, it cannot enter into employee contracts of employment. The Joint Committee therefore does not directly employ officers, as such, related statutory disclosures do not apply, as employee remuneration costs will be disclosed within the Financial Statements of each employing organisation.

Employee Voluntary Remuneration Disclosures

Under the Accounts and Audit (Wales) Regulations 2014 it is a requirement to disclose the number of employees in receipt of remuneration exceeding £60,000 per annum. Further disclosure is required under the afore mentioned regulation in respect of senior officers employed within the portfolio.

Details of officer remuneration have been made on voluntary basis, as per the reasoning outlined above. Disclosures of officers who fall within the Officer Emoluments criteria are demonstrated below:

Number of Senior Employees (Exceeding £60,000)

Remuneration Bandings	Number of Employees	
	2020/21	2021/22
£95,000 to £99,999	0	1
£90,000 to £94,999	1	0

Senior Officer Disclosures

<u>Total Remuneration 2020/21 (£)</u>	<u>Senior Employee Position Title</u>	<u>Salary, Fees and Allowances (£)</u>	<u>Employers Pension Contribution (£)</u>	<u>Total Remuneration 2021/22 (£)</u>
109,349	Programme Director	96,884	17,439	114,323

2. Premises Related Expenditure

The total premises costs incurred for the year is demonstrated below;

<u>Actuals 2020/21 (£)</u>	<u>Description</u>	<u>Actuals 2021/22 (£)</u>
14,889	Rents & Room Hire	14,889
-	Premises Maintenance	-
6,688	National Non Domestic Rates	6,688
21,577	Total Premises Related Expenditure	21,577

3. Transport Related Expenditure

The total transport related costs incurred for the year is demonstrated below:

<u>Actuals 2020/21 (£)</u>	<u>Description</u>	<u>Actuals 2021/22 (£)</u>
-	Public Transport - Staff	-
-	Staff Travelling Expenses	76
-	Total Transport Related Expenditure	76

4. Supplies and Services

The total supplies and services costs incurred for the year is demonstrated below:

<u>Actuals 2020/21</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2021/22</u> <u>(£)</u>
123,804	Professional Fees	123,320
269	Admin, Office & Operational Consumables	43
2,444	Translation/Interpret Services	3,317
-	Subsistence & Meetings Expenses	10
5,912	Promotions, Marketing & Advertising	17,151
66,862	Projects & Activities Expenditure	39,575
199,291	Total Supplies and Services	183,416

5. Support Services

The total support services expenditure incurred for the year is demonstrated below:

<u>Actuals 2020/21</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2021/22</u> <u>(£)</u>
59,503	Recharges - Employee costs (in-direct)	55,329
28,365	Central Recharges	24,607
130	Photocopying Recharge	84
87,998	Total Support Services	80,020

6. Income

The total receipted income during the year is demonstrated below:

<u>Actuals 2020/21</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2021/22</u> <u>(£)</u>
(400,000)	Income - other Authorities & Bodies	(400,000)
(168,050)	'Top Slice' of Government Grants	(314,119)
(14,850)	Welsh Government Revenue Grants	-
(582,900)	Total Income	(714,119)

Partnership Income

Within the Joint Committee Agreement there is acknowledgment that all partners will contribute £50,000 per annum to support the central and administrative functions of the portfolio. This applies to all eight partners (including co-opt members).

Welsh Government Revenue Grant Income

To support the City Deal with work undertaken on assurance and business case peer reviews, Welsh Government awarded the Portfolio with a one-off revenue grant totalling £100k to be utilised in 2019/20. The terms of the grant award dictated the claiming of associated eligible spend in arrears. Welsh Government extended any underspend of this grant to 31st July 2020 to support continued assurance commitments, no further grant was awarded after this period.

'Top Slice of Government Grants'

The income in respect of the 'Top slice' has been drawn down against grant paid and committed throughout the year. The top slice is agreed at 1.5% of the grant value as outlined within the Joint Committee Agreement.

7. Related Party Disclosures

Under *International Accounting Standard 24 – Related Party Disclosures* the Joint Committee is required to disclose material transactions between partners, bodies, individuals or related parties, that could potentially influence the decisions of the Joint Committee or be influenced by the Joint Committee.

Any transactions between parties outlined above will require disclosure to allow the users of these Financial statements to assess the extent to which the Joint Committee independence could potentially been impaired or influenced another party's ability to transact with the Joint Committee.

Welsh and UK Governments could influence the Joint Committees decision making abilities or operational delivery, through grant terms and conditions or legislation and regulation. Details of grant receipts are outlined in note 6. **Government Grants.**

Related Party Transactions

Actuals 2021/22							
Related Party	Revenue	Revenue	Total	Capital	Capital	Total Capital	Total (£)
	Income (£)	Expenditure (£)	Revenue (£)	Receipts (£)	Expenditure (£)	(£)	
PEMBROKESHIRE COUNTY COUNCIL	(50,000)	51,119	1,119	-	1,790,181	1,790,181	1,791,300
HYWEL DDA UNIVERSITY HEALTH BOARD	(50,000)	-	(50,000)	-	-	-	(50,000)
SWANSEA UNIVERSITY	(50,000)	-	(50,000)	-	-	-	(50,000)
CITY & COUNTY OF SWANSEA	(50,000)	84,718	34,718	-	4,789,627	4,789,627	4,824,345
SWANSEA UNIVERSITY HEALTHBOARD	(50,000)	-	(50,000)	-	-	-	(50,000)
NEATH PORT TALBOT CBC	(50,000)	69,973	19,973	-	1,947	1,947	21,920
UNIVERSITY OF WALES TRINITY SAINT DAVID	(50,000)	-	(50,000)	-	-	-	(50,000)
CARMARTHENSHIRE COUNTY COUNCIL	(753,694)	748,149	(5,545)	(23,086,000)	13,538,281	(9,547,719)	(9,553,264)

Actuals 2020/21							
Related Party	Revenue	Revenue	Total	Capital	Capital	Total Capital	Total (£)
	Income (£)	Expenditure (£)	Revenue (£)	Receipts (£)	Expenditure (£)	(£)	
PEMBROKESHIRE COUNTY COUNCIL	(50,000)	27,768	(22,232)	-	-	-	(22,232)
HYWEL DDA UNIVERSITY HEALTH BOARD	(50,000)	-	(50,000)	-	-	-	(50,000)
SWANSEA UNIVERSITY	(50,000)	-	(50,000)	-	-	-	(50,000)
CITY & COUNTY OF SWANSEA	(50,000)	73,168	23,168	-	11,035,270	11,035,270	11,058,438
SWANSEA UNIVERSITY HEALTHBOARD	(50,000)	-	(50,000)	-	-	-	(50,000)
NEATH PORT TALBOT CBC	(50,000)	40,197	(9,803)	-	-	-	(9,803)
UNIVERSITY OF WALES TRINITY SAINT DAVID	(50,000)	-	(50,000)	-	-	-	(50,000)
CARMARTHENSHIRE COUNTY COUNCIL	(617,298)	675,150	57,852	(36,000,000)	11,203,320	(24,796,680)	(24,738,828)

Balance Sheet Disclosures

Actuals 2020/21			Description	Actuals 2021/22		
Debtors (£)	Creditors (£)	Balance (£)		Debtors (£)	Creditors (£)	Balance (£)
50,000	(101,458)	(51,458)	Partner Local Authorities	71,874	(5,428,911)	(5,357,037)
-	-	-	Central Government Bodies	23,086,000	(4,950)	23,081,050
50,000	(101,458)	(51,458)	Total	23,157,874	(5,433,861)	17,724,013

Carmarthenshire County Council (as the Accountable Body) Disclosures

<u>Actuals</u> <u>2020/21 (£)</u>	<u>Description</u>	<u>Actuals</u> <u>2021/22 (£)</u>
675,150	Expenditure	748,149
(617,298)	Income	(753,694)
57,852	Net Cost of Service - (Surplus) / Deficit	(5,545)
43,141,789	Assets	58,020,451
(130,294)	Liabilities	(5,444,786)
43,011,496	Total Net Assets	52,575,665
43,011,496	Total Reserves	52,575,665

8. External Audit Fees

This financial year marks the first year in which a full set of financial statements are required by regulation. The following charge is the cost payable to Audit Wales for external audit services provided to the Swansea Bay City Region Deal:

<u>Actuals 2020/21</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2021/22</u> <u>(£)</u>
10,925	Audit Fees - Audit of Accounts	11,330
6,860	Audit Fees - Performance Audit Work	10,500
17,785	Total External Audit Fees	21,830
The statement of accounts 2020/21 presented an estimated audit fee of £17,785, the actual fee charged of £10,925 has been demonstrated within the Audit fee note for this period. An estimate has been demonstrated for 2021/22 as per the audit plan approved.		

9. Debtors

The total outstanding debtor balances as at 31st March 2022 are demonstrated below:

<u>31st March 2021 (£)</u>	<u>Description</u>	<u>31st March 2022 (£)</u>
50,000	Income - other Authorities & Bodies	71,874
-	Government Grant Income	23,086,000
50,000	Total Debtor Balance	23,157,874

10. Cash and Cash Equivalents

The Joint Committee itself does not operate or control its own individual bank account to facilitate the delivery of the Portfolio. Carmarthenshire County Council in its role as the Accountable Body administer all cash and cash equivalent transactions on behalf of the Joint Committee.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest yielded is recognised in the Comprehensive Income and Expenditure Statement and accounted for within Carmarthenshire Council's Statement of Accounts.

All monies demonstrated within the Cash and Cash equivalents are retained within the accounts of Carmarthenshire County Council as the accountable body, ring-fenced to the Swansea Bay City Deal Joint Committee and available for immediate use.

<u>31st March 2021 (£)</u>	<u>Description</u>	<u>31st March 2022 (£)</u>
18,215,278	Balance B/F	43,091,790
24,876,512	Cash and Cash Equivalents In Year Movements	(8,229,213)
43,091,790	Total Cash and Cash Equivalents	34,862,577

11. Financial Instruments

Financial instruments held by the Joint Committee consist of the cash and cash equivalents as stated in schedule 10. **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 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 strategy. Within the Treasury strategy, investments are only employed with Counterparties whose risk appetite is very low.

Carmarthenshire 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.

All cash and cash equivalents are demonstrated within these financial statement's representative of their fair value, which equates to their carrying value, in accordance with the requirements of **IFRS 9 Financial Instruments.**

<u>31st March 2021</u>	<u>Description</u>	<u>31st March 2022</u>
<u>(£)</u>		<u>(£)</u>
Fair Value		Fair Value
18,215,278	Balance B/F	43,091,790
24,876,512	Cash and Cash Equivalents In Year Movements	(8,229,213)
43,091,790	Total Financial Instruments	34,862,577

12. Creditors

The total outstanding creditor balances as at 31st March 2022 are demonstrated below:

<u>31st March 2021</u> (£)	<u>Description</u>	<u>31st March 2022</u> (£)
-	Central Government Bodies	4,950
101,458	Local Authorities	5,428,911
28,836	Other: Short Term Creditors	21,830
130,294	Total Creditors Balance	5,455,691

13. Usable Reserves

Usable reserves in respect of the Swansea Bay City Region Deal Portfolio are demonstrated below:

<u>31st March 2021</u> (£)	<u>Description</u>	<u>31st March 2022</u> (£)
272,668	Balance B/F	214,816
(57,852)	Usable Reserves In Year Movements	5,545
214,816	Total Usable Reserves	220,361

14. Interest

Carmarthenshire County Council upholds responsibility as the Accountable Body for managing investments of cash balances held by the Joint Committee. Portfolio balances are invested in line with Carmarthenshire County Council's treasury policy. Interest is calculated on an average rate and ring fenced to the Swansea Bay City Region Deal Portfolio.

Investment activities consist of short-term investments through approved institutions to optimise returns, whilst maintaining and managing cash requirements of approved projects within the Portfolio.

<u>31st March 2021</u> (£)	<u>Description</u>	<u>31st March 2022</u> (£)
(34,398)	Interest Income	(39,575)
(34,398)	Total Interest Balance	(39,575)

The current year balance includes a prior year over accrual in respect of unallocated grant. The current year actual interest income yielded is £38,105.

15. Capital Grants Unapplied Reserve

This reserve is in sole respect of the capital grant received by the portfolio from the Welsh and UK Governments.

<u>31st March 2021</u> (£)	<u>Description</u>	<u>31st March 2022</u> (£)
18,000,000	Balance B/F	42,796,680
36,000,000	Capital Grants Unapplied	23,086,000
(11,203,320)	Capital Grants Applied	(13,538,281)
42,796,680	Total Capital Grants Unapplied	52,344,399

16. Grant Income – Capital

Capital grant income received is demonstrated below;

<u>31st March 2021</u> (£)	<u>Description</u>	<u>31st March 2022</u> (£)
(18,000,000)	Balance B/F	(54,000,000)
(36,000,000)	Government Grant Income	(23,086,000)
(54,000,000)	Total Government Grant Income	(77,086,000)

17. Notes in Respect of the Cashflow Statement

Operating Activities

This statement outlines the cash generated through the activities of the Joint Committee, including the Portfolio Investment Fund.

<u>Actuals 2020/21</u> (£)	<u>Description</u>	<u>Actuals 2021/22</u> (£)
(102,284)	Creditors - (Increase) / Decrease	(5,325,397)
(35,400)	Debtors - Increase / (Decrease)	23,107,874
36,000,000	Capital grants and contributions recognised in CIES	23,086,000
(11,203,320)	Capital Grants and Contributions Applied in CEIS	(13,538,281)
34,398	Interest Received	39,575
24,693,394	Net Cashflow from Operating Activities	27,369,771

Investing Activities

This component of the cashflow statement demonstrates changes in assets and investments. Effectively, it documents the cash spend or the drawdown of cash from investments.

<u>Actuals 2020/21</u> (£)	<u>Description</u>	<u>Actuals 2021/22</u> (£)
(24,796,680)	Short-Term Investments	(9,547,719)
(34,398)	Interest Received	(39,575)
(24,831,078)	Net Cashflow from Investing Activities	(9,587,294)

Financing Activities

This component relates to finance-driven changes and activities to the Joint Committee.

<u>Actuals 2020/21</u> (£)	<u>Description</u>	<u>Actuals 2021/22</u> (£)
	- Government Grants Received - Revenue	-
	- Government Grants Received - Capital	-
	- Net Cashflow from Financing Activities	-

18. Expenditure and Funding Analysis

The Expenditure and Funding Analysis breakdown was omitted from the financial statements due to the transactions being of minimal value and as such immaterial in the presentation of the accounts.

19. Contingent Liabilities

During the financial year 2020/21 it was agreed to extend the budget for the Portfolio Management Office to five operational years to 2024/25. Within the budget there was a provision for redundancy in respect of the eight posts employed by Carmarthenshire directly attributable to the City Deal.

All employees are permanently contracted to Carmarthenshire County Council and at present the probability of redundancy preceding the budgeted operational term is considered remote due to the delay in the commencement of programmes / projects. An estimated redundancy valuation has been used within the management accounts to support the management of reserves. Due to the subjectivity of redundancy calculations, this figure cannot be accurately defined.

Annual Governance Statement

Scope of Responsibility

The Swansea Bay City Region Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must also ensure that public money is safeguarded and properly accounted for and used economically, efficiently and effectively and to secure continuous improvement and delivery in this regard.

The Joint Committee is responsible for putting in place appropriate arrangements for the Governance of its affairs and facilitating the effective exercise of its functions including having appropriate arrangements for the management of risk and portfolio delivery.

The Joint Committee details how it deals with all aspects of Governance through its Joint Committee Agreement which defines the standards, roles and responsibilities of the Chair, its Members, Committees and its Officers. The Joint Committee Agreement includes a Scheme of Delegation outlining the decision-making process taking into account the relevant legislation.

The Governance Framework

The Governance Framework comprises of the systems, processes, cultures and values by which the Joint Committee is directed and controlled and also the way it accounts to, engages with and leads the Region and Community. It enables the Committee to monitor the achievement of its strategic objectives and to consider whether those objectives are/have led to the delivery of appropriate, relevant, value for money projects.

The system of internal control is a significant part of that framework and is designed to manage risk to an appropriate level. It aims to identify and prioritise the risks to the achievement of the Committee's policies, aims and objectives. It evaluates the likelihood and impact of identified risks being realised and to manage individual risks appropriately.

This Statement explains how the Joint Committee has complied with the various elements of the Governance Framework.

The Joint Committee has adopted and implemented a code of Corporate Governance based on the Framework 'Delivering Good Governance in Local Government' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE).

The Governance Environment

The Governance framework comprises of 7 fundamental principles implemented to endorse high standards of confidence and trust in the governance and operation of the Portfolio, whilst upholding a commitment to ongoing improvement on a continuing basis through a process of evaluation and review.

The CIPFA/SOLACE Governance Framework sets out 7 fundamental principles of Corporate Governance. The 'CIPFA Seven' are:

1. Integrity and Values - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Openness and engagement - Ensuring openness and comprehensive stakeholder engagement.
3. Making a difference - Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Making sure we achieve what we set out to do - Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Valuing our people; engaging, leading and supporting - Developing capacity and the capability of leadership and individuals.
6. Managing risks, performance and finance - Managing risks and performance through robust internal control and strong public financial management.
7. Good transparency and accountability - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Integrity and Values

- The behaviour and expectations of Officers/Members are set out in the Swansea Bay City Region Joint Committee Agreement. The Agreement sets out the procedure for meetings, highlights conflicts of interest and includes Rules of Conduct of Co-opted Members of the Joint Committee and the Economic Strategy Board.
- The Joint Committee Agreement sets out requirements for members and officers to disclose gifts and hospitality annually.
- The Joint Committee Agreement provides that Members must at all times act in accordance with the Member Code of Conduct of their respective authorities. The Code of Conduct will apply when they are acting in their capacity as Joint Committee Member.
- Declarations of interest is a standing item of the agenda for both Portfolio Board and Joint Committee.
- All members of the Joint Committee, Programme Board, Economic Strategy Board, as well as Statutory Officers and direct SBCD portfolio employees, are required to complete a declaration of interest form on a six month basis, including within, third party interests and related party disclosures.
- Compliance with policies and rules set out in the Joint Committee Agreement.
- Reports to both Portfolio Board and Joint Committee have legal/finance clearance prior to publication.
- Comprehensive scrutiny function.
- Comprehensive audit scrutiny.
- The Monitoring Officer ensures compliance with statute and reports on any maladministration.
- External challenge from auditors.

Openness and Engagement

- The Joint Committee ensures an open culture evidenced by open meetings and publication of agendas, minutes and webcasts where appropriate.
- There is enough opportunity for public questions at Joint Committee.
- Portfolio and project risks are published.
- There is appropriate consultation and engagement supporting the decision-making process including annual budget consultation, engagement with Governments, Economic Strategy Board regional advisers and key stakeholders.
- The scrutiny function invites stakeholder participation and contribution.
- The Portfolio's Marketing and Media function promotes the work of the Portfolio and supports proactive engagement with members of the public, helping them to access information on project delivery wherever and whenever it is convenient to them.

Making a difference

- The portfolio has a clear vision set out within its heads of terms.
- The portfolio deliverables will make a step change in the economic prosperity of the Swansea Bay Region.
- The Portfolio Management Office presents quarterly the Implementation Plan and has developed an Integrated Assurance Action Plan, Monitoring and Evaluation Plan and a Portfolio Business Plan.
- The Accountable Body provides regular Financial monitoring updates.
- Portfolio risk management policy ensures consistent application of risk registers and terminology and audit scrutiny.
- Improved communications and regional working across all 8 primary stakeholders.

Making sure we achieve what we set out to do

- Establishment of a regional Portfolio Management Office to oversee the governance, assurance and portfolio progression.
- Appointment of a Senior Responsible Officer for the Swansea Bay City Deal Portfolio to work with the Portfolio Director and Joint Committee.
- There is regular public and stakeholder engagement at project level.
- The Portfolio takes a sustainable view, with Lead Authorities each having their own independent social and environmental policies and plans, including;
 - *Medium term financial plan*
 - *Corporate Plan*
 - *Annual reports*
- Projects are supported by detailed business cases with clear deliverables and are managed locally.
- There is an annual budget setting process in place. There is regular financial monitoring updates and engagement in respect of financial matters with members.
- The portfolio has a detailed risk management procedure.

Valuing our people; engaging, leading and supporting

- The Joint Committee ensures that members and officers have the right skills, knowledge and mind set to operate efficiently and effectively to achieve its intended outcomes by:
 - *Providing a comprehensive induction portfolio*
 - *Annual performance review*
 - *Providing job related training*
- The Joint Committee encompasses a robust governance structure including private sector advisors.
- Effective shared leadership and understanding of roles and objectives is supported by:
 - *Clear and defined leadership roles.*
 - *Appraisal of Portfolio Director role and remuneration.*
 - *Regular committee and board meetings.*
 - *The JCS sets out clearly defined roles and responsibilities of members, officers and advisers.*

Managing risks, performance and finance

- Decision making supported by;
 - *Risk register*
 - *Issue log*
 - *Progress update log*
- Regular financial monitoring updates by the Section 151 officer.
- Monthly review of all risk logs and registers
- There are regular individual project updates, given by respective Lead Authority leaders/chief executives.
- Internal audit provides an independent and objective assurance on the effectiveness of internal control, risk management and governance.
- The portfolio has approved and embedded anti-fraud and corruption policy (JC – 11/10/2021).
- The Internal Audit plan is approved by Joint Committee
- The External Audit plan is approved by Joint Committee.
- Financial Management is integrated through all levels of planning and control by;
 - *Specific corporate risk around financial control within the risk register.*
 - *Financial implications are included within all decision-making reports.*

Good Transparency and Accountability

- Joint Committee Agreement demonstrates clear accountability of project delivery leads.
- Project outputs and outcomes linked to grant funding.
- Government progress updates.
- Reports are published on the City Deal website and are available in the Welsh language.
- Where possible exempt reports are split so the main report can be heard in public with confidential information being a separate exempt report.
- The Joint Committee have adopted the Code of Corporate Governance based on CIPFA framework.
- Implementation of Audit Wales and Internal Audit recommended actions monitored by Joint Committee.
- Peer review and inspection from regulatory bodies, including Gateway Assurance Processes.

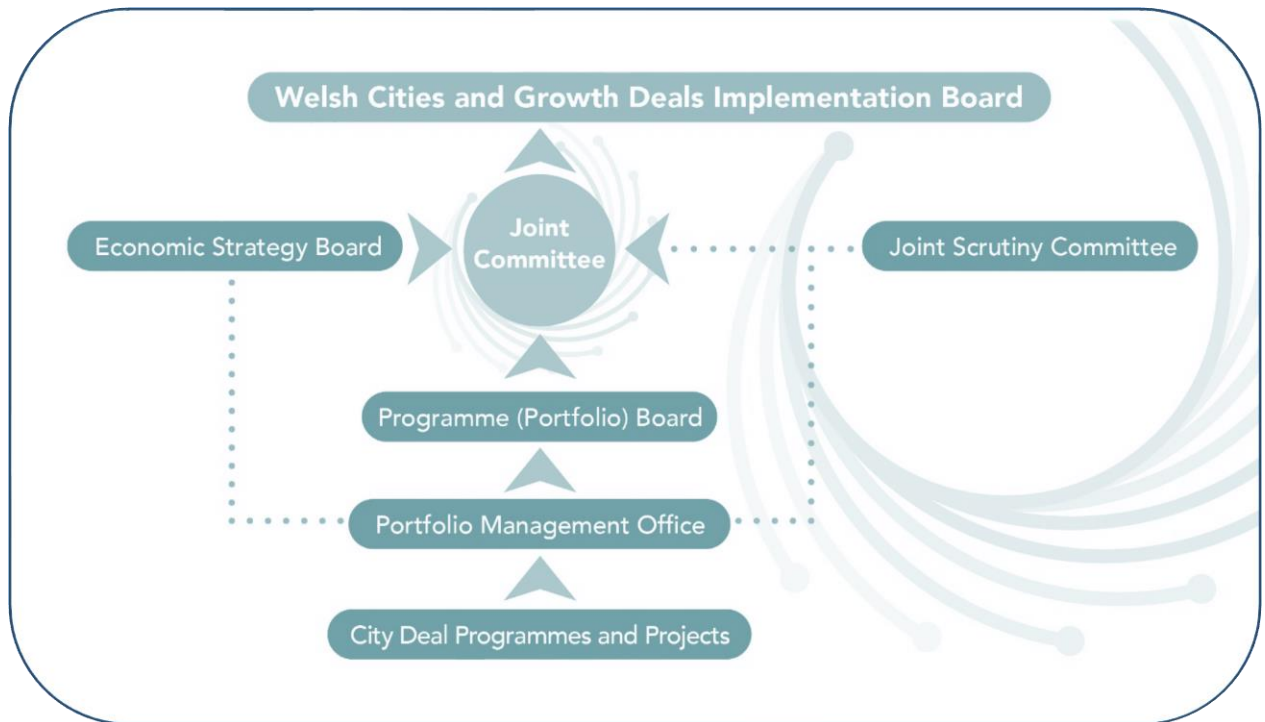
Embracing good governance in the Public Sector



Governance Structure

The Governance Structure details the hierarchy of committees and boards adopted to successfully manage, control, and deliver the Swansea Bay City Region Deal portfolio. The formal Governance Structure adopted by the City Deal for project implementation is demonstrated below. The Joint Committee upholds ultimate responsibility and accountability for decisions taken in the City Deal portfolio. However, this is not an independent entity, rather a collaborative leadership group consisting of the four regional Local Authorities, underpinned by a Joint Committee Agreement.

Swansea Bay City Deal Governance Structure



Swansea Bay City Deal Accountable Officers

Chair of the Joint Committee - Councillor Rob Stewart, Leader of City and County of Swansea Council

Senior Responsible Owner – Wendy Walters, Chief Executive of Carmarthenshire County Council

Section 151 Officer – Chris Moore, Director of Corporate Services, Carmarthenshire County Council.

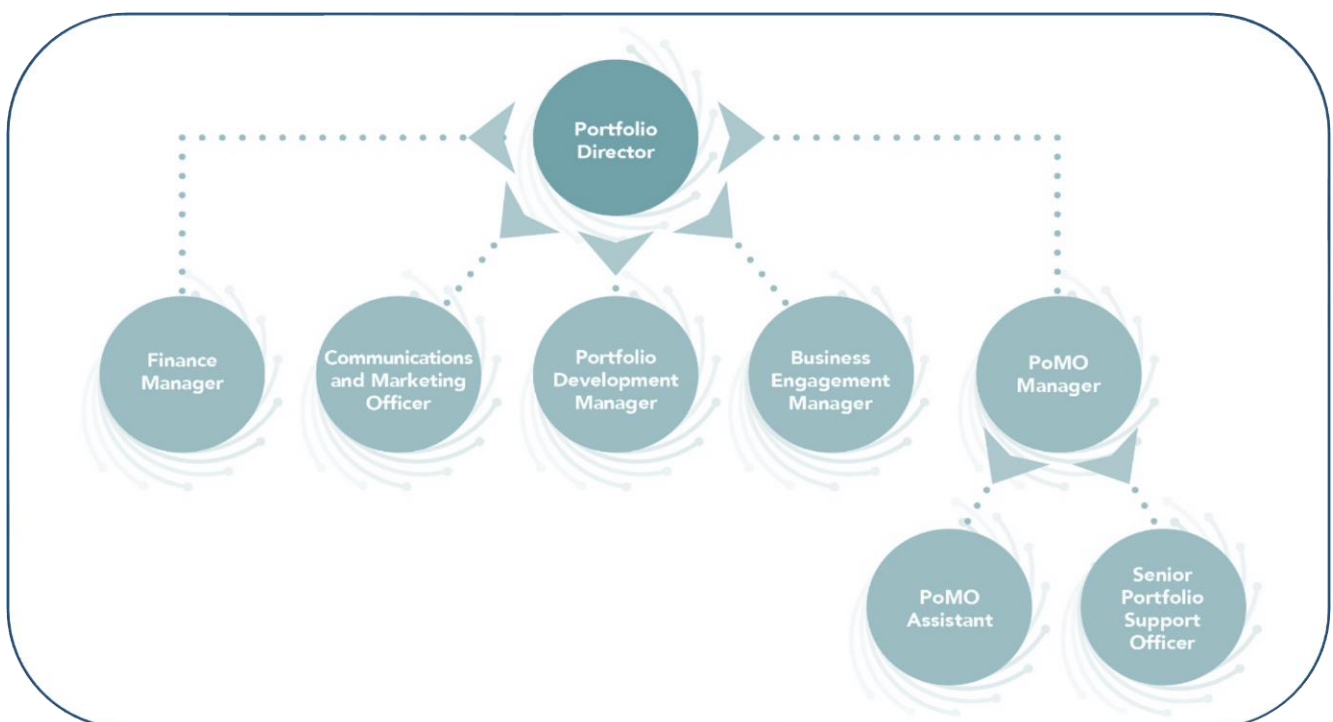
Monitoring Officer – Tracey Meredith, Chief Legal Officer and Monitoring Officer, City and County of Swansea Council

Portfolio Management Office – Dr Jonathan Burnes, Portfolio Director

Portfolio Management Office

The PoMO is tasked with the responsibility for the day-to-day management of matters relating to the Swansea Bay City Deal. One post is vacant as at year end (PoMO Assistant). The PoMO staffing structure is outlined below:

Portfolio Management Office Staffing Structure*



*The Finance Manager is responsible to the Portfolio Section 151 Officer.

Internal Sources of Assurance

Governance Structure

Joint Committee

The Joint Committee comprises of the four Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea councils.

The Joint Committee will be chaired by a Local Authority Leader, and it has been agreed by the four Councils that the Leader of Swansea Council will take on this responsibility. The Chair of the Joint Committee will be elected for a two-year term in the first instance, reviewed annually thereafter.

The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the Swansea Bay City Deal, in line with the visions and interests of all participating parties and the Swansea Bay City Deal document signed on 20th March 2017.

Since the signing of the Heads of Terms document, in order to maintain momentum, the Joint Committee operated in shadow form. The first formal meeting of this committee took place on 29th August 2018 when each of the four Local Authorities signed the Joint Committee Agreement, the legal document which sets out how the Councils will work together.

The Head of Paid Service, Monitoring Officer and Section 151 officer of each of the Councils shall be entitled to attend meetings of the Joint Committee as an adviser and shall not have a vote.

The Leaders have agreed to co-opt to the Joint Committee the Chair of the Economic Strategy Board, and one representative each from the University of Wales Trinity Saint David, Swansea University, Hywel Dda University Health Board and Swansea Bay University Health Board. Voting rights will be reserved to the four Local Authority Leaders.

The Joint Committee meets currently on a monthly basis and as set out in the Joint Committee Agreement; its function includes:

- Identifying and implementing appropriate governance structures for the implementation of any projects within the Swansea Bay City Deal portfolio. This shall include the formation of bodies corporate and any other structures which the Councils can lawfully establish or participate in.
- Agreeing and planning the overall strategy for and delivery of the portfolio for the Swansea Bay City Deal.
- Performance management of the Swansea Bay City Deal portfolio.
- Strategic communications
- Monitoring of the impact of the Swansea Bay City Deal portfolio and reporting on this to the Councils.
- Authorising the Accountable Body to commission external support and to oversee the delivery and management of project expenditure.
- Progressing a regional approach for the Swansea Bay City Region for the discharge of strategic functions. These functions may include land use planning, transport planning and economic development.
- Approval and adoption of the Implementation Plan.
- Approval of any extension agreed by the Councils to the deadline for approval of the Implementation Plan.
- Agreeing the terms and conditions of Government Funding.
- Overseeing the proportion of each Council's responsibility for borrowing to provide funding for regional projects.
- Reviewing performance of the Chair of the Economic Strategy Board on an annual basis.
- Agreeing the Annual Costs Budget.

Following the process as set out in the Joint Committee Agreement, the Joint Committee shall consider the project business case and the recommendations of the Portfolio Board and the Economic Strategy Board and shall decide whether or not to approve the project for submission to the UK Government and Welsh Government for approval by the UK Government and Welsh Government for the release of government funding for the project.

COVID-19 Impact

Some governance arrangements within the Swansea Bay City Deal have required adaption as a consequence of the current COVID-19 pandemic. The main significant change as a result of the pandemic was in respect of the undertaking of committees and boards, with these conducted and facilitated on a remote basis.

The overall delivery of the portfolio is still on target to be achieved and additional monitoring has been undertaken within the year in the form of a COVID-19 impact assessment. Risks and issues identified within this assessment have been included within the portfolio risk register with actions to manage and/or mitigate.

Economic Strategy Board

Reporting to the Joint Committee, the Economic Strategy Board will represent the wider community, including the private sector.

The Economic Strategy Board will act as the voice of business and will provide strategic direction for the Swansea Bay City Deal, through advice to the Joint Committee on matters relating to the Swansea Bay City Region. It will have a role in advising the Joint Committee on opportunities to strengthen the City Deal's impact.

The Chair will be accountable to the Joint Committee. The Economic Strategy Board will not have any formal decision-making powers and it will reach agreement by consensus.

The Economic Strategy Board will meet with the following frequency or as and when required:

- Quarterly in advance of any Joint Committee meeting.
- When necessary to deal with business as agreed by the Chair of the Economic Strategy Board.
- The Portfolio Management Office will arrange for minutes of the proceedings of each meeting to be taken, approved and recorded. Key activities of the Economic Strategy Board include.
- Submit strategic objectives for the Swansea Bay City Region.
- Assess the individual Project Business Cases against the strategic aims and objectives of the Swansea Bay City Deal and make a recommendation to the Joint Committee on whether or not the Project Business Case should proceed.
- Consider implications of a proposed withdrawal or change of Project Authority Lead and any proposal for a new project and provide recommendations to the Joint Committee on whether the new project proposed should replace the project to be withdrawn and if not the process for selecting new projects or reallocation of funding.
- Monitor progress with regard to the delivery of the Swansea Bay City Deal.

The Chair of the Economic Strategy Board has been appointed following an open competition exercise. The process of appointing other members of the Economic Strategy Board has taken place through an open recruitment and nomination process, membership being drawn from across the wider private and public sectors. The Economic Strategy Board membership was agreed through a vote at the first formal meeting of the Joint Committee on 29th August 2018. Members are expected to adhere to the conditions of membership as outlined in schedule 13 of the Joint Committee Agreement.

Portfolio Board

The Portfolio Board is accountable to the Joint Committee and consists of the Head of Paid Service of each of the four Councils, or another officer nominated by the Head of Paid Service. The Portfolio Board Chair shall be reviewed annually.

The Portfolio Board may co-opt additional representatives to the Board. Co-opted members may include representatives of Swansea University, University of Wales Trinity St David, Hywel Dda University Health Board and Swansea Bay University Health Board.

It has been unanimously agreed by the Councils that the Chief Executive of Carmarthenshire County Council will chair the Portfolio Board meetings.

Portfolio Board was formally established by the Joint Committee at its first meeting.

The Portfolio Board has four distinct roles:

- Preparing recommendations on the Swansea Bay City Deal portfolio:
 - *Ensuring that all schemes are developed in accordance with the agreed package, analysing the financial viability, deliverability and risk of each City Deal project proposal.*
 - *Overseeing production of business case.*
- Advising on the strategic direction of the Economic Strategy Board.
- Overseeing performance and delivery of the delivery of projects, reviewing progress against agreed milestones, focusing on delivery and financial risks and identifying any necessary remedial action.
- Working on a regional basis to improve public services especially in the areas of economic development, transport, planning and strategic land use, housing and regeneration.

Meetings of the Portfolio Board take place on a monthly basis before the Joint Committee meeting and before all quarterly meetings of the Economic Strategy Board.

Portfolio Management Office

Reporting directly to the Accountable Officer and the Joint Committee, the Portfolio Management Office plays a pivotal coordinating and supporting role and it is responsible for the day-to-day management of matters relating to the Joint Committee and the Swansea Bay City Deal.

Key activities of the Portfolio Management Office include:

- Strategic liaison with UK Government and Welsh Governments and policy advisors.
- Governance support for all aspects of the City Deal governance structure, the SBCD Joint Committee, Portfolio Board and Economic Strategy Board.
- Portfolio implementation co-ordination, monitoring and evaluation.
- Undertake research, analysis and report on findings as requested by groups within the governance structure.
- Strategic project co-ordination includes advising on and coordinating the development and submission of 5 case business models for City Deal projects.
- Liaison and engagement with government funding bodies and portfolios, and with the Universities and Health Boards.
- Responsibility for managing the identification, assessment, approval, monitoring and evaluation processes for Regional interventions and projects.
- Communications and engagement management for the Swansea Bay City Deal.
- Private sector involvement, business development and inward investment.

Utilising the Joint Committee's governance model to lead in the consideration and development of opportunities for additional capital and revenue external funding bids for additional funding sources to assist in the delivery of the regional activities which are complimentary to the SBCD.

Accountable Body

The Councils have agreed that Carmarthenshire County Council will act as the Accountable Body responsible for discharging the Councils' Obligations in relation to the Swansea Bay City Deal in accordance with the Joint Committee Agreement.

The role of the Accountable Body is to:

- Act as the primary interface with Welsh Government, UK Government and any other funding bodies necessary to discharge the Councils' Obligations.
- Hold and release any Government Funding in relation to the Swansea Bay City Deal and only to use and release such funds as agreed in accordance with the terms of such funding and the Joint Committee Agreement.
- Comply with the Funding Conditions as set out in the JCA.
- Undertake the accounting responsibilities set out in this Agreement.
- Employ the Regional Office staff.

The Joint Committee will designate the Chief Executive of the Accountable Body as Lead Chief Executive to act as its principal adviser and as Accountable Officer to manage and oversee the work of the Accountable Body and the Portfolio Management Office team.

Monitoring Officer

The Monitoring Officer is responsible for ensuring good governance and maintaining the highest ethical standards, ensuring the legality of arrangements as well as ensuring that the Joint Committee Agreement is adhered to. The Monitoring Officer has access to all meetings of the Joint Committee including the Economic Strategy Board and the Portfolio Board.

The Councils have agreed that the Monitoring Officer function and occupation with responsibility for discharging the Councils' Obligations in relation to the Swansea Bay City Deal in accordance with the Joint Committee Agreement, will be supported by the City and County of Swansea.

The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the Joint Committee's own procedures. The Monitoring Officer is supported by the Democratic Services function of City and County of Swansea Council who is responsible for the formal recording and publication of the democratic decision-making process.

The Monitoring Officer works closely with the Portfolio Director and the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and will report to Joint Committee or the Portfolio Board if she considers that any proposal will give rise to unlawfulness.

Financial Services (Section 151 Officer)

The Director of Corporate Services Carmarthenshire County Council is the responsible officer for the administration of the Joint Committees affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the Swansea Bay City Region Deal.

The Chartered Institute of Public Finance and Accountancy (CIPFA) previously published a “Statement on the Role of the Chief Financial Officer in Local Government”. The Statement describes the role and responsibilities of the Chief Financial Officer (CFO) and sets out 5 Key Principles (see below) that define the core activities and behaviours that belong to the role of CFO in public service organisations and the organisational arrangements needed to support them. Carmarthenshire County Council through the appointment of the Director of Corporate Services fully complies with the Statement.

- Principle 1 - The CFO in a Local Authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Authority’s strategic objectives sustainably and in the public interest.
- Principle 2 - The CFO in a Local Authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the Authority’s overall financial strategy.
- Principle 3 - The CFO in a Local Authority must lead the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- Principle 4 - The CFO in a Local Authority must lead and direct a finance function that is resourced to be fit for purpose.
- Principle 5 - The CFO in a Local Authority must be professionally qualified and suitably experienced.

The Financial Services function provides support to the Joint Committee and co-ordinates and supports the budget preparation and financial monitoring process.

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 on which the Joint Committee gains assurance. Internal Audit are required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS) established in 2013 are the agreed professional standards for Internal Audit in Local Government. The principles of Internal audit are demonstrated below.

As required by the 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.

Internal Audit Report – Swansea Bay City Deal

The audit aims to provide assurance that the Swansea Bay City Deal has adequate governance, internal control, risk management and financial management arrangements in place, which are operating effectively and assisting it to achieve its objectives.

Audit Scope

<u>Area</u>	<u>Description</u>
Governance:	<ul style="list-style-type: none">• Follow Up of Previous Recommendations• Follow Up of Gateway Review Recommendations• Decision Making• Assurance, Monitoring and Evaluation Arrangements• Registers of Interests and Related Parties
Risk Management:	<ul style="list-style-type: none">• Risk Management Arrangements
Project Management & Monitoring:	<ul style="list-style-type: none">• Project Management, Process and Monitoring• Project Outcomes and Benefit Realisation
Financial Management:	<ul style="list-style-type: none">• Budgetary Control• Investments• Grant Claims Process

The internal audit report has determined an audit assurance rating of ‘Substantial’; There are none or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur or their impact is not likely to affect the achievement of the SBCD objectives. This report will be presented to the Joint Committee within the 2022/23 financial year and was subject to delay in financial year 2021/22 due to the COVID-19 crisis and local elections.

The Strategic and Annual Audit Plans are approved by Joint Committee annually and regular reports are made to the Joint Committee throughout the year on progress and any significant weaknesses identified.

In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.

Committees

Joint Scrutiny Committee

The Joint Scrutiny Committee comprise of 12 members in total, three from each of the four Constituent Authorities. The Role of the Joint Scrutiny Committee is to provide advice, challenge and support to the Joint Committee. The Joint Scrutiny Committee is required to:

- Review and Scrutinise the Joint Committee's financial affairs.
- Review and assess the Joint Committees risk management, internal control and corporate governance arrangements.
- Review and assess the economy, efficiency and effectiveness with which resources have been used.
- Make reports and recommendations to the Joint Committee in relation to the points outlines above.

The purpose of the Joint Scrutiny Committee shall be:

- Performing the overview and scrutiny function for the Swansea Bay City Deal on behalf of the four constituent authorities.
- To develop a forward work Portfolio reflecting the functions as demonstrated in the Joint Committee Agreement (Cl. 2.1.1)
- To seek reassurance and consider if the city deal is operating according to the Joint Committee Agreement, its business plan, timetable and/or is being managed effectively.
- To monitor any City Deal Regional projects against its portfolio plan.
- To make any reports and recommendations to the constituent authorities, whether to their executive boards or Full Council as appropriate, in respect of any function which has been delegated to the Joint Committee pursuant to the Joint Committee Agreement.

Scrutiny of individual authorities' projects shall be a matter for the relevant Constituent authorities Scrutiny Committee.

External Sources of Assurance

External Audit

The Auditor General (Audit Wales) is the auditor for Carmarthenshire County Council and discharges his responsibilities under the Public Audit (Wales) Act 2004 through the external audit of the Swansea Bay City Deal Joint Committee statement of accounts.

Carmarthenshire County Council holds responsibility of the Accountable Body function on behalf of the Swansea Bay City Deal Joint Committee.

The agreed Annual Audit plan 2022 outlined the proposed audit plan and scope of the external audit to be undertaken by Audit Wales of the Swansea Bay City Deal Joint Committees Statement of Accounts. This plan was prepared and agreed by the Joint Committee and represents the third year of external audit work.

Gateway Reviews

Office of Government Commerce (OGC) Gateway Reviews will be appropriately carried out at both a City Deal portfolio (Gate 0) and project level (Gates 1-5) to examine specific points in their lifecycles. This will assure successful progression and overall delivery, while supporting the SRO in the successful discharge of their duties.

These reviews are among a suite of assurance activities the City Deal’s Portfolio Management Office will organise, with the best course of action determined by the maturity of the portfolio or the stage of a constituent project’s development or delivery.

Other assurance activities will include project validation reviews and project assessment reviews.

To support this process the Portfolio SRO and Joint Committee will ensure the delivery of an Integrated Assurance and Approval Plan (IAAP), a Monitoring and Evaluation Plan and a Portfolio plan. The Regional Portfolio Management Office will provide visibility to the SRO and Joint Committee of the collaborative work undertaken with Welsh Assurance Hub to develop these assurances and monitoring plans over the coming months. A portfolio level IAAP has been developed and implemented. Further work is being undertaken on the remaining plans and the Joint Committee have instigated and invitation to tender for specialist support in delivering these strategic areas.

Government Review (5 case business model)

The need to get the best possible value from spending public money will always remain a constant for the Joint Committee and its partners. To this end, all City Deal business cases must be developed using the HM Treasury and Welsh Government’s Five Case Model - an approach which is both scalable and proportionate. It is recognised as best practice and is the Treasury’s standard methodology.

The business case, both as a product and a process, provides decision-makers, stakeholders and the public with a management tool for evidence-based, transparent decision-making and a framework for the delivery, management and performance monitoring of the resultant scheme.

Each business case in support of SBCD project must evidence:

The Case	The question	What the Business Case must demonstrate	
Strategic Case	Is the proposal needed?	will it further the aims and objectives?	is there a clear case for change?
Economic Case	Is it value for money?	has a range of options been considered?	is it the best balance of cost, benefits and risk?
Commercial Case	Is it viable?	is there a supplier who can meet our needs?	can we secure a value for money deal?
Financial Case	Is it affordable?	are the costs realistic and affordable?	is the required funding available and supported?
Management Case	Is it achievable	are we capable of delivering the project?	do we have robust systems and processes in place?

- Strategic Case - the intervention is supported by a compelling case for change that provides a holistic fit with other parts of the organisation and public sector
- Economic Case - the intervention represents best public value (to the UK as a whole)
- Commercial Case - the proposed project is attractive to the marketplace, can be procured and is commercially viable
- Financial Case - the proposed spend is affordable
- Management Case - what is required from all parties is achievable

As set out in the Joint Committee Agreement, the Project Business Case shall include a Resolution of the Project Authority Lead and all Councils in whose area the project shall take place that they approve the submission of the Project Business case.

The Portfolio Management Office has day to day responsibility for managing the assessment and approval process for all City Deal projects.

To assist a speedier assessment process, the UK Government and Welsh Government have agreed an informal iterative review process for assessing business cases in order to assist Project Leads in the production of robust full business cases which are appropriate for 5 case formal review process.

On completion of the final draft business case and following approval from the respective Regional/Project Authority Lead(s), business cases for each of the City Deal projects will undergo assessment by the Portfolio Management Office before being considered by the respective City Deal governance structures. After approval by the Joint Committee the project business case will be forwarded to the UK Government and Welsh Government for approval to release City Deal Government project funding to the Accountable Body.

Well-being of Future Generations Act (Wales) 2015

The Swansea Bay City Deal demonstrates close alignment with the Well-being of Future Generations Act (Wales) 2015, as well as the seven well-being goals for Wales, which are at the core of the investment portfolio.

This is evidenced both at a portfolio business case level, as well as within business cases for the City Deal's constituent projects.

City Deal reports considered at both Portfolio Board and Joint Committee also demonstrate alignment with the legislation.

OGC Gateway™ Review 0: Strategic assessment

The Review finds that the Swansea Bay City Deal Portfolio has made significant progress in the past 12 months.

The establishment of a professional, well-resourced Portfolio Management Office has been key to that progress, as has the dedication and commitment of the SRO in evolving the governance arrangements. It is also evident that the leadership of the individual programmes and projects has been key to successful delivery in these regards.

It should be noted that the Delivery Confidence Assessment does not imply that all programmes and projects within the portfolio discretely carry the same rating: they are subject to their own, more detailed Assurance via individual Gateway Reviews.

The Review team observes strong stakeholder support and optimism across all sectors and a commitment from the Joint Committee to spending wisely now that the funding has come on stream from UKG/WG.

The Review Team makes a small number of recommendations in the areas of:

- Stakeholder engagement and communications;
- Outcomes and Benefits;
- Evolving governance; and
- Support to constituent Programmes and Projects

The Portfolio is very well placed to progress towards success, but constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Complete
1.	Update the stakeholder map, engagement strategy and communications plan and establish the potential to make greater use of dashboard information to convey updates to different stakeholder groups.	R - Recommended	End of November 2021	✓
2.	Confirm that the intended Outcomes and Benefits remain realistic given the impact of Covid and Brexit and the shortening of the UKG funding timeframe.	E- Essential	End of October 2021	✓
3.	Update the Terms of Reference for, and membership of, the Portfolio Board and ensure that all Members and Attendees understand their respective roles.	E- Essential	End of October 2021	In Progress
4.	Identify opportunities for the PoMO to extend its targeted support to constituent Programmes/Projects to reduce the PMO burden on those Programmes/Projects.	R - Recommended	End of October 2021	✓

Internal review

Project approval process and flow of funds

On completion of a final draft business case and following approval from the respective regional/project authority lead, business cases for each of the City Deal projects will undergo assessment by the Regional Portfolio Management Office before being considered by the respective City Deal governance structures. After regional approval by the Joint Committee, the project business case will undergo an external Stage Gate review before progressing to the UK Government and Welsh Government for Ministerial approval.

The flow of funds for the City Deal portfolio is set out in the financial section of this Portfolio Business Case.

Governance Assessment Process

Each Swansea Bay City Deal project has its own governance structure and management arrangements to oversee their development and delivery, which are outlined in their individual business case.

Portfolio level governance arrangements are also in place that each project will be expected to implement and provide updates on.

These include, but are not limited to:

- Implementation plan
- Risk and issue management
- Monitoring and evaluation
- Benefits realisation
- Community Benefits
- Change control
- Dependencies and interdependencies
- Escalation and reporting structures
- Financial control and contingency management

Integrated Assurance and Approval Plan

This plan will ensure the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio, proportionate to levels of project cost and risk. As well as a portfolio level IAAP, constituent projects will also feed into the overall plan. The IAAP is a live document that will be kept updated and actioned throughout the lifecycle of the City Deal portfolio.

Risk Management Arrangements

The Swansea Bay City Deal risk register logs risks both at a project and portfolio level. These include business, organisational and external risks. Each risk is updated periodically and reported to Portfolio Board where each risk details the description, owner, consequence and review update, accompanied by a scoring based on probability and impact.

Key business risks captured in a portfolio risk register include SBCD partner withdrawal, delays to project approval and funding draw down and portfolio delivery delays.

Following Portfolio Board review, the portfolio risk register and portfolio issues log, are considered by Joint Committee on a quarterly basis. These documents are also considered by Joint Scrutiny Committee at each of its meetings, which take place once every two months.

Organisational risks are captured in project specific risk registers.

The current portfolio risk register demonstrates risks of an operational, governance and financial nature with emphasis on the significant (red) risks, which are risks that will significantly impact the delivery of the portfolio. A summary of the two current significant risks are demonstrated below:

Risk Register – Fundamental/Major Risks

Title	Owner	Risk Description	Review Update/Control Actions
Slippage in delivery of programmes / projects against key milestones	JC	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 recuperation not accurately reflecting spend	The City Deal Finance Manager and PoMO Manager are now working with the Programme / Project Leads, to identify changes to plan and report them through the Change Control Process. Procurement Pipeline is now part of the Quarterly Monitoring process that is presented to Governance Boards. PoMO have created a Dashboard to summarise activity and risk across the Portfolio which is presented quarterly through the Governance Boards.
Private sector funding contribution/s not realised in line with business case projections	Delivery Lead	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	The Portfolio is on track to realise the Private Sector funding however it is acknowledged that the timescales have slipped marginally due to macroeconomic events, Business Case development and approval process.
Increase in cost of construction	All	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend	PoMO presented the Construction Impact Assessment to Programme Board on 29th March 2022. 3 completed returns, 3 returned with rationales for nil responses and 3 nil responses. Continued ongoing evaluation quarterly until all procurement activity is completed, will then be reviewed accordingly. PoMO facilitated an Event on 14th February 2022 hosted by Civil Engineering Construction Association (CECA) and Constructing Excellence in Wales (CEW). All Programme / Project Leads, SRO's and other City Growth Deals in Wales were invited to attend.
Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps.	Accountable Body	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 landowners and local authorities to potentially achieve planning permission and ultimately develop land affected by the 2021 updates.	SBCD Programme (Portfolio) Board identified there is still a potential impact associated with TAN 15. It has been agreed that the PoMO will escalate this to Joint Committee following the elections with the intention that the Local Authority Leaders will pick up the conflicting information in relation to the implementation of the proposed changes with the WLGA. The PoMO have engaged with Programmes / Projects to determine potential areas that are affected by the new maps.

Benefits Realisation Arrangements

The Swansea Bay City Deal headline benefits are £1.8 billion boost to regional GVA and the creation of at least 9,000 high-value jobs.

The focus on the regional economy across the SBCD projects will also support regional supply chain businesses, with the City Deal's energy theme due to further accelerate the growth of the region's blue and green economies, helping meet regional, Wales and UK-wide decarbonisation targets.

As well as financial benefits, the City Deal will also lead to societal benefits. These include tackling fuel poverty, improving people's health and well-being, and creating more resilient communities and businesses.

The benefits realisation plan is made up from the constituent projects, where they are required to develop and submit a benefit's register as part of the business case submission. The approach to monitoring and evaluating the portfolio benefits features in the Portfolio's Monitoring and Evaluation Plan and are regularly reported at project and portfolio level at the Portfolio Board and Joint Committee governance groups.

Monitoring and evaluating the portfolio performance and impact will improve informed decision making and planning and risk management in order to deliver the widest possible benefits to the region and value for money. It will also create a culture of learning from doing and sharing.

The Portfolio SRO will oversee the vision, objectives and project governance arrangements, in conjunction with the Joint Committee and Portfolio Director, including the benefits realisation of the portfolio.

Post Implementation and Evaluation Arrangements

The Swansea Bay City Deal deliverables are aligned to SMART (specific, measurable, achievable, realistic and timebound) objectives. These will aid with the post evaluation at both project and portfolio level.

The objectives will be detailed in the tools adopted in the Monitoring and Evaluation Plan at both a portfolio and individual project level. Periodic reports and evaluations will be undertaken both at key project and portfolio milestones and at the end of the implementation stage. External stage gate reviews will form part of this process, along with regional reviews and assessments.

Action Plan of Portfolio Governance Issues

Governance Issues	Action	Target for Completion
Formal agreements should be signed with partners who have not signed up as part of the Joint Committee Agreement (i.e. Universities and Health Boards). All contributions due should then be paid or appropriate escalation/action taken. Not Complete – Swansea Bay City Deal are awaiting the signed formal agreement from one partner, who have requested further information. Confirmation was received that all partners are paid up to date.	Formal agreements should be signed with partners who have not signed up as part of the Joint Committee Agreement (i.e. Universities and Health Boards).	30 June 2022 (end of Q1 2022-23)
A procurement exercise has been undertaken to purchase project management software. Internal Audit were advised that there have been delays in concluding the procurement exercise, with an issue relating to insurance requiring resolution. Along with providing enhanced dashboard data, and formalising and providing consistency in reporting, the introduction of the software could release efficiencies within the Portfolio Management Office (and within Programmes/Projects) through reducing both duplication and the current administrative burden when consolidating Programme/Project level data to Portfolio level data.	Discussions to resolve the issue relating to the purchase of the Portfolio Management Software should be expedited, allowing efficiencies to be realised within the Portfolio Management Office.	30 June 2022 (end of Q1 2022-23)
Reliance is placed upon Project Authority Lead's to ensure the accuracy of transactions contained within the grant claim forms received from grant recipients. Testing confirmed that transaction lists are provided to the Finance Manager which supported entries contained within grant claims. It was noted that the Joint Committee Agreement states in Section 20.7 "if any Council provided with funding from the Government Funding to implement a project in the Swansea Bay City Deal it shall audit the finances and the discharge of functions relating to that project". Currently, there is no consistent process in place to allow Swansea Bay City Deal to receive such assurance from Project Authority Leads. The introduction of a process whereby internal audit review results are communicated to Swansea Bay City Deal would allow the Section 151 Officer to receive a greater level of assurance when certifying grant claim forms.	Consultation should be undertaken with Project Authority Lead's to ensure internal audit reviews are undertaken on the Headline Programmes/ Projects on a rolling basis. Swansea Bay City Deal should request that the outcome of any subsequent internal audit review is provided to the Section 151 Officer and Portfolio Management Office.	30 September 2022 (end of Q2 2022-23)

The above governance issues will be monitored and assessed as part of the internal audit work undertaken on the City Deal and through the implementation of an Annual Governance Statement.

Certificate of Approval

Chair of Joint Committee Approval:

Signed: R Stewart

Date: 28/07/2022

Councillor Rob Stewart

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council



Senior Responsible Owner Approval:

Signed: W Walters

Date: 28/07/2022

Wendy Walters

Chair of Swansea Bay City Deal Portfolio Board

Chief Executive, Carmarthenshire County Council



Glossary of Terms

The following section summarises expiation around the technical terminology demonstrated and included within the Financial Statements and accompanying narrative.

General Terms

Accrual

An accrual is a sum shown in our accounts to cover income or expenditure for the accounting period that was not paid at the date of the balance sheet.

Audit

An audit is an independent examination of our activities.

Audit Wales

An independent body lead by the Auditor General for Wales who is responsible for the appointment of external auditors to local authorities.

Balance

The surplus or deficit on any account at any point in time.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the end of the financial year.

Budget

A budget is a spending plan, usually for the following financial year.

Capital Expenditure

Capital expenditure is spending on non-current assets such as Property, Plant and Equipment, Investment Properties and Heritage Assets. This would include the purchase or construction of new assets, together with subsequent expenditure on major maintenance or development work.

Capital Receipt

These are the sales proceeds from the disposal of land and buildings which are restricted in their use by statute. They can only be used to fund new capital expenditure or set aside to finance historic capital expenditure.

Creditor

A creditor is someone to whom money is owed at the end of the financial year for work done, goods received, or services rendered.

Current Assets

These are short-term assets that are available for us to use in the following accounting year.

Current Liabilities

These are short-term liabilities that are due for payment by us in the following accounting year.

Debtor

A debtor is someone who owes money to us at end of the financial year.

Depreciation

Depreciation is a method of allocating the cost of Property Plant and Equipment assets over their useful lives.

Employer Contributions

The employer contributions are the amounts actually paid by the employer during the year. They include any amounts paid in respect of early retirement strains and any recharges in respect of compulsory added years benefits.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31 March in the following year.

Gross Expenditure

The total cost of providing the council's services before taking into account income, such as fees and charges for services etc.

IFRS*

International Financial Reporting Standard.

IFRIC*

International Financial Reporting Interpretations Committee.

**The above two are accounting standards which provide a guideline for financial accounting.*

Liability

A liability is an amount due and payable at some time in the future.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge occupiers of business premises pay to finance part of local Authority spending. The NNDR is set by Government and is a percentage of the rateable values. The percentage is the same throughout Wales. The total collected is split among individual authorities in proportion to their adult populations.

Net Realisable Value

The selling price of the asset reduced by the relevant costs of selling it.

Operating Leases

A means by which capital items are bought. These are leases where risks (and rewards) of ownership of the asset remain with the owner.

Pension Fund

The fund maintained to meet pension payments on the retirement of participants.

Property, Plant and Equipment

These are assets with a physical substance that are held for use in the production or supply of goods and services, for rental to others (as part of a service) or for administrative purposes. Any asset included in this category is expected to be used for more than one financial year.

Provision

Provisions are amounts set aside for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Prudential Code

The Prudential Code is a professional code of practice to support local authorities in making capital investment decisions.

Public Works Loan Board (PWLB)

This is a Government agency that provides longer-term loans to local authorities. It charges interest rates only slightly higher than those at which the Government itself can borrow.

Reserve

Reserves are amounts set aside that do not fall within the definition of provisions and include general reserves (or 'balances') which every Authority must maintain as a matter of prudence.

Revenue Account

This is an account that records our day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Securities

These are investments such as stocks, shares and bonds.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of those items not used at the end of the financial year is shown within current assets in the balance sheet.

Subjective Analysis

An analysis of income and expenditure according to type. Such expenditure headings include employee, premises and

transport expenses. Income includes government grants and fees and charges.

Variance

The difference between actual expenditure and budget - expressed in cash or percentage terms.



Portfolio Management Office

The Beacon

Enterprise Park

Llanelli

Carmarthenshire

SA14 8LQ

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The Swansea Bay City Deal is an alliance of four Regional Local Authorities governed by a legally constituted Joint Committee.

Agenda Item 10



Swansea Bay City Region Joint Committee – 28 July 2022

Letter of Representation

Purpose:	To receive Joint Committee's formal acknowledgement of the SBCD Section 151 Officer's Letter of Representation to Audit Wales
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee: 1) Acknowledge the Letter of Representation from the SBCD Section 151 Officer and the Chair of Joint Committee to Audit Wales
Report Author:	Chris Moore (SBCD S151 Officer)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

A Letter of Representation from the SBCD Programme's Section 151 Officer to Audit Wales is a requirement under the current auditing standards.

2. Letter of Representation

In line with the Statement of Auditing Standards (SAS440 – Management Representations), Audit Wales require a Letter of Representation on an annual basis from the SBCD Programme's Section 151 Officer.

Audit Wales require that the Joint Committee responsible for approving the Statement of Accounts under regulation 8 of the Accounts and Audit Regulations formally acknowledge this response. The Letter of Representation is attached at Appendix A.

3. Financial Implications

There are no financial implications within this report.

4. Legal Implications

There are no legal implications associated with this report.

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

The SBCD Programme and its constituent 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 project business cases.

Background Papers: None

Appendices:

Appendix A - Letter of Representation to Audit Wales

Appendix A

Eich cyf / Your ref:

Gofynner am / Please ask for:

Fy nghyf / My ref:

Linell Uniongyrchol / Direct Line: 01267 224121

Dyddiad / Date: 28th July 2022

E-bost / E-mail: CMoore@carmarthenshire.gov.uk

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

28 July 2022

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements of Swansea Bay City Deal Joint Committee for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom UK 2021-22; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Chris Moore FCCA

Cyfarwyddwr y Gwasanaethau Corfforaethol,
Neuadd y Sir, Caerfyrddin, Sir Gaerfyrddin SA31 1JP

Director of Corporate Services,
County Hall, Carmarthen Carmarthenshire SA31 1JP



Mae croeso i chi gysylltu â mi yn y Gymraeg neu'r Saesneg

You are welcome to contact me in Welsh or English

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements in the financial statements.

Chris Moore FCCA

Cyfarwyddwr y Gwasanaethau Corfforaethol,
Neuadd y Sir, Caerfyrddin, Sir Gaerfyrddin SA31 1JP

Director of Corporate Services,
County Hall, Carmarthen Carmarthenshire SA31 1JP



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Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Committee on 28 July 2022.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by: C Moore
Section 151 officer
Date: 20/07/2022

Signed by: R Stewart
Chair of the Committee
Date: 20/07/2022

Chris Moore FCCA

Cyfarwyddwr y Gwasanaethau Corfforaethol,
Neuadd y Sir, Caerfyrddin, Sir Gaerfyrddin SA31 1JP

Director of Corporate Services,
County Hall, Carmarthen Carmarthenshire SA31 1JP



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Swansea Bay City Region Joint Committee – 28 July 2022

Swansea Bay City Deal Financial Monitoring 2022/23 - Provisional Outturn Position Quarter 1

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 the 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 £195k. 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 but is scheduled to be undertaken later within the financial year. 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 inline 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.

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)

To the period ended 31st March 2023 the expenditure is estimated at £668k. The PoMO staffing cost is estimated at £515k, which includes an applied estimated inflationary adjustment. There is a small positive variance against budget, this is due to all posts being budgeted at the top of grade, savings due to an in year temporary staffing vacancy 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 an SBCD annual event. ICT costs has been forecasted at £11k which includes project management software and associated training. Central Recharges of £26k has been included to contribute 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 £1.152m. This consists of partner contributions (£50k per partner) £400k, anticipated drawdown of 'Top Slice' of £722k from the dispersed grant awards and estimated interest derived from cash balances £30k.

2.7. Financial Monitoring - Statement of Balances

The prior year (2020/21) balance carried forward in reserve demonstrates £220k. Currently the estimated year end position of the City Deal accounts demonstrates a surplus of £166k, this is due to a timing effect attached to the grant dispersed to projects/programmes within the year. This concludes in an anticipated reserve of £390k at year end.

3. Portfolio Investment Fund – Forecast Outturn Position

Budget Revision

The Swansea Bay City deal was incorporated on 20th March 2017 by the then Prime Minister Theresa May demonstrating an anticipated investment of £1.274 billion. The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved by both UK and Welsh Government.

The City Deal revised budget as quarter three 2021/22 demonstrated £1.241 billion, however within the reporting period (quarter one 2022/23) the budget was amended in respect of the below:

Digital Infrastructure submitted a change management notification to address an inconsistency identified within their original business case.

Campuses confirmed that the project management costs and interest should be included within the investment profile and was included within the financial appendix of their original business case.

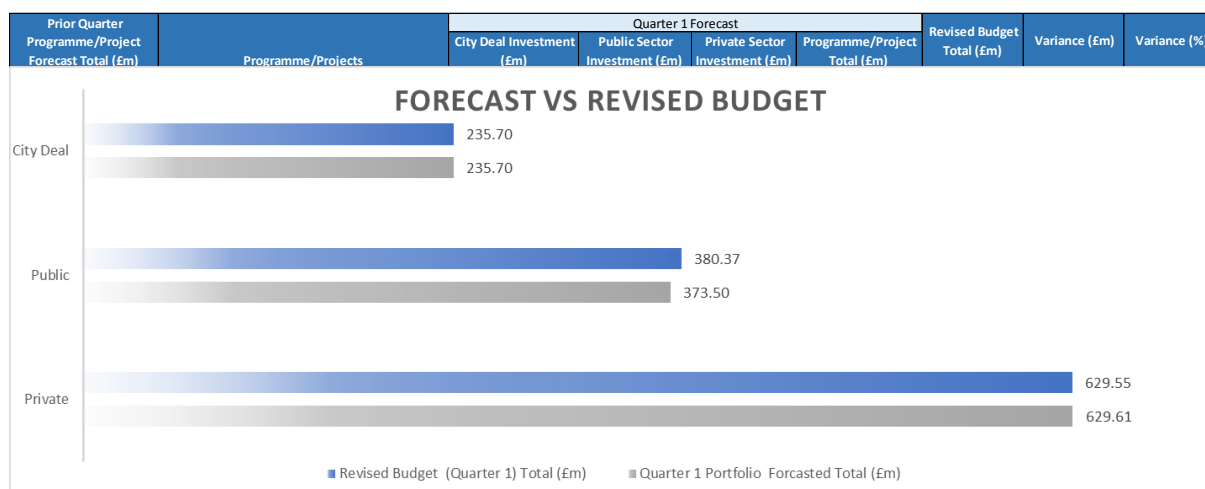
Programme	Budget Revision Total (Q1 - 2022/23) (£m)	Revised Budget (Q3 - 2021/22) Total (£m)	Variance (£m)
Digital Infrastructure	55.00	55.30	- 0.30
Homes as Power Stations	505.50	505.50	-
LS&WB Campuses	134.95	130.44	4.51
Pembroke Dock Marine	60.53	60.53	-
Pentre Awel	200.48	200.48	-
Skills & Talent	30.00	30.00	-
Supporting Innovation and Low Carbon Growth	58.70	58.70	-
Swansea Waterfront	175.28	175.28	-
Yr Egin	25.17	25.17	-
Grand Total	1,245.61	1,241.40	4.21

Provisional Portfolio Investment Outturn Position

The overall estimated investment position is demonstrated at £1.239bn (Quarter 4 2021/22 - £1.239bn) over the fifteen-year life of the portfolio. The revised budget (Quarter 1 2022/23) comprised of a total investment of £1.246b, currently the City Deal is presenting underinvestment against the revised budget of £7m. Details of significant variances are outlined below:

Swansea Arena is currently demonstrating an underinvestment of £6m 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 2 in line with the amended programme being agreed with the contractor.

Prior Quarter Portfolio Forecasted Total (£m)	Investment Component	Revised Budget (Quarter 1) Total (£m)	Quarter 1 Portfolio Forecasted Total (£m)	Variance (£m)	Variance
235.70	City Deal	235.70	235.70	-	0.00%
373.73	Public	380.37	373.50	-	-1.80%
629.61	Private	629.55	629.61	-	0.01%
1,239.04	Grand Total	1,245.61	1,238.81	-	-0.55%



Provisional Annual Investment Forecast 2022/23

The forecast estimated investment for the financial year ended 31st March 2023 is demonstrated at £139m. The annual investment forecast is currently demonstrating an annual under-investment of £29m, 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 is not expected to have an impact on the total investment for the programme.

The Skills and Talent project is demonstrating slippage in delivery within the year. The project has currently awarded funding to one successful school and further education partnership and will review the funding mechanism during the autumn, with a view of increasing the value of match funding to further attract educational and delivery partners. 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 recently left their post and we had to almost start again with a 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 allow us to make an informed decision regarding whether we still need to invest, if so exactly where we should invest and exactly how we should invest 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. We will continue to update the regions Digital Infrastructure board on the evolving situation with future decisions brought back for discussion and authorisation. 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 1 Provisional Outturn Position				Variance
			Actuals (to Date)	Commitments	Forecast Commitments	Total Annual Forecast	
(£)		(£)	(£)	(£)	(£)	(£)	(£)
	City Deal Investment						
18,480,866	Capital	77,556,688	-	-	60,111,136	60,111,136	- 17,445,552
585,616	Revenue Expenditure (where capital receipts directive applied)	3,389,281	119,248	45,706	2,596,629	2,761,583	- 627,698
19,066,482	City Deal Total	80,945,969	119,248	45,706	62,707,765	62,872,719	- 18,073,249
	Public Sector Investment						
10,514,256	Capital	32,206,441	1,401,423	383,000	37,446,822	39,231,245	7,024,804
194,045	Revenue	5,840,485	-	-	2,761,798	2,761,798	- 3,078,687
10,708,301	Public Sector Total	38,046,926	1,401,423	383,000	40,208,620	41,993,043	3,946,117
	Private Sector Investment						
550,000	Capital	46,920,379	-	-	32,450,157	32,450,157	- 14,470,222
5,036	Revenue	1,306,650	30,305	-	1,276,345	1,306,650	-
555,036	Private Sector Total	48,227,029	30,305	-	33,726,502	33,756,807	- 14,470,222
	Project Total						
29,545,123	Capital	156,683,508	1,401,423	383,000	130,008,115	131,792,538	- 24,890,970
784,697	Revenue	10,536,415	149,553	45,706	6,634,772	6,830,031	- 3,706,384
30,329,820	Project Total	167,219,924	1,550,976	428,706	136,642,887	138,622,569	- 28,597,354

Annual Programme Investment Breakdown 2021/22 (Estimated)							
Prior Quarter Forecast Total	Description	Revised Budget	Quarter 1 Provisional Outturn Position				Variance
			Actuals (to Date)	Commitments	Forecast Commitments	Total Annual Forecast	
(£)		(£)	(£)	(£)	(£)	(£)	(£)
196,791	Digital Infrastructure	17,602,392	58,426	45,399	15,498,567	15,602,392	- 2,000,000
1,947	Homes as Power Stations	7,465,000	-	-	7,465,000	7,465,000	-
212,748	LS&WB Campuses	5,377,312	30,305	-	5,547,007	5,577,312	200,000
1,275,049	Pembroke Dock Marine	28,525,579	-	-	30,659,565	30,659,565	2,133,986
1,550,817	Pentre Awel	58,067,866	50,041	307	58,017,518	58,067,866	-
176,411	Skills & Talent	5,366,667	10,781	-	784,815	795,596	- 4,571,071
7,651,000	Supporting Innovation and Low Carbon Growth	11,769,275	-	383,000	4,162,702	4,545,702	- 7,223,573
19,265,056	Swansea Waterfront*	33,045,833	1,401,423	-	14,507,714	15,909,137	- 17,136,696
-	Yr Egin	-	-	-	-	-	-
30,329,820	Total	167,219,924	1,550,976	428,706	136,642,887	138,622,569	- 28,597,354

Capital and Revenue Apportionment

There is currently an estimated revenue requirement of £63m (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 4 2021/22 - £60m), this is as a result of some small fluctuation across several projects.

Investment Component	Capital Forecast (£m)	Revenue Forecast (£m)	Total Forecast (£m)	Revenue Proportion
City Deal	214.85	20.85	235.70	8.84%
Public	344.43	29.07	373.50	7.78%
Private	616.74	12.88	629.61	2.05%
Grand Total	1,176.01	62.80	1,238.81	5.07%

Private and Public sector Commitment

Over the life span of the portfolio the private sector engagement is expected to increase and develop as projects establish themselves and move into completion. A timeline of the revised budget is demonstrated within the Finance Case of the Portfolio Business Case.

The current estimated public sector commitment is demonstrated at £374m with stakeholders and partners still in early engagement continued to be supportive of projects.

Private sector investment formally committed is small at present demonstrating £19m, this represents 3% of total private sector investment. Current financial reprofile forecasts the SBCD are on track with accelerated private sector funding between years seven (2024/25) and ten (2027/28).

The estimated funding commitment currently confirmed for the portfolio is demonstrated below:

Description	Public	Private
Formally Committed	£ 299.56	£ 18.62
Engaged	£ 16.50	£ 141.76
Initial Discussions	£ 57.43	£ 469.23
Total	£ 373.50	£ 629.61

4. Financial Implications

The forecasted Joint Committee year end out-turn position (as at 31st March 2022) indicates a surplus of £170k, which will be supported by the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £982k, which is offset by income through partner contributions of £400k and the ‘Top Slice’ of dispersed Government grants of £722k and interest income of £30k.


The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved, a revised budget has been compiled for the portfolio demonstrating £1.246billion. The estimated portfolio forecasted investment position (as at 31st March 2022) demonstrates underinvestment against the revised budget of £7m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.239billion. 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.

Background Papers: None

Appendices:
Appendix A - Provisional Outturn Position.

 Joint Committee - Provisional Outturn Position Financial Year 2022/23 <i>as at 31st June 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	0
Subsistence & Meeting Expenses	-	3,496	-	3,496
Travel	-	-	-	0
Democratic Services - CCS	27,483	26,605	26,605	0
Monitoring Officer & Legal Services	35,659	36,640	36,640	0
External Legal Advisory Fees	-	25,000	-	25,000
Internal Audit Support	18,924	21,115	21,115	0
Staff Recruitment Expenses	-	-	-	0
External Audit Fees	14,971	25,000	21,830	3,170
Section 151 Officer	55,329	56,435	56,435	0
Interest paid over	39,575	-	30,000	(30,000)
Joint Committee and Accountable Body Total	191,942	196,201	194,535	1,666
Joint Scrutiny Committee				
Subsistence & Meeting Expenses	-	7,012	-	7,012
Travel	-	1,248	-	1,248
Democratic Services - NPT	21,332	21,226	21,226	0
Joint Scrutiny Committee Total	21,332	29,487	21,226	8,261
Portfolio Management Office				
Recharges - Employee Costs (direct)	461,842	552,056	512,874	39,182
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	2,081	0
Staff Travelling Expenses	76	16,646	5,493	11,153
Admin, Office & Operational Consumables	-	2,601	2,601	0
Furniture	-	1,000	1,000	0
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	6,500	3,904
Printing & Copying	84	4,682	4,682	0
Photocopying Recharge	-	-	-	0
Central Recharge	-	-	25,512	(25,512)
Portfolio Management Office Total	534,876	768,883	667,722	101,161
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	982,114	50,131
Funding Contributions				
Welsh Government - Revenue Grant	-	0	0	0
SBCD Grant Revenue Contribution	(314,119)	(723,000)	(721,722)	(1,278)
Partner Contributions	(400,000)	(400,000)	(400,000)	0
Interest Income	(39,575)	-	(30,000)	30,000
Total Income	(753,694)	(1,123,000)	(1,151,722)	28,722
Provision of Service - (Surplus) / Deficit	(5,545)	(90,755)	(169,608)	78,853

Movement to Reserves		
Description	2020/21 (£)	2021/22 (£)
Balance Brought Forward from previous year - (Surplus) / Deficit	(214,816)	(220,361)
Net Provision of Service - (Surplus) / Deficit	(5,545)	(169,608)
Balance Carry Forward - (Surplus) / Deficit	(220,361)	(389,970)

Agenda Item 12



Swansea Bay City Region Joint Committee - 28 July 2022

Swansea Bay City Deal Annual Report 2021-2022

Purpose:	To seek approval from Joint Committee on the final draft of the Annual Report as attached at Appendix A
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that: 1) Joint Committee approves the final draft of the Annual Report as attached at Appendix A
Report Authors:	Heidi Harries (SBCD Comms and Marketing Officer) Phil Ryder (SBCD Portfolio Manager)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

The SBCD Annual Report which is attached at Appendix A provides the Programme (Portfolio) Board with a summary of key activity for the last 12 months and forthcoming 12 months planned activity along with case studies of completed work and various other aspects covering delivery achievements and planned benefits/outcomes.

The wording / content for the Annual Report has already been approved by Programme Board on 31st May 2022.

2. Financial Implications

There are no financial implications associated with this report.

A financial forecast summary for 2021/22 is presented within the report with corresponding narrative.

Portfolio financial statements are omitted from the Annual Report and presented independently to SBCD governance boards and stakeholders.

3. Legal Implications

There are no legal implications associated with this report.

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

The SBCD Portfolio and its constituent 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 project business cases.

Background Papers: None

Appendices:

Appendix A - Swansea Bay City Deal Annual Report



Swansea Bay City Deal Portfolio Annual Report 2021 - 2022



Executive Summary



£1.26bn

£241m Government

£380m Public Sector

£625m Private Sector



SBCD Head Office

The Swansea Bay City Deal (SBCD) is an unprecedented investment of circa £1.2 billion across a portfolio of nine headline programmes and projects delivering a total of 35 individual projects throughout the counties of Swansea, Carmarthenshire, Neath Port Talbot and Pembrokeshire.

During the lifetime of the portfolio the impact will be seen across the entire region generating at least 9,000 job opportunities and an anticipated contribution of £1.8-2.4 billion Gross Value Added (GVA).

Aligned to three themes of economic acceleration, energy and smart manufacturing, and life science and well-being, the financial year began with five of the nine business cases being approved by the Welsh Government and the UK Government. Within nine months, the remaining four business cases were all approved. This represented a significant milestone for the City Deal in December 2021, with the entire portfolio reaching delivery stage.

Progress has also been made in other areas over the year. Work has commenced on five projects and a further three have started contractual engagements.

The three regional programmes are also gathering pace with pilot schemes and funding opportunities being announced.

This report reflects the extent of the ambition of the SBCD and summarises its achievements over the last 12 months. It gives an up-to-date status of each project and programme at the end of March 2022 as well as containing key activities undertaken, case studies on the impact of the SBCD, governance and financial summary reports for the 2021-22 financial year.

The portfolio will deliver:



£1.8bn
Additional Gross
Value Added



9,000+
New Jobs
Created

The SBCD primary stakeholders are:



Forewords

Clr Rob Stewart

*Swansea Council Leader
and Swansea Bay City
Deal Joint Committee
Chairman*



I am pleased to present the second Annual Report – a year which I feel has seen us successfully ride the storm of the COVID pandemic and accelerate our region into economic recovery by achieving significant and visible milestones that are instrumental for the success of the SBCD and the South West Wales regional economy.

We have made great progress during the last 12 months which has helped create cohesiveness, raise aspirations, create jobs, and rebuild the region to drive the economy forward. All fundamental steps towards our desire to further transform our region to become the perfect destination to work and live.

In December 2021, following the Campuses project approval by Welsh Government and UK Government, the SBCD was the first region in Wales with all headline projects and programmes in its portfolio to progress into delivery. This truly shows that we can set our vision and grow our economy by realising our ideas and plans.

The completion of some projects within our portfolio has already acted as a catalyst for further growth and investment in our region within and beyond the remit of the City Deal portfolio. The local creative sector is thriving since Yr Egin opened for business in 2018 and following the launch of the Swansea Arena in March 2022, restaurants and pubs in the surrounding area have seen a boost in trade.

There are even more exciting times ahead for the City Deal and I look forward to being a part of the journey.

Wendy Walters

*Carmarthenshire County
Council Chief Executive
and Swansea Bay City Deal
Senior Responsible Owner*



As the Senior Responsible Owner for the SBCD I am delighted with the progress that has been made over the last 12 months. Developing business cases and getting them through the regional and government approval process has been demanding, but worthwhile now that we are in full portfolio delivery.

We have invested a lot of energy into the City Deal and experienced closer working relationships across the region and with both the Welsh Government and UK Government during 2021. These engagements and collaborations are certainly a visible added benefit of the City Deal and regional working.

The foundations we have built by working with the four local authorities, two health boards and two universities, along with businesses has underpinned our ambition to become even stronger and to take opportunities that support our regional economy to grow.

We continue to follow robust governance, whilst providing exemplar assurance and audit outcomes and thorough monitoring and reporting so that everyone involved in the City Deal is kept up to date with the latest developments and strategic direction.

I am looking forward to the opportunities the City Deal will create over the next 12 months for local businesses and the benefits these will bring to our communities as we grow the South West Wales economy, shaping the future for generations to come.



Forewords

Jonathan Burnes

Swansea Bay City Deal
Portfolio Director



The last 12 months have been rewarding, whilst providing a great challenge for the region and me personally. Now that all nine projects and programmes have been given the green light, this has put us into a very strong position to be able to deliver the estimated £1.2 billion of investment by 2033 and create over 9000 jobs.

As I look back over the last year, I am proud of the team and our partners in what we have achieved together. The Portfolio Management Office (PoMO) has become fully operational within the 2 years following my appointment in March 2020. The breadth of skills, experiences and functions across the team compliments the delivery teams across the region to maximise opportunities and to successfully deliver the portfolio. Maintaining robust governance, assurance, and reporting, along with effective engagement and communications is a key strength within the PoMO and will play a crucial role during delivery and in supporting the projects that are already operational.

I am looking forward to the next 12 months as all our key partners and delivery organisations will work collaboratively to further deliver the portfolio. In doing so, we will see development and change across the region through building infrastructure, creating partnerships and collaborations, developing supply chain opportunities, upskilling our workforce, and supporting businesses to incubate, grow and locate within the region.

Chris Foxall

Swansea Bay City Deal
Economic Strategy
Board Chairman



The Economic Strategy Board has been involved in yet another busy year advocating, amplifying and advising the SBCD on opportunities and challenges for many of its transformational projects. This is a once in a generation opportunity to change the flight path of our region's economy and meet the challenges of Brexit, the Covid-19 pandemic, climate change and the cost of living crisis.

We have provided guidance on the Homes as Power Stations Project, Pentre Awel, Skills & Talent, Campuses and Yr Egin Phase 2 in the last 12 months which we think has contributed value to the projects and portfolio as a whole.

As we adapt to hybrid working practices and return to in person meetings, we will maintain our advisory role to help realise the ambitions of the SBCD and will extend our support to the newly formed regional Corporate Joint Committees that will further add to our economic development.

Drawing on our board's leading specialists in the Hydrogen, Manufacturing, Energy, Housing, Finance and Healthcare sectors we believe that we can build on the success of the last 12 months to help shape our region by identifying and maximising opportunities for businesses of all sizes.



@SBCityDeal



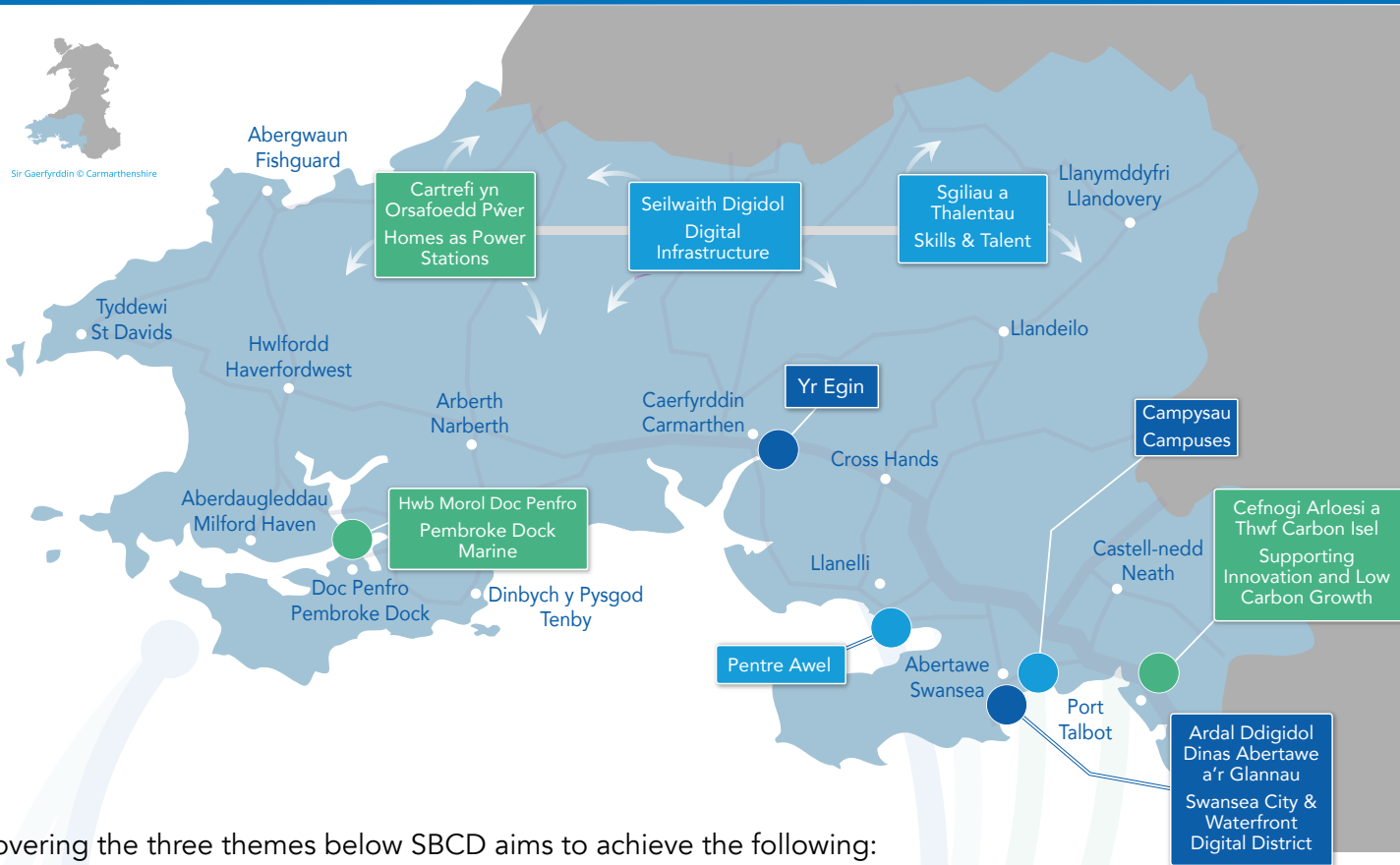
SBCD@carmarthenshire.gov.uk

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swanseabaycitydeal.wales

The Portfolio, Themes and Impact



Covering the three themes below SBCD aims to achieve the following:



Providing the space, skills and connectivity to drive forward the regional economy to provide new opportunities for our businesses and communities to thrive.



Providing integrated developments that will combine cutting edge innovation, research and learning facilities with new business and within areas of life sciences, health, wellbeing and sport.



Placing the region at the forefront of energy and manufacturing innovation as part of the drive towards a low carbon economy and the strengthening of the existing manufacturing base.

£279m
Total investment

£1.08bn
Additional Gross Value Added

1,708
New Jobs

£336m
Total investment

£617m
Additional Gross Value Added

2,973
New Jobs

£625m
Total investment

£687m
Additional Gross Value Added

5,005
New Jobs

Benefits to Date

SBCD has seen significant progress in the benefits being delivered and the monitoring and evaluation activities over the past 12 months. Key benefits delivered to date include:



500+ FTE employment opportunities (including construction) which equates to 5% of the SBCD target



Circa **£160m** of total investment, approximately 13% of SBCD target



8000+ weeks of overall training and upskilling provided across the region



First Skills & Talent project developed, partnering with the PDM programme



Circa **47,380 sq.m** of floor space created across the SBCD themes for Economic Acceleration and Energy and Smart Manufacturing



The completion of the **3500** seater Swansea Arena and associated areas which had over 40,000 visitors within the first month of opening



The completion of the Bay Technology Centre which has **2,322 sq.m** of modern office and laboratory space



Yr Egin phase 1 moved into its 3rd year of operation and has **18** tenants with S4C as the anchor



Installation and ongoing monitoring of Air Quality Sensors, a standalone project within the SILCG programme



Construction underway on two projects, circa **£60m**



Infrastructure contracts awarded circa **£100m**



The Bay Technology Centre

“ I have had the pleasure of meeting many people involved in the Swansea Bay City Deal, which has the ambition of creating 9,000 new jobs. In particular, I found it hugely interesting to talk to partners at the Showcase event, Arena opening, Port Talbot Baglan Energy Park and Harbourside and Swansea University and University of South Wales Trinity Saint David. Approving business cases and seeing the infrastructure being built using £115m of UK Government investment has been inspiring. It demonstrates how South West Wales will utilise City Deal funds that make such a difference to the local economy. ”

David TC Davies

UK Government Minister for Wales

Key highlights of 2021 - 2022

April

Pembroke Dock Marine (PDM) Project works in collaboration with Swansea University

PDM's Marine Energy Test Area (META) secured a partnership with Swansea University for testing a deployment and retrieval method. Additionally, Swansea University were awarded £100k funding based on the Marine Energy Engineering Centre of Excellence (MEECE) capital project to buy a £150k test asset to support Bombora's wave energy project.

May

Vaughan Gething appointed to head up Growth Deals at Welsh Government

Welsh Government appointed Vaughan Gething as the Economy Minister, who will take the lead on City and Growth Deals. He visited the Swansea Arena, stating that: "The Copr Bay development will create new jobs in the industries of the future – this is at the heart of all City Deal Projects."

June

Swansea office development recognised for environmental excellence

The design of the high-tech office development planned for 71/72 The Kingsway was recognised for environmental excellence in helping reduce the carbon footprint and will include 'green features' such as green roof, solar panels, underfloor heating and heat recovery system.

July

Green light for Homes as Power Stations (HAPS) Project

The UK Government and Welsh Government approved the £505.5m HAPS project which will facilitate the take up of energy efficient technologies in thousands of homes, allowing people to save money, cut carbon emissions and improve health.

August

Low Carbon project given the go ahead

The £58.7m Supporting Innovation and Low Carbon Growth (SILCG) programme was approved by the UK Government and the Welsh Government. Working in collaboration with industry, government, and academia it will deliver low carbon growth via seven interlinked projects.

September

City Deal sponsor Swansea Bay start-up business award

SBCD sponsored the Swansea Bay Region startup of the year and DCW Insights were awarded as the overall winner with their Software as a Service tool.



71/72 Kingsway

Key highlights of 2021 - 2022

October

Bouygues UK appointed to start delivering Pentre Awel scheme in Llanelli

Bouygues UK were appointed as the main contractor for Pentre Awel Zone 1. The contract, worth circa £70m was one of the highest contracts the council had ever awarded with a key focus on social value to ensure local people and businesses will benefit.

November

Yr Egin receives a successful Gateway 5 review

Yr Egin received a Gateway 5 review for phase 1 with the Review Report showing a Delivery Confidence Assessment rating of Green, with 7 key recommendations.

December

Campuses project approved by UK Government and Welsh Government

The UK Government and Welsh Government approved the £132m Campuses project, which will promote innovation and business growth in the Medical Technology and Sports Technology sectors.

January

Full portfolio approved and now in delivery

The entire City Deal portfolio was approved by both Welsh Government and UK Government now in full delivery.

February

Contractors appointed to install Internet of Things (IoT) gateways for Digital Infrastructure

Contractors were appointed to install IoT gateways, jointly funded by the Welsh Government. 240+ LoRaWAN gateways started to be deployed and will provide comprehensive LoRaWAN coverage across the entire region.

March

Skills and Talent Programmes first pilot project is approved

Pembrokeshire College and Pembrokeshire schools received the go ahead for the first pilot project for the Skills & Talent programme. Learning opportunities in the 'green sector' will create pathways for employment with delivery planned to start in September 2022.



Progress Made: April 2021 – March 2022

April

- Pentre Awel posted a tender for a Zone 1 contractor through the South West Wales Contractors Framework.
- Regional funding bid submitted to the Welsh Government Local Broadband Fund.
- 70 air quality monitoring sensors were installed as part of the SILCG.
- Presentation to Director of Skills in the Welsh Government to explain the Skills & Talent Programme.

May

- Full approval of planning permission for the PDM Pembroke Dock Infrastructure (PDI) Project.
- Bouygues UK appointed as main contractor for the Carbon Neutral 71/72 Kingsway development.
- Digital Infrastructure Programme financial budgets approved by the Digital Board.
- SILCG policy and strategy alignment workshop completed with Welsh Government and UK Government.

June

- Marine Licence granted for PDM META and first deployment completed.
- Digital Infrastructure Programme appointed Rebecca Llewellyn as a Project Manager.
- UK Government Minister David TC Davies visited SILCG and Campuses.
- Skills & Talent completed a Gateway 0 Review receiving a Green Delivery Confidence Assessment rating.

July

- Yr Egin issued the Creative Sector Demand Study to inform Phase 2 developments.
- Innovation Matrix financial re-profile and design amendments approved.
- Digital Infrastructure Programme appointed a Project Manager, Dija Oliver as well as Spirit Public Sector as an External Specialist Advisor.

“ I am pleased to see the significant progress made in the last twelve months and am hugely supportive of the work which continues to be delivered. Much of the success has been achieved through regional collaboration and provides a great example of our aspiration to work regionally across Wales. It is also particularly pleasing to see the alignment with key Welsh Government objectives including our Economic Action Plan and our Future Generations Act approach. I look forward to working with partners to make progress on our shared ambitions.”

Vaughan Gething MS

*Minister for the Economy
Welsh Government*



Progress Made: April 2021 – March 2022

August

- PDM received Listed Building Consents from CADW allowing commencement of the Pembroke Dock Infrastructure (PDI) project.
- Pentre Awel appoint Gleeds as Zone 1 Client Side service support.
- Campuses awarded a Green/Amber Delivery Confidence Assessment rating for their Gateway Review.
- The PoMo appointed Heidi Harries as the Communications and Marketing Officer.

September

- Ambassador Theatre Group (ATG) announced opening acts for the Arena.
- META completed its tidal resource assessment, its Crown Estate leases and is in the process of procuring consent variation support for its open water sites.
- R&M Williams won the contract for the renovation of the PDM Hangar Annexes.
- The Port of Milford Haven recognised as one of UK's top 10 Ports with potential to support Floating Offshore Wind. Skills & Talent appointed Sam Cutlan as a Programme Manager.
- HAPS appointed Oonagh Gavigan as a Project Manager.

October

- Skills & Talent Business Case approved by UK Government and Welsh Government.
- Marine Energy Wales established the Celtic Sea Developer Alliance made up of 15 floating offshore wind developers with projects in the Celtic Sea.
- Pentre Awel approved the designs for the Clinical Delivery Centre, Clinical Research Centre and Leisure areas.
- Digital Infrastructure Programme delivered Regional 5G workshops and participated in the 5sprinG 5G Accelerator Programme.
- SILCG held workshops with Skills & Talent to discuss requirements for the green economy.

November

- Work began on the PDM Hangar Annexes in Pembroke Port.
- UK Government Minister David T C Davies visited UWTSO and Gower College following the approval of the Skills & Talent Business Case.
- Skills & Talent held their first meeting of the Skills Solution Group. Work began on the Skills Barometer to identify skills gaps.
- Construction began on 71/72 the Kingsway by Bouygues UK.



UK Government Minister David T C Davies visiting UWTSO for Skills & Talent Business Case approval

Progress Made: April 2021 – March 2022

December

- Swansea Arena cladding and the LED completed on the outside of the building. Tickets went on sale for the opening acts.
- Digital Infrastructure submitted a funding bid to the UK Government to accelerate mobile deployment.

January

- Yr Egin Phase 2 delivery strategy development commenced.
- PDM META deploy the SELKIE turbulence testing tool that was developed by Swansea University.
- Bouygues UK submitted their Community Benefits plan for Pentre Awel.
- Digital Infrastructure Programme awarded Welsh Government funding to deploy an Internet of Things (IoT) Innovation Network, hosted by the four Local Authorities.
- Primary Funding Agreement between Carmarthenshire and Neath Port Talbot (NPT) was agreed for HAPS to enable the dissemination of funding.
- Bay Technology Centre completed, and a brochure released for potential tenants.
- The Skills Barometer was presented to the Skills Solution Group.

February

- The SELKIE turbulence testing tool successfully recovered by PDM META.
- PDM MEECE Standard Variation Letter signed, meaning benefits of the grant can be maximised.
- Swansea Arena handed over to ATG and test events took place.
- Pentre Awel ecology and ground investigation began. Stage 3 design reviews for Zone 1 completed.
- SILCG appointed Brett Suddell as a Programme Manager.
- The Skills Barometer was approved by the Regional Learning and Skills Partnership (RLSP).
- UK Government Minister David T C Davies visited Swansea University to hand over the approval letter for Campuses.

March

- Showcase Event at Parc Y Scarlets to celebrate Portfolio being in full delivery.
- Swansea Arena officially opened.
- Meet the Buyer Event held for Pentre Awel in Parc Y Scarlets and guaranteed maximum price agreed for Zone 1.
- SBCD sponsored the Regional Zone at the 4thRegion Event, which was the first event held at Swansea Arena.
- SILCG publicised the £10m Port Talbot Waterfront Property Development Fund.
- HAPS publicised the Financial Incentives Fund and Supply Chain Development Fund.



Swansea Arena during the 4thRegion Event

Programme and Project Updates: April 2021 – March 2022

Home as Power Stations



£505.5m Total Investment
£15m City Deal
£114.6m Public Sector
£375.9m Private Sector



Homes as Power Stations (HAPS) is a pioneering project that will facilitate the adoption of energy efficient design and renewable technologies into homes across the region – helping to tackle fuel poverty, cut regional carbon emissions and support local economic growth.

Supporting development of both new build schemes and retrofitting of existing homes will enable a programme of comprehensive monitoring and data collection. Financial support to develop renewable technologies within the region will ensure there is a sustainable local supply chain.

Key Updates:

- The Business Case was approved by the Welsh Government and UK Government, following regional approval.
- A Project Manager was recruited in September 2021.
- January 2022 saw the finalised Primary Funding Agreement drawn up between Carmarthenshire and NPT to enable the dissemination of funding between the lead and partner authorities.
- The Financials Incentives Fund and the Supply Chain Development Fund was publicised in March 2022, allowing businesses to find out more on how they can benefit from this project.
- Initial mapping activity has commenced to understand and identify what businesses currently working across the region could contribute towards the HAPS supply chain.



£251m
Contribution to Regional GVA



10,300 New and Existing Homes
fitted with Renewable Technologies



1,804
Jobs Created



10,417+ KWh
Energy Saving



19,000+ Tonnes of CO²
Reductions Per Year

Digital Infrastructure



£55.3m Total Investment
£25m City Deal
£13.8m Public Sector
£16.5m Private Sector

With links throughout the entire SBCD Portfolio, the Digital Infrastructure Programme aims to support a thriving digital economy across the region that will stimulate private and public sector investment, improve public services, and generate well-paid job opportunities. There are three elements:

1. **Connected Places:** The ambition is that every home and business in the region will have access to full fibre or mobile broadband capable of offering speeds of up to 1gbps, 30 times faster than superfast broadband.
2. **Rural Connectivity:** Focus on improving access to broadband in the region's rural communities.
3. **Next Generation Wireless:** Investing in 5G and Internet of Things (IoT) and 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.

Key Updates:

- The Board evolved with the appointment of a Senior Responsible Owner, additional Board members and a Programme Board Chair and Vice Chair. Documents were established and updated including the Terms of Reference, Risk and Issues registers and Benefits realisation plan.

- £13m of public sector funding has been secured for the region, contributing towards the aims and objectives.
- The Regional Digital Team are now represented on the UK Government Digital Connectivity Infrastructure Accelerator (DCIA) Programmes Early Adopter Group. This group will help support and shape DCIA activity within Southwest Wales.
- Several Community Voucher Scheme projects are now either in delivery or awaiting approval from the Department for Digital, Culture, Media and Sport (DCMS) across the region. The outcomes will be analysed in 2022/23.
- Supplier Engagement has been ongoing and Openreach and Ogi have made significant private investment throughout the region.
- Delivery workshops and engagement for individual project plans took place and a Regional Digital Strategy has been approved by the Board and is in delivery.
- Several new mobile cell sites have been planned and existing structures are being upgraded.
- LoRaWAN Gateways are being deployed and a joint procurement has been agreed between Neath Port Talbot and Swansea to appoint a contractor to install all remaining Gateways.
- The central Programme Team has been fully resourced with two Project Managers being appointed, along with Spirit Public Sector as an External Specialist Advisor.



£318.8m
Contribution to Regional GVA



200+ Public Sector Sites upgraded to full fibre



10+
Community Broadband Projects



250+ Internet of Things Gateways Deployed

Skills & Talent



£30m Total Investment
£10m City Deal
£16m Public Sector
£4m Private Sector

With a particular focus on growth areas in the digital, construction, energy, smart manufacturing and health and wellbeing sectors, the programme will deliver 2,200 additional skills and development opportunities and at least 3,000 new apprenticeships - which will support businesses by allowing them to grow and future proof through developing a talented workforce.

Working alongside partners from the private sector, industry, higher and further education, schools and the third sector, the project team will identify gaps in current provision and establish the changes needed to develop new courses and frameworks to meet these skill gaps. Pilot projects will be developed which align to the needs of industry and key City Deal themes.

Key Updates:

- The programme was awarded a Green Delivery Confidence Assessment rating following a Gateway 0 Programme assurance review.
- The Business Case was approved by the Welsh Government and UK Government, following regional approval.

- Minister David T C Davies visited the University of Wales Trinity Saint David (UWTSU) and Gower College to hand over the approval note and met with students and businesses including those taking part in the Skills & Talent pilot study.
- The team added to their delivery resource with the appointment of a Programme Manager.
- The Skills Solution Group was established with agreements put in place on how the programme should be developed.
- A Skills Barometer, which identifies skills needs and gaps, was finalised and presented to the Skills Solution Group.
- The Skills and Talent Programme fund was launched in Parc Y Scarlets.
- Approval of the first pilot project in partnership with Pembrokeshire College was approved in March 2022 with delivery planned to begin in September 2022.



2,200
Additional Skills



20 New Course Framework



14,000
Upskilling Opportunities

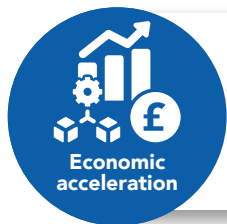


2+ Centres of Excellence Developed



3,000 New Apprenticeship Opportunities

Swansea City and Waterfront Digital District



£168.4m Total Investment
£50m City Deal
£78.5m Public Sector
£39.90m Private Sector

This programme will drive economic development and growth and is made up of:

1. The 3,500-capacity Swansea Arena development at the new £135m Copr Bay phase one district in the city centre that will accommodate live music, comedy, theatre, conferences and other events.
2. A state-of-the-art office development at 71/72 Kingsway that will provide space for 600 jobs, featuring flexible co-working environments and office space for businesses in the innovative technology and digital sectors. It will be a carbon net zero building when in operation.
3. Innovation Matrix and Innovation Precinct developments that will be delivered by the UWTSU, intended for the harbouring of start-up businesses and fostering entrepreneurship through close links with academia.

Key Updates:

- Construction of the Arena, led by the Buckingham Group took place throughout the year. Following the installation of the laser-cut origami Copr Bay bridge in March 2021, work continued on the surrounding area including hard and soft landscaping on the coastal parkland.
- The opening acts were announced in September 2021, including Royal Blood and John Bishop, and tickets started to go on sale in December.
- The Arena was officially handed over to the ATG in February where test events took place before the Arena was officially opened in March 2022.
- Bouygues UK were appointed as the main contractor for 71/72 The Kingsway in May 2021 and construction began in November of the same year. The development was also recognised for environmental excellence for its 'green features' and helping cut the city's carbon footprint.
- Development work also progressed on the Innovation Matrix with a change request being submitted and approved by the Joint Committee in July 2021, followed by the completion of RIBA stage 3 designs.



71/72 Kingsway is part funded by the European Regional Development Fund through the Welsh Government.



£669.8m
Contribution to Regional GVA



8,000+
Training Weeks



1,281
Jobs Created



10,684 sq.m Facility for Digitally Focused Businesses



50+ Opportunities and space for Graduate Start-Ups



3,500
Capacity Indoor Arena

The Buckingham Group were appointed as the main contractor by Swansea Council to construct the Arena and work began in late 2019. In February 2022 the handover was made to ATG and the official launch took place in March 2022.

The launch event, led by Cllr Rob Stewart, was attended by the Welsh Government First Minister Mark Drakeford and UK Government Minister David T C Davies and was the perfect way to celebrate another City Deal project delivered on time and within budget.

During the construction phase the project delivered 722k hours of employment which is around 140 full time equivalents per year of construction in a large spectrum of trades including plumbing, plastering, electricians, landscapers, concrete workers and roofers. There was also 8,197 person weeks of training was delivered.

Since opening its doors, ATG have created operational and supply chain opportunities with around 21 full time employees in roles including marketing, operations, food and beverage, technical and events. ATG also employ 100 – 150 casual staff during concerts and events for security, technical crew and hospitality.

With opening acts of John Bishop, Royal Blood and Michael McIntyre and events including the 4th Region's City Centre Conference, Swansea University Graduations, UWTSU Graduations, Swansea Comic & Gaming Convention, footfall for the first month saw in excess of 40,000 visitors. Popularity of the arena is growing with world-class acts in music and comedy securing dates for the next 12 months and follower numbers of social media increasing continually. This confirms that the project is showing success in its early days and on the correct pathway to create a legacy for the region.





“ The official opening of the Swansea Arena shows Swansea is no longer a city of artist’s impressions. We are serious about delivery and have more than delivered on our promises to the people of the city through the £1bn investment programme and a regeneration story that’s continuing to grow and is unfolding across Swansea and the entire region. Part of Copr Bay phase one development has created a fantastic new leisure destination and hundreds of jobs and opportunities for local people, while helping support local businesses and generate more footfall in the city centre. Worth £17.1m a year to Swansea’s economy, Copr Bay is already acting as a catalyst for even more jobs and investment and Swansea is very well-placed to quickly bounce back from the economic impact of Covid. ”

Cllr Rob Stewart

Leader of Swansea Council

“ We have been really pleased with the partnership approach Swansea Council have taken with regards to the project, allowing us to feed in to final designs and operational considerations to ensure the best possible venue for the area. What we have discovered in the short time we have been live is that there is a real hunger from the community for regular premium live entertainment on their doorstep - ticket sales have been some of the best in the country for certain shows. Feedback on the night of events has been overwhelmingly positive regarding the impact the venue has had on the city alongside the actual quality of the venue itself and the impact it makes on the city skyline. ”

Lisa Mart

Venue Director

Ambassador Theatre Group



@SwanseaArena



@ArenaSwansea



swansea-arena.co.uk

Yr Egin



£25.17m Total Investment
£5m City Deal
£18.67m Public Sector
£1.5m Private Sector



Canolfan S4C Yr Egin is a digital and creative cluster at the UWTSO in Carmarthen. Yr Egin's iconic building boasts an auditorium, superfast connectivity, state-of-the-art office spaces and post-production facilities for professional and community activities.

With Welsh language broadcaster S4C as its anchor tenant and many of the leading creative and digital companies in Wales co-locating within the centre, Yr Egin aims to be a catalyst for a creative cluster community, inspire collaboration, develop talent, and enhance the status of the Welsh language in Carmarthenshire.

A second phase will support the creative industry sector in the region, allowing for cross-sector engagement between new and established businesses across South West Wales. It will cater for a range of 'new' technological services that will be made available for the region.

Key Updates:

- In November 2021, phase one of Canolfan S4C Yr Egin celebrated three years since its official opening.
- S4C commissioned an economic impact report in 2021 outlining the key benefits of S4C residing in Carmarthenshire.
- A Creative Sector Demand Study was completed August 2021, outlining the requirements of the creative sector and these findings will be considered during the development of Yr Egin Phase 2.
- Discussion took place during towards the latter part of the year with the Economic Strategy Board, regional stakeholders and industry to define how to accommodate the findings.
- The Gateway 5 assurance review resulted in a Green Delivery Confidence Assessment rating for Phase 1 of the project and the lessons learned from the review will inform and support the shaping of Phase 2.



£89.5m
Contribution to Regional GVA



427
Jobs Created



150 Skills and Training
Opportunities Created



167 Construction Workplace
Employment Opportunities



3,912 sq.m
Workplace Created During Phase 1



25 Creative Sector
Small Businesses Incubated


The first City Deal project approved and operating as a business was Yr Egin - home to 18 business in the creative sector including the anchor tenant S4C since October 2018. Delivered by the UWTSB and sited alongside the University's Carmarthen campus, the aim of Egin was the development of the regions creative industry and the support of Welsh language culture.

A report, undertaken by Arad Research and which outlined Yr Egin's economic success so far, was released by S4C in April 2021. (Figures quoted are for 12 months, calendar year 2019-2020)

 Economic impact of **£197.4m** to the UK economy

 Economic impact of **£141.1m** to the Welsh economy

 Economic impact of **£18.2m** to the Carmarthenshire economy

 **61%** of suppliers had a positive impact on turnover

 **101** full time equivalent staff

 **32** employees living in Carmarthenshire

 **30-40%** creative industry apprentices in Wales working on S4C productions

“Being part of an interactive, digital community has been great for networking with others especially with S4C and the students studying at the University of Wales Trinity Saint David. As Stiwdiobox continues to grow I very much look forward to meeting more local pupils, students and education practitioners who can benefit from the bilingual, digital activities I have to offer.”

Marc Griffiths

Founder

Stiwdiobox located at Yr Egin



“ Celebrating its 3rd year of operation in October, Canolfan S4C Yr Egin has established itself as the heart of the creative community in Carmarthen. This iconic building has been the perfect setting for collaborative working between anchor tenants S4C, the University of Wales Trinity Saint David and Small to Medium Enterprises, and the strengths of these relationships has been instrumental in building a thriving creative cluster. I am delighted with the job opportunities Yr Egin has generated, both directly and indirectly, and the boost to the Welsh language has been fantastic.

With Carmarthenshire hosting Yr Urdd National Eisteddfod next year, Yr Egin is sure to play a central role, which will further benefit the local economy.

This City Deal project has had a positive economic impact on the whole of Wales, as well as Carmarthenshire and I'm looking forward to Yr Egin phase 2 and how it can continue to grow the creative sector across the region.”

Cllr Darren Price

Leader of Carmarthenshire County Council

“ S4C is now settled in Carmarthen, and we are delighted that we have been able to employ a large number of talented local people to work with us. With the end of lockdown we are looking to do more in the area that is so key to the future of the Welsh language and recently two drama series have been filmed around Carmarthen.

In addition to this several series of the “Jonathan” programme have been recorded at Yr Egin, which have brought the sound and excitement of a television production into the building and we hope to increase this in the coming months.”

Siân Doyle

*Chief Executive
S4C*



Pentre Awel



£200.49m Total Investment
£40m City Deal
£52.3m Public Sector
£108.19m Private Sector



Combining life science research, business development facilities, community healthcare, assisted living and a state-of-the-art leisure and aquatics centre, Llanelli's Pentre Awel will be among the first development of its kind. Education and training facilities will be at the heart of the project and will focus on training the next generation of healthcare professionals.

Key Updates:

- Gleeds were appointed to provide Client-Side construction management services for Zone 1 in August 2021 and the tender period for Zone 3 design development also closed.
- Bouygues UK were awarded the tender for the construction of Zone 1 in October which included components such as education skills and training, along with clinical delivery and research.
- A Community Benefits group was established to ensure that community benefits are optimised. The structure of the Community Benefits reporting was established with an local authority led group overseeing Bouygues UK stakeholder's group to ensure scrutiny and optimisation.
- All strategic work groups completed on their remit and subject specific implementation groups were established within the overall project governance structure.
- Q3 saw planning confirmation to deliver the innovation aspects of the Zone 1, including the Living Laboratory.
- Cardiff University were named as the strategic partner to lead on innovation and business development functions. This will form part of an innovation network with Hywel Dda University Health Board, UWTSO and Swansea University with wider business support provided by Carmarthenshire County Council.
- Bouygues UK commenced their pre-construction programme for Zone 1, undertaking design reviews with tenants, preparing a Reserve Matters Application and discharging pre-commencement planning conditions through ecology surveys and ground Investigation works.
- Carmarthenshire County Council and Bouygues UK agreed a Guaranteed Maximum Price for the Zone 1 works. Full Council approval was gained to delegate authority to the Senior Responsible Owner to progress on this basis with assurance of affordability.
- A Meet the Buyer event was held in March, and was attended by over 120 business to look at the supply chain opportunities for Zone 1.



£467m
Contribution to Regional GVA



1,853
Jobs Created



50,000 sq.m
Development across all four zones



12,000 sq.m Community
Research, Education & Clinical Space



80 Life Science Businesses
Established / Supported

Campuses



£135.01m Total Investment
£15m City Deal
£58.01m Public Sector
£62m Private Sector



The Campuses project will deliver two complementary initiatives that add value to the regional life science, health and sport sectors; one at the Singleton Campus of Swansea University and one based at Morriston Hospital.

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 academic research, industry and the NHS will place the Campuses project at the forefront of new technologies to improve healthcare, while creating new life science and sport-tech companies and innovations as well as highly skilled jobs.



Key Updates:

- The business case was developed early in the year with test and challenge from the Economic Strategy Board and the City Deal Programme (Portfolio) Board. Valuable advice was received and incorporated into the project prior to regional approval.
- In June 2021, Minister David TC Davies visited Swansea University to gain an understanding of the project and partnerships prior to submission to Welsh Government and UK Government for approval.
- In August 2021, the project completed a Gateway Review and received an Amber/Green Delivery Confidence Assessment rating.
- A Project Manager and Communications and Relationships Manager were appointed.
- The Business Case was approved by UK Government and Welsh Government in December 2021 and in February, Minister David T C Davies visited the project to hand over the approval letter.



£150m
Contribution to Regional GVA



700 sq.m Centre for Commercial and Academic Collaboration



1,120
Jobs Created



300+
Cluster Companies

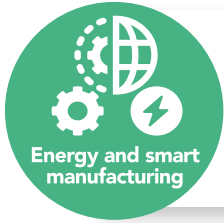


2,000 sq.m Sports Tech & Med Tech Research and Innovation Space



100+ Innovation and Commercial Opportunities

Supporting Innovation & Low Carbon Growth



£58.7m Total Investment
£47.70m City Deal
£5.5m Public Sector
£5.5m Private Sector

Supporting Innovation and Low Carbon Growth (SILCG) will deliver seven elements that support jobs and growth in the low carbon technology and innovation sectors.

1. The Bay Technology Centre (BTC) provides flexible office and laboratory space.
2. South Wales Industrial Transition from Carbon Hub (SWITCH) is an industrial decarbonisation research facility
3. The Advanced Manufacturing Production Facility (AMPF) provides hybrid facilities, production units and office space in conjunction with an apprentice block.
4. Property Development Fund (PDF) is £10m of gap funding aimed to encourage development in the Port Talbot Waterfront area.
5. To develop a Low Emission Vehicle (LEV) charging strategy for the NPT area.
6. The Air Quality Monitoring Project (AQMP) will test alternative low-cost sensors to assess air quality and pollution.
7. Hydrogen Stimulus Project will enable excess renewable electricity from BTC to be converted to hydrogen fuel for vehicles.

Key Updates:

- Following a policy workshop in May and a visit from UK Government Minister David T C Davies in June, the final business case was approved by the UK Government and Welsh Government.
- Skills & Talent Programme workshop took place to discuss skills needs for the green economy.
- In April, the installation of the air quality monitors commenced.
- In January, construction of the BTC was completed, and a marketing brochure released.
- Strategy development progressed for the LEV project and a dedicated resource appointed.
- The development of the delivery plan for the Hydrogen Stimulus Project continued and site works commenced early 2022.
- A joint NPT Council and Swansea University working group for SWITCH continued to develop the building specification requirements.
- The building specification for the AMPF progressed and engagement was undertaken with Industry Wales and other interested parties.
- A Programme Manager was appointed in February.
- The £10m Port Talbot Waterfront Property Development Fund was publicised in March.



This project is part funded by the European Regional Development Fund through the Welsh Government.



£93m
Contribution to Regional GVA



£10m
Property Development Fund



1,320
Jobs Created



45 Enterprises Contributing to Supported Research



18,500 sq.m Floor Space Created for the Low Energy Sector



4 patents Registered for Products

Case Study: Bay Technology Centre



Morgan Sindall Construction were awarded the contract to build the Bay Technology Centre which was led by NPT council and worth around £7.9m. Construction started in January 2021 and was completed in January 2022, on time and within budget.

The Bay Technology Centre created 16 new jobs for local people during the construction phase. This included 7 apprenticeships in a range of construction trades. In total 380 training weeks were delivered during the project. It also provided 8 paid work experience opportunities for local students who were studying full-time construction courses at college. One work experience candidate was taken on following this experience and is now employed as a trainee engineer.

This 25,000sqft state of the art building provides modern office and laboratory space, with a range of different sized units for start-up companies and established businesses. The centre will focus on innovation in the energy, digital and life science sector and create an environment where business can flourish, produces can be developed and co-working is encouraged.

The centre is the first commercial facility in Wales that is energy positive in operation as it produces more energy than it consumes.

- All electric building with no traditional heating systems to reduce carbon impact
- Photovoltaic panels in the façade providing a clean source of energy
- Ongoing legacy as a carbon sequestering asset
- BREEAM Rating Excellent
- Office and Laboratory Units to a minimum of Biosafety Level 1



“The City Deal is an ambitious investment into key innovation sectors, and the new centre will open up a wealth of opportunities for both start-ups and established businesses within the region. Delivering future-fit sustainable buildings is vital – so the opportunity to deliver the Technology Centre, an energy positive building, has been a privilege. Not only will it have a positive impact on the environment, we look forward to the positive impact it will have on the businesses that work within it too.”

Rob Williams

*Area Director
Morgan Sindall*



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

Pembroke Dock Marine



£60.47m	Total Investment
£28m	City Deal
£16.35m	Public Sector
£16.12m	Private Sector



Pembroke Dock Marine (PDM) will establish a world class marine energy and engineering fabrication, test and deployment hub, delivering the support and infrastructure needed to grow Wales' low carbon economy further. The project expands upon the 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 across four headline projects:

1. Pembroke Dock Infrastructure
2. Marine Energy Test Area
3. Marine Energy Engineering Centre of Excellence
4. Pembrokeshire Demonstration Zone

Key Updates:

Pembroke Dock Infrastructure (PDI)

- The Port of Milford Haven was identified by ORE Catapult's Floating Offshore Wind (FLOW) Centre of Excellence as one of UK's top 10 Ports with potential to support FLOW commercialisation.
- PDI applied for a Marine License and were awarded full approval of planning permission for the project by Pembrokeshire County Council. They also received a Listed Building Consents from CADW for the Graving Dock and Slipways.

- R&M Williams secured the construction contract to renovate the Hangar Annexes in the Port of Pembroke and work commenced in November 2021 to create office and light workshop space in these historical buildings.
- An additional £1.1m WEFO funding was secured.
- A brochure was produced to promote the facilities and help attract tenants once the Hangar Annexes renovations are complete.

Marine Energy Test Area (META)

- Marine Energy Wales established the Celtic Sea Developer Alliance made up of 15 floating wind developers with projects in the Celtic Sea.
- META secured its first partner early in the year through a collaboration with Swansea University for testing a deployment and retrieval method for a frame using an air lift cylinder. The device was successfully recovered from the Warrior Way test site.
- META also secured a Marine Licence and later contracted an environmental consultant to undertake a review into expanding the activity that could be undertaken at the site. This has been submitted to the planning bodies and is awaiting approval.
- META completed its tidal resource assessment, its Crown Estate leases and is in the process of procuring consent variation support for its open water sites to continue to meet the long-term needs of developers.
- In January 2022, META deployed the SELKIE turbulence testing tool that was developed by Swansea University and was recovered in February.

Pembroke Dock Marine



Marine Energy and Engineering Centre of Excellence (MEECE)

- Swansea University were awarded £100k funding from the Engineering and Physical Sciences Research Council (EPSRC) based on the MEECE capital project to buy a £150k test asset which is used to support Bomboras mWave energy project.
- MEECE have signed a lease with Pembrokeshire County Council to take on the Workshop Unit in the Bridge Innovation Centre, for use of storage of technical equipment and light engineering activities.
- All universities involved in the project have signed up to the MEECE collaboration agreement with many projects in the pipeline or in the final stages of approval.

- The MEECE Standard Variation Letter was signed by all partners which means that the benefits of the grant can be maximised and further opportunities capitalised.
- Both META and MEECE signed a berthing agreement for a buoy deployment.

Pembrokeshire Demonstration Zone (PDZ)

- In Q2 announcements were made from National Grid ESO and OFGEM around how future offshore energy networks will need to be collaboratively built and how these could be funded through anticipatory investment.
- All third-party approvals and co-funding agreements were in place to progress with the project.
- In November 2021, Three Tocardo tidal stream turbines arrived in Pembroke Dock for fitting to the QED naval tidal stream device.



This project is also part funded by the European Regional Development Fund through the Welsh Government.



£343.4m
Contribution to Regional GVA



1,000mw Contribution to
Decarbonisation Targets



1,881
Jobs Created



Page 187

60,600 sq.m
Physical Infrastructure Creation

Governance Structure



Welsh Cities and Growth Deal Implementation Board

This is a joint UK Government and Welsh Government Board with responsibility for providing assurance and advice to the Joint Chairs regarding strategic and operational issues, the release of funding to the Portfolio, the oversight and monitoring of projects, and effective governance and assurance.

Joint Committee (JC)

Chair, Cllr Rob Stewart, Leader of Swansea Council

Comprising of the four regional Local Authority Leaders, as well as senior representatives from all eight primary partner organisations, it holds the Programme (Portfolio) Board and PoMO to account and has overall responsibility for scrutiny and approvals.

Economic Strategy Board (ESB)

Chair, Chris Foxall

This is a private sector advisory body which acts as the voice of business. The ESB provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region.

Programme (Portfolio) Board

Chair, Wendy Walters, Chief Executive Officer, Carmarthenshire County Council

Responsible for overseeing the operations of the City Deal, Programme (Portfolio) Board will review changes to business cases and developments to the portfolio as it progresses. It consists of the head or senior representative of each of the eight partner organisations.

Joint Scrutiny Committee (JSC)

Chair, Cllr Rob James, Elected Member in Carmarthenshire County Council

Provides advice, challenge and support to the Joint Committee and made up of three elected members from each of the four local authorities.

The Portfolio Management Office Team and Statutory Functions

The Portfolio Management Office (PoMO) is responsible for the day-to-day running of the Portfolio and is in regular contact with the wider City Deal teams and board members.



The SBCD is also supported by Carmarthenshire Council's Section 151 Officer and Swansea Council's Monitoring Officer as part of the statutory functions of the portfolio.

Chris Moore

*Director of Corporate Services
Carmarthenshire County Council and SBCD
Section 151 Officer*

Chris is responsible for the administration of the JC affairs under Section 151 of the Local Government Act 1972 and overall responsibility for the financial administration of the City Deal.

Tracey Meredith

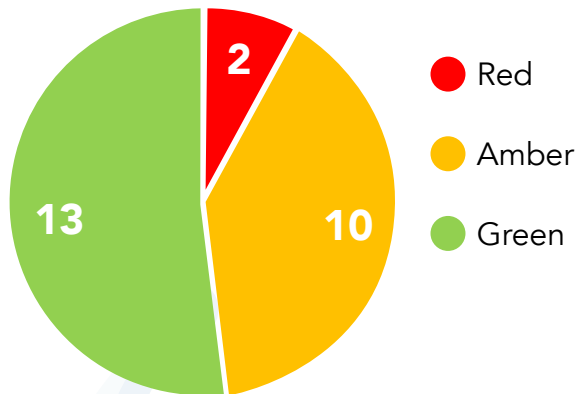
*Monitoring Officer
Swansea County Council and SBCD
Monitoring Officer*

Tracey is responsible for ensuring good governance and maintaining the highest ethical standard, ensuring the legality of arrangements and that the JC Agreement is complied with.

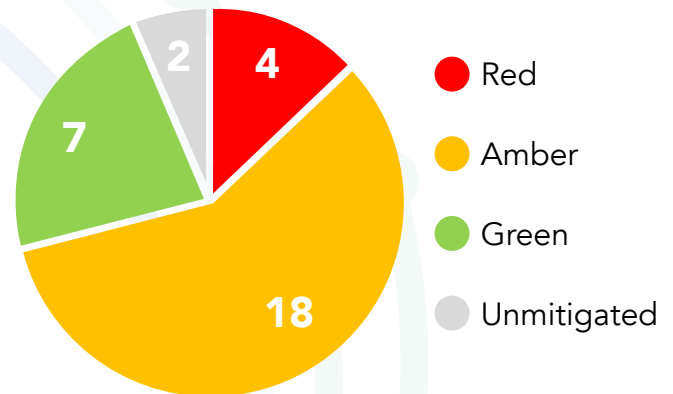
Portfolio Risk Management

Throughout 2021-2022 the SBCD has identified new risks taking the total from 25 at the start to 31 at the end of the financial year across the portfolio, which is reflective of the Portfolio being in full delivery. There have also been many mitigations put in place that have lowered risk ratings.

Mitigated Risks April 2021



Mitigated Risks March 2022

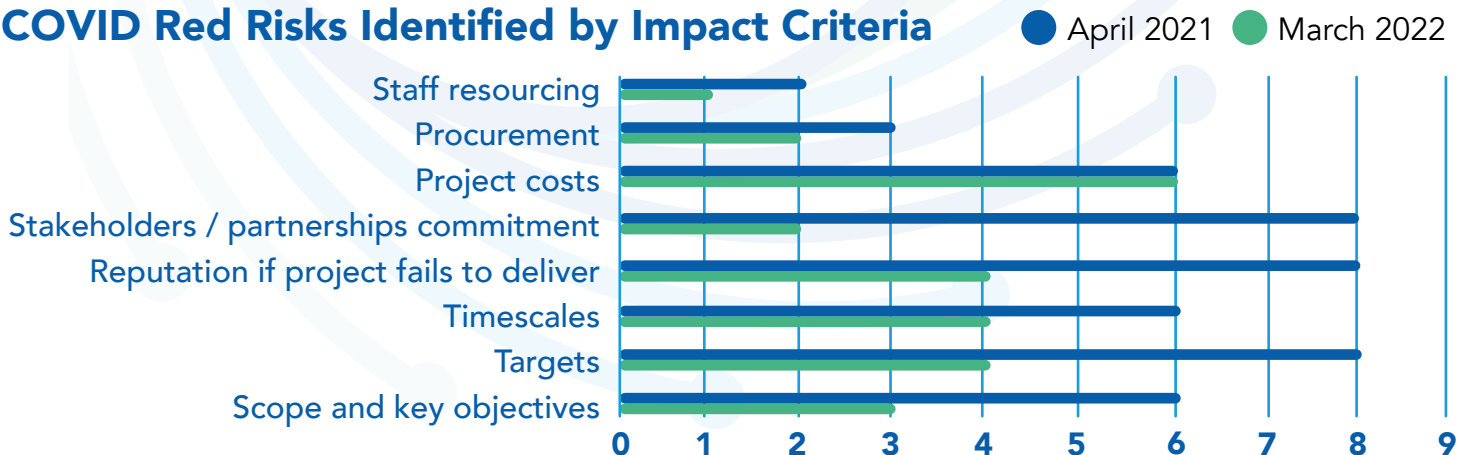


Currently the four red risks for the portfolio are:

1. Private sector funding contributions not realised in line with business case projections
2. Increase in cost of construction
3. Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated maps
4. Slippage in delivery of programmes / projects against key milestones

The COVID-19 impact assessment shows that the COVID related risks have notably reduced throughout the year, primarily linked to the progress achieved in year and the effective management of the Portfolio, Programmes and Projects to ensure all risks are mitigated as far as is reasonably practicable.

COVID Red Risks Identified by Impact Criteria



A Construction Impact Assessment was developed in Quarter 3 to understand and manage the risks associated with rising construction costs and availability of materials and resources. The three key areas of risk include:

- Potential Time implications
- Potential Project cost increases
- Potential Scope changes

Assurance and Audit

Gateway Reviews

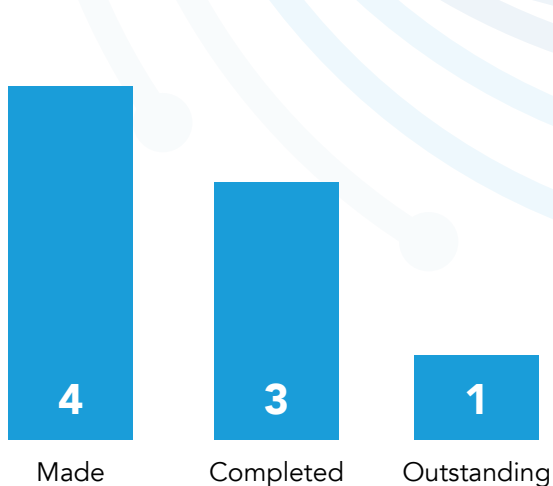
The SBCD Portfolio and projects are subject to Office of Government Commerce Gateway Reviews, facilitated by the Welsh Government Integrated Assurance Hub, to assure successful progression and overall delivery of the portfolio and associated projects and programmes.

The SBCD has undertaken two portfolio and eight project/programme Gateway reviews since November 2019, with Gateway Review Delivery Confidence Assessment (DCA) Ratings as follows:

Portfolio / Programme / Project	Stage	Latest Review Date	DCA Rating	Next Planned
Portfolio	0	July 2021		July 2022
Homes as Power Stations	PAR (2/3)	June 2020		July 2022
Supporting Innovation & Low Carbon Growth	PAR (2/3)	June 2020		Sept 2022
Pentre Awel	PAR (2/3)	Sept 2020		Oct 2022
Digital Infrastructure	0	Oct 2020		Sept 2022
Pembroke Dock Marine	PAR (2/3)	Feb 2020		Dec 2022
Yr Egin	5 (Ph 1)	Nov 2021		Dec 2022
Swansea Waterfront & Digital district	0/PAR	-		Sept 2022
Skills & Talent	0	June 2021		Nov 2022
Campuses	PAR (2/3)	Aug 2021		May 2023

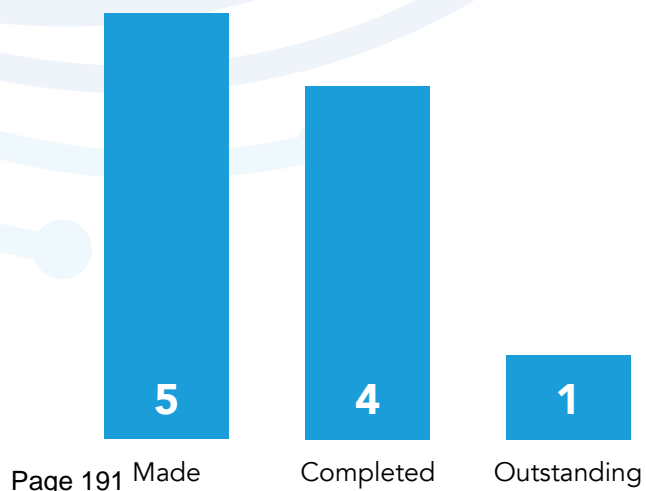
Portfolio Gateway 0 Review Recommendations 2021

The 2021 Gateway assurance review for the Portfolio returned an Amber/Green rating with 4 recommendations. 3 of these recommendations have been enacted and implemented with 1 currently still being finalised. The outstanding recommendation is to update the Terms of Reference and membership for the Portfolio Board, which will be completed in 2022/23.



Internal Audit Recommendations 2021

The 2021 Internal Audit provided the Portfolio with a Substantial rating, meaning the Portfolio has a substantial chance of overall success. 5 recommendations were made with 4 having been successfully actioned. The outstanding recommendation is for one SBCD partner to sign and return a letter of engagement for their contributions to delivery of the Portfolio.



Financial Summary

During the period of unprecedented challenges encountered through COVID-19 pandemic and moving into a period of economic recovery, all regional stakeholders and both governments continue to be fully committed to the SBCD. Their commitment to secure investment and deliver the City Deal's objectives will help drive economic growth and create high skilled jobs across the region.

Progress is reflected in the final business case being approved in 2021, where all nine are now approved and in delivery. In 2021/22 financial year, the SBCD has made £30 million investment of public and private sector funding on the planning, procurement, build and operations across many of the Portfolio's projects and programmes.

We also received the funding award letter in 2021/22, to release the fourth annual draw down of City Deal funding, which has taken the total drawdown to £77m since commencement with £24m dispersed to programmes and projects. The latest City Deal funding draw down included the planned front loading of UK Government grant which will now be awarded over a ten-year period, rather than the original fifteen-year period.

The overall estimated investment position is demonstrated at £1.239bn over the fifteen-year life of the portfolio.



Financial Summary

There is currently an estimated revenue requirement of £60m (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.

Over the life span of the portfolio the private sector engagement is expected to increase and develop as projects establish themselves and move into completion.

Due to several macro economic factors over the last three years (including resource constraints due to the COVID19 pandemic, delays in the procurement process as a result of construction cost pressures, a delay in business case development and approval and a delay in recruitment), the portfolio is experiencing a delay to delivery of several programmes and projects. This has not increased the overall delivery timeframe for the portfolio.

Currently only £236m is forecast of the grants awarded by the UK Government and Welsh Government, totalling £241m, with the balance of £5m being further considered for investment.

Annual Expenditure Profile Forecast

Investment Component	Cumulative Actuals (20th Mar 2017 to 31st Mar 2021)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Year 4 2021 - 2	Year 5 2022 - 2023	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	89.20	29.55	152.47	166.79	180.20	191.42	206.01
Revenue Investment	5.64	0.78	11.13	14.70	12.98	11.11	0.90
Total	94.84	30.32	163.60	181.49	193.18	202.54	206.87
Funding							
City Deal Investment	11.20	20.90	53.04	35.17	26.02	23.77	24.93
Public Sector Investment	71.31	10.65	51.96	61.04	39.13	56.85	66.32
Private Sector Investment	3.60	0.62	32.98	48.72	123.89	132.69	137.43
Total	86.11	32.10	137.98	144.93	189.03	213.31	228.67

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	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	
Capital Investment	163.43	-	-	-	-	-	1,179.07
Revenue Investment	0.42	0.44	0.45	0.46	0.47	0.48	59.97
Total	163.86	0.44	0.45	0.46	0.47	0.48	1,239.04
Component Investment							
City Deal Investment	23.15	4.13	3.35	3.35	3.35	3.35	235.70
Public Sector Investment	16.47	-	-	-	-	-	373.73
Private Sector Investment	147.39	0.44	0.45	0.46	0.47	0.48	629.61
Total	187.00	4.56	3.80	3.81	3.82	3.83	1,239.04

Marketing and Communications

A dedicated SBCD Communications and Marketing Officer was appointed in September 2021. In this role, Heidi Harries works closely with the Business Engagement Manager and Project/Programme teams to oversee the Portfolio Communications and Marketing Plan, which includes activity associated with media, social media, web content, internal communications, marketing, and events.

Portfolio Communications and Marketing Plan

The SBCD Communications & Marketing Plan was updated in January 2022 to co-ordinate communications across the SBCD governance groups, partner organisations and wider audiences. The plan outlines key information, schedules, protocols, tools and activity that aim to maximise opportunities arising from communications.

Media Coverage Digital and Print Media

194 positive media references were secured for the SBCD in digital and print media in 2021/22 financial year.

SBCD articles have featured with Wales Online, the Western Mail, ITV Wales, the South Wales Evening Post, Business News Wales, Wales Business Insider, Business Live, Wales 247, the Llanelli Star, the Carmarthen Journal, the Western Telegraph, the South Wales Guardian, The National and Nation Cymru. Specialist media outlets include World Cargo News, Opera News, Premier Construction, FE News and Construction Enquirer.



Social Media

The coverage of social media accounts and bilingual social media posts, tagging relevant partners and organisations between April 2021 and March 2022 was:

	Tag	Combined reach of posts*	Followers
Facebook	@SBCityDeal	76.5	896
Twitter	@SBCityDeal	691.6k	1552
LinkedIn		693	453

*The number of people that saw posts, engaged, clicked on, re-posted, commented or liked

Ministerial Visits

Several Ministerial visits took place during 2021-2022 with UK Government and Welsh Government to receive updates on projects, to award the approval of a business case or attend an opening or milestone event. The Press were invited to attend, with the BBC and ITV filming for inclusion on the Welsh News in some instances, and post-visit press releases were sent out.



UK Government Minister David T C Davies with Professor Paul Boyle, Vice-Chancellor, Swansea University at the Campuses Business Case approval

Marketing and Communications

Events

With the lifting of Covid restrictions this financial year the number of live events that the SBCD have attended has increased.

1. The Showcase Event - This took place on 3rd March to celebrate that all projects and programmes had been approved by the Welsh Government and UK Government. This was one of the first live events that took place and feedback from the event was extremely positive. Further details are included later in this report.
2. 4theRegion Event – The team presented and exhibited at the event on 17th March which welcomed around 2,500 people and 125 exhibitors. It was the first event to be held at Swansea Arena.

“A huge thank you to everyone who attended, exhibited or spoke at this year’s conference. It was an amazing day, showcasing and celebrating all the people, projects, businesses and organisations that make Swansea what it is – and it saw some very exciting announcements about future plans for the city.”

Dawn Lyle

*Founder and Chair
4theRegion*

City Deal Website

The Welsh and English SBCD website is updated regularly to contain the latest news and information.



Branding

Brand Guidelines were updated and feature in the Portfolio Communications and Marketing Plan with details for digital and physical promotion including City Deal construction sites and infrastructure.

Communications with Regional Businesses

Information is regularly shared with businesses, organisations and networks for inclusion in their communication channels such as newsletters and events. Including groups such as regional Business Improvement Districts (BID), business clubs and chambers of commerce, as well as organisations including 4theRegion and Regional Engagement Teams. City Deal announcements are also regularly featured on e-news bulletins sent out by Business News Wales and Wales Business Insider, which reach thousands of businesses throughout the region and further afield.

Partnership Working

Work has continued to establish a network with key stakeholder for marketing and communications, including Welsh Government and UK Government and other City and Growth Deals.

Marketing and Communications sub-groups have been set up for the PDM programme, with meetings held on a monthly basis. The meetings will help determine timelines for communications activities around key milestones.

Business Engagement

As the portfolio moves into delivery, the programmes and projects have been providing more opportunities for local, regional and national businesses with support from our Economic Strategy Board through advice, advocacy and signposting.

Yr Egin continues to be successful, hosting 18 tenants along with the anchor tenant S4C whose presence in Carmarthenshire is estimated to be worth over £18m per year to the local economy and provides over 100 jobs.

Swansea's new Copr Bay destination includes the Arena which has benefitted many businesses in the local area by generating extra footfall. Examples include The Anchor and Gigi Gao's restaurant in the Maritime Quarter. A new café/restaurant adjacent to the Arena, The Green Room, is also now open for business and has enabled its Swansea-based operators to expand their portfolio of businesses, while also creating jobs for local people.

A number of other local businesses have also taken up units in the Copr Bay development at the new Cupid Way link between the city centre and the Arena. These include Coaltown Coffee, FrozziYo frozen yoghurts and KoKoDoo chicken.

Other businesses have spoken about their decision to invest in Swansea city centre because of schemes like Copr Bay. These include Cwtsh Hostel, with owner Llyr Roberts saying the arena, combined with other regeneration in the city, is making Swansea an attractive proposition for the private sector.

As part of the PDM project, R&M Williams has been appointed to undertake works on the renovation of the four Grade II listed hangar annexes at Pembroke Port. This will create flexible modern workspaces and a workshop.

The foundation work being delivered by PDM has raised the profile of the region's supply chain who are winning contracts to deliver the needs of marine energy developers.

Bouygues UK were appointed as the approved contractor for both Pentre Awel and the 71/72 Kingsway development. Two meet-the-buyer events were arranged in partnership with Business Wales and the County Council clients, to promote the opportunities for business.

71/72 Kingsway Online, 16th December

45 companies attended the online event to raise awareness on opportunities including structural steel, glazing, street furniture, road markings, singe, specialist joiner, cleaning, fire protection and landscaping. All were given the opportunity to tender the relevant packages and subsequent contracts have been awarded.

Pentre Awel Parc Y Scarlets, 30th March

141 local businesses attended the live event, which promoted the opportunities within Zone. There were over 50 contract opportunities available for the local supply chain. Of the attendees, 22% of the business were from Llanelli, 36% from Carmarthenshire and 57% from the City Deal region.



The Showcase Event



- 50% Private Sector
- 21% Education Sector
- 29% Public or other sector associated with projects



Cllr Rob Stewart at the Showcase Event

The Showcase Event at Parc Y Scarlets in March was held to:

- Celebrate that all 9 projects and programmes had been approved by the Welsh Government and UK Government and that the portfolio was in full delivery.
- Provide insights into the portfolio with an emphasis on the opportunities for businesses and other key stakeholders.
- Allow all guests to network and discuss their roles and future opportunities.

The event schedule included:

- **Networking:** All nine projects and programmes were set out in the main room as a marketplace where attendees were able to visit each stand to engage and ask questions. SBCD colleagues were available in the registration, breaks and lunchtime networking sessions.
- **Headline speakers:** Councillor Emlyn Dole, Councillor Rob Stewart, Minister David TC Davies, Minister Rebecca Evans and Chris Foxall.
- **Project/programme updates:** Jon Burnes compèred the sessions with a representative from each project and programme providing a five-minute overview.
- **Breakout sessions:** Three parallel breakout sessions to discuss opportunities across the areas of Skills and Talent, Social Value and Floating Offshore Wind.

Feedback from the Post Event Survey included:



19% response rate



Rated event as 8.3/10



47% wanted to engage further with the projects



Rated 4.4/5 for project updates

“It was great to be at the Swansea Bay City Deal showcase event. Excellent to hear that the funding has now been allocated, and all nine projects have now been approved. We are proud to be part of these projects driving economic development and growth.”

Russell Greenslade

Chief Executive

Swansea Business Improvement District

The Showcase Event

“What a great turnout for the Swansea Bay City Deal event. It was fantastic to hear about the various projects across the region and we are looking forward to the future.”

Nick Gorvett

*Partnerships Manager
2B Enterprising*



“Attending the City Deal Showcase Event was a fantastic opportunity to catch up on the excellent progress made on the deal so far and it’s great to hear that all of the projects have now been approved. I’m looking forward to seeing the plans come into reality and the growth and regeneration it will bring to the region.”

Sharon Adams

*Commercial Manager
Port of Milford Haven*

Feedback from the Post Event Survey included:



Rated **4.5/5**
for headline speakers



Rated **4.2/5**
for networking opportunities



Rated **4.2/5**
for breakout sessions



100% wanted to attend
a future SBCD event

“An enjoyable and very informative conference one which showed such a variety of projects in particular Pembroke Dock Marine’s green energy and engineering, Homes as Power Stations which could be invaluable in future energy generation and the Digital Infrastructure which is vital South Wales technology development.”

Huw Bala

*Project Manager
Tinopolis*



Key activity for April 2022 – March 2023

Quarter 1 (April, May and June 2022)

- **Portfolio:** Briefings for newly appointed Elected Members and Leaders.
- **Digital Infrastructure:**
 - Supplier and Government lobbying and engagement.
 - Facilitation of ongoing and planned regional fibre build by private sector.
 - Devise programme of work for Next Gen and rural human resources.
- **Skills & Talent:** Receive and review further pilot project applications.
- **HAPS:** Finalise technical specification for monitoring & evaluation procurement and commence recruitment for project staff.
- **Swansea Waterfront Digital District:** Finalise planning and RIBA stage 3 for the Innovation Matrix while updating the Business Case to reflect this. Progress made on 71/72 Kingsway.
- **Yr Egin:** Development of proposed delivery methodology to better suit creative sector environment post-COVID to inform change request for approval at Joint Committee.
- **Pentre Awel:** Reserve Matters planning application for Zone 1 approval, RIBA stage 2 designs for Zone 3 completion. Establish Community Benefits reporting framework.
- **Campuses:** Sketty Lane – Ecology assessment completion. Revised cost estimated completion, procurement of design phase commenced.
- **SILCG:**
 - BTC – Fixtures, fittings and furniture installation.
 - PDF publicised and Expression of Interest form released.
 - LEV – recruitment of new staff.
- **PDM:** Appoint contractor for the slipway and workboat pontoons.



Key activity for April 2022 – March 2023

Quarter 2 (July, Aug and Sept 2022)

- **Portfolio:**
Gateway 0 Portfolio Assurance Review.
- **Digital Infrastructure:**
 - Recruit Local Authority hosted resources for our Next Generation Wireless and Rural workstreams.
 - Continue LoraWAN deployment across the region providing functionality to the Internet of Things.
 - Preparatory work for £12m hub site procurements including a “Gigahubs” bid to the UK Government for additional funding.
 - Review projected Gigabit broadband coverage alongside Welsh Government and take decisions on our rural superfast broadband procurement.
- **Skills & Talent:** Appoint remainder of Skills Project Team.
- **HAPS:** Finalise and launch Financial Incentives Fund.
- **Swansea Waterfront:**
Progress construction on 71-72 Kingsway.
- **Yr Egin:**
 - Submit change request for approval at Joint Committee, outlining alignment to the requirements of the creative sector.
 - Progress procurement activity and associated Gateway review.
- **Pentre Awel:** Complete RIBA stage 4 designs for Zone 1. Commence site pre-enablement work.
- **Campuses:**
 - Primary funding agreement signed.
 - Secondary funding agreement issued and signed.
- **SILCG:**
 - BTC - Building handover to Neath Port Talbot Council and first tenants to be secured.
 - SWITCH – legal documents signed and release of the Design and Build tenders.
 - Hydrogen Stimulus Project – Funding agreement approval.
 - AQMP – Recruitment of new data analyst
- **PDM:** Mobilisation starts for the slipway and workboat pontoons.



Key activity for April 2022 – March 2023

Quarter 3 (Oct, Nov and Dec 2022)

- **Digital Infrastructure:**
 - o Progress hub sites procurement.
 - o Commence delivery of work for Next Generation Wireless and Rural project resources, accelerating activities within local Authorities.
 - o Procurement activities for 5G trails and testbeds project.
- **Skills & Talent:** School engagement events and second Gateway Review. 1st pilot project moves into delivery. Receive and review further pilot applications.
- **HAPS:** Finalise the Supply Chain Development Fund.
- **Yr Egin:** Commence delivery of Phase 2.
- **Swansea Waterfront:** commence with Innovation Matrix construction.
- **Pentre Awel:** Zone 1 full start on site and procurement of Zone 3.
- **Campuses:** Commence delivery of Morrison site phase 1. Finalise designs and procurement for phase 2 Singleton site.
- **SILCG:**
 - o AMPF – Pre-market engagement event with end users/operators, wider industry engagement to assist in the development of the building specification.
 - o Hydrogen Stimulus Project – Equipment procurement.
- **PDM:** Review programme/scope/instruct designer tender for terrestrial Infrastructure works.

Quarter 4 (Jan, Feb and March 2023)

- **Portfolio:** Portfolio Business Case Update and submission to Governments.
- **Digital Infrastructure:** Ongoing delivery of all workstreams.
- **Skills & Talent:** Continued school engagement and receipt of further pilot project.
- **HAPS:** Launch the Supply Chain Development Fund.
- **Swansea Waterfront:** Prepare for hand over and commissioning of 71/72 the Kingsway before operation in Q3 2023/24.
- **Yr Egin:** Continue delivery of Phase 2.
- **Pentre Awel:** Zone 3 start on site.
- **Campuses:** Commence of site Phase 1 Singleton.
- **SILCG:**
 - o Launch of PDF round 2.
 - o Hydrogen Stimulus Project – Equipment Installation.
 - o SWITCH assessment of tender applications and appointment of contractor.
- **PDM:** completion of original META activities, completion of Hangar Annex office and workshop facilities.



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