



City and County of Swansea

## Notice of Meeting

You are invited to attend a Meeting of the

## Swansea Bay City Region Joint Committee

**At:** Remotely via Microsoft Teams  
**On:** Thursday, 11 April 2024  
**Time:** 10.30 am  
**Chair:** Councillor Rob Stewart (Swansea Council)

**Watch Online:** <http://tiny.cc/SBCRJC114>

### Membership:

Councillors:

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

Co-opted Non-Voting Representatives:

Paul Boyle	Swansea University
Professor Elwen Evans	University of Wales Trinity St. David's
Chris Foxall	Chair of Swansea Economic Strategy Board
Judith Hardisty	Hywel Dda University Health Board
Emma Woollett	Swansea Bay University Health Board

## Agenda

Page No.

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



**5 Public Questions.**

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

<b>6</b>	<b>Pembroke Dock Marine Update. (For Information)</b>	<b>3 - 73</b>
<b>7</b>	<b>Campuses Project Update. (For Information)</b>	<b>74 - 80</b>
<b>8</b>	<b>Swansea Bay City Deal Highlight Report. (For Information)</b>	<b>81 - 94</b>
<b>9</b>	<b>Construction Impact Assessment Summary.</b>	<b>95 - 108</b>
<b>10</b>	<b>Swansea Bay City Deal Portfolio Business Case Update.</b>	<b>109 - 362</b>
<b>11</b>	<b>Change Control Procedure and Thresholds.</b>	<b>363 - 373</b>



**Huw Evans**  
**Head of Democratic Services**  
**Thursday, 4 April 2024**

---

**Contact: Democratic Services - 01792 636923**

# Agenda Item 3



City and County of Swansea

## Minutes of the Swansea Bay City Region Joint Committee

Remotely via Microsoft Teams

Thursday, 8 February 2024 at 10.30 am

**Present:** Councillor Darren Price (Carmarthenshire County Council) Presided

### Councillors:

Steve Hunt	Neath Port Talbot Council
Andrea Lewis	Swansea Council
David Simpson	Pembrokeshire Council

### Co-opted Non-Voting Representatives:

Paul Boyle	Swansea University
Elwen Evans	University of Wales Trinity St. David's
Chris Foxall	Chair of Swansea Economic Strategy Board
Emma Woollett	Swansea Bay University Health Board

### Officers:

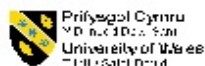
Steven TO Aldred-Jones	Carmarthenshire Council
Richard Brown	Assistant Chief Executive (Pembrokeshire Council)
Jonathan Burnes	Director (Swansea Bay City Region)
Geraint Flowers	University of Wales Trinity St. David
Allison Lowe	Swansea Council
Chris Moore	Joint S151 Officer (Carmarthenshire Council)
Martin Nicholls	Chief Executive (Swansea Council)
Nicola Pearce	Neath Port Talbot Council
Debbie Smith	Deputy Monitoring Officer (Swansea Council)
Ian Walsh	University of Wales Trinity Saint David
Wendy Walters	Chief Executive (Carmarthenshire Council)
Ian Williams	Swansea Bay City Region

### Apologies for Absence:

Councillor(s) Rob Stewart (Swansea Council)  
Judith Hardisty (Hywel Dda University Health Board)  
William Bramble (Chief Executive (Pembrokeshire Council)) and Karen Jones (Chief Executive (Neath Port Talbot Council))

## 35 Disclosures of Personal and Prejudicial Interests.

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



**36 Minutes.**

**Resolved** that the Minutes of the Swansea Bay City Region Joint Committee held on 16 November 2023 be approved and signed as a correct record.

**37 Announcement(s) of the Chair.**

There were no announcements made.

**38 Public Questions**

There were no public questions.

**39 Innovation Matrix & Precinct Update. (For Information)**

Ian Walsh, Innovation Matrix SRO and Geraint Flowers, Innovation Matrix Project Lead provided a "For Information" report to update Joint Committee on progress on the Innovation Matrix Project and the outcomes of the recent external Gateway Review.

**40 Joint Committee Forward Workplan.**

Jonathan Burns, Director, Swansea Bay City Deal (SBCD) presented a report to inform Joint Committee of the latest Forward Work Plan.

**Resolved** that:

- 1) The Joint Committee proposed Forward Work Plan at Appendix A be approved subject to further discussions regarding funding opportunities for projects.

**41 Swansea Bay City Deal Financial Monitoring Report 2023/24 Provisional Outturn Position Quarter 3 (October-December 2023).**

Chris Moore, S151 Officer, SBCD presented a report to provide the Joint Committee with an update on the latest financial position of the Swansea Bay City Region.

**Resolved** that:

- 1) The SBCD financial monitoring update report be approved.

**42 Swansea Bay City Deal Quarterly Monitoring Report 2023/24. (For Information)**

Jonathan Burns, Director SBCD presented a "For Information" report to inform Joint Committee of the SBCD Quarterly Monitoring Report for both the SBCD Portfolio and its constituent programmes / projects.

The meeting ended at 11.27 am

**Chair**



# Agenda Item 6



Swansea Bay City Region Joint Committee - 11 April 2024

## Pembroke Dock Marine Update

<b>Purpose:</b>	To present to Joint Committee for information the following:  <ol style="list-style-type: none"><li>1. Progress update on the PDM project</li><li>2. Outcome of the Pembroke Dock Marine Gateway Review including recommendations and mitigating actions</li><li>3. PDM business case addendum</li><li>4. Change notifications received from the PDM project</li></ol>
<b>Policy Framework:</b>	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
<b>Consultation:</b>	Joint Committee Programme Board
<b>Report Author:</b>	Rachel Moxey (SRO for Pembroke Dock Marine project)
<b>Financial Officer:</b>	Chris Moore (SEC151 Officer)
<b>Legal Officer:</b>	Debbie Smith (Deputy Monitoring Officer)
<b>FOR INFORMATION</b>	

### 1. Introduction

- 1.1 This report contains a summary of progress and the main achievements to date and the next steps involved to achieve successful delivery of the project.
- 1.2 As part of the assurance arrangements across the SBCD Portfolio, an independent Project Assessment Review (PAR) has been undertaken for the Pembroke Dock Marine (PDM) project. This report summarises the outcome of the review with the full review report attached in Appendix A.
- 1.3 In preparation for the Gateway Review, a business case addendum was prepared to update the original business case to reflect the substantial progress made on the project since approval in 2020. The addendum is attached at Appendix C.

1.4 Change notifications have been received relating to the PDM and are presented for information in Appendix D.

## **2. Progress Update**

2.1 All ERDF Phase deliverables across the four PDM elements are either complete or nearing completion and will be complete before the end of the ERDF Funding Period which ends at the end of 2023.

2.2 We are delighted to note the significant interest PDM has generated for the Swansea Bay City Region. There is no doubt that PDM has been the focal point for a number of high-profile Wales and UK Government visits – EG: First Minister visits, Secretary Of State visits, international investor visits. In addition, PDM has been a focal point to help grow Wales and Ireland collaborations with the Irish sea being seen as a bridge.

2.3 Each of the Partners has also been very active within Sectoral, National and International Conferences where PDM progress and outcome within the Swansea Bay City region has been of high interest. With regard to specific partner deliverables notable inclusions include:

- Full consent of the Marine Energy Testing Area, which is open for business supporting the deployment, de-risking and development of a range of marine energy and environmental applications.
- Fully established Offshore Renewable Energy Catapult presence in the region, delivering the Marine Energy Engineering Centre of Excellence project and a number of parallel activities aligned with regional energy related initiatives and aspirations.
- Completion of technical, commercial and environmental studies relating to the ongoing development of the Pembrokeshire Demonstration Zone as a commercial scale test centre and critical evidence supporting the requirement for the scope the lease to be broadened to include Floating Wind and Power to X (Hydrogen) applications.
- Completion of the Slipway, laydown areas, Pickling Pond infill, Hangar Annex renovations and workboat berthing at Pembroke Port.
- Pan regional collaboration targeting enhanced transformational activities driving UK and global focus on the SBCR opportunity that Celtic Sea FLOW, Hydrogen and Marine Energy present, examples being Celtic Freeport, OFGEM's Strategic Innovation Fund, Innovate UK's Launchpad funding to name a few.

## **3. PAR Review**

3.1 In accordance with the PDM project Integrated Assurance and Approval Plan (IAAP), a PAR Gateway Review was scheduled and undertaken from the 25<sup>th</sup>-27<sup>th</sup> September. The review was undertaken by an independent team led by David Wilkin who undertook fourteen 'conversations' with stakeholders. The review was framed by a Terms of Reference provided by the project team.

- 3.2 The project received an Amber-Green Delivery Confidence Assessment (DCA) rating. The summary finding of the Review were:
1. Pembroke Dock Marine (PDM) has made significant progress and is now entering the stage where it can be considered as largely complete.
  2. The four component Projects have energetic and committed investment by all delivery partners and there is a real sense of vision pervading all communications. Innovation and sustainable energy, supported by skills and talent growth and commercial inward investment all appear to be placing PDM in a strong position for success.
  3. Each of the component projects is tracking well and could be assessed as **GREEN** in terms delivering their outputs.
  4. The programme has some time to run during which it will be subject to an uncertain operating environment and emergent risks that will need to be managed. As a programme, Pembroke Dock Marine is in a strong position and can be assessed as **AMBER/GREEN** in its quest to deliver its outcomes, from which the long term benefits will flow.
- 3.3 The Review Team made three recommendations to the SRO to ensure that the project is positioned for effective management and delivery. The recommendations cover the realisation of long term benefits, development of a 'burn down' plan for the remaining funding and delivery of the project elements, and continuing risk, dependencies and opportunity management across the project.
- 3.4 The full Review report is attached as Appendix A. It is anticipated that the next Gateway Review will be undertaken towards the end of the project.
- 3.5 The action plan attached at Appendix B provides detail on the specific actions required to fulfil the three recommendations of the review together with the timing, ownership, status and dependencies for each action. The action plan will be regularly reviewed, updated and reported to the PDM Board.

#### **4. PDM Business Case Addendum**

- 4.1 An addendum to the PDM business case has been prepared by the PDM partners and overseen by the Senior Responsible Owner (SRO) The addendum updates the original business case with the significant progress made on the PDM project since approval and is attached at Appendix C for information.
- 4.2 The PDM partners have utilised the SBCD Business Case Update guidance in the preparation of this addendum with guidance from the Swansea Bay City Deal Portfolio Management Office (PoMO).
- 4.3 The purpose of the addendum is to:
- update the approved OBC with any significant changes to the project eg: scope, benefits, financing, governance

- demonstrate the continued strategic alignment, the validity for the intervention, value for money, commercial viability, affordability and deliverability of each of the project elements
- reflect progress on the project particularly in terms of procurements undertaken
- provide an update to the status of the project in readiness for the Gateway Review held in September 2023

4.4 This addendum has been approved by the SRO and signed off by the PDM Board.

4.5 The PDM project retains its original scope and purpose, with some changes to the context and emphasis relating to the specific project elements. The benefits listed in the original business case all remain relevant and achievable and the project is being managed and financed effectively. The project remains value money and over £40m of services and supplies have been procured across 38 procurements.

## **5. Change Notifications**

5.1 In accordance with the SBCD Change Control process, PDM has submitted two Change Notifications to SBCD PoMO relating to changes in delivery timescales for specific project elements as follows:

5.2 PDM\_CIN\_3 – involves a change in the timescale for the delivery of the ORE Catapult project extending the completion date 7 months from December 2025 to June 2026. This extension of timescales will allow Swansea University to employ a PhD student to contribute to fatigue testing activities and to align better with securing additional funding.

5.3 PDM\_CIN\_4 – involves an extension in the timescale for the delivery of the Pembroke Demonstration Zone project by 72 months from end of 2023-24 to end 2026-27 to allow more time for delivery of the activities and to achieve the specified outputs, outcomes and impacts.

5.4 The changes do not have implications for either project or portfolio level benefits and objectives and have been reviewed by the PoMO.

5.5 The Change Notifications are attached at Appendix D for information.

## **6. Financial Implications**

6.1 There are no financial implications associated with this report.

## **7. Legal Implications**

7.1 There are no legal implications associated with this report.

## **8. Alignment to the Well-being of Future Generations (Wales) Act 2015**

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

**Background papers:** None

**Appendices:**

Appendix A: PAR Gateway Review Report September 2023

Appendix B: PDM Business Case Addendum

Appendix C: Change Notification - Spending end date extension

Appendix D: Change Notification - PDZ



## Programme/Project Assessment Review (PAR)

<b>Programme/project Title:</b>	<b>Pembroke Dock Marine</b>
<b>IAH ID number:</b>	<b>AH/015</b>

<b>Version number:</b>	v1.0 FINAL
<b>Senior Responsible Owner (SRO)</b>	Rachel Moxey
<b>Date of issue to SRO:</b>	02/10/2023
<b>Organisation of the Project</b>	Swansea Bay City Deal Portfolio Pembrokeshire County Council
<b>Programme Manager equivalent</b>	Steve Edwards, Port of Milford Haven
<b>Business Case stage reached:</b>	Final Business Case (2020) + Addendum Update (2023)
<b>Review dates:</b>	25/09/2023 to 27/09/2023
<b>Review Team Leader:</b>	David Wilkin
<b>Review Team Member(s):</b>	Anthony Steel Ian Howard
<b>Departmental Representative:</b>	N/A
<b>Previous Review:</b>	PAR: 18/02/2020 to 20/02/2020 DCA: Amber
<b>Security Classification</b>	Official

## Contents

1. Delivery Confidence Assessment (DCA).....	3
2. Summary of report recommendations .....	4
3. Acknowledgement .....	4
4. Comments from the SRO .....	5
5. Summary of the Programme/Project .....	6
6. Scope/Terms of Reference of the Review.....	9
7. Review Team findings .....	10
8. Next assurance review .....	14
ANNEX A - List of Interviewees.....	15
ANNEX B - Progress against previous assurance review (18/02/2020 to 20/02/2020) recommendations .....	16

---

### About this report

This report is an evidence-based snapshot of the programme's/project's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.

**This assurance review was arranged and managed by:**

**Welsh Government Integrated Assurance Hub (IAH)  
Cathays Park 2  
Cathays  
Cardiff  
CF10 3NQ**

IAH helpdesk: [Assurance@gov.wales](mailto:Assurance@gov.wales)

# 1. Delivery Confidence Assessment (DCA)

<b>Delivery Confidence Assessment:</b>	<b>AMBER/GREEN</b>
<p>The Review Team finds that the Pembroke Dock Marine (PDM) programme is a flagship component of the Swansea Bay City Deal portfolio. It has made significant progress since the last review in early 2020. It is now entering the stage where it can be considered as largely complete, so far as SBCD and WEFO funding is concerned, though there is still some way to go to establish sustained benefits.</p> <p>The four component Projects have energetic and committed investment by all delivery partners and there is a real sense of vision pervading all communications. Innovation and sustainable energy, supported by skills and talent growth and commercial inward investment all appear to be placing PDM in a strong position for success.</p> <p>The Celtic Freeport status in Pembrokeshire is significant and PDM is cited as a key contributor to that achievement.</p> <p>Each of the component Projects is tracking well and could be assessed as <b>GREEN</b> in terms delivering their OUTPUTS.</p> <p>Taken as a synergistic collection of projects, the programme has some time to run during which it will be subject to an uncertain operating environment and emergent risks that will need to be managed. As a programme, Pembroke Dock Marine is in a strong position and can be assessed as <b>AMBER/GREEN</b> in its quest to deliver its OUTCOMES, from which the long term benefits will flow.</p>	

**The Delivery Confidence assessment RAG status should use the definitions below:**

<b>RAG</b>	<b>Criteria Description</b>
<b>Green</b>	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
<b>Amber/Green</b>	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
<b>Amber</b>	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
<b>Amber/Red</b>	Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.
<b>Red</b>	Successful delivery of the project/programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The project/programme may need re-base lining and/or overall viability re-assessed.



## **2. Summary of report recommendations**

The Review Team makes the following recommendations which are prioritised using the definitions below:

<b>Ref. No.</b>	<b>Recommendation</b>	<b>Urgency (C/E/R)</b>	<b>Target date for completion</b>	<b>Classification Categorisation number</b>
1.	<b>Reinforce the shift in governance focus from project delivery to the realisation of the intended outcomes and long-term benefits, particularly drawing on the synergies to be sustained in business as usual.</b>	R - Recommended	End 2023 and ongoing	5
2.	<b>Develop a residual activity burndown plan for the remaining funding and delivery profile of each project, consolidated in to an overarching PDM programme summary.</b>	R - Recommended	End 2023 and ongoing	3.1
3.	<b>Maintain use of a RAIDO (risks, assumptions, issues, dependencies and opportunities) approach to drive and sustain enduring outcomes.</b>	R - Recommended	End 2023 and ongoing	8.5

**Critical (Do Now)** – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately

**Essential (Do By)** – To increase the likelihood of a successful outcome the programme/project should take action in the near future.

**Recommended** – The programme/project should benefit from the uptake of this recommendation.

## **3. Acknowledgement**

The Review Team would like to thank all participants for their contributions to the review.

## **4. Comments from the SRO**

This report gives a fair representation of the projects and programme partnership. The assessment of the strong vision, energy and open approach to partnership working is accurate. The small number of recommendations made by the review team reflects the positive assurance given.

Working with the review team was a very pleasant experience. It is a pleasure to act as the SRO for such a well-managed programme of activities.

It is also refreshing to see that the expected legacy of these projects is well understood following the review. We will work with the POMO team to record progress against the recommended actions.

Thank you to the individual project leads, project coordinator, those who helped with organising and conducting reviews, those interviewed as part of the process and those who assisted Ian Williams who did a sterling job in revising the business plan.

## 5. Summary of the Programme/Project

### Background and context:

The 'Final Business Case' (January 2020) states that:

*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.*

*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 2050<sup>1</sup>) 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 estimating a UK GVA contribution of £33.6bn and an annual UK export value of at least £550m by 2050<sup>2</sup> - and also has opportunities for co-location with the wave and tide industries.*

And that:

*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.*

### Aims and objectives:

The 'Final Business Case' (January 2020) articulates the Project Benefits as:

#### *Community Impact*

- *Creation of capital funded assets with the potential to accommodate 1,881 net additional operational jobs helping to stem Pembrokeshire's extensive outward migration.*
- *Jobs and skills development for future generations. Pembrokeshire has fewer highly skilled, and more unskilled people of working age than elsewhere in Wales and the*

---

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

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

UK. Just 30% have attained skill level NVQ4+ compared with 38% in the UK, and 12% are without qualifications compared with 8% in the UK.

- Boosts local wages with a high skill, year-round jobs profile and a wage premium of £6,000 per job against Welsh average – Pembrokeshire workers receive considerably lower than average weekly wages, 12% behind Wales and 23% behind the UK. This will help spread the wealth from urban hubs into the rural environment. With lower priced housing stock this will see greater disposable income that can be spent within Pembrokeshire with benefits felt in multiple industries.
- Greater prosperity and new career opportunities will have a positive impact upon social cohesion and mental well-being.
- Enhanced inward investment and inward migration. This will be at the innovator level and in the general demand for skilled employees. The market has been identified as international which would in turn attract developers and innovators from across the globe to the region. This will have a positive impact on the local economy.
- Enhanced inward migration will support reduced per person costs for Local Authority provision of services and positively impact house value locally.
- It will have a positive impact on a deprived coastal community, a community that has two wards considered to be in the top 10% under-performing in Wales – and within commutable reach of three other such communities.
- Strengthened supply chain resilience (post-Murco closure) e.g. Mainstay Marine is a boat builder and supply chain company based in Pembroke Dock and has become one of Wales' most experienced marine energy suppliers having fabricated devices for Tidal Energy Ltd, Wave-tricity, AMOG Consulting and most recently Bombora. Their involvement in the sector has enabled them to diversify their product offerings and provide an additional source of income.
- The development is being created adjacent to town infrastructure in an existing industrial area with minimal community and environmental disruption.
- Heritage spaces will be renovated (though note that some others will be affected differently) with Pembroke Royal Dockyard's story benefitting from greater interpretation.

#### *Regional impact*

- £32.47m in match funding has been secured (dependent on City Deal funding).
- Releases £470m in longer term inward investment, and £73.5m annual GVA.
- Establishes a long-term home for an industry that has already directly invested £12.5m into Pembrokeshire.
- Creates the conditions to support aligned initiatives such as the Celtic Sea Alliance and Energy Kingdom.
- Establishes a Catapult centre of excellence in the region and strengthens links between academia and industry.
- Establish the right conditions to attract other blue economic industries.
- Boosts Pembrokeshire's productivity – Pembrokeshire's productivity lies well behind Wales and the UK. Wales lags 20% behind the UK in terms of the GVA produced by each worker, while Pembrokeshire trails by 25%.
- Strengthens economic resilience in a county heavily reliant on seasonal sectors and on the oil and gas sector
- This is a region that is significantly distanced from existing economic hubs and is 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. PDM will directly target this by supporting industrial growth.

#### *Industry impact*

- Support the growth of the floating wind industry that is developing at pace off the Welsh coastline.

- *Support at least 4 Pembroke Dock based Marine Energy technology developers that have over £60m of investment plans by 2023 with the facilities and support to be more productive and develop their technology and lower the cost of energy.*
- *Minimise risk for investors and establish a new export industrial opportunity.*
- *Creates opportunities for growth across multiple industries.*

#### *National Impact*

- *Grow a decarbonised energy industry that will be critical in reaching net-zero emissions targets as identified by the climate emergency.*
- *Directly contribute to UK and Welsh decarbonisation targets by enabling industry to upscale devices efficiently to harness 1GW of marine derived energy.*
- *Embeds intellectual property into Wales.*
- *Helps ensure UK energy security by creating the right facilities for industry to harness home-sourced, reliable, renewable low carbon energy.*
- *Supports UK Government strategies including the Industrial Strategy and Clean Growth Strategy, as well offer clear alignment with Wales' Wellbeing of Future Generations Act.*

## 6. Scope/Terms of Reference of the Review

<b>Programme/Project name/Enw'r rhaglen/Prosiect</b> <b>Pembroke Dock Marine</b>
<p>Pembroke Dock Marine (PDM) comprises four separate but interrelated elements that together will build on an existing energy cluster that has grown around the Pembroke Dock area, in order to develop a world class centre for blue economic development.</p> <p>The four elements are:</p> <ul style="list-style-type: none"><li>• Pembroke Dock Infrastructure (PDI) – £21.55 million, delivered by the Port of Milford Haven</li><li>• Marine Energy Engineering Centre of Excellence (MEECE) – £4 million delivered by ORE Catapult.</li><li>• Marine Energy Test Area (META) – £783k delivered by Marine Energy Wales.</li><li>• Pembrokeshire Demonstration Zone (PDZ) – £1.67 million delivered by Celtic Sea Power (formerly known as Wave Hub Limited)</li></ul> <p>The key objectives for each of the sub projects are outlined below</p> <p><b>Pembroke Dock Infrastructure (PDI)</b> – Port of Milford Haven , A reshaped port infrastructure to maximise operational efficiency for UK industry</p> <p><b>Marine Energy Engineering Centre of Excellence (MEECE)</b> – ORE Catapult, A research and innovation centre</p> <p><b>Marine Energy Test Area (META)</b> – Marine Energy Wales supported through Pembrokeshire Coastal Forum, Pre-consented and licensed zones within the Waterway for component and scaled device testing</p> <p><b>Pembrokeshire Demonstration Zone (PDZ)</b> – Celtic Sea Power, Consents and securing of Grid for the 180MW Pembrokeshire Demonstration Zone targeting both wave and floating wind technologies</p>
<b>Scope of Review/Cwmpas Adolygiad</b>
<b>Why is a review needed? Pam bod angen adolygiad?</b>
<p>The Project Assessment Review (PAR) will provide assurance to the SRO, the PoMo and Welsh and UK governments (funding sponsors) that the Pembroke Dock Marine (PDM) is being effectively managed and is delivering its objectives.</p>
<b>What areas should the Review team focus on? Ar ba feysydd y dylai'r Tîm Adolygu ganolbwyntio arnynt?</b>
<p>Specifically, the PAR will:</p> <ul style="list-style-type: none"><li>(i) Review the updated Business Case and identify any issues</li><li>(ii) Provide an independent assessment of the PDM projects in terms of their alignment, funding, engagement, governance and interdependencies</li><li>(iii) Provide a commentary on the robustness of plans and processes</li><li>(iv) Advise on any key risks and opportunities</li></ul>

## **7. Review Team findings**

### **Updated Business Case**

The Final Business Case (January 2020) has been updated with an Addendum (September 2023), which confirms the scope and parameters as remaining valid.

The addendum also reflects progress on the programme particularly in terms of procurements undertaken and the financial position.

The 'programme' is, in practice, a collection of synergistic projects being delivered in a common location towards the achievement of common thematic outcomes. The four projects are not particularly linked or co-dependent other than by the Pembroke Dock Infrastructure (PDI) upon which they all rely.

The Business Case Addendum does not seek additional funding, nor does it serve a purpose for further approvals. It is being used as a key governance tool and ensures that those organisations and individuals controlling and delivering the four projects remain in lockstep with the strategic intent. It achieves this objective.

The Review Team observed that investors (WG and UKG) appear pleased with progress and are enthusiastic about the significant potential now being developed by the programme which is showing early signs of facilities uptake and visionary intent.

Programme funding has been re-phased to reflect the change in the Swansea Bay City Deal UKG funding provision and the advantage of consuming WEFO funding whilst available. The Partner organisations (ORE Catapult, Port of Milford Haven, Marine Energy Wales and Celtic Sea Power) have all committed funds as required and have 'skin in the game'.

Pembrokeshire County Council (PCC) is the Lead Authority in the Swansea Bay Region, responsible for overseeing the delivery of the PDM programme. Whilst PCC does not provide any of the PDM funding, it does take the risk on managing the funds (interest exposure) as they flow from the Swansea Bay City Deal (SBCD) to the delivery projects in the programme.

PDM is a regional endeavour; many of the benefits will accrue to the region and to Wales more broadly, but it is fair to say that PDM really does 'put Pembrokeshire on the map'. Indeed, PDM is viewed as a key foundation of the recent achievement of Celtic Freeport status and the potential for significant benefits realisation in the area is recognised with enthusiasm by all participants.

The updated business case does its job. The focus now is on putting in place the benefits tracking mechanisms, necessary to ensure that the intended outcomes (which run to 2034 and beyond) are achieved. This will include embedding 'programmatic' benefits realisation disciplines into business as usual (BAU), enduring long after the PDM 'programme' has come to an end.

### **Component Projects**

The Review Team observed that the Pembroke Dock Marine (PDM) programme is made up of four key projects; Pembroke Dock Infrastructure, Marine Energy Engineering Centre of Excellence, Marine Energy Test Area, and Pembrokeshire Demonstration Zone. These projects, though highly synergistic in achieving the programme's outcomes, have very few inter-project dependencies:

**Pembroke Dock Infrastructure (PDI)** is the redevelopment of operational space at the Port of Milford Haven to increase efficiencies and reduce device development costs. Creating large open plan fabrication and laydown areas, land to sea transition space (including a large slipway and a number of floating pontoons), and modern office infrastructure suited to the needs of industry.

The project is nearing completion on all key deliverables, within current forecasted budgets, despite the rising costs of construction resulting from the recent global challenges (e.g. COVID, and the war in Ukraine). With only a small number of remaining activities to complete (predominantly considered snagging, and requisite documentation) the Review Team heard confidence that these tasks will be completed within the calendar year – at which point a period of 12 months of maintenance from the contractor will commence.

**Marine Energy Engineering Centre of Excellence (MEECE)** has been delivered by the Offshore Renewable Energy (ORE) Catapult and brings specialist knowledge, experience, and capability into direct contact with technology developers and their supply chains - supporting and embedding innovation within the region.

The Review Team observed that despite a compressed engagement timeline, due to early funding issues, significant engagement has been fostered between the Catapult, local Universities, and wider commercial bodies.

With exploitation of local training opportunities (such as those observed at Pembrokeshire College), and potential developments in the near future such as an Innovation Campus as an off shoot of Swansea University; the Review Team heard confidence, positivity, and belief that the nascent capability will continue to evolve and adapt to both the maturing renewable energy market, and the opportunity that the Celtic Sea provides.

**Marine Energy Test Area (META)** has delivered a number of pre-consented, non-grid connected sites in and around the Milford Haven Waterway close to the operational base of Pembroke Port at which clients can deploy and test their solutions (in part or full) in a near offshore environment.

The Review Team heard that this capability is a key enabler for MEECE and despite the renewable energy sector developing beyond the envelope of the existing consent from Natural Resource Wales (NRW), the current level of demand for the META capabilities was broadly in line with the anticipated profile, and there was confidence that it is approaching the levels necessary for self-sufficiency. The Review Team heard that activities are progressing to evolve the consent envelope (including potential risk-based assessments) and that there is the potential for this testing capability to further increase throughput and also adapt more flexibly as the renewable energy sector continues to evolve.

**Pembrokeshire Demonstration Zone (PDZ)** is a 90 square kilometre zone for commercial deployment of full-scale wave and wind arrays, providing developers with access to a logical steppingstone designed to help prove commercial viability.

The Review Team noted a number of key near-term activities that will help the sector exploit the embryonic capability; firstly the broadening of the premise of The Crown Estate (TCE) licence to help the zone support the developing opportunities being explored by the industry (e.g. wave, tide, floating wind, and hydrogen), and secondly agreement and provision of the Multiconnection Offshore Substation (MOS) capability to assist in the testing of delivery of capability to shore.



## Progress Update

The Review Team observed a palpable appetite and passion for all aspects of the programme from all parties interviewed – the programme should be commended for achieving such a strong alignment (particularly as there was the view that this is a significant turn-around from the earlier years of the delivery). There was noted a vibrant sense of the programme targeting the “right outcomes”, and that should the programme deliverables continue to be encouraged to evolve along their anticipated trajectories, they will result in a very positive outcome for the region.

Historic concerns regarding a gap in “programmatically ownership” seem long resolved with the four projects, Pembrokeshire County Council (PCC), Carmarthenshire County Council (CCC), Swansea Bay City Deal (SBCD), and Welsh Government (WG) all appearing coherent within the delivery and aligned with the desired outcomes. Early commercial engagement and funding issues appear largely mitigated, and the more complex elements of the cash flow through the respective agencies seems functional and effective, if perhaps unnecessarily circuitous.

With general consensus that the programmatic approach and objectives are those most likely to achieve the long-term outcomes, and a sweeping and passionate will to achieve, the Review Team noted expressed a desire to ensure that the drive and ambitions persist beyond the lifespan of the programme. Transitioning the PDM capabilities and ethos into nurturing steady-state delivery organisations such as the regional Corporate Joint Committee (CJC), and/or Future Energy Cluster (FEC) could be explored when the programme nears closure, maximising the positive generational impact on the region.

## Governance

Programme governance is somewhat unconventional, but it is effective. The ‘programme’ is more a ‘collection of projects’ than a true Programme in a textbook sense. This observation does not detract from its importance, nor the need for rigour in ensuring its effective delivery within the parameters of the business case. The SRO, the Partners in the PDM programme, and the SBCD Portfolio Management Office (PoMO) have all played an important role and demonstrated pragmatism. At this stage in the programme ‘if it ain’t broke don’t fix it’ would be an appropriate view on governance.

The SRO is clearly overloaded, but is overseeing the four projects (the ‘programme’) admirably. There is no formal Programme Manager, but the four key delivery Partners are co-funding a nominated Programme Coordinator, to ensure alignment of efforts, and timely Governance activities. Again, not textbook, but appears to work, largely because of the positivity and ethos of all involved. Throughout this Review, governance was not a prominent topic of concern. Indeed, PDM is viewed as a flagship part of the SBCD and the reporting and attendance at PoMO is strong, if potentially a little burdensome.

The Review Team heard that senior officials and Ministers appear pleased with progress and that there is high confidence generated from the robust, open and ‘no surprises’ approach being taken to programme governance.

Looking to the future, the role of the CJC is yet to firm up, but it is likely to play a part in bringing together regional economic projects. It would be prudent to ensure that it is best positioned to optimise project synergies rather than merely introduce additional bureaucracy.

A forward focus on benefits mapping and realisation will be key. As the PDM programme enters its latter stages, it will also be important to define a plan to completion, projects closure criteria, and the means by which the projects (and therefore the programme) will

establish 'benefits sustainment' arrangements in BAU once the PDM programme framework is dismantled.

**Recommendation 1: Reinforce the shift in governance focus from project delivery to the realisation of the intended outcomes and long-term benefits, particularly drawing on the synergies to be sustained in business as usual. (Recommended)**

## **Dependencies, Synergies, Plans and Key Processes**

The four projects have limited inter-dependencies, but very strong synergies. The individual projects appear to be robustly managed with clear processes.

The programme management is intentionally, very "light touch" with no programme management function. This appears to be appropriate at this stage, and the Review Team heard a consensus that the existing processes are working well.

The Review Team heard little from interviews about the forward plan. At this stage, it would be prudent to ensure that there is a clear understanding across the programme about the residual tasks for each project and how they consolidate into an overarching view. A burndown plan would also feed into the closure criteria for each project (and therefore the programme).

**Recommendation 2: Develop a residual activity burndown plan for the remaining funding and delivery profile of each project, consolidated in to an overarching PDM programme summary. (Recommended)**

## **Risks and Opportunities**

The Review Team observed that the programme faces a number of challenges in the coming years if it is to maximise the emerging capabilities. These primarily relate to the achievement of the intended long-term benefits of the programme rather than to the delivery of the tangible outcomes of the individual projects. They include (but are not limited to):

- end of funding from the European Union (WEFO)
- recruitment and retention of key skills
- creation of an Innovation Centre as an off-shoot of higher education (Swansea University)
- development of the skills across the existing local education establishments
- Floating Wind market uncertainty in the context of the recent failed UK government auction for offshore wind
- new sector opportunities (e.g. floating offshore wind, and hydrogen)
- technology developments/advancements
- revise the NRW consent envelope to facilitate broader marine ambitions
- evolving the PDZ TCE license agreement to adapt to the needs of industry
- the Celtic Freeport initiative and associated infrastructure development
- exploitation of key steady-state enablers such as the CJC and FEC

The Review Team heard a consistent view about what these risks/opportunities are, and the potential they bring with them for the region if they can be mitigated/exploited effectively. It is clear that all elements of the programme are very proactive in their

approach to risk, however the programme risk register itself is underdeveloped and does not appear to be current or regularly maintained.

The Review Team believes that there is a risk that the programme outcomes will not evolve in line with the risks and opportunities that will likely manifest in the coming years, and as such not be successful in maximising the enduring benefits for the region from the burgeoning capabilities the programme is delivering.

The Review Team is of the view that the programme would benefit from enhancing its approach in this area, driving the remainder of the programme based on a broad RAIDO (risks, assumptions, issues, dependencies, and opportunities) approach. It is also felt by the Review Team that this would be a key artefact to help the programme ultimately transition to a nurturing steady state operation (e.g. CJC, or FEC).

**Recommendation 3: Maintain use of a RAIDO (risks, assumptions, issues, dependencies and opportunities) approach to drive and sustain enduring outcomes. (Recommended)**

## **A Look Ahead**

The Review Team heard a great deal of enthusiasm and optimism about the future from everyone associated with this programme. There is a good grasp of the risks and challenges ahead, but there are clearly significant opportunities here. The PDM programme is creating a very strong base for the development of the offshore energy industry. The successful bid to become a Celtic Freeport creates an outstanding opportunity for continued growth. There is a consensus that there needs to be a forum that continues high levels of communication and collaboration between local government, academia and the private sector that have characterised this programme.

## **8. Next assurance review**

Further review towards the end of the programme (suggest 12 months before) to capture outcomes and benefits realisation.

## ANNEX A - List of Interviewees

The following stakeholders were interviewed during the review:

Name	Organisation and role
Rachel Moxey	Pembrokeshire County Council, Head of Economic Development and Regeneration. PDM SRO.
Cllr. Paul Miller	Pembrokeshire County Council. Deputy Leader, Cabinet Member for Place, the Region and Climate Change.
Tim James	Pembrokeshire Demonstration Zone, PDM lead 2016-Dec2021 Celtic Sea Power, Jan2022-date
Paul Ellsmore	Offshore Renewable Energy Catapult, MEECE Programme Manager
Prof. Ian Masters	Swansea University, Department of Mechanical Engineering, MEECE Academic Lead
Helen Davies	WG, Head of City & Growth Deals, Mid and Southwest Wales, SBCD Programme Board Member
Stephen Thompson	Marine Energy Wales. META Project Delivery Manager
Steve Edwards	Port of Milford Haven, Commercial Director. Pembroke Dock Infrastructure Lead
Andrew Pointon-Bell	BAM Nuttall Ltd, Project Manager – Main contractor for Pembroke Dock Infrastructure works
Gareth Ashman*	UKG, City Deal Lead, SBCD Programme Board Member
Jonathan Burnes	Carmarthenshire County Council, SBCD Portfolio Director
Nicola Lewis	Pembrokeshire County Council, Deputy Chief Finance Officer
Stephen Matthews	ERM Director of Hydrogen Ventures and CEO Dolphyn Hydrogen
Arwyn Williams	Pembrokeshire College, Head of Faculty Engineering, Computing, 14-16, Quality Nominee and Strategic Lead for Higher Education.
Jane Lewis	Carmarthenshire County Council, Regional Partnership Manager for the Regional Skills Partnership and Swansea Bay City Deal Skills and Talent Programme.

\*unable to attend

## ANNEX B - Progress against previous assurance review (18/02/2020 to 20/02/2020) recommendations

Recommendation	Status
Progress the Project as an independent entity in terms of delivery, acknowledging that its only connection to the Swansea Bay City Deal is for strategic funding purposes.	Historical
Develop a stakeholder map spanning WG/UKG, the Region, Pembrokeshire and the delivery partners, and communications plan to ensure that the decisions pertaining to the Project are not confused with broader matters.	Historical
Clarify and communicate the funding mechanism from WG/UKG to the Region to the Projects, identifying linkages, or otherwise, between requirements for funding awards and business case approvals.	Historical
Develop or update, and communicate, a delivery plan for the Project including resources, roles and responsibilities.	Historical
Establish, and communicate, a clear and comprehensive, nested approach to governance that addresses the decision-making needs at Portfolio, Programme and Project levels, including appropriate board memberships and reporting mechanisms.	Historical
Commence the delivery phase of the project without delay, subject to formal sign-off.	Historical



# Pembroke Dock Marine Business Case Addendum



<b>Document Control</b> Note: this document may not be valid anymore. Please check for the latest approved version of the document
<b>Date: 13<sup>th</sup> September 2023</b>
<b>Version:</b> <b>PDMAddendumFBCv2</b>
<b>Author: PDM Partners</b>
<b>Owner: Rachel Moxey</b>
<b>Sign Off:</b>

## Contents

<b>1. Purpose</b>	<b>3</b>
<b>2. Overview and Progress Summary</b>	<b>3</b>
<b>3. Vision</b>	<b>7</b>
<b>4. Programme Scope and Status</b>	<b>7</b>
<b>5. Strategic Case</b>	<b>10</b>
<b>6. Economic Case</b>	<b>22</b>
<b>7. Commercial Case</b>	<b>31</b>
<b>8. Financial Case</b>	<b>34</b>
<b>9. Management Case</b>	<b>42</b>

## Appendices

Appendix A - PDM Progress Summary	
Appendix B – PDM Funding Agreement	
Appendix C – Change Notifications	
Appendix D - Construction Impact Assessment	
Appendix E – Social Benefit Case Study	
Appendix F – Community Benefits Register	
Appendix G – PDM Private Sector Contribution Report	
Appendix H - PDM Programme Board Terms of Reference	
Appendix I - PDM Q1 Monitoring report 2023/24	
Appendix J – Benefits Register	
Appendix K – Risk Register	
Appendix L – PDM IAAP	



## 1. Purpose

This addendum to the Pembroke Dock Marine (PDM) Business Case has been prepared by the PDM partners and overseen by the PDM programme Senior Responsible Owner (SRO) with guidance from the Swansea Bay City Deal Portfolio Management Office (PoMO).

The PDM partners have utilised the SB CD Business Case Update guidance in the preparation of this addendum.

The purpose of this addendum is to:

- update the approved OBC with any significant changes to the project eg: scope, benefits, financing, governance
- continue to demonstrate the strategic alignment, the validity for the intervention, value for money, commercial viability, affordability and deliverability of each of the project elements
- reflect progress on the programme particularly in terms of procurements undertaken
- provide an update to the status of the programme in readiness for the forthcoming Gateway Review in September 2023

This addendum has been approved by the programme SRO and signed off by the PDM Board. The addendum will be presented for information through Swansea Bay City Deal (SB CD) regional governance process.

## 2. Overview and Progress Summary

Pembroke Dock Marine is a collaboration between four complementary partners, Port of Milford Haven (PoMH), Offshore Renewable Energy Catapult (ORE), Marine Energy Wales (MEW) and Celtic Sea Power (CSP). Each partner is progressing through delivery of their respective elements following approval of the Outline Business Case and Business Plan in July 2020 and in the most part, the content of the approved business case is still valid. Where changes from what was approved have occurred, they have been stated in this document.

In the Outline Business Case, Executive Summary, we said that we would “build on an existing energy cluster that has grown around the Pembroke Dock area, in order to develop a world class centre for blue economic development”, and “act as a catalyst for what is a powerful suite of global markets, by offering unrivalled location, knowledge and expertise, supply chain and connectivity benefits. It will help to nurture developing technologies, most immediately acknowledging the real and immediate opportunity presented by the nascent marine energy sector”.

An overview of the PDM programme is shown below.





<b>Element:</b>	<b>Marine Energy Engineering Centre of Excellence</b>	<b>Pembroke Dock Infrastructure</b>	<b>Marine Energy Test Area</b>	<b>Pembrokeshire Demonstration Zone</b>	<b>Combined outputs</b>
<b>Delivered by:</b>		 Port of Milford Haven		 CELTICSEAPOWER #PHERY#MORCELTALIDD #MERTHWONKELTEK	<b>Pembroke Dock Marine Consortium</b>
<b>Headline Deliverable:</b>	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
<b>Total SBCD</b>	£3.34m	£21.66m	£0.54m	£1.67m	<b>£27.21m</b>
<b>Full Cost</b>	£8.45m	£48.11m	£0.62m	£5.82m	<b>£62.99m</b>
<b>% Capital Spend</b>	100%	100%	15.7%	0%	<b>89.92%</b>

Table 2.1 PDM Programme Overview

In under two years of full delivery, this activity has already established the credibility of the South Wales supply chain, including Ports, in terms of delivering floating wind in the Celtic Sea. This is evidenced by the change in approach taken by The Crown Estate (TCE). In 2020, TCE was only offering ad hoc sea bed leases for projects up to 100MW of Floating Wind. In 2021, this then progressed to TCE considering ad hoc approaches of up to 300MW. Through work done by the Cornwall Flow Accelerator, supported by both Celtic Sea Power and ORE Catapult, and significant lobbying by both partners, TCE’s ambition has grown rapidly, with a formal leasing round of 4GW announced in 2022.

Pembroke Dock is now home to five Celtic Sea project developers, RWE, Hiraeth Energy, Floventis, Blue Gem Wind and DP Energy. Marine Energy Wales’s 2023 state of the sector report highlights over 280 FTEs employed in the Marine Energy Sector in Pembrokeshire across 6 principal areas covering design, construction and technical disciplines as well as support services. The state of the sector report also ranks those organisations who are the most active collaborators in the sector, with ORE Catapult and PoMH in the top three of this list closely followed by Celtic Sea Power.

### Port of Milford Haven

PoMH has leveraged the work done through PDI to develop and launch a Haven Energy Cluster, with a decade-by-decade energy vision ([milford-haven-waterway-future-energy-cluster.pdf \(mhp.co.uk\)](https://mhp.co.uk/milford-haven-waterway-future-energy-cluster.pdf)) and participate in a successful bid for Freeport status, which was focused on both Floating Wind and green hydrogen and has been able to make a credible bid into the FLOWMIS fund. ([Freeports Programme in Wales selection decision-making note - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/freeports-programme-in-wales-selection-decision-making-note))

## **Celtic Sea Power**

Celtic Sea Power have led and delivered the £6m Cornwall FLOW Accelerator, a collaborative project involving OREC, Universities of Plymouth and Exeter. The project ran a coordinated series of data campaigns to provide a pilot for an integrated development process to accelerate project timelines and reduce the carbon cost of surveying. This data included; wind resource, metocean, digital aerial bird & mammal, airborne lidar derived bird flight height. The spatial extent of the survey areas included Welsh, Cornish and Isles of Scilly Celtic Sea waters.

The project also aimed to kick start a sustainable regional industry by collaborating with regional ports and regional companies to expand capacity, skills and workforce so that they can form a key part of the supply process. This included start-ups, SME's and large enterprises. The business support provided was underpinned by research and development carried out by the partners in low carbon technologies and methodologies for the installation and maintenance of floating offshore wind turbines. This included the development of simulator and modelling tools developed to answer some of the key strategic and operating questions surrounding the holistic, and sustainable, industrialisation of Celtic Sea FLOWnd Worked collaboratively with Marine Energy Wales and OREC to drive the establishment of the Celtic Sea Cluster.

## **ORE Catapult**

ORE Catapult has delivered the £4.2m Milford Haven Energy Kingdom project from the MEECE office in Pembroke Dock, establishing the region's credibility in the hydrogen space. ([Milford Haven: Energy Kingdom \(pembrokeshire.gov.uk\)](https://www.pembrokeshire.gov.uk)) The standing of this cluster has been reflected in RWE's decision to base their own Net Zero Centre here.

## **Marine Energy Wales**

Marine Energy Wales hosted their 2023 national conference in the Swansea Bay City Deal funded Swansea Arena to over 500 industry professionals showcasing the region to the world. The intention is to hold the 2024 conference at the same venue.

The MEW Marine Energy Test Area (META) project has obtained licences and consents to operate five test areas within and adjacent to the Milford Haven Waterway. These provide developers and researchers the opportunity to conduct test and development of marine renewable energy systems and components in a timely and cost-effective manner. The Scope, Benefits, financing and governance of the project (in its delivery phase) have not materially changed since approval of the original business case in July 2021. Where no significant changes have occurred, the relevant sections in this document have been left blank.

The strategic alignment with net zero has strengthened and market developments around floating offshore wind and green hydrogen in parallel have significantly increased the likelihood that Pembrokeshire and the Swansea Bay City Region will be able to capture and exceed the original outcome related targets.

Since the original business case was submitted the size of the market opportunity has grown.

Whilst SBCD funding focused activity is on track to deliver, SBCD funding was also meant to be used as a catalyst to draw in and create future collaborations that aligned with the original vision of the project. Since approval, the partners have been integral in establishing and enhancing collaborations benefitting Pembrokeshire, the Swansea Bay City Region and wider region. Of most note, these collaborations include:

Celtic Freeport Status Secured: Collaboration between Pembrokeshire Council, Neath Port Talbot Council, Port of Milford Haven and ABP.

<https://www.celticfreeport.wales/EN/pages>

With development sites throughout Neath Port Talbot and Pembrokeshire, the Celtic Freeport will:

**Support 16,000  
new green jobs**

**Generate £5.5bn  
of new investment**

**Accelerate the  
roll-out of floating  
offshore wind**

Marine Energy Wales, supported by CSP and OREC have established the Celtic Sea Developers Alliance (CSDA).

The CSDA has over 25 private sector members which include oil and gas majors such as BP, RWE, Orsted to name a few. The CSDA promotes the opportunity that exists in the Celtic Sea for floating offshore wind to support the UK and Ireland's drive towards net zero and energy security. The CSDA facilitates collaboration and engagement between Floating Offshore Wind (FLOW) developers to advance the sector and support the delivery of floating wind energy in the Celtic Sea region.

<https://www.marineenergywales.co.uk/support/celtic-sea-developer-alliance/>

The Celtic Sea Cluster. A Collaboration Between CSP, MEW and OREC, Welsh Government and Cornwall and Isle of Scilly LEP. The CSC has been established to help drive market creation for floating wind, accelerate supply chain readiness and develop a strategy for enhancing regional infrastructure.

<https://celticseacluster.com/wp-content/uploads/2022/11/CELTIC-SEA-REGIONAL-STRATEGY-24-11-2022-LQ.pdf>

In addition, OREC is a partner in PCC's bid for funding into the I-UK LaunchPad programme, led by NET Zero Industry Wales.

An update on the main areas of progress on the Pembroke Dock Marine programme over the last 2 years is attached at Appendix A.

### 3. Vision

The vision of the PDM project is still as per the original business case and is to collaboratively address barriers for the marine energy industry through the provision of early and commercial stage testing facilities, greater capacity in port infrastructure and increased collaboration with academic and innovation stakeholders.

### 4. Programme Scope and Status

While the PDM programme retains its original scope and purpose, there have been changes to the context and emphasis relating to the specific project elements.

Both the Pembroke Dock Marine Business Case and the PDZ Business Case update from 2020 (shared with The Crown Estate, WEFO and Welsh and UK Government, through the Swansea Bay City Deal) specifically referenced FLOW as an area where the PDZ should expand into, recommending that the PDZ should accommodate more technology options especially offshore wind on floating foundations (floating wind).

Since then, increased clarity around the pathway for FLOW Commercialisation, how those projects will connect to the UK energy system and the regulatory reforms required to achieve this have developed. In addition, there is increased interest around co-location of different technologies and increased interest in the use of green hydrogen as an energy vector supporting the decarbonisation of the heat, power and transport network.

Future proofing the PDZ site to support the applicability of a broader range of marine technologies as society pushes to Net Zero in a way that draws inward investment in, provides opportunity for innovation and levelised cost of energy reduction is key and should be seen as a priority for Wales and the UK.

The general philosophy behind the establishment of META as a series of pre-consented sites in which developers and researchers can conduct trial in real world conditions still stands.

There have been significant changes in the general landscape of business and industry due to well appreciated factors such as BREXIT fully impacting at all levels of administration and commerce, COVID and the attendant changes in working practices, and cost and supply chain effects from world events such as war in the Ukraine. All work in energy related activities – and especially so in the case of projects which are to a greater or lesser extent dependant on government support – are impacted by the changes and volatility in energy prices, and the competing demands on government funds from for example the cost of living crisis.

These have impacted on the availability of funding for research and development activities. Nevertheless, the Welsh Government commitment to renewable energy, and to a significant presence in that sector of local marine renewable energy, and of local companies and people, stands. This aligns well with the ethos of META, in allowing testing of scale and components of a range of marine renewable energy (MRE) devices.

It is fair to say that the “crystal ball glazing” prior to the inception of META has not matched exactly with what has happened. But this is not at all a surprise in such a rapidly evolving industry, where goals and approaches can change very quickly. META has seen more components of MRE devices, or early stage devices, tested rather than fully developed devices. This is by no means a bad thing –

such components have the ability to be used in many ways in various technologies, and therefore provide a great degree of versatility. The META berths have been used at an occupancy factor in line with predictions, and the timeline as at 2.6 “Pembroke Dock Marine Combined High Level Delivery Schedule” is on track.

META is working closely and well with all PDM partners, and especially closely with MEECE, as anticipated in the PDM initial business case document. It is indeed the case that “the whole is greater than the sum of its parts”.

All of the objectives identified in “2.9 Element 3: Marine Energy Testing Area (META)” have been and/or are being met on an ongoing basis, and those elements in “2.11 Investment Objectives” allocated to META are achieved.

The MEECE project has completed the WEFO-funded part of its delivery successfully. The project was always heavily dependent on delivery resources that the university partners would provide, and the universities were only able to join the MEECE consortium once City Deal funding was confirmed. The significant delay to City Deal confirmation effectively reduced what had been planned as a 45 month project to less than 18 months of full delivery. Nevertheless, and notwithstanding the issues caused by Covid, MEECE was able to reach most of its output targets:

	MEECE Target	Total Claimed
New to Firm	30	49
New to Market	30	41
No of Employees	50	19
Collaborative Partners	60	113
Non-Financial Support	70	42
Patents	10	8
Private Investment	£1,700,000	£2,447,203

*Table 4.1 MEECE Output Targets*

As seen from the Table above, the only target that was significantly undershot was that for “new employees”. This number is an underestimate because of the shorter duration of delivery than planned, interventions such as MEECE was able to deliver take time to feed through to jobs growth.

Pre-Brexit, the intention was to apply for WEFO ERDF funding for a follow-on MEECE2 project. In the absence of ERDF funding, and no like-for-like replacement from UK Gov, this has not been possible. The scope and emphasis for the MEECE legacy operation is unchanged, however. MEECE will still be focused on supporting innovative Welsh companies and aiming to operate on the “thirds model” of funding that the wider Catapult organisation attempts. The MEECE team will be exploring all available funding routes to achieve this. We have bid into PCC’s Shared Prosperity Fund, are partners PCC’s Launchpad funding bid, are engaging with Welsh Gov on it’s SMART FIS funding activity, and are actively benefitting from industry funding, supported through EDGE Innovation vouchers.

Wavehub Development Services Limited Have been re-branded to Celtic Sea Power (same Company Number/registered address).

Celtic Sea Power Limited's (CSP) purpose is to maximise the once-in-a-lifetime economic opportunity that the Celtic Sea Floating Offshore Wind (FLOW) initiative represents, with a potential GVA benefit as high as £1.96bn.

Recognizing that neither Cornwall, the Great Southwest, Wales, or Ireland can build the Celtic Sea FLOW sector alone, and that no region or organisations holds all the necessary levers of power needed to "get it done", we are fully involved in the coalition strategy that has become the Celtic Sea Cluster and owns Celtic Sea Regional FLOW Strategy. CSP has this strategy at the heart of our business plan, and it shapes all our activities.

1. Lead Region – influence of key stakeholders, in particular BEIS, TCE, and National Grid, is crucial here.
2. Refine Market – the acceleration of offshore development and introduction of market/regulatory regimes to encourage front-loaded regional industry investment is essential if our regional businesses are to maximise early leader advantage from delivering Celtic Sea FLOW.
3. Accelerate Industrialisation – we can't accelerate Industrialisation if we don't address the bottlenecks head on. Port infrastructure and grid connectivity are key, however coordination of effort (be it in use of ports/ operating strategies or through shared offshore grid) is going to be essential if we want deliverable, streamlined industry. The PDZ Sits within this functional area.
4. Develop Cluster – this has always included an ambition to develop scale within our supply chain, however there is also the consideration of how the impact of FLOW can unlock barriers to decarbonizing existing industries (ports and steel) and the development of essential low carbon industries (lithium extraction, hydrogen production, geo-resources)
5. Align Cluster Support – there is a plethora of research needs, funding, and protagonists. We are developing a forward view of what critical research, testing and validation is going to be needed and believe that regional coherence is essential if we are to be efficient. Collaboration continues to be essential.

## 5. Strategic Case

The PDM programme continues to be delivered through an established working partnership of public and private sector organisations. Pembrokeshire County Council are the lead authority for the programme, having a legal funding agreement with the Accountable Body for the SBCD. A summary of each of the partners' roles is included in the table below:

Organisation	Role
Pembrokeshire County Council	Lead Authority Planning Authority
Offshore Renewable Energy Catapult	Leading Marine Energy Engineering Centre of Excellence
Pembrokeshire Coastal Forum (PCF)	Provision of at sea test and development facilities for MRE technologies, through META.
Port of Milford Haven	Pembroke Dock Infrastructure delivery
Celtic Sea Power	Funding Recipient for the PDZ Element

*Table 5.1 PDM Partnership Organisations*

### 5.1 Strategic Alignment

The strategic alignment of the programme has been reviewed. It remains aligned with, and will help to deliver, local, regional and national policies and strategies. Since the approval of the original business case, several key policies and strategies have been introduced to which the PDM programme will directly contribute. In particular, there has been an increase in emphasis on renewable energies, achieving net carbon zero targets and moving towards a green economy.

Therefore, in addition to those detailed in the original business case, the programme is also aligned with the following recent key policies and strategies:

#### **UK Level**

Levelling Up White Paper  
 UK Growth Plan  
 UK Government Net Zero Strategy  
 Freeports Programme  
 British energy security strategy  
 Powering Up Britain

#### **Wales Level**

Wales Innovates Strategy  
 SWW Regional Economic Framework  
 Renewable energy deep dive: recommendations  
 Net Zero Wales Carbon Budget 2 (2021-25)  
 Review of Wales' Renewable Energy Targets



## Regional Level

SWW Economic Delivery Plan  
SWW Draft CJC Corporate Plan  
SWW Regional Energy Strategy  
Pembrokeshire's Local Area Energy Plan

Each of the PDM project elements also make a direct contribution to specific sector policies and strategies.

**MEECE:** While there have been many new and revised strategic policies announced and adopted by UK and Welsh Governments, none of these are at odds with the originally stated strategic alignment of the PDM business plan, and indeed many have strengthened that alignment, including the British Energy Security Strategy and the UK Hydrogen Strategy, and the Crown Estate's intention to auction seabed in the Celtic Sea to deliver at least 4GW of floating wind by 2030..

**PDZ:** An update on policy contribution and alignment can be found here [PDZ Strategic Context Update.docx](#)

## 5.2 Investment Objectives

The original investment objectives for the programme have been reviewed and a status update included in the table below:

Investment Objective	Status
PDM IO 1: Successfully create the assets and direct deliverables as a result of the City Deal Finance within the given 5 year window commencing July 2019	No change
PDM IO 2: Successfully attracts £60m of additional inward investment from technology developers within the SBCR area within the by 2024 years.	Evidence of regional inward investment is highlighted in the MEW State of the Sector Report 2023.  <a href="https://www.marineenergywales.co.uk/wp-content/uploads/2023/06/MEW-2023-State-Of-The-Sector-Report.pdf">https://www.marineenergywales.co.uk/wp-content/uploads/2023/06/MEW-2023-State-Of-The-Sector-Report.pdf</a>
PDM IO 3: Direct job creation of 35-40 FTEs with PDM partners from year 1-5	No Change. All PDM Partner employees on permanent employment contracts.
PDM IO 4: MEECE / META successfully attain legacy through further project collaboration and Funding applications (targeting at least 2 per year in year 2, 3,4 and 5 (total 8)	No change. Target of 8 funding bids by the end of year 5 is considered easily achievable. Recent bid submitted to PCC's Shared Prosperity fund for £230k to deliver a South Wales cohort of our FIT4 Offshore Renewables programme, with commitment from a commercial Project Developer to match that funding with Private funding.
PDM IO 5: Promote PDM as part of the Welsh and UK offer to global energy industry through dedicated social media updates a year and at least 5 national / and international events targeting energy sector.	No change. <i>OREC, MEW and CSP are founder Members of the Celtic Sea Cluster, which represents and promotes the Wales and South West floating</i>

	<i>wind supply chain. MEW Chairs and provides the Secretariat for the Celtic Sea Developers Alliance, which brings together around 25 organisations with interest in developing projects in the Celtic Sea. This Investment Objective is embedded in the day to day operations of the partners.</i>
PDM IO 6: Ensure resilience through diversity, contract use of space in the newly created areas from at least 3 different industries covering, marine energy, precision engineering for other sectors (e.g. Oil and Gas), decommissioning, aquaculture, ship building & nuclear within 3 years of development completion.	No change.
PDM IO 7: Use PDM inward investment and economic output data to support UK Government on marine energy industry revenue support strategy.	No change
PDM IO 8: Subject to successful sector deal for Marine Energy / Floating Wind, successfully attract £300m of additional private investment into the region from technology developers targeting deployment in the UK between 2021 and 2031.	<i>No change. no sector deal for Marine Energy although FLOW is covered in Offshore Wind SD – Update. Magallanes have secured a CfD from AR5, for their deployment in Morlais, and 5 other tidal developers have bid into ARD, including QED Naval, who announced, in Jan 21, a base of operations at Mainstay Engineering Ltd. In Pembroke Dock. Three floating win developers have opened offices in Pembroke Dock. Their teams’ salaries alone are likely to exceed the target of £300k of private investment by 2031.</i>
PDM IO 9: Subject to successful sector deal for Marine Energy / Floating Wind, successfully attract £110m of additional investment to build Phase 3 of the Pembrokeshire Demonstration Zone by the end of year 7	<i>No change. Change to CSP. Timing end of year 7. (Looks to align with the Project Change Request agreement to extend target to 2026.</i>
PDM IO 10: Increase supply chain awareness and utilisation of PDM as an asset and engage with the end users to enable reporting on supply chain employment retention and creation of staff.	<i>No change. This IO has largely been delivered through setting up the CSDA and CSC . ORE Catapult, and CSP, through inter-alia CFA, have been delivering workshop events at which developers meet with supply chain companies.</i>
PDM IO 11: Increase the level of local employment / skill development opportunities in the blue economy in collaboration with the Skills and Talent Lead.	No change.

*Table 5.2 PDM Investment Objectives Update*

### 5.3 Existing Arrangements

The Existing Arrangements are described in detail in the original business case and therefore this section is unchanged.

## 5.4 Business Need

The Business Need justification is provided in detail in the original business case and has been reviewed by PDM partners.

There is no material change for the PDZ / CSP. Through their commission of Apollo Engineering, Aquaterra and Marine Energy Wales, stakeholder engagement exercise was undertaken to review and update the business need for the PDZ confirming the requirements in the original business case.

This involved a total of 20 individuals being interviewed across 18 different organisations. A broad range of organisations, primarily from the wind and wave sectors, were involved including developers, service companies, academic institutions and industry bodies.

A range of opinions were offered in relation to areas of R&D need, R&D facilities, R&D spend and the PDZ itself.

Some of the most common and noteworthy findings were as follows:

- An ideal test site would have:
  - Pre-consented status
  - Wide design envelope
  - Grid connected
  - Adequate capacity and space for multiple devices
  - Specialist support teams
  - Standard and certification services
  - Good geographical accessibility
  - Proximity to ports, vessels, larger pipeline projects and offtakers (hydrogen specific)
- The PDZ could fit in well with the 'R&D pathway' in the region, following on from tank testing facilities and small-scale real sea testing facilities. These facilities (universities, META) and others highlighted the need for partnerships and clear communication of the pathway.
- The importance of an anchor project, an initial piece of largescale testing that shines a light on the facilities and draws in users
- The potential for shared assets such as open-access platform that could be used for testing technologies and components
- Clear timescales are required to allow potential users to plan for the use of PDZ
- Wave energy remains relatively underdeveloped and a lack of a clear route to market does not currently incentivise large scale demonstration
- Technology developers noted a greater need for floating platform testing
- Project developers are not yet thinking about platform testing but many acknowledge that they will in the future

Access to funding was identified as the most significant challenge, with the lack of access to EU funding a concern particularly for universities, government funded bodies and the wave sector.

No significant changes to business need has been identified relevant to META / MEW, but experience in the utilisation of META sites and resource to date reinforces the statements in the original business case section 3.7. Since the production of the initial business case, the plans for

FLOW, and the amount of planned capacity, have expanded. This has not been to the detriment of the other MRE sectors – it is not the case that FLOW is expanded at the expense of other MRE sectors yet. This increase in FLOW aspirations may offer wider possibilities for META testing of components and supporting services for the full range of MRE activities.

In relation to MEECE a major change to the business need case came in November 2019, when Boris Johnson extended the UK's target for installed offshore wind from 30 GW by 2030 to 40 GW by 2030. In April 2022 this target was again extended, to 50 GW by 2030, and an expectation that at least 5GW of this would come from floating offshore wind. Subsequently, The Crown Estate has published its intention to lease sea bed in the Celtic Sea to enable 4GW of floating wind to be delivered by 2035. As the UK's leading technology innovation and research centre for offshore renewable energy, the need for an ORE Catapult Operation in Pembrokeshire, to support UK supply chain companies capture value from the developments in the Celtic Sea has never been so evident, and the decision by PCC to approve the PDM business case has been fully justified.

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

## 5.5 Programme Scope

The scope of the PDM programme as detailed in the original business case has been reviewed.

The scope of the PDZ project element has been updated as follows:

### Core

- Pre-consented status
- Appropriately Wide design envelope
- Adequate capacity and space for multiple devices
- Specialist support teams
- Anchor Project to draw in users, ideally grid connected.

### Desirable

- Grid connected
- Adequate capacity and space for multiple devices
- Specialist support teams
- Standard and certification services
- Good geographical accessibility
- Proximity to ports, vessels, larger pipeline projects and offtakers (hydrogen specific)

## 5.6 Main Benefits

The main benefits listed in the original business case are all still relevant and achievable.

The PDM programme has defined outputs, outcomes and impacts and undertakes monitoring and reporting on benefits on a frequent basis, updating its benefits register and reporting to the PDM Programme Board and SBCD Governance boards.

The following outputs, outcome and impacts are detailed in the funding agreement between Pembrokeshire Council as lead authority for the PDM programme and Carmarthenshire Council as the SBCD Accountable Body (Appendix B).

Project AGREED OUTPUTS						
Benefit No:	Benefit Description	Benefit Target	Targeted End Achievement Date	Year Time Value		
				Syrs	10 yrs	15yrs
IP 1	Land based infrastructure and premises (PDI)	60,629 sq m	2024	100%	na	na
IP4	Submission of PDZ EIA and Planning application	Progress towards Marine Licence / EIA / Terrestrial Planning application /DCO	end 2023	100%	NA	NA
IP5a	META Phase 3a	Progressing and transitioning from pre-operational to an operational test centre, including commercial undertakings, resource data collation and site characterisation to enable developer and supply chain testing and support academic	Q2 2022	100%	NA	NA
IP5b	META Phase 3b	Adhering, and adapting to, regulatory requirements i.e consent conditions and new variations, including marine licensing and TCPA applications etc, to meet the needs of the evolving industry and wider blue economy	Q4 2025	100%	NA	NA
IP6a	Creation of 35-40 FTE direct employment during delivery phase	3 to 4	Q4 2024	100%	NA	NA
IP6b		upto 25				
IP6c		up to 4.5				
IP6d		2.5 to 3				
IP7	MEECE/META legacy funding secured	2 applications per year to 2024	Q4 2024	100%	NA	NA

Table 5.3 PDM Outputs

Project OUTCOMES						
Benefit No:	Benefit Description	Benefit Target	Targeted End Achievement	Year Time Value		
				5yrs	10 yrs	15yrs
IP2	Private sector funding leveraged for the SBCD project	£ 13.446m	2024	100%	na	na
IP3	Private sector funding leveraged as a result of additional economic activity	£60m	end 2024	100%	na	na
OP1	Gross jobs indirectly created by the SBCD project	1881	31st July 2034	300	1200	1881
OP2	Gross Value Added (GVA) - net additional	£74m pa (£343.4m cumulative)	31st July 2034	Calculated from OP2 using Green Book Formulae		
OP3	Land value uplift	£0.177m	31st July 2034	0.177	NA	NA

OP4	Wage premium	£78.8m (£6000 per job against welsh average)	31st July 2034	Calculated from OP2 using i Green Book Formulae		
OP5	Environmental benefit (CO2 saving)	£8.2m	31.July.2034	0.5	3	8.2
OP6	Contribute to UK and Welsh decarbonisation targets	1000MW	31.July 2044	2	200	1000
OP7	Fabrication buildings	16,800m3	0	2500	7400	16800
OP8	inward investment between yrs 5-15	£300m	31.July.2034	0	100	300
OP9	PDZ Phase 3	£110m	2026	0	110	110
OP10	Multi-sector application	3 different sectors contracted to use space/facilities	end 2027	1	2	3
OP16	Promote PDM as part of the Welsh and UK offer to global energy industry.	5 national / and international events	Q4 2024	100%	NA	NA

Table 5.4 PDM Outcomes

Project IMPACTS						
Benefit No:	Benefit Description	Benefit Target	Targeted End Achievement Date	Year Time Value		
				5yrs	10 yrs	15yrs
OP11	Increased supply chain awareness of industry opportunities		31-Jul-34			
OP12	Supply chain employment retention and creation of staff		31-Jul-34			
OP13	Increased local employment		31-Jul-34			
OP14	Increased skills development		31-Jul-34			
OP15	Use PDM inward investment and economic output data to support UK Government on marine energy industry revenue support strategy.		31-Jul-34			

Table 5.5 PDM Impacts

In addition to the main benefits, the partners regularly report wider community benefits through the Community Benefits Register which is also reported to PDM and SBCD Boards. PDM project is making a significant contribution to the delivery of these.

## 5.7 Main Risks

The major risks in the original business case are still relevant, but with a greater understanding now of the likely timescales (which had been identified as a main risk).

PDM risks are actively managed and reported to the PDM Programme Board and SBCD PoMO and governance groups through the mandated risk register.



The main risk associated with MEECE was the possibility that it might not have been able to agree working relationships with the universities. This risk can be retired, as a consortium agreement was formalised with the 4 universities, and the WEFO-funded part of MEECE has now been delivered.

Specific to META, the possibilities identified in Section 3.14 remain valid, and some of these (e.g. “Developing/demonstrating autonomous/remote controlled vessels, surface and underwater” & “Demonstrating/verifying novel techniques for anchoring/mooring solutions”) have been undertaken at META sites. There have also been additional possibilities undertaken (e.g. Testing of novel, low embedded carbon content, concrete, and Testing of scour protection systems designed at the outset to enhance biodiversity) which had not necessarily been considered with the original business case.

Access to requisite skills is considered a risk – PCF are participating in the “Destination Renewables” project intended to provide learners with knowledge of the pathways into the MRE industry. This will support the development of a high skilled workforce who can take up the well rewarded, and rewarding, posts.

The difficulties associated with Consenting is identified as a risk, and contact with developers and METAs own direct experience since production of the original business case would support this identification. In order to address this risk, MEW provides the secretariat for the Consenting Strategic Advisory Group, CSAG. This group brings together MRE developers, regulators such as Welsh Government and NRW, and relevant NGOs, and provides them with a forum for open, productive discussion intended to resolve any identified consenting challenges associated with the deployment of marine energy projects, and to work together to support Welsh Ministers aspirations related to MRE.

All of the META related content in original business case Table 3.5: “Main business and service risks” is actively being addressed.

For the PDZ, the main risk, which is also an opportunity is that the most viable use of the zone (in the short term at least) is for technologies that do not fall within the definition of what the current lease defines the zone can be used for. It currently can be used for test and demonstration of wave and tidal energy, and includes within the rights of the leaseholder the ability to build and maintain enabling infrastructure such as substations, which is what CSP’s focus has been over the last 18 months.

Floating Wind, Power to X (Hydrogen) and forms of co-location (i.e. two technologies sharing the zone) and hybrid (i.e. two technologies on the same device or platform) did not exist when the Wave and Tidal test and demonstration lease was first issued in 2014. Their inclusion was specifically highlighted as an area of need in a technical and commercial feasibility study that was commissioned in 2017 and was used to inform the business case and been re-enforced by a number of industry reports, consultations and CSP’s own work to review the potential for RD&I in the Pembs Demo Zone.

Since July 2021, floating wind test and demonstration generation projects have come forward and CSP’s studies have shown there is a significant saving to the developers (and ultimately the UK tax payer by accommodating the power needs through an offshore substation potentially in the PDZ.

By having an offshore grid connection, the ability to then use that asset to bring in wave energy developers and realise the original leases potential can be maximised. However, only allowing a single technology to use the area does present the risk of anything being consented being a stranded asset.

CSP are in close dialogue with The Crown Estate about varying the use of the zone to include other forms of Test and Demonstration Activity to ensure the compliance with outdated and no longer fit for purpose lease is maintained and the PDZ area can secure the longer term outcomes as set out in the approved business case.

## 5.8 Main Constraints

The main constraints in the approved business case have been reviewed and the following update provided:

- Environmental Consenting and Licensing for PDZ, META and PDI; **No longer relevant for PDI and META (phase 3). Current for PDZ & may be requirement for future consenting as part of META.**
- PDI Land acquisition (preferably by negotiated settlement but potentially via Compulsory Purchase Order (CPO)); **Current.**
- Wider legislation, such as the Wellbeing of Future Generations Act; **Current**
- Compliance with WEFO funding rules; **No longer relevant.**
- Provision of satisfactory terms and conditions associated with the SBCD funding; **Current**
- Management of potential City Deal borrowing and associated interest costs whilst annual payments from UK Government are transferred over the 15 year period. **No Longer Relevant**
- Securing relevant Board approvals for relevant match funding from element leads, **No longer relevant.**
- And; For wave, tidal stream and floating wind – lack of ongoing financial support from UK government to lower the cost of energy will hamper industry growth beyond prototyping in the UK. **Current**

In addition to these constraints,

- MEECE and PDZ now have to operate within new Subsidy Regime, which replaces WEFO's State Aid rules.
- PDZ – TCE lease is currently restrictive (test and demonstration of wave and tidal stream) and needs to be broadened to include FLOW and other opportunities. CSP have made that expectation clear to TCE and are in the process of securing agreement on this.

## 5.9 Main Dependencies

The dependencies in the original business case have been reviewed and are a good representation of the programme dependencies. What they do not fully present is the full benefit of the networking and ease of collaborative working that has developed within the two years of the project to date, to the benefit of the project in general and the SBCD region as a whole.

Additional project specific dependencies:

- PDZ -TCE lease revision
- PDZ MOS – Environment needs to be created where the T&D developers can progress their optioneering to include the PDZ MOS as a serious consideration. Offshore Co-ordination is evolving in its regulatory thinking and the opportunity exists should the developers 'opt' to progress. However, hereditary commercial thinking is limiting the appetite within the developer

community and CSP do not have the influence to force co-ordinated thinking. This is a role for The Crown Estate, Welsh Government and Local Government as well as OFGEM and DEZNZ and CSP are working to provide the evidence to those stakeholders to identify the key changes required.

## 6. Economic Case

### 6.1 Critical Success Factors

The Critical Success Factors have been reviewed and are presented below:

- Strategic fit and business needs; Alignment demonstrated with key UK, Wales and regional policy and indicated in the Strategic Case. Meets Investment Objectives and responds directly to identified business need
- Value for money; Maximises benefits to the region. Costs have risen due to inflation, but the potential benefits have risen by a far greater amount, due to the developments in the Celtic Sea. The value to society of the initiatives delivered through PDM are considerable and strengthened. VFM is considered to be greater than when the original business case was approved.
- Achievability; Programme remains feasible and deliverable and has progressed significantly since approval. This is clearly demonstrated for MEECE and PDZ, and META as all elements have completed delivery of the WEFO-funded part of the Programme, with the PDI element's ERDF phase on track to deliver by the end of 2023.
- Supply-side capacity and capability; established and reputable construction companies procured through competitive processes
- Affordability; demonstration of funding secured to deliver PDM and all partners are committed to ensure delivery through appropriate funding

### 6.2 Changes to Original PDM Programme Scope

There are no material changes recorded for the scope of the programme. Change notifications have been submitted as follows and are attached at Appendix C.

*PDM submitted a change notification to move the target and achievement dates for IP 1 from 2024 to 2025 and IP 6 from Q 4 2024 to Q4 2025. This change was approved by PDM Board in September 2022.*

*PDZ submitted a change notification request that was approved by PDM Board in May 2023. This Notification requested an update to the timing of IP 4 to 2026 and OP8 to 2028. [PDM Change Notification 2 PDZ \(1\).pdf](#)*

#### Part 1. Revisit the OBC options:

### 6.2 Options Appraisal

The options within the original business case have been reviewed. As there are no significant changes to the scope, service solution, service delivery, implementation or funding of the programme then the outcomes of the options appraisal remain unchanged and the preferred option has been taken forward for delivery.

### 6.3 Economic Appraisal

The PDM partners have reviewed the economic appraisal undertaken for the original business case and concluded that there are no substantive changes to the costs, benefits, risks and VfM of PDM. As the main program level costs, impacts, benefits and risks are not materially different from what

was included in the approved business case, a further economic appraisal has therefore not been undertaken at this stage. The projects are also still working through delivery phase of the project. On this basis, it is not considered that updating the economic appraisal in line with the HMT guidance at this stage would be beneficial.

However, partners regularly collaborate with each other and industry to maintain clarity around the economic impacts year on year as highlighted by Marine Energy Wales' State of the Sector Reports for 2022 and 2023 linked below.

<https://www.marineenergywales.co.uk/industry-news/2023-state-of-the-sector-report/>

<https://www.marineenergywales.co.uk/industry-news/read-our-2022-state-of-the-sector-report/>

Reports like the SOTS reports were commitments PDM partners made to continually monitor the effectiveness of the City Deal funding in the original business case.

## **Part 2. Detail the procurement process and evaluation of the Best and Final Offer**

### **6.4 Procurement Process**

The PDM programme has undertaken a significant number of procurements since the approval of the original business case. In total, for contracts with a value of over £25k, some **£41.8m** of services and supplies have been undertaken across **38** procurements.

Each of the PDM partners undertake procurement in adherence to their procurement rules and the criteria for the funding of the project elements.

The programme Procurement Register is regularly updated as part of the quarterly requirements of the SBCD.

#### **PDI**

##### **Procurement Undertaken by MHPA**

PoMH is a Utility, and therefore, procurement which falls under definitions as set out within the Utilities Contract Regulations 2016, within certain geographical boundaries and over specific financial thresholds must be publicly tendered in accordance with UCR 2016 regulations. Procurement undertaken by MHPA adheres to the Port's Procurement Policy, Tender process guidelines, Procurement procedure and where applicable the Utilities Contract Regulations 2016.

To date, PoMH has procured approximately £39.42M of services in relation to PDI as shown in the table below.

Procurement	Organisation	Route	Published	Awarded	Contractor	Contract Award Value	Status
Detailed Design for Infilling of the Timber Pond, Graving Dock and Associated Works – Pembroke Dock Marine	PoMH	<a href="#">Sell2Wales</a> <a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	07/04/2020	07/07/2021 <a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	Ramboll UK Limited	£480,155	Works ongoing to support Lot2a
Slipway Ground Investigation - Pembroke Dock	PoMH	<a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	13/12/2019	15/06/2020	Causeway Geotech Ltd	£437,304	Works complete
PQQ principal contractor access infrastructure and timber pond infill, pembroke dock marine	PoMH	<a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	07/09/2020	03/06/2021 <a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	BAM Nuttall	£22,834,572 ECC ECI £577,447	Works ongoing
Specialist marine consultancy team - access infrastructure PQQ	PoMH	<a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	13/09/2019	02/10/2020 <a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	Royal HaskoningDHV	£405,706	Works ongoing to support Lot 1
<a href="#">Pembroke dock ecological &amp; landscape management works</a>	PoMH	<a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	15/12/2020	14/04/2021 <a href="#">Buyer Notice Status - Sell2Wales (gov.wales)</a>	Wye Valley Demolition Ltd	£34,060	Works complete
Pqq principal contractor land remediation and site improvement works Pembroke dock marine	PoMH	<a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	19/10/2020	10/11/2022 <a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	Walters UK Limited	£8,271,363.2 8 ECC £32,842 ECI	Works ongoing
Environmental Consent work – Pembroke Dock Marine	PoMH	In accordance with MHPA's tender process guidelines	26/05/2017	12/2017	RPS Consulting Services	£209,065 (non-EIA)	
Provision of PM / QS / Cost Management Services	PoMH	<a href="#">View Published Notice - Sell2Wales (gov.wales)</a>	30/09/2019	12/06/2020	Chandler KBS	£634,043.60	Works ongoing
MHPA Hangar Annex Restorations Principal Contractor	PoMH	<a href="#">View Published Notice -</a>	31/03/2021	27/05/2022	R&M Williams	£5,815,960	Main works complete, final

		<a href="http://sell2wales.gov.wales">Sell2Wales (gov.wales)</a>					snagging underway
MHPA Hangar Annex Restorations – Multidisciplinary Consultancy Team	PoMH	In accordance with MHPA’s tender process guidelines	14/08/2019	15/10/2019	Purcell	£271,332	Project close out underway
MHPA Hangar Annex Restorations – Outline Design Architecture award	PoMH	In accordance with MHPA’s tender process guidelines	29/11/2017	27/10/2017	Acanthus Holden	£29,405	Completed

Table 6.1 PDI Procurements

### **PDZ, MEECE**

Being public sector organisations, CSP and OREC have robust procedures in place to handle all procurements with banding for the appropriate route to follow:

- <£3k one written quote,
- >£3k-<25k three written quotes with an RFQ
- >£25,000 – OJEU Limit Invitation to Tender via Sell2Wales and
- >OJEU Limit – OJEU Process via Sell2Wales.

Each ITT sets out the procurement requirements, promoting the Swansea Bay City Deal and Co-Funders throughout. Before Issue, they are checked for compliance from a legal perspective. As part of the ITT process, CSP require each bidder to confirm their approach to ethical procurement and where appropriate, request information relating to local content (recognising that this can’t form part of any evaluation process).

Each response is documented and reviewed by multiple parties with a formal documented evaluation scoring each response in line with the criteria as set out in each procurement. Reviewer come together to present their scoring and rationale, which is again recorded formally. The overall winner is selected on the highest price / quality score. Winners and Unsuccessful bidders are notified and awards published on the appropriate platform.

Summary detail below for all PDZ / MEECE procurements greater than £25,000 can be seen below in Table 6.2 with hyperlinks directing to the appropriate location on Sell2Wales.

Procurement	Organisation	Route & Contract Type	Published	Award Notified	Contractor	Approx Value	Status
<a href="#">Specialist Project Support</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	02.08.2021	01.09.2021	BG Renewables	£30k	Completed
<a href="#">PDZ Legal Services</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	26.01.2022	16.03.2022	Burges Salmon	£130k	Completed
<a href="#">Invitation to Tender - Pembrokeshire Demonstration Zone Multi-connection Offshore Substation (MOS) Concept Design Study</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	01.04.2022	20.05.2022	Apollo Engineering	£	Completed
<a href="#">PDZ Environmental and Scoping Review</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	05.04.2022	27.05.2022	Black and Veatch	£90k	Completed
<a href="#">Invitation to Tender - Pembrokeshire Demonstration Zone Land Agent Support Services</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	13.07.2022	14.09.2022	Bruton Knowles	£130k	Completed
<a href="#">Invitation to Tender - Pembrokeshire Demonstration Zone - Animation</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	14.07.2022	14.09.2022	Picmo	£50k	Completed
<a href="#">Invitation to Tender Research and Development in the Pembrokeshire Demonstration Zone</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	01.11.2022	04.01.2023	Apollo	£80k	Completed



<a href="#">Pembroke Demonstration Zone Preliminary Geophysical and Environmental Survey Campaign</a>	CSP	OJEU Via Sell 2 Wales / CSP Consultancy Agreement	15.12.2022	Non-Award	NA	NA	NA
<a href="#">ITT PROCUREMENT OF PEMBROKESHIRE DEMONSTRATION ZONE MULTI-CONNECTION OFFSHORE SUBSTATION PRE-FEED</a>	CSP	OJEU Via Sell 2 Wales / CSP Consultancy Agreement	16.12.2023	22.02.2023	Apollo	£636k	Completed
<a href="#">ITT PDZ Project Evaluation and Summative Assessment</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	20.01.2023	15.03.2023	Carreg Las	£30k	Completed
<a href="#">Pembroke Demonstration Zone Preliminary Geophysical and Environmental Survey Campaign</a>	CSP	OJEU Via Sell 2 Wales / CSP Service Agreement	20.02.2022	NA	NA	NA	NA
<a href="#">Invitation to Tender: Pembrokeshire Demonstration Zone - MOS Onshore Surveys Procurement - Technical Specialist</a>	CSP	ITT Via Sell 2 Wales / CSP Service Agreement	16.05.2023	02.06.2023	ERM	£14,500	Completed
X-Band Radar system	OREC	Open tender Sell2Wales & ContractsFinder	20/7/22	4/11/22	Norbit Aptomar AS	85,020	Completed

Blade profile models for wind tunnel testing	OREC	ITT invitation only	June '22	21/6/22	Dynamique	25,812	Completed
Flow visualisation measurements	OREC	ITT invitation only	Aug '22	16/8/22	Deutsche WindGuard	76,206	Completed
Hydrophone system	OREC	Open tender Sell2Wales & ContractsFinder	15/11/22	2/2/23	Swale Technologies Ltd	77,205	Completed
Subsea noise measurements	OREC	ITT invitation only	Nov '22	21/12/22	Seiche	59,805	Completed
Vortex Generators	OREC	ITT invitation only	Mar '23	20/4/23	Dynamique	49,507	Completed
Levenmouth Turbine support services	OREC	SSJ	Sept '22	3/10/22	WOOD Group	50,000	Completed
Berthing Fees framework	OREC	SSJ	Feb '22	15/3/22	Pembrokeshire Coastal Forum	Call off as required	Completed
Biaxial test rig	Swansea University	Open Tender Sell2Wales	16/5/22	6/9/21	Admet	134,270	Completed
Uniaxial Tension-compression Fatigue Machine	Swansea University	Open Tender Sell2Wales	13/9/22	5/12/22	DWE Scientific	122,189	Completed

5 Beam Acoustic Doppler Profiler	Swansea University	Open Tender Sell2Wales	16/5/22	20/9/22	Nortek	148,875	Completed
Acoustic Doppler Velocimeter	Swansea University	Open Tender Sell2Wales	16/5/22	20/9/22	Nortek	24,100	Completed
Surface towed acoustic Doppler Current Profiler	Swansea University	Open Tender Sell2Wales	16/5/22	20/9/22	HR Wallingford	60,950	Completed
Current Flume Wave Paddle	Swansea University	Open Tender Sell2Wales	16/5/22	20/9/22	Armfield	56,125	Completed
High Speed Camera	Swansea University	Open Tender Sell2Wales	16/5/22	20/9/22	Dantec Dynamics	43,902	Completed

In addition, CSP have used the Sell2Wales portal to advertise its Future Opportunity, an exercise to inform the market of the technical, commercial and environmental information procured through SBCD funds with a view to using time and cost saving information to align with private sector inward investment. The Future Opportunity Memorandum of Understanding, which is the output of the exercise has a specific clause that requires any signatory to acknowledge the SBCD funded activity and its support in helping to unlock private sector funding into marine renewables.

ORE Catapult is classed as a Contracting Authority, and follows the necessary procurement processes that that entails. In addition, the MEECE project was received ERDF funding, and as a result followed WEFO's procurement rules and was audited on those processes.


### **META**

META operates under the PCF Procurement Policy, the purpose of which is to ensure value for money by instilling a culture of ethical, well managed procurement. META has had no procurement over <£25k to report. The META project can supply a full list of smaller claim items on request.

Through the individual procurement action, the PDM partners can demonstrate the best value procurement of suppliers and services to fulfil the service requirements of the programme to date.

An example of how the investment is benefitting the locality and region through its procurement activity is demonstrated below.

*Construction  
impact on local  
supply chains*



The logo features a stylized red and blue circular graphic on the left, followed by the text 'HWB MOROL' in large blue letters, 'DOC PENFRO' in smaller blue letters, 'PEMBROKE DOCK' in smaller blue letters, and 'MARINE' in large blue letters.

The Pembroke Dock Marine contribution:

- Appointing BAM Nuttall as a main contractor for the slipway element of PDI. Over £3.8m spend with locally based contractors on materials, plant, labour and sub-contractors
- Walters Group have spent a further £3.1m on the land remediation element of the contract with locally based sub-contractors
- R&M Williams, as lead contractor refurbishing the historic Hangar Annexes complex, have spent circa £1.7–£2m with local suppliers

## 7. Commercial Case

### 7.1 SBCD Procurement Principles

Since the approval of the original business case, the Swansea Bay City Deal Procurement Principles have been put in place for project teams that are developing and delivering projects as part of the Swansea Bay City Deal. The Principles set out how the SBCD expects project teams to take a fresh look at the way works, goods and services are specified and procured so that the maximum economic, social and environmental benefit to the region can be achieved from the process. The Principles look beyond the initial construction phase and also apply to the operational service of the assets when built. The programme has and will align with these principles in the procurement of each of the project elements.

Each partners strives to support the procurement principles of the SBCD balancing commercial requirements and other funders requirements where appropriate to do so.

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

### 7.2 Procurement Strategy

There are no material changes for the procurement of the various projects that form the PDM programme. The routes to procurement and the agreement for the various deals have been detailed in the Economic Case.

The recent pressures on the construction industry are widespread because of an accumulation of several well documented macro level factors – Brexit/COVID/ War in Ukraine/inflation and the potential for recession. The main results of which are market instability, increased and unpredictable costs/supply, and reduced capacity/difficulty to recruit key roles. The PDM project is monitoring and mitigating against these increases and contribute information to collated and reported at a Portfolio level through the updating of a Construction Impact Assessment (Appendix D)

PDM also participates in the Construction and Community Benefits Sub-group which has been established to share best practice and lessons learned during the procurement and construction phases of programme and project delivery, including any skills related information. This group meets quarterly and industry experts are invited from time to time to share insight to the latest issues in the sector.

### 7.2 Service Requirements and Outputs

There are no changes to the Service Requirements and Outputs detailed in the original business case.

### 7.3 Programme Timescales

The programme set out in the approved business plan was based on the project being approved in 2020 however for a number of reasons outside the funding partner’s direct control, the funding agreement was not completed until 2021.

The programme Gantt below seeks to update this taking into account the delay in funding award with arrows and bolder colours dictating shifts in time and the current view on when the main elements will be delivered.

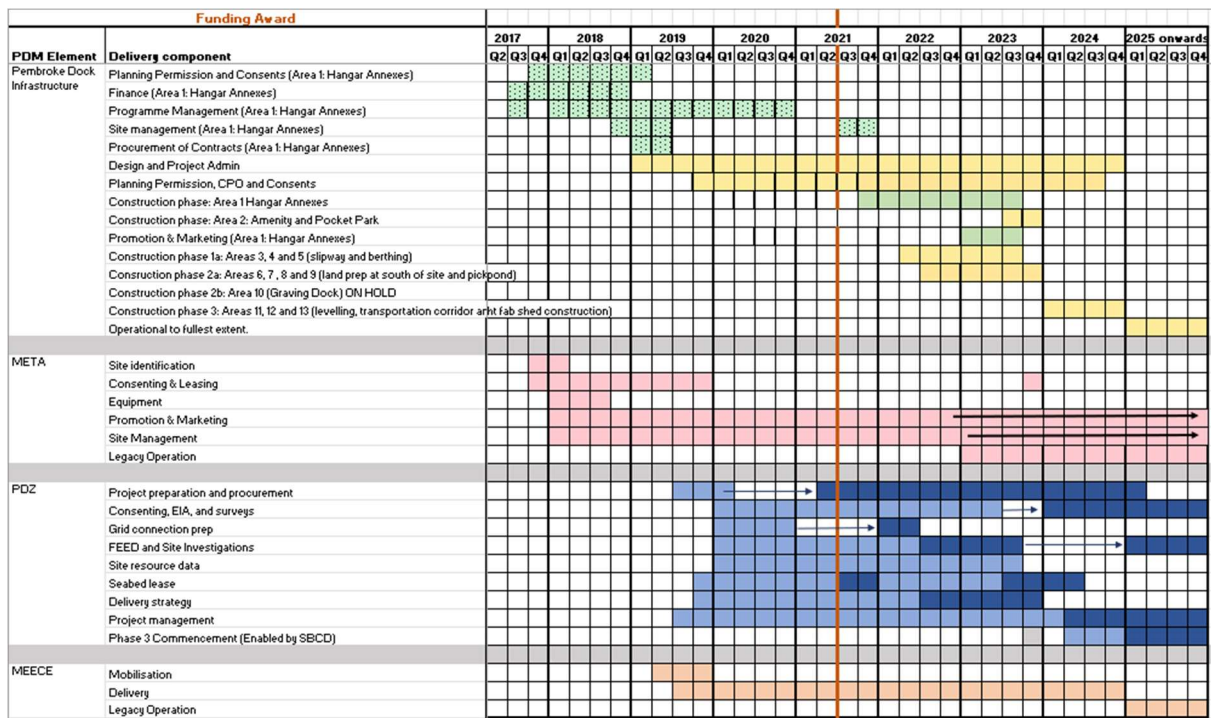


Figure 7.1 PDM Programme Gantt

**MEECE:** All the milestones in Table 7.4 of the original business case have been met. MEECE is now delivering the “Legacy Operation”. No further major procurement is planned.

**META / MEW:** All the relevant Milestone Activities in Table 7.1, “Project Plan” (within section 7.4 of the original business case document) have been met. The META sites are now operating.

**CSP:** Procurements have been ongoing since funding award and will continue as the project develops. CSP successfully agreed the lease revision with the Crown Estate early in the program timeline but this revision only focused on the revision of the area and not the use of the zone for broader R&D support. Getting agreement for this is programmed for Q2 2023 and is a dependency of the consenting surveys and EIA and resource data collection. Grid connection agreements have been fully prepared and are ready for submission to the Electricity System Operator, the timing of which will be determined following the outcome of second lease revision as this will dictate the capacity that is being requested from ESO.

Project Management and execution of the delivery strategy will continue for the long term as the project develops.

#### **7.4 Risk Allocation**

PDM Partners have reviewed the Risk Allocation of the approved business case and confirm no change from what was originally presented.

#### **7.5 Payment Arrangements**

Each of the PDM partners have specific payment arrangements in place for the individual contracts. These differ for each requirement based on the scope for each contract and commission but align and satisfy the requirements for public funding. For example, payment arrangements are set out in each ITT published on Sell 2 Wales.

These payment arrangements are documented for by each PDM partner and the details are available for inspection if required.

#### **7.6 Contractual Arrangements**

The PDM partners utilise a variety of contracts with suppliers to secure the delivery of the service requirements. These contracts are specific and vary in terms of scope, timescales, risk allocation etc. and details can be provided if required. For example, CSP use standard terms and conditions on each publicly procured service. These are appended to each ITT published on Sell2Wales and are accessible through the information provided in table 4.5 of the Economic Case

A legal funding agreement is also in place between PCC and the four partners within PDM setting out the roles and responsibilities of each of the organisations, arrangements for the payment of grant and the requirements in relation to the delivery of outputs, outcomes and impacts.

#### **7.7 Social Benefit Clauses**

Each of the PDM partners use social benefit clauses to maximise the impact of procured spend within the locality and region. For example,

- OREC in their tendering documents contain scored criteria around social benefit clause.
- CSP included Social Value scoring criterial in its Offshore Survey Campaign.
- PCF (the parent body of META) is a Community Interest Company (CIC) and therefore has social benefit embedded in its core ethos.

A case study on how PDM is contributing additional social benefits is attached at Appendix E.

Partners also contribute to the community benefits register (Appendix F), which is reported quarterly through the City Deal reporting requirements.

## 8. Financial Case

### 8.1 Investment Summary

The financial information shown includes the procured construction costs and associated project costs and fees in the development and delivery of each project element. The current investment breakdown presented in Table 8.1. below is based on forecasted investment as of 30 June 2023:

	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
<b>Expenditure</b>																	
Capital	0.18	0.23	0.28	1.17	1.82	25.36	17.91	5.12	2.10	1.97	0.00	0.00	0.00	0.00	0.00	0.00	56.12
Revenue	0.28	0.08	0.04	0.70	0.83	1.60	3.00	0.28	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.87
<b>Total</b>	<b>0.44</b>	<b>0.32</b>	<b>0.32</b>	<b>1.87</b>	<b>2.65</b>	<b>26.96</b>	<b>20.91</b>	<b>5.40</b>	<b>2.16</b>	<b>1.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62.99</b>
<b>Funding</b>																	
Swansea Bay City Deal Grant	0.00	0.00	0.08	0.07	2.25	12.01	6.08	5.08	1.08	0.53	0.00	0.00	0.00	0.00	0.00	0.00	27.21
Public Sector	0.17	0.08	0.04	0.56	1.15	4.89	11.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.65
Private Sector	0.28	0.24	0.20	1.24	-0.75	10.06	3.06	0.32	1.07	1.43	0.00	0.00	0.00	0.00	0.00	0.00	17.13
<b>Total</b>	<b>0.44</b>	<b>0.32</b>	<b>0.32</b>	<b>1.87</b>	<b>2.65</b>	<b>26.96</b>	<b>20.91</b>	<b>5.40</b>	<b>2.16</b>	<b>1.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62.99</b>

Table 8.1 PDM Investment Summary Q1 2023/24

The figures in Table 8.1 are the current financial investment forecast which the Pembroke Dock Marine Programme is currently projecting over the timeline for the SBCD portfolio and are set within the original SBCD Heads of Terms. Funding elements are subject to change as the programme evolves.

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

The overall investment composition comprises of three following investment components:

- The **City Deal investment** component consists of the government grants awarded by UK and Welsh government totalling £28m. City Deal Grant is awarded to projects of the fifteen-year term up to a maximum of the allocated value.
- **Public sector** investment consists of investment from local authorities and other public funded and public service organisations. Public sector investment will also consist of specific Welsh Government and UK government grant funding. Local Authorities may agree that borrowing for a Regional Project should be made by all the Authorities equally or in proportions agreed or that borrowing should be carried out by one Authority on behalf of others if they so agree. The decisions as to whether borrowing on behalf of the programme shall be carried out by one Authority on behalf of the others and the proportions shall be determined by the Authorities as a matter reserved to the Authorities.
- **Private sector** investment includes regional investment from local and national private sector partners. The current PDM private sector contribution report is attached at Appendix G. To date £13.9m has been secured by the PDM programme.

The investment breakdown from the approved business case is shown below. The breakdown demonstrates that the current capital costs are projected to exceed the original budget for the programme.



	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
<b>Expenditure</b>																	
Capital	0.14	0.43	1.72	5.72	8.27	25.61	5.48	0.57	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.23
Revenue	0.51	0.74	0.55	0.71	2.69	2.92	2.68	1.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.24
<b>Total</b>	<b>0.65</b>	<b>1.17</b>	<b>2.27</b>	<b>6.43</b>	<b>10.96</b>	<b>28.53</b>	<b>8.12</b>	<b>1.58</b>	<b>0.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>60.47</b>
<b>Funding</b>																	
Swansea Bay City Deal Grant	0.06	0.18	0.32	1.23	2.44	17.04	5.00	0.97	0.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.00
Public Sector	0.42	0.62	1.03	3.10	4.85	4.71	1.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.35
Private Sector	0.18	0.37	0.92	2.10	3.67	6.78	1.49	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.12
<b>Total</b>	<b>0.65</b>	<b>1.17</b>	<b>2.27</b>	<b>6.43</b>	<b>10.96</b>	<b>28.53</b>	<b>8.12</b>	<b>1.58</b>	<b>0.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>60.47</b>

Table 8.2 PDM Investment Summary – original business case

The Tables below show the project level funding breakdown and is compared with the approved business case funding breakdown (shown in blue).

Project	Swansea Bay City Deal Grant (£m)	Public Sector (£m)	Private Sector (£m)	Total (£m)
Pembroke Dock Infrastructure	21.66	12.95	13.50	48.11
Marine Energy Test Area	0.54	0.03	0.05	0.62
Marine Energy Engineering Centre of Excellence	3.34	4.15	0.96	8.45
Pembrokeshire Demonstration Zone	1.67	1.52	2.63	5.82
<b>Total</b>	<b>27.21</b>	<b>18.65</b>	<b>17.13</b>	<b>62.99</b>

Table 8.3 PDM Project Level Investment Summary Q1 2023/24

Project	Swansea Bay City Deal Grant (£m)	Public Sector (£m)	Private Sector (£m)	Total (£m)
Pembroke Dock Infrastructure	21.55	7.00	13.05	41.59
Marine Energy Test Area	0.78	1.19	0.70	2.67
Marine Energy Engineering Centre of Excellence	4.00	5.00	2.18	11.18
Pembrokeshire Demonstration Zone	1.67	3.16	0.19	5.02
<b>Total</b>	<b>28.00</b>	<b>16.35</b>	<b>16.12</b>	<b>60.47</b>

Table 8.4 PDM Investment Summary – original business case

**Pembroke Dock Infrastructure**

Funding	£	£
City Deal	21,655,228	21,550,000
WEFO	12,950,000	6,997,493
PoMH	13,500,000	13,046,118
<b>Total</b>	<b>48,105,228</b>	<b>41,593,611</b>

**Marine Energy Test Area**

Funding	£	£
City Deal	544,817	782,897
Berth Fees	78,588	700,000
<b>Total</b>	<b>623,405</b>	<b>1,482,897</b>

**Marine Energy Engineering Centre of Excellence**

Funding	£	£
City Deal	3,343,983	4,000,000
WEFO	4,147,025	5,000,000
Private Sector	270,000	400,000
ORE Catapult	440,911	1,042,944
Other	117,333	737,798
<b>Total</b>	<b>8,319,252</b>	<b>11,180,742</b>

**Pembrokeshire Demonstration Zone**

Funding	£	£
City Deal	1,667,104	1,667,103
WEFO	1,520,409	3,161,852
Wave Hub	1,076,779	132,593
Other	1,550,926	60,000
<b>Total</b>	<b>5,815,218</b>	<b>5,021,548</b>

Table 8.5 PDM Project Level Funding Summary Q1 2023/24 (Original business case)

Each partner provides expenditure and funding profile to the Region on a quarterly basis, which are used to provide clarity at the overarching PDM Programme and Swansea Bay City Deal portfolio level.

At a PDM programme level, the total of Private, Public and Partner contributions are maintaining the overarching PDM level of investment. However some changes to the funding and timescales have occurred, most notably:

- Additional £1m of ERDF funding secured for the PDI element (to cover construction cost increases for the Hangar Annex project)
- Celtic Sea Powers 2023 – 2027 business plan approval has included £700k commitment (now classified as Public Other) to retain staff in Pembroke Dock to continue the development of the PDZ.
- Reduction of £1.4m of ERDF funding in the PDZ element due to ERDF programme level challenges associated with their program management is being mitigated by CSP’s core funds, other public funds which are being targeted through other funding streams and private sector interest the work CSP have delivered to date and the process by which CSP is aligning private sector investment through the PDZ Future Opportunity.
- Additional funding secured from WEFO for the PDI, increasing the overall project budget from £41.6m to £48m. Additional funding mitigated against construction cost increases.

The current programme investment demonstrates that the PDM programme and each of its constituent project remain affordable.

## 8.2 Income and Expenditure Summary

The programme level income and expenditure summary is shown below in Table 8..

Income and Expenditure Forecast									
	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
<b>Expenditure</b>									
Capital	0.18	0.23	0.28	1.17	1.82	25.36	17.91	5.12	2.10
Revenue	0.26	0.08	0.04	0.70	0.83	1.60	3.00	0.28	0.07
<b>Total</b>	<b>0.44</b>	<b>0.32</b>	<b>0.32</b>	<b>1.87</b>	<b>2.65</b>	<b>26.96</b>	<b>20.91</b>	<b>5.40</b>	<b>2.16</b>
<b>Funding</b>									
Swansea Bay City Deal Grant	0.00	0.00	0.08	0.07	2.25	12.01	6.09	5.08	1.09
Public Sector	0.17	0.08	0.04	0.56	1.15	4.89	11.76	0.00	0.00
Private Sector	0.26	0.24	0.20	1.24	-0.75	10.06	3.06	0.32	1.07
<b>Total</b>	<b>0.44</b>	<b>0.32</b>	<b>0.32</b>	<b>1.87</b>	<b>2.65</b>	<b>26.96</b>	<b>20.91</b>	<b>5.40</b>	<b>2.16</b>

	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
<b>Expenditure</b>								
Capital	1.97	0.00	0.00	0.00	0.00	0.00	0.00	56.12
Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.87
<b>Total</b>	<b>1.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62.99</b>
<b>Funding</b>								
Swansea Bay City Deal Grant	0.53	0.00	0.00	0.00	0.00	0.00	0.00	27.21
Public Sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.65
Private Sector	1.43	0.00	0.00	0.00	0.00	0.00	0.00	17.13
<b>Total</b>	<b>1.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62.99</b>

Table 8.6 PDM Income and Expenditure Summary Q1 2023/24

## 8.3 Flow of Funding

The release of funds from the Accountable Body to the City and County of Swansea as lead Authority will follow funding route illustrated in Figure 7.1. below:

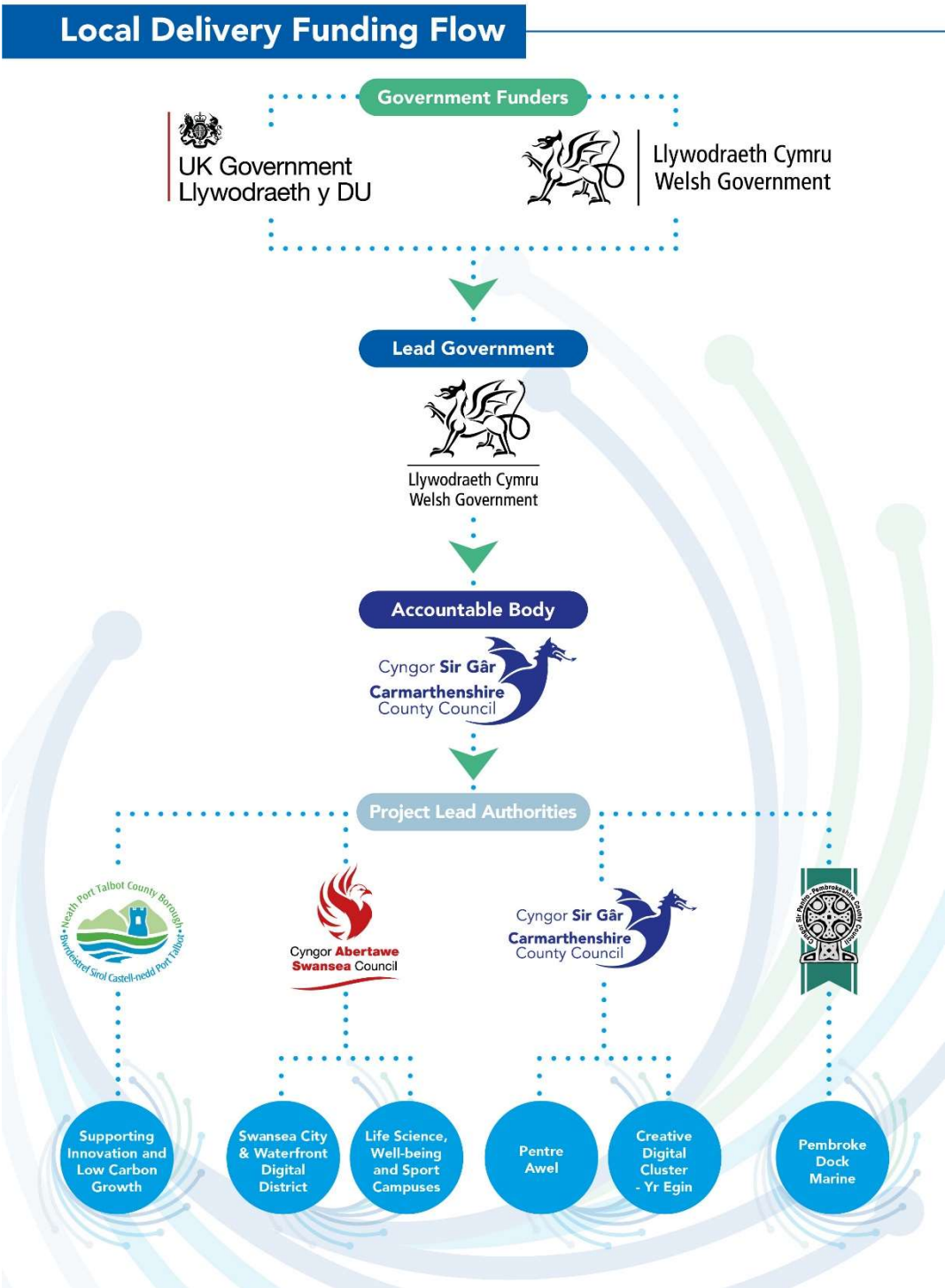


Figure 7.1. City Deal Funding Flow

To date, £5.67m of City Deal funding has been dispersed to the PDM programme.

## **Borrowing**

The Joint Committee is responsible for overseeing the proportion of each Council's responsibility for borrowing to provide funding for regional Projects. The capital borrowing (in respect of the Government funded element) for the City Deal Projects will be re-paid by identified Government funds (UK & Welsh Government) over the 15-year period with the UK Government element now being paid over a 10-year timeframe.

The exact level of borrowing and the structure and terms of the borrowing is yet to be confirmed at this point in time, however it will be calculated based on the amount required per relevant local authority and will be in line with the individual local authority's internal requirements. This is being determined by the four Section 151 Officers of the four regional local authorities. All borrowing will be agreed based on the principles of the Prudential Code and Treasury Management Policy and Strategy for each local authority. When further details of the investments required for each Project are known, a full business case appraisal for each individual Project will be completed and submitted to the relevant local authority for approval before submission to the Joint Committee. These full business cases will include the detailed funding proposals and requirements of the local authority.

**Government Grant 'Top Slice'** - Annually, up to 1.5% of the Portfolio Investment Fund, specifically the government grants awarded, will be earmarked to support the Joint Committee and central administration functions required to support the delivery of the Portfolio. This is referred to as 'Top Slice' of Government Grants.

**Interest on Investments** - It is recognised that throughout the lifecycle of the City Deal portfolio, cash balances will arise through cashflow movements as and when Projects become live and actual expenditure is incurred. Cash balances held by the Joint Committee will be invested through Carmarthenshire County Council as the Accountable Body. Income generated from cash investments will be ring-fenced and redistributed direct to Projects based on the allocation outlined within the original Heads of Terms.

## **8.4 Monitoring and Evaluation**

The City Deal portfolio finances will be monitored through the SBCD Programme Board and Joint Committee, with the Economic Strategy Board also making recommendations on possible additional funding opportunities or alternative portfolio expenditure. Regular reports will also be presented by the Accountable Body to the regional Local Authority Directors of Finance and Regional Section 151 Officer working group. This working group will, in collaboration with the Welsh Government and the SBCD Portfolio Management Office, agree the financial monitoring process which will be:

- In line with overall reporting processes for the City Deal
- Based on best practice principles and guidance on project monitoring contained within the Green Book

Regular financial monitoring reports are submitted by PDM partners through the SBCD governance process and the PDM Programme will also be undertaken through the specific programme level governance arrangements.

The monitoring process will allow for the control of project cost variations and visibility of variations at a portfolio level.

The monitoring requirements of the Portfolio will require the Project Authority Lead to submit a claim for project funding to the Accountable Body at a frequency to be determined by the Accountable Body. The claim shall include a progress report on the project. The progress report shall include an assessment of risks associated with the project and details of progress against the agreed outputs. After the parties have agreed in accordance with clause 6.7 of the funding agreement that the project has achieved practical completion, the project authority lead shall not be required to submit claims for project funding. Thereafter, the project authority lead shall complete annual monitoring returns in a form to be specified by the Accountable Body prior to the Accountable Body releasing any project funding to which the project authority lead is entitled. The annual monitoring forms will include an obligation to report on the progress in achieving the agreed outputs. The Accountable Body reserves the right to impose additional monitoring requirements at a frequency and for such period as it considers reasonable in all the circumstances.

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

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

ERDF M&E Audit Statutory Audit at company level

Quarterly financial reporting through SBCD.

PDM details progress against outcomes and outputs in monthly and quarterly reports to SBCD, as required.

## **8.5 Accountancy Treatment**

### **Accounting for Income and Expenditure**

All income and expenditure is accounted for within the financial statements of the Project Lead Authority.

### **Revenue Requirement**

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

### **Balance Sheet Accounting**

Assets generated though the life of the programme will be accounted of and held on the balance sheet of the Local authority in which constituent area the asset is completed or the partner in which the asset is generated. Local authorities will account for assets inline with the relevant legislation and accounting standards. Partners will account for the assets inline with their own industry standard or accounting policies adopted.

## **Value Added Tax**

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

## 9. Management Case

### 9.1 Introduction

The management arrangements for the delivery of the PDM programme have continued to develop since the approval of the original business case in parallel with the delivery of the project elements and the maturing of the SBCD reporting processes. The

The detail of these arrangements are provided in the sections below.

### 9.2 Governance and Delivery Structure

The Reporting and Governance structure outlined in the original business case (shown below) has now been established and is operational.

There is PDM partner representation throughout the hierarchy of governance groups within the SBCD governance structure. Regular highlight and monitoring reports are submitted to the PDM Programme Board, SBCD Programme Board and SBCD Joint Committee.

The PDM programme board is well established and occurs monthly, chaired by the SRO. The Terms of Reference for the PDM Programme Board are attached for information at Appendix H.

Key roles and responsibilities in relation to the management of the PDM Programme and individual project elements are shown in the table below:

<b>Role/ Responsibility</b>	<b>Name</b>
Senior Responsible Owner	Rachel Moxey - PCC
Project Lead - MEECE	Paul Ellsmore - OREC
Project Lead - META	Stephen Thompson - PCF
Project Lead – PDI	Steven Edwards
Project Lead - PDZ	Tim James - CSP

*Table 9.1 PDM Programme Management Team*

### 9.3 Programme Plan

The Programme Plan has been reviewed and the current timescales are shown in the Gantt chart below:

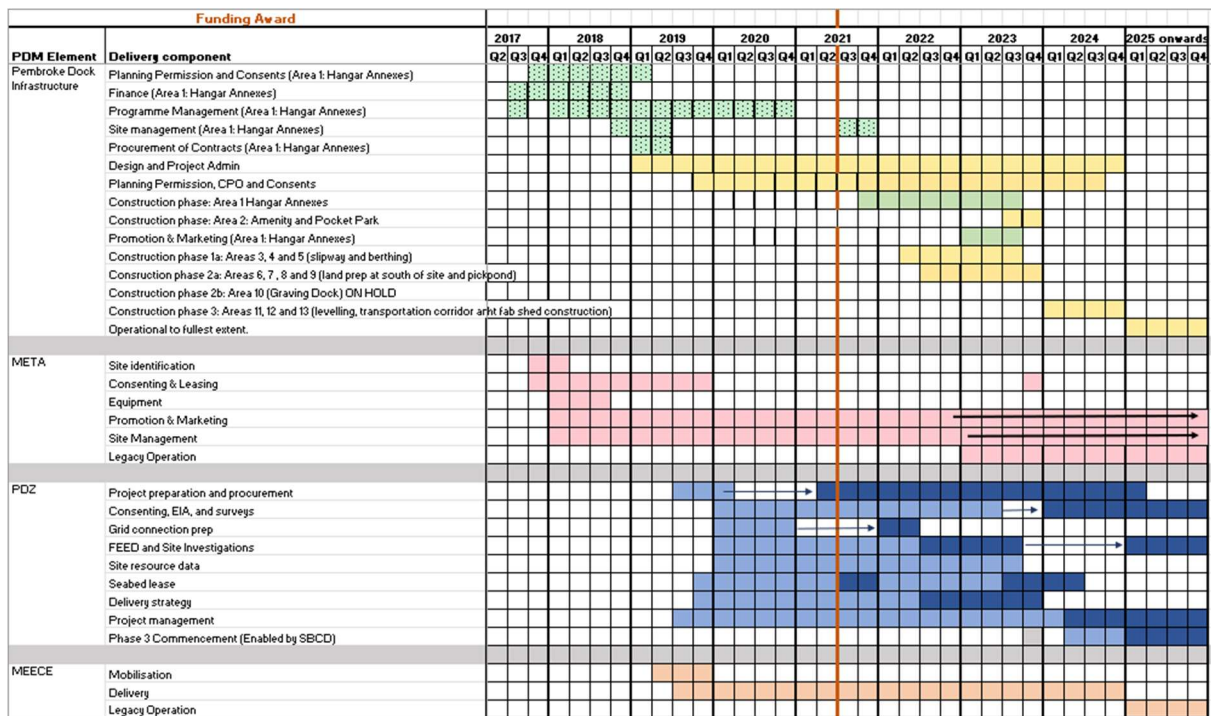


Figure 9.1 PDM Programme Gantt

The Q1 Monitoring report for PDM provides an update of progress to date and is attached at Appendix I Key forthcoming activities planned across the programme include:

**PDI**

Heritage mitigation works to existing Paddock walls will commence in July after agreement with the PCC Historic Conservation Officer and CADW.

**PDZ**

- Ongoing engagement with key stakeholders around T&D Co-ordination MOS
- Updating the SCBD and The Crown Estate Business Plan
- Preparation for Final ERDF Claim (due 21st July)
- Progressing development of collaborative bid with ERM Dolphyn to OFGEM’s Strategic Innovation Fund for £500k funding to develop feasibility for a 100MW
- Floating Wind/Green Hydrogen project connecting into Hyline Cymru.

**MEECE**

- Now focusing on Legacy funding for activities, and how we can embed Innovation support into the Celtic Freeport business plan.

**META**

- International Waters workshop October 2023, Orkney. Planned META attendance.
- Deployment of scour protection engineered to enhance biodiversity, East Pickard Bay site.
- Deployment of barge mounted hydrogen production trial, Criterion Jetty.
- Experience use of ROV event with local schools

**9.4 Use of Specialist Advisors**

There are no material changes to the Specialist Advisors as set out in the approved business case.



## 9.5 Monitoring and Evaluation

The programme monitoring and evaluation processes align with those set out in the SBCD Monitoring and Evaluation Plan. For this programme, the SRO will ensure that the programme team makes appropriate arrangements to collate, monitor and communicate project milestones, deliverables and benefits realisation. The PDM programme is utilising the following reporting tools to monitor and evaluate activity:

- Monthly highlight report
- Quarterly monitoring report
- Benefits register – continually updated and reported quarterly
- Risk register
- Integrated Assurance and Approval Plan (IAAP)
- Construction Costs Impact Assessment
- Financial Monitoring
- Milestone evaluations

Monitoring reports are submitted to the PDM Programme Board and SBCD Governance groups on a regular basis.

Each partner has also undertaken monitoring and evaluation as part of their ERDF funding requirements and the reports are available.

There are no changes to the proposed Post Implementation Review and Project Evaluation Review described in the original business case.

## 9.6 Benefits Realisation

Benefit realisation are reviewed and updated to the City Region in accordance with their requirements. There are no material changes to note to the benefits to be achieved through the PDM Programme.

The programme governance protocols being applied have incorporated core work streams which enable the programme team to clearly identify and track programme benefits regularly in line with the investment objectives detailed in the programme business case. A “whole team” approach will be adopted to ensure that benefit management is monitored through the life of the programme and across all the PDM project elements. In applying this approach benefits will be discussed on a regular basis at delivery team level and barriers in performance that impact on benefits realisation will be raised to the PDM Programme Board for decision.

The benefits management process will assess and review all outcomes resulting in change that were achieved as part of the activities undertaken by the programme. Benefit progress will be reported at least quarterly to the PDM Programme Board and Portfolio Management Office.

A copy of the programme benefits register is attached at Appendix J. This sets out who is responsible for the delivery of specific benefits and how and when they will be delivered. The benefits register will be monitored by the PDM Programme Board.

## 9.7 Risk Management

Each partner regularly reviews the risk register for each project. ERDF and SBCD claim and monitoring requirements include the need for an updated risk register to be provided.

The process of managing risks will take place throughout the entire life cycle of the project and potentially after closure if there are outstanding risks requiring ownership outside the project. During the construction phase, regular meetings will take place with contractors to identify any emerging risks to cost and timescales and mitigation actions taken as appropriate.

The risk register will be used to record all identified risks and is therefore a vital tool in the conception, procurement and delivery of the programme. It will record any uncertainty that could jeopardise the programme and strategies for minimising their impact.

The Programme Risk Register is included in Appendix K.

The risk register will be monitored at all PDM Programme Board meetings so that any risks affecting programme outcomes can be identified and addressed. Escalating Risks or Risks in the red category are highlighted at PDM Programme Board and updated via Celoxis as part of the Quarterly Reporting to the SBCD.

## 9.8 Change Management

Any changes during the development and delivery of the programme will be referred through the PDM programme management structure and integrated with the SBCD Change Control procedure.

The approach will consider several aspects of change that impact on programme scope, delivery and benefits as set out in this business cases, and specifically where a change is likely to affect at least one of the following categories:

- the total cost / financials
- the completion of delivery of output(s) / key milestones
- the quality outlined
- the benefits outlined
- the GVA, jobs created or inward investment

Any variance - positive or negative – will be subject to the agreed change control process to ensure that any change does not have a detrimental impact to the successful delivery of the programme. Details of relevant change notifications are presented below:

*PDM submitted a change notification to move the target and achievement dates for IP 1 from 2024 to 2025 and IP 6 from Q 4 2024 to Q4 2025. This change was approved by PDM Board in September 2022.*

*PDZ submitted a change notification request that was approved by PDM Board in May 2023. This Notification requested an update to the timing of IP 4 to 2026 and OP8 to 2028. [PDM Change Notification 2 PDZ \(1\).pdf](#)*

## **9.9 Programme Assurance Arrangements**

The programme's assurance processes will integrate with the SBCD Portfolio assurance framework to ensure that the planning, coordination and provision of assurance activities and approval points are understood and are proportionate to levels of cost and risk.

The programme has developed an Integrated Assurance and Approval Plan (IAAP), which is regularly reviewed and reported on through the governance arrangements. This plan includes a schedule of Gateway reviews at key milestones or decision points.

A Project Assessment Review will be undertaken for the PDM Programme in September 2023.

The current programme IAAP is attached at Appendix L.

## **7.10 Communications**

There are no material changes to the communications plan / arrangements for PDM from what was presented in the approved business case. Communications forms part of the Agenda in the monthly partner meetings for information sharing and coordination purposes.

**Change Identification Notice**



Proj / Prog Title ...Pembroke Dock Marine (PDM).....  
 Change Identification Reference ...PDM\_CIN\_3  
 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**

All 5 Parties to the PDM City Deal funding agreement, those being Pembrokeshire County Council,; Milford Haven Port Authority; Offshore Renewable Energy Catapult; Pembrokeshire Coastal Forum; and Celtic Sea Power, have agree that the Projected Completion Date should be changed from 1<sup>st</sup> December 2025 to 30<sup>th</sup> June 2026. This will allow Swansea University to recruit a PhD student who will make a significant contribution to their activities based around the fatigue testing equipment that was partly funded with City Deal grant. The new end date also means that the full financial year of 2025/26 is now within the City Deal spending period, which aligns better with other funding sources that the PDM partners will be applying for.

This change will require a small change to the current financial projections, in terms of the distribution of spend over the next three years, but not to the total spend. No change in output or impact targets is necessary.

**Risk Register/Issue Log reference -**

**Impact of change – Mark with an X as applicable**

<b><u>Cost</u></b>	<b><u>Timeline</u></b>	<b><u>Quality</u></b>	<b><u>Benefits</u></b>	<b><u>Portfolio Benefits/ Objectives</u></b>
<b><u>None</u></b>	<b><i>7 month extension to the period over which City Deal funding will be defrayed</i></b>	<b><i>N/A</i></b>	<b><i>More time and better alignment to financial years should increase our ability to win further funding to deliver the MEECE project outcomes and impacts.</i></b>	<b><i>N/A</i></b>

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.



**Change Identification Notice**

Proj / Prog Title ...Pembroke Dock Marine (PDM)

Change Identification Reference ...PDM\_CIN\_4

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**

Change Information Notice 2 was approved in May 2023 to push the output achievement date for IP4 (progress toward planning consent for the PDZ element) to the end of the FY 26/27.

Following approval CSP have updated PDZ's financial profile to match, extending the City Deal funding profile from the end of FY 23/24 by 36 months out to end FY 2026/2027. This revised profile along with supporting narrative formed part of the recent Business Case Addendum process being shared with PoMo and accountable body finance officers.

As a reminder, the factors contributing to the extended timeline and financial profile are as follows:

- There was an initial delay in the project start due to the timescale in relation to the City Deal approval process and the formalising of the funding agreement. The original business case indicated a project start in 2019 but due to these factors, the actual start date was in 2021.
- The Floating Offshore Wind (FLOW) market has evolved since the project commencement and the market has undergone change in terms of capacity targets. From 2021, the capacity and market opportunity of FLOW has increased significantly which the PDZ has had to respond to. There is now certainty with the FLOW pipeline and CSP can now respond to these market changes in order to maximise the opportunity benefits.
- CSP has secured business plan approval from its main stakeholder to 2027 which includes match funding for staff costs. The revised timeline to 2026/27 and financial profile now aligns with this business plan period.

This CIN is to formally acknowledge the updated profile.

**Risk Register/Issue Log reference – NA**

<b><u>Impact of change – Mark with an X as applicable</u></b>				
<b><u>Cost</u></b>	<b><u>Timeline</u></b>	<b><u>Quality</u></b>	<b><u>Benefits</u></b>	<b><u>Portfolio Benefits/ Objectives</u></b>
<b><u>None</u></b>	<b><i>Extending PDZ Financial Profile to reflect output target (2026/27)</i></b>	<b><i>N/A</i></b>	<b><u>(Specific to PDZ only)</u></b>  <b><i>OUTPUTS</i></b> <i>IP4 – Progress towards PDZ Consent submissions (Unchanged)</i>  <i>IP6D – Direct Employment (achieved)</i>  <b><i>OUTCOMES</i></b> <i>OP9 – PDZ Phase 3 (Unchanged)</i>	<b><i>Portfolio / PDM Outcomes</i></b>  <i>Outcomes shared on a joint basis with other PDM partners i.e. Jobs, GVA, Inward Investment targets.</i>  <i>(Unchanged)</i>
Change to Project Plan (if required attach revised plan) attach all relevant evidence of impacts that are selected				
<ul style="list-style-type: none"> <li>• 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.</li> <li>• Enter any accepted risks onto the Project/Programme risk register</li> <li>• 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.</li> <li>• During the risk mitigation meeting, participants must;             <ul style="list-style-type: none"> <li>○ Make and consider proposals of how risks might be avoided or mitigated.</li> <li>○ Seek solutions to resolve any risks that cannot be avoided or mitigated.</li> <li>○ Decide on appropriate actions to follow and who is responsible for their completion.</li> <li>○ Remove resolved risks previously added to the risk register.</li> </ul> </li> <li>• 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.</li> </ul>				



# Agenda Item 7



Swansea Bay City Region Joint Committee - 11 April 2024

## Campuses Project Update

<b>Purpose:</b>	To inform Joint Committee of the progress made and status of the SBCD Campuses Project
<b>Policy Framework:</b>	Swansea Bay City Deal Region Joint Committee Agreement
<b>Report Author:</b>	Clare Henson (Project Manager)
<b>Finance Officer:</b>	Chris Moore (SBCD SEC151 Officer)
<b>Legal Officer:</b>	Debbie Smith (SBCD Monitoring Officer)
<b>FOR INFORMATION</b>	

### 1. Introduction

- 1.1 The Campuses project harnesses unique capabilities and the thriving Institute of Life Science (ILS) and health (NHS) ecosystem in the Swansea Bay City Region to establish an international centre for innovation in life science, well-being and sport, supporting interventions in healthcare and medicine and driving the growth of a globally significant Sports Tech industry. As part of the South Wales Health and Life Sciences Corridor, the project will contribute complementary and unique capabilities to enhance regional and UK sector-leading presence.
- 1.2 The project builds on the impact and credibility of the Institute of Life Science, and the proven ecosystem fostered by the partners to deliver academic, industry and NHS-led innovation and economic growth. To date, ILS has created 30 companies and 800 jobs, attracting £36 million in inward investment, and delivering a return of £3 for every £1 in public money received.
- 1.3 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, well-being and sport is a key differentiator for this project within the South Wales health and life sciences innovation corridor described.
- 1.4 The link between sport and population well-being is well documented. The opportunity is to create the conditions that enable technology innovation that supports population health and sporting endeavour, across the life course and



inclusive of disadvantaged communities and able/disabled people. The project spans preventative health and public participation in sport through to personalised medicine and elite performance and will lead the growth of the UK Sports Tech sector.

- 1.5 MedTech and Sports Tech are synergistic industries. Devices and sensors developed for use in sport (e.g. for gait analysis) can find application in healthcare (e.g. for physiotherapy). “Smart clothing” (e.g. printed, heated garments) are being developed for elite sport but have application in healthcare settings. Wearables that monitor heart rate, oxygen saturation, cadence, balance and impact from falls/collisions have clear value for both medical and sport/well-being purposes. Technologies developed to help athletes recover after training are relevant to patient rehabilitation, while innovations in wound care and reablement can help elite athletes monitor healing from injury, enabling them to return to competition sooner.
- 1.6 The project is a partnership between Swansea Council, Swansea Bay University Health Board, and Swansea University alongside Hywel Dda University Health Board and supported by the ARCH (A Regional Collaboration for Health) Partnership. It benefits from the close engagement of three project delivery partners, representing the technology, health and sport sectors.
- 1.7 The project builds on the impact and credibility of the Institute of Life Science, and the proven ecosystem fostered by the partners to deliver academic, industry and NHS-led innovation and economic growth aligned with planned development of the major regional hospital at Morriston. At its core, this project seeks to:
  1. Expand the current infrastructure to support a widening of the ecosystem into new, targeted areas (including digital innovation in sensors, devices and materials, with applications in health, well-being and sports settings), and
  2. Attract private investment into the Swansea Bay City Region from multinational companies and SMEs in the MedTech and Sports Tech sector.
- 1.8 The City Deal investment will support:
  1. Establishment of ~700sqm ILS space at the Morriston Regional Hospital site, co-locating commercial and academic collaboration alongside clinical research and development, fostering technology development in areas of regional excellence;
  2. Planning for new access route from the M4 directly to a 55-acre site already in NHS ownership adjacent to the north of the hospital, unlocking the site’s investment potential.
  3. Creating ~2,000sqm of dedicated research & innovation space within the Sketty Lane Sports Park, establishing an environment that supports the development, testing and evaluation of medical, health, well-being, and sport technologies, as well as commercial collaborations.
- 1.9 The investment required to deliver the whole SBCD Campuses project will be £164m. Through direct investment of £15m from SBCD, the SCBD Campuses project is projected to generate an additional investment of c. £149m over the 15

year period to 2032/33. This is delivered through c. £34m from Phase 1 (£11m Public investment and £23m Private investment) and c. £115m from Phase 2 capital inward investment from private sector partners and developers for:

1. Development of a 55-acre Innovation Park, which will include provision for SMEs and larger companies in the Sports Tech and Med Tech sectors to establish a presence and access research, clinical and test bed facilities co-located with further developments of the Region's major hospital and laboratories, and to integrate within the life sciences, well-being and sport innovation ecosystem.
2. A national centre of excellence with performance sport infrastructure, attracting Sports Tech and related companies and establishing Swansea as a sport and well-being innovation test bed that aligns world-class facilities with elite teams, national governing bodies, community sport, and technology and research.

1.10 The result is a unique testbed, aligned around a digital axis, that drives innovation and entrepreneurship in MedTech and Sports Tech, and which attracts commercial, intellectual and sporting talent.

## **2. Campuses Project Progress**

2.1 Campuses project has proceeded at risk due to significant delays in the signing of the funding agreement. All agreements were signed in January 2024, which will allow the progress of SBUHB Morriston Management centre refurbishment.

2.2 Now all funding agreements have been signed by all parties the timelines and finances will be reviewed. A change notification will be submitted to SBCD in Q2 (April-June) this year. A full business case will be written in close collaboration with SBCD and be finalised by December 2024. An assurance review is planned for Q1 (Jan – March) 2025.

2.3 SBUHB have set up a governance board to govern campuses project decisions which demonstrates a strong commitment to the project and achieving its outputs and outcomes.

2.4 The campuses project continues to meet with each workstream on a fortnightly basis (WS1 Morriston Management Centre, WS2 Sketty Lane, WS3 Education, WS4 Enterprise and Innovation, WS7 Research, WS8 Health and well being WS9 Morrison Link Road, Singleton Phase 2, \Morriston Phase 2, WS10 5G testsbed)

### **WS1: Morriston Management Centre**

- Progress now funding agreement signed

### **WS2: Sketty Lane.**

- Progressing with RIBA stage 3
- Project to be presented to Design commission for Wales 21<sup>st</sup> February.
- Design meeting with Architects 12<sup>th</sup> February – External façade.

### **WS3: Education**

- We will start to recruit student to New sports courses

**WS4: Enterprise and Innovation / WS5: Commercial and partnerships**

- Continued engagements with Vodaphone senior leadership teams, WRU, FAW, Sport UK. All at varying stages of development.
- Signed MOU Hockey Wales and Swim Wales
- Meeting scheduled with Ospreys Feb 2024
- Department of Business Trade visiting SU and Campuses project March 2024

**WS7: Research**

- Research grants continue to be written and awarded which contribute to public and private investment.

**WS8: Health and well being**

- Workshop held to disseminate findings of HNA to SU Academics.
- HNA signed off and approved by SBUHB and issued to Campuses project board.
- Health Impact Assessment (HIA) toolkit being developed.

**WS9: Morryston Access Route**

- Ecological surveys completed

**Swansea Bay Sports Park (phase 2)**

- 3G pitch on Sketty Lane continues to progress, profiled completion February 2024

**Morryston (Phase 2)**

- Progress now funding agreement signed.

**WS10: 5G Infrastructure Vodaphone (awarded by SBCD Digital Infrastructure programme)**

- Meeting held with Vodaphone and SU estates department to discuss 5G infrastructure.
- SU buildings to be surveyed Q1 2024.

**Successful Grants awarded:**

	<b>Grant Award</b>
<b>HEFCW</b>	<b>£ 500,000.00</b>
3G Pitch	£ 500,000.00
<b>SBCD Digital Infrastructure</b>	<b>£ 1,550,000.00</b>
Swansea Bay 5G Innovation Testbed	£ 1,550,000.00
<b>SBCD Skills and Talent</b>	<b>£ 312,719.00</b>
Agor Skills, Sport, Health & Wellbeing	£ 312,719.00
<b>SPF Strategic Project</b>	<b>£ 375,487.45</b>
Accelerate Pentre Awel	£ 375,487.45
<b>Shared Prosperity Fund</b>	<b>£ 288,247.00</b>
Swansea Bay Sports Park Feasibility Study	£ 288,247.00
<b>Grand Total</b>	<b>£ 3,026,453.45</b>

### 3. Campuses Project Risks/Issues

Ref	Title	Type	Risk Descriptor	Mitigation
4	Incubation Space Partners	Threat	Potential under demand and over supply of incubation space across the region leads to failure to generate occupancy, resulting in failure to realise project benefits and deliverables	<ol style="list-style-type: none"> <li>1. Campuses Business Development Manager in post.</li> <li>2. Engagement with SME community</li> <li>3. Ongoing review in line with benefits realisation</li> <li>4. Our willingness to coordinate the regional offer across City Deal projects to ensure clarity of regional offer</li> </ol>
14	Building Affordability	Threat	Construction sector cost inflation leads to Current building envelope becoming unaffordable, resulting in either additional funding required or a smaller footprint, potentially reducing the amount of space to deliver the student teaching and/or business incubation	<ol style="list-style-type: none"> <li>1. Project Team have track record of working closely with Estates , cost consultants and contractors to deliver complex construction projects on time and on budget and are experienced with the process of value engineering</li> <li>2. Ongoing monitoring of cost schedule</li> <li>3. Value engineering exercise undertaken for Sketty Lane and cost savings identified</li> <li>4. Additional £4.4M budget uplift approved by SLT for Sketty Lane</li> </ol>
10 Page 78	Private Sector Engagement and Investment	Threat	Failure to secure external partners, student numbers and tenant income lead to failure to achieve income targets, resulting in inability to realise benefits	<ol style="list-style-type: none"> <li>1. Implement Engagement Plan. Initial discussions held with multi-nationals and governing bodies in the sectors of Medi-Tech, Sports Tech and Digital.</li> <li>2. Decision made to engage in Market Analysis to demonstrate market share - complete; range of activities undertaken</li> <li>3. Comms and Marketing Manager to continue with stakeholder engagement.</li> <li>4. Ensure continuing consultation with key delivery partners in other Faculties (in particular Science &amp; Engineering)</li> <li>5. Business Development Manager appointed</li> <li>6. Sports Strategy Committee in place</li> <li>7. Strategic Sports Advisor appointed</li> <li>8. We are hosting a global investor delegation being organised by the department for business and trade first week of March</li> </ol>

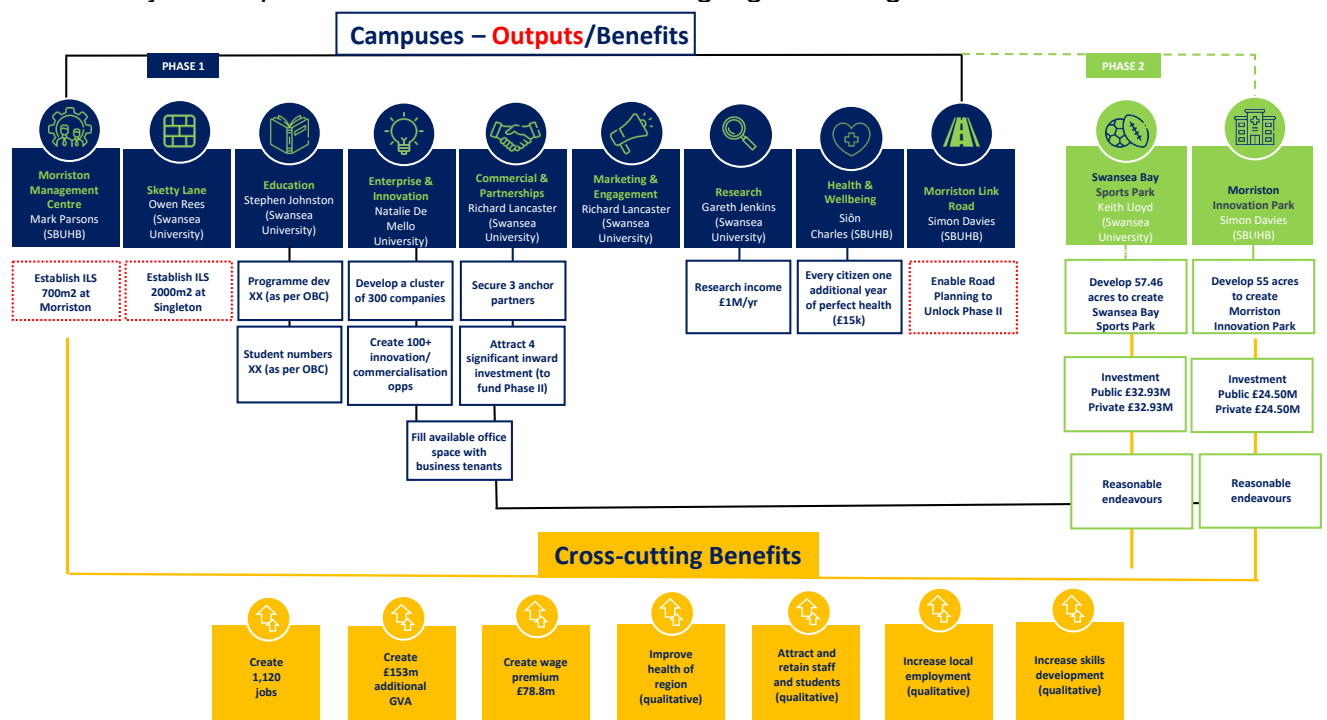
6	Phase 2 Funding	Threat	Weakened economy, (potentially influenced by COVID-19, BREXIT and Ukraine conflict), leads to delay / reduction to co-financing of later stages, resulting in reduction in scope / scale of Phase 2 developments	<ol style="list-style-type: none"> <li>1. Phase II planning continues and engagements increasing targeting potential investment opportunities, strategic partners and anchor tenants</li> <li>2. University Estates in discussion with Swansea Council UKCRF proposal - Shared Prosperity funding received</li> <li>3. SBUHB to update Morriston Phase 2 delivery plan - Phase 2 Campuses governance board established</li> <li>4. Phase 2 Singleton master plan has been developed and Phase 2 Morriston development control plan developed</li> </ol>
17	Funding agreement	Issue	Delay in signing of funding agreement leads to delay in Phase 1 project activity, resulting in delay to outputs and benefits.	<ol style="list-style-type: none"> <li>1. Meetings with all parties and internal governance to resolve</li> <li>2. Principles agreed by all parties; Primary and, Secondary agreement fully executed January 2024.</li> <li>3. Change notification to be submitted to SBCD</li> </ol>
3 Page 79	Benefits Realisation	Threat	A lack of engagement from the wider community including industry will mean the outputs and benefits of the project are not secured, resulting in financial clawback re. outputs, damage to reputation.	<ol style="list-style-type: none"> <li>1. Project resource recruited, workstreams established and reporting, (fortnightly meetings)</li> <li>2. City Deal monitoring and evaluation framework</li> </ol>

## 4. Financial Implications

- 4.1 Risks and issues are 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.
- 4.2 Specific Programme financial risks are outlined within the financial case component of the Campuses Project Business Case.
- 4.3 The procedures around the management of City Deal funding are detailed within the Joint Committee Agreement.

## 5. Outputs/Outcomes/benefits

- 5.1 Campuses project proceeded at risk and is achieving outputs. January 2024, Funding agreement fully executed.
- 5.2 Project Outputs/Outcomes and Benefits highlighted in figure 1 below:



## 6. Legal Implications

- 6.1 There are no additional legal implications associated with the report.

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

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

**Background Papers:** None

**Appendices:** None



Swansea Bay City Region Joint Committee - 11 April 2024

## Swansea Bay City Deal Highlight Report

<b>Purpose:</b>	To update Joint Committee on the programmes / projects progress that form part of the Swansea Bay City Deal Portfolio as outlined in Appendix A
<b>Policy Framework:</b>	Swansea Bay City Region Joint Committee Agreement
<b>Report Author:</b>	Amanda Halfhide, Senior Portfolio Support Officer
<b>Finance Officer:</b>	Chris Moore, Section 151 Officer, SBCR
<b>Legal Officer:</b>	Debbie Smith, Deputy Monitoring Officer, SBCR
<b>FOR INFORMATION</b>	

### 1. Introduction

The SBCD Highlight Report attached at Appendix A details the monthly progress made and activities planned for the SBCD Portfolio's constituent programmes and projects.

### 2. Financial Implications

Financial implications are outlined within the Business Cases of each programme / project. Financial risks are recorded and managed through the portfolio risk register. Portfolio Financial reporting is presented as a separate report.

### 3. Legal implications

There are no legal implications.

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

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

**Background Papers:** None

**Appendices:**

Appendix A: Swansea Bay City Deal Highlight Report





**Bargen Ddinesig**  
BAE ABERTAWE  
SWANSEA BAY  
**City Deal**

**SBCD Highlight Report**  
March 2024



# Communications and Marketing

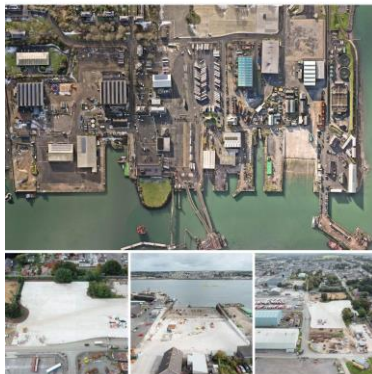


Heidi Harries  
Communications  
and Marketing Officer

## SBCD Portfolio Office Feb – March 2024

### Activities Completed

- Finalised SBCD Marketing, Communications and Engagement Implementation Plan and Protocol and Guidance documents.
- Represented the City Deal in Carmarthenshire Careers Event, 4thRegion City Centre Conference and Marine Energy Wales Conference.
- Pentre Awel Topping Out Ceremony and Launch of Skills & Talent SPARC initiative.
- Website updates and social posts on Pentre Awel groundbreaking, job opportunities, Pembroke Port developments.
- Invitation and web booking pg



### Activities Planned/Ongoing

- Planning, mapping and design of website upgrade.
- Represent the City Deal in 4thRegion City Centre Conference and Marine Energy Wales and the Carmarthenshire Careers Event.
- Plan and organise Meet the City Deal Event in NPT and Swansea.
- Planning and early drafts of 2023-2024 Annual Report.
- Plan and assist in the Pentre Awel topping off ceremony (on 29<sup>th</sup> February)



### Risks

Increases in constructions costs may have implications to overall project budgets/timelines/quality which may create variance from the figures that the press have already publicised.

Slippage in delivery may create negative press.

### Issues

None





# Business Engagement



Peter Austin  
Business Engagement  
Manager

SBCD Portfolio Office Feb - March 2024



## Activities Completed

### Activities

- Consulted Projects on Private Sector contributions
- Consulted projects on website upgrade proposal

### Attendances:

- 4th Region Swansea City Conference Swansea Arena
- Joint Scrutiny
- DCW AI webinar

### Meetings

- Tinint re website upgrade

Note:  
Reduced activity due to 2 weeks annual leave during this reporting period.

## Activities Planned/Ongoing

### Current

- Updating Construction Costs report
- Assisting PoMO Business Case Update
- Liaising with Skills and Talent team on apprenticeship recording
- Ongoing upgrade of SBCD website
- Business Engagement support for programmes and projects,
- Planning regional showcase and other events
- Updating Portfolio events plan
- Arranging attendance at key events

### Ongoing

- Coordinating ESB meetings with Chris Foxall
- Ongoing monitoring of Portfolio procurement pipeline
- Ongoing monitoring of construction costs across portfolio
- Supporting Pentre Awel on Community Benefits steering group
- Responding to enquiries received via the City Deal email inbox
- Managing SBCD LinkedIn account
- Attendance at CEIC steering group meetings

## Risks

- Potential cost increases during construction phases of projects
- Poor take up of offer of support from ESB to assist projects with supply chain creation, private sector investment or building sectoral eco systems could cause opportunities to be missed.

## Issues

None



# Swansea City & Waterfront Digital District



Cyngor **Abertawe**  
**Swansea** Council

Lee Richards  
Project Manager

## Project Partner Lead: City & County of Swansea

### Activities Completed

#### Hotel:

Swansea Council going out to market for a hotel developer from March 20<sup>th</sup>.

**71/72 Kingsway:** BYUK are indicating mid April for building completion but additional work will be required for some external areas.

Landord and tenant fit out – design packs prepared to go out to tender. Savills engaged with handover meetings.

HoT's in discussion with anchor tenant, plus 2nd floor tenant.

Budget on track but some contingency risks being managed .

- **Innovation Matrix:** IM Project started on site 6<sup>th</sup> March 2023
- Tenant HoTs at 65% of available net lettable space
- Planning for Handover Meetings progressing well
- Social Value targets are on track

#### Innovation Precinct:

- Draft Change Request Notification has been submitted to City Deal Team. However, with the recent change in the University's senior leadership team, there is an ongoing internal review of the Innovation Precinct delivery strategy which may result in amendment to the current draft change request notification.



### Activities Planned

#### Arena

Hotel – progress marketing.

#### 71/72 Kingsway.

Begin construction work to link digital fibre from Copr bay to Kingsway.

Continue with soft landing handover meetings and go out to tender on internal fit out works.

Finalise HoT's for proposed tenants and continue marketing for office, retail and event space.

#### Innovation Matrix

- Further round of tenant engagement planned for March/April 2023
- Workstreams in place to define Furniture and AV solutions
- .Café operator strategy ongoing.

#### Innovation Precinct

- Submission of a formal change control notification around the preferred alternative delivery model



### Risks

- Effect of Covid-19 and Material shortage on construction, including programme slowdown and impact on costs
- Inflationary pressures cited by BYUK arising from cost pressures experienced by themselves & sub-contractors on supply/availability/cost of fuel/materials attributed to Brexit, Covid, Ukraine situation:
- Effect of Covid-19 upon level and type of commercial demand for 71/72 Kingsway, Innovation Matrix and Innovation Precinct, also concerns about tenant fit-out contributions.
- Hotel: current market conditions causing funding challenges.

### Issues

Impacts of Covid and effects on redevelopment including timescales, costs and occupier demand.





## Project Partner Lead: Carmarthenshire County Council



### Activities Completed

#### Zone 1

- Construction now @ week 57. Successful 'Topping Out' held onsite 29<sup>th</sup> February 2024 to mark the completion of the steel frame for all five buildings. Faye Jones MP in attendance alongside all project partners and local members of BYUK supply chain. [Press release](#) issued. Key works progress / updates in the period:
  - Installation of glulam timber structure within the pool hall
  - Partitioning and M&E within Building B – Swansea University demise – continues to progress well
  - First capital plant being installed
  - Northwest section of footpath completed and opened
  - Developing design for cafe, leisure retail/customer hub and signage & wayfinding
  - BYUK has completed 90% of its procurement activity
  - 2 week prolongation of programme due to adverse weather
- 2,000 person weeks of Targeted Recruitment and Training achieved to date. Inclusive of 31 apprentices/shared apprentices
- 584 pupil interactions achieved, in addition to 91.5 hours of schools' engagement.
- Good turnout at 'Residents Surgery' held onsite 6<sup>th</sup> February 2024
- Business and Innovation Plan approved at Steering Group 06/03/24 setting out business sectors to be targeted. Broadening of sectors targeted from life sciences to health, social care and wellbeing.
- Swansea University has signed an 'Agreement to Lease' for its demise within Zone 1. It has set up an Implementation Group to agree the scope of services/training to be delivered within the Health and Wellbeing Academy onsite
- Hywel Dda - completion and sign-off of RIBA Stage 3 report for its space in Building D. Works to proceed to RIBA Stage 4. Lease discussions to be concluded shortly. Ongoing dialogue on access, operational and management requirements for hydrotherapy pool.

Page 87

### Activities Ongoing/Planned

#### Zone 1

- Pentre Awel Business Case to be updated and resubmitted to PMO – target July 2024
- Development of marketing literature to engage and attract businesses to Pentre Awel.
- 3 x SPF Project Manager posts advertised covering (1) Business Engagement; (2) Research and Innovation and (3) Social and Community Health. Interviews and appointment March/April 2024
- Continued exploration of 'Treat and Teach' proposals with the Health Board and Universities.
- Site hoarding artwork project with Coleg Sir Gar students. Unveiling ceremony deferred to May 2024 due to pre-election period.
- Capturing of data for CLES model to quantify local economic impact of construction spend
- Pentre Awel representation at 'Meet the City Deal' and events in March and April 2024.
- Procurement of an EV charging operator.
- Third Sector Protocol drafted.

#### Other Zones

- CCC going out to the market in coming weeks to seek interest from a Development Partner for the hotel within Zone 4
- Zone 2 and 3 assisted living proposals under review to ensure scope aligns with market demand/need
- CCC has recently purchased and is redeveloping the former Plas y Bryn care home, providing an initial 'testbed' in advance of Zones 2/3 becoming operational.

### Risks

- PA1: Zone 1 not delivered to programme and budget. **Mitigation** - Ongoing monitoring via Construction Group, progress meetings and RDD schedule. Effective Cost and Project Management via Gleeds, and site supervision via Arup
- PA2: Failing to secure sufficient tenants to lease space within Zone 1. **Mitigation** - 'Teach and Treat' proposals, Business and Innovation Plan; SPF projects and appointment of dedicated staff to engage and attract businesses.
- PA5: Failure to realise objectives set out in City Deal business case. **Mitigation** - ongoing monitoring of delivery, updated Business Case to reprofile benefits and financial case.





## Project Partner Lead: Pembroke Dock Marine Board



### Activities Completed

#### PDI:

- Lot 3 Terrestrial infrastructure works planning underway
- Lot 3 GI complete
- Purchase of 1 x area of privately owned 'Triangle' completed, further negotiations with other landlords underway

#### PDZ:

- MH:HK Successful outcome of the funding submission to Innovate UK, through the South Wales Launchpad for the collaborative Milford Haven Hydrogen Kingdom Project.
- Subsea Soundscape (S3) OWEC bid submitted.

#### META:

- Swansea University tidal turbine test programme completed – device decommissioned
- Attended Pembrokeshire Aquaculture conference
- MEW conference – exhibiting and involved in 'Firmly Anchored' panel

#### MEECE:

- Attended Pembrokeshire Aquaculture Conference in the Bridge Innovation Centre
- Attended the Wales Freeports launch event in London
- Submitted £3.75M bid for ECOFlow funding
- Green Economy Centre bids both failed
- Milford Haven Hydrogen Kingdom bid for Launchpad funding was successful, subject to contract.
- Tidal Lagoon bid successful, subject to contract
- Met with Holyhead Freeport Team on Anglesey
- Attended MEW Annual conference
- Attended green ammonia conference in Birmingham

### Activities Planned

#### PDI:

- Continue Lot 3 planning/costing

#### PDZ:

- MH: HK Mobilisation
- Grid Workshop at Pembrokeshire College Destination Renewables

#### META:

- Dolphyn Hydrogen trial ad PEBL monitoring systems due to be deployed March 2024
- Developing funding bids to SMART Grants and WMFS:FR4 in collaboration with MEECE where possible

#### MEECE:

- Green Economy Centre bids will be recycled into Place Based Impact Accelerator bids
- Will resubmit a LaunchPad bid in round two, or submit for SmartFis funding
- Exploring joint bid with META into fisheries fund general call
- Exploring possibility of a small tidal range project based at Carew Mill Pond
- Marine Energy Wales Conference 13-14th March

### Risks

**PDI:** Unknown services within Lot 3 area. GI to undertaken during Q1 2024 to derisk and assist design/costing.

**PDZ:** Crown Estate Lease currently only covers test and demonstration of Wave Energy devices only (with the right to build substation/s). CSP engaging Crown Estate to broaden the scope into FLOW & Power to X applications. TCE listening but risk Crown Estate could resist any changes.

**META:** Attracting technology developers to test at META reliant on developer access to R&D funding.

**MEECE:** Supporting SMEs to deploy in META becoming untenable without quayside storage space.

### Issues

# Homes as Power Stations

## Project Partner Lead: Neath Port Talbot Council



### Project Board

Project Board meeting was slightly postponed until March. Focus of meeting will be :

- Welsh School of Architecture presenting end of year report and
- Supply Chain Fund recommendations.

### Supply Chain Development

Discussions have taken place with a variety of stakeholders to ensure the HAPS Supply Chain Development fund is suitably placed to maximise funding opportunities.

### Financial Incentives Fund

Inception Meetings have commenced with each of the successful organisations to discuss individual monitoring that will take place in the houses. Site visits and marketing content is being gathered as projects progress.

To ensure a suitable length of monitoring, retrofit schemes have been prioritised. Schemes that were successful for the New Build element will be invited to an inception meeting in due course.

### Events Attended

- RLSP Construction Cluster Group Meeting
- WLGA Subsidy Control Seminar
- 4 the Region – 'It's your Swansea' conference

### Additional Activity

- Joint Scrutiny Site Visit (4.3.24) to Tai Tarian scheme 'County Flats' to enable board to better understand the HAPS concept.
- Apprentice Social Media and Marketing commenced role to support HAPS.
- Visit to Swansea University SPECIFIC project where they have received Place Based Impact Accelerator Account funding for an infrared heating project.
- Supporting Regional Learning and Skills Partnership (RLSP) to set up a 'Retrofit Group' to better respond to the needs of businesses and win local contracts.
- Initial meeting with 'A Regional Collaboration for Health' - ARCH to maximise opportunities for collaboration and data sharing around health and homes.
- UK Shared Prosperity Fund in Neath Port Talbot is funding 2 HAPS Demo Houses. The partnership between Tai Tarian, NPTCBC and Welsh School of Architecture is now progressing. Houses have been identified and initial data gathering/surveys has commenced.
- Visit to North Wales Decarbonisation Hub that links RSLs to training and the supply chain through Ffram24 framework.

### Activities Planned

- Input to final report to MCS to evaluate funding achievements (£75k grant received)
- Support organisation of NPT Business & City Deal event on 9<sup>th</sup> April @ Margam Orangery.



Oonagh Gavigan  
Project Manager

14.3.24

### Risks

Cost increases and supply issues in relation to technologies and wider construction.

TAN 15 – Updated TAN may have potential implications for the location of some assets and wider implications not yet known

Ensure alignment to other energy efficiency in housing programmes. This is in progress with on-going engagement.

### Issues

None identified



Trawsnewid Cartrefi Cymraeg  
Transforming Welsh Homes



# SBCD Campuses

Project Partner Lead: Swansea University



Clare Henson  
Project Manager



## Activities Completed

### WS1: **Morrison Management Centre**

- Site Visit taken place
- Revising design and room requirements

### WS2: **Sketty Lane**

- Engaging with stakeholder groups
- Design meeting with Architects – External façade.
- Design commission for Wales Meeting presented
- End stage 3 report issued
- **Engagement highlights**
- Continued engagements with Vodafone senior leadership teams, WRU, FAW, Sport UK. All at varying stages of development.
- Visit to SU and Campuses project from Department of Business Trade

### Swansea Bay Sports Park (phase 2)

- 3G pitch on sketty lane continues to progress, nearing completion

### WS10: **5G Infrastructure vodafone**

- SU Singleton and Bay sites surveyed. Morrison hospital initial site visit

## Activities Planned

- Follow up meetings with all workstreams and leads
- Change notification drafted, reviewed and submitted to SBCD for approval

### WS1: **Morrison Management Centre**

- Continue to progress

### WS2: **Sketty Lane:**

- Public consultation opened
- Tender pack to be completed.
- Tender to go live

### **Engagements:**

- Continued engagements Vodafone, WRU. FAW, Sport UK
- Continued Stakeholder engagement activity with potential incubator businesses

### Swansea Bay Sports Park (phase 2)

- Completion of 3G pitch and progress floodlighting scheme

## Risks

- Incubation space – Potential under demand and over supply of incubation space across the region leads to failure to generate occupancy, resulting in failure to realise project benefits and deliverables
- Private sector engagement and investment – failure to secure external partners, student numbers and tenant income lead to failure to achieve income targets, resulting in inability to realise benefits
- Building affordability. Value engineering options Sketty Lane approved.

## Issues

- Funding agreement - delays lead to delay in Phase 1 project activity, resulting in delay to outputs and benefits.

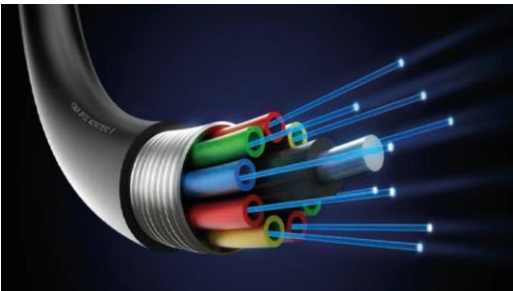




## Programme Partner Lead: Carmarthenshire County Council

### Activities Completed

- Completed scoping of 5G Innovation Fund opportunities with City Deal Project and Programme Leads.
- Conducted lessons learnt from Dark Fibre Phase 1.
- Completed initial scoping of Dark Fibre Phase 2.
- Briefed CCC councillor for regeneration, digital and policy of the programme's delivery to date.
- Hosted alt net provider Netomina at regional LA team meeting who provided update of commercial rollout plans and on-site visit to Llanelli exchange.
- Data analysis of latest NROMR complete working with BDUK on anomalies.
- Scripting of first case study video. Filming to take place in 3 weeks.



### Activities Planned

- Award Dark Fibre Phase 1 contract.
- Review scope of 5G Innovation Fund to include applications from private sector.
- Issue PIN for Dark Fibre Phase 2.
- Sign MoU's and draft specification for Dark Fibre Phase 2.
- Sign variation letter for Local Broadband Fund.
- Map data to indicate commercial rollout, Project Gigabit, voucher schemes and potential SBCD infill procurement.
- Establish working group for Better Broadband Infill Procurement.
- Develop detailed programme plan for entire length of the programme including a critical path and key decision milestones.
- Host 5G event in Swansea
- Finalise informative animation series.
- Pre-production planning of case study films and legacy infographics.
- Complete benefits realisation for 2022/23.
- PR on new proposed Openreach plans published in Carmarthenshire.

### Risks

#### Shared Rural Network

**IF** the SRN programme fails to meet its June 2024 deadline for PNS sites **THEN** there is a risk that the investment and coverage improvements are lost.

#### National Rolling OMR

**IF** premises remain on the Under Review category indefinitely, **THEN** there is a risk that are our programme does not target the right beneficiaries which could **RESULT IN** reputational damage for the programme.

### Issues

#### Delivery

The programme manager has since moved to work as Chief Digital Officer (CDO) for Carmarthenshire CC on an interim basis, which has the resulted in the programme manager role to become vacant.

# Supporting Innovation & Low Carbon Growth

Project Partner Lead: Neath Port Talbot Council

March 2024



Dr Brett Suddell  
Programme Manager

## Activities Completed

### Bay Technology Centre

- The High Value Manufacturing Catapult have signed heads of terms on 1<sup>st</sup> March for office 0.06 and expect to be setup by 26<sup>th</sup> March. A further two leases on the ground floor are expected to be signed in early April. This suite of rooms in the BTC will be to provide an interface for Welsh based organisations to access the wider UK Catapult network.
- Strategic projects office funded through SPF recently signed a HoT for a ground floor office which will be set up in the next week.

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

- Ongoing workshops with Morgan Sindall to progress to RIBA stage 3 and identify opportunities for cost reduction
- NPT proposal development for submission to Tata Transition Board to seek additional funds

### Property Development Fund (PDF)

- The project team have continued to support applicants through the Stage 2 process and provided guidance and assistance.
- 3 completed Stage 2 applications have been received, each application has been reviewed by a QS & received a valuation report.

### Property Development Fund (PDF) Cont.

- Each application has been submitted to the SILCG Board and approved subject to caveats.
- The Council launched round two of the PDF was publicised in November 2023 - [https://www.npt.gov.uk/1410?pr\\_id=7325](https://www.npt.gov.uk/1410?pr_id=7325)
- Previously anticipated there would be an underspend based on the completed Stage 2 applications for round one, however, round two has filled us with confidence that all of the spend will now be met. More info on Stage 2 applications will be provided in the next update

### Air Quality Monitoring Project

- The second Ricardo report has been reviewed.
- A next steps meeting has been held with monitor suppliers.
- NPT has decided they are content with the findings of the report and are now awaiting comments from Vortex.
- Report will be ready to present to the SILCG board once comments from Vortex are received.

### Low Emission Vehicle Charging Infrastructure

- NPT Zero Emissions Vehicle Infrastructure Strategy presented to NPT scrutiny committee and accepted as a report. Preparation of a strategic action plan is underway.

### Enhanced Advanced Manufacturing Production Facility (EAMPF)

- WG organised a meeting on 14th February around HVM catapult where NPT presented vision for EAMPF

### Hydrogen Stimulus Project

- The installed electrolyser at the USW Hydrogen Centre in Baglan continues to produce green hydrogen. USW are working with partners to extend the number of hydrogen vehicles available in the region, including engagement with Bus and Truck suppliers. This activity will now converge with identifying potential hydrogen vehicles to be deployed in the NPT fleet.
- Additional external funding has been secured
- Significant effort continues with partners to stimulate industrial hydrogen for decarbonisation projects at scale within the region, as well as the Western Gateway hydrogen steering group, encompassing hydrogen activities in South Wales and the West of England.

### Additional Activities:

- Agreement on new SILCG programme and sub project branding by SILCG board and stakeholders
- Supporting Tata Transition Board with project prioritisation requests for further details
- Discussions with PoMO on new SBCD website

### Events / networking

- Early stages of supporting the organisation of the NPT event on 9th April

# Skills and Talent

## Project Partner Lead: Carmarthenshire County Council



Samantha Cutlan  
Programme Manager



### Activities Completed

- 19 pilot projects approved providing training and awareness raising of key skills for the region with the 5th quarterly claims process underway,.
- Apprenticeship Frameworks from Level 2-6 developed in UCD and now in delivery.
- Options leaflet developed and produced for learners
- Workshop attended by all pilot project leads successfully complete with great feedback and more planned.
- First meeting of Youth Forum has taken place



### Activities Planned

- Continued engagement with stakeholders and City Deal Skills Group to develop pilot projects to meet Skills Gaps within region. with some exciting pilots in discussion.
- Teacher Encounters test pilot began Dec 23, with 2<sup>nd</sup> phase due to take place March 24.
- Engagement and awareness events taking place in each of the local authority areas targeting pupils and parents.
- Work Experience Project small test pilot being developed and due to begin Summer Term of 24.
- Working with BT on the development of Immersive Classroom spaces.
- Engagement with City Deal Project contractors and tenants being planned to support the recruitment of apprentices across the City Deal region.
- Pilot Project Marketing material being produced to showcase activity taking place.
- RLSP Website updates taking place showcasing Skills and Talent activity
- Barometer Data being reconciled ready for move onto digital system.
- Potential development of further Apprenticeship frameworks in planning/discussions.
- Engagement with the potential Celtic Sea Investors to support the identification of future skills needs
- Further marketing filming of remaining pilot projects planned.

### Risks

With the other City Deal projects being at different stages of delivery, a lack of knowledge of their specific skills needs/gaps, could delay pilot project development in those key areas. Continued engagement with the 8 City Deal projects during the Skills Barometer review will help to address this. We have also set up a Skills Subgroup made up of the City Deal Project Managers to drive the skills conversation forward.

Apprenticeship uptake by the City Deal projects has been lower than anticipated, which could impact on achievement of target outputs. Activity planned to take place to support an increase in engagement with supply chain/tenants/stakeholders.

### Issues

Impact of different funding streams being introduced on the training landscape is impacting and crossing over our area of work. Maintaining an understanding of these funds and activities will prevent any possible duplication. Reduction in Welsh Government Apprenticeship Funding





# Yr Egin



**Geraint Flowers**  
Project Manager

## Project Partner Lead: UWTSD



**Prifysgol Cymru**  
Y Drindod Dewi Sant  
**University of Wales**  
Trinity Saint David

## Activities Completed

Following the outcomes of a creative sector demand study and noting the excellent benefits realisation of Egin 1, the University is in the process of considering a change in the delivery model for Egin 2

The new solution has the potential to be a more targeted and effective combination of facilities, equipment and services that will better suit the particular needs of the creative industry in the region, as well as Wales as a whole.

The revised Egin 2 delivery model is now proposed to be centred around the provision of a Virtual Production Facility at the Carmarthen Campus

A change control notification and revised business case have been prepared and are currently being discussed with the University's new PVC for commercial before any formal submission is made



## Activities Planned

Agreement of new change control and IAAP process with SBCD, in line with current development Programme for Egin Phase 2 following internal approval from the University's new Senior Leadership team and in particular the new PVC for commercialisation. This process has been ongoing for some time as the project needs to align with the University's investment priorities moving forward



## Risks

Failure to agree proposed revision of project outputs will place the Egin 2 project at risk

Failure of Egin 2 project to satisfy industry needs through poor specification/planning and/or an unsupported business model

## Issues

Ongoing time delay as the University integrates its strategic objectives with existing project commitments

Lack of unified view of specific needs of creative industry in the region from industry



# Agenda Item 9



Swansea Bay City Region Joint Committee - 11 April 2024

## Construction Impact Assessment Summary

<b>Purpose:</b>	To inform Joint Committee of the Construction Impact Assessment Summary as at Appendix A.
<b>Policy Framework:</b>	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
<b>Recommendation:</b>	It is recommended that:  1) Joint Committee approves the report attached at Appendix A.
<b>Report Author:</b>	Peter Austin, Business Engagement Manager
<b>Finance Officer:</b>	Chris Moore, Section 151 Officer, SBCD
<b>Legal Officer:</b>	Debbie Smith, Deputy Monitoring Officer, SBCD

### 1. Introduction

- 1.1 The Construction Impact Assessment provides a combined assessment of costs, risks, and issues to highlight and quantify the effect of rising construction costs across the SBCD Portfolio. 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.
- 1.2 As of 18<sup>th</sup> March 2024 following requests for completion of the SBCD construction impact assessment, there was a reduction of £569.6k due to Campuses value engineering exercise that has reduced cost estimates for Singleton. Some additional clarification of costs on other projects are covered within the narrative of the report including an increase of £1.2m since last reported due to SILCG now including groundworks not previously reported.

1.3 The report to Programme Board 26<sup>th</sup> March showed a decrease of overall costs from £42.9 to £42.3m, however since reported, the subsequent notification of the increase of £1.2m from SILCG raises the overall cost increase to £43.5m at date of this report.

1.4 Table 1 shows a summary of risks identified in Programme / Project returns:

Table 1

Risks	Impact Field	Scope	Targets	Time	Reputation	Stakeholder/ Partnerships	Project Costs	Procurement	Resources
<b>Red</b>		<b>1</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Amber</b>		<b>11</b>	<b>20</b>	<b>17</b>	<b>19</b>	<b>12</b>	<b>23</b>	<b>18</b>	<b>5</b>
<b>Green</b>		<b>33</b>	<b>25</b>	<b>21</b>	<b>26</b>	<b>33</b>	<b>18</b>	<b>27</b>	<b>40</b>

Reduction from last report as Pentre Awel have closed one risk regarding Programme delay due to discharging pre-commencement conditions which has reduced total in each column by one.

## 2. Financial Implications

The report illustrates an increase cost of all projects of £42m whilst recognising that CA have identified funding in most cases.

## 3. Legal Implications

There are no legal implications associated with this report.

**Background Papers:** None

### **Appendices:**

Appendix A: SBCD Construction Impact Assessment Summary

# Swansea Bay City Deal

## Construction Impact Assessment Summary Report



<b>Owner</b>	Jonathan Burnes, SBCD Portfolio Director
<b>Author</b>	Peter Austin, SBCD Business Engagement Manager
<b>Date</b>	April 2024
<b>Version</b>	<b>V17.0</b>

### 1.0 Executive Summary

The Construction Impact Assessment (CIA) provides a combined assessment of costs, risks, and issues, to quantify and highlight the effect of rising construction costs across the SBCD Portfolio.

The CIA covers 15 construction-related project elements within the 9 SBCD programmes and projects. At the date of this report:

- 3 elements are completed (known cost)
- 5 elements are procured and subject to contract (known cost)
- 7 elements yet to be procured (estimated)

This current assessment estimates a **£43.5m** gross funding gap because of inflationary pressures and rising construction costs between business case development, sign off, and now. See Table 1, Sect 4.1.

This includes a reduction of £569.6k since last reported due to Campuses value engineering exercise that has reduced cost estimates for Singleton and there has been some additional clarification of costs on other projects (increase of £1.2m in SILCG) within the narrative of the report see Sect 4.1.

Mitigating actions by Lead Delivery Organisations have reduced the residual impact to **£12.75m** as shown in Table 2, Section 4.2.

Although there are several mitigating options available to project leads, the common approaches to address the funding shortfall are to:

- Secure additional funding
- Revisit the construction brief
- Open dialogue with contractors.

The risk assessment shows that 3 areas of high concern persist, these being the potential effects on Scope, Time and Costs. Summarised in Table 3, Section 4.2.

It should be noted that this CIA does not include future phases of some projects and programmes that are part of the project Business Cases. There remains a risk that increased costs may affect delivery of future stages, which, in some cases, may subsequently affect achievability of programme and project deliverables and benefits.

Inflationary uncertainties aside, the Construction sector seems more settled (March 2024) than in 2022 when the original CIA was compiled and the spike in prices and material supply issues were at a peak. Although prices remain high, they are more consistent, and supply is much improved. Some market volatility remains with metal doors and windows, ready mix concrete and some insulation materials seeing significant price increases in Q4 23, but fabricated structural steel, concrete reinforcing bars (steel), imported sawn or planed wood and imported plywood all seeing significant reductions. Contract terms, recruitment and labour costs are currently big issues across the sector.

The PoMO continues to monitor the impact of inflation, cost and effect of mitigating actions on a monthly basis. SROs and Project Managers are required to notify the PoMO and record key changes via the change management process and submit appropriate paperwork via their local and SBCD regional governance arrangements.

### 2.0 Background

In response to several macro-economic factors affecting the construction industry, in mid-2022 the PoMO set out to identify and forecast the likely impact of increasing construction costs on the Business Case estimates across the SBCD Portfolio. The result was the creation of a point-in-time report titled Assessment of Increasing Construction Costs (September 2022) that was subsequently



reported through SBCD Programme Board and Joint Committee. The initial report estimated a £30m gross funding gap due to inflationary pressures and construction costs.

The purpose of the Construction Impact Assessment (CIA) is to add a combined risk/issues assessment with the cost impact assessment. The combined assessment highlights and quantifies the potential effect on SBCD Programmes and Projects of specific issues currently being experienced throughout the construction industry.

SBCD Programme Board and Joint Committee have requested that all Lead Delivery Organisations continue to assess and monitor the status of their SBCD Programmes and Projects and report the potential or actual impact of construction related challenges on successful delivery of their Programmes or Projects.

### 3.0 Definitions

For the purposes of this report the term Construction Costs is defined as those costs directly attributable to the building, refurbishing, or delivering items or services that are specified in the procurement tendering process and the construction contract awarded for each individual element of the SBCD projects or programmes.

The non-exhaustive list includes groundworks, site works, costs of materials, labour, consultancy, mechanical and electrical items, fuel, machinery and operation, PPE, and on-site staff facilities.

It should not include any ancillary consultancy fees, or similar activities, that are associated with the wider delivery of projects or programmes.

### 4.0 Project and Programme Risk Impact Assessment March 2024

The Construction Impact Assessment provides a combined assessment of costs, risks, and issues to quantify and highlight the effect of rising construction costs across the SBCD Portfolio.

The Assessment covers 15 construction-related project elements within the 9 SBCD programmes and projects. At the date of this report:

- 3 elements are completed (known cost - no further risks or issues)
- 5 elements are procured and subject to contract (known cost – some risk remains)
- 7 elements yet to be procured (estimated cost – risks and issues remain)

The HAPS Project and Skills and Talent Programme are not included in this assessment. These programmes do not directly fund any construction activity. However, increased construction costs and inflationary pressures could have an indirect effect on the realisation of project and programme outcomes. This will be monitored separately via the benefits and risk reporting processes.

Tables 1 and 2, Sect 4.1, detail the current situation of cost variances, key mitigations, and their associated impact across the Portfolio.

#### 4.1 Project and Programme Cost Assessment Summary

The initial Construction Costs report was mostly based on estimates contained in the programme and project business cases, which would become more certain as projects procured and awarded contracts and when actual costs are known.

This report is reviewed monthly to align costs with current risks and circumstances. Reported costs will change as and when contracts are awarded, or during delivery. The estimation methodology is detailed in Appendix 1.

The current estimate, as of March 2024, has been derived using a combination of actual costs, current tender pricing, and cost estimation. These are based on actual and anticipated delivery

timelines i.e. build of infrastructure. The funding gap is caused by inflationary pressures and rising construction costs between business case development, sign off, and now. See Table 1, Sect 4.1.

The report to Programme Board 26th March showed a decrease of overall costs from £42.9 to £42.3m, however, this current assessment estimates a **£43.5m** gross funding gap.

This is resulting from a reduction of £569.6k due to Campuses value engineering exercise that has reduced cost estimates for Singleton. However, following March 2024 Programme Board an increase of £1.2m was notified due to SILCG now including groundworks not previously reported. This also affects the residual as shown below.

Mitigating actions by Lead Delivery Organisations have reduced the residual impact which now stands at **£12.75m** as shown in Table 2, Section 4.2.

Costs that are outside of the original budget allocations are expected to be managed by Local Authorities and Lead delivery partners. An explanation of mitigating actions and the consequences of mitigation are given in Table 2.

The report does not include future procurements that are yet to be designed and costed, such as future zones/phases in respect of the life science projects (Pentre Awel Zones 2,3,4 and Campuses Phase 2). These have been omitted as SBCD funding is not directly utilised to develop them, and due to their nature, a reliable estimate is unobtainable at present.

It should be noted that the above phases are part of the project Business Cases and there remains a risk that increased costs may affect delivery of future stages which, in some cases, may affect achievability of programme and project benefits and deliverables.

**Table 1 Construction Cost Assessment**


 <b>Construction Cost Assessment</b>				
Programme/Project	Construction Estimate (Per BC) (£)	Current		Development Position
		Estimation (April 2024)(£)	Variance (£)	
<b>SILCG</b>				
Bay Technology Centre	8,500,000	8,883,000	- 383,000	Delivered
SWITCH	15,000,000	23,000,000	- 8,000,000	Estimated
Advanced Manufacturing	17,200,000	21,595,189	- 4,395,189	Estimated
	<b>40,700,000</b>	<b>53,478,189</b>	<b>- 12,778,189</b>	
<b>Pentre Awel</b>	<b>79,000,000</b>	<b>84,056,756</b>	<b>- 5,056,756</b>	<b>Procured</b>
<b>Yr Egin</b>				
Phase 1	14,868,348	14,868,348	-	Delivered
Phase 2	10,301,653	12,956,872	- 2,655,219	Estimated
	<b>25,170,001</b>	<b>27,825,220</b>	<b>- 2,655,219</b>	
<b>Swansea Waterfront</b>				
Arena and Public Realm	68,975,842	73,398,769	- 4,422,927	Delivered
71/72 Kingsway	48,540,125	48,540,125	-	Procured
<b>Hotel</b>	0	0	0	Not yet procured
Innovation Matrix/DLF	13,232,099	15,984,542	- 2,752,443	Estimated
Innovation Precinct	17,424,458	21,092,933	- 3,668,475	Estimated
	<b>148,172,524</b>	<b>159,016,369</b>	<b>- 10,843,845</b>	
<b>Campuses</b>				
ILS Innovation Centre - Singleton	12,790,000	16,945,955	- 4,155,955	Estimated
ILS Innovation Centre - Morriston Planning	960,000	960,000	-	Estimated
ILS Innovation Centre - Morriston Construction	1,250,000	1,250,000	-	Estimated
	<b>15,000,000</b>	<b>19,155,955</b>	<b>- 4,155,955</b>	
<b>PDM</b>				
Pembroke Dock Infrastructure	41,593,611	48,105,228	- 6,511,617	Estimated
	<b>41,593,611</b>	<b>48,105,228</b>	<b>- 6,511,617</b>	
<b>Digital Infrastructure</b>	<b>20,500,000</b>	<b>22,097,114</b>	<b>- 1,597,114</b>	<b>Estimated</b>
<b>Total</b>	<b>370,136,136</b>	<b>413,734,831</b>	<b>- 43,598,695</b>	

Table 2 Cost Variance from Business Case and Residual Variance after Mitigating Actions

Project/Programme	Lead deliverer	Cost variance	Key mitigation(s)	Residual variance	Mitigations to address Residual/Notes
Swansea Waterfront - Arena and Public realm	Swansea Council	£4.4M	Shortfall to be met by Swansea Council. 71/72 Kingsway shortfall estimated between £2m-3m, Fixed price contracts with tier 1 contractor, however cost inflation is having a negative impact which is being monitored closely.	£0	n/a Hotel yet to be procured
Swansea Waterfront - Innovation Matrix and Precinct	University of Wales Trinity Saint David	£6.4M	Innovation Matrix shortfall met by UWTSU. Value engineering on design and build.	£0	Innovation Precinct yet to be assessed for cost variance and will be subject to a change request.
Pentre Awel	Carmarthenshire County Council (CCC)	£5.05M	Shortfall to be met by CCC. Value engineering exercise undertaken. Changes to materiality and some omissions undertaken. Reduction of building area by 750m <sup>2</sup> . Increased use of digital and remote delivery for education and training, health and research/innovation.	£0	NB The £84,056,756 is the total value of the current construction contract, but the total costs incurred in relation to Zone 1 of Pentre Awel are projected as £96m. This includes an additional sum of £2.6million for fit out costs which sits outside of the current construction contract, which will be procured once further tenants are confirmed
Campuses	Swansea University	£4.15M	Shortfall met by Swansea University of up to £4.15M for Singleton Phase 1. Currently at RIBA Stage 3. Exploration of further design, materials, and any value engineering.	£0	Value Engineering exercise undertaken for Singleton resulting in a reduction of ££569.6k cost estimate.
Pembroke Dock Marine – Pembroke Dock Infrastructure	Pembroke Port	£6.5M	Competitive tenders and further review of Best and Final with additional scrutiny. Value Engineering has resulted in a reduction of costs circa £10m which brings costs down from circa £55m to £45m. Additional WEFO funding secured.	£0.5M	Innovative trading and phasing within overall programme to deliver the individual phased outputs and outcomes.
Supporting Innovation and Low Carbon Growth	Neath Port Talbot Council	£12.77M	Shortfall for BTC met by NPT Council (£0.38M). SWITCH element, the overall budget for the project is £28m split into £23m build and £5M for specialist equipment	£8M	SWITCH: on-going review and value engineering. Seeking other funding opportunities. AMPF element not yet procured
Yr Egin phase 2	University of Wales Trinity Saint David	£2.65M	Change Request being developed for Phase 2, which aligns to current regional demand.	£2.65M	Potential to value engineer, secure funding from additional sources or reduce infrastructure size.  The Egin 2 delivery solution is currently under review by the University's new

**Construction Impact Assessment Summary Report March 2024**

					senior management team. Consideration of several options is likely to result in the commencement of a change control process. The current budget projections (based on the original Business Case) are likely to change in accordance with the outcome of this process.
Digital Infrastructure	CCC	£1.6M	Calculation is based on forecasted inflationary increases.	£1.6M	Mitigations yet to be determined.
<b>TOTAL (*allowing for rounding)</b>		<b>£43.5M*</b>	<b>Key mitigation(s)</b>	<b>£12.75M</b>	

**4.2 Summary of Risks and areas of concern**

The Construction Impact Assessment has 10 questions that represent broader issues being experienced in the construction industry that may affect project delivery; these are mapped across 8 fields to score potential impact and probability of occurrence leading to a high, medium, low (Red, Amber, Green RAG) rating.

The result is shown in the following example return from a Project or Programme:

Ref No.	Risk		Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/partnerships commitment	Project costs	Procurement	Staff resourcing
		<b>Risk or Issue</b>								
	<b>People</b>									
1	labour and/or suitable subcontractors and suppliers	Risk	Low	Low	Low	Low	Low	Medium	Medium	Low
2	main contractor delivery/management team -	Issue	Low	Low	Low	Low	Low	Medium	Medium	Low
	<b>Materials</b>									
3	Lack of availability of construction materials	Risk	Low	Medium	Medium	Low	Low	Medium	Medium	Low
4	Quality of materials	Issue	Low	Low	Low	Low	Low	Medium	Low	Low
	<b>Finance</b>									
5	Rising construction costs	Risk	High	Medium	Low	Medium	Medium	High	Medium	Low
6	Contractor / subcontractor / experiencing financial difficulty	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low
	<b>Timelines</b>									
7	Delays in due to traditional infrastructure project factors	Risk	Low	Medium	High	Low	Low	Medium	Low	Low
8	delay in obtaining relevant construction related / operational approvals	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low
	<b>Policy/political</b>									
9	industry/governmental statutory & mandatory requirements	Issue	medium	medium	low	low	low	Medium	low	low
	<b>Other</b>									
10	other risks/issues in relation to construction not highlighted above									

The programme and projects returns are summarised at Portfolio level in Table 3

Impact Field	Scope	Targets	Time	Reputation	Stakeholder/Partnerships	Costs	Procurement	Resources
<b>Risk / Issue</b>								
<b>Red</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Amber</b>	<b>11</b>	<b>20</b>	<b>17</b>	<b>19</b>	<b>12</b>	<b>23</b>	<b>18</b>	<b>5</b>
<b>Green</b>	<b>33</b>	<b>25</b>	<b>21</b>	<b>26</b>	<b>33</b>	<b>18</b>	<b>27</b>	<b>40</b>

Table 3: Portfolio construction impact risk assessment summary

There are currently 3 areas of high concern, these being: Scope, Time and Project costs.

Pentre Awel have closed a Risk regarding Programme delay due to discharging pre-commencement conditions which has reduced total in each column by one.

A full summary by project is shown in Appendix 2

Areas of concern will continue to be monitored, and as any issues arise, along with associated change requirements, the change notifications and change requests will be submitted to the PoMO and reported/escalated accordingly to stakeholders as per the SBCD change procedures.

This will ensure that:

- All change is reported, recorded, escalated, and approved appropriately.
- Any mitigations required are implemented.
- The overall success of outcomes, outputs and impacts are not affected.

An explanation of methodology is given in Appendix 1

### 7.0 Conclusion

Although there are several recommended mitigating options available to project leads (see Section 8), the common approaches to address the funding shortfall are to:

- Secure more funding
- Revisit the construction brief
- Open dialogue with contractors.

Inflationary uncertainties aside, the Construction sector seems more settled now than in 2022 when the original CIA was compiled and the spike in prices and material supply issues were at a peak. Although prices remain high, they are more consistent, and supply is much improved. Some market volatility remains with metal doors and windows, ready mix concrete and some insulation materials seeing significant price increases in Q4 23, but fabricated structural steel, concrete reinforcing bars (steel), imported sawn or planed wood and imported plywood all seeing significant reductions. Contract terms and recruitment/labour costs remain big issues across the sector.

Inflation rates seem to be falling against predictions which will help future procurements.

While value management is always important, it is particularly so at a time when budgets are under pressure. Regular reviews should be undertaken to look for opportunities and to ensure the best use of available resources.

Altering the specification and reducing floorspace needs caution as it may affect the projects' ability to achieve its intended targets; this could be attracting tenants and thus achieving rental income, being able to deliver jobs or being fit for original intended purpose.

Those projects that are in early procurement stages are assessing the procurement pathways available. Entering dialogue with contractors to manage any cost issues is recommended as best practice by industry bodies.

Mitigating actions by Lead Delivery Organisations reduce the headline shortfall figure but significant residual shortfall remains.

The PoMO continues to monitor the impact of inflation, cost and effect of mitigating actions. Any changes will be recorded via the change notification process with any significant change being managed via the change request process.

It is important to note that the report does not include future procurements that are yet to be designed and costed, such as future zones/phases in respect of the life science projects (Pentre Awel Zones 2,3,4 and Campuses Phase 2). These have been omitted as SBCD funding is not directly utilised to develop them, and due to their nature, a reliable estimate is unobtainable at present.

The above phases are part of the project Business Cases and there remains a risk that increased costs may affect delivery of future stages which, in some cases, may affect achievability of programme and project benefits and deliverables.

A Construction Costs/Community Benefits sub-group has been formed to allow programmes and projects to share best practice and discuss lessons learned.

This sub-group reports to the PoMO and Project Leads group and Programme (Portfolio) Board.

---

## Appendix 1 - Methodology

### Cost Estimates

Current estimated costs (October 23) have been provided by the SBCD Programmes and Projects; these can be based on either:

- Actual cost- where current tender prices have been provided or
- Estimated cost - where projects are pre-tender

UK inflation rates at 1.25% have been applied to financial years 2017/18 – 2022/23 to demonstrate projected estimation figures. This was the rate when the original Construction Cost report was created.

It should be noted that from September 2022 the rate of inflation rose to 5.25% (October 2023) and currently sits at 3.9% (Jan 2024).

Building Cost Information Service All-in Tender Price Index (TPI) ([bcis.co.uk](https://www.bcis.co.uk)) indices were used to calculate projected estimations for future years (2023/24 – 3.2%, 2024/25 – 3.9%). These indices are industry specific and were deemed most appropriate to apply. The BCIS 4Q 2023 TPI figure now shows a decrease to 3.5% down from 4.9%.

Inflationary rates are estimated and where Building Cost Information Service indices have been used these by their nature do not account for volatile or unexpected adjustments.

### 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:

		Risk or Issue
	<b><u>People</u></b>	
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	
	<b><u>Materials</u></b>	
3	Lack of availability of construction materials	
4	Quality of materials (due to lack of stock of preferred option)	
	<b><u>Finance</u></b>	
5	Rising construction costs results in exceeding/increasing programme / project budget	
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	
	<b><u>Timelines</u></b>	
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	
	<b><u>Policy/political</u></b>	
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning phases	
10	<b><u>Other</u></b> Please highlight any other risks/issues in relation to construction not highlighted above	



**Construction Impact Assessment Summary Report March 2024**

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

Impact Field	Scope	Targets	Time	Reputation	Stakeholder/ Partnerships	Costs	Procurement	Resources
<b>Risk / Issue</b>								
<b>Red</b>								
<b>Amber</b>								
<b>Green</b>								

The example in Sect 4, 4.2 shows a completed assessment.

Once completed, the author must then identify mitigations that are/will be put in place along with any resource requirements in enacting these mitigations. The PoMO collate the returns and total the number of red/amber/green occurrences and report in Table 3, Section 4 above.

**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.

## Appendix 2

### Programme and Project Construction Risk Assessment Summary

		Impact Criteria							
Project/Programme	Notes	Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/partnerships commitment	Project costs	Procurement	Staff resourcing
Swansea Waterfront		All Green	Amber x 2	Amber x 5	Amber x 6	Amber x 1	Amber x 2	Amber x 2	Amber x 2
Campuses		Red Risk x 1 - Finances Amber x 3	Amber x 6	Red Risks x 3 - Finances (2) / Timeline Amber x 1	Amber x 3	Amber x3	Red Risk x 1 Finances Amber x 8	Amber x 4	All All Green
PDM		Amber x 8	Amber x 9	Red Issue - Finances Red Risk - Finances Red Risk - Timeline Red Risk - Other (Post Brexit scenarios) Amber x 6	Amber x 8	Amber x 7	Red Issues x 2 - Finances Red Risk x 1 - Other(Post Brexit scenarios) Amber x9	Amber x 7	Amber x 1
Pentre Awel		All Green	All Green	Amber x 1	Amber x 3	All Green	Amber x 3	Amber x 3	All All Green
SILCG		All Green	Amber x 2	Amber x 5	Amber x 6	Amber x 1	Red Issue x 1 - Finances Amber x 1	Amber x 2	Amber x 2
Yr Egin	stage 2 stc								
Digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Skills	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HAPS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

# Agenda Item 10



Swansea Bay City Region Joint Committee - 11 April 2024

## Swansea Bay City Deal Portfolio Business Case Update

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

### 1. Introduction

- 1.1. In line with best practice for portfolio management and in order to meet the requirements of the Welsh and UK Governments, the Portfolio Business Case is updated on an annual basis and submitted to Governments. The acceptance of the Business Case triggers the release of the annual tranche of City Deal funding.
- 1.2. The Portfolio Management Office have agreed to submit the updated Business Case to Governments in April 2024.
- 1.3. An updated version of the Portfolio Business Case (attached at Appendix A) has now been produced for consideration by Joint Committee.

### 2. Background

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

- 2.2. This Portfolio Business Case includes an executive summary, along with a strategic case, an economic case, a commercial case, a financial case and a management case. Relevant appendices are also included.
- 2.3. The main changes in this version are highlighted in the Executive Summary and at the beginning of each of the individual cases. Significant changes include:

### **Strategic Case**

- Updated and rationalised information on the strategic alignment of the portfolio, programmes and projects with the inclusion of the WG Strategic Equality Plan and updated information on regional Levelling Up / SPF funding initiatives and South West Wales CJC Corporate Plan. Programme and project level alignment updated in Appendix 1.1
- Case for Change section includes the updated position in relation to GVA. GVA will continue to be used as an investment objective for the portfolio although the SBCD will not be required to monitor and attribute GVA to the portfolio interventions. Alternative SMART economic impact metrics will be agreed and utilised through the Evaluation Framework.
- Existing arrangements section updated with the recent TATA Steel announcement of pending job losses during 2024.
- Risk section updated with the current red risks and issues to the successful delivery of the Portfolio

### **Economic Case**

- Inclusion of the National Net Zero Skills Centre of Excellence as part of the Supporting Innovation and Low Carbon Growth programme
- Inclusion of business case updates to Pembroke Dock Marine and Digital Infrastructure programme
- Updated position on the measurement of GVA and the proposed arrangements for the measurement of economic impact in the evaluation of project interventions
- Inclusion of current jobs created information in Section 2.7

### **Commercial Case**

- Updated procurement policy alignment section
- Procurement Update section detailing key procurements to date and forthcoming procurements with accompanying Appendix 3.1 showing the procurement pipeline
- Inclusion of Construction Impact Assessment in Appendix 3.2 identifying a funding gap of £42.9m to date. Mitigations have reduced the gap with a residual funding gap of £11.6m
- Case study on community benefits being delivered through the Pentre Awel
- Current register of programme and project community benefits

### **Financial Case**

- Updated funding and investment information including breakdown of private and public sector investment and breakdown of funding per theme and project

of the SBCD. Investment is now demonstrated at £1.282bn from £1.253bn in previous business case (original heads of terms £1.274bn)

- Updated income, expenditure and cashflow forecasts
- Inclusion of the previously unallocated £5.3m City Deal funding to the National Net Zero Skills Centre of Excellence
- Updated information on grant drawdown and dissemination with £123m City Deal funds received to date. To date £54.7m has been dispersed from the city deal to programmes and projects
- Reprofile of portfolio budget to show a current forecast slippage of £19.1m in the 2023-24 financial year from the previous approved budget with no reported effect on total outputs, investment or benefits of the Portfolio
- Information on the financial variances for Pentre Awel, Swansea Waterfront, Digital Infrastructure and Pembroke Dock Marine projects

### **Management Case**

- Updated monitoring and evaluation information including dashboard presentation and current information for risks, issues, benefits and financial monitoring for Q3 2023/24
- Current project status and associated investment
- Governance section updated with chair for Joint Scrutiny Committee and political lead for the Accountable Body
- Current position regarding Project Management tooling for the portfolio
- Summary of emerging SBCD Evaluation Framework incorporated and details on benefits realisation development
- Current status of Gateway Reviews for the portfolio and its constituent programmes and projects
- Updated information relating to internal audit and Wales Audit Office processes
- Updated Communications, Marketing and Engagement Implementation Plan
- Proposed Change thresholds to manage and approve significant changes to current or approved business cases
- Current Business Case status and project stage summary across programmes and projects
- Current information relating to SROs and project leads
- Updated Portfolio delivery roadmap for all programmes and projects

### **Appendices**

Appendices have been reviewed and rationalised with only updated or new documentation included. A list of archived Appendices has been provided and documents are available on request.

- 2.4. The draft business case and appendices were circulated to members of all Senior Responsible Owners (SROs), programme / project leads, Programme Board, Joint Committee, and key officers in Welsh and UK Governments on 15<sup>th</sup> March. Briefing sessions on the content of the business case have also been offered to stakeholders.
- 2.5. This version of the Business Case, subject to approval by Joint Committee, will be the final version to be sent to the Welsh and UK Governments.

### **3. Financial Implications**

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

### **4. Legal Implications**

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

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

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

**Background Papers:** None

#### **Appendices:**

- Appendix A: SBCD Portfolio Business Case v5.1
- Appendix B (1.1a) Strategic alignment Portfolio, Programmes and Projects
- Appendix C (1.1b) Portfolio Strategic alignment
- Appendix D (3.1) SBCD Procurement Pipeline
- Appendix E (3.3) Community Benefits Register
- Appendix F (5.1) Gateway 0 Action Plan
- Appendix G (5.2a) Dashboard
- Appendix H (5.2a(2)) Quarterly Monitoring
- Appendix I (5.2b) SBCD Financial Monitoring
- Appendix J (5.3a) Integrated Assurance & Approval Plan
- Appendix K (5.3b) SBCD Gateway Review Summary Schedule
- Appendix L (5.5a) Communications, Marketing and Engagement Implementation Plan
- Appendix M (5.5b) Communication Protocols and Guidance
- Appendix N (5.6) Joint Committee Work Plan

# Swansea Bay City Deal Portfolio Business Case

March 2024



**Document Control**

Note: this document may not be valid anymore.  
Please check for the latest approved version of the document

**Date:** 15/03/2024

**Version:** V5.1

**Author:** Jonathan Burnes/Ian Williams

**Owner:** Wendy Walters/Rob Stewart

## EXECUTIVE SUMMARY

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

The Portfolio is in full delivery with all nine of the headline programmes and projects now approved both regionally and by Governments. The portfolio is delivering in challenging economic conditions following the impact of Brexit and the Covid-19 pandemic and then more recently with the war in the Ukraine which, amongst other factors, have put significant pressure on the construction industry supply chain resulting in increased costs and longer lead times for the delivery of required services. The combined effect of these situations is complex and wide ranging but culminates in the increase of inflationary pressures with resultant construction project costs and delays in delivery schedules. The current cost of living crisis and the surge in energy costs have emerged from these situations. The need for investment in economic infrastructure is increasingly important albeit extremely challenging. The economy will also be impacted by the planned closure of the TATA Steel arc furnaces and the expected loss of around 2,800 jobs together with the impact on businesses and jobs in the supply chain.

This is the fifth iteration of the Portfolio Business Case which incorporates the recommendations of both the Gateway 0 Review held in July 2023 and updates on the latest status, impacts, financing and management of the portfolio and its constituent programmes and projects. The purpose of each business case section and the main changes incorporated into this latest version are highlighted below.

### **Strategic Case**

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

- Updated and rationalised information on the strategic alignment of the portfolio, programmes and projects with the inclusion of the WG Strategic Equality Plan and updated information on regional Levelling Up / SPF funding initiatives and South West Wales CJC Corporate Plan. Programme and project level alignment updated in Appendix 1.1
- Case for Change section includes the updated position in relation to GVA. GVA will continue to be used as an investment objective for the portfolio although the SBCD will not be required to monitor and attribute GVA to the portfolio interventions. Alternative SMART economic impact metrics will be agreed and utilised through the Evaluation Framework.
- Existing arrangements section updated with the recent TATA Steel announcement of pending job losses during 2024.
- Risk section updated with the current red risks and issues to the successful delivery of the Portfolio



### **Economic Case**

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

- Inclusion of the National Net Zero Skills Centre of Excellence as part of the Supporting Innovation and Low Carbon Growth programme
- Inclusion of business case updates to Pembroke Dock Marine and Digital Infrastructure programme
- Updated position on the measurement of GVA and the proposed arrangements for the measurement of economic impact in the evaluation of project interventions
- Inclusion of current jobs created information in Section 2.7

### **Commercial Case**

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

- Updated procurement policy alignment section
- Procurement Update section detailing key procurements to date and forthcoming procurements with accompanying Appendix 3.1 showing the procurement pipeline
- Inclusion of Construction Impact Assessment in Appendix 3.2 identifying a funding gap of £42.9m to date. Mitigations have reduced the gap with a residual funding gap of £11.6m
- Case study on community benefits being delivered through the Pentre Awel
- Current register of programme and project community benefits

### **Financial Case**

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

- Updated funding and investment information including breakdown of private and public sector investment and breakdown of funding per theme and project of the SBCD. Investment is now demonstrated at £1.282bn from £1.253bn in previous business case (original heads of terms £1.274bn)
- Updated income, expenditure and cashflow forecasts
- Inclusion of the previously unallocated £5.3m City Deal funding to the National Net Zero Skills Centre of Excellence
- Updated information on grant drawdown and dissemination with £123m City Deal funds receipted to date. To date £54.7m has been dispersed from the city deal to programmes and projects
- Reprofile of portfolio budget to show a current forecast slippage of £19.1m in the 2023-24 financial year from the previous approved budget with no reported effect on total outputs, investment or benefits of the Portfolio
- Information on the financial variances for Pentre Awel, Swansea Waterfront, Digital Infrastructure and Pembroke Dock Marine projects

### **Management Case**

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

- Updated monitoring and evaluation information including dashboard presentation and current information for risks, issues, benefits and financial monitoring for Q3 2023/24
- Current project status and associated investment
- Governance section updated with chair for Joint Scrutiny Committee and political lead for the Accountable Body
- Current position regarding Project Management tooling for the portfolio
- SBCD Evaluation Framework proposals incorporated and details on benefits realisation development
- Current status of Gateway Reviews for the portfolio and its constituent programmes and projects
- Updated information relating to internal audit and Wales Audit Office processes
- Updated Communications, Marketing and Engagement Implementation Plan
- Proposed Change thresholds to manage and approve significant changes to current or approved business cases
- Current Business Case status and project stage summary across programmes and projects
- Current information relating to SROs and project leads
- Updated Portfolio delivery roadmap for all programmes and projects

#### **Appendices**

Appendices have been reviewed and rationalised with only updated or new documentation included. A list of archived Appendices has been provided and documents are available on request.

## Strategic Case

### Strategic Context

The SBCD has a current portfolio investment of £1.282bn, funded by the UK Government, the Welsh Government, public sector bodies and industry. This investment will improve regional infrastructure in high value sectors, attract inward investment from businesses and create good job opportunities.

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

### Case for Change

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

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

The Investment Objectives for the SBCD Portfolio are:

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

### Potential Scope

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

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

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

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

#### Key Benefits, Risks, Dependencies, Constraints

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

## Economic Case

### Critical Success Factors

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

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

Table i.i. Critical Success Factors

### Option Selection

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

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

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

		<ul style="list-style-type: none"> <li>Potentially develop a UK-wide industry in the City Region, with global export opportunities</li> </ul>
	<b>Pembroke Dock Marine</b>	<p>This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and off-shore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Programme features include:</p> <ul style="list-style-type: none"> <li>Pembroke Dock Infrastructure (PDI) improvements</li> <li>A Marine Energy Engineering Centre of Excellence (MEECE)</li> <li>Marine Energy Test Area (META) developments</li> <li>The Pembrokeshire Demonstration Zone (PDZ)</li> </ul>
	<b>Supporting Innovation and Low Carbon Growth (SILCG)</b>	<p>This programme will help further decarbonise the regional economy, while safeguarding the regional steel industry and providing high-quality space for the innovation, ICT and research and development sectors. The programme includes the following projects:</p> <ul style="list-style-type: none"> <li>SWITCH - A purpose-built facility and specialist equipment to support the steel and metals industry and supply chain</li> <li>Electric vehicle infrastructure and mapping</li> <li>Real-time air quality modelling</li> <li>Hydrogen production to power hydrogen vehicles</li> <li>Cutting-edge business spaces to meet evidenced demand including a Technology Centre, Advanced Manufacturing Production Unit and Property Development Fund</li> <li>National Net Zero Skills Centre of Excellence (NNZCoE - this project was added to the SILCG programme in December 2023 following the submission of an OBC and approval of a Change Request by the Region and Governments. The project will be co-located at the Advanced Manufacturing Production Unit.</li> </ul>

Table i.ii Programme and Project Summary

### Economic Appraisal

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

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

Table i.iii. Economic Appraisal Summary Extract

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

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

Table i.iv Programme and Project Impact Deliverables

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

## Commercial Case

### Procurement Strategy and Principles

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

With all the SBCD projects and programmes approved and moving into delivery, there has been considerable construction and procurement activity since the last iteration of the business case with the following projects scheduled for completion during 2024.

- Pentre Awel Zone 1 Q4 2024,
- 71/72 Kingsway Q1 2024,
- Innovation Matrix Q2 2024
- Pembroke Dock Infrastructure - including the completion of the Hangar Annexes, lay down space and slipway.



Procurement to the value of **£361.5m** has been undertaken across the portfolio to date with **£141.4m** in the immediate procurement pipeline including major procurements for HAPS, Campuses, Swansea Waterfront (Innovation Precinct and Hotel) and Digital Infrastructure. Further major procurements will also be programmed for Pentre Awel Zones 2,3 and 4 and the Campuses Phase 2 developments.

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

The 5 Procurement Principles have been addressed as follows:

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

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

### **Community Benefits**

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

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

## **The Financial Case**

### **Financial Overview**

The SBCD has an anticipated total capital expenditure of up to £1.282 billion, of which £241 million is derived from the City Deal with the remainder provided by public and private sector partners. The capital expenditure requirements are provided in the financial case, based on the latest available project/programme business cases and aggregated up to provide the portfolio estimates. The Financial Case details any significant variances in programme / project budgets and demonstrates that the SBCD portfolio remains affordable.

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

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

During 2023/24, the remaining £5.3m of City Deal funding was allocated, via the Change Control process, to the National Net Zero Centre of Excellence, part of the Supporting Innovation and Low Carbon Growth programme.

### **Investment Breakdown**

The current portfolio investment breakdown is presented below:

Programme/Project	Investment (£m)			
	City Deal	Public	Private	Total
Swansea City & Waterfront Digital District	49.84	91.04	39.66	180.54
Yr Egin	5.00	18.67	1.50	25.17
Digital Infrastructure	25.00	18.25	27.06	70.31
Skills and Talent	10.00	16.00	4.00	30.00
SBCD Campuses Project	15.00	58.58	62.11	135.69
Pentre Awel (Life Science & Well-being Village)	40.00	58.30	108.19	206.48
Homes as Power Stations	15.00	114.6	375.9	505.50
Pembroke Dock Marine	28.07	19.32	17.09	64.47
Supporting Innovation and Low Carbon Growth	53.09	5.50	5.5	64.09
<b>TOTALS</b>	<b>241.00</b>	<b>400.27</b>	<b>641.00</b>	<b>1,282.27</b>

Table v. Portfolio Investment Breakdown

### Flow of Funding

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

## The Management Case

### Governance Arrangements

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

The SBCD governance structure is shown below:



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

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

	No. Project/programme components	%	Value (£)
Initiated	36	100	£1.282bn
Planned	36	100	£1.282bn
Planned (pre-del.)	14	38.9	£0.721bn
Delivery (build/dev)	19	52.8	£0.438bn
Completion > Operation & Monitoring	3	8.3	£0.123bn

Table vi. Project/programme Delivery Status

### P3M Principles

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

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

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

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

During 2024/25, the PoMO has worked with programme and project teams through a Monitoring and Evaluation Task and Finish Group to develop a draft Evaluation Framework for the portfolio. The purpose of the Framework is to ensure the coordination, management and resourcing of the evaluation arrangements for the Swansea Bay City Deal Portfolio and its constituent programmes, projects and workstreams. This Framework is currently being finalised and will be presented to SBCD governance groups in Q1 2024/25.

The PoMO has also worked with programme and project teams to develop change control thresholds to ensure clarity and robustness in the change process for the portfolio.

### **Assurance**

The SBCD underwent a Gateway 0 external review during July 2023, where it was given an Amber / Green Delivery Confidence Assessment with four recommendations which are being actioned through the PoMO. The PoMO is implementing the Gateway Assurance Framework for the SBCD which incorporates assurance arrangements for the Portfolio, the nine headline programmes and projects and the many constituent projects and workstreams.

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

### **Programme and Project Status**

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

Project / Programme name	Component	Status	SOC	OBC	FBC	Gateway DCA
Swansea City & Waterfront Digital District	Arena & Digital Square	Delivery				Amber Green (Sep 2023)
	Digital Village / Kingsway					
	Innovation Matrix					
	Innovation Precinct					
Creative Digital Cluster - Yr Egin	Phase 1	Delivery				Green (Nov 2021)
	Phase 2					
Digital Infrastructure	Connected places	Delivery				Amber/Green (Nov 2023)
	Rural connectivity					
	Next generation wireless					
Skills and Talent		Delivery				Green (Jan 2023)
SBCD Campuses Project	Singleton	Delivery				Amber/Green (Aug 2021)
	Morrison					
Pentre Awel	Zone 1 (Business, education skills and training, clinical delivery and research. )	Delivery				Amber (Sept 2020)
Homes as Power Stations		Delivery				Amber (Nov 2022)
Pembroke Dock Marine	Pembroke Dock Infrastructure (PDI)	Delivery				Amber /Green (Sep 23)
	Marine Energy Engineering Centre of Excellence (MEECE)					
	Marine Energy Test Area (META)					
	Pembrokeshire Demonstration Zone (PDZ)					
Supporting Innovation and Low Carbon Growth	Swansea Bay Technology Centre	Delivery				Amber (June 20)
	SWITCH					
	AMPF					
	Air Quality Monitoring					
	Hydrogen Stimulus Project					
	LEV Charging Infrastructure					
	Property Development Fund					
<b>SBCD Portfolio</b>	<b>All projects above</b>	<b>Delivery</b>				<b>Gate 0 Review Amber/Green (July 23)</b>

Table v.ii. Programme and Business Case Status

## Document Change Record

Version	Date	Author	Summary of key changes	Approved
V1.0	12/08/20	Jon Burnes	This is the first iteration of the SBCD Portfolio Business Case. This document combines the content SBCD Programme Business Case and Implementation Plan and incorporates WG requirements and consultancy support and feedback from Joe Flanagan in June 2020.	Wendy Walters & Rob Stewart
V1.1	19/08/20	Jon Burnes	Informal feedback received from WG to update the portfolio business case and appendices with details on project level economic and financial appraisals, further detail on the financial expenditure profiles at portfolio and project level and project delivery roadmap.	Wendy Walters & Rob Stewart
V1.2	27/08/20	Jon Burnes	Submitted to the WCGIB for the AOR approval process	Wendy Walters & Rob Stewart
V2.0	23/02/21	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members as consultation prior to regional sign off	Wendy Walters & Rob Stewart
V2.1	11/03/21	Jon Burnes / Ian Williams	Final PoBC signed off by SBCD Governance board members	Wendy Walters & Rob Stewart
V3.0	13/01/22	Jon Burnes / Ian Williams	Draft update for consultation and feedback from Project Leads and SROs	Wendy Walters & Rob Stewart
V3.1	18/02/22	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members	Wendy Walters & Rob Stewart
V3.1a	30/06/22		Updated with UKG feedback comments	
V4.1	09/03/23	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members	Wendy Walters & Rob Stewart
V5.1	15/03/24	Jon Burnes / Ian Williams	Updated PoBC submitted to the SBCD Governance board members	Wendy Walters & Rob Stewart

## Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>i</b>
<b>Document Change Record .....</b>	<b>xv</b>
<b>Appendices (separate documents).....</b>	<b>xviii</b>
<b>Archived Appendices (Available on request) .....</b>	<b>xix</b>
<b>1. THE STRATEGIC CASE .....</b>	<b>1</b>
Introduction .....	1
<b>The Strategic Context .....</b>	<b>1</b>
1.1. City and Growth Deals.....	1
1.2. Organisational overview .....	2
1.3. Policy and strategy alignment.....	3
1.4. Alignment to existing initiatives.....	4
<b>The Case for Change .....</b>	<b>6</b>
1.5. Case for change.....	6
1.6. Investment Objectives .....	6
1.7. Existing arrangements.....	8
1.8. Business need.....	13
1.9. Potential scope.....	15
1.10. Benefits .....	17
1.11. Risks and Issues .....	19
1.12. Constraints .....	20
1.13. Dependencies.....	20
<b>2. THE ECONOMIC CASE.....</b>	<b>21</b>
2.1. Introduction .....	21
2.2. Preferred way forward.....	24
2.3. Critical Success Factors (CSFs).....	24
2.4. Long-listed Options and Preferred Way Forward .....	24
2.5. Short-listed options.....	26
2.6. Phased approach and desirability.....	27
2.7. Economic appraisal .....	28
2.8. Summary .....	32
<b>3. THE COMMERCIAL CASE.....</b>	<b>33</b>
3.1 Procurement strategy and route .....	33
3.2 City Deal Procurement Principles.....	34
3.3 Procurement Update .....	36
3.4 Community Benefits.....	37

3.5	Service requirements, Outputs and Risk allocation .....	38
3.6	Charging mechanisms .....	39
3.7	Key contractual arrangements.....	39
3.8	Personnel implications.....	39
3.9	Accountancy treatment .....	40
3.10	Updating Business Cases.....	40
<b>4.</b>	<b>THE FINANCIAL CASE.....</b>	<b>41</b>
4.1.	Swansea Bay City Deal Investment Summary.....	41
4.2.	Updated Swansea Bay City Deal Investment Summary.....	42
4.3.	Swansea Bay City Deal Income and Expenditure Summary.....	44
4.4.	City Deal Flow of Funding.....	49
4.5.	Portfolio Financial Overview .....	51
4.6.	Joint Committee Financial Overview, .....	52
4.7.	Monitoring and Evaluation .....	53
4.8.	Accounting Treatment of Portfolio Transactions.....	53
4.9.	Financial Risk Management and Assurance.....	56
<b>5.</b>	<b>MANAGEMENT CASE.....</b>	<b>58</b>
5.1	Introduction .....	58
5.2	Governance and Delivery Structures .....	59
5.3	Portfolio Management Office (PoMO) and Senior Responsible Owner (SRO) .....	63
5.4	Use of specialist advisors .....	64
5.5	P3M Methods & Tooling .....	64
5.6	Monitoring and Evaluation arrangements for performance and benefits .....	65
5.7	Assurance process and approvals.....	67
5.8	Risk and issue management arrangements.....	70
5.9	Stakeholder Management and Engagement .....	72
5.10	Change Management Strategy .....	73
5.11	Contingency arrangements and plans .....	74
5.12	Portfolio status and key milestones.....	75



## Appendices (separate documents)

<b>1. The Strategic Case</b>	1.1a. Portfolio, Programmes and Projects Policy and Strategy Alignment
	1.1b Portfolio Strategic Alignment
<b>2. The Economic case</b>	
<b>3. The Commercial Case</b>	3.1. Procurement pipeline
	3.2. Construction Impact Assessment
	3.3. Community Benefits register
<b>4. The Financial Case</b>	
	5.1. Portfolio Gateway Assurance Action Plan
	5.2a. SBCD Quarterly Monitoring Report
	5.2a. SBCD Quarterly Financial Monitoring Report
	5.3a Portfolio Integrated Assurance & Approval Plan
	5.3b Summary Gateway Review Schedule
	5.5a. SBCD Communications Marketing and Engagement Plan
	5.5b Communications Protocols and Guidance
	5.6. Joint Committee Forward Work Programme

## Archived Appendices (Available on request)

Portfolio & Project Investment Objectives

SBCD Carbo Reduction Alignment

Membership of the SBCR Board and Working Group

Long List Options Appraisal

Economic and Financial Project Index

SBCD Procurement Principles

Construction and Community Benefits Sub-group Terms of Reference

Monitoring and Evaluation Plan

WCGIB development and delivery flowcharts

Business Case Development Process

SBCD Assurance Framework

SBCD Portfolio Risk Management Strategy

SBCD Portfolio Risk Register

SBCD Change Control Procedure

# 1. THE STRATEGIC CASE

## Introduction

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

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

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

The Strategic Case includes the following main changes:

- Updated and rationalised information on the strategic alignment of the portfolio, programmes and projects with the inclusion of the WG Strategic Equality Plan and updated information on regional Levelling Up / SPF funding initiatives and South West Wales CJC Corporate Plan. Programme and project level alignment updated in Appendix 1.1a and 1.1b
- Case for Change section includes the updated position in relation to GVA. GVA will continue to be used as an investment objective for the portfolio although the SBCD will not be required to monitor and attribute GVA to the portfolio interventions. Alternative SMART economic impact metrics will be agreed and utilised through the Evaluation Framework.
- Existing arrangements section updated with the recent TATA Steel announcement of pending job losses during 2024.
- Risk section updated with the current red risks and issues to the successful delivery of the Portfolio

## The Strategic Context

### 1.1. City and Growth Deals

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

The UK Government (UKG) opened negotiations with the Welsh Government (WG) in 2016 over a City Deal for the Swansea Bay City Region (SBCR). The Swansea Bay City Deal (SBCD) was agreed between the UKG, the WG and the four Swansea Bay City Region local authorities in March 2017. The **original heads of terms** included funding commitments of £241m from UKG and WG, and £396m from the

four regional local authorities (Carmarthenshire, Pembrokeshire, Swansea and Neath Port Talbot) and other public sector bodies, with an anticipated £637m from private sector investment. Combined, this would deliver over 9,000 gross direct jobs and contribute £1.8bn of Gross Value Added (GVA) to the regional economy with investment and benefits spread across the region.

## 1.2. Organisational overview

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

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

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

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

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

Each SBCD programme / project is led by one of the four regional local authorities, as summarised below in Table 1.1., with each flowing into and supported by the SBCD PoMO. Of the nine headline projects, three are regional projects being delivered across South West Wales – Skills and Talent, Digital Infrastructure and Homes as Power Stations. The remaining headline projects are placed based but with a regional impact.

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

Neath Port Talbot Council	Homes as Power Stations	Energy & Smart Manufacturing
	Supporting Innovation and Low Carbon Growth	Energy & Smart Manufacturing
Pembrokeshire County Council	Pembroke Dock Marine	Energy & Smart Manufacturing

Table 1.1. SBCD portfolio with lead organisation

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

### 1.3. Policy and strategy alignment

The City and Growth Deals fall out of the UKG Industrial Strategy and Welsh Government policy on regional development. From this, the SBCD portfolio strongly aligns to UK, Welsh and regional policies, strategies and targets relating to economic development. The primary aim of this is to create high quality jobs and increase the earning power of people through investment in skills, industries, and infrastructure. Appendix 1.1a presents further detail of the policy alignment at thematic, programme and project level within the individual business cases of the SBCD portfolio. Across the portfolio, the SBCD has demonstrated alignment with 34 UK, 45 Welsh and 9 key Regional level policies / strategies together with a range of local strategies and plans. The summary of the key alignments to the SBCD at a portfolio level are summarised below with an appraisal of the direct and indirect contributions to these policies and strategies contained in Appendix 1.1b.

<b>UK Level</b>
Levelling Up White Paper 2022
Growth Plan 2022
UKG Net Zero Strategy: Build Back Greener 2021
UKG Clean Growth Strategy 2020
<b>Wales Level</b>
The Well-being of Future Generations (Wales) Act 2015
Prosperity for All: The National Strategy and Economic Action Plan (2017)
Wales Innovates: creating a stronger, fairer, greener Wales
Strategic Equality Plan 2020-24
<b>Regional Level</b>
Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030
South West Wales Regional Economic Delivery Plan 2022-2030
Regional Economic Framework for South West Wales 2021
South West Wales CJC Corporate Plan 2023-28
South West Wales Energy Strategy 2022
<b>Local Level</b>
LA Plans and Strategies relating to e.g. Economic development, Regeneration, Skills and Employability, Digital Transformation, Decarbonisation, Well-being plans, Local Development
Health Board Clinical Services Plans and Integrated Medium Term/Annual Plans
University Strategic Plans

Table 1.2. Policy alignment to the SBCD

#### 1.4. Alignment to existing initiatives

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

##### **Regional Learning and Skills Partnership (RLSP)**

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

##### **A Regional Collaboration for Health (ARCH)**

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

##### **Transforming Towns**

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

##### **Levelling Up and the Shared Prosperity Fund**

The 2020 UK Government Treasury spending review announced a £4.8 billion Levelling Up Fund for capital investment in local infrastructure across the UK. Three rounds have now been announced with a focus on transport projects, town centre and high street regeneration, and cultural investment.

- Round 1 - £121m was announced for 10 projects across Wales, including 3 within the SBCR. The Community Renewal Fund (CRF) was also launched, which will pilot new programmes that invest in people, boost skills and support local business.
- Round 2 - 11 projects were approved for Wales totalling £208m with £37.8m awarded for 2 projects within South West Wales.

- Round 3 – 7 projects allocated £111m across Wales with £52m awarded for 4 projects in South West Wales.

The Shared Prosperity Fund is the main source of UK Government funding replacing the European Regional Development Fund and European Social Fund. In December 2022, the UK Government approved a regional investment plan for Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea, helping unlock Shared Prosperity Fund money that has been earmarked for the region totalling £132m.

### **Regional Transportation Programmes**

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

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

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

### **Freeport Programme in Wales**

The Freeport Programme is an initiative being delivered as a partnership by the UK Government and Welsh Government. Aimed at encouraging economic activity, freeports are zones designated by the UK Government as areas with little or no tax. The Freeport Programme has the potential to help Wales compete for global investment and trade, creating thousands of new jobs and putting coastal communities on the path to long-term growth and prosperity. A Celtic Freeport bid led by Neath Port Talbot Council and Pembrokeshire Council in partnership with the ports of Milford Haven and Port Talbot was submitted to governments. In March 2023 the UK Government and Welsh Government announced that two Welsh freeports are to be created with the Celtic Freeport bid for Milford Haven and Port Talbot successful, alongside the Anglesey Freeport. The Freeports were chosen to exploit renewable energy opportunities and are expected to contribute to UK net-zero ambitions. The Celtic Freeport is anticipated to create 16,000 jobs and £5.5bn of new inward investment based on Green Energy.

### **Digital Connectivity**

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

- **Public Sector** – Public sector investment totalling some £6.75m for 2021-22 and £4.79m 2022-23 for was made throughout the region through the following initiatives:
  - Swansea Bay City Deal (both capital and revenue investment)
  - Connected Places - Local Full Fibre Networks Programme (LFFN) and Rural Gigabit Connectivity Programme (RGC) or connected via other Local Authority funding
  - Access Broadband Cymru Voucher Scheme (ABC)
  - UKG / WG Gigabit Vouchers

- Superfast Cymru
- Mobile Connectivity Programs e.g. Emergency Services Network (ESN) and Shared Rural Network (SRN)
- Other public sector digital programmes - e.g. LoRaWAN projects
- **Private Sector** – During 2021-22 financial year a total of £21.8m of private sector investment has been made within the region through private sector infrastructure suppliers.

## The Case for Change

### 1.5. Case for change

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

The case for change is based on the following aims:

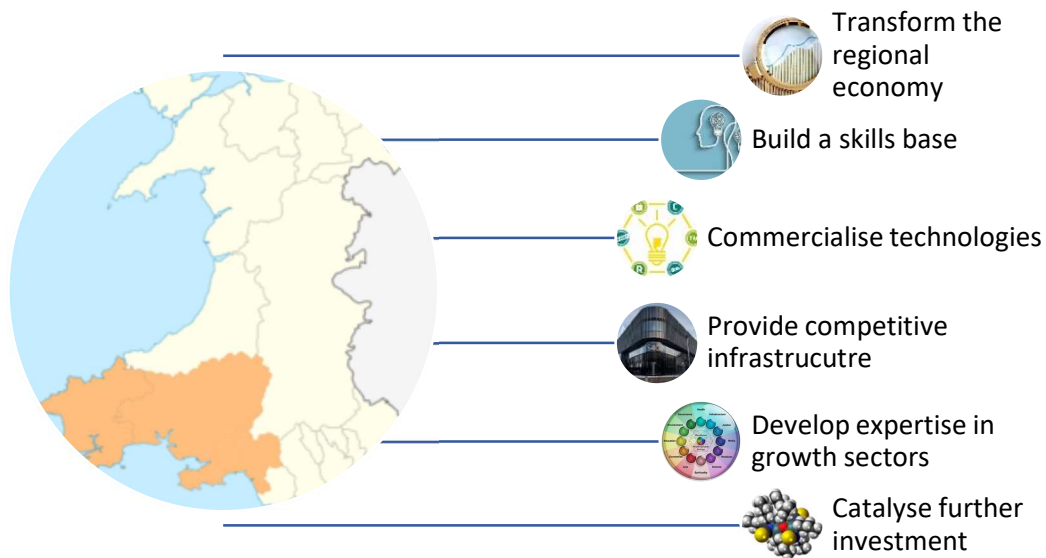


Figure 1.1 Regional aims

### 1.6. Investment Objectives

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

1. **Jobs** - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33).



2. GVA - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033.
3. Investment - To deliver a total investment in the region of £1.15-1.3 billion in the South West Wales Regional economy by 2033.

The investment objectives will directly support the strategic of the Swansea Bay City Region (SBCR) outlined within the SBCR Economic Regeneration Strategy 2013-2030 and the Ambitions and Missions for the regional economy as identified in the South West Wales Economic Delivery Plan 2022-2030.

### **GVA Update**

Following discussions by the PoMO with both Governments and specialist advisors, a paper was submitted to Governments detailing the difficulties in measuring and attributing GVA at a project level. Confirmation has been received from Governments of the following:

1. The impediments to using GVA measurement for quarterly and annual monitoring are acknowledged and there is no Government requirement to directly track and associate GVA with the SBCD portfolio.
2. The use of alternative and appropriate SMART, economic metrics are advised.
3. The PoMO are advised to track regional GVA through published ONS data.
4. The calculation of GVA contribution remains valid within the economic appraisal at business case level to demonstrate the rationale for intervention and the estimated impact on programmes and projects

In response to this, the PoMO are working with all the project and programme teams to devise a suite of economic impact indicators that can be measured and attributed to the portfolio interventions. These indicators will form part of the SBCD Evaluation Framework that will be presented to Programme Board and Joint Committee. As detailed in the Framework, each project and programme will undertake formal evaluations of the impact of the delivery and operation of their interventions at agreed points in time. Portfolio evaluations will also be undertaken, utilising the project level evaluation information. These measurements will provide a quantifiable evidence base for the impact of the portfolio at stages within its delivery and also at the end of the City Deal timeframe in 2033.

GVA will still remain a Investment Objective of the SBCD and based on the estimated economic impact of the project and programme interventions as detailed in the economic appraisals for each of the headline business cases.

### **Carbon Reduction Agenda**

It is also recognised that since the inception of the Swansea Bay City Deal there has been significant progress in the decarbonisation agenda particularly in relation to the emphasis on meeting net zero obligations and wider environmental ambitions at a national, regional and local level. As the SBCD was first established in 2017 with all nine headline business cases approved by December 2021 by both Governments, there is no specific decarbonisation investment objective set at a Portfolio level. However, the SBCD Portfolio responds to this agenda across its programmes and projects and will contribute to net zero goals wherever possible.

A point-in-time carbon reduction assessment of activities contained within the SBCD portfolio has been undertaken by the PoMO and reported through the SBCD Joint Committee. The assessment demonstrates the significant contribution that the portfolio is making towards government net zero agendas and commitments. Direct contribution is made via all projects that build SBCD infrastructure

by achieving BREEAM excellent as a minimum standard. Significant contribution to support the decarbonisation agenda will also be through the delivery of three energy related projects, upskilling of the workforce through the Skills and Talent Programme and enhancement of the digital connectivity through the regional Digital Infrastructure Programme.

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

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

## 1.7. Existing arrangements

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

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

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

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

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

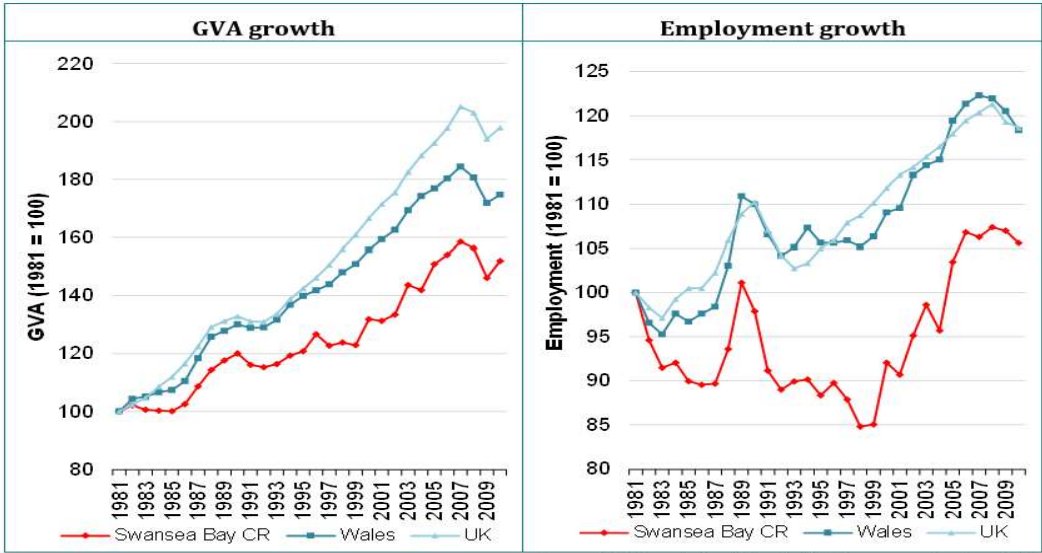
- strategic development planning
- regional transport planning
- economic wellbeing powers

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

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

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

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



Source: SQW analysis of Cambridge Econometrics data, 2016

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

Employment growth had increased considerably since the 1990s, although employment was largely in the lower value sectors and occupations - often in parts of education, health, and the wider public sector. For example, there were over 30,000 fewer manufacturing jobs in 2010 than in 1990, which

significantly contributed to the major productivity gap that has emerged between the SBCR and the rest of the UK.

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

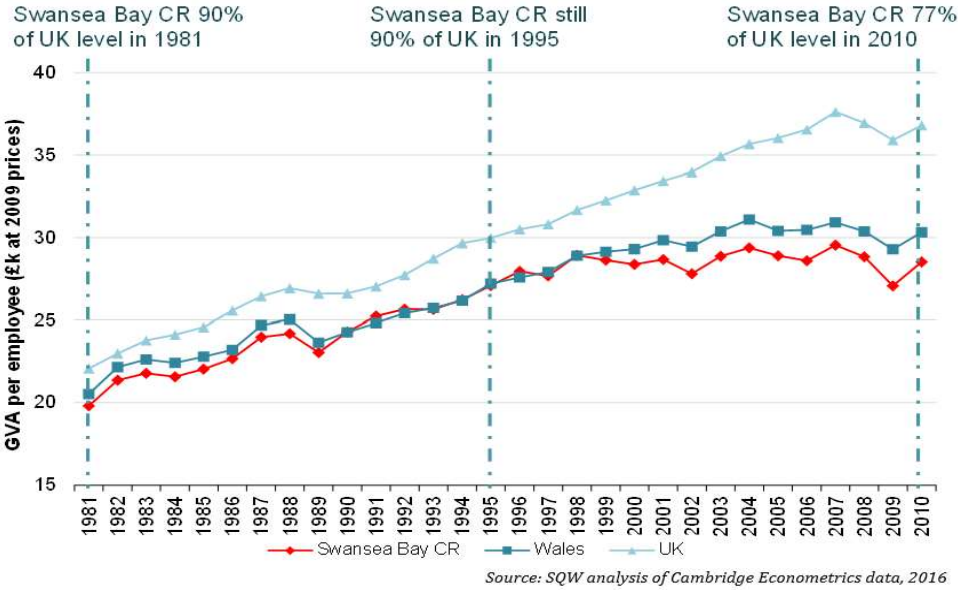


Figure 1.3. Productivity for the SBCR, Wales and UK (1981-2010)

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

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

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

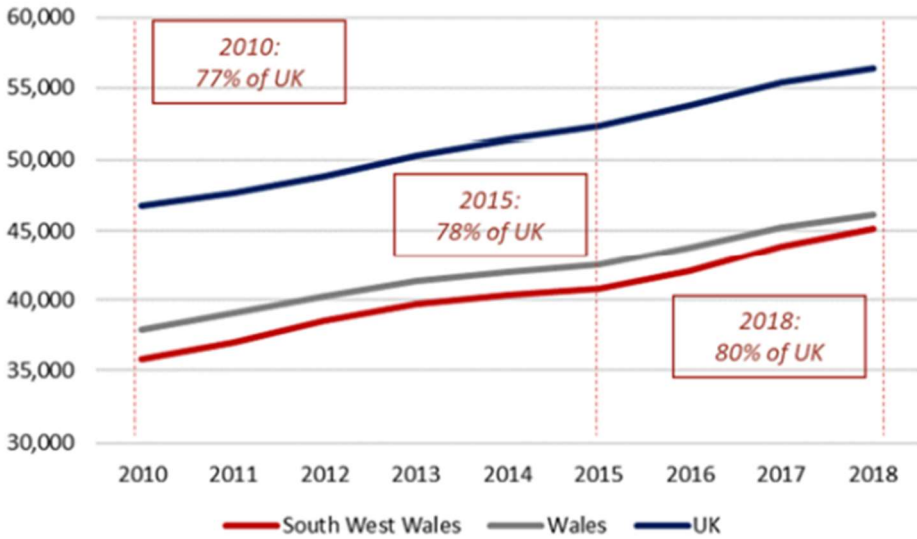
There have been steady improvements in the economic activity rate over the past 15 years at a faster pace than in the rest of the UK. However, South West Wales’ economic activity rate still falls behind

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

the UK average (and slightly behind the Wales average). If the gap between the 2019 regional economic activity rate (73.8%) and the UK rate (78.9%) could be bridged, it would bring an additional 21,000 people back into the labour market.

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

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



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

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

The following features of the regional economy were also highlighted:

- Skills - there has been a steady improvement in qualification levels: in 2019, 35% of the working age population was qualified to NVQ4+, compared with 22% in 2004, and the proportion with no qualifications halved over the same period (partly as new entrants to the labour market

gradually replace those who leave). But in relative terms, there is still a gap with the rest of the UK, and substantial variation across the region

- Connectivity - here has been transformational progress in the delivery of digital connectivity since the 2014 Regeneration Strategy. Commercial investment and public support through Superfast Cymru and successor programmes have increased access to superfast broadband to over 90% of premises. However, beyond Superfast, there is still a significant rural/ urban digital divide, with ultrafast penetration in Pembrokeshire among the lowest in the UK
- Business - the size of the region's business base grew in the years leading up to the start of the pandemic. In 2020, there were around 23,800 active enterprises in South West Wales, a number that had steadily increased over the preceding five years – and survival rates keep pace with the rest of Wales and the UK. But the region's 'enterprise density' (the number of enterprises relative to the working age population) and the start-up rate remain lower than in the rest of the UK
- Sites and premises – the region benefits from some substantial sites for industrial expansion, including the large strategic site at Baglan Energy Park, future phases of the Cross Hands development in Carmarthenshire, and key sites at Felindre and Fabian Way in Swansea and the Haven Waterway. However, there is a widely-recognised gap between demand and supply for industrial sites and premises, as low rents (and in some cases high remediation and infrastructure costs on ex-industrial land) make viability challenging, especially west of Swansea. The evidence is that this acts as a brake on business expansion, both to new investors and to existing local businesses seeking 'grow-on' space
- Carbon Emissions - regional carbon emissions are much higher than the Wales and UK average. These mostly reflect the role of the huge Tata works at Port Talbot, an industrial installation of national significance that remains reliant on coal inputs.

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

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

The regional economy will also experience the impact of the consequences of the recent TATA Steel announcement of the closure of the two blast furnaces at their site in Port Talbot and their replacement with an electric arc furnace, reducing carbon emissions. The decision will result in the loss of around 2,800 jobs during 2024, together with an unquantified impact on jobs within the local supply chain.



## 1.8. Business need

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

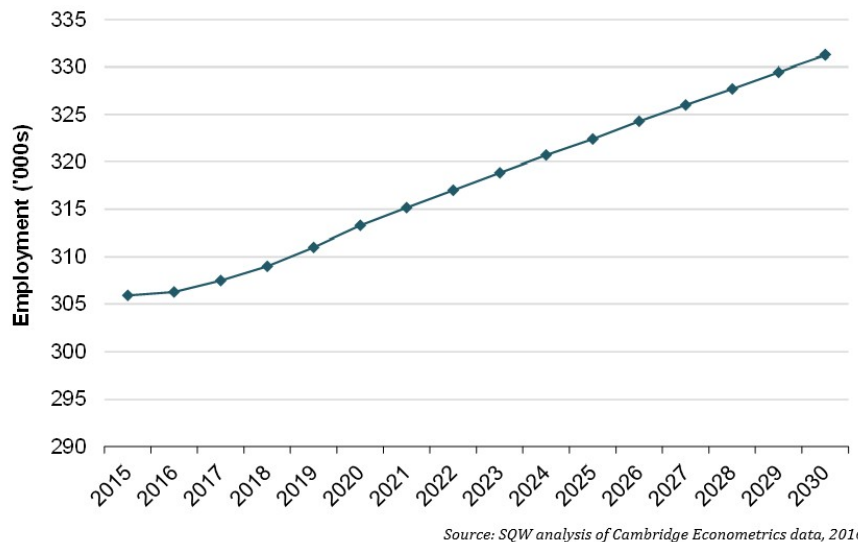


Figure 1.5. Employment forecast for the SBCR (2015-2030)

The SBCR and SBCD need to focus on the expanding and adjusting sectors to realise potential growth in GVA and employment to sustain and create new employment, whilst driving productivity growth. Even though complex, the scale of opportunity is significant and is needed for the region. If the SBCR achieves its growth predictions to 2030, and over that period returns to 90% of the UK's productivity level, then the region would be an £18bn economy as shown in Table 1.3. below:

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

Table 1.3. Indicative scale of the SBCR economy based on productivity forecasts

(Source: SQW analysis of Cambridge Econometrics forecasts, 2016)

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

- Has too few businesses and is not growing its business base quickly enough
- Does not have enough people with high level qualifications and too many people with none
- Needs to address the productivity gap as it is fundamental to raising the prosperity and quality of life for the SBCR
- Needs to create new and sustain existing employment
- Suffers from economic inactivity, which remains too high
- Has relied on imports to meet demand in the high value sectors, with little self-sufficiency in these areas and tradable activity

- Does not have physical infrastructure that's keeping pace with the needs of growing businesses or our communities. Broadband capacity and digital connectivity are improving, but not quickly enough. Much of our commercial and retail property is low quality and attracts low rents
- Has a regional capital (Swansea city centre) which is underperforming and needs to deliver a commercial, residential and leisure offer to match the ambitions of innovative proposals
- Needs to deliver a step change in the performance of its rural and visitor economies if the region as an integrated whole is to achieve its long-term aims

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

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

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

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

- the delivery of the region's low carbon projects at scale
- decarbonising the industrial base
- decarbonising the wider economy (including housing stock and transportation)

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

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

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

- Changing working lives - the concept of 'working age' is becoming increasingly fluid, as people work for longer, and more flexibly
- Changes in service demand – there has been strong growth in employment and output associated with health and social care, as demand increases from an ageing population. Changing demographics will support changes in wider demand for goods and services



- Changing communities – some communities are becoming increasingly aged through immigration of older people and the outmigration of younger people. Retaining and attracting younger people will be achieved through generating economic activity, and providing relevant skills with support community resilience and sustainability

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

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

## 1.9. Potential scope

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

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

- **Economic Acceleration** - To deliver a coherent and integrated economic development strategy for the region that incorporates the identification of demand for and potential delivery of next generation digital infrastructure, along with the creation of a digital district in Swansea and its

hinterland. In addition, growth in the region’s creative industry sector will be supported by optimising the benefits of Welsh language broadcaster S4C’s relocation to Carmarthen. A world-leading supportive environment for technology businesses and start-ups will also be created, as well as the development of the skills required to support this economic growth. All activities will be underpinned by a regional skills development programme.

- **Life Science & Well-Being** - To build on existing regional assets through the expansion of research and innovation infrastructure and the piloting of a digitally integrated healthcare environment through a network of health science ‘medi-parks’, wellness centres and other assets. Building on a new digital architecture, we will transform the delivery of health and social care in the region and contribute to the advancement of genomic medicine in analytics and diagnostics in the UK via network-based solutions.
- **Energy and Smart Manufacturing** - To place the region at the forefront of energy innovation in the areas of sustainable house building to address fuel poverty, while creating a centre of excellence to develop and exploit aspects of marine and other sustainable energy. This will exploit the multi-billion pound asset base in renewable and conventional energy production and the testing and commercialisation of integrated Future Energy Systems for commercial and domestic use. The SBCD portfolio will also contribute directly to the drive towards decarbonisation of the economy and the green industrial revolution including skills for green jobs. In terms of Smart Manufacturing, the portfolio will support the critically important regional manufacturing economy through aligning digital assets and research and development provision under Industry 4.0 principles to improve products, services and processes. In addition, developing a leading-edge innovation capability to support R&D within the steel industry across Wales and elsewhere in the UK.

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

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

Industry	Total jobs 2020	Job growth 2022-32 (Absolute)		Job growth (p.a.)	
		Baseline growth	High growth	High growth 2022-32	Actual change 2015-2020
Agriculture, forestry & fishing	4,250	-700	-425	-1.0%	-1.6%
Mining, quarrying & utilities	4,650	-600	-372	-0.8%	-1.3%
Manufacturing	26,000	0	+1,300	0.5%	0.0%
Construction	14,250	+1,500	+1,710	1.2%	1.1%
Motor trades	5,350	-1,700	+107	0.2%	-3.2%
Wholesale	6,750	+500	+270	0.4%	0.7%

Retail	25,000	-8,000	0	0.0%	-3.2%
Transport & storage	10,750	+3,000	+430	0.4%	2.8%
Accommodation & food services	23,000	+4,000	+2,990	1.3%	1.7%
Information & communication	4,100	+1,500	+1,968	4.8%	3.7%
Financial & insurance	5,950	+300	+357	0.6%	0.5%
Property	3,600	+1,000	+540	1.5%	2.8%
Professional, scientific & technical	10,750	0	+2,688	2.5%	0.0%
Business administration & support services	17,750	+5,500	+5,148	2.9%	3.1%
Public administration & defence	25,000	+7,000	+3,750	1.5%	2.8%
Education	25,500	0	+510	0.2%	0.0%
Health	47,000	+4,000	+4,700	1.0%	0.9%
Arts, entertainment, recreation & other services	10,000	-5,500	+1,100	1.1%	-5.5%
<b>Total</b>	<b>269,000</b>	<b>+12,000</b>	<b>+26,770</b>	<b>1.0%</b>	<b>0.4%</b>

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

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

The SBCD portfolio will address these and other priorities for the region as part of the wider implementation of the Swansea Bay City Region Economic Regeneration Strategy and the Regional Economic Delivery Plan, along with the combined aim of tackling regional challenges including economic inactivity, poor digital and transport connectivity, decarbonisation, poverty and the development of skills. The SBCD recognises that it will not resolve the economic challenges of the region alone or in isolation but will act in a collaborative and complementary manner to with partner organisations and initiatives to maximise impact and meet the vision, aims and objectives of the regional economic strategies. To support this broader work, the directors of regeneration/economic development for the four regional local authorities meet regularly to ensure oversight of the strategy and the progression of change in the region. Overall strategic direction will be provided through the Corporate Joint Committee.

### 1.10. Benefits

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

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

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

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

Associated with these are the following indirect benefits:

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

Each of the projects and programmes are currently refining their benefits information and are working with the PoMO to ensure that robust and effective benefit realisation is undertaken across the portfolio. Further details on the benefits management and realisation process established for the portfolio can be found within the Management Case and Portfolio benefits register.

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

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

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

### 1.11. Risks and Issues

The delivery and operational environment of the City Deal has become more challenging over the last 3 years from the combined effects of the Covid-19 pandemic, Brexit, the war in Ukraine and the resulting energy and cost of living crisis. One of the main impacts for the portfolio has been the significant pressure on the construction industry supply chain resulting in increased costs and longer lead times for the delivery of required services. These factors have been reflected in the identification and mitigation of portfolio risks and issues as the programmes and projects have moved into delivery.

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

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

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

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

<b>Business</b>	<ul style="list-style-type: none"> <li>No current Red risks</li> </ul>
<b>Service</b>	<ul style="list-style-type: none"> <li>Slippage in delivery of programmes / projects against key milestones</li> <li>Programmes / projects delivering all outputs and outcomes within the business case</li> <li>Increase in cost of construction</li> <li>Welsh Government 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps</li> <li>In year financial slippage</li> </ul>
<b>External</b>	<ul style="list-style-type: none"> <li>No current Red risks</li> </ul>

The portfolio has 1 current red issue that is being monitored and mitigated for. This issue is due to be removed with the recent signing of the Campuses funding agreement.

<b>Business</b>	<ul style="list-style-type: none"> <li>Delay in funding agreements being approved and signed</li> </ul>
-----------------	---

Further details of the SBCD risk and issue management arrangements and identified risks can be found in section 5.8 of the Management Case.

## 1.12. Constraints

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

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

## 1.13. Dependencies

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

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

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

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

## 2. THE ECONOMIC CASE

### 2.1. Introduction

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

This updated Economic Case includes the following changes:

- Inclusion of the National Net Zero Skills Centre of Excellence as part of the Supporting Innovation and Low Carbon Growth programme
- Inclusion of business case updates to Pembroke Dock Marine and Digital Infrastructure programme
- Updated position on the measurement of GVA and the proposed arrangements for the measurement of economic impact in the evaluation of project interventions
- Inclusion of current jobs created information in Section 2.7

The SBCD will deliver a portfolio of programmes and projects that are most likely to offer best value for money and maximum social and economic value to the SBCR. The SBCD portfolio is estimated to generate a Net Present Social Value (NPSV) of £1,114.27 million from a public sector cost of £462.22 million. These figures are detailed below in the economic appraisal section and are derived from SBCD programmes and projects as of March 2024. These estimates for the portfolio are subject to change as business cases become more mature and develop into full business cases for the entire portfolio.

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

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

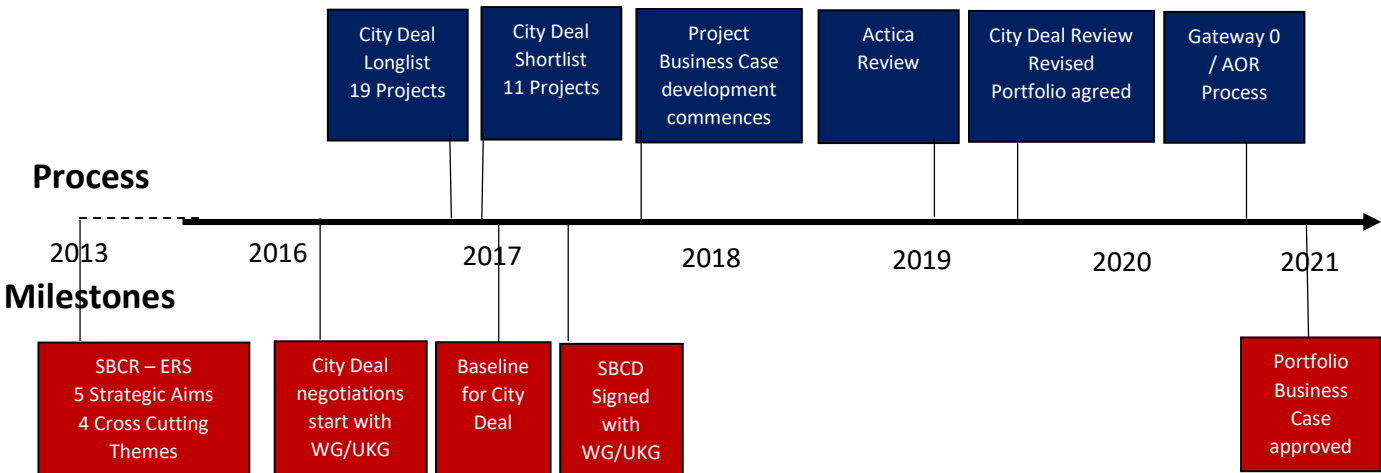


Figure 2.1. SBCD Portfolio Timeline



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

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



		will also include a state-of-the-art leisure and aquatics centre. Adjacent zones of the development will see further business expansion space created alongside a wide range of assisted living accommodation and associated test bed opportunities. This project will benefit from and further develop regional expertise in life sciences, while providing training and high-value job opportunities for local people.
Energy and Smart Manufacturing	Homes as Power Stations	A co-ordinated project across the City Region, Homes as Power Stations will see energy-saving technologies introduced to thousands of homes as part of a smart, low carbon new-build and retrofit programme. The project will: <ul style="list-style-type: none"> <li>• Tackle fuel poverty</li> <li>• Further decarbonise the regional economy</li> <li>• Improve residents' health and well-being</li> <li>• Reduce burden on regional health and social services</li> <li>• Benefit regional supply chain businesses</li> <li>• Potentially develop a UK-wide industry in the City Region, with global export opportunities</li> </ul>
	Pembroke Dock Marine	This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and off-shore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Programme features include: <ul style="list-style-type: none"> <li>• Pembroke Dock Infrastructure (PDI) improvements</li> <li>• A Marine Energy Engineering Centre of Excellence (MEECE)</li> <li>• Marine Energy Test Area (META) developments</li> <li>• The Pembrokeshire Demonstration Zone (PDZ)</li> </ul>
	Supporting Innovation and Low Carbon Growth (SILCG)	This programme will help further decarbonise the regional economy, while safeguarding the regional steel industry and providing high-quality space for the innovation, ICT and research and development sectors. The programme includes the following projects: <ul style="list-style-type: none"> <li>• SWITCH - A purpose-built facility and specialist equipment to support the steel and metals industry and supply chain</li> <li>• Electric vehicle infrastructure and mapping</li> <li>• Real-time air quality modelling</li> <li>• Hydrogen production to power hydrogen vehicles</li> <li>• Cutting-edge business spaces to meet evidenced demand including a Technology Centre, Advanced Manufacturing Production Unit and Property Development Fund</li> <li>• National Net Zero Skills Centre of Excellence (NNZCoE) - this project was added to the SILCG programme in December 2023 following the submission of an OBC and approval of a Change Request by the Region and Governments. The project will be co-located at the Advanced Manufacturing Production Facility.</li> </ul>

Table 2.1. SBCD Project Summaries

## The preferred way forward and project selection

### 2.2. Preferred way forward

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

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

The SBCR Board agreed on the 10<sup>th</sup> October 2016 to establish an oversight working group with representation from the four local authorities, two universities and two health boards. The purpose was to review a long list of City Deal projects.

### 2.3. Critical Success Factors (CSFs)

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

Table 2.2. Critical Success Factors

### 2.4. Long-listed Options and Preferred Way Forward

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

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

	Project title	Lead Organisation	Brief description	Outcome
1	Buildings as Power Stations	Swansea University	A programme of regional low carbon homes development and retrofit with supply chain development. Combine as one project	Supported
2	Innovative Smart Low Carbon Homes	Local Authorities		
3	ARCH Campuses (Phase 1)	City & County of Swansea /Swansea University / Health Boards	The extension of Institute of Life Sciences facilities at the Morriston and Singleton campuses	Supported

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

Table 2.3. Long list project options

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

- **Seven projects approved:** Projects subject to no change or revised budgets were 3, 6, 12, 14, 15, 18 and 19.
- **Four projects are the accumulation of 8 projects:** Several of the submitted proposals were deemed more impactful if combined as a result of their scope and synergies. The Board unanimously agreed to combine eight of the projects into the following four projects:
  - Projects 1 & 2 as they were similar in concept
  - Projects 4 & 5 were both focused on the Centre of Excellence for Next Generation Services (CENGs), with one being revenue based and the other capital based
  - Projects 7 & 8 formed part of a wider vision for the region with similar outcomes
  - Projects 16 & 17 both focussed on supporting the steel industry
- **Two projects signposted to a second phase or alternative funding:** The Board agreed that projects 9 and 10 were worthy projects to take forward, but they did not fully meet the City Deal requirements. It was agreed that they would be supported for either a second phase City Deal or for alternative funding sources.
- **Two projects not supported:** 11 and 13 were not supported as they were not aligned.

## 2.5. Short-listed options

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

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

Table 2.4. Long list project options

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

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

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

### 2.6. Phased approach and desirability

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

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

The SBCD portfolio will be periodically assessed through internal and external reviews to ensure that the portfolio and project desirability is valid and viable. As of March 2024, the desirability categories for each project and its components are deemed core/essential by the SBCD. This is summarised in Table 2.5. below:

Project / Programme name	Years 0 - 5	Years 5 - 10	Years 10 - 15
<b>Swansea City &amp; Waterfront Digital District:</b> <ul style="list-style-type: none"> <li>Arena &amp; Digital Square</li> <li>Digital Village</li> <li>Innovation Matrix / Innovation Precinct</li> </ul>	Core/essential	Core/essential	Core/essential
<b>Yr Egin, Creative Digital Cluster:</b> <ul style="list-style-type: none"> <li>Phase 1</li> <li>Phase 2</li> </ul>	Core/essential	Core/essential	Core/essential
<b>Digital Infrastructure:</b> <ul style="list-style-type: none"> <li>Connected places</li> <li>Rural connectivity</li> <li>Next generation wireless</li> </ul>	Core/essential	Core/essential	Core/essential
<b>Skills and Talent Initiative</b>	Core/essential	Core/essential	Core/essential
<b>SBCD Campuses Project:</b> <ul style="list-style-type: none"> <li>Singleton</li> <li>Morrison</li> </ul>	Core/essential	Core/essential	Core/essential
<b>Pentre Awel (Life Science &amp; Well-being Village):</b> <ul style="list-style-type: none"> <li>Phase 1 (Business, education skills and training, clinical delivery and research. )</li> </ul>	Core/essential	Core/essential	Core/essential
<b>Homes as Power Stations</b>	Core/essential	Core/essential	Core/essential
<b>Pembroke Dock Marine:</b> <ul style="list-style-type: none"> <li>Pembroke Dock Infrastructure (PDI)</li> </ul>	Core/essential	Core/essential	Core/essential

<ul style="list-style-type: none"> <li>• Marine Energy Engineering Centre of Excellence (MEECE)</li> <li>• Marine Energy Test Area (META)</li> <li>• Pembrokeshire Demonstration Zone (PDZ)</li> </ul>			
<b>Supporting Innovation and Low Carbon Growth</b> <ul style="list-style-type: none"> <li>• Swansea Bay Technology Centre</li> <li>• SWITCH building</li> <li>• Hydrogen Stimulus project</li> <li>• Air Quality Monitoring project</li> <li>• Low Emission Vehicle Charging Infrastructure</li> <li>• Advanced Manufacturing Production Facility (also incorporating NNZCoE)</li> <li>• Property Development Fund</li> </ul>	Core/essential	Core/essential	Core/essential

Table 2.5. Portfolio Desirability Categories

## 2.7. Economic appraisal

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

Project/programme	Business Case Status	Economic appraisal date
Yr Egin	Approved regionally and by WG / UKG	July 2018
Swansea Waterfront	Approved regionally and by WG / UKG	Sept 2019 (Revisited Nov 2022)
Pembroke Dock Marine	Approved regionally and by WG / UKG	Sept 2019 (Revisited Sep 2023)
Homes as Power Stations	Approved regionally and by WG / UKG	May 2021
Supporting Innovation and Low Carbon Growth	Approved regionally and by WG / UKG NNZSCoE change request approved	May 2021 December 2023
Pentre Awel	Approved regionally and by WG / UKG	April 2020
SBCD Campuses Project	Approved regionally and by WG / UKG	June 2021
Digital Infrastructure	Approved regionally and by WG / UKG	Aug 2020
Skills and Talent	Approved regionally and by WG / UKG	June 2021

Table 2.6. Business Case and Economic Appraisal Status

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

During 2023/24, business case updates have been undertaken for Pembroke Dock Marine (to FBC stage) and Digital Infrastructure. These updates have not affected the approved economic appraisal

information for the projects. The economic appraisal undertaken for the NNZCoE OBC will be incorporated into an updated SILCG programme business case in 2024.

		SBCD Portfolio	Yr Egin	Swansea Waterfront	PDM	HAPS	SI&LCG	Pentre Awel	Campuses	Digital	Skills
A	Net Present Social Value (£m)	1,114.27	150.02	407.51	87.2	16.63	44.7	63.86	18.8	319.2	6.35
B	Public sector cost (£m)	462.22	21.8	138.37	42.7	14.67	127.4	39.11	14.15	38.5	25.52
C	Appropriate BCR	-	3.7	3.95	2.63	2.5	1.6	2.63	2.33	1.5-11	1.4
	Significant unmonetizable costs/benefits		- skills and training opps - new business floorspace - new businesses	- skills and training opps - new business / leisure floorspace - new business start ups	- contribution to decarbon - new floorspace and infrastructure	- homes benefitting from renewable tech - Energy savings - CO2 reduction	- new infrastructure - new enterprises supported - innovation / new patents	- skills and training opps - life science programmes - new business floorspace - R&D	- skills and training opps - life science programmes - new business, R&D, floorspace	- rural community schemes - connectivity improvements - new infrastructure	- increase in higher skills - new apprenticeships - increase in STEM subjects
E	Significant unquantifiable factors		- improved start up opps - improved academic facilities - promotion of Welsh lang	- improved leisure facilities - improved profile - enhanced innovation ecosystem	- innovation in marine/energy - attraction of new investment - people / skills retention	- proof of concept / mainstreaming - reduction in fuel poverty - health and wellbeing - regional supply chain	- future reduction in carbon - job retention in steel industry and related enterprise - centre of excellence	- integrated approach to health care - health and wellbeing	- integrated approach to life science / wellbeing - health and wellbeing	- accelerate 5G - commercial investment - connectivity wellbeing - rural development	- new employment opportunities - people retention - benefits to wider regional initiatives
F	Risk costs by type and residual optimism bias	-	10%	10%	10%	10%	10%	20%	20%	-	20%
G	Switching values (for the preferred option only)	-	86%	-30.5%	-62%	81%	61%	-	-37% benefit reduction	-	-13.33
H	Time horizon and reason	15-year appraisal period for the portfolio. All infrastructure projects will have a residual value at the end of this term.									
I	Preferred option	-	Option 4	Option 2	Option 2	Option 4	Blended	Option E	Option D	Blended	Option 3
J	Date of appraisal	-	July 2018	Nov 2018 Orig. Sept 2019 Rev.	Sept 2019	Aug 2020 Orig. May 2021 Rev.	Jan 2021 Orig. May 2021 Rev. NNZSCoE Dec23	Nov 2018 Orig. April 2020 Rev.	Sept 2020 Orig. Jun 2021 Rev.	Aug 2020	Jun 2021
K	Appraised by	-	Amion	Amion	Amion	Value People	Value People	Swansea University	Swansea University	Cube	DS Consulting

Table 2.7. Portfolio Summary Appraisal



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

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

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

Table 2.8. SBCD Portfolio Impact Deliverables overarching

\* estimated GVA figures to be updated following completion of a revised SILCG Programme Business Case to include the National Net Zero Centre of Excellence.

The GVA objective was set in agreement with both Governments at the outset of the Deal in 2017. Due to the stated difficulties in measuring GVA at a project level, the decision was taken, in agreement with Governments that there would be no requirement to monitor GVA to the portfolio interventions. The current headline GVA figure has been derived from the individual economic appraisals in each of the 9 headline business cases of the City Deal as an assessment of economic impact. They remain a valid headline objective as estimated economic impact following the successful delivery of the various projects and programmes. As business cases are further developed, revised economic appraisal information will be potentially utilised to estimate overall GVA impact.

The PoMO are working with all the project and programme teams to devise a suite of economic impact indicators that can be measured and attributed to the portfolio interventions. These indicators will form part of the SBCD Evaluation Framework that will be presented to Programme Board and Joint Committee shortly and will be available for scrutiny. Each project and programme will undertake formal evaluations of the impact of the delivery and operation of their interventions at agreed points in time. Portfolio evaluations will also be undertaken, utilising the project level evaluation information. These measurements will provide a quantifiable evidence base for the impact of the portfolio at stages within its delivery and at the end of the City Deal timeframe in 2033.

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

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

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

**Jobs update:**

The total estimated job creation remains at 9,686. To date 567 jobs have been created across the programmes and projects of the SBCD representing 6.3% of the total target. The main job creation will occur following successful completion of the infrastructure projects and are therefore expected to be realised during the latter years of the portfolio timescales.

## 2.8. Summary

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

### 3. THE COMMERCIAL CASE

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

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

- Updated procurement policy alignment section
- Procurement Update section detailing key procurements to date and forthcoming procurements with accompanying Appendix 3.1 showing the procurement pipeline
- Inclusion of Construction Impact Assessment in Appendix 3.2 identifying a funding gap of £42.9m to date. Mitigations have reduced the gap with a residual funding gap of £11.6m
- Case study on community benefits being delivered through the Pentre Awel
- Current register of programme and project community benefits

#### 3.1 Procurement strategy and route

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

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

- Public Contracts Regulations 2015 and the Public Procurement (Amendment etc) (EU Exit) Regulations 2020
- Welsh Procurement Policy Statement 2021
- The Welsh Government Welsh Procurement Policy Note WPPN 0320 which provides the Welsh public sector contracting authorities an update on public procurement, and on the use of Sell2Wales and the new UK e-notification service Find a Tender after the end of the EU Transition Period.

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

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

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

#### **EU funded projects**

Welsh Government has stated that there will be no change in the existing arrangements for current EU funded projects. For previously approved projects that are receiving funding, all existing EU rules

and regulations will continue to apply. The way that projects are managed will not change. This includes:

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

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

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

This iteration of the SBCD Commercial Case maintains the status quo as far as procurement regulation and guidance stands. However, it should be noted that progress is being made on two items of legislation which may affect any SBCD procurements scheduled for 2025 onwards:

UK Government is implementing **The Procurement Bill 2022-23** which became law as Royal Assent was given to the Procurement Bill on 26 October 2023, however the Bill, which will reform the way public sector procurement is delivered post EU throughout the UK, except for Scotland, is not expected to be in force until late October 2024 earliest.

The Welsh Government **The Social Partnership and Public Procurement (Wales) Act 2023** received Royal Assent on 24 May 2023. Part 3 of which places new socially responsible procurement duties on a range of public bodies in Wales. The Part 3 provisions will not be commenced until late 2024/early 2025 at the earliest. This Bill will impose a statutory duty on certain public bodies to consider socially responsible public procurement and to set objectives in relation to well-being goals which those bodies must meet when carrying out procurement, and to publish a procurement strategy.

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

### 3.2 City Deal Procurement Principles

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

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

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

High value procurements should be broken down into smaller lots so that regional companies are not excluded from the process. Where this is not possible due to economies of scale or risk, for example, then Tier 1 contractors should be contractually obliged to undertake the lotting process where existing frameworks allow.

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

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

### **Application of Procurement Principles**

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

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

### 3.3 Procurement Update

With all the SBCD projects and programmes approved and moving into delivery, there has been considerable construction and procurement activity since the last iteration of the business case with the following projects scheduled for completion during 2024.

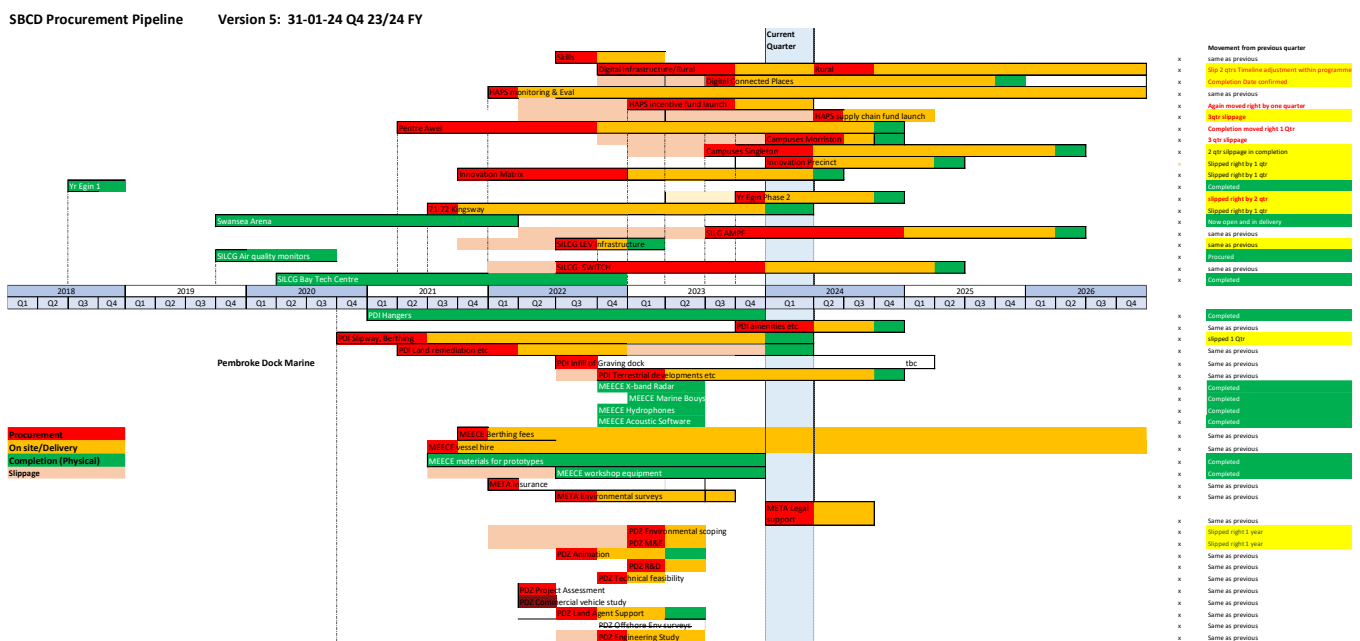
- Pentre Awel Zone 1 Q4 2024,
- 71/72 Kingsway Q1 2024,
- Innovation Matrix Q2 2024
- Pembroke Dock Infrastructure - including the completion of the Hangar Annexes, lay down space and slipway.

Procurement to the value of **£361.5m** has been undertaken across the portfolio to date with **£141.4m** in the immediate procurement pipeline including major procurements for HAPS, Campuses, Swansea Waterfront (Innovation Precinct and Hotel) and Digital Infrastructure. Further major procurements will also be programmed for Pentre Awel Zones 2,3 and 4 and the Campuses Phase 2 developments.

The PoMO has developed a register of planned procurement showing the pipeline, timescale and route to procurement of the individual projects to assist potential contractors in identifying and accessing tender opportunities. The pipeline template is included in Appendix 3.1 and is updated on a quarterly basis in consultation with the programme/project leads.

The regular monitoring of the Procurement Pipeline tracks any project change or slippage in procurement, time on site and completion date.

An illustrative representation of the current procurement pipeline is shown below (Q3 2023-24)



The current economic environment of high inflation, materials and energy costs has made procurements challenging, with inflationary pressures on capital budgets and extended timescales/slippage in the formulation, negotiation and delivery of contracts.

The PoMO, working with programme and project teams, introduced a Construction Impact Assessment (CIA) for the portfolio towards the end of 2021 which identifies and quantifies the widespread risks and issues affecting the construction industry.

In addition to this, the PoMO produced a report on the assessment of increased construction costs and their effect on portfolio delivery. This report, now combined with the CIA, identifies a gross gap of **£42.9m** to date, relating to past, imminent and future construction activity. The mitigation actions being employed by the programmes and projects are also included. These mitigating actions have reduced the shortfall, with an **£11.6m** residual impact over the 2023/24 financial year.

The assessment is updated quarterly and since its inception many projects have identified key risks to their construction activity identified within the summary report and have devised robust mitigation measures to counteract any risk to delivery.

A copy of the assessment is included at Appendix 3.2.

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

### 3.4 Community Benefits

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

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

Project/programme teams will be required to:

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

The PoMO maintains a Community Benefits Register that tracks Community Benefits requirements against delivery with the current version attached at Appendix 3.3.



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

At least 136 apprenticeships have been delivered with a wide variety of community and school engagements being undertaken within the localities of development. For example, Bouygues UK, as lead contractor for Pentre Awel, have achieved the following to date, during delivery of Zone 1, which is not due for completion until Q4 2024:

Person weeks training	961 person weeks
New entrant jobs created	21
Apprentice/Shared Apprentices	20
Graduate	4
Traineeship/JGW+	12
Work Experience (in education)	8
Work Experience (not in education)	0
Monthly 'Employment Hubs'	5 Employment Hubs held onsite.
Employment & Skills Group	7 Meetings held.
Community Newsletter	5 issued to date:
Community Ambassadors	5 Community Ambassadors recruited.
Community events	Meet the Contractor event @ Morfa Social Club March 2023.
Meet the Buyer Events	2 held: <ul style="list-style-type: none"> <li>• Parc y Scarlets on 30/03/22. 125 suppliers engaged, around two thirds based in the SBCD region. 50 Carmarthenshire businesses, of which nearly 30 are Llanelli-based.</li> <li>• Virtual MtB event (1:1s) held 13th June 2023, promoted via Sell2Wales. 14 businesses registered.</li> </ul>
Resident surgeries	2 Community Surgeries held: 06/06/23; 05/09/23
Social enterprises	Thrive Women's Aid undertaking the cleaning works on-site and providing mobile catering service.
School Engagement - Pupil Interactions	584
School Engagement - Hours Donated (200)	85.5
School Ambassadors Programme	Over 60 student ambassadors recruited from local primary and secondary schools.
21st Century Skills Project funded via City Deal Skills & Talent.	12-week project undertaken. 5 Llanelli Schools participated: Brynwgywn, Coedcae, Ysgol Pen Rhos, St John Lloyd and Ysgol y Strade
Outdoor engagement	2 hours Litter Pick with The Wallich Wellbeing group.
Zero Waste / Litter Picking	Pentre Awel registered as a litter free zone
BYUK Believe Academy	350 learners engaged in Bouygues Believe Academy.
Special Educational Needs / Additional Learning Needs	Heol Goffa ambassador and STEM Tetrahedron session (11/05/2023).

### 3.5 Service requirements, Outputs and Risk allocation

Portfolio business risk will be managed by the SBCD PoMO within the established governance structure, as detailed in the Management Case. The identification of service requirements, outputs



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

### 3.6 Charging mechanisms

Each programme/project will undertake its own assessment of the appropriate charge mechanisms for pre-delivery, design and build phases and whether to apply a fixed price/cost mechanism or to use payment on delivery of agreed outputs/targets. To protect the supply chain and ensure fair and prompt payment, programmes/projects will be required to put in place Project Bank Accounts (PBAs) for all significant procurements. This requirement is in line with Welsh Government policy whereby all Welsh Government funded procurements with a value of £2m or more and lasting longer than 6 months must consider doing this. Note: Other criteria will also apply - see [Welsh Government guidance](https://gov.wales/wppn-0321-project-bank-accounts-policy-html) at <https://gov.wales/wppn-0321-project-bank-accounts-policy-html> (updated April 2023) for more details.

### 3.7 Key contractual arrangements

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

Industry has told us that effective communication and early market engagement is critical. Contractors and the wider supply chain need to have advance notification of future tender opportunities. Early notification and supply chain engagement is a key part of this.

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

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

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

### 3.8 Personnel implications

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

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

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

### 3.9 Accountancy treatment

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

### 3.10 Updating Business Cases

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

## 4. THE FINANCIAL CASE

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

This Financial Case includes the following changes as of Q3 2023-24:

- Updated funding and investment information including breakdown of private and public sector investment and breakdown of funding per theme and project of the SBCD. Investment is now demonstrated at £1.282bn from £1.253bn in previous business case (original heads of terms £1.274bn)
- Updated income, expenditure and cashflow forecasts
- Inclusion of the previously unallocated £5.3m City Deal funding to the National Net Zero Skills Centre of Excellence
- Updated information on grant drawdown and dissemination with £123m City Deal funds received to date. To date £54.7m has been dispersed from the city deal to programmes and projects
- Reprofile of portfolio budget to show a current forecast slippage of £19.1m in the 2023-24 financial year from the previous approved budget with no reported effect on total outputs, investment or benefits of the Portfolio
- Information on the financial variances for Pentre Awel, Swansea Waterfront, Digital Infrastructure and Pembroke Dock Marine projects

### 4.1. Swansea Bay City Deal Investment Summary

The SBCD portfolio Heads of Terms signed on 17<sup>th</sup> March 2017 demonstrated an anticipated investment of £1.3 billion for the Swansea Bay City Region. On the approval of all nine businesses cases this budget has now been revised to establish a portfolio working budget. The budget revision shows a variance of +£7.87m (0.6%) against the original Heads of terms demonstrated below:

	<u>WG &amp; Central Government Funding</u> (£m)	<u>Other Public Funding</u> (£m)	<u>Private Funding</u> (£m)	<u>Total (£m)</u>
Original Heads of Terms	241.00	396.00	637.40	1,274.40
Working Budget (as per business cases)	241.00	400.27	641.00	1,282.27
Variance	0.00	4.27	3.60	7.87

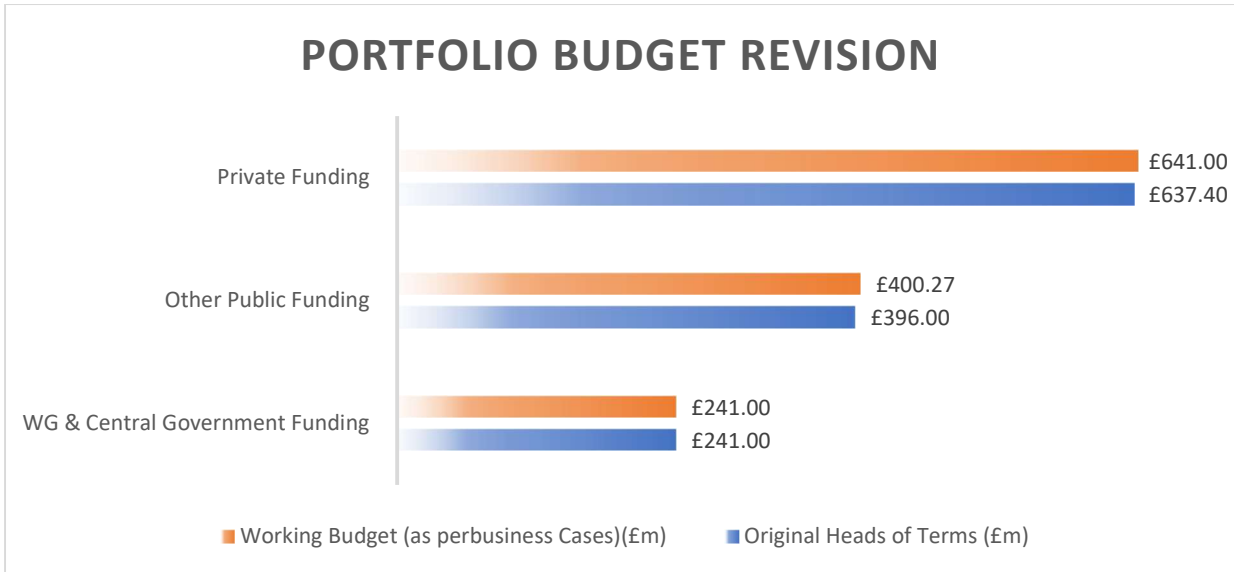


Table 4.1 and Figure 4.1. Funding Apportionment

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

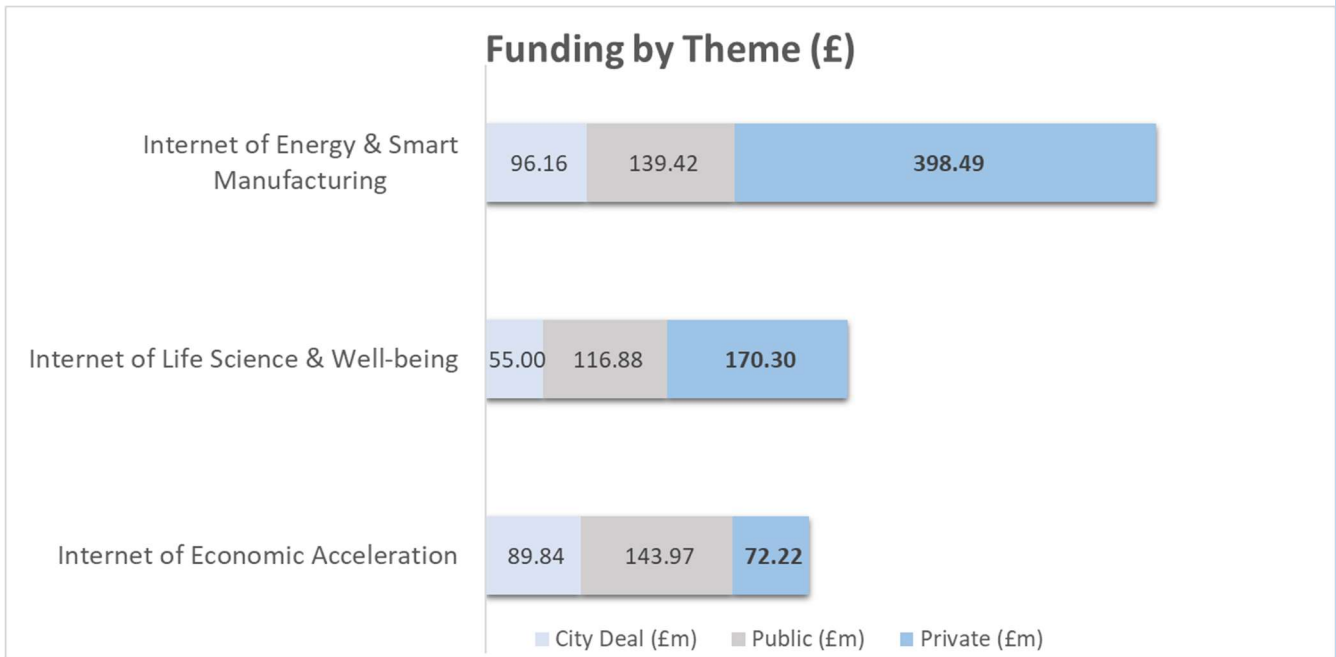


Figure 4.2. Funding by Theme

#### 4.2. Updated Swansea Bay City Deal Investment Summary

The SBCD partnership, through the Internet Coast publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned by identified interventions to deliver widespread and sustainable economic growth across the region. These interventions, subject to the submission and approval of detailed business cases for the nine identified

projects/programmes by the Welsh and UK Governments, along with the agreement of necessary governance arrangement and delivery models, make up the SBCD.

The current portfolio investment breakdown presented in Table 4.2. below is based on forecasted investment as of 31<sup>st</sup> December 2023:

Theme	City Deal (£m)	Public (£m)	Private (£m)	Total (£m)	Revised Baseline Budget 2022-23 Total (£m)	Variance (£m)
<b>Internet of Economic Acceleration</b>						
Swansea Waterfront	49.84	91.04	39.66	180.54	177.71	2.83
Yr Egin	5.00	18.67	1.50	25.17	25.17	0.00
Skills & Talent	10.00	16.00	4.00	30.00	30.00	0.00
Digital Infrastructure	25.00	18.25	27.06	70.31	55.00	15.31
<b>Total</b>	<b>89.84</b>	<b>143.97</b>	<b>72.22</b>	<b>306.03</b>	<b>287.88</b>	<b>18.14</b>
<b>Internet of Life Science &amp; Well-being</b>						
Pentre Awel	40.00	58.30	108.19	206.48	200.48	6.00
LS&WB Campuses	15.00	58.58	62.11	135.69	134.95	0.74
<b>Total</b>	<b>55.00</b>	<b>116.88</b>	<b>170.30</b>	<b>342.18</b>	<b>335.43</b>	<b>6.74</b>
<b>Internet of Energy</b>						
Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	0.00
Pembroke Dock Marine	28.07	19.32	17.09	64.47	60.47	4.00
<b>Total</b>	<b>43.07</b>	<b>133.92</b>	<b>392.99</b>	<b>569.97</b>	<b>565.97</b>	<b>4.00</b>
<b>Smart Manufacturing</b>						
Supporting Innovation and Low Carbon Growth	53.09	5.50	5.50	64.09	63.62	0.47
<b>Total</b>	<b>53.09</b>	<b>5.50</b>	<b>5.50</b>	<b>64.09</b>	<b>63.62</b>	<b>0.47</b>
<b>Portfolio Total</b>	<b>241.00</b>	<b>400.27</b>	<b>641.00</b>	<b>1,282.27</b>	<b>1,252.91</b>	<b>29.36</b>

Table 4.2. Portfolio Investment Breakdown

These figures are the current financial investment forecast which the SBCD is currently projecting over its 15-year term and is exceeding the approved working budget (£29.36m). Funding elements are subject to change as the portfolio evolves. All business cases have been successfully approved and on implementation of funding agreements, Government funding will be released to projects/programmes up to the value of the agreed project allocation by the Accountable Body.

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

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

- The **City Deal investment** component consists of the government grants awarded by the UK and Welsh Governments, totalling £241m (UKG £115.6m and WG £125.4). The previously unallocated £5.3m has now been formally allocated to the National Net Zero Skills Centre of Excellence as part of the Advanced Manufacturing Production Unit within the SILCG Programme. City Deal Grant is awarded to projects over a 15-year term up to a maximum of the allocated value.
- **Public sector** investment consists of investment from local authorities and other public funded and public service organisations. Public sector investment will also consist of match-funded WEFO grant funding. The public sector investment package will differ from project to project as to its composition. The majority of public sector investment will be provided through Local Authority borrowing. Each Local Authority shall be responsible for borrowing to provide funding or otherwise securing funding for projects located in its own area.  
Local Authorities may agree that borrowing for a Regional Project should be made by all the Authorities equally or in proportions agreed, or that borrowing should be carried out by one Local Authority on behalf of others if they so agree. Decisions on whether borrowing for any project shall be carried out by one regional Local Authority on behalf of the others – as well as the proportions - shall be determined by the Local Authorities as a matter reserved to them.

- **Private sector** investment includes regional investment from local and national private sector partners. An initial review of private sector contributions was undertaken in September 2022 which review found that most programmes and projects remained reasonably confident that they could achieve the level of private sector contribution outlined in their individual business cases. The process is again being undertaken in Quarter 4 of 2023/24 and will be reported through SBCD governance boards and stakeholders.

### **Project Budget Revisions**

#### Pentre Awel Project

Following the tender and procurement process for Pentre Awel, the project budget has been revised to take account of higher than anticipated construction costs for the Zone 1 element.

The budget for the project is now £206.48m, an increase of £6m. Additional funding has been secured through the local authority lead to ensure the affordability of the project.

#### Swansea Waterfront

The Swansea Waterfront project is demonstrating an overinvestment of £5.26m with the total budget now at £182.98m. The overspend relates to the Arena project and will be absorbed by the local authority.

#### Digital Infrastructure

Digital Infrastructure is demonstrating £15.8m over investment against budget mainly due to additional private sector funding levered by the project.

#### Pembroke Dock Marine

PDM is demonstrating an over investment of £4m. The PDI project is now demonstrating a total investment of £48m project (increased from £41.5m at Approval), the majority of which has come from WEFO (increase from circa £7m to £12m) and the balance from private sources.

### **4.3. Swansea Bay City Deal Income and Expenditure Summary**

The UK Government and Welsh Government capital grant contribution to the SBCD is awarded over a 15-year period. It is currently forecasted at the full allocation of £241m with the previously unallocated £5.3m of City Deal now formally allocated to the National Net Zero Skills Centre of Excellence within the SILCG Programme. This allocation was undertaken following the development of an Outline Business Case and a change request submitted by Neath Port Talbot Council to the Region and Governments for the additional project.

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

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

The portfolio expenditure profile is presented in Table 4.3 below:

## Portfolio Annual Investment Forecast

Investment Component	Cumulative Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast
	(20th Mar 2017 to 31st Mar 2022)	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	134.67	84.70	136.04	247.68	211.47	245.96	163.68
Revenue Investment	6.05	4.39	7.71	12.99	13.16	10.84	0.62
<b>Total</b>	<b>140.72</b>	<b>89.09</b>	<b>143.75</b>	<b>260.67</b>	<b>224.63</b>	<b>256.80</b>	<b>164.31</b>
Funding							
City Deal Investment	37.84	24.22	61.67	75.12	31.32	10.63	0.20
Public Sector Investment	86.04	53.18	64.02	69.96	53.69	56.92	16.47
Private Sector Investment	16.83	11.69	18.06	115.60	139.63	189.24	147.64
<b>Total</b>	<b>140.72</b>	<b>89.09</b>	<b>143.75</b>	<b>260.67</b>	<b>224.63</b>	<b>256.80</b>	<b>164.31</b>

Investment Component	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	-	-	-	-	-	1,224.20
Revenue Investment	0.44	0.45	0.46	0.47	0.48	58.07
<b>Total</b>	<b>0.44</b>	<b>0.45</b>	<b>0.46</b>	<b>0.47</b>	<b>0.48</b>	<b>1,282.27</b>
Funding						
City Deal Investment	-	-	-	-	-	241.00
Public Sector Investment	-	-	-	-	-	400.27
Private Sector Investment	0.44	0.45	0.46	0.47	0.48	641.00
<b>Total</b>	<b>0.44</b>	<b>0.45</b>	<b>0.46</b>	<b>0.47</b>	<b>0.48</b>	<b>1,282.27</b>

Table 4.3. Portfolio Annual Investment Forecast

## Public and Private Investment Breakdown

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

Description	Public	Private
Formally Committed	£ 327.44	£ 33.34
Final Approval	£ -	£ -
Advanced Engagement	£ -	£ 114.67
Early Engagement	£ 72.83	£ 492.99
<b>Total</b>	<b>£ 400.27</b>	<b>£ 641.00</b>

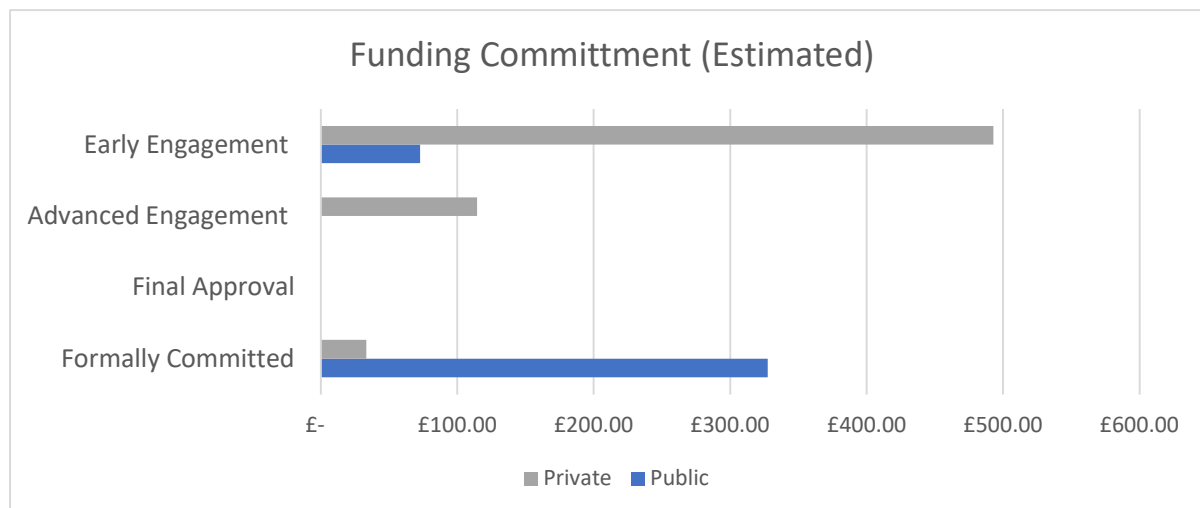


Table 4.4. Public and Private Investment Breakdown

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

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

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

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

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

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



## Portfolio Cashflow (Estimated)

Grant Payment Profile - to City Deal Projects	Cumulative Actuals (20th Mar 2017 to 31st Mar 2021)	Actuals Year 4 2021-22	Actuals Year 5 2022-23	Current Year Forecast Year 6 2023-24	Forecast Year 7 2024-25	Forecast Year 8 2025-26	Forecast Year 9 2026-27
Programme/Project	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Total Grant Expenditure	19.84	18.00	24.32	61.42	75.12	31.21	10.89
Grant Receipt Profile	54.00	23.09	23.09	23.09	23.09	23.09	23.09
Net Cumulative Total - Surplus/(Deficit)	34.16	39.25	38.01	-0.32	-52.35	-60.48	-48.28

Grant Payment Profile - to City Deal Projects	Forecast Year 10 2027-28	Forecast Year 11 2028-29	Forecast Year 12 2029-30	Forecast Year 13 2030-31	Forecast Year 14 2031-32	Forecast Year 15 2032-33	Total
Programme/Project	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Total Grant Expenditure	0.20	0.00	0.00	0.00	0.00	0.00	241.00
Grant Receipt Profile	23.09	5.41	5.00	5.00	5.00	5.00	241.00
Net Cumulative Total - Surplus/(Deficit)	-25.40	5.41	5.00	5.00	5.00	5.00	0.00

Table 4.5 Portfolio Cashflow

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

This has increased the grant award to £18m in the first three years, further increasing the award to an estimated £23.09m to year ten, with the balance over the remaining years. This significantly eases the borrowing requirement on the portfolio and as such the financial pressures attached to associated borrowing costs. The frontloading equates to an estimated £38m with an estimated saving of between £2m-£4m in interest costs. However, the revised investment profiles now anticipate a cumulative negative cashflow between years 7 to 10, however further project slippage could negate this. The Accountable Body has recently received notification of a further acceleration of UK Government funding within the 10 year timeframe which will further help alleviate financial pressures.

The SBCD has received £123m from Governments to date.

To date £54.7m has been dispersed from the City Deal.

## Investment Reprofile

During quarter 2 2023, the portfolio re-profiled the approved investment budget to more accurately align to project delivery timescales. The forecast budget has been further revised with Q3 information, indicating a forecast slippage of £19.1m. This figure is likely to increase by the end of 2023-24. A further re-profiling exercise will be undertaken in the 2024-25 financial year to accurately reflect delivery and expenditure going forward. The current delay in profiled expenditure has not affected the outputs, total investment or benefits of the Portfolio. The reprofiled budget is shown below in Table 4.6.

Revised Profile (£)	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Programme/Project	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	Year 15 2032-33	Year 15 2032-33	Total
Previous Baseline Budget (Q3 2022-23)	27,723,352	8,187,038	19,671,260	44,106,114	59,021,246	160,704,791	187,117,357	181,327,777	193,181,478	205,802,083	163,855,848	435,114	446,969	459,209	471,844	484,886	484,886	484,886	1,252,996,366
Revised Baseline Budget (Q2 2023-24)	29,146,763	6,492,642	15,192,607	37,810,691	52,145,471	51,232,780	162,822,373	260,346,098	227,309,047	270,439,807	164,105,848	435,114	446,969	459,209	471,844	484,886	484,886	484,886	1,279,342,148
Forecast Outturn (Q3 2023-24)	29,146,763	6,492,642	15,192,607	37,810,691	52,073,809	89,089,003	143,753,630	260,672,561	224,634,934	256,796,707	164,305,848	435,114	446,969	459,209	471,844	484,886	484,886	484,886	1,282,267,217
<b>Variance (Q3 2023-24 / Q2 2023-24)</b>	-	-	-	-	-	<b>71,661</b>	<b>37,856,223</b>	<b>- 19,068,743</b>	<b>326,464</b>	<b>- 2,674,113</b>	<b>- 13,643,100</b>	<b>200,000</b>	-	-	-	-	-	-	<b>2,925,069</b>

Revised Profile (%)	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Programme/Project	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	Year 15 2032-33	Year 15 2032-33	Total
Percentage of Delivery (Q3 2022-23)	2.21%	0.65%	1.57%	3.52%	4.71%	12.83%	14.93%	14.47%	15.42%	16.42%	13.08%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	100.00%
Anticipated Delivery (Q2 2023-24)	2.28%	0.51%	1.19%	2.96%	4.08%	4.00%	12.73%	20.35%	17.77%	21.14%	12.83%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	100.00%
Anticipated Delivery (Q3 2023-24)	2.27%	0.51%	1.18%	2.95%	4.06%	6.95%	11.21%	20.33%	17.52%	20.03%	12.81%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	100.00%
<b>Variance (Q3 2023-24 / Q2 2023-24)</b>	<b>-0.01%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-0.01%</b>	<b>-0.01%</b>	<b>2.94%</b>	<b>-1.52%</b>	<b>-0.02%</b>	<b>-0.25%</b>	<b>-1.11%</b>	<b>-0.01%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

	Years 0-6	Years 7-10	Balance
Average Slippage %	0.20%	-0.16%	-0.35%
Average Years	0.04		

Table 4.6 Portfolio Budget Re-profile Q3 2023-24

#### 4.4. City Deal Flow of Funding

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

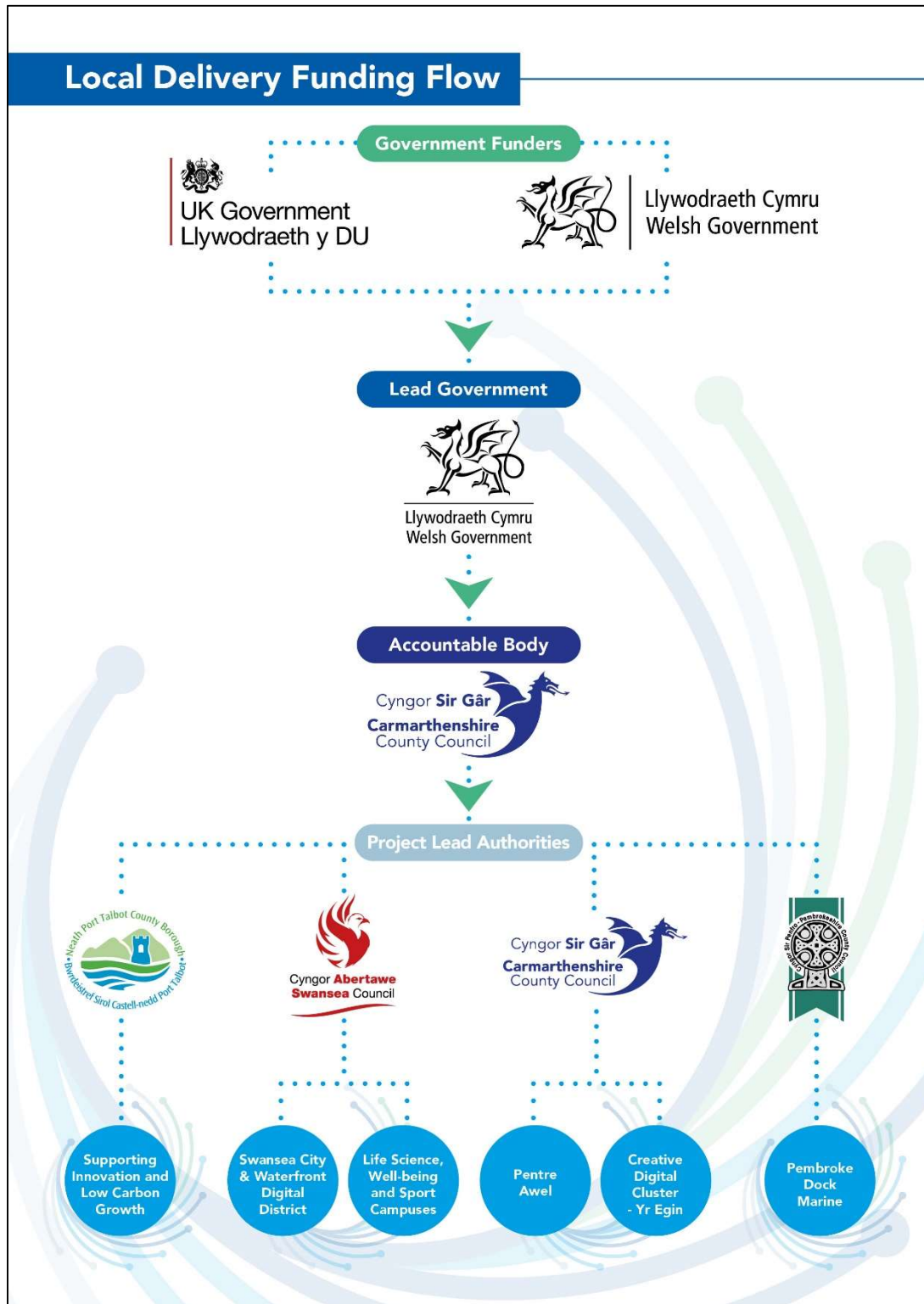


Figure 4.6. Funding Flow for Local Delivery Projects

## Regional Delivery Funding Flow

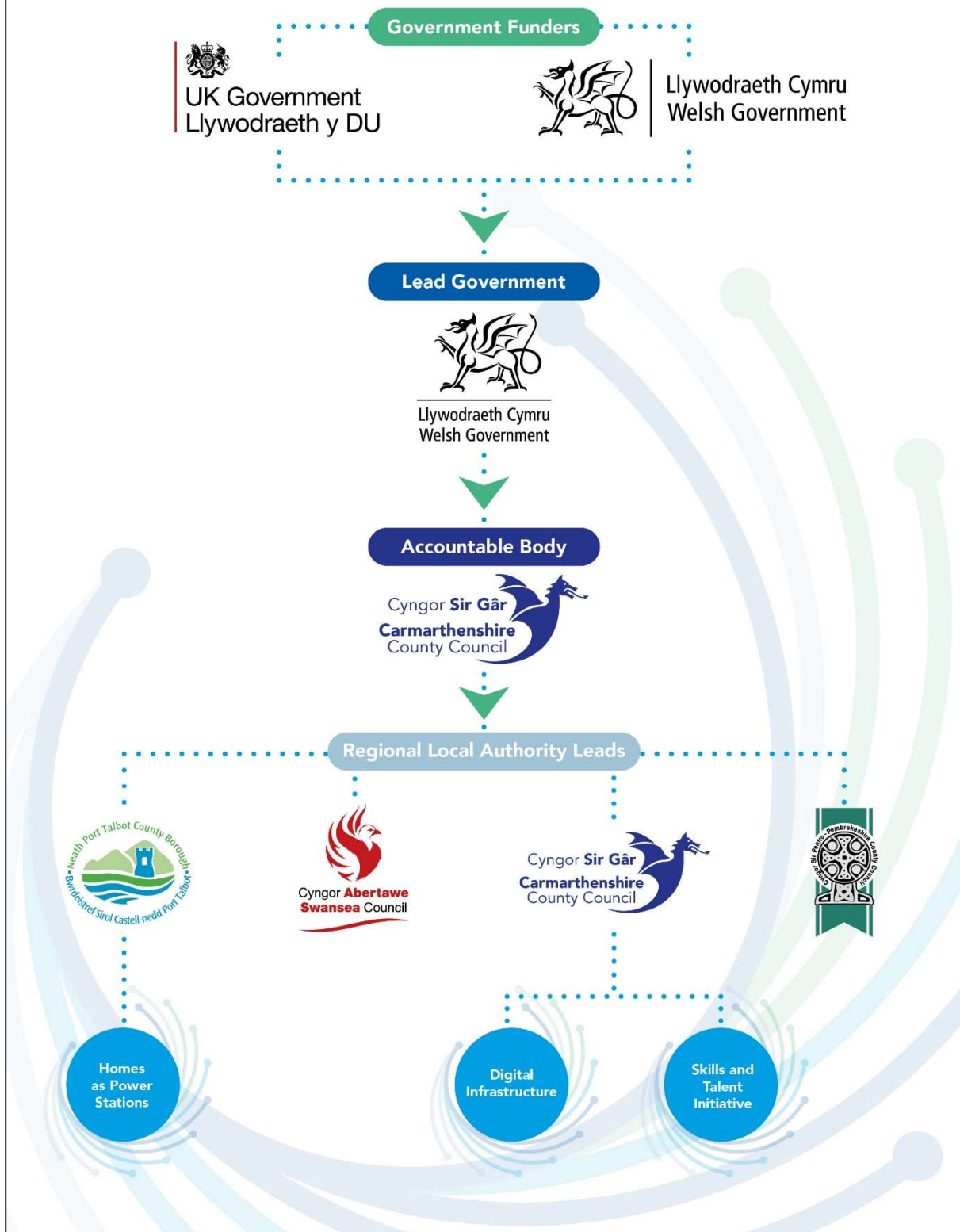


Figure 4.7. Funding Flow for Regional Projects

## 4.5. Portfolio Financial Overview

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

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

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

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

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

### **Regional Projects**

The Joint Committee is responsible for overseeing the proportion of each Local Authority's responsibility for borrowing to provide funding for regional projects. The capital borrowing in respect of the Government funded elements of the City Deal projects will be re-paid by identified Government funds (UK & Welsh Government) over the 15-year period.

The exact level of borrowing and the structure and terms of the borrowing are yet to be confirmed at this point in time, although it will be calculated based on the amount required per relevant Local Authority and will be in line with the individual LA's internal requirements. This is being determined by the four Section 151 Officers of the four regional LAs. All borrowing will be agreed based on the principles of the Prudential Code and Treasury Management Policy and Strategy for each Local Authority. When further details of the investments required for each project are known, a full business case appraisal for each individual project will be completed and submitted to the relevant LA for

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

#### 4.6. Joint Committee Financial Overview,

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

- **Joint Committee** - The Joint Committee has ultimate responsibility and accountability for decisions taken and delivery of the Portfolio. As such, the need for revenue funding to support the Joint Committee and administration functions has been recognised. This was acknowledged by all partners, which led to agreement for an amalgamation of funding consisting of partner contributions (£50k per partner per annum which has now ended) and applying a 'top slice' to Government grants of 1.5%. The above has subsequently resulted in an annual operating budget of £2.492 million per annum over a five-year period. The 'Top Slice' agreement results in a small funding gap for projects which will be supported through Project Delivery Lead Organisations and partner commitments.
- **Portfolio Investment Fund** - The Portfolio Investment Fund is overseen and upheld by the Accountable Body, which administers the receipt and distribution of SBCD grants on behalf of the Portfolio. The Accountable Body is accountable to the Joint Committee and manages the investment pool in line with Carmarthenshire County Council's Treasury Strategy Policy.

The SBCD provides grants on a project-by-project basis to responsible Lead Authorities. An annual grant award is received from the Welsh Government on behalf of both Governments and is then distributed on actuals in arrears, whilst ensuring clear financial governance is pursued. The agreement with both the UK Government and the Welsh Government totals £1.3 billion, with the grant totalling £241 million relating to the Portfolio Investment Fund (UK Government £115.6m and Welsh Government £125.4m). Any portfolio balances are invested to ensure effective optimisation of resources until approval is confirmed to initiate the release of funds to the Portfolio. Joint Committee has formally agreed it will afford Lead Authorities to borrow from any such balances that reside in the portfolio. This is done at a set rate on a 12-month term, as cash flow determines.

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

- **Government Grant 'Top Slice'** - Annually, up to 1.5% of the Portfolio Investment Fund, specifically the government grants awarded, will be earmarked to support the Joint Committee and central administration functions required to support the delivery of the Portfolio. This is referred to as 'Top Slice' of Government Grants.
- **Retention of National Non-Domestic Rates** - The Welsh Government has agreed in principle (as per below) that 50% of the additional net yield generated through SBCD developments can be retained by the region to support revenue costs associated with the portfolio. This has been acknowledged by the Lead Authorities within the Joint Committee Agreement (JCA - 29th April 2018). On April 11<sup>th</sup> 2018, the Welsh Government stated that it intends to initiate arrangements to allow the region to retain 50% of the additional net yield in Non-Domestic rates generated by the nine projects/programmes which are to be delivered by the SBCD. There continues to be ongoing dialogue with WG to establish the detail required and formalise a mechanism in respect of how the amount to be retained is to be administered.
- **Interest on Investments** - It is recognised that throughout the lifecycle of the City Deal portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred. Cash balances held by the Joint Committee will be



invested through Carmarthenshire County Council as the Accountable Body. Income generated from cash investments will be ring-fenced and redistributed direct to projects based on the allocation outlined within the original Heads of Terms.

- **Borrowing** - The Joint Committee is responsible for overseeing the proportion of each Council's responsibility for borrowing to provide funding for regional Programmes. The capital borrowing (in respect of the Government funded element) for the City Deal Programmes will be re-paid by identified Government funds (UK & Welsh Government) over the 15-year period.

#### 4.7. Monitoring and Evaluation

The total City Deal portfolio expenditure covering all projects/programmes has been reprofiled to an anticipated £1.282 billion funding package. The City Deal portfolio finances will be monitored through the Programme (Portfolio) Board and Joint Committee, with the Economic Strategy Board also making recommendations on possible additional funding opportunities or alternative portfolio expenditure. Regular reports will also be presented by the Accountable Body to the regional Local Authority Directors of Finance and Regional Section 151 Officers' working group.

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

The monitoring requirements of the Portfolio will require the project authority lead to submit a claim for project funding to the Accountable Body at a frequency to be determined by the Accountable Body. The claim shall include a progress report on the project. The progress report shall include an assessment of risks associated with the project and details of progress against the agreed outputs. After the parties have agreed in accordance with clause 6.7 of the funding agreement that the project has achieved practical completion, the project authority lead shall not be required to submit claims for project funding. Thereafter, the project authority lead shall complete annual monitoring returns in a form to be specified by the Accountable Body prior to the Accountable Body releasing any project funding to which the project authority lead is entitled. The annual monitoring forms will include an obligation to report on the progress in achieving the agreed outputs. The Accountable Body reserves the right to impose additional monitoring requirements at a frequency and for such period as it considers reasonable in all the circumstances.

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

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

#### 4.8. Accounting Treatment of Portfolio Transactions

##### **Accounting for Income and Expenditure**

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

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

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

### **Revenue Requirement**

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

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

### **Balance Sheet Accounting**

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

### **Financial Instruments**

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

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

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



out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

The revised Code identifies three key principles:

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

The Council's Director of Corporate Services maintains a counterparty list in compliance with the criteria listed below and revises the criteria and submits them to Council for approval as necessary. This criteria is separate to that which approves Specified and Non-Specified investments as it selects which counterparties the Council will approve rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by all three agencies and two meet the Council's criteria, and the other does not, the institution will fall outside the lending criteria.

### **Investment Counterparty Selection Criteria**

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

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

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

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

## **Value Added Tax**

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

## **4.9. Financial Risk Management and Assurance**

### **Financial Risks**

The portfolio financial risks are monitored and managed as part of the City Deal's overall risk management arrangements. The City Deal projects maintain, manage and monitor their own risks in line with guidance from the Green Book and the City Region's Accountable Body and SBCD Portfolio Management Office. The Joint Committees operates a portfolio risk register and issues log, specifically including any financial risks identified. These risks will be monitored and updated with mitigating control actions through the Section 151 Officers' group as a standing item and then regularly presented to the Programme (Portfolio) Board and Joint Committee.

### **Financial Issues, Dependencies and Interdependencies**

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

### **Assurance - Internal Audit**

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors, from which the Joint Committee gains assurance. Internal Audit is required to undertake their work in accordance with the 1.5 standards as set out in the Public Sector Internal Audit Standards (PSIAS) established in 2013, which are the agreed professional standards for Internal Audit in Local Government.

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

### **Assurance - External Regulators**

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

### **Anti-Fraud and Anti-Corruption Strategy**

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

## 5. MANAGEMENT CASE

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

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

- Updated monitoring and evaluation information including dashboard presentation and current information for risks, issues, benefits and financial monitoring for Q3 2023/24
- Current project status and associated investment
- Governance section updated with chair for Joint Scrutiny Committee and political lead for the Accountable Body
- Current position regarding Project Management tooling for the portfolio
- Summary of SBCD Evaluation Framework proposals included and details on benefits realisation development
- Current status of Gateway Reviews for the portfolio and its constituent programmes and projects
- Updated information relating to internal audit and Wales Audit Office processes
- Updated Communications, Marketing and Engagement Implementation Plan
- Proposed Change thresholds to manage and approve significant changes to current or approved business cases
- Current Business Case status and project stage summary across programmes and projects
- Current information relating to SROs and project leads
- Updated Portfolio delivery roadmap for all programmes and projects

### 5.1 Introduction

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

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

The SBCD portfolio underwent a fourth annual Gateway 0 external review during July 2023. The review returned a third consecutive Amber/Green Delivery Confidence Assessment with four recommendations having been received and actioned. An Action Plan demonstrating progress made with the recommendations is attached in Appendix 5.1. Progress made on the Action Plan is reported with the quarterly monitoring report for the portfolio through SBCD governance arrangements. All recommendations have now been actioned.

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

	No. Project/programme components	%	Value (£)
Initiated	36	100	£1.282bn
Planned	36	100	£1.282bn
Planned (pre-del.)	14	38.9	£0.721bn
Delivery (build/dev)	19	52.8	£0.438bn
Completion > Operation & Monitoring	3	8.3	£0.123bn

Table 5.1. Summary of Project Status and associated investment

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

## Governance Arrangements

### 5.2 Governance and Delivery Structures

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

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



Figure 5.1 SBCD Governance Structure

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

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

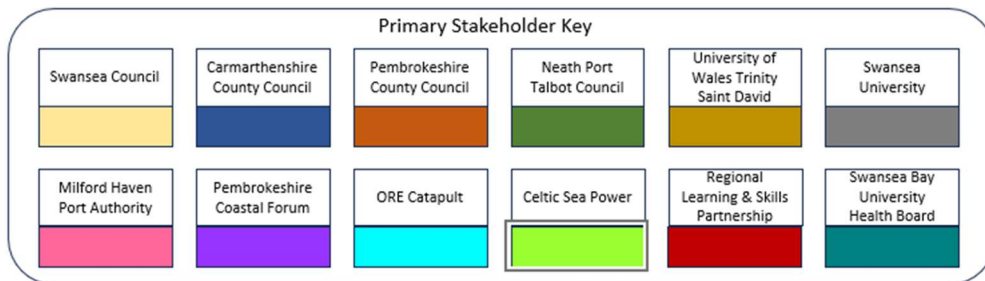
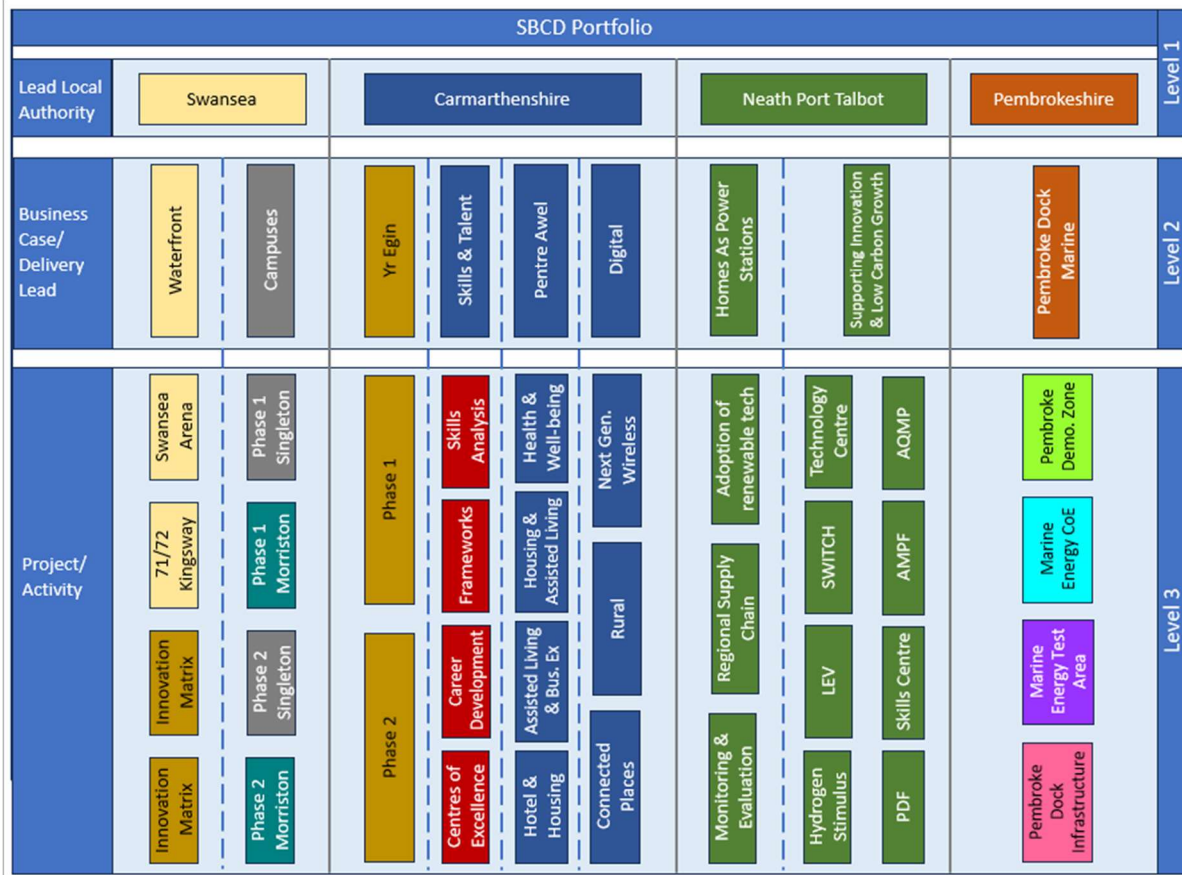
	Assurance and Approval plan and project plan. Also works with the Portfolio Director and PoMO to apply the Portfolio Development Roadmap. Depending on the size and complexity of the programme / project the Programme / Project Manager will run the Programme / Project Team and manage external advisers.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

Table 5.2. SBCD Governance and Delivery Structure Overview

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

The composition of each of the headline projects and programmes is shown in Figure 5.2 below. During 2023-24, a further project within the SILCG Programme was added. The National Net Zero Skills Centre of Excellence was approved by SBCD Joint Committee and Governments in December 2023.





*This diagram provides a pictorial representation of who is responsible for the overarching governance and delivery aspects of the Swansea Bay City Deal Portfolio, Programmes, and Projects.*

*Further collaborations and delivery partners will be involved and themselves have cascaded accountability and responsibility as detailed in funding agreements or memorandums of understanding. Where appropriate, details of these arrangements can be provided at an individual programme, project or workstream level on request.*

Figure 5.2 SBCD Headline and Component Projects



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

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

The PoMO functions are based on P3M (Portfolio, Programme and Project) development and delivery, which includes aspects of assurance, risk and issue management, benefits and value, communications and stakeholder engagement, information management, finance, resource management, reporting and administration. The PoMO Manager role is currently vacant subject to Joint Committee budget review.

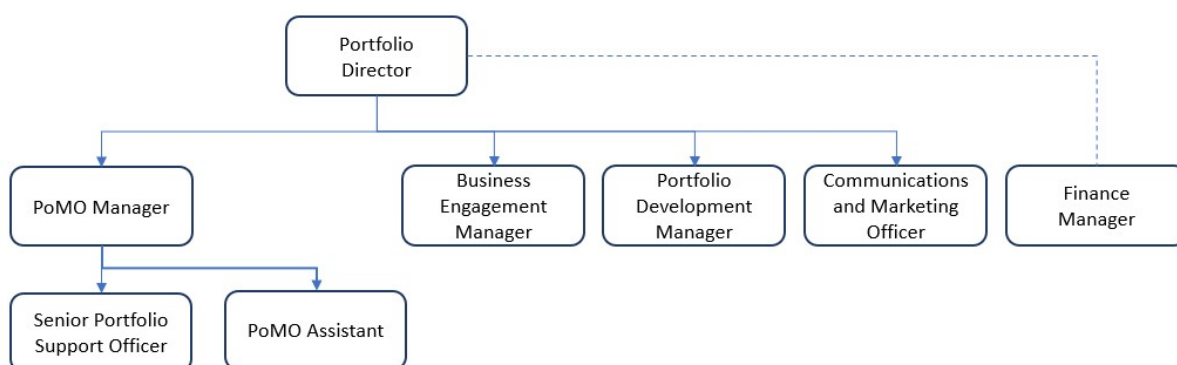


Figure 5.3 Portfolio Management Office (PoMO) Structure

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

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

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

Table 5.3 SBCD Support Services

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

## 5.4 Use of specialist advisors

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

Focus area	Purpose	Timeframe	Provider
Assurance	Assurance Framework and Integrated Assurance and Approval Plan (IAAP)	On-going	Facilitated by the Welsh Government Integrated Assurance Hub
Assurance	Gateway 0 review	July 2022	External review team provided through the WG Integrated Assurance Hub
Business case	Better Business Case awareness training	2017	Joe Flanagan and Joseph Lowe, Consultants
Business case	Portfolio business case workshops	July 2020	Joe Flanagan, Consultant
Business case	Business Case Reviewer Masterclass	May 2021	HM Treasury
Economic Analysis	Swansea Bay City Region Economic Context which fed into the Strategic case, case for change	2013 2016	SQW for Regional Economic Strategy 2013-30
Economic Analysis	To determine the investment objective indicators for the SBCD portfolio (GVA, Jobs created and inward investment)	2015	Swansea University, School of Management, Gareth Davies

Table 5.4 SBCD Specialist Advisers

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

## 5.5 P3M Methods & Tooling

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

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

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

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

The PoMO trialed a Project Management tool in 2023/24 with all project teams involved in the process. The aim was to have a single system with all Portfolio, project and programme information that was able to produce report, including dashboards to help inform SBCD governance of current status, progress and planned activity across the Portfolio.

Having used and populated the PM tooling system, the feedback from the PM teams was that the software didn't suit their needs and it was a difficult system to develop and navigate. The PoMO made the decision to minimise spend reducing licences, so that PoMO staff can still use the system at Portfolio level. Subsequently, the PoMO has been working with UKG to embed an alternative Microsoft PowerBI solution. It is hoped that this more affordable solution will better suit the needs of the SBCD and associated management information and dashboard reports.

## 5.6 Monitoring and Evaluation arrangements for performance and benefits

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

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

Document	Frequency
1. Highlight report	Monthly
2. Monitoring report	Quarterly
3. Annual report	Annually

4. Benefits realisation plan	Continually updated, reported quarterly as part of the monitoring report and reported annually through a dedicated benefits realisation report.
5. Milestone evaluations (mid-term and final evaluations) these evaluations will also incorporate economic impact assessments where appropriate	Years 1-7, 8-12 and a final evaluation at the end of the portfolio timeframe

Table 5.5 M&E Tools and Templates

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

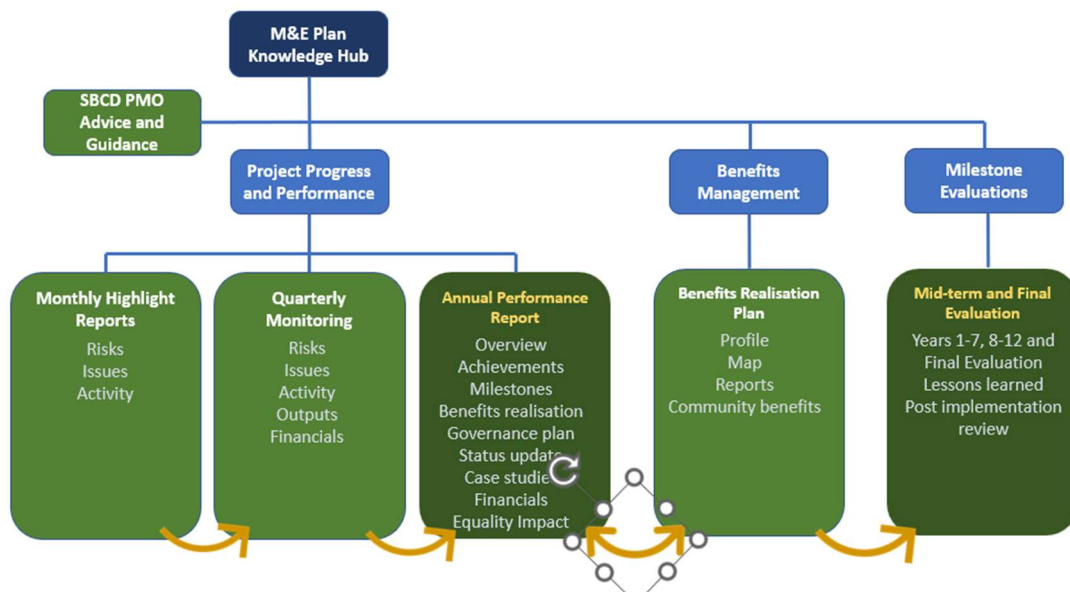


Figure 5.4 M&E Plan Framework

The M&E Plan considers two primary components. Firstly, Progress and Performance, which is a periodic assessment of programme / project delivery, implementation and performance activities; and secondly, Programme Benefits Realisation/Evaluation, which is the evaluation of their results in terms of relevance, effectiveness, and impact. The M&E Plan provides the SBCD governance structures, namely the Joint Committee, Programme (Portfolio) Board, Economic Strategy Board and Joint Scrutiny Committee, with information on the progress and impact made towards achieving the portfolio’s milestones, outputs and outcomes. This information will be shared with the Welsh and UK Governments through periodic updates, reports and reviews, while also being made available to the public on an annual basis. The quarterly portfolio monitoring and quarterly financial monitoring (Appendix 5.2a, 5.2b) includes portfolio communications, RAG rating and summary status, key achievements, key planned activities, key risks and issues, output deliverables, IAAP, construction impact assessment, benefits realisation summary and financial monitoring.

The benefits management will assess and review the outcomes that result in change that were achieved as part of the activities undertaken by the SBCD. The milestones to review benefits will be agreed at programme / project level to ensure that benefits are realistically and meaningfully measured, but as a minimum an annual update will be reported. These will be aligned to the IAAP and external stage gate review process. Work has taken place throughout 2023/24 to further develop

benefit realisation and reporting across the portfolio. Specifically, the PoMO have worked with programme / project teams to refine the individual benefits registers, profiles and maps.

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

### **SBCD Evaluation Framework**

The PoMO has worked with programme and project teams through a Monitoring and Evaluation Task and Finish Group to develop a draft Evaluation Framework for the portfolio. The purpose of the Framework is to ensure the coordination, management and resourcing of the evaluation arrangements for the Swansea Bay City Deal Portfolio and its constituent programmes, projects and workstreams. The framework provides clarity for programme and project Senior Responsible Owners (SROs) and their teams, Welsh and UK governments and partner organisations on the evaluation arrangements that will apply across the SBCD Portfolio. It also provides a framework that meets the requirements and expectations of both governments and the SBCD Joint Committee for the monitoring, evidencing and reporting of the committed benefits and impacts of the portfolio and the drawdown of City Deal funds. The draft Framework incorporates an evaluation schedule providing detail on the evaluation arrangements for the portfolio overall and each of the constituent projects and programmes. The Framework will be incorporated into an updated Monitoring and Evaluation plan during 2024/25. The Framework is currently being finalised and will be reported through SBCD governance groups in Q1 2024/25.

## **5.7 Assurance process and approvals**

Working closely with the Welsh Government’s Integrated Assurance Hub, the SBCD PoMO has established a Portfolio Integrated Assurance and Approval Plan (IAAP), as detailed to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk. All SBCD Programmes / Projects have also established an IAAP, which are live documents and are regularly updated and shared with the appropriate governance structures at programme / project and portfolio levels. Portfolio and programme / project level IAAPs will be updated monthly by programme / project teams and reported through the SBCD governance on a quarterly basis. The portfolio IAAP and a summary schedule of the assurance reviews for the projects and programmes is contained in Appendix 5.3a and 5.3b.

### **Approvals**

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

	<b>Process</b>	<b>Owner</b>
1.	PM submits Business Case to PoMO	PM
2.	SBCD PoMO reviews business case	SBCD PoMO
3.	SBCD PoMO feedback session	SBCD PoMO/PM/SRO
4.	Business case amendments incorporated	PM
5.	Business case and associated documents shared with ESB members	SBCD PoMO
6.	ESB test and challenge meeting	ESB, SBCD PoMO, PM, SRO
7.	Business case amended with ESB feedback	PM

8.	Business case shared with Programme (Portfolio) Board	SBCD PoMO
9.	Lead organisation(s) Executive Board approval	PM/SRO
10.	Programme (Portfolio) Board presentation to decide whether to take forward to Joint Committee	SBCD PoMO/PM/SRO
11.	Programme / Project presented for Joint Committee regional approval	SBCD PoMO/JC/PM/SRO
12.	External stage gate review (Risk Potential Assessment, 3-day review and recommendation report)	SBCD PoMO/WG/PM/SRO
13.	Business case and recommendation report sent to WG/UKG for approval	SBCD PoMO/WG
14.	WG/UKG review and approval process	WG/UKG

Table 5.6 Business Case Approvals Process

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

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

### Assurance

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

Over the last 12 months, an internal audit undertaken by Pembrokeshire Council in 2023 reported a Substantial (Green) assurance finding with 5 recommendations relating to enhanced financial monitoring, change control process, monitoring of potential cost increases, early presentation of draft budgets and improvements to the grant claims process. The Gateway 0 Review in July 2023 reported an Amber / Green Delivery Confidence Assessment with 4 recommendations to the Portfolio SRO to ensure that the portfolio is positioned for effective management and delivery. These recommendations related to communications regarding strategic intent, benefits management, governance (in terms of the alignment with the CJC) and maximising value from dependencies and opportunities, particularly in relation to the private sector.

A performance audit has also been undertaken by the Wales Audit Office during 2023/24. This audit has now been concluded and the report with recommendations will be shared with Joint Committee in April 2024.

As detailed in the IAAP and in line with Green Book and Better Business Case guidance, the SBCD Portfolio and programmes / projects are subject to OGC (Office of Government Commerce) Gateway

Reviews. The SBCD uses the relevant Gateway Assurance product that is appropriate and proportionate to assure successful progression and overall delivery, while supporting the Portfolio and Programme / Project SROs in the successful discharge of their duties.

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

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

There is a recognition that appropriate, workable and proportionate assurance needs to be established and undertaken for the projects and workstreams contained within the nine headline programmes and projects. The PoMO, with the agreement of Programme (Portfolio) Board and working in partnership with the Welsh Government Assurance Hub, have developed a SBCD Assurance Framework which will ensure assurance coverage throughout the Portfolio. The framework provides clarity for programme and project SROs and their teams, Welsh and UK governments and partner organisations on the assurance arrangements that will apply to the SBCD Portfolio. It also provides a framework that meets the requirements and expectations of both governments for the external assurance of the portfolio.

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

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

Table 5.7 Assurance Arrangements

The implementation of the assurance arrangements will be overseen by a joint SBCD / WG / UKG Panel which has met several times during 2023/24.

Table 5.8 below shows the current status of assurance reviews across the portfolio.



Portfolio / Programme / Project	Stage	Next Review Date	Current DCA Rating
Portfolio	Gateway 0	July 2024	Amber / Green
Campuses	PAR	Jan 2025	Amber / Green
Skills & Talent	Gateway 0	Jan 2025	Green
Digital Infrastructure	Gateway 0	TBC	Amber / Green
Pentre <u>Awel</u>	PAR	TBC	Amber
Supporting Innovation & Low Carbon Growth	PAR	Nov 2024	Amber
Homes As Power Stations	PAR	Sep 2024	Amber
Pembroke Dock Marine	PAR	TBC	Amber / Green
<u>Yr Egin</u> Phase 2	Gateway 1/2	Dec 2024	Green
Swansea Waterfront & Digital District	PAR	TBC	Amber/ Green

Table 5.8 Gateway Review Status

## 5.8 Risk and issue management arrangements

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

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

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

- Inform stakeholders how risks will be identified, assessed, addressed and managed
- Provide a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance, thereby increasing the likelihood of successful delivery of the SBCD aligned to the regional ambitions
- Detail the key roles and responsibilities of groups and individuals associated with the SBCD with respect to programme management
- Signpost to additional resource, support and training
- Provide standard definitions and language to underpin the risk management process
- Implement an approach that follows best practice

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



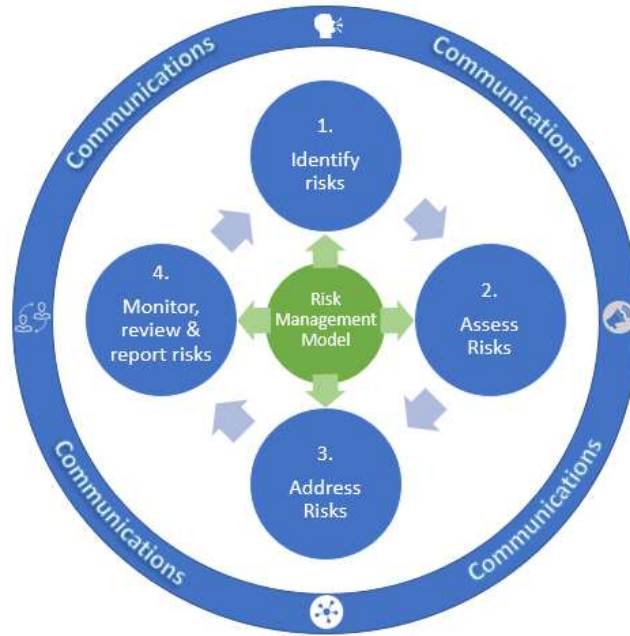


Figure 5.5 SBCD Risk Management Approach

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

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

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

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

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

**External Risks and Opportunities:** Although not within the control of the portfolio, external risks and opportunities are significant to portfolio delivery, regional betterment and are therefore monitored and acted on accordingly. Key business risks captured in a SBCD Portfolio Risk Register and SBCD construction impact assessment (Appendix 5.4 and Appendix 3.2) include delays to programme and project delivery, shortfall in private sector investment forecasts availability and cost of construction materials and resources, consequences of changes to Natural Resource Wales TAN 15 flood risk management criteria, achievement of targets, and in year slippage of investment.

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

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

Throughout 2023 the challenges across the Construction Industry in relation to cost, material availability and resource availability have persisted although not escalated. The Construction Impact Assessment continues to be reported as part of the Quarterly reporting requirements. The Construction Impact assessment sets out to review, record, report, monitor, escalate and mitigate the potential challenges faced in the delivery of the Infrastructure elements of the Portfolio. This will continue to be reported monthly in order to understand any changes in the Construction landscape and provide a proactive approach to any risks identified through this assessment.

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

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

## 5.9 Stakeholder Management and Engagement

SBCD stakeholders broadly fall into two categories:

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

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

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

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

The established Communications, Marketing & Engagement Implementation Plan has been updated in Q4 2023-24 (Appendix 5.5a) and will be used as the tool to co-ordinate engagement with all stakeholders and to disseminate information to communities of interest. Also included in Appendix 5.5b is the draft SBCD Protocols and Guidance for communications and promotions.

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

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

## 5.10 Change Management Strategy

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

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

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

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

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

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

During 2023/24, the change control process was utilised to approve the Outline Business Case for the National Net Zero Centre of Excellence project, enhancing the Supporting Innovation and Low Carbon Growth programme and allocating the previously unallocated £5.3m of City Deal funding.

An active change log is included in the quarterly reporting to SBCD governance groups.

On recommendation from the recent internal audit, the PoMO, in consultation with project teams, has proposed the introduction of the following draft change thresholds. These require Joint Committee approval before embedding in practice and will be used to manage and approve significant changes to current or approved business cases in terms of:

- 1) Cost, time, quality, benefits, Portfolio objectives, as aligned in the impact table below
- 2) Variation to project delivery which could include introduction of a new or termination of existing project, or enhancement/reduction to existing project defined in the business case

The proposed thresholds for change are shown below:

1.	Financial/Cost	<ul style="list-style-type: none"> <li>• Variation* in cost by +- £1m; or</li> <li>• 10% variation* to project element cost</li> </ul>
2.	Time	<ul style="list-style-type: none"> <li>• 3 months</li> </ul>
3.	Quality	<ul style="list-style-type: none"> <li>• Change to scope i.e. fabrication, location or purpose of delivery, sustainability (BRE AAM status)</li> <li>• Variation to project constraints*</li> </ul>
4.	Benefits	<ul style="list-style-type: none"> <li>• Removal or additional of a planned benefit</li> <li>• 10% variation*</li> </ul>
5.	Portfolio objectives	<ul style="list-style-type: none"> <li>• 10% variation*</li> </ul>

Table 5.9 Proposed Change Thresholds

*\* Variation should incorporate changes that are either absolute at a point in time or incremental over a period of time*

## 5.11 Contingency arrangements and plans

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

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

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

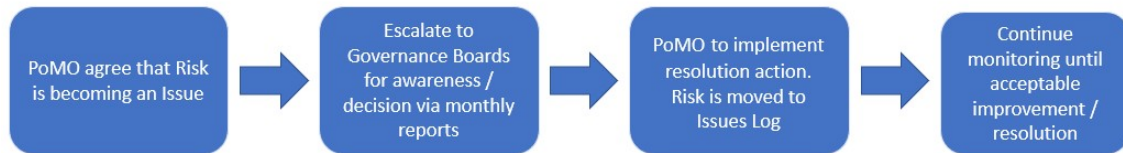


Figure 5.6 Moving a Risk to an Issue

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

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

### 5.12 Portfolio status and key milestones

Table 5.10 provides the status of the nine programme / project business cases for the SBCD portfolio with the current Gateway Review Delivery Confidence Assessment rating, Lead Authority, Programme / Project Lead and Senior Responsible Owner. All business cases have now been approved and are in delivery.

Table 5.10 details a high-level summary of programme / project activity and milestones including the project lifecycle phases of business case development, approvals, procurement, delivery and operational phases.

The PoMO have established a Joint Committee forward work programme, as detailed in Appendix 5.6, covering specific SBCD Portfolio activity that Joint Committee are planning to consider in 2024/25. This also provides an overview of items that have been achieved over the last 12 months.

Figure 5.7 below shows the current timeline for the delivery of the programmes and projects.

**Project Ownership and Business Case Status Summary – Table 5.10**

Project Ownership and Business Case Status Summary – Table 5.10						Business Case Status			
Project / Programme name	Component	Anticipated Investment (£m)	Lead Authority	SRO	Project Lead	Status	SOC	OBC	FBC
Swansea City & Waterfront Digital District	Arena & Digital Square	89.2	Swansea	Martin Nicholls	Lee Richards	Complete			
	71 / 72 Kingsway	48.5				Delivery			
	Innovation Matrix	17.4				Delivery			
	Innovation Precinct	13.2				Pre-del.			
Creative Digital Cluster - Yr Egin	Phase 1	14.9	Carmarthen	Ian Walsh	Geraint Flowers	Complete			
	Phase 2	10.3				Pre-del.			
Digital Infrastructure	Connected places	20.5	Carmarthen	Jason Jones	Vacant (PoC Dija Oliver)	Delivery			
	Rural connectivity	23.0				Delivery			
	Next gen. wireless	11.5				Delivery			
Skills and Talent	Skills Analysis	30.0	Carmarthen	Andrew Cornish	Samantha Cutlan	Delivery			
	Career Development					Delivery			
	Frameworks					Delivery			
	CoE's					Pre-del.			
SBCD Campuses	Singleton Ph 1	17.4	Swansea	Keith Lloyd	Clare Henson	Pre-del.			
	Singleton Ph 2	65.9				Pre-del.			
	Morrison Ph 1	2.8				Pre-del.			
	Morrison Ph 2	49.0				Pre-del.			
Pentre Awel	Health & Wellbeing	92.0	Carmarthen	Chris Moore	Alex Williams	Delivery			
	Housing & Asst. Lvg.	19.0				Pre-del.			
	Asst. Lvg & Bus. Ex.	53.1				Pre-del.			
	Hotel & Housing	36.1				Pre-del.			
Homes as Power Stations	Adopt Green Tech	120.4	Neath Port Talbot	Nicola Pearce	Oonagh Gavigan	Pre-del.			
	Monitor & Eval. Prog.	2.25				Delivery			
	Reg. Supply chain	382.9				Pre-del.			
Pembroke Dock Marine	PDI	41.2	Pembrokeshire	Rachel Moxey	Steven Edwards	Delivery			
	MEECE	11.2				Delivery			
	META	2.7				Delivery			
	PDZ	5.0				Delivery			
Supporting Innovation and Low Carbon Growth	Swansea Bay Tech. Cnt	8.9	Neath Port Talbot	Nicola Pearce	Brett Suddell	Complete			
	SWITCH	20.0				Pre-del.			
	AMPF	17.2				Pre-del			
	Air Quality Monitoring	0.5				Delivery			
	Hydrogen stimulus Proj	2.0				Pre-del			
	LEV Charging Infra.	0.5				Pre-del			
	Property Dev. Fund	10.0				Delivery			
<b>SBCD Portfolio</b>	<b>All projects above</b>		Carmarthen	<b>Wendy Walters</b>	<b>Jonathan Burnes</b>	<b>Delivery</b>			

Page 208

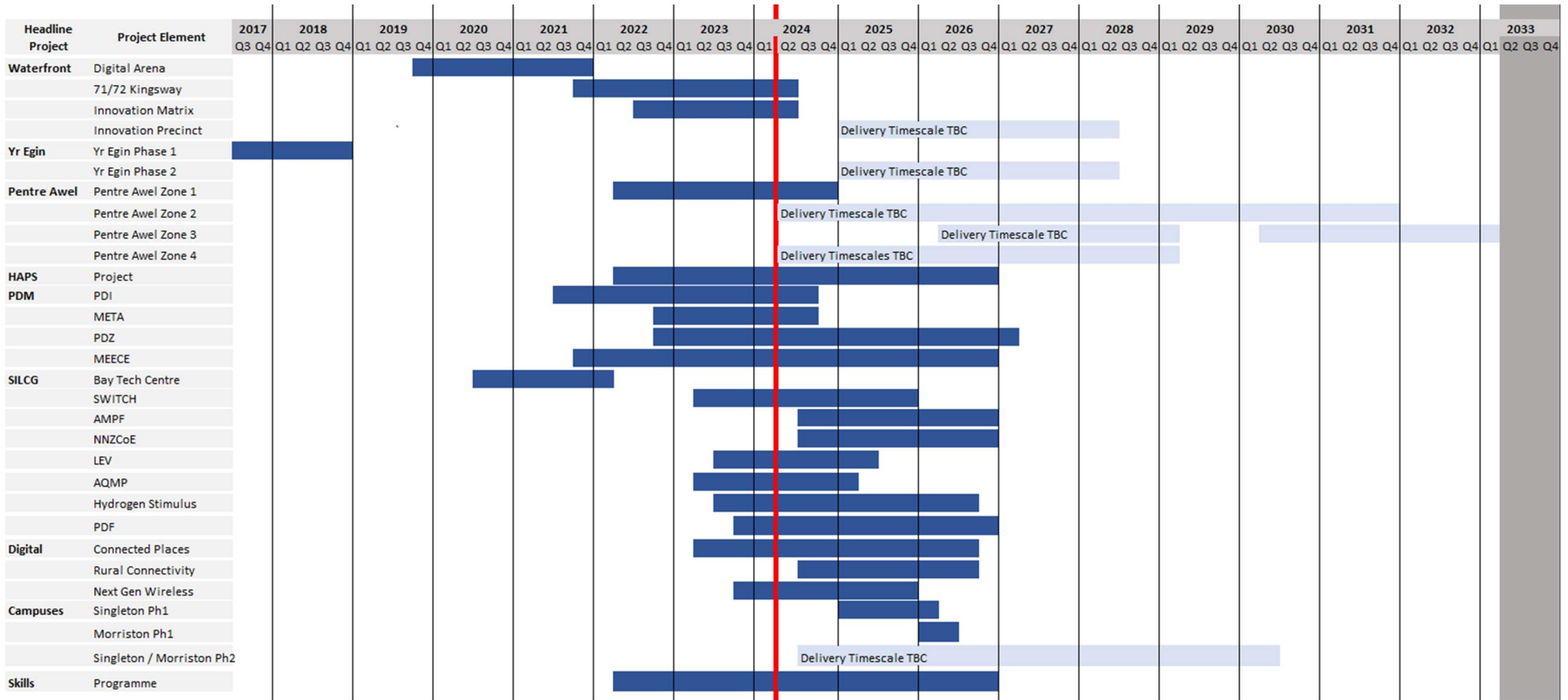


Figure 5.7 Portfolio Delivery Roadmap

## Policy Alignment - Portfolio, Programmes and Projects

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









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

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

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

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

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



Strategic Alignment

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

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

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

Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
UK		

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

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

Wales		
<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> <li>• Prosperous Wales</li> <li>• Resilient Wales</li> <li>• More Equal Wales</li> <li>• Healthier Wales</li> <li>• Wales of Cohesive Communities</li> <li>• Wales of Vibrant Culture and Thriving Welsh Language</li> <li>• Globally Responsible Wales</li> </ul> <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> <li>• Long Term</li> <li>• Integration</li> <li>• Involvement</li> <li>• Collaboration</li> <li>• Prevention</li> </ul>	<p>Prosperous - Directly supports the goal through delivering innovation, low carbon, expands skills and employment to new highvalue roles</p> <p>Resilient - Supports economic change through digital transformation</p> <p>Healthier - Supports technology's part in delivering health of the nation</p> <p>More Equal - Supports the removal of the digital divide across all sectors</p> <p>Cohesive - Supports well connected communities and governments</p>
<p>Prosperity for All</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> <li>• Prosperous and Secure</li> <li>• Healthy and Active</li> <li>• Ambitious and Learning</li> <li>• United and Connected</li> </ul> <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> <li>• Early Years</li> <li>• Housing</li> <li>• Social Care</li> <li>• Mental Health</li> <li>• Skills and Employability</li> </ul>	<p>The Programme will deliver a modern and connected digital infrastructure for the SBCR through both direct investment and infrastructure build and generating further and additional public and private investment and infrastructure deployment</p>
<p>Digital Strategy For Wales 2021</p>	<p>Identifies priority areas across six missions which, when taken together, aim to accelerate the benefits of digital innovation for people, public services and across our business community.</p> <p>Mission areas are:</p> <ul style="list-style-type: none"> <li>- Digital services</li> <li>- Digital inclusion</li> <li>- Digital skills</li> <li>- Digital economy</li> <li>- Digital connectivity</li> <li>- Data and collaboration</li> </ul>	<p>The City Deal Digital Infrastructure programme will deploy essential infrastructure to realising the missions outlined in the Digital Strategy for Wales. Through deployment, conceptualisation and commercialisation of both fixed and mobile infrastructure the Digital Infrastructure Programme will enable and facilitate achievement of the ambitions under each mission of the Strategy for South West Wales.</p>

Digital First - Welsh Government	<p>Helping the public sector provide excellent online digital services to the people and business of Wales</p> <p>Seek to develop the infrastructure required to support digital service delivery</p> <p>Digital Transformation forms a central part of the Welsh Governments plans to make public services more meaningful to users</p>	<p>Delivering online services requires digital connectivity to those services, through fixed or mobile networks being supported by the project</p> <p>A key element of the infrastructure is the digital connectivity with the right coverage and quality, both delivered by the project</p> <p>Digital Transformation is enabled and driven by the availability of digital infrastructure</p>
Delivering Digital Inclusion - Welsh Government	<p>To ensure that everyone who wants to be online can get online, protect themselves and their friends and families online and do more online to fully benefit from the opportunities the internet and other digital technologies offer</p>	<p>The Digital Infrastructure project is directly focused on this vision and expands upon it to ensure everyone has network access, but also that access meets the demand of the user, including ultrafast and full fibre links and 4G/5G links</p>
Mobile Action Plan - Welsh Government	<p>The planning system has a key part to play in maximising mobile phone coverage across Wales</p> <p>The public sector in Wales has thousands of assets that could be used to site mobile telecommunications infrastructure on public land, public highway and buildings</p> <p>The topography and population density in Wales throws up specific challenges for mobile coverage. Extending coverage as far as possible is likely to require innovative solutions particularly in rural areas.</p> <p>The investment being made by the mobile industry towards regulatory targets will significantly improve mobile connectivity in Wales both in terms of voice and data. However, it is likely that there will still be areas of Wales without a usable and reliable mobile signal</p> <p>The Digital Infrastructure project is directly focused on this vision and expands upon it to ensure everyone has network access, but also that access meets the demand of the user, including ultrafast and full fibre links and 4G/5G links</p>	<p>Specific proposals are made related to a central SBCD function to support efficient planning processes</p> <p>Specific proposals are made related to a central SBCD function to support efficient asset management processes</p> <p>The use of new ways to achieve rural connectivity is included for both fixed and wireless technologies</p> <p>A central team is proposed for SBCD to act as a voice for the region in both investment and regulatory compliance and to work with the Emergency Service coverage requirements</p>
Digital Wales - Welsh Government	<p>1.Inclusivity: Making sure everyone can enjoy the benefits of technology is a key part</p> <p>2.Skills: We will use technology to improve teaching methods and learning. Beyond schools, we will ensure that everyone in Wales can acquire the basic skills and confidence to get online and use digital technologies.</p> <p>3.Economy: We want to drive economic growth. We will support Welsh companies to network with research departments to create and commercialise new digital technologies. We will help more Welsh companies to exploit these developments to innovate, grow and access new markets, especially in our priority sectors</p> <p>4.Public services: We will make more public and government services digital so they are easier to access</p> <p>5.Infrastructure: To deliver all the benefits of digital technology, we aim to ensure that all residential premises and businesses in Wales will have access to high speed broadband. We will continue to work to eliminate 'not spots' and to ensure that there is fair and equal access to higher speed broadband and to improve mobile coverage</p>	<p>1.Digital Infrastructure project has a key objective of the widest possible connectivity services</p> <p>2.Utilising technology for skills and education requires underpinning digital infrastructure of the highest quality as delivery moves into video and augmented reality, both considerations for the project</p> <p>3.Leading edge digital infrastructure will support inward investment and innovation directly</p> <p>4.Digital Transformation in services requires access via digital networks</p> <p>5.A fundamental aspect of the project is to ensure the widest possible coverage of both fixed and mobile communications</p>

<p>Informed Health and Care Wales</p>	<p>This strategy outlines how we will use technology and greater access to information to help improve the health and well-being of the people of Wales. It describes a Wales where citizens have more control of their health and social care, can access their information and interact with services online as easily as they do with other public sectors or other aspects of their lives, promoting equity between those that provide and those that use our services in line with prudent healthcare and sustainable social services.</p> <ol style="list-style-type: none"> <li>1.Information for You</li> <li>2.Supporting Professionals</li> <li>3. Improvement &amp; Innovation</li> <li>4.A Planned Future</li> </ol>	<p>Digital Infrastructure is a direct enabler of all the strategic objectives within this Digital Health and Social Care Strategy for Wales. Specifically, some of the proposed projects under the 5G and IoT actions are directly involved with health projects such as the Well Being village. Generally, an supporting the widest deployment of digital infrastructure, many of the strategic aims become easier to deliver and maintain.</p> <ol style="list-style-type: none"> <li>1.Wider digital access directly promotes this aim</li> <li>2.System integration directly is supported</li> <li>3.Service change and data availability directly supported</li> <li>4.Digital working directly supported</li> </ol>
<p>Transforming Health and Care in Wales</p>	<p>The current situation is of great concern for service users, health and care organisations, health and social care workers, and society more broadly. Health and social care services experience workforce shortages; Wales’ outcomes for health and care are not improving as fast as desired; and service delivery is not consistently good. In this final report we recommend to the Welsh Government some key actions that need to be taken to do that, including: clarifying what a set of new models of care might look like; strengthening the power of citizens and users to make change; improving the local leadership and governance needed to implement change; harnessing digital, scientific, technological and infrastructure developments to underpin modernised models of care as well as unlock efficiencies; and at a national level designing the system to expedite and incentivise progress through increased transparency</p>	<p>Recommendations 7 – Harnessing innovation and accelerate technology and infrastructure developments is directly supported. Digital Infrastructure is a critical enabler to achieve this recommendation.</p> <p>Recommendation 8 - Align system design to achieve results. Transformative change happens at several levels, but digital transformation of services is a key driving force that is supported directly by the actions in this business case.</p>
<p><b>Regional</b></p>		
<p>Swansea Bay City Region Economic Regeneration Strategy</p>	<p>By 2030, South West Wales will be a confident, ambitious &amp; connected City Region, recognised internationally for its emerging Knowledge and Innovation economy</p> <p>Strategic</p> <p>Aim 1: Business Growth, Retention &amp; Specialisation Strategic</p> <p>Aim 2: Skilled &amp; Ambitious for long-term success Strategic</p> <p>Aim 3: Maximising job creation for all Strategic</p> <p>Aim 4: Knowledge Economy and Innovation Strategic</p> <p>Aim 5: Distinctive Places and Competitive Infrastructures</p>	<p>Knowledge and innovation are strongly supported by digital infrastructure and digital services. The delivery of both are primary objectives for the Digital Infrastructure project</p> <p>Aim 1: Inward investment can be made more attractive by the availability of high quality digital infrastructure. Digital sector businesses tend to drive higher value jobs</p> <p>Aim 2: Digital Transformation affects many sectors and will drive skills and resources to meet the demand. Digital infrastructure is a key enabler for the transformation process</p> <p>Aim 3:High quality digital infrastructure stimulates innovation and digital/media clusters, creating new opportunities</p> <p>Aim 4: First class digital infrastructure is a prerequisite for any knowledge and innovation based approach</p> <p>Aim 5: The project directly supports the widest access to next generation fixed and mobile broadband, including</p>



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

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

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

## Strategic Alignment

Strategy / Policy	Core Principles	How the Project Aligns
<b>UK</b>		
Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> <li>• <b>I</b>deas: the world's most innovative economy</li> <li>• <b>P</b>eople: good jobs and greater earning power for all</li> <li>• <b>I</b>nfrastucture: a major upgrade to the UK's infrastructure</li> <li>• <b>B</b>usiness Environment: the best place to start and grow a business</li> <li>• <b>P</b>laces: prosperous communities across the UK.</li> </ul> <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> <li>• <b>A</b>rtificial Intelligence and data</li> <li>• <b>A</b>geing society</li> <li>• <b>C</b>lean growth</li> <li>• <b>F</b>uture of mobility</li> </ul>	<p>The ILS Campuses Strategy builds upon excellent industrial, life science and clinical research strengths. The Life Science, Wellbeing &amp; Sport Campuses also underpin wider regional efforts to support regeneration in some of the UK's most deprived areas. The ILS Campuses Strategy builds upon excellent industrial, life science and clinical research strengths. The Life Science, Wellbeing &amp; Sport Campuses also underpin wider regional efforts to support regeneration in some of the UK's most deprived areas.</p> <p>The project aims to deliver:</p> <p>Development of 23.23 hectare (57 acre) International Sports village, a 55-acre Innovation park and Access road (Infrastructure) Capital build elements will comply with (Clean growth) minimum requirements. The initiatives will create a cluster of 300+ firms, 100+ Commercial and innovation opportunities within the Health, Life science, well-being, MedTech and Sports Tech sectors (Business environment) (Ideas: World's most innovative economy) (Artificial Intelligence and data)</p> <p>The initiatives will Create over 1120 new jobs across the construction and operational phases, build skills and training within thriving sector's that generate a wage premium of £6,000 + above the national average wage (People: Good jobs and greater earning power) (Business environment).</p> <p>Outputs of the project such as the International sports village and facilities to support innovation around Life science, Health and Well-being support the targeted output of: One additional year of good health for the region's population (Ageing society)</p>
UK Government Strategy for UK Life Sciences	<p>Building an integrated system of industry, academia and health service. The IL Life Science, Wellbeing &amp; Sport Campuses are underpinned by UK/local sector strengths in industrial capacity and academic research. The alignment with HE/FE and wider skills development and global investors supports delivery of skills and talent.</p>	<p>Embedding innovation activity within an integrated healthcare and life sciences environment will place citizens at the centre of innovation. The focus created by the ILS Campuses will provide sustainable critical mass, and underpin services to support digital inclusion.</p>
The Department for Culture Media and Sport's UK Digital Strategy	<p>This strategy sets out how the UK will develop a world-leading digital economy that works for everyone. It has seven strands:</p> <ul style="list-style-type: none"> <li>• <b>C</b>onnectivity - building world-class digital infrastructure for the UK</li> <li>• <b>S</b>kills and inclusion - giving everyone access to the digital skills they need</li> <li>• <b>T</b>he digital sectors - making the UK the best place to start and grow a digital business</li> <li>• <b>T</b>he wider economy - helping every British business become a digital business</li> <li>• <b>C</b>yberspace - making the UK the safest place in the world to live and work online</li> <li>• <b>D</b>igital government - maintaining the UK government as a world leader in serving its citizens online</li> <li>• <b>T</b>he data economy - unlocking the power of data in the UK economy and improving public confidence in its use</li> </ul>	<p>The project will develop large sites at both Singleton and Morriston and shall work with the Digital infrastructure project and key stakeholders to focus on "connectivity" ensuring requirements are achieved.</p> <p>The project aligns to the strategy / policy in the following ways:</p> <ul style="list-style-type: none"> <li>• <b>T</b>he digital sectors - making the UK the best place to start and grow a digital business, by aiming to grow a cluster of 300+ firms and in excess of 100 commercialisation and innovation opportunities within the MedTech, Sports Tech and Life science sectors.</li> <li>• <b>C</b>onnectivity - building world-class digital infrastructure for the UK – working with stakeholders and the portfolio's "Digital infrastructure" project to across the capital elements of the project.</li> <li>• <b>S</b>kills and inclusion - giving everyone access to the digital skills they need – working with the Portfolios Skills and talent programme.</li> </ul>
The UK Governments 5G Strategy	<p>Government has a clear ambition for the UK to be a global leader in the next generation of mobile technology – 5G</p> <p>Digital infrastructure is a building block of the Government's modern Industrial Strategy</p> <p>Deliver three main outcomes:</p> <ul style="list-style-type: none"> <li>• accelerating the deployment of 5G networks</li> <li>• maximising the productivity and efficiency benefits to the UK from 5G</li> <li>• creating new opportunities for UK businesses at home and abroad, and encouraging inward investment</li> </ul>	<p>Aligned to the SBCR Digital infrastructure project, the project will harness the emerging digital capabilities inclusive of ultra-fast broadband and 5G mobile connectivity to drive technology development and innovation.</p>

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

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

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

**Penre Awel Business Case - OBC v10 Nov 20**  
**Strategic Alignment**

Strategy / Policy	Core Principles	How the Project Aligns
-------------------	-----------------	------------------------

**UK**

<p>Industrial Strategy 2017</p>	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> <li>• <b>Ideas:</b> the world's most innovative economy</li> <li>• <b>People:</b> good jobs and greater earning power for all</li> <li>• <b>Infrastructure:</b> a major upgrade to the UK's infrastructure</li> <li>• <b>Business Environment:</b> the best place to start and grow a business</li> <li>• <b>Places:</b> prosperous communities across the UK</li> </ul> <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> <li>• Artificial Intelligence and data</li> <li>• Ageing society</li> <li>• Clean growth</li> <li>• Future of mobility</li> </ul>	<p>The Wellbeing Village is an embodiment of the 'five foundations of productivity' outlined in the UK's Industrial Strategy:</p> <ol style="list-style-type: none"> <li>1. Ideas – the world's most innovative economy Following strategic impetus from the UK and Welsh Governments, the field of life science, with associated R&amp;D, has taken firm footing in the region, and additional investment will increase long-term vibrancy and resiliency. The creation of dedicated life sciences business acceleration, incubation and associated R&amp;D within the Village would be a demonstrable investment in science, research and innovation. This would ensure new ideas are developed and deployed to translate new, credible intellectual properties into industry and commercial practices that will bring improvements in health and personal wellbeing.</li> <li>2. People – good jobs and greater earning power for all Employment and education / skills development are cornerstones of the Wellbeing Village, with an ambition to provide training at all levels from entry to postgraduate, in response to acute local conditions, to nurture the next generation of professionals. All services provided on site will have a training role including supported employment to improve workplace access opportunities regardless of their stage in life.</li> <li>3. Infrastructure – a major upgrade to the UK's infrastructure Driven by a green infrastructure network design philosophy, where form will follow function, improvements to local transport, water and energy supply are expected. This is likely to include provision of electric vehicle charging points, green roof, rain-water harvesting for toilet flushing, air source heat pumps and photovoltaics (roof and car park) in order to harness renewable energy to the fullest extent possible. There will be greater availability of high quality business/office space to promote the growth of small and medium-sized enterprises. Moreover, there is a commitment amongst Stakeholder Partners to develop telehealth and telemedicine, and for this networked infrastructure to be readily transferrable to all parts of the region. Finally, the provision of modern assisted living accommodation with state of the art assistive technology – care home and extra care facility – will increase stock and ensure that the country is better placed to deal with the demands of an ageing population by promoting independence.</li> <li>4. Business environment – the best place to start and grow a business The Business Development Centre will function to provide business incubator/accelerator space offering technical, support and advice services to business start-ups in order to help them realise their growth potential. Growth and retention will help increase life science sector productivity – one of the underlying ambitions of the 'Sector Deals'. In addition, with the potential for a 'living laboratory' linked to assisted living, the CRC, provides an attractive proposition to those developing particular types of innovation</li> <li>5. Places – prosperous communities across the UK One discernible strength of the Village is its rootedness in place, with the sociodemographic and economic backdrop of Delta Lakes driving a long-term vision for sustainable growth. The Village, as a cluster led by the triumvirate of academia, industry and the public sector, incorporates the other four foundations of the UK industrial strategy. It creates an ecosystem based on the concept of work-learn-play-live bringing together the foundations of productivity in a multi-disciplinary environment to create a prosperous community and a cluster of expertise which will redress economic imbalance by leveraging its R&amp;D capabilities, developing its competitive strengths and maximising high quality innovation. This addresses some of the most pressing challenges to regional growth whilst reducing health and socio-economic inequalities, particularly within the adjacent Communities First area.</li> </ol> <p>Grand Challenges- Healthy Ageing The Village aligns to the UK's Industrial Strategy's Ageing Society Grand Challenge as the activity of the Village, particularly research-based businesses development, will harness the power of innovation to help meet the needs of an ageing society and introduce new, more effective and efficient life science and care products to the market. Utilising digital technology and innovative application of R&amp;D to industry the Village will bring together business, academia and civil society to work together to develop new technologies and care products in the field of life-science and well-being. In bringing together public sector services, businesses and research and development in one multi-disciplinary environment the Village will support care providers from all sectors to adapt to meet the needs of changing care demands and introduce new products and services which meet important social and well-being needs of the ageing population. In addition, other activities in the Village such as a state-of-the-art care facility, assisted living technologies and accessible leisure facilities will promote independent living, well-being and good quality of life for all.</p>
---------------------------------	---	--

<p>Life Sciences Industrial Strategy</p>	<p>The building blocks of the Life Sciences Industrial Strategy are:</p> <ol style="list-style-type: none"> <li>a) Reinforcing the UK Science Offer</li> <li>b) Growth &amp; Infrastructure</li> <li>c) NHS Collaboration</li> <li>d) Skills</li> <li>e) Regulation</li> </ol>	<p>The co-location of life science research and business development with NHS and industry is a principal strength and, through novel technologies and unique collaborations, will foster advancements in digital health for the benefit of UK patients. 40 The Business Development Centre will offer incubation and growth space and will add significant value to start-ups through strategic partnering, entrepreneurial experience, mentoring, market analysis and technology/product/service validation. The principal focus of research and business development activity will be life science and medical based.</p> <p>The Village will offer facilities to link to areas of specific interest to Hywel Dda UHB to promote local needs-based research and facilitate recruitment and retention of professional staff in the region. The Clinical Research Centre will offer a greater breadth of research activity/applications, including clinical research, patient engagement/impact studies and behavioural science (for example in relation to healthy eating). Taken together, the investment in regional R&amp;D and business incubation through City Deal will create high quality companies in the life science sector that can deliver products, technologies and services which evidence significant social impact; operate staff development and retention programmes; network and collaborate within the ecosystem, and further afield; engage with the community and be scalable globally. In doing so, it is also proposed to develop the local supply chain.</p> <p>The longer-term ambition of the Business Development Centre will be to allow successful companies to grow out of the Village to be replaced by new start-up and spin-in ventures. This will ensure that South Wales, Wales and the UK is at the forefront of life science R&amp;D and, through maximisation of opportunities, the region sustains itself as an 'excellent medtech cluster' (a designation given to the region within the Life Sciences Industrial Strategy). The Project Management Office (PMO) fulfils a co-ordinating function and will pursue direct links with public and private organisations to mitigate against 'missed opportunities' and share information / best practice, which has the secondary benefit of promoting the strategy across the UK as a whole</p>
--	--	--

<p>Innovate UK Industrial Challenge Fund DBES</p>	<p>Next Generation services are predicated on leading edge digital infrastructure Transforming construction envisages digital design and IoT Robotics across a wide number of sectors Next Generation services for AI and embedded digital technology Leading edge healthcare, including digital technologies Driverless Cars Creative Industries clusters</p>	<p>Embedding innovation activity within an integrated healthcare and life sciences environment will place users at the centre of innovation. The focus created by the Village will provide sustainable critical mass, and underpin services to support digital inclusion. Bringing R&amp;D together with industry and service providers the Village will support digital innovators to develop their ideas and provide an environment in which they can be tested in applications such as in assisted living.</p>
---	--	---

<p>Equality Act 2010</p>	<p>• Due consideration of the nine protected characteristics and promotion of the Welsh language, rooted in business / service planning</p>	<p>Equality of opportunity will be promoted across all Village domains, including employment, education and training and service access. In rudimentary form this will encompass unfettered access to buildings, 'changing places' facilities, dementia friendly practices, a bilingual and diverse workforce, entry-level training, work placements accessible through the medium</p>
--------------------------	---	--

**Wales**

<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> <li>• Prosperous Wales</li> <li>• Resilient Wales</li> <li>• More Equal Wales</li> <li>• Healthier Wales</li> <li>• Wales of Cohesive Communities</li> <li>• Wales of Vibrant Culture and Thriving Welsh Language</li> <li>• Globally Responsible Wales</li> </ul> <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> <li>• Long Term</li> <li>• Integration</li> <li>• Involvement</li> <li>• Collaboration</li> <li>• Prevention</li> </ul>	<p>A More Prosperous Wales</p> <ul style="list-style-type: none"> <li>• The project will establish a new infrastructure, which will catalyse economic regeneration through business start-up and growth, attraction of inward investment and the consequent creation of jobs at all levels.</li> <li>• The whole development is projected to create 1,853 jobs across an area in great need of employment opportunities.</li> <li>• Provision of an education and skills development capability integrated across the on-site services.</li> <li>• A network of training opportunities will be developed aimed at making a significant and sustainable contribution to meeting the skills shortage in the area, through integrated working with the on-site businesses and services provided by the private, public and third sectors.</li> </ul> <p>A Healthier Wales</p> <ul style="list-style-type: none"> <li>• Facilities provided for clinical research</li> <li>• Improved wellbeing of working populations</li> <li>• The services identified for delivery within the Village are in alignment with the University Health Board Strategic Objectives, providing preventative measures to tackle issues such as obesity, diabetes, respiratory health, mental health and dementia.</li> <li>• Enabling modernisation of services in line with the best practice outcomes and healthier lifestyles linked to the life cycle approach to care.</li> </ul> <p>A More Equal Wales</p> <ul style="list-style-type: none"> <li>• A major project in an area of significant economic and social need</li> <li>• Integration with the existing community is recognised as a key consideration; the facilities developed on site will be transgenerational, designed to improve quality of life and provide opportunities for people of all backgrounds..</li> </ul>
--	--	--



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

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

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

<p>Wellbeing of Future Generations Action 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> <li>• Prosperous Wales</li> <li>• Resilient Wales</li> <li>• More Equal Wales</li> <li>• Healthier Wales</li> <li>• Wales of Cohesive Communities</li> <li>• Wales of Vibrant Culture and Thriving Welsh Language</li> <li>• Globally Responsible Wales</li> </ul> <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> <li>• Long Term</li> <li>• Integration</li> <li>• Involvement</li> <li>• Collaboration</li> <li>• Prevention</li> </ul>	<p>The Well-being of Future Generations Act aims to improve the social, economic, environmental and cultural well-being of Wales through seven well-being goals:</p> <ul style="list-style-type: none"> <li>• Prosperous Wales – HAPS will directly tackle fuel poverty and play a key role in driving economic growth, supporting the growth of green jobs and skills throughout Wales and increasing the competitiveness of businesses</li> <li>• Resilient Wales – HAPS will tackle poverty and the global threat of climate change by addressing the energy trilemma of affordability, sustainability and security of the energy supply and the need for decarbonisation and contributing to meeting the demand for new houses</li> <li>• Healthier Wales – provision of low carbon, energy efficient homes will have a positive effect on health and well-being and address the health inequalities caused by poor energy efficiency</li> <li>• More Equal Wales – HAPS will work with partners and networks to ensure that the opportunities created by the project will be available and accessible to all; help reduce inequalities within society and address health inequalities caused by poor energy efficiency</li> <li>• Cohesive Community – the project will contribute to meeting societal needs for efficient and healthy housing with lower energy costs</li> <li>• Vibrant Culture and thriving Welsh Language – Opportunities will be taken to promote the Welsh language in the delivery of the project</li> <li>• Globally Responsible Wales – the project will be developed and delivered in line with the sustainable development principles highlighted by the Act. The project will also contribute to the efficient use of resources through new build and retrofit activities</li> </ul>
<p>Taking Wales Forward / Prosperity for All</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> <li>• Prosperous and Secure</li> <li>• Healthy and Active</li> <li>• Ambitious and Learning</li> <li>• United and Connected</li> </ul> <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> <li>• Early Years</li> <li>• Housing</li> <li>• Social Care</li> <li>• Mental Health</li> <li>• Skills and Employability</li> </ul>	<p>HAPS will contribute to the following priority areas of this strategy:</p> <p>Housing – the HAPS project will contribute to meeting new-build targets in Wales. There is a current shortage of energy efficient new housing in the region. HAPS will facilitate the adoption of a programme of new-build energy efficient housing, with integrated renewable energy, combined with an energy efficiency retrofit of existing stock to improve their energy efficiency will support meeting this target.</p> <p>Skills and employability – through links with the Skills and Talent project, the HAPS project will ensure that people have appropriate skills to take advantage of available employment opportunities linked to renewable technologies in housing. The HAPS project will work with employment initiatives to ensure unemployed (long and short-term) and economically inactive individuals can access appropriate skills training to increase their employment chances.</p> <p>This Plan sets the foundations for Wales to transition to a low carbon nation. Cutting emissions and the moving towards a low carbon economy bring opportunities around clean growth for business, as well as wider benefits for people and our environment. The HAPS project links directly into the following policy areas of the plan:</p> <p>Policy 32 – Developing Routes to Market for Renewable Technologies - The UK also needs newer and emerging technologies to continue to be developed, to provide a diverse mix of generation, which can also provide economic opportunities in exporting technology and expertise.</p> <p>Policy 33 – Increasing local ownership of energy generation. In 2018 Welsh Government held a call for evidence on the benefits of, and challenges in, increasing locally-owned generation<sup>48</sup>. This demonstrated that increasing ownership of energy generation within Wales is likely to increase prosperity and we are now taking forward the actions indicated by the evidence. This includes developing a policy position on ownership of energy generation.</p> <p>Policy 36 - Market Regulation and Investment. In 2017 UK Government published the 'Upgrading our Energy System: Smart Systems and Flexibility' plan. This set out actions government, Ofgem and industry will take to:</p> <ul style="list-style-type: none"> <li>• remove barriers to smart technologies (such as storage and demand-side response);</li> <li>• enable smart homes and businesses; and improve access to energy markets for new technologies and business models.</li> </ul>
<p>Innovation Strategy for Wales</p>	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> <li>• improving collaboration</li> <li>• promoting a culture of innovation</li> <li>• providing flexible support and finance for innovation (in partnership with Welsh Government)</li> <li>• innovation in Government</li> <li>• prioritising and creating critical mass</li> </ul>	<p>HAPS will deliver against the 5 themes of the Innovation Strategy.</p>

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

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

Tackling Fuel Poverty 2021-2035	<p>Welsh Government has set 3 main targets to determine how successful the Welsh Government has been at achieving the statutory objective in tackling fuel poverty, these are; 1) ensure no households are estimated to be living in severe or persistent fuel poverty as far as reasonable practicable, 2) Not more than 5% of households are estimated to be living in fuel poverty at any one time as far as reasonably practicable 3) the number of all households "at risk" of falling into fuel poverty will be more than halved based on the 2018 estimate.</p>	<p>The HAPS project has clear alignment to these targets and will support in the co-ordination of this work across south west Wales. Ensuring supporting data is gathered and shared will help inform a wider audience and build on best practice to inform a faster roll out of the HAPS concepts within the private sector.</p>
---------------------------------	--	---

**Regional**

Swansea Bay City Region Economic Regeneration Strategy	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> <li>• Business Growth, Retention and Specialisation</li> <li>• Skilled and Ambition for long term success</li> <li>• Maximum job creation for all</li> <li>• Knowledge Economy and Innovation</li> <li>• Distinctive Places and Competitive Infrastructure.</li> </ul>	<p>HAPS is one of nine projects and programmes prioritised to deliver the Swansea Bay City Deal 'Internet Coast' strategy, based on the Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030. The Swansea Bay City Deal is supported by the evidence-based Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030. This strategy comprises five strategic aims to deliver the ambitious vision: 'By 2030, South West Wales will be a confident, ambitious and connected City Region, recognised internationally for its emerging knowledge and innovation economy'. HAPS is aligned to each of the five strategic aims of this strategy:</p> <ul style="list-style-type: none"> <li>☑ Business growth, retention and specialisation – supporting the creation of new industry in the region, supporting locally-based business growth and creating a sustainable supply chain</li> <li>☑ Skilled and ambitious for long-term success – working closely with the Skills and Talent City Deal project to ensure the region's workforce has the appropriate skills to maximise the opportunity of HAPS</li> <li>☑ Maximising job creation for all – supporting diversification of the economy, through the creation of employment opportunities linked to the green growth economy and a sustainable indigenous supply chain</li> <li>☑ Knowledge economy and innovation – establishing the Swansea Bay City Region as a test bed for smart, low carbon, energy efficient homes and associated product development and commercialisation of innovation</li> <li>☑ Distinctive places and competitive infrastructure – providing an attractive infrastructure asset for the region</li> </ul>
--	---	---

**Pembroke Dock Marine - OBC v7.5 Jan 20**  
**Strategic Alignment**

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



Clean Air Strategy	<p>The Clean Air Strategy details the Government's approach to tackle all sources of air pollution, making air healthier to breathe, protecting nature and boosting the economy. The Strategy is to deliver it's objectives through the following priority actions:</p> <ul style="list-style-type: none"> <li>•Securing clean growth and innovation</li> <li>•Action to reduce emissions from transport</li> <li>•Action to reduce emissions at home</li> <li>•Action to reduce emissions from farming</li> <li>•Action to reduce emissions from industry</li> <li>•Leadership at all levels</li> </ul>	<p>PDM will make a significant contribution to the UK Government's Clean Air Strategy. The proposed development specifically seeks to encourage renewable energy industries across a range of low carbon technologies, in order to reduce greenhouse gas emissions. Furthermore, it is recognised that marine energy technologies have the potential to displace coal and natural gas generation on the grid and to reduce CO2 emissions permanently</p>
Clean Growth Strategy	<p>The strategy sets out proposals for decarbonising all sectors of the UK economy through the 2020s. It explains how the whole country can benefit from low carbon opportunities, while meeting national and international commitments to tackle climate change. The strategy sets out a comprehensive set of policies and proposals that aim to accelerate the pace of 'clean growth', i.e. deliver increased economic growth and decreased emissions.</p> <ul style="list-style-type: none"> <li>•Accelerating clean growth</li> <li>•Improving business and industry efficiency</li> <li>•Improving the energy efficiency of our homes</li> <li>•Rolling out low carbon heating</li> <li>•Accelerating the shift to low carbon transport</li> <li>•Delivering Clean, Smart, Flexible Power</li> <li>•Enhancing the benefits and value of our natural resources</li> </ul> <p>The Strategy recognises that it is only through innovation that new technologies will be developed and the cost of clean technologies come down.</p>	<p>PDM will make a substantial contribution to achieving Clean Growth Strategy objectives, particularly in relation to wave and tidal stream, where the strategy recognises that "More nascent technologies such as wave, tidal stream and tidal range, could also have a role in the long-term decarbonisation of the UK, but they will need to demonstrate how they can compete with other forms of generation."</p>
Levelling Up		
UK Growth Plan		
UK Government Net Zero Strategy		
Freeports Programme		
British Energy Security Strategy		
Powering Up Britain		
<b>Wales</b>		
Wellbeing of Future Generations Act 2015	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Wellbeing Goals:</p> <ul style="list-style-type: none"> <li>•A Prosperous Wales</li> <li>•A Resilient Wales</li> <li>•A More Equal Wales</li> <li>•A Healthier Wales</li> <li>•A Wales of Cohesive Communities</li> <li>•A Wales of Vibrant Culture and Thriving Welsh Language</li> <li>•A Globally Responsible Wales</li> </ul> <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> <li>•Bong Term</li> <li>•Bntegration</li> <li>•Bnvovement</li> <li>•Bollaboration</li> <li>•Bvention</li> </ul>	<p>Refer to comprehensive assessment in Business Case</p>

<p>Prosperity for All</p>	<p>Wales Strategy for prosperity and wellbeing to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> <li>• Prosperous and Secure</li> <li>• Healthy and Active</li> <li>• Ambitious and Learning</li> <li>• Enabled and Connected</li> </ul> <p>And based around the 5 Priority Areas of:</p> <ul style="list-style-type: none"> <li>• Early Years</li> <li>• Housing</li> <li>• Social Care</li> <li>• Mental Health</li> <li>• Skills and Employability</li> </ul>	<p>PDM is aligned to a range of priorities articulated within this national strategy. PDM will:</p> <ul style="list-style-type: none"> <li>• realise the economic opportunities of Wales' natural resources and deliver towards Wales' decarbonisation targets;</li> <li>• capture opportunities in a new global industry forecast to be worth £76bn by 2050 with a sustainable floating offshore wind sector adding an additional £10bn per year;</li> <li>• build national resilience to support future generations;</li> <li>• contribute to growth and prosperity by creating additional jobs and GVA;</li> <li>• build on the acknowledgement that "modern infrastructure is a key enabler of competitiveness and productivity" to deliver a site that minimises productivity losses through the provision of shared, managed facilities and by fostering knowledge sharing in highly productive sectors;</li> <li>• increase regional industrial resilience by creating more opportunities for the extensive engineering-focused supply chain that is currently over-reliant on the oil and gas sector; and offer opportunities beyond marine energy and have application in multiple maritime sectors. It is mindful to avoid displacement but sees room for growth in boat building to support the marine energy sector, and the nascent aquaculture sector.</li> </ul> <p>Pembroke Dock Marine is aligned with all three issues identified as having National Thematic Relevance – Tradable Services: PDM will establish a potential export market for goods and knowledge, High Value Manufacturing – PDM will be an advanced fabrication site with extensive engineering application (from marine energy to ship building); Enables – PDM will deliver the technologies that will benefit Welsh businesses and communities.</p> <p>Beyond Thematic Relevance, Pembroke Dock Marine aligns with multiple focus points.</p> <p>Decarbonisation - PDM will make a significant contribution to achieving the Welsh Government's target of 70% of electricity consumed in Wales from Welsh renewable sources by 2030, together with locally owned renewable energy capacity in Wales reaching 1 GW by 2030.</p>
<p>Wales Infrastructure Investment Plan</p>	<p>The Wales Infrastructure Investment Plan for Growth and Jobs sets out the Welsh Government's strategic investment priorities, provides a detailed account of sectoral investment plans and sets out the key elements of a new approach to infrastructure investment. The Plan identifies the following investment priorities:</p> <ul style="list-style-type: none"> <li>• Improving transport networks, in particular east-west links in North and South Wales.</li> <li>• Improving telecommunications networks.</li> <li>• Supporting the development of the energy industry in Wales.</li> <li>• Investing in housing.</li> <li>• Delivering more efficient and economical public services.</li> <li>• Improving the quality of the educational estate.</li> <li>• Developing our Enterprise Zones.</li> </ul>	<p>PDM will directly support a central aim of the WIIP which is to support the development of the energy industry in Wales (the industry's importance to Wales is reflected in the WIIP Mid-point Review 2018 (May 2018), which identified that £100m of ERDF has recently been allocated for tidal stream and marine energy projects in Wales) and will use existing resources to create this enhanced infrastructure that has cross-industry application and minimal impact on surrounding civic infrastructure.</p>
<p>Innovation Strategy for Wales</p>	<p>This Strategy seeks to promote, encourage and enable innovation across the whole economy, with clear priorities identified and built on the acknowledged strengths of Wales. The Strategy is based around action across 5 main themes:</p> <ul style="list-style-type: none"> <li>• Improving collaboration</li> <li>• Promoting a culture of innovation</li> <li>• Providing flexible support and finance for innovation (in partnership with Welsh Government)</li> <li>• Innovation in Government</li> <li>• Prioritising and creating critical mass</li> </ul>	<p>Innovation Wales identifies some key themes where Wales needs to improve its innovation performance, and PDM will help to deliver these themes as follows:</p> <ul style="list-style-type: none"> <li>• Improving collaboration PDM is itself a collaboration, and MEECE's whole business model embraces the ethos of collaboration, and indeed must embrace collaboration as a main innovation delivery mechanism.</li> <li>• Promoting a culture of innovation ORE Catapult is the UK's flagship technology innovation and research centre for advancing wind, wave and tidal energy. Through MEECE, Catapult will bring its experience in promoting and capturing innovation to Pembrokeshire and Wales, leveraging that experience by using META's and, if built, PDZ's unique facilities to trial, demonstrate and validate those innovations.</li> <li>• Providing flexible support and finance for innovation While MEECE will not be able to offer grants to companies, it can provide innovation support through a number of mechanisms, ranging from de minimus aid (free to the company) to fully collaborative projects where all consortium members share costs and benefits.</li> <li>• Prioritising and creating critical mass Under this theme, Innovation Wales recommends that Welsh Government investment should be prioritised around existing or emerging capabilities. PDM meets this criterion, as it builds on proven capabilities in Pembroke Dock, proven capabilities in the development and operation of a world leading test facility by Wave Hub Ltd. and the previous academic expertise developed through the Low Carbon Research Institute (LCRI)</li> </ul> <p>Innovation Wales identifies some key themes where Wales needs to improve its innovation performance, and PDM will help to deliver these themes as follows:</p> <ul style="list-style-type: none"> <li>• Improving collaboration PDM is itself a collaboration, and MEECE's whole business model embraces the ethos of collaboration, and indeed must embrace collaboration as a main innovation delivery mechanism.</li> <li>• Promoting a culture of innovation ORE Catapult is the UK's flagship technology innovation and research centre for advancing wind, wave and tidal energy. Through MEECE, Catapult will bring its experience in promoting and capturing innovation to Pembrokeshire and Wales, leveraging that experience by using META's and, if built, PDZ's unique facilities to trial, demonstrate and validate those innovations.</li> <li>• Providing flexible support and finance for innovation While MEECE will not be able to offer grants to companies, it can provide innovation support through a number of mechanisms, ranging from de minimus aid (free to the company) to fully collaborative projects where all consortium members share costs and benefits.</li> <li>• Prioritising and creating critical mass Under this theme, Innovation Wales recommends that Welsh Government investment should be prioritised around existing or emerging capabilities. PDM meets this criterion, as it builds on proven capabilities in Pembroke Dock, proven capabilities in the development and operation of a world leading test facility by Wave Hub Ltd. and the previous academic expertise developed through the Low Carbon Research Institute (LCRI)</li> </ul>
<p>Energy Wales: A Low Carbon Transition</p>	<p>The statement outlines the Welsh Government's ambition to transition to a low carbon economy and ensure that economic benefits and jobs and real community benefits continue to be delivered. The commitment will ensure:</p> <ul style="list-style-type: none"> <li>• Engage and support businesses that help us to achieve our low carbon ambition – ensuring that Wales is the best possible place to do business by being responsive to the needs of businesses and industry as a cornerstone of our approach.</li> <li>• Strive to ensure that our regulatory processes are as simplified and efficient as they can be and provide businesses with clarity and stability.</li> <li>• Engage the UK Government to ensure that there is a credible framework for capital investment to support the transition to a low carbon economy, that the market mechanisms proposed by the Electricity Market Reform are implemented with greater clarity and speed and that they address current inequalities.</li> <li>• Support our vital energy intensive industries in the transition to a low carbon economy, engaging the UK Government to ensure that during transition there is clarity on and mitigation for the exposure of energy intensive industries to policy costs that could</li> </ul>	<p>PDM will contribute strongly to the ambition to create a sustainable, low carbon economy for Wales, by supporting the development of a thriving marine energy sector in Wales.</p> <p>The policy document states that the Welsh Government will:</p> <ul style="list-style-type: none"> <li>• Lead the drive to develop a competitive marine energy sector in Wales. PDM will support this drive by providing essential port infrastructure, test and demonstration facilities and innovation support.</li> <li>• Identify strategic sites for wave and tidal stream developments and the wider actions that will be needed to support them. Morlais and PDZ have been identified as Demonstration Zones for tidal and wave respectively. PDM will be part of the 'wider actions' that support them.</li> <li>• Work with The Crown Estate and industry to bring forward a marine energy leasing round for Welsh waters as soon as possible. This has been achieved through The Crown Estate leases for Morlais and PDZ. PDM will support both Demonstration Zones.</li> <li>• Provide robust and timely information and guidance to the emerging marine renewable energy sector on the nature of the opportunities in Welsh waters. PDM will support the sector in realising these opportunities.</li> <li>• Work with partners to promote Wales as a centre for marine renewables. MEW and PoMH are already key partners in such promotion, and the addition of META, PDZ and MEECE will strengthen this message.</li> <li>• Investigate mechanisms for advancing the deployment of marine energy arrays. The PDZ is a strategic site that has been identified for wave energy array demonstrations and leased as such by the Crown Estate. PDM will support the sector in developing their device technologies to a level where array deployments in PDZ become feasible. PDZ itself could enable deployment of marine energy arrays to the order of tens of megawatts.</li> </ul>
<p>Securing Wales Future</p>	<p>This White paper sets out the main issues, which Welsh Government and Plaid Cymru have identified as vital for Wales as the UK transitions away from being a member of the European Union. The document underpins the negotiating position Wales needs to have in place to ensure the country maintains its economic performance in the wake of BREXIT. The project demonstrates good alignment with the rationale behind Wales' position as set out in this document, which is summarised below. Wales is a world-facing nation with the majority of its border comprising of coastline. Marine based transport offers the most cost effective and environmentally friendly method of moving goods from Wales to global markets both within the EU and outside. Investments in Port areas such as those proposed by PDM to support green growth initiatives will improve the economic attractiveness of businesses locating themselves in Wales and support them to grow to meet the needs of a global marine energy prize worth an estimated £76bn by 2050 with a sustainable floating offshore wind sector adding and additional £10bn per year</p>	<p>PDM will be globally significant, offering an opportunity to promote not only marine energy in Wales but wider commercial interests abroad. The project will continue to attract inward investment from around the world, creating or safeguarding jobs as well as increasing inward migration of innovators and business leaders. The links between the sector and academia should also contribute attracting students to Wales' Higher Education facilities. As business' targeting global markets anchor themselves in Wales, the £248m contribution to the Welsh Economy (2013-15) from export of power generating machinery and equipment would be increased.</p>
<p>Energy Policy Statement: A Low Carbon Revolution</p>	<p>The Policy Statement outlines the Welsh Governments Main Actions in the drive towards energy efficiency and low carbon energy. These Actions are:</p> <ul style="list-style-type: none"> <li>• Action on energy efficiency and small scale renewables</li> <li>• Action to produce low carbon electricity on a large scale</li> <li>• Low carbon renewables</li> </ul> <p>- Marine: offshore wind, tidal range, tidal stream and wave energy</p> <p>- Onshore wind</p> <p>- Hydropower and geothermal schemes</p> <p>- Bioenergy/Waste</p> <p>- Low carbon nuclear power</p> <li>• Low carbon large scale fossil fuel power generation with carbon capture and storage (CCS)</li>	<p>Pembroke Dock Marine directly encourages the establishment of new renewable energy industries that will reduce greenhouse gas emissions and promote sustainable economic growth.</p>

Economic Prioritisation Framework	<p>The EPF recognises that EU funds are only one piece of the overall investment jigsaw across Wales and it points the way to joining up the pieces. In doing so, it assists both WEFO and potential beneficiaries in determining how to target the activities set out within the Welsh Operational Programmes/ programming documents. The EPF will help identify the opportunities and investments in a geographical or specific thematic area. Operations seeking EU funding support will be expected to describe how they can contribute to, interact with or complement relevant opportunities or investments in ways which can add value and provide wider benefits. It details the programmes and initiatives being developed and delivered in the South West Wales area.</p>	<p>Pembroke Dock Marine is focused on creating the right conditions for industrial growth. While the infrastructure will create value across a wide section of the maritime sector, it will be ideal for maximising market opportunity from the nascent and diverse marine energy sector in the immediate instance. This is not a development built around displacement – these are new facilities that will add to the current UK marine energy proposition and allow the industry to benefit for gains in innovation and operational efficiencies. The new industrial growth will be supported by Pembrokeshire's extensive engineering supply chain. Originally grown around the oil and gas industry, the supply chain has been increasingly pressured with refinery closures. PDM will support supply chain resilience and, in doing so, will ensure a robust and reliable supply chain continues to be available for Valero. It will create high skill, year-round jobs for both the current and future employment markets. Marine energy specifically has significant focus on the STEM skill base. Beyond the dedicated marine energy jobs, a wider cross-section of skills will be created in the supporting supply chain. Pembroke Dock Marine has two key aims – to enhance operational efficiency (driving industrial costs down) and enhanced innovation. The creation of MEECE will focus on increasing collaboration to support innovation and ultimately creating Pembrokeshire based intellectual property.</p>
Wales National Marine Plan	<p>The Plan has an overarching aim to support the sustainable development of the Welsh marine area by contributing across Wales' well-being goals, supporting the Sustainable Management of Natural Resources (SMNR) through decision making and by taking account of the cumulative effects of all uses of the marine environment.</p> <p>Objectives:</p> <ul style="list-style-type: none"> <li>•Contribute to a thriving Welsh economy by encouraging economically productive activities and profitable and sustainable businesses that create long term employment at all skill levels.</li> <li>•Support the opportunity to sustainably develop marine renewable energy resources with the right development in the right place, helping to achieve the UK's energy security and carbon reduction objectives, whilst fully considering other's interests, and ecosystem resilience.</li> <li>•Provide space to support existing and future economic activity through managing multiple uses, encouraging the coexistence of compatible activities, the mitigation of conflicts between users and, where possible, by reducing the displacement of existing activities.</li> <li>•Recognise the significant value of coastal tourism and recreation to the Welsh economy and well-being and ensure such activity and potential for future growth are appropriately safeguarded. Ensuring a strong, healthy and just society</li> <li>•Contribute to supporting the development of vibrant, more equitable, culturally and linguistically distinct, cohesive and resilient coastal communities.</li> <li>•Support enjoyment and stewardship of our coasts and seas and their resources by encouraging equitable and safe access to a resilient marine environment, whilst protecting and promoting valuable landscapes, seascapes and historic assets.</li> <li>•Improve understanding and enable action supporting climate change adaptation and mitigation. Living within environmental limits</li> <li>•Support the achievement and maintenance of Good Environmental Status (GES) and Good Ecological Status (GES).</li> <li>•Protect, conserve, restore and enhance marine biodiversity to halt and reverse its decline</li> </ul>	<p>PDM will assist in achieving the objectives of the Marine Plan by providing pre-consented test areas for marine energy device testing in close proximity to the Strategic Resource Areas.</p>
Innovation Wales	<p>Innovation Wales identifies some key themes where Wales needs to improve its innovation performance</p>	<p>Improving collaboration: PDM is itself a collaboration, and MEECE's whole business model embraces the ethos of collaboration, and indeed must embrace collaboration as a main innovation delivery mechanism. Promoting a culture of innovation: ORE Catapult is the UK's flagship technology innovation and research centre for advancing wind, wave and tidal energy. Through MEECE, Catapult will bring its experience in promoting and capturing innovation to Pembrokeshire and Wales, leveraging that experience by using META's and, if built, PDZ's unique facilities to trial, demonstrate and validate those innovations. Providing flexible support and finance for innovation: While MEECE will not be able to offer grants to companies, it can provide innovation support through a number of mechanisms, ranging from de minimus aid (free to the company) to fully collaborative projects where all consortium members share costs and benefits. Prioritising and creating critical mass: Under this theme, Innovation Wales recommends that Welsh Government investment should be prioritised around existing or emerging capabilities. PDM meets this criterion, as it builds on proven capabilities in Pembroke Dock, proven capabilities in the development and operation of a world leading test facility by Wave Hub Ltd. and the previous academic expertise developed through the Low Carbon Research Institute (LCRI).</p>
Wales Innovates Strategy		
SWW Economic Framework		
Renewable Energy Deep Dive: Recommendations		
Net Zero Wales Carbon Budget 2		
Review of Wales Renewable Energy Targets		
Regional		

Swansea Bay City Region Economic Regeneration Strategy	<p>The Economic Regeneration Strategy for Swansea Bay aims to strengthen the economy and boost productivity for the City Region area and sets out the Strategic Framework for intervention through 5 Strategic Aims Strategic Aims:</p> <ul style="list-style-type: none"> <li>•Business Growth, Retention and Specialisation</li> <li>•Skilled and Ambitious for long term success</li> <li>•Maximum job creation for all</li> <li>•Knowledge Economy and Innovation</li> <li>•Distinctive Places and Competitive Infrastructure.</li> </ul>	<p>The SBRC Economic Regeneration Strategy comprises 5 Strategic Aims, and PDM directly supports 3 of these:</p> <ol style="list-style-type: none"> <li>1. Business Growth, Retention &amp; Specialisation PDM will directly support the transition to a Low Carbon Economy as identified as one of the three Grand Challenge Areas in the Welsh Smart Specialisation Strategy. In addition, by providing diversification opportunities for those supply chain companies that support the pre-existing, onsite Oil &amp; Gas and Offshore Engineering sectors, PDM will help retain existing jobs in and around Pembroke Dock, and the wider region. A successful marine energy industry would also generate very significant Pembroke Dock Marine Business Growth, since the sector is currently in its infancy. The potential for the region to capture these high growth companies will be enhanced by the innovation support and relationship-building that MEECE and META will offer, and the enhanced facilities that the infrastructure upgrades at Pembroke Dock will provide – and their ability to attract multi maritime sector opportunities.</li> <li>2. Skilled &amp; Ambitious for long-term success An Operational Aim requires higher education provision 'that is fully aligned to and shaped by the needs of employers and the key knowledge-based growth sectors'. Through ORE Catapult, MEECE will be able to bring insights concerning future industry needs, in marine energy and offshore wind, and promote these to colleges and training organisations. A key activity for MEECE will be to explore device developer's future technology needs, and these can be translated back to the supply chain to inform them of their future training needs. Early determination of future training needs will enable the supply chain to upskill in parallel with the commercial development of the marine energy sector. Having the right workforce in place at the right time, in the right place will maximise the region's ability to capture and hold market share.</li> <li>3. Knowledge Economy and Innovation As part of their WEFO-funding application processes, MEECE, META and PDZ all underwent 'regional proofing' by the Swansea Bay City Region, which has subsequently written letters of support for all three operations.</li> <li>4. Business Growth, Retention &amp; Specialisation PDM will directly support the transition to a Low Carbon Economy as identified as one of the three Grand Challenge Areas in the Welsh Smart Specialisation Strategy. In addition, by providing diversification opportunities for those supply chain companies that support the pre-existing, onsite Oil &amp; Gas and Offshore Engineering sectors, PDM will help retain existing jobs in and around Pembroke Dock, and the wider region. A successful marine energy industry would also generate very significant Business Growth, since the sector is currently in its infancy. The potential for the region to capture these high growth companies will be enhanced by the innovation support and relationship-building that MEECE and META will offer, and the enhanced facilities that the infrastructure upgrades at Pembroke Dock will provide – and their ability to attract multi maritime sector opportunities.</li> <li>5. Skilled &amp; Ambitious for long-term success An Operational Aim requires higher education provision 'that is fully aligned to and shaped by the needs of employers and the key knowledge-based growth sectors'. Through ORE Catapult, MEECE will be able to bring insights concerning future industry needs, in marine energy and offshore wind, and promote these to colleges and training organisations. A key activity for MEECE will be to explore device developer's future technology needs, and these can be translated back to the supply chain to inform them of their future training needs. Early determination of future training needs will enable the supply chain to upskill in parallel with the commercial development of the marine energy sector. Having the right workforce in place at the right time, in the right place will maximise the region's ability to capture and hold market share.</li> <li>6. Knowledge Economy and Innovation This Strategic Aim recognises the 'strong engineering heritage' of Swansea University and the University of Wales Trinity Saint David. It also highlights the 'need to boost the economic impact of our research, technology transfer and commercialisation efforts'. Swansea University is a joint beneficiary of the WEFO funding that MEECE is seeking, and a key activity for MEECE will be working with Swansea, and other Welsh and UK universities, to ensure that past and current research outputs are effectively transferred into the private sector. The value of META as a resource for demonstrating and validating products and services created from academic research will be significant.</li> </ol>
West Wales and the Valleys ERDF Operational Programme	<p>The Programme details the plan to invest EU ERDF funds to help social and economic growth in West Wales and the Valleys.</p>	<p>Specific Objective 1.2 increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs MEECE has secured its WEFO funding through this SO. Specific Objective 3.1 is: Increase the number of wave and tidal energy devices being tested in Welsh Waters and off the Welsh coast, including multi-device array deployments, thereby establishing Wales as a centre for marine energy production. Objective 3.1 has targets of deploying an additional 20MW of wave and tidal energy, 2 energy support site preparation schemes and 8 renewable energy prototypes by 2023. By investing in the detailed design and consenting of PDZ, it will make investment in the demonstration of wave energy technology in Welsh waters more attractive and prepare the ground for long term private investment to deliver up to 90MW of wave energy generation. META has secured its WEFO funding and Targeted Match funding through this SO. PDZ and PD1 is in advanced stages and is expecting to secure its WEFO funding Match funding through this SO. Objective 4.4 has targets to increase employment through investments in prioritised local or regional infrastructure supporting a regional or urban economic strategy. The Port is preparing a business plan to WEFO under this priority whose operation would be the renovation of heritage buildings within the curtilage of the former Royal Dockyard. This would create 2000m<sup>2</sup> of commercial office and light workshop space as well as interpretation measures.</p>
Natural Resources Policy	<p>The Policy recognises that Wales' natural resources underpin well-being including prosperity, health, culture and identity. The Policy identifies the following headline opportunities:</p> <ul style="list-style-type: none"> <li>• Supporting successful, sustainable communities;</li> <li>• Promoting green growth and innovation to create sustainable jobs;</li> <li>• Supporting a more resource efficient economy; and,</li> <li>• Maintaining healthy, active and connected communities.</li> </ul> <p>The following National Priorities are also identified:</p> <ul style="list-style-type: none"> <li>• Delivering nature-based solutions;</li> <li>• Increasing renewable energy and resource efficiency; and,</li> <li>• Taking a place-based approach.</li> </ul>	<p>PDM will directly assist in the "increasing renewable energy and resource efficiency" priority, particularly with new jobs, market opportunities and reduced operating costs and exposure to market volatility.</p>
SWW Economic Delivery Plan		
SWW CIC Corporate Plan		
SWW Regional Energy Strategy		

Strategy / Policy	Core Principles	How the Project Aligns
<b>UK</b>		
Industrial Strategy 2017	<p>UK Government long term strategy to boost productivity through the creation of jobs and by increasing the earning power of people throughout the UK with investment in skills, industries and infrastructure. The strategy is supported through 5 Foundations of:</p> <ul style="list-style-type: none"> <li>• Places: the world's most innovative economy</li> <li>• People: good jobs and greater earning power for all</li> <li>• Infrastructure: a major upgrade to the UK's infrastructure</li> <li>• Business Environment: the best place to start and grow a business</li> <li>• Places: prosperous communities across the UK.</li> </ul> <p>The Strategy also recognises the Grand Challenges of</p> <ul style="list-style-type: none"> <li>• Artificial Intelligence and data</li> <li>• Ageing society</li> <li>• Clean growth</li> <li>• Future of mobility</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance competitiveness of regional economy by creating a knowledge ecosystem with suitable infrastructure to drive growth</li> <li>• Innovation in decarbonisation, energy generation and use, construction techniques and air quality improvement</li> <li>• Strengthen regional economic base through supporting critical industries, while diversifying and developing supplementary industries to reduce reliance on existing manufacturing base</li> <li>• Use of hydrogen as a clean fuel will accelerate the growth of the green economy</li> <li>• Increasing productivity and helping to close the GVA gap between the region and the rest of Wales and between Wales and the rest of the UK</li> <li>• Providing capacity for innovation to support regional and UK industrial base</li> <li>• Encouraging creation of new businesses to capitalize on the research and development in the region</li> <li>• Improving the retention and attraction of University graduates and academics within the area</li> <li>• Working with partners across the UK, developing a knowledge economy in the region</li> <li>• Highly complementary to projects already funded such as the Cardiff University Flexis project, further enhancing innovation and industrial collaboration across the region</li> </ul>
Climate Change Act	<p>The UK's emissions targets were revised in 2019 to be net zero greenhouse gases by 2050. The Committee on Climate Change's 2018 progress report to Parliament, Reducing UK Emissions, outlined four messages to Government to get emissions reductions on track. It identified the need to 'Act now to keep long-term actions open' and specifically referenced floating wind a type of emerging technology that could offer cost reduced low carbon energy generation. This will be a critical step in ensuring the need is met for a diverse portfolio of low carbon technology that will meet the increasing electricity demands towards 2050 as stated in the report.</p>	<p>The Climate Change Act is the basis for the UK's approach to committing the Government to reduce emissions by at least 80% of 1990 levels by 2050, with 5 yearly interim targets.</p> <p>The SILCG is aligned to this Act by transitioning to a low carbon economy.</p>
Clean Air Strategy	<p>The Clean Air Strategy details the Government's approach to tackle all sources of air pollution, making air healthier to breathe, protecting nature and boosting the economy. The Strategy is to deliver it's objectives through the following priority actions:</p> <ul style="list-style-type: none"> <li>• Securing clean growth and innovation</li> <li>• Action to reduce emissions from transport</li> <li>• Action to reduce emissions at home</li> <li>• Action to reduce emissions from farming</li> <li>• Action to reduce emissions from industry</li> <li>• Leadership at all levels</li> </ul>	<p>The DEFRA Clean Air Strategy sets out the comprehensive actions required across all parts of government and society to improve air quality.</p> <p>The SILCG programme is aligned to this strategy as it will support reduction in emissions from industry and transport and monitor air quality.</p>

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

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

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



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

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

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

	<p>lacking local agency. The objective targets the allocation of local growth funds as the Levelling Up Fund and Shared Prosperity Fund to improve local areas.</p>	
<p>Growth Plan 2022</p>	<p>The Growth Plan 2022 makes growth the government’s central economic mission with the rationale that sustainable growth will lead to higher wages, greater opportunities and provide sustainable funding for public services. The Plan was produced in response the unprecedented challenges for the economy of the UK including high energy prices and inflation. The central objectives of the Plan are:</p> <ul style="list-style-type: none"> <li>• Tackling energy prices <ul style="list-style-type: none"> <li>○ Support on energy costs for households and businesses</li> <li>○ Increase energy resilience</li> <li>○ Make homes cheaper to heat</li> </ul> </li> <li>• Growth <ul style="list-style-type: none"> <li>○ Increasing private sector investment</li> <li>○ Getting more people into work with the right skills</li> <li>○ Getting the housing market moving</li> <li>○ High quality infrastructure</li> <li>○ Allowing business to focus on business</li> </ul> </li> </ul>	<p>The SBCD portfolio will make a direct and significant contribution to the overall mission and intention of the Growth Plan. The Deal is focused on the promotion of economic growth for the region, Wales and the UK and its resulting benefits which will include higher wages, and greater opportunities are aligned.</p> <p>Specifically, the portfolio will directly contribute to the stated objectives of the Plan:</p> <ul style="list-style-type: none"> <li>• Tackling energy prices – through the development of new sustainable energy generation, including off-shore wind and wave technology associated with the Pembroke Dock Marine project which will contribute to energy resilience. The Supporting Innovation and Low Carbon Growth programme will also promote the development of new technologies and alternative energy sources. The Homes as Power Stations project will deliver the rollout of innovative energy technologies for homes throughout the Region.</li> <li>• Growth – through the involvement of the private sector in the development of the portfolio and the investment generated as a direct result of the projects and programmes. The Skills and Talent programme will also ensure that the region’s workforce is equipped with the right skills to take advantage new employment opportunities in growth sectors of the economy. The SBCD is also focussed on the provision of high-quality infrastructure that will provide the environment for the region’s businesses to grow.</li> </ul>
<p>UKG Net Zero Strategy: Build Back</p>	<p>The strategy sets out policies and proposals for decarbonising all sectors of the UK economy to meet net zero target by 2050. This strategy is a long-term plan for a transition that will take place over the next three decades with many of the policies in the strategy phased in over the next</p>	<p>The SBCD Portfolio will respond directly to many of the policies and proposals of the Net Zero Strategy through the development and delivery of a range of innovative actions that will lead to improvement of energy efficiency and the transition to a low carbon economy.</p> <p>Specific actions in relation to the identified sectors of the economy include:</p>

Greener 2021	<p>decade or longer. The document sets out clear policies and proposals to keep the UK on track for the UK's carbon budgets, Nationally Determined Contribution (NDC), and then sets out the vision for a decarbonised economy in 2050.</p> <p>The strategy sets targets and aspirations for the following sectors of the economy:</p> <ul style="list-style-type: none"> <li>• Power – to fully decarbonise the power system by 2035</li> <li>• Fuel supply and hydrogen - to significantly reduce emissions from traditional oil and gas fuel supplies, whilst scaling-up the production of low carbon alternatives</li> <li>• Industry - to decarbonise industry in line with net zero goals whilst simultaneously transforming our industrial heartlands by attracting inward investment, future-proofing businesses, and securing high wage, high skill jobs.</li> <li>• Heat and buildings - improve the energy efficiency of housing and non-domestic properties across the UK,</li> <li>• Transport - ensure greener, faster and more efficient transport including a zero emissions vehicle (ZEV) mandate</li> <li>• Natural resources, waste and fluorinated gases - including low carbon farming practices, tree planting and reforms to waste systems</li> <li>• Greenhouse gas removal - greenhouse gas removals (GGRs) from the hardest to decarbonise sectors such as aviation, agriculture, and heavy industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Power – direct contribution through the PDM project and the proposals for off-shore wind and wave power generation.</li> <li>• Fuel supply and hydrogen – through the Hydrogen Stimulus project of the Supporting Innovation and Low Carbon Growth Programme</li> <li>• Industry - development of the SWITCH, Advance Manufacturing Production Facility and Technology Centre within the Supporting Innovation and Low Carbon Growth Programme to promote innovation and low carbon growth. Contribution towards Green Growth and decarbonisation through the Pembroke Dock Marine project</li> <li>• Heat and buildings – HAPS will deliver the rollout of innovative energy efficiency homes throughout the Region.</li> <li>• Transport - directly through the LEV Charging Infrastructure and Hydrogen Stimulus projects of the Supporting Innovation and Low Carbon Growth Programme</li> <li>• Greenhouse gas removal – directly through the SWITCH project of the Supporting Innovation and Low Carbon Growth Programme</li> </ul> <p>A carbon reduction assessment of activities contained within the SBCD portfolio has been undertaken by the PoMO. The assessment demonstrates the significant contribution that the portfolio is making towards government net zero agendas and commitments. The document is included for information in Appendix 1.2.</p>
UKG Clean Growth Strategy 2020	The UK's approach to reducing emissions, developed in the context of the UK's legal requirements under the Climate Change Act, this strategy sets out a comprehensive set of policies	The SBCD Portfolio will respond directly to many of the central proposals of the Green Growth Strategy through the development and delivery of a range of innovative actions that will lead to improvement of energy efficiency and the transition to a low carbon economy.

	<p>and proposals that aim to accelerate the pace of ‘clean growth’, helping deliver increased economic growth and decreased emissions.</p> <p>The strategy recognises that clean growth can only be achieved through innovation – nurturing better products, processes and systems – that we will see the cost of clean technologies come down. Key proposals are:</p> <ul style="list-style-type: none"> <li>• Accelerate Clean Growth: Develop Green Finance capabilities</li> <li>• Improve business and industry efficiency: Supporting businesses to improve energy productivity by 20% by 2030</li> <li>• Improving the energy efficiency of our homes</li> <li>• Rolling out low carbon heating</li> <li>• Accelerate the shift to low carbon transport</li> <li>• Deliver clean, smart, flexible power</li> <li>• Enhancing the benefits and value of our natural resources</li> </ul>	<p>Specific actions include:</p> <ul style="list-style-type: none"> <li>• Improve business and industry efficiency: Enhancing business energy efficiency through next generation and mobile broadband. Development of the SWITCH and Technology Centre to promote innovation and low carbon growth. Contribution towards Green Growth and decarbonisation through the Pembroke Dock Marine project</li> <li>• Improving the energy efficiency of our homes – HAPS will deliver the rollout of innovative energy efficiency homes throughout the Region</li> <li>• Accelerate the shift to low carbon transport – directly through the Supporting Innovation and Low Carbon Growth Programme</li> </ul>
<b>Wales Policy</b>		
<p>The Well-being of Future Generations (Wales) Act 2015</p>	<p>The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.</p> <p>There are 7 Well-being Goals:</p> <ul style="list-style-type: none"> <li>• A Prosperous Wales</li> <li>• A Resilient Wales</li> <li>• A More Equal Wales</li> <li>• A Healthier Wales</li> <li>• A Wales of Cohesive Communities</li> <li>• A Wales of Vibrant Culture and Thriving Welsh Language</li> <li>• A Globally Responsible Wales</li> </ul> <p>The Act also identifies 5 Ways of Working:</p> <ul style="list-style-type: none"> <li>• Long Term</li> </ul>	<p>The SBCD portfolio provides opportunities to address persistent challenges such as climate change, poverty, inequality, jobs and skills in a transformational and preventative way, and in doing so aligns to the ambitions and approach set out in the Well-being of Future Generations (Wales) Act 2015. The four strategic themes and nine associated programmes and projects have significant impact across the seven well-being goals for Wales, and will be monitored and assessed accordingly across these goals.</p> <ul style="list-style-type: none"> <li>• A Prosperous Wales: Delivering across each of these areas through investment in digital, low carbon and the development of productivity enhancing technologies/approaches</li> <li>• A Resilient Wales: Delivering balanced and clean economic growth through enhanced connectivity, low carbon growth and business efficiency. Diversifying and strengthening the regional economy</li> <li>• A More Equal Wales: Providing pathways to securing new job opportunities and the distribution of investment benefits throughout the region.</li> </ul>

	<ul style="list-style-type: none"> <li>• Integration</li> <li>• Involvement</li> <li>• Collaboration</li> <li>• Prevention</li> </ul>	<ul style="list-style-type: none"> <li>• A Healthier Wales: Major investments in Well-being, Health and Life Sciences to benefit the region’s residents. Major investment in housing infrastructure and the improvement of air quality</li> <li>• A Wales of Cohesive Communities: Ensuring sustainable economic development and enhanced connectivity throughout the communities of the region</li> <li>• A Wales of Vibrant Culture and Thriving Welsh Language: Realising the benefits to the use and growth of the Welsh language and culture through the portfolio investment</li> <li>• A Globally Responsible Wales: Contribution to the long-term global responsibilities to sustainable growth and the environment through innovative low carbon and energy efficient technologies</li> </ul> <p>The five ways of working (long-term; prevention; integration; collaboration and involvement) as outlined in the Act will also be used across the portfolio to ensure that sustainable development principles are applied to all that is undertaken. The SBCD PoMO is in discussions with the Office of the Future Generations Commissioner to explore how its programmes and projects can better align to the Act at the scoping and development stages of the programme/project lifecycle.</p>
<p>Prosperity for All: The National Strategy and Economic Action Plan (2017)</p>	<p>Wales Strategy for prosperity and well-being to take forward the 4 key themes of Taking Wales Forward Programme for Government:</p> <ul style="list-style-type: none"> <li>• Prosperous and Secure</li> <li>• Healthy and Active</li> <li>• Ambitious and Learning</li> <li>• United and Connected</li> </ul> <p>And based around the 5 Priority Areas:</p> <ul style="list-style-type: none"> <li>• Early Years</li> <li>• Housing</li> <li>• Social Care</li> <li>• Mental Health</li> <li>• Skills and Employability</li> </ul> <p>The Economic Action Plan sets out a vision for inclusive growth, built on strong foundations, supercharged industries of the future and productive regions. The Plan focusses on boosting</p>	<p>Prosperity for All (2017) is the strategy to deliver Taking Wales Forward (2016), while embracing the five ways of working in the Well-being of Future Generations (Wales) Act 2015. The headline commitments and strategy identify four priority areas that are aligned to the SBCD portfolio objectives. These, along with the Prosperity for All cross-cutting themes of early years, housing, social care, mental health, and skills and employment, are all part of the direct and indirect outcomes and benefits of the SBCD portfolio that can support long-term prosperity and well-being. Driving long-term regional economic growth and inward investment across a range of industry sectors and improving the lives of people who live in the region demonstrates the alignment within the SBCD focus areas including smart manufacturing, digital, skills, health and well-being, and energy. Specific direct contributions include:</p> <ul style="list-style-type: none"> <li>• Decarbonisation: Enabling more businesses to become carbon light or free. A major element of the Portfolio to be delivered through the Supporting Innovation and Low Carbon Growth, Homes as Power Stations Programmes and Pembroke Dock Marine projects resulting in innovation of new technologies and incorporation into manufacturing and supply chains</li> </ul>

	<p>productivity and addressing inequality. The Plan presents Calls to Action on several areas including:</p> <ul style="list-style-type: none"> <li>• Decarbonisation</li> <li>• Innovation</li> <li>• High quality employment and skills development</li> <li>• Research and development</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation: Support throughout the Portfolio for businesses to innovate in digital, production and delivery</li> <li>• High quality employment &amp; skills: Development of a pathway to skills training to meet the needs of the SBCD programmes and projects, improving the skills base of the region</li> <li>• R&amp;D, automation &amp; digitalisation: Delivery of new R&amp;D facilities particularly in relation to Health, Life Sciences, Well-being and Low Carbon, supported by the rollout of enhanced digital connectivity throughout the region</li> </ul> <p>The Economic Action Plan highlights the key role of regional partnerships in delivering on shared goals. There is a clear commitment by the Welsh Government to a regionally focused model of economic development, with the aim of developing the distinctive strengths of each region “in pursuit of growth”. The SBCD will be a key driver of the regional agenda, strengthening the economy of the City Region and complementing other regional activities.</p>
<p>Wales Innovates: creating a stronger, fairer, greener Wales</p>	<p>The strategy aims to create and nurture a vibrant innovation culture and help fulfil the wellbeing objectives of the Welsh Government through the promotion and prioritisation of innovation via four objectives:</p> <ul style="list-style-type: none"> <li>• Better Education</li> <li>• Stronger Economy</li> <li>• Health and Wellbeing</li> <li>• Climate and Nature</li> </ul>	<p>The SBCD portfolio aligns with the Wales Innovates strategy, providing the environment and opportunities for the promotion of innovation. The four strategic themes and nine programmes and projects will contribute directly to the objectives of the strategy through:</p> <ul style="list-style-type: none"> <li>• Better Education – the Skills and Talent programme will identify and provide the future skills requirements for the region in emerging and growth sectors of the economy. The programme aims to develop a pathway to skills training to meet the needs of the SBCD programmes and projects and improving the overall skills base of the region</li> <li>• Stronger Economy – all projects and programmes of the SBCD are directly focused on the creation of a stronger economy for SW Wales. The SBCD portfolio will create the high-quality infrastructure that will provide the environment for the region’s businesses to establish, grow and thrive – creating jobs and securing private sector investment across the region</li> <li>• Health and Wellbeing – the SBCD will deliver major investments in well-being, health and life sciences sectors particularly through the Pentre Awel and Campuses projects. The combined impact across the portfolio will achieve significant well-being benefits for residents, including major investment in housing infrastructure, creation of employment opportunities and the improvement of air quality</li> </ul>



		<ul style="list-style-type: none"> <li>• Climate and Nature – direct contribution to the long-term global responsibilities to sustainable growth and the environment through the development and establishment of innovative low carbon and energy efficient technologies, particularly through the Pembroke Dock Marine, Supporting Innovation and Low Carbon Growth and Homes as Power Stations projects</li> </ul>
Strategic Equality Plan 2020-24	<p>This policy document details the Welsh Government 8 long term goals and 8 equality objectives. It lays out a plan to take action to alleviate the challenges and remove the barriers faced by many people and communities.</p>	<p>The SBCD will play a significant role in contributing directly and indirectly to both the long term aims and equality objectives of the plan. In particular, this will be achieved through providing opportunities for work, enterprise and skills development across the projects of the SBCD. There will also be impact on health and wellbeing across the region through project interventions.</p> <p>The SBCD is governed by the Strategic Equality Plan of Carmarthenshire County Council as the City Deal’s Host and the Accountable Body. This Strategic Equality Plan sets out the principles of the commitment to equality and diversity and frames how the SBCD intends to fulfil its responsibilities as an employer, a service provider and as a community leader. The requirement to undertake Equality Impact Assessments is outlined in the SBCD Monitoring and Evaluation plan – this is undertaken at a project level through the specific lead Authorities. All of the headline projects of the SBCD consider and directly and indirectly address equality issues and aim to reduce disparities, particularly in respect to shared prosperity, opportunities for all, health and well-being and the Welsh language. Notably, the region-wide Skills and Talent Programme and Digital Infrastructure Programme will promote inclusiveness and create new opportunities for all to participate in the benefits of the City Deal.</p>
<b>Regional Policy</b>		
Swansea Bay City Region Economic Regeneration Strategy 2013 to 2030	<p>The Swansea Bay City Region Economic Regeneration Strategy 2013 to 2020 provides an evidence and stakeholder-based framework which aims to strengthen the economy and boost productivity for the City Region area. The Strategy sets out the Strategic Framework for intervention through 5 Strategic Aims:</p> <ul style="list-style-type: none"> <li>• Business Growth, Retention and Specialisation</li> <li>• Skilled and Ambition for long-term success</li> <li>• Maximum job creation for all</li> </ul>	<p>The SBCD portfolio is a crucial part of the City Region Strategy and the individual programmes and projects will significantly contribute by supporting activity across the four strategic themes through:</p> <ul style="list-style-type: none"> <li>• Inward investment and growth of business</li> <li>• Creation of jobs and a skilled workforce</li> <li>• An R&amp;D pipeline of research and innovation</li> <li>• Infrastructure and environment needed for economic activity to flourish and for our region to be an attractive place to work and live.</li> </ul> <p>The effective operation and strengthening of the City Deal Governance structure will also facilitate progress on the cross-cutting themes of the strategy.</p>

	<ul style="list-style-type: none"> <li>• Knowledge Economy and Innovation</li> <li>• Distinctive Places and Competitive Infrastructure.</li> </ul> <p>Together with the 4 Cross Cutting themes:</p> <ol style="list-style-type: none"> <li>1. Thinking and Delivering Together for Regional Success</li> <li>2. Quality and Intelligence Driven Leadership Action</li> <li>3. Being and Acting Connected</li> <li>4. Understanding Sustainable Growth</li> </ol>	
<p>South West Wales Regional Economic Delivery Plan 2022-2030</p>	<p>The SWW Regional Economic Delivery Plan provides an ambitious route map for the development of the regional economy to 2030. The Plan identifies 3 Ambitions for the economy:</p> <ol style="list-style-type: none"> <li>1. Resilient and Sustainable</li> <li>2. Enterprising and Ambitious</li> <li>3. Balanced and Inclusive</li> </ol> <p>It also sets out 3 Missions:</p> <ol style="list-style-type: none"> <li>1. A UK leader in renewable energy and the net zero economy</li> <li>2. Building a strong, resilient and embedded business base</li> <li>3. Growing and sustaining the SW Wales experience offer</li> </ol>	<p>The Plan recognises the direct contribution of the SBCD projects to the Ambitions and Missions identified. The programmes and projects to be delivered through the Portfolio will respond directly to the Missions identified as follows:</p> <ol style="list-style-type: none"> <li>1. The delivery of the Portfolio will facilitate the transition to a zero-carbon economy with a strong drive for green growth reflected in the emphasis on new digital technology, low carbon growth and energy efficiency programmes, particularly the Supporting Innovation and Low Carbon Growth, Homes as Power Stations and Pembroke Dock Marine projects</li> <li>2. All programmes and projects will contribute to a strengthening and diversification of the regional economy with a focus on growth sectors and the development of innovation and enterprise ecosystems supporting the growth of new companies. Further support will be provided across the region through the transformational Digital Infrastructure programme and the targeted Skills and Talent programme</li> <li>3. The programmes and projects will provide high quality facilities to improve the experience of residents, business and visitors throughout the region. They will enhance the quality of the built environment and contribute to the distinctiveness of the region. The programmes and projects will also complement the other investments being made by partner organisations in town and city centres and across the many diverse communities of the region.</li> </ol>
<p>Regional Economic Framework for South</p>	<p>The Regional Economic Framework (REF) for South West Wales sets out the Welsh Government approach to economic development for the region and supports a more regionally-focused model of economic development, in accordance with the</p>	<p>As outlined above, the SBCD will make a direct contribution to the Ambitions and Missions of the Economic Delivery Plan and will therefore also align with the REF. The SBCD strengthens the regional approach to economic development and already works across the 4 authorities and Welsh and UK Governments to promote collaboration and partnership working.</p>

West Wales 2021	<p>Welsh Government's Programme for Government. and a commitment to progress the Economic Resilience and Reconstruction Mission for Wales. The REF reflects the Ambitions and Missions identified in the Economic Delivery Plan. The REF outlines the approach that the Welsh Government will take with the key stakeholders in the region to work collectively to develop and realise the ambitions for economic growth.</p>	<p>The SBCD will continue to input into the further development of the REF to ensure that priority areas are addressed and the Portfolio, its programmes/ projects, outputs and benefits continue to be aligned to the aims and objectives of the Framework</p>
South West Wales CJC Corporate Plan 2023-28	<p>The Local Government and Elections (Wales) Act 2021 (the LGE Act) created the framework for a consistent mechanism for regional collaboration between local government authorities, namely Corporate Joint Committees (CJCs). The South West Wales CJC was formally constituted in January 2022 and will exercise functions relating to economic development, land use planning, regional transport and energy.</p> <p>The CJC has set 3 well-being objectives to guide their work going forward:</p> <ol style="list-style-type: none"> <li>1. To collaboratively deliver the Regional Economic Delivery Plan and Regional Energy Strategy thereby improving the (decarbonised) economic well-being of South West Wales for our future generations.</li> <li>2. To produce a Regional Transport Plan for South West Wales that is founded on collaboration and enables the delivery of a transport system which is good for our future generations of people and communities, good for our environment and good for our economy and places.</li> <li>3. To produce a sound, deliverable, co-ordinated and locally distinctive Strategic</li> </ol>	<p>The SBCD will complement the work of the SWW CJC, promoting regional collaborative working and contributing directly to the first well-being objective of the CJC through the delivery of its programmes and projects in the context of the Regional Economic Delivery Plan (detailed above) and through its contribution to the Regional Energy Strategy (detailed below).</p>

	<p>Development Plan for South West Wales which is founded on stakeholder engagement and collaboration and which clearly sets out the scale and location of future growth for our future generations</p>	
<p>South West Wales Energy Strategy 2022</p>	<p>This regional energy strategy for the South West Wales Region was commissioned by the Welsh Government and supported by the Welsh Government Energy Service. It has been developed by the South West Wales Energy Core Group, a sub-group of the Regional Directors' forum from the four local authorities in South West Wales.</p> <p>The overall objective of the strategy is to develop a strategic pathway identifying key interventions to deliver on the region's ambitions for decarbonising its energy system. An Energy Vision scenario has been modelled to set out a potential decarbonisation route that will put the region on track to achieve a net zero energy system by 2050.</p> <p>The vision for SWW is the harnessing the region's low carbon energy potential across its on and offshore locations, to deliver a prosperous and equitable net zero carbon economy which enhances the well-being of future generations and the region's ecosystems, at a pace which delivers against regional and national emissions reduction targets by 2035 and 2050.</p> <p>The priorities for achieving this vision are:</p> <ol style="list-style-type: none"> <li>1. Energy efficiency</li> <li>2. Electricity generation</li> <li>3. Smart and flexible systems</li> <li>4. Decarbonise heat</li> <li>5. Decarbonise transport</li> <li>6. Regional coordination</li> </ol>	<p>The SBCD portfolio will make a direct and significant contribution to the objectives, vision and priorities of the South West Wales Energy Strategy through the delivery of its programmes and projects. Decarbonisation is at the heart of the Supporting Innovation and Low Carbon Growth projects, Pembroke Dock Marine projects and the Homes as Power Stations regional programme which will all contribute to the overall objective of a net zero energy system by 2050. Specific contributions to the priorities of the Strategy include:</p> <ol style="list-style-type: none"> <li>1. Energy efficiency – the HAPS programme will help drive down domestic energy demand across the region. The SWITCH project will help reduce energy demand in the energy-intensive steel industry and promote the decarbonisation of the sector</li> <li>2. Electricity generation – the Pembroke Dock Marine projects for the development of floating offshore wind and wave energy will increase the availability, reliability and stability of low carbon energy</li> <li>3. Smart and flexible systems – the HAPs, SILCG and PDM projects will all encourage innovative energy storage technologies and local generation, to maximise the use of locally produced energy. The projects will also encourage development of new systems throughout the supply chain</li> <li>4. Decarbonise heat – the HAPS programme will help develop the next generation of decarbonised heat and insulation</li> <li>5. Decarbonise transport - the SILCG projects of LEV charging infrastructure and the hydrogen stimulus project will further advance the decarbonisation of transport</li> <li>6. Regional coordination – the SBCD has strengthened regional governance, leadership and coordination in the delivery of regional initiatives and will further promote the initiatives emerging from the SWW Energy Strategy.</li> </ol>

Local Policy		
Local plans /strategies relating to the SBCD	<ul style="list-style-type: none"> <li>• LA Plans and Strategies relating to e.g.:               <ul style="list-style-type: none"> <li>○ Economic development</li> <li>○ Regeneration</li> <li>○ Skills and Employability</li> <li>○ Digital Transformation</li> <li>○ Decarbonisation</li> <li>○ Well-being plans</li> <li>○ Local Development</li> </ul> </li> <li>• Health Board Clinical Services Plans and Integrated Medium Term/Annual Plans</li> <li>• University Strategic Plans</li> </ul>	<p>The SBCD delivers key transformational programmes and projects across the region to realise growth, productivity, innovation and new jobs, and to upgrade skills and connectivity. This will thereby drive forward many of the aims and objectives of the organisational plans and strategies at a local level.</p> <p>The SBCD Portfolio provides a vehicle for the partnership and collaborative delivery of key strategic projects that will collectively impact the region and realise significant benefits over a 15-year timeframe.</p>

## Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Appendix D

Updated December 2023

Programme	Lead body	Project(s)	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Swansea City & Waterfront Digital District Page 264	Swansea Council	<b>Indoor arena and digital square</b>	Swansea Council	£105m	Buckingham Group Contracting Ltd appointed	2018	Q4 2019	Q4 2019	Q4 2019
		<b>Arena (ATG)</b> Food and Drink Building services	ATG / Swansea Council	various	Sell2Wales, tbc		Q2 2022		Q4 2021
		<b>71-72 Kingsway office accommodation</b>	Swansea Council	Circa £49.6m	Bouygues UK appointed via SWWRC Framework	2020	Q3 2021	Q4 2021	Q1 2024
		<b>Innovation Matrix</b>	UWTSD	Circa £9m	Procured - Kier PAGABO Framework	2022	Q4 2021	Q1 2023	Q2 2024
		<b>Innovation Precinct</b>	UWTSD	Circa £17.42m	SWWRC Framework (TBC)	2023	Q1 2024 (Predicted)	Q2 2024 (Predicted)	Q2 2025 (Predicted)

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Yr Egin	UWTSD	<b>Creative Business Hub Phase 1</b>	UWTSD	Circa £10.48m	KIER – via SEWSCAP2 Completed	Dec 2015	March 2016	March 2017	Completed July 2018
		<b>Creative Business Hub Phase 2</b>	UWTSD	tbc	tbc	Q3 2022 – Q1 2023	Q4 2023 (anticipated)	2024 (anticipated)	2024 (anticipated)

## Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated December 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Digital infrastructure	Carmarthenshire CC	Connected places	Carmarthenshire County Council	£20m	Various	Q3/Q4 2022	Q3/Q4 2023	Q2 2024	Q4 2025
		Rural connectivity	TBC	£25.5m	tbc	Q1 2024	Q2 2024	Q4 2024	tbc
		Next generation wireless (5G and IOT networks)	TBC	£9.5m	Grant fund	Q1 2023	Q4 2023	Various	Q4 2025

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Skills and Talent Initiative	Carmarthenshire CC	Courses, training and apprenticeship opportunities	TBC		tbc	Q2 2022	Q3 2022	Q4 - 2022	Q1 - 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
SBCD Campuses	Swansea University	<b>Phase 1a Morryston refurbishment</b>	SU/SBUHB	Circa £1.25m	SWWRFC/Sell to Wales	Q3 2023	Q1 2024	Q4 2024	Q4 2024
		<b>Phase 1b Campuses Building</b>	Swansea University	Circa £17.22m	Design and Build SWWRFC/SEWSCAP	Stage 2 Q4 2022	Stage 3 Q3 2023	Stage 4 Q2 2024	Q2 2026

## Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated December 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Pentre Awel	Carmarthenshire County Council	<b>Zone 1</b>	CCC	£84m	Two stage design and build via SWWRCF Framework (BYUK procured)	2018 - 2023	Q3 2021	Q4 2022 enabling works	Zone 1 Q4 2024
								Q1 2023 Construction.	

Page 266

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Homes as Power Stations	Neath Port Talbot CBC	Monitoring and evaluation services	NPTCBC	£1m	Sell 2 Wales	2021 Q4	2022 Q1	Q1 2023	Q4 2027
		HAPS financial incentives fund	NPTCBC	£5.75m	Fund – to be advertised to all	2021 Q4	2023 Q1 – fund launch	Q3 2023 First round complete	
		<b>HAPS regional supply chain fund</b>	NPTCBC	£7m	Fund – to be advertised to all	2021 Q4	2024 Q2 – initial call fund launch		



## Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated December 2023

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Page 267 Supporting Innovation and Low Carbon Growth	Neath Port Talbot CBC	<b>Bay Technology Centre</b>	NPTCBC	Circa £7.9m	SWWRC Framework Morgan Sindall (main contractor)	Q3 2019	Q2 2020	Q3 2020	Q4 2022
		<b>SWITCH Specialist facility (construction)</b>	NPTCBC	Circa £15m	SWWRC Framework	Q2 2022	Q3 2022	Q1 2024	Q2 2025
		<b>SWITCH Specialist equipment</b>	NPTCBC	Circa £5m	tbc	Q2 2022	Q1 2025	Q2 2025	Q3 2025
		<b>Low emission vehicle charging infrastructure</b>	NPTCBC	Circa £0.5m	tbc		Q3 2022		Q1 2023
		<b>Air quality monitoring sensors</b>	NPTCBC	Circa £0.5m	Procured	Q4 2019	-	-	-
		<b>Hydrogen stimulus project</b>	NPTCBC	Circa £1m	tbc	Q3 2022	Q3 2022		
		<b>Advanced manufacturing Production facility (construction)</b>	NPTCBC	Circa £12m	SWWRC Framework	Q1 2023	Q3 2023	Q1 2025	Q2 2026
		<b>Advanced manufacturing Production facility Specialist equipment</b>	NPTCBC	Circa £5m	Tbc	Q4 2022	Q1 2026	Q2 2026	Q2 2026

## Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated December 2023

		<b>Advanced manufacturing Production Facility</b> End operator	NPTCBC	Tbc	Sell2wales	Q4 2025	Q2 2026		
		<b>Property Development Fund</b>	NPTCBC	Circa £10m	Fund – to be advertised to all  Third parties to procure construction				

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Pembroke Dock Marine	Milford Haven Port Authority	<b>Pembroke Dock Infrastructure</b>							
		a) Hanger Annex Renovations	MHPA	£5.2m	MHPA Procedures (Design) only Sell2 Wales - Construction	Q2 2019/20	Q1 2021	Q3 2021	Q1 2023
		b) Amenity and pocket park	MHPA	£300k	Sell2Wales	Q2 2023	Q4 2023	Q2 2024	Q4 2024
		c) Slipway, berthing & Infilling the Pickling Pond	MHPA	£14m	Sell2Wales	Q4 2019 to Q4 2021	Q4 2020 to Q2 2021	Q2 2022	Q4 2023
		d) Land Remediation and laydown at south of site	MHPA	£6m	Sell2Wales	Q3 2020	Q2 2021	Q2 2022	Q1 2024
		e) Infilling of the Graving dock	MHPA	£3m	Sell2Wales	Q1 2021	Q3 2022	TBA	TBA
		f) Terrestrial development,	MHPA	£6.4m	Sell2Wales	Q2 2022	Q4 2022	Q2 2023	Q4 2024

## Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated December 2023

Page 269		demolitions, levelling, transportation corridor and Utility provisions.							
	<b>Marine Energy Engineering Centre of Excellence</b>								
	<b>Materials for prototypes</b>	OREC	£100k	Sell to Wales / Find a Contract (value dependant)		Q3&4 2021 Q1-4 2022 Q1-4 2023	Q3/Q4 2021 Q1-4 2022	Q1 2022 2022 – Q1 2023	
	<b>Vessel hire for deployments in META</b>		£26k	Sell2Wales		Q3 2021	On Going	On Going	
	<b>Meta berthing fees</b>		£196k	SSJ		Q4 2021	On Going	On Going	
	<b>X Band Radar</b>		£84k	Sell to Wales / Find a Contract (value dependant)		Q3 2022	Q1 2023	Complete	
	<b>Marine Buoys</b>		£75k	SSJ		Q1 2023	Q2 2023	Complete	
	<b>Hydrophones</b>		£77k	Sell to Wales / Find a Contract (value dependant)		Q4 2022	Q2 2023	Complete	
	<b>Acoustic Software</b>		£22k	SSJ		Q12023	Q1 2023	Complete	
	<b>Marine Energy Test Area Developments</b>								
	<b>Environmental surveys</b>		£30k	Sell to Wales / Find a Contract (value dependant)		Q3 2022		Q3 2022 was 23	
	<b>Insurance</b>		£30k	Sell to Wales / Find a Contract (value dependant)		Q1 2022		Q1 2022	
	<b>Legal support</b>		£10k	Sell to Wales / Find a Contract (value dependant)		Q1 2024			

## Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated December 2023

<b>The Pembrokeshire Demonstration Zone</b>									
		Environmental scoping – Defining the scope of the Environmental Surveys that will inform the EIA.	Celtic Sea Power	£150,000	Services Contract Open Below threshold – Sell2Wales		Q1 2023		Q2 2023
		Technical feasibility and concept design, initial engineering design of the MOS, on and offshore cabling arrangements to feed into the EIA process.	Celtic Sea Power	£150,000	Services Contract Open Below threshold – Sell2Wales		14/02/22		Q2 2023
		Monitoring & Evaluation	Celtic Sea Power	£30,000	Services Contract Open Below threshold – – Sell2Wales  Scope in Development		Q1 2023		Q2 2023
		Land Agent Support	Celtic Sea Power	£120,000	Services Contract Open Below threshold – – Sell2Wales		Q3 2022		Q2 2023
		Animation	Celtic Sea Power	£44,200.00	Services Contract Open Below threshold – – Sell2Wales		Q3 2022		Q2 2023
		Research & Development – Review of PDZ	Celtic Sea Power	£60,000	Services Contract Open Below threshold – – Sell2Wales		Q1 2023		Q2 2023
		Offshore surveys – environmental surveys to inform the offshore EIA.	Celtic Sea Power	£2.1m	Service Contract OJEU Open above threshold with PIN – My Tenders & Sell2Wales		Q1 2023.		Hold pending updated funding

**Swansea Bay City Deal Programme and Project Procurement Pipeline**  
**Design and Construction phase**

Updated December 2023

		Pre-Front Engineering Study (design package to prove the feasibility in technical and economic terms)	Celtic Sea Power	Upto £600,000	Service Contract OJEU Open above threshold with PIN – MyTenders & Sell2Wales		Q4 2022		Q2 2023
--	--	---	------------------	---------------	--	--	---------	--	---------

## Community Benefits Register - Programmes and Projects

<b>Version</b>	<b>FINAL V5</b>
<b>Date</b>	<b>Updated October 2023</b>
<b>Owner</b>	<b>Jonathan Burnes</b>

The Community Benefits register is owned and maintained by the SBCD Portfolio Management Office. It is a working document that will be updated on a quarterly basis with information provided by Project Leads as programmes / projects progress through procurement , construction and delivery. As defined in Welsh Government's "Community Benefits - Delivering Maximum Value for the Welsh Pound – 2014", the primary focuses of Community Benefits policy are:

<b>Requirement</b>	<b>Example Actions</b>
<b>1. Recruiting and training of economically inactive people</b> –Targeted Recruitment and Training (TR&T)	Apprenticeships & Pathways to Apprenticeships traineeships. work experience / internships. graduate placements. work trials. voluntary work opportunities. National Vocational Qualifications. training of retained staff.
<b>2. Supply chain initiatives, covering:</b>	maximising the opportunities for smaller and more local suppliers and contractors to compete for tenders. sub-contract or supply chain opportunities. measures to ensure prompt and fair payment terms.
<b>2a. the following should be considered where these can add value:</b>	retention of existing workforce. training for the existing workforce. the promotion of the Third Sector including Supported Businesses.
<b>3. Community initiatives</b>	donations of equipment; donation of in-kind labour; landscaping, building services support to regenerate communal areas community consultation; sponsorships and cash donations to organisations/charities based in Wales
<b>4. Contributions to education</b>	work placements – secondary school and college students; visits to primary schools to engage younger children, H&S, the 'world of work'; landscaping & building services in school grounds – playgrounds, wild life areas; links to the Welsh Government's Numeracy Employer Engagement Programme; curriculum support – donations of equipment, classroom resources/lesson plans; development of bespoke qualifications with colleges.
<b>5. Environmental initiatives</b>	micro-energy generation; reduced waste to landfill; recycling of eligible materials; reduced water consumption; managing business mileage
<b>6. Equality and Diversity objectives*</b>	Supports and encourages social cohesion Supports minority groups in achieving potential activities encouraging women into STEM subjects / Engineering

\* SBCD examples

## Campuses

Project	Phase 1 - Singleton		Phase 2 - Morriston	
Project Duration				
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)		Construction yet to start, through the SWWRC framework a process to be in place to monitor and measure TR&T , training and apprenticeships to include participants from disadvantaged groups, unemployed,NEETs, disabled and economically inactive.		
2. Supply chain initiatives		Construction yet to start, through the SWWRC framework a process will be in place to monitor and measure opportunities for SME's to participate in supply chain, promotion of equality and diversity through the supply chain and embed fair payment		
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.				
3. Community initiatives		Construction yet to start, through the SWWRC framework a process to be in place to monitor and measure working with local community groups, residents and charities in the area with activities such as fund raising, sports events, community days, litter picks, a community build project or upgrade to community building.		
4. Contributions to education		Construction yet to start, through the SWWRC framework a process to be in place to monitor and measure working with local primary and secondary schools such as use of construction ambassadors for school assemblies, STEM/STEAM activities, pupil site visits, assistance with CVs and job applications, career events		
5. Environmental initiatives		Construction yet to start, through the SWWRC framework it is anticipated that the projects procured through and over the duration of this framework will demonstrate a commitment to the sustainability and green construction such as BREEAM, BRE- Smart Waste (where applicable) Anti-Dumping Legislation, Carbon Reduction.		
6. Equality and Diversity objectives		Construction yet to start, through the SWWRC framework a process to be in place to monitor and measure opportunities for SME's to participate in supply chain, promotion of equality and diversity through the supply chain and embed fair payment		

Project	Digital Arena		71 - 72 Kingsway		Innovation Matrix	
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
other:	Completion of the Welsh Government's Community Benefits Tool	Received interim WGCBT on 04/03/21 and 26/05/22. Awaiting final WGCBT once project has been completed.	Completion of the Welsh Government's Community Benefits Tool	WGCBT report will be completed at the end of the project.	Completion of Welsh Government Community Benefits Tool	Completion at the end of the project
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)	4325 person weeks	8197 TR&T weeks for the Arena project as a whole.	52 weeks Targeted Recruitment and Training per £1million pound spend	1207 TRT weeks.	Beyond Bricks and Mortar: To be made up of any combination of the below Short term unemployment reduction Long term unemployment reduction New Apprentices and work placements	To Date we have recruited a gate person through BB&M, he was previously unemployed for 12months +. We also have Thrive Womens Aid on site undertaking the cleaning contract, they also recruited locally for a previously unemployed cleaner. Work placements are ongoing, one placement on site 1 day per week and Josh Yau has started his year in industry placement and will be on site until the end of the project. Shaun Davies Kier Trainee is also on the project for the duration. Regular engagement with supply chain to identify opportunities
					572 person Weeks	434 Weeks achieved to date
	3028 (70%) New Trainees, Apprentices and other trainees	6769 New Trainees, Apprentices and other trainees (weeks) for the Arena project as a whole	1023 (70%) New Trainees, Apprentices and other trainees	27 opportunities have been filled and have achieved 924 TRT weeks to date.	University is confirming with principal contractor due to contract value change - see quarterly report	1 trainee on site to date
	1297 (30%) Existing Apprentices	1853 Existing Apprentices (weeks) for the arena project as a whole	524 (30%) Existing Apprentices	283 existing apprentice weeks.	University is confirming with principal contractor due to contract value change - see quarterly report	11 Apprentices on site to date. Cycle placements starting 10 day work experience
2. Supply chain initiatives	17% - Local (SA Postcode)	33% - Local (SA Postcode)	tenders are asked how they will create opportunities and provide support for SME's to bid for work through your supply chain for this project.	1 MTB event  23% - Local (SA Post Code) - Q1 figures 67% - Wales Q1 figures 10% - UK & EU Q1 figures	80% in Wales 20% within 10 miles 30% within 25 miles 75% within 50 miles	80% in Wales 20% within 10 miles 30% within 25 miles 75% within 50 miles
	38% - Wales	30% - Wales	Also there is a reference to PBA and fair payments.		Meet the Buyer event completed October 2022	Meet the Buyer event Completed October 2022
	45% - UK & EU	36% - UK & EU			University is confirming with principal contractor due to contract value change - see quarterly report	
	MTB events 3	3			University is confirming with principal contractor due to contract value change - see quarterly report	
2a. considered where adding value: retention of existing workforce,  training for the existing workforce, the promotion of the Third Sector including Supported Businesses.						Training to be delivered to staff & supply chain utilising the Skills and Training fund
3. Community initiatives	social benefits can be delivered directly to the community in which the successful contractor will operate		The successful Contractor will also be encouraged to secure other value-added, positive outcomes that would benefit the community they operate within. (including school engagement activities)	- Bouygues are running a series of 'Prepare to Work in Construction' employability courses. - Supported Dementia Friendly Swansea's information hub in the Quadrant Shopping Centre. (Decorating, supplied surplus office furniture, helping them to set up a consultation	<b>Key areas to focus on with UWTSB</b> Digital (Digital Construction) MMC&NetZero Construction Building Performance (Design and Post Occupancy) <b>Ongoing engagement with local colleges, schools and universities,</b>	<b>Newsletters</b> 3 bilingual newsletters distributed to date. <b>Commencement event</b> - complete <b>Megan Mai Foundation</b> 12 air purifiers donated to children fighting life critical illnesses



<p><b>4. Contributions to education</b></p>	<p>The contractor is expected to engage positively with school age children</p>	<p>Future Skills team participated in a careers event held at Pentrehafod School for year 11s where they worked collaboratively with Bouygues UK and Willmott Dixon to provide a construction group approach for students to discover careers in the industry</p>		<p>- Engaging with Gower College Swansea and Dylan Thomas school, this has included a donation of 40 laptops from Bouygues.          - Gower College lecturers attended to site to learn modern building skills.          - Attended various Careers Wales educational events          - Dylan Thomas School, delivered 2 BTEC engineering sessions          - Swansea Uni undergraduate site visits          - Pentrehafod school Welsh lesson support</p>	<p><b>Key areas to focus on with UWTSO</b>          Digital (Digital Construction)          MMC&amp;NetZero Construction          Building Performance (Design and Post Occupancy) <b>Ongoing engagement with local colleges, schools and universities, linking up with site activity to provide a live learning environment</b></p>	<p>Newsletters          3 bilingual newsletters distributed to date.          Commencement event - complete          Megan Mai Foundation          12 air purifiers donated to children fighting life critical illnesses          Planned Initiatives          Blaenymaes Drop in Centre Provide 1200mm Path and Rams to building permitter to allow DDA  <ul style="list-style-type: none"> <li>• Install key clamp Handrail where noted</li> <li>• Install key clamp Handrail where noted</li> <li>• Recoat decking in anti slip finish</li> <li>• Provide new 10x10 shed</li> </ul> </p>
<p><b>5. Environmental initiatives</b></p>		<p>Coastal Park was opened by Countess of Wessex to celebrate the city's green credentials as Swansea was named the Queen's Green Canopy "Champion City"</p>		<p>Contractor to donate surplus materials to the vetch community garden and the Wallich</p>	<p>University is confirming with principal contractor due to contract value change - see quarterly report</p>	
		<p>Green Wall on North face of the South Car Park</p>				
<p><b>6. Equality and Diversity objectives</b></p>		<p>Llamau Engagement          Providing presentations about careers in construction, UWTSO visits to use the immersive equipment and on site work experience - 19th September 2023</p>				

Project	Connected Places		Rural connectivity		Next generation wireless	
Project Duration						
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)						
2. Supply chain initiatives						
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.						
3. Community initiatives						
4. Contributions to education						
5. Environmental initiatives						
6. Equality and Diversity objectives						

## Homes as Power Stations

Project	Cardiff University - Technical Monitoring & Evaluation					
Project Duration	5 Years Jan 23 - Dec 27					
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&T)						
2. Supply chain initiatives	Cardiff Uni will offer an online meet the buyer event prior to tendering for a subcontractor. This event will provide SMEs with an introduction to the HAPS project and ensure that they are aware of the typical documentation required in a tender process and how to bid through Sell2Wales.					
	The sub-contractor will receive up to 10 days of on the-job CPD training from the experience of the WSA team on Whole Energy System integration from previously completed projects.					
2a. considered where adding value:  retention of existing workforce, training for the existing workforce,  the promotion of the Third Sector including Supported Businesses.	Cardiff University will provide a minimum of one CPD session per year for local authority staff on topics to be agreed with the Council					
3. Community initiatives						
4. Contributions to education						
5. Environmental initiatives						
6. Equality and Diversity objectives						



**Pentre Awel  
Community Benefit Register\***

Project	Pentre Awel - Zone 1	
Project Duration		
Category	Contracted / Agreed Activity Target	Activity Delivered
<b>1. Recruiting and training of economically inactive people</b> –Targeted Recruitment and Training (TR&T)	4680 person weeks	961 person weeks
	New entrant jobs created	21
	Apprentice/Shared Apprentices	20
	Graduate	4
	Traineeship/JGW+	12
	Work Experience (in education)	8
	Work Experience (not in education)	0
	Monthly 'Employment Hubs' Employment & Skills Group	5 Employment Hubs held onsite. 7 Meetings held.
<b>2. Supply chain initiatives</b>		2 MtB events held: - Parc y Scarlets on 30/03/22. 125 suppliers engaged, around two thirds based in the SBCD region. 50 Carmarthenshire businesses, of which nearly 30 are Llanelli-based. - Virtual MtB event (1:1s) held 13th June 2023, promoted via Sell2Wales. 14 businesses registered.
	Meet the Buyer events	
	Local (SA postcode)	TBC
	Wales UK/EU	TBC TBC
<b>3. Community initiatives</b>		5 issued to date: Issue 1 - July 2022 Issue 2 - November/December 2022 Issue 3 - April 2023 Issue 4 - August 2023 Issue 5 - December 2023
	Community Newsletter	
	Community Ambassadors	5 Community Ambassadors recruited.
	Community events	Meet the Contractor event @ Morfa Social Club March 2023.
	Resident surgeries	2 Community Surgeries held: 06/06/23; 05/09/23
	Social enterprises	Thrive Women's Aid undertaking the cleaning works on-site and providing mobile catering service.
<b>4. Education</b>	School Engagement - Pupil Interactions	584
	School Engagement - Hours Donated (200)	85.5
	School Ambassadors Programme	Over 60 student ambassadors recruited from local primary and secondary schools.
	21st Century Skills Project funded via City Deal Skills & Talent.	12 week project undertaken. 5 Llanelli Schools participated - Brynwgwyn, Coedcae, Ysgol Pen Rhos, St John Lloyd and Ysgol y Strade
<b>5. Environmental initiatives</b>	Outdoor engagement	2 hours Litter Pick with The Wallich Wellbeing group.
	Zero Waste / Litter Picking	Pentre Awel registered as a litter free zone
<b>6. Equality and Diversity objectives</b>	BYUK Believe Academy	350 learners engaged in Bouygues Believe Academy.
	Special Educational Needs / Additional Learning Needs	Heol Goffa ambassador and STEM Tetrahedron session (11/05/2023).



Project	Bay Technology Centre		South Wales Industrial Transition from Carbon Hub (SWITCH)		Decarbonisation		Industrial Futures	
Project Duration								
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
1. Recruiting and training of economically inactive people – Targeted Recruitment and Training (TR&T)	KPI 1 - Work Experience Placements (In Education)	13 students						
	KPI 2 - Work Experience Placements (Not in education)	7 Students						
	KPI 3 - Jobs Created (New Entrants)	11 employees						
	KPI 4 - Construction Careers Information, Advice and Guidance Events	6 events						
	KPI 5 - Waged Training Weeks On Site	300 weeks						
	KPI 6 - Qualifying the Workforce	17 certs						
	KPI 7 - Training Plans	5 plans						
	KPI 8 - Case Studies Approved	3 case studies						
2. Supply chain initiatives								
2a. considered where adding value: retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.								
3. Community initiatives								
4. Contributions to education								
5. Environmental initiatives		Through end of life planning -92% of the building fabric can be recycled						
		0.998 Energy performance ratio – a 281% improvement over building regulations						
		486% net gain on area-based biodiversity through enhanced habitats						
		Created a transition area for calcareous grassland – enhanced biodiversity & invited more species						
		Reduced external lighting to a minimum – ensures bats are undisturbed by development						
		Created a hibernacula and 154m of swales – assists existing species to thrive and invites new ones						
		Created 407m2 of wet woodland						
		Waste & water management approach = drive down overall use						
		Through designing out waste - produced only 2.4 tonnes per 100m2 Typical UK project – 11 tonnes/100m2						
		59 tonnes of construction waste was recycled/recovered (BREEAM Exemplary) 96% construction waste diverted from landfill 42.12% improvement on net water consumption by installing efficient sanitaryware						
	estimated project will reach carbon parity ('payback') with it's embodied carbon figure (at practical completion) in approximately 36 years							
	Estimated it will go onto sequester approximately 864 tonnes of CO2 over the lifecycle of the building.							
6. Equality and Diversity objectives								

Project	Phase 1		Phase 2	
Project Duration				
Category	Contracted / Agreed Activity Target	Activity Delivered	Contracted / Agreed Activity Target	Activity Delivered
			Community benefits will be agreed in line with new Change Request Notice for Egin Phase 2.	
<b>1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&amp;T)</b>				
<b>2. Supply chain initiatives</b>				
<b>2a. considered where adding value:</b>				
retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.				
<b>3. Community initiatives</b>				
<b>4. Contributions to education</b>				
<b>5. Environmental initiatives</b>				
<b>6. Equality and Diversity objectives</b>				

**Skills and Talent Initiative  
Community Benefit Register**

Project	Skills & Talent	
Project Duration		
Category	Contracted / Agreed Activity Target	Activity Delivered
	N/A	
<b>1. Recruiting and training of economically inactive people –Targeted Recruitment and Training (TR&amp;T)</b>	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
<b>2. Supply chain initiatives</b>	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
<b>2a. considered where adding value:</b> retention of existing workforce, training for the existing workforce, the promotion of the Third Sector including Supported Businesses.	N/A	
	N/A	
	N/A	
	N/A	
<b>3. Community initiatives</b>	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
<b>4. Contributions to education</b>	Number benefitted increased Learning	Pilot Projects 403
	Upskilled	Pilot Projects 103
	Apprenticeship opportunities (From other Projects)	Pilot Projects 77
	New Course Frameworks	Pilot Projects 2
	Careers Pathways	
	Centres of excellence	
<b>5. Environmental initiatives</b>	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
<b>6. Equality and Diversity objectives</b>	N/A	
	N/A	
	N/A	
	N/A	



ID	Recommendation	Priority	Actions	Target Date	Lead	Sign Off	Status	Dependencies	Update
Gate001	Reinforce communication of the strategic, regionalised approach, both internally and externally, in order to embed further the understanding of the sum of the parts rather than simply individual project benefits.	Recommended	Update the Portfolio Communications and Marketing Plan with emphasis to enhance comms in relation to a regional perspective Calender engagement events including regional showcase events  Establish collaborative sub groups for SBCD cross cutting issues and approaches	Jul-24	PoMO	PB/JC	In Progress	Engagement of Projects and Programmes in events and sub-groups	Meet the City Deal Pembrokeshire event held 20th July and Carmarthenshire event held on 27th November. Portfolio representation at Careers Wales events, Welsh Business shows, Welsh Construction show and Intro Biz Expo in October  Established SBCD Construction and Community Benefits sub group and Monitoring and Evaluation Task and Finish Group. Meetings held and schedule of future meetings set
Gate002	Further develop the benefits management approach to shift the focus to sustainable social and economic uplift, not just enablers.	Recommended	Establishment of an Evaluation Task and Finish group  Portfolio M&E plan / benefits realisation plan to be updated with detail on the measurement and evaluation of outcomes and impacts  Projects and programme to update benefits realisation plans and registers  Develop best practice in collaboration with other City and Growth Deals	Jul-24	PoMO	PB/JC	In Progress	Project and programmes to engage with the Task and Finish group and the development of benefit realisation plans	SBCD Monitoring and Evaluation Task and Finish Group established. Monthly meetings held from August to engage with project leads and agree approach to evaluation. Draft Evaluation Framework to be circulated in January  Meetings held with project teams to clarify requirements for benefits realisation and reporting. Benefits registers, profiles and maps being developed at a project level  Engagement initiated with other City and Growth Deals to identify best practice
Gate003	Review and refresh the Portfolio Governance structure, considering potential options to integrate within the new Corporate Joint Committee structure, update the terms of reference and membership of the governance bodies should options progress.	Essential	Discussions amongst CEXs / Leaders and key LA Officers relating to the alignment between CJC and SBCD governance structures	Dec-23	SRO / NPT CEX	JC	In Progress	Outcome of discussions among regional authority Leaders and CEXs	Discussions ongoing
Gate004	Emphasise the focus on Dependencies and Opportunities, particularly in respect of private sector investment and clarity surrounding the respective responsibilities for harnessing and driving emerging prospects.	Recommended	Clarity of roles particularly in relation to private sector engagement that leads to collaborations and securing of investment  SBCD stakeholders to work with ESB members to identify private sector investment opportunities. PoMO to undertake scoping exercise to assess opportunities for engagement of ESB in SBCD projects  Review the portfolio opportunity management approach (esp private sector) across the portfolio	Jul-24	PoMO / PMs	PB	In Progress	Engagement of Projects and Programmes with ESB and potential collaborations	ESB involvement in the development of project proposals and engagement being promoted across the portfolio as projects are developed and delivered. ESB Test and Challenge session held in October to discuss the Enhanced AMPF OBC  PoMO and projects and programmes supporting proposals for the funding and establishment of synergistic initiatives within the region

SBCD Portfolio RAG Status Appendix G

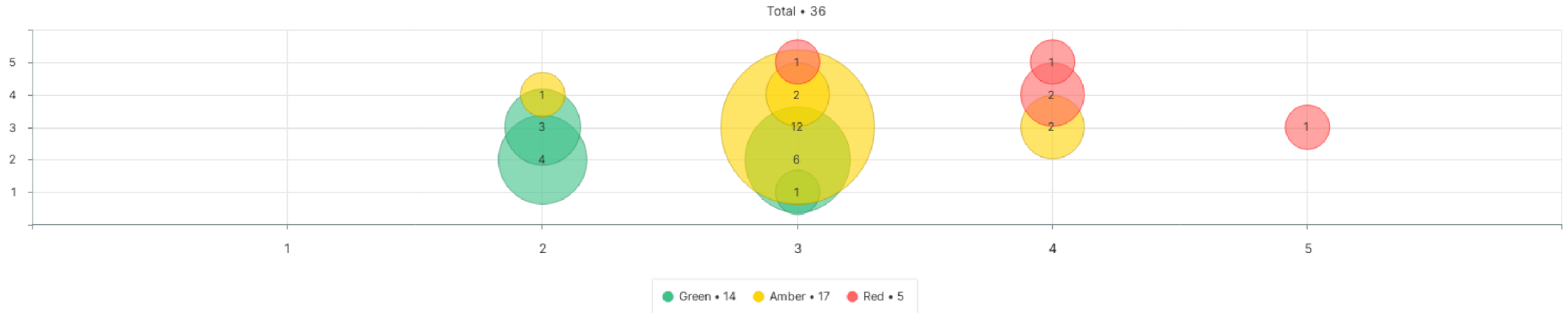
Name ↑	RAG Delivery	RAG Scope	RAG Staffing/resource	RAG Finance	RAG Stakeholder Engagement	RAG Overall Rating
Campuses	Red	Green	Green	Red	Green	Red
Digital Infrastructure	Amber	Amber	Amber	Amber	Green	Amber
HAPS	Amber	Green	Green	Amber	Amber	Amber
PDM	Amber	Green	Green	Green	Green	Green
Pentre Awel	Green	Green	Green	Green	Green	Green
SILCG	Amber	Green	Green	Amber	Green	Amber
Skills & Talent	Green	Green	Green	Green	Green	Green
Swansea Waterfront	Amber	Green	Green	Amber	Green	Amber
Yr Egin	Amber	Amber	Amber	Amber	Green	Amber

Page 284

SBCD Red Issues

Issue ID	Issue Rating	Description	Follow on Actions
SBCD025	Red	Delay in funding agreements being approved	<p><b>29/06/23</b> Campuses agreement still outstanding, currently looking at approx 18/24 months delay compared to timeline outlined in Business Case.</p> <p><b>18/10/23</b> Secondary funding agreement with Campuses awaiting confirmation between Swansea University and Swansea Bay University Health Board</p> <p><b>13/12/23</b> Campuses tertiary funding agreement to be signed Dec-23. Primary funding agreement with accountable body an Secondary between lead authority and deliverer.</p>

## Portfolio Risks



## Red Risks

Name	Resid...	Description	Mitigation Plan
Increase in cost of construction	Red	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend	<p><b>15/06/23</b> Programmes / Projects have reported no change in forecast cost increases since Q3 2022/23. Future iterations of the Construction Impact Assessment will include a tab highlighting the previously forecasted funding gap allowing projects to update actual figures once procurement activity has been completed. Finance Manager to review potential inflation impacts of projects to be procured later than this financial year.</p> <p><b>09/10/23</b> Latest Construction Impact Assessment (CIA) summary demonstrates a £36m funding gap which is an increase from £31m in previous month. This is due to Campuses and PDM rising cost of construction. Mitigation in place for both projects as detailed in report. Continue to monitor and update CIA report</p> <p><b>Linked to Issue ID021.</b></p> <p><b>11/12/23</b> Latest report demonstrates an estimated £42.9m overall funding gap which is an increase from £36m in previous month due to an increase with SILCG SWITCH component. Mitigating action being undertaken by NPT to reduce £6.8m increase in costs. Overall portfolio mitigating actions leave a residual impact of £11m to be addressed by lead delivery organisations.</p>
Welsh Government 2021 update of TAN) 15 development risk of flooding, coastal erosion & associated flood	Red	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	<p><b>15/06/23</b> The focussed consultation on further changes to Technical Advice Note 15 (TAN 15) concluded on 17 April. Analysis of the consultation responses is now underway and there is a</p>

planning maps. achieve planning permission and ultimately develop land affected by the 2021 updates.

substantial amount of detailed work to be undertaken in analysing the responses. Given the size and complexity of the task in analysing the responses and making further changes to the TAN it is unlikely that the new version of the TAN will come into force before the end of this year.

**09/10/23**  
Awaiting update.

**18/12/23**  
PoMO to raise at SBCD Programme Board on 16th January.

In Year Underspend Red . Having undertaken a reprofiling and baselining exercise across the Portfolio, there is a risk of an in year underspend of circa 10% of the portfolio value, however this has no effect on the overall investment of the Portfolio or the wider benefits and deliverables.

**15/06/23**  
Financial reprofile undertaken Q1 2023/24 and will be reported through SBCD Governance Boards.

**09/10/23**  
The reprofile Q1 2023/24 reported a circa £50m slippage for 2023/24. Financial forecasting will continue to be monitored.

**11/12/23**  
Q2 2023/24 reported circa £39m slippage. Digital Infrastructure, HAPS, Pentre Awel and SILCG

Slippage in delivery of programmes / projects against key milestones Red . 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 recuperation not accurately reflecting spend. Has been re-assessed following the closing of Risk ID SBCD013.

**28/06/23**  
The Portfolio has been tasked with reprofiling following in year slippage and determining accurate spend profiles which will provide more accurate delivery and completion milestones. (Linked to Financial Slippage Risk). PoMO have undertaken a refresher training session for change processes and PL's will need to complete all outstanding change notifications and requests to ensure accurate change to timelines has been recorded.

**09/10/23**  
PoMO to query with projects experiencing in year slippage as to the wider impacts to delivery and timescales. PM's to submit change notifications detailing known or potential slippage

**04/01/24**  
Q3 2023/24 slippage currently being compiled.

Prog/Proj delivering all outputs and outcomes within the business case Red . 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

**28/06/23**  
A Template has been devised on Celoxis providing a consistent approach to benefit / community benefit reporting providing more visibility of what projects are updating against benefits targets allowing for greater scrutiny at a portfolio level.

**16/10/23**  
Monitoring & Evaluation Task & Finish Group in place which will determine all portfolio, programme and project deliverables and a framework to evaluate against BC targets. PoMO will continue to attempt to incorporate benefits realisation into Celoxis with dashboard .

**18/12/23**  
Monitoring & Evaluation Task and Finish Group to share initial draft of Framework to Project Leads in Q4 2023/24, PoMO working with all project leads to populate benefit realisation templates to incorporate into SBCD Governance reporting.

Active Change Requests

001	Innovation Matrix Reprofile	Change Request Confirmation of Financial Reprofile Confirmation of revised Delivery Timeline
003	Swansea Waterfront	Change Notification Update Completion Date Swansea Arena Update Planned Completion Date 71/72
002	Digital Infrastructure Change Notification	Change Notification Confirmation of Business Case Updates
004	PDM	Change Notification Confirmation of PDI Completion Date
005	Campuses	Change Notification New estimate for sketty lane construction cost is £17.2 M as opposed previously forecast from the funding gap paper
006	SILCG	Change Request NPT Council obtained approval from SBCD JC to develop an enhanced business case for the SILCG AMPF projects. The NNZSCoE business case is attached detailing the Green Book 5 Case structure (strategic, economic, commercial, financial and management cases).
007	PDM	Change Notification Date change will allow Swansea University to recruit a PhD student who will make a significant contribution to their activities based around the fatigue testing equipment that was partly funded with City Deal grant The new end date also means that the full financial year of 2025/26 is now within the City Deal spending period, which aligns better with other funding sources that the PDM partners will be applying for Timeline - 7 month extension to the period over which City Deal funding will be defrayed Benefits - More time and better alignment to financial years should increase our ability to win further funding to deliver the MEECE project outcomes and impacts.
008	PDM	Change Request Change Information Notice 2 was approved in May 2023 to push the output achievement date for IP4 (progress toward planning consent for the PDZ element) to the end of the FY 26/27.  Following approval CSP have updated PDZ's financial profile to match, extending the City Deal funding profile from the end of FY 23/24 by 36 months out to end FY 2026/2027. This revised profile along with supporting narrative formed part of the recent Business Case Addendum process being shared with PoMo and accountable body finance officers
003b	Waterfront	Extension to 003 Milestone completion date for 71-72 Kingsway (Digital Village) has changed from the business case V003 October 2023 to March 2024. This delay to programme is due to a (now resolved) dispute with BYUK on groundwork programme scope. There is no change to the project benefits as stated in the business case as they will be realised within the City Deal timeline.

Page 287

Portfolio Gateway Review Action Plan

Task ↑	Task : Planned Finish	Comments
1 - Reinforce communication of the strategic, regionalised approach,	31 Jul 24	Meet the City Deal Pembrokeshire event held 20th July and Carmarthenshire event confirmed for 27th November. Portfolio representation at Careers Wales events, Welsh

both internally and externally

Business shows, Welsh Construction show and Intro Biz Expo in October

Established SBCD Construction and Community Benefits sub group and Monitoring and

2 - Further develop the benefits management approach to shift the focus to sustainable social and economic uplift, not just enablers.

31 Jul 24

SBCD Monitoring and Evaluation Task and Finish Group established. Initial meeting held in August and Group now meeting at regular monthly intervals  
Engagement initiated with other City and Growth Deals to identify best practice  
Meetings held with project teams to clarify requirements for benefits realisation and reporting. Benefits registers, profiles and maps being developed at a project level  
Engagement initiated with other City and Growth Deals to identify best practice

3 - Review and refresh the Portfolio Governance structure

29 Dec 23

Discussions ongoing

4 - Emphasise the focus on Dependencies and Opportunities

30 Jul 24

ESB involvement in the development of project proposals and engagement being promoted across the portfolio as projects are developed and delivered. ESB Test and Challenge session held in October to discuss the Enhanced AMPF OBC PoMO and projects and programmes supporting proposals for the funding and establishment of synergistic initiatives within the region

# Swansea Bay City Deal Portfolio

## Quarterly Monitoring Report





### (October – December 2023)

Appendix H

Programme / Project Scorecard							
Prog / Proj	Status Update	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall (change)
<b>Digital Infrastructure</b>	Programme remains on target to deliver objectives. PSBA FFIB order has been submitted and is now in delivery with surveying stage underway (build to begin Q3 2024-25). Dark Fibre tender issued in November 2023 with significant interest from the market. Tender closes on 12 <sup>th</sup> January 2023 with evaluation scheduled for 17 <sup>th</sup> / 18 <sup>th</sup> January – appointment of preferred supplier soon after. 5G Investment Fund launched and open for applications from public sector partners and SBCD project and programmes. First application received from Campuses project, with £1.55 million awarded for creation of a 5G Living Lab. Central Communications and Engagement Officer in post with various activities underway including overarching communications and local communications plans. Stakeholders in UK and Welsh Government continue to be fully engaged, working closely with the programme, ensuring alignment of national and regional connectivity projects, notably Project Gigabit. NROMR and Project Gigabit intervention areas are being reviewed, with scoping of rural infill underway to inform best way forward to complement and maximise Project Gigabit and commercial rollout. Gateway Review 0 completed with programme receiving GREEN/AMBER DCA rating. Programme team actioning subsequent recommendations. Benefits realisation procurement exercise completed for remainder of programme delivery including final economic evaluation. FarrPoint appointed as supplier. 2022-23 BR exercise to be completed Q4 2023-24. Continuous dialogue with UK and Welsh Governments, and key national and regional private sector partners, including leading telecoms providers. Central team in regular contact with other growth deals to share best practice/lessons learned/challenges.						↕
<b>Pembroke Dock Marine</b>	PAR review completed in Sept / Oct 23, which concluded PDM is mostly green with some Amber (focusing on Outcome and Impact related benefit realisation)						↕
<b>Pentre Awel</b>	<u>Delivery</u> - Remains Green. Works being delivered and managed in accordance with the NEC3 Construction Contract. Formal works commenced on 6 <sup>th</sup> February 2023 and are progressing to programme - significant below ground works completed (which traditionally brings a higher level of risk) with key pre-commencement planning conditions discharged enabling the start of above ground activities. <u>Finance</u> – remains Green as forecasted construction cost remains in tolerance with the contract sum agreed with Bouygues UK and prior approval at Full Council. Z Clause for managing inflation risk of key materials has been removed from NEC3 contract. Swansea University has signed an agreement to lease for its demise, and agreements with Hywel Dda University Health Board in the process of being finalised. Discussions are ongoing with other prospective FE and HE tenants.						↕
<b>Yr Egin</b>	Increasing economic uncertainty and Covid implications impacting on levels and nature of demand. Following Phase 1 Lessons Learned exercise, an updated Creative Sector demand analysis has identified a significant change in the type of target companies (by financial size) and nature of provision required (bespoke support services rather than leased floorspace). Internal team putting in place process to identify required revisions to meet industry requirements post-COVID. Project team moving forward with Change Notification for Egin Phase 2 which will require sign off by the University's new Chief Executive in Q1 2024 in line with the ongoing realignment of the University's strategic imperatives	↑		↑			↕
<b>Campuses</b>	Delays with the funding agreement have started to affect the timeline of the project. Upon signing of funding agreements a change notification will be submitted to reprofile timelines of outputs. Scope of the project remains unchanged as per the Business case however particular focus is on the affordability of the Phase 1 Singleton development and Morriston Management Centre. Mitigating actions formulated and pending project board approval. Delivery and finance red due to funding agreement not being signed. The principles of the primary funding agreement between Swansea Council and Swansea University have been agreed and an agreement has been issued for signature. The secondary funding agreement between Swansea University and SBUHB has been signed by SBUHB and pending signature from Swansea University						↕
<b>Homes As Power Stations</b>	The first round of HAPS Financial Incentives Fund was completed with 16 applications approved. Supply Chain Fund criteria is now being scoped, aligned to the project objectives. NPTCBC has secured SPF Funding to create a Demo HAPS house to further engage with stakeholders.						↕



Quarterly Monitoring Report

<p><b>Supporting Innovation &amp; Low Carbon Growth</b></p>	<p>Multiple projects in delivery namely SWITCH, AQMP, LEV, PDF, H2 stimulus project- Bay Technology Centre is currently at 42% occupancy with active pipeline of enquiries. Morgan Sindall appointed for the design and build of the SWITCH Harbourside facility with monthly design meetings ongoing starting in May 23. Enhanced AMPF project is going through an OBC process in consultation with stakeholders, this has now been approved by all parties. SILCG Programme Board meets quarterly. Delivery Amber due to pandemic and knock on delays to some projects. Lessons learned from BTC construction is informing future projects such as SWITCH. Finance changed to Amber to reflect funding gap on SWITCH. PDF stage 2 process underway. LEV strategy under development. AQMP project recruited new data analyst.</p>						
<p><b>Skills &amp; Talent</b></p>	<p>17 Pilot projects already approved and moved/moving into delivery. Further project development in discussions.</p>						
<p><b>Swansea City &amp; Waterfront Digital District</b></p>	<p>71-72 Kingsway construction continuing at pace with PC date of March 2024 – change notification for this date has been submitted to PMO. Three months of landlord internal fit out will commence from April. Innovation Matrix has begun onsite. Arena Hotel funding discussions progressing well. Discussions ongoing between Swansea Council &amp; UWTSO about the delivery of the Innovation Precinct. Trinity projects - funding on amber</p>						

<b>Title</b>	Portfolio Management Office (Communications & Marketing)	<b>Reporting Period</b>	Q3 2023/24
<b>Officer</b>	Heidi Harries (SBCD Communications & Marketing Officer)		

**Key achievements**

- 45 positive mentions in local, regional, national and specialist media. Previous quarter was 55 therefore down by 10 mentions. This included coverage on Wales Online, Western Mail the South Wales Evening Post, Wales Business Insider, Business News Wales, Wales 247, Inside Media, and specialist publications. Topics covered include: Bouygues and CCC Dragons Den style event, Yr Egin celebrates 5 Year Anniversary, Businesses invited to Pembroke Port, RLSP leads on new apprenticeship framework, 71/72 Kingsway topping out ceremony, Latest round of Property Development Fund launched.
- Twitter posts - From 1<sup>st</sup> October to 31<sup>st</sup> December: Number of followers is 1,566. Post impressions is 5,092.
- Facebook posts - From 1<sup>st</sup> October to 31<sup>st</sup> December: Number of followers is 1046. Post impressions is 7,909.
- Planned and held the Carmarthenshire Meet the City Deal event with around 50 people attending - Monday 27th November in Yr Egin, Carmarthen.
- PR on the Key Highlights of 2024.
- Represented the City Deal in the Choose your Future Event, Introbiz, Yr Egin Anniversary Event, SA1 Business Showcase Event, Pembrokeshire Careers Event, 4theRegion Green Economy Event.
- New/updated website planning and discussions.
- Social posts and/or web updates including the Pentre Awel Dragons Den event, new images of 71/72 Kingsway, Property Development Fund, Secretary Clintons visit to Swansea University, HAPS supporting Duracell in the UK launch for battery storage for homes, City Deal Event.
- Attendance in ongoing Marketing and Communications subgroup meetings with the Pembroke Dock Marie project and Pentre Awel project.

**Key Activities planned**

- Coordinate and attend the Swansea Meet the City Deal event and Neath Port Talbot Meet the City Deal events.
- Attend 4theRegion Swansea City Centre Conference, Marine Energy Wales Conference and Carmarthenshire Careers Event.
- Update the Marketing and Communications Plan.
- Annual Report planning.
- Press releases on upcoming activities.
- Development of new website.
- Annual Marketing budget planning and forecasting.
- Continued updates on the website and social media.

<b>Title</b>	Portfolio Management Office (Business Engagement)	<b>Reporting Period</b>	Q3 2023/24
<b>Officer</b>	Peter Austin (SBCD Business Engagement Manager)		

**Key achievements over the last 3 months**

**Support Programmes and Projects** - Ongoing support for programmes and projects this quarter includes:

- Supporting Pentre Awel at the community benefits steering group
- Coordinated fourth PL's Construction Sub group meeting with Helen Beddow CCC Frameworks Team presenting
- Meeting with Jake Williams CCC re apprenticeships and community benefits
- Portfolio Comms and engagement meeting with NPTCBC Leader
- Supporting Skills and Talent Initiative with Apprenticeship reporting template and methodology
- Supporting HAPS at Duracell launch event – National Botanical Gardens

**Events** - Events attended include:

- Welsh Business Show and Welsh Construction Show - Swansea

- Careers Wales Swansea & NPT event at Brangwyn Hall
- Careers Wales ALN event Halliwell Centre Carmarthen
- IntroBiz Expo Brangwyn Hall Swansea
- Pembroke Port Business Networking at new Hangars complex
- SA1 Business Club Showcase Swansea
- Careers Wales Pembroke College
- 4theRegion Green Wales Conference – Swansea Arena
- Meet the City Deal Carmarthen at Yr Egin, in partnership with CCC Business Support team

**Business Engagement -**

- Joy Browning – SBRI
- Nina Williams Bouygues re apprenticeship reporting
- Responding to several enquiries received via the City Deal email inbox and other avenues

**Support stakeholder groups**

- Attendance at CEIC steering group meetings
- Liaison with Business Wales, Antur Cymru and Cwmpas re supply chains and business opportunities
- Paul Relf – Swansea Council re SPF and other regional funding programmes
- Careers Wales re ongoing support
- Angela Williams – Business Wales re ongoing collaboration

**Economic Strategy Board -** This quarter focussed on:

- Delivering the Test and Challenge session for the EAMPF with SILCG team

**Other Activity:**

- Planning further regional showcase events – with Swansea and NPT
- Updating Portfolio events plan
- Attended BCIS Construction Costs forecasting Webinar
- Attended UK Gov and Welsh Government Procurement webinars
- Meeting with Tinint to review current and future website contract

**Ongoing Activity**

- Ongoing planning for development of SBCD website
- Continued monitoring of construction costs and associated reporting.
- Revision of Comms, Marketing and Engagement Plan
- Monitoring Apprenticeship register reporting
- Monitoring Portfolio procurement pipeline
- Updating the PoMO Events planner
- Responding to enquiries received via the City Deal email inbox and other avenues.
- Managing SBCD LinkedIn account
- Support Comms & Marketing officer in promotion of SBCD

**Key Activities planned**

- Manage project delivery for update of SBCD Website
- Draft year end Private Sector Contribution report
- Update Construction Costs Impact Assessment report for year end
- Arrange and deliver Meet the City Deal Events in Swansea and NPT
- Continue to engage and support stakeholders, programmes and projects, businesses, and ESB Board
- Support Comms & Marketing officer in promotion of SBCD
- Begin planning event calendar for 2024

<b>Project Title</b>	Pembroke Dock Marine	<b>Programme / Project Lead</b>	Steve Edwards
<b>Local Authority Lead</b>	Pembrokeshire County Council		
<b>Project Delivery Lead</b>	Milford Haven Port Authority	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Rachel Moxey		

Budget	
Total Budget	£63.9m
City Deal	£28m
Public	£18.4m
Private	£17.5m

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"> <li>• Pembroke Dock Infrastructure (PDI) improvements</li> <li>• A Marine Energy Engineering Centre of Excellence (MEECE)</li> <li>• Marine Energy Test Area (META) developments</li> <li>• The Pembrokeshire Demonstration Zone (PDZ)</li> </ul>	

**Key achievements (Overall Objective ID shown in brackets)**

<p><b>PDI update:</b></p> <ul style="list-style-type: none"> <li>• Final snagging of all Lot1 (slipway/laydown/pontoons) &amp; 2a (laydown) elements underway</li> <li>• Lot 3 Terrestrial infrastructure works planning underway</li> <li>• Purchase of 1 x area of privately owned 'Triangle' completed, further negotiations with other landlords underway</li> <li>• Handover of all Annexes complete</li> </ul> <p><b>PDZ update</b></p> <ul style="list-style-type: none"> <li>• Ongoing feedback and discussion with developers on grid related issues.</li> <li>• Submitted collaborative bid with ERM Dolphyn into OFGEM's Strategic Innovation Fund.</li> <li>• FLOW Test and Demonstration Co-ordination Study Outputs being shared with Crown Estate, Welsh Government and T&amp;D Developers.</li> <li>• CEO Attended APPG Celtic Sea 13.09.23.</li> <li>• Exhibited at Future Energy Wales as part of the Celtic Sea Cluster, with panel representation across the two-day event.</li> <li>• Fed back to TCE on their Kickstarter Fund Consultation, suggesting they engage with SBCD.</li> <li>• Feeding into Community Subgroup and Celtic Sea Sub Group on shortlisted The Electric System Operator's grid designs for the 4.5GW of Commercial FLOW leasing activity.</li> <li>• Ongoing development of rationale for varying the PDZ Lease.</li> </ul> <p><b>META update:</b></p> <ul style="list-style-type: none"> <li>• Benthic Habitat mapping at Warrior Way and Dale Roads required by our Marine Licence now complete <b>(IP5B)</b></li> <li>• Exo-cube engineering innovative scour protection successfully deployed at META East Pickard Bay. Deployment for 18 months. Frequent monitoring trips planned to assess performance of scour protection systems as a habitat. <b>(IP5A)</b></li> <li>• Settlement Mooring Lines experiment on site at Dale Roads monitoring now complete. All equipment to be retrieved and research findings written up due course <b>(IP5A)</b></li> <li>• Cardiff University (CU) marine low carbon concrete trial has concluded after 6 months of testing at one of the META Quayside test sites. The trial was a success and META are now scoping future projects with CU. <b>(IP5A)</b></li> <li>• Attendance of Marine Energy Conferences including International WaTERS and Ocean Energy Europe with the aim of expanding META's reach and bringing cutting edge research projects to the test sites. <b>(IP5A)</b></li> <li>• Preparing and planning for 3 deployments in early 2024 (Dolphyn Hydrogen Test Barge; Swansea University Tidal Turbine; and PEBL Environmental Monitoring Instruments) including compliance with regulatory requirements and consent conditions. <b>(IP5B)</b></li> </ul>
--

<p><b>MEECE update:</b></p> <ul style="list-style-type: none"> <li>• Attended and Exhibited at Future Energy Wales as Celtic Sea Cluster <b>(OP16)</b></li> <li>• Attended Wales Tech Week <b>(OP16)</b></li> <li>• Eol into Lagoon Challenge Call was successful. Now preparing full bid <b>(IP7)</b></li> <li>• Won funding bid into DEFRA call, "Improving Observation Capabilities of Biodiversity in UK Waters: Phase 2" <b>(IP7)</b></li> <li>• Successful stage one bid into Crown Estate Offshore Wind Evidence and Change call for Subsea Soundscape project. Now preparing full bid. <b>(IP7)</b></li> <li>• Won funding for a South Wales Fit4OR cohort, £200k Shared prosperity funding, leveraging £180k private investment <b>(IP2, IP7)</b></li> </ul>
<p><b>Key Activities planned</b></p>
<p><b>PDI</b></p> <ul style="list-style-type: none"> <li>• Complete scoping/planning/costing for Lot 3 Terrestrial infrastructure works</li> </ul>
<p><b>PDZ</b></p> <ul style="list-style-type: none"> <li>• Further engagement on T&amp;D (and PDZ) Grid Coordination as relevance increases in the wake of the AR 5 announcement.</li> <li>• Business planning with TCE for PDZ Lease Revision</li> <li>• Attending Floating Offshore Wind (Aberdeen), Planning for Infrastructure in Wales and Future Energy Wales conference.</li> <li>• Feeding into Community Subgroup and Celtic Sea Sub Group shortlisted The Electric System Operator's grid designs for the 4.5GW of Commercial FLOW leasing activity.</li> <li>• Further planning with developers regarding the deployment of prototype testing Hydrogen production from FLOW.</li> <li>• Further engagement with NRW, Natural England, representative from the FLOW development sector, and relevant key stakeholders on the streamline the licensing and consenting process for Floating Offshore Wind (FLOW) in the Celtic Sea.</li> <li>• Attending Marine Energy Wales Conference in March 2024</li> </ul>
<p><b>META:</b></p> <ul style="list-style-type: none"> <li>• Multiple test programmes are scheduled to be deployed at META in early 2024, including:             <ul style="list-style-type: none"> <li>○ RRES tidal turbine deployment Jan-24 – Mar-24</li> <li>○ Dolphyn Hydrogen barge deployment Feb-24 – Mar-24</li> <li>○ PEBL Sensor deployment supported by MEECE Feb-24 – Sept-24</li> </ul> </li> <li>• Marine Energy Wales Conference 13<sup>th</sup> – 14<sup>th</sup> March 2024</li> </ul>
<p><b>MEECE</b></p> <ul style="list-style-type: none"> <li>• Attending Marine Energy Wales Conference in March 2024</li> </ul>

<b>Project Title</b>	<b>SBCD Campuses Project</b>	<b>Programme / Project Lead</b>	Clare Henson
<b>Local Authority Lead</b>	City and County of Swansea		
<b>Project Delivery Lead</b>	Swansea University	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Keith Lloyd		

<b>Budget</b>	
<b>Total Budget</b>	£130.44m
<b>City Deal</b>	£15.00m
<b>Public</b>	£58.01m

<b>Private</b>	£57.43m
<b>Description</b>	
<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&amp;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>	

<b>Key achievements</b>	
<ul style="list-style-type: none"> <li>Continued workstream meetings held with WS1 Morrision Management Centre, WS2 Sketty Lane, WS3 Education, WS4 Enterprise and Innovation, WS7 Research, WS8 Health and well being WS9 Morrison Link Road, Singleton Phase 2</li> <li>Sketty lane:             <ul style="list-style-type: none"> <li>Engaging with stakeholder groups and end users</li> <li>Value engineering options approved by Tier 1 board</li> </ul> </li> <li>Primary funding agreement signed by Swansea Council, Swansea University anticipated January 2024 .</li> <li>Secondary funding agreement signed by SBUHB, Swansea University anticipated January 2024</li> <li>Continued development of key business relationships and development of research and innovation collaborations</li> <li>Successful bid 5 G Vodafone - SBCD digital infrastructure project. Workshops held</li> <li>Health Needs assessment report approved, workshop held with Swansea university researchers, SBUHB and Health Practitioners Wales,</li> <li>Successful Skills Sport Health and Well being - SBCD skills and talent project</li> </ul>	
<b>Key Activities planned</b>	
<ul style="list-style-type: none"> <li>Primary funding agreement signed</li> <li>Secondary funding agreement signed in parallel with primary agreement</li> <li>WS2 – continue stakeholder engagements</li> <li>Continued discussions with Vodafone UK senior leadership</li> </ul>	

<b>Project Title</b>	Homes as Power Stations (HAPS)	<b>Programme / Project Lead</b>	Oonagh Gavigan
<b>Local Authority Lead</b>	Neath Port Talbot County Borough Council		
<b>Project Delivery Lead</b>	Neath Port Talbot County Borough Council	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Nicola Pearce		

<b>Budget</b>	
<b>Total Budget</b>	£505.5m
<b>City Deal</b>	£15m
<b>Public</b>	£114.6m
<b>Private</b>	£375.9m
<b>Description</b>	
<p>HAPS is a regional pioneering project to facilitate the adoption of houses with energy efficient design and renewable technologies in both new build and existing housing stock in the public, RSL and private sector across the City Region. The project will support the implementation of renewable technology by facilitating collaboration across the region and creating a platform to share lessons learned. The Technical Monitoring and Evaluating contract will provide data and the ability to realise many of the project benefits. HAPS will support a regional supply chain of proven technology to enable the wider benefits associated with the project.</p> <p>The project will:</p>	

- Facilitate the take up of renewable technologies and energy efficient design in new build and existing housing stock
- Support a regional supply chain of proven technologies.
- Establish an open access knowledge sharing hub to share the project findings with all sectors across the region and wider
- Tackle fuel poverty
- Further decarbonise the regional economy
- Improve residents' health and well-being

## Key achievements

### Project Development

- OPUS BS completed an initial supply chain mapping exercise. Simon Griffiths from OPUS presented findings and recommendations to Project Board.
- Additional round of Supply Chain Lead interviews were held, successful post holder due to commence 17<sup>th</sup> July 2023.
- FIF application forms, guidance, and scoring criteria complete with stakeholder, WSOA and legal department input.
- Scoring panel/Technical Advisory Panel member list for the Financial Incentives Fund was approved by Project Board
- Comms and Marketing Plan commissioned and created by Urban Foundry which was presented to Project Board.
- Ongoing engagement with stakeholders to raise awareness of Financial Incentives Fund.
- FIF 'landing page' created on SBCD website to provide supplementary information for potential applicants.
- Technical Monitoring and Evaluation planning meetings held with Cardiff University Welsh School of Architecture to ensure collaboration with existing work and current opportunities.
- Subsidy Scheme finalised ready for uploading onto the WG Transparency Database.
- Secured £75k of funding from MCS to enable foundational work to be undertaken with schools and colleges, this is aligned to the skills strand of the project.
- Secured £250k Shared Prosperity Funding to create a HAPS Demo House in NPTCBC
- Completed first call for applications to the HAPS Financial Incentives Fund.
- Event with SO Modular in Neath has taken place, highlighting Modern Methods of Construction, using Welsh Wood – a supply chain within the region.
- 16 Applications approved for the HAPS Financial Incentives Fund.
- Supported the launch of Duracell's Home Battery – event held in The Botanical Gardens, Carmarthenshire.

## Key Activities planned

### Project Development

- Host the Financial Incentives Fund Inception meetings (alongside Cardiff University Welsh School of Architecture) to begin the process of technical monitoring of approved schemes.
- Continue to engage and work with stakeholders from UK/WG/LA's to gather information to support the scoping process for the HAPS Supply Chain Fund.
- Continue to work closely with UK & Welsh Government to ensure the Optimised Retrofit Programme and ECO 4 Flex opportunities are maximised alongside HAPS funding.
- Continue to plan stakeholder engagement and communication to ensure best practice is shared.
- Continue liaison with Skills and Talent program to ensure opportunities to address skills shortages are addressed.
- Continue to seek further funding opportunities to support the HAPS Benefits.
- Continue attending relevant networking events to highlight HAPS and strengthen the information available

## Outputs



<p><b>Project Outcomes</b></p> <ul style="list-style-type: none"> <li>Facilitate the adoption of renewable technologies in 10,300 properties (7,000 retrofits and 3,300 new builds)</li> <li>Develop a regional supply chain of HAPS related renewable technologies</li> <li>Technical Monitoring and Evaluation - determine the efficacy and impacts of renewable technologies on new build and existing housing stock</li> <li>Establish knowledge sharing hub for all sectors</li> </ul> <p><b>Project Outputs</b></p> <ul style="list-style-type: none"> <li>Reduction in energy use as a result of the additional technologies funded by HAPS for new build and retrofit homes,</li> <li>New build = £564 per home    Retrofit = £758 per home by 2033</li> <li>Reduction in greenhouse gas (GHG) emissions as a result of reduction in energy use, New build = £71 per home    Retrofit = £99 per home by 2033</li> </ul>
---

	<b>Supporting Innovation and Low Carbon Growth</b>		
<b>Local Authority Lead</b>	Neath Port Talbot County Borough Council	<b>Programme / Project Lead</b>	Brett Suddell
<b>Project Delivery Lead</b>	Neath Port Talbot County Borough Council	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Nicola Pearce		

<b>Budget</b>	
<b>Total Budget</b>	£58.7 m
<b>City Deal</b>	£47.7 m
<b>Public</b>	£5.5 m
<b>Private</b>	£5.5 m
<b>Description</b>	
<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"> <li>Bay Technology Centre</li> <li>South Wales Industrial Transition from Carbon Hub (SWITCH) with Swansea University</li> <li>Hydrogen Stimulus Project with University of South Wales</li> <li>Air Quality Monitoring Project</li> <li>Low Emission Vehicle Charging Infrastructure</li> <li>Advanced Manufacturing Production Facility,</li> <li>National Net Zero Skills Centre of Excellence</li> <li>Property Development Fund</li> </ul>	

<b>Key achievements</b>
<p><b>Project Development</b></p> <ul style="list-style-type: none"> <li>In relation to the outcome from JC and PB regarding the £5.3m of unallocated funding, an OBC has been submitted to both UK and Welsh Governments to build on the enhanced AMPF project incorporating a National Net Zero Skills Centre of Excellence (NNZSCoE), the NNZSCoE OBC has been endorsed by SILCG Programme Board, SBCD Economic Strategy</li> </ul>



Board along with the SBCD PB and JC. The UK and Welsh Governments we are pleased to report have approved the change request at their 13<sup>th</sup> and 19<sup>th</sup> December meetings.

- Outcome of the £5M EPSRC Grant application under the Place Based Innovation Accelerator Account funding call was successful. This involves Swansea University, Cardiff University and University of South Wales plus Neath Port Talbot Council and Welsh Government around “SWITCH to Net Zero Buildings”. <https://www.ukri.org/news/41-million-to-enhance-uk-research-and-innovation-clusters/>.
- Launch of Innovate UK Launchpad, Secretary of State visit to Baglan Energy Park on 23rd October, as of 11<sup>th</sup> December (two days prior to official deadline) there were 30 CR&D projects and 20 MFA projects registered on the InnovateUK applications website.
- Attended SBCD Monitoring and Evaluation Sub Group
- Attended the Green Economy Conference on 23<sup>rd</sup> November
- Attended the Meet the City Deal event on 27<sup>th</sup> November in Yr Egin
- Met with ESB to discuss SILCG Programme
- Progressed work with Urban Foundry to help with the SILCG Brand and branding activities along with establishing an online presence
- Took part in Wales Climate Week on expert panel – Developing Skills for a Net Zero Industry in Wales – 6<sup>th</sup> December
- SILCG Programme Board took place 7<sup>th</sup> December
- Attended SBCD Construction & Community Benefits Subgroup on 13<sup>th</sup> December

#### Bay Technology Centre

- The Centre is now 42% let with a further three ground floor offices to be let subject to contract. Remaining units include Ground floor - 1 office, 4 labs, 1st Floor – 6 offices, 2 labs  
2nd Floor – 5 offices

#### SWITCH

- Ongoing design meetings and activities with Morgan Sindall to complete concept design RIBA stage 2
- The construction costs are currently over budget and work is ongoing to bring costs down (without impacting on outputs and outcomes).
- Industrial engagement with key stakeholders to provide updates and forward involvement.
- Undertaken a further iteration on outstanding issues within HoT document with Swansea University.
- £5m UKRI EPSRC PBIAA Net Zero Building award supporting research income target

#### Enhanced Advanced Manufacturing Production Facility & NNZSCoE

- Currently waiting on formal notification of the final approval from WG/UK which was secured at their 19th December meeting on the NNZSCoE OBC for the unallocated £5.3m this is expected in the new year.
- Plans in place to accelerate delivery of AMPF following approval
- Tender process to procure operator(s) will commence in the new year.
- Ongoing meetings with stakeholders

#### Property Development Fund

- 5 projects from Stage 1 now under stage 2 of the application process.
- Individual timeframes set depending on stage of development/requirements.
- Three applications sought approval at SILCG Programme Board on 7<sup>th</sup> December, all approved pending minor clarifications.
- PDF round 2
  - 23rd Nov Press release issued for EoI enquiries.
  - Deadline for submission 31/12
  - 1st stage submission deadline 23/02/24

#### Hydrogen Stimulus Project

- Funding agreements have now been signed by both parties
- USW have made significant tangible project progress on installation of equipment. Installation and commissioning of the new 100kW Hydrogen Electrolyser at the Baglan Hydrogen Centre is being conducted with contractors.

- As a result of the successful commissioning of the facility, hydrogen produced at site in Baglan is being used to support a Hydrogen bus trial by South Wales Transport and Hydrogen Vehicle trials in the Swansea Bay City Region.
- A consortium led by Bath University, including Cardiff, Swansea and USW have been awarded a £4m PBIAA by EPSRC focusing specifically on hydrogen and carriers for cross sectoral application. USW Hydrogen Centre will be used as the key regional research centre for this activity.
- A €3.4m European Horizon project H2SHIFT, led by SNAM of Italy, with has been awarded to develop further hydrogen testing facilities, including development of electrolytic hydrogen testing facilities at USW Baglan.

#### **Air Quality Monitoring Project**

- Due to staff changes there has been a delay in the official reporting the initial field study element.
- A new Air Quality Officer has now joined the team
- The deployed Vortex sensor network has experienced some significant difficulties since January 2023. New version of sensors is now available and discussions to replace some existing sensors are ongoing.
- The Ricardo draft data analysis report for year 1 has recently been received and is currently being reviewed.

#### **Low Emission Vehicle Charging Infrastructure**

- Neath Port Talbot Zero Emission Vehicle Infrastructure Strategy Document in development
- 23rd Nov – Hosted CENEX Cymru roadshow event on behalf of WG replicating similar events held in England. Venue TATA Steel Academy. Well attended event.
- Exploring potential to set up NPT project showcasing different on street charging options for residents in a number of different accommodation settings

#### **Key Activities planned next Quarter**

##### **Project Development**

- Urban Foundry workshop to take place with project leads – develop SILCG logo and individual project logos along with guidelines for use etc.
- Letters of Support and input into second round of Green centres of excellence UKRI funding call if Eol applications are successful

##### **Bay Technology Centre**

- Make available space for strategic partners, including UKSPF Strategic Projects in a hot desk office located on ground floor.
- Look to promote and sign up additional tenants

##### **SWITCH**

- Further design meetings to be held
- HoT to be progressed and sent to SU for sign off

##### **Advanced Manufacturing Production Facility**

- WG will set up meetings to engage HEI and FEC around AMPF
- Visits planned to local HEI partners
- Progress Land negotiations with WG

##### **Property Development Fund**

- The project team will continue to support applicants and at least two applications are expected during the next month.
- Assessments by the QS will continue and it is anticipated that the team will receive their report during this period.
- Progress the second open call to invite applicants for a further round of funding.

##### **Hydrogen Stimulus Project**

- Further development of the technical aspects of the Hydrogen Stimulus project will take place, including finalising designs for the upgraded hydrogen vehicle refuelling facility at the Baglan Hydrogen Centre.
- Ongoing supply of hydrogen from the USW/Protium Electrolyser at the Baglan Hydrogen Centre will
- Hydrogen Projects stimulated by this activity will continue to be explored in NPT and within the Swansea Bay City Region.
- Preparation for the commencement of the SWITCH PBIAA, GW-SHIFT PBIAA and H2SHIFT projects will continue – aiming for formal start on 1st January 2024.

**Air Quality Monitoring Project**

- Take forward the field trial report from Ricardo and work out the next steps.
- Discuss condition of network with Ricardo and obtain upgrade costs proposals.

**Low Emission Vehicle Charging Infrastructure**

- Develop procurement routes for commercial collaboration on ULEV TF Project
- Prioritise PFAs leading from NPT ZEVIS
- Develop 'Fast Track' programme from PFAs

**Outputs**

Project component	Expected Outputs
Technology Centre	Construction of an energy positive hybrid commercial building (2500 m2) completed
SWITCH	Specialised open access facility created to enhance applied research for steel & metals industry (4000 m2)
	Provision of specialised equipment to enhance research for steel & metals industry
Hydrogen Stimulus Project	Increase capacity for hydrogen production at the Hydrogen Centre at Baglan Energy Park
Air Quality Monitoring Project	Procurement & installation of 70 sensors in and around the Port Talbot Air Quality Management Area (AQMA)
LEV Charging Infrastructure	Regional strategy for LEV charging
Advanced Manufacturing Production Facility	Specialist hybrid facility providing a range of industrial / production units with pilot line and office space (4000 m2)
	Provision of open access specialist equipment advised by industry with academia input
Property Development Fund	Property Development Fund targeted on the Port Talbot Waterfront Enterprise Zone (expected premises created 6000 m2)

<b>Project Title</b>	<b>Pentre Awel</b>	<b>Programme / Project Lead</b>	Alex Williams
<b>Local Authority Lead</b>	Carmarthenshire County Council		
<b>Project Delivery Lead</b>	Carmarthenshire County Council	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Chris Moore		

**Budget**

<b>Total Budget</b>	£199.19m
<b>City Deal</b>	£40m
<b>Public</b>	£51
<b>Private</b>	£108.19

**Description**

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.

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.

Pentre Awel will include state-of-the-art leisure centre funded by Carmarthenshire County Council. 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. 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.

**Key achievements in Q3 2023/24**

**Construction:**

As of 19<sup>th</sup> December 2023, the Zone 1 construction works are in week 46. Works continue to progress well and to the agreed programme with significant aboveground works to the frame of the building (superstructure) in the period:

- The erection of the steel frame has been completed on four of the five buildings with the last scheduled for January 2024.
- Over two thirds of pre-cast concrete planks have been installed together with the commencement of curtain walling and facade for Building B (Swansea University demise).
- The hydrotherapy, learner and main pools have been cast with the hydrotherapy pool passing a 10 day water test.
- Footpath works are advancing to programme and the car park has been opened to subcontractors and visitors.

**Community Benefits:**

- 961 person weeks of TR&T delivered during the construction phase to date, inclusive of 20 apprentices.
- BYUK has interacted with 584 pupils and delivered 86 hours of engagement.
- Funded by City Deal Skills & Talent, the 12 week CCC/BYUK Real World Learning (RWL) project in which 5 Llanelli schools undertook a ‘real life’ design challenge culminated on 21st November 2023 with a judging event. The project was a success, providing experiential learning and mentorship for all participants.
- CCC and BYUK have tested the CLES model which quantifies the local economic impact of the construction spend. In the first round of reporting for Pritchards’ activity in October and November, it has employed 13 individuals from Carmarthenshire (generating a local economic impact of £73,000) and used 8 suppliers within the Carmarthenshire area (generating a local economic impact of £84,000).

**Project Update:**

- A Pentre Awel Business and Innovation Strategy has been drafted and shared with the project Steering Group on 18<sup>th</sup> December. 2023. The strategy sets out the high level principles and methodology for sectors/businesses to be engaged onsite.
- Swansea University has signed an Agreement to Lease for its demise within Zone 1.
- The designs for the Health Board’s Clinical Delivery Unit has now been agreed and the agreement to lease has almost been finalised.
- Dialogue continues with FE and HE providers to explore the viability of ‘Teach and Treat’ within Zone 1 across a number of disciplines including pharmacy, optometry and dentistry, as well as a number of options around more vocational skills.
- Working Group convened to take forward Zones 2 and 3 of Pentre Awel.
- Completion of optioneering exercise for outdoor activities / projects at Pentre Awel. From an initial longlist of 40 options, 28 outdoor activities met the shortlisting criteria; 6 fell just short and 4 recorded an unsuitable score.

**Key Activities planned Q4 2023/24**

- Zone 1 construction: final design meetings to sign-off drawings/c-sheets prior to the start of dry-lining activity on site
- ‘Topping Out’ event to be held end February 2024
- CCC to contact all Carmarthenshire businesses on its database in the New Year to raise awareness of ‘sublet’ opportunities focusing on ‘internal’ trades.
- Finalise lease agreements with Hywel Dda UHB
- Finalise and launch Business and Innovation strategy and develop marketing literature
- IRCF bid to be developed and submitted in February 2024 to cover additional capital funding required for Zone 1.

**Outputs**

- 961 weeks of TR&T delivered on the project to date.
- 584 pupil interactions achieved during the construction stage and 86 hours of schools engagement.

- 60 pupils from local primary and secondary schools have been recruited to Bouygues' Student Ambassador Programme.

<b>Project Title</b>	<b>Digital Infrastructure Programme</b>	<b>Programme / Project Lead</b>	Rebecca Llewellyn / Dija Oliver
<b>Local Authority Lead</b>	Carmarthenshire County Council		
<b>Project Delivery Lead</b>	Carmarthenshire County Council	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Jason Jones		

Budget	
<b>Total Budget</b>	£55m
<b>City Deal</b>	£25m
<b>Public</b>	£13.5m
<b>Private</b>	£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"> <li>Connected Places</li> <li>Rural connectivity</li> <li>Next generation wireless (5G and IOT networks)</li> </ul>	

Key achievements
<ul style="list-style-type: none"> <li>PSBA FFIB order placed, with surveying stage underway. Project in delivery to drive FTTP to 68 public sector assets with additionality to 401 premises and investment of £1.7million across the region.</li> <li>Dark Fibre tender live. Evaluation and appointment of preferred supplier in January 2024.</li> <li>5G Investment Fund live and open for applications from public sector partners and SBCE projects and programmes.</li> <li>First 5G Investment Fund of £1.55 million awarded to Campuses project for 5G Living Lab.</li> <li>Gateway Review 0 completed – Programme received GREEN/AMBER DCA rating – full report presented to programme board in November 2023.</li> <li>Completion of Gateway Review recommendations including detailed programme plan for remainder of programme including critical decision points, resource requirements, and dependencies.</li> <li>Completion of Benefits Realisation procurement and appointment of supplier (FarrPoint) for remainder of programme – including final economic evaluation.</li> <li>Created overarching communications plan for programme.</li> <li>Established plans and timescales for significant Shared Rural Network (SRN) investment across the region working with UK and Welsh Government.</li> </ul>
Key Activities planned
<ul style="list-style-type: none"> <li>Continued analysis of NROMR data and Project Gigabit intervention areas to identify preferred way forward to meet remaining needs across the region.</li> <li>Plan and host 5G barrier busting event.</li> <li>Utilising e-mail marketing for stakeholder communications and implementing for Q1 2023-24.</li> <li>Supporting Local Authorities with ongoing Digital Infrastructure interventions and investment.</li> <li>Programme risk mitigation ongoing.</li> <li>Market engagement with operators and suppliers ongoing.</li> <li>Additional lobbying for, facilitating, and supporting of private sector investment</li> </ul>

Outputs	
<ul style="list-style-type: none"> <li>- More public sector assets with gigabit capable FFTP connections.</li> <li>- Increased, future proofed DUCT / asset infrastructure.</li> <li>- Regional Innovation Network established.</li> <li>- 5G Testbed(s) deployed.</li> <li>- More mobile infrastructure.</li> <li>- Community based interventions delivered.</li> </ul>	

<b>Project Title</b>	Swansea City & Waterfront Digital District	<b>Programme / Project Lead</b>	Lee Richards
<b>Local Authority Lead</b>	Swansea Council		
<b>Project Delivery Lead</b>	Swansea Council	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Martin Nicholls		

Budget	
<b>Total Budget</b>	£175.35m
<b>City Deal</b>	£50m
<b>Public</b>	£85.38m
<b>Private</b>	£39.97m
Description	
<p>To boost Swansea city centre’s economic well-being at the heart of the City Region’s economy, while retaining local tech, digital and entrepreneurial talent. This project includes:</p> <ul style="list-style-type: none"> <li>• A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events</li> <li>• A ‘digital village’ development in the city centre to accommodate the city’s growing tech and digital business sector</li> <li>• Innovation Matrix development at the University of Wales Trinity Saint David’s new Swansea waterfront campus to enable start-up company support and growth</li> </ul>	

Key achievements
<p><b>Digital Arena</b></p> <ul style="list-style-type: none"> <li>• SC project team continuing with final snagging works for areas surrounding the Arena.</li> <li>• Hotel: Council could not progress with the preferred developer. Team will be taking hotel options back out to market early 2024.</li> </ul> <p><b>71/72 Kingsway Construction:</b></p> <ul style="list-style-type: none"> <li>• Topping out ceremony took place end of October 2023. The Contractor has updated the programme which now shows a completion date of end March 2024 – a Change Notification has been submitted to PMO team.</li> <li>• Work is progressing on internal tenant demises – design work being progressed.</li> <li>• External Signage design and scope being finalised.</li> <li>• Plans are being progressed to lay ducting for fibre connection through the city centre and up to 71-72 Kingsway.</li> <li>• Digital and data specialist knowledge is being utilised to facilitate the internal digital infrastructure.</li> </ul> <p><b>71/72 Kingsway Commercials:</b></p> <ul style="list-style-type: none"> <li>• Flex tenant HoT’s in advanced discussions and final location in building agreed.</li> <li>• 2<sup>nd</sup> floor tenant HoT’s progressing.</li> <li>• Managing agents have been appointed for the building (Savills) and inception meeting has taken place.</li> <li>• Work is ongoing to establish Service Charges and landlord costs.</li> <li>• Letting, Marketing and Branding agents are continuing discussions with potential occupiers and all interest is being followed up</li> </ul>



Key Activities planned
<p><b>Arena</b></p> <ul style="list-style-type: none"> <li>Progress Hotel delivery options.</li> </ul> <p><b>71/72 Kingsway</b></p> <ul style="list-style-type: none"> <li>Finalise Heads of Terms with Flex Tenant and 2<sup>nd</sup> floor tenant.</li> <li>Complete Procurement for Landlord fit out and finalise stage 4 fit out design.</li> <li>Progress Managing Agent mobilization and Building Management Strategy.</li> </ul>

Outputs
<ul style="list-style-type: none"> <li>Physical delivery of arena (circa 80,000 square feet with a 3,500-capacity), along with digital square is on track.</li> <li>Physical delivery of 71/72 The Kingsway, which will comprise circa 115,000 square feet of office space.</li> <li>Discussions on-going with UWTSO about their element of the project (Innovation Precinct).</li> </ul> <p><i>Caveat: Covid 19 could have an impact on jobs and GVA.</i></p>

<b>Project Title</b>	Yr Egin - Creative Digital Cluster	<b>Programme / Project Lead</b>	Geraint Flowers
<b>Local Authority Lead</b>	Carmarthenshire County Council		
<b>Project Delivery Lead</b>	University of Wales Trinity Saint David	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Professor Elwen Evans		

Budget	
<b>Total Budget</b>	£25.17m
<b>City Deal</b>	£5m
<b>Public</b>	£18.67m
<b>Private</b>	£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"> <li>National creative sector anchor tenants</li> <li>World class office space for local and regional creative sector SMEs, with opportunities for expansion</li> <li>Facilities for the community and business networking</li> </ul> <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><b>Project Development</b></p> <ul style="list-style-type: none"> <li>University has engaged expert consultants to develop a proposal centred around the provision of a Digital Production Facility in existing University space.</li> <li>University has begun drafting Change Notification that will encapsulate the proposed change to the Egin Phase 2 project</li> <li>Key concept and equipment requirements developed</li> </ul>
Key Activities planned
<ul style="list-style-type: none"> <li>University to complete initial Change Notification to evidence the requirements for Egin Phase 2 and document the rationale behind the change in delivery methodology</li> <li>Ongoing financial development to understand new project cost requirements etc.</li> </ul>

- Further engagement with creative and digital sector to ensure that the proposed Egin Phase 2 project will satisfy requirements going forward
- Survey of proposed location for Egin Phase 2 along with design and development work commencing

<b>Project Title</b>	<b>Skills and Talent</b>	<b>Programme / Project Lead</b>	Samantha Cutlan
<b>Local Authority Lead</b>	Carmarthenshire County Council		
<b>Project Delivery Lead</b>	South West Wales Regional & Skills Partnership	<b>Reporting Period</b>	Q3 2023/24
<b>SRO</b>	Andrew Cornish		

Budget	
<b>Total Budget</b>	£30m
<b>City Deal</b>	£10m
<b>Public</b>	£16m
<b>Private</b>	£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><b>Business Case Development</b></p> <ul style="list-style-type: none"> <li>• 17 Pilot project applications have now been approved by RLSP board and are in delivery.</li> <li>• Gateway Review completed resulting in a 2<sup>nd</sup> Green Rating.</li> <li>• Barometer Reviewed and Updated. Feedback from Cluster groups received regarding Sector Skills gap analysis, with discussions ongoing on developments of Pilot Projects to meet those needs.</li> <li>• Development of Website.</li> </ul>

Key Activities planned
<ul style="list-style-type: none"> <li>• Receive and review further pilot project applications.</li> <li>• Increased marketing and events</li> <li>• Barometer data being reviewed and updated with a further focus on capacity.</li> <li>• Website update being completed with a view of increased marketing activity and website updates to raise awareness of Programme and stimulate further pilot applications.</li> <li>• Ongoing discussions with interested parties regarding further pilot project development to meet with the skills gaps identified through the skills barometer.</li> </ul>

Outputs
<ul style="list-style-type: none"> <li>- Create 14,000 individuals with increased level of skills within 10 years</li> <li>- Create at least 3000 new apprenticeship opportunities, to include level 3 to Degree apprenticeships.</li> <li>- Create Centre of Excellence for specific sectors.</li> <li>- 2,200 additional skills</li> <li>- 20 new course frameworks updated/created</li> <li>- 2 Centres of excellence</li> <li>- Create a clear career pathway through school, FE, HE and apprenticeship and into the world of work.</li> </ul>



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><b>Escalate to programme / project sponsor for support to resolve.</b></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><b>Highlight to programme / project sponsor for visibility and awareness.</b></p>
G	<p><i>Programme / Project is proceeding according to plan. Risks/issues are being managed within the programme / project.</i></p> <p><b>No need to escalate to next level.</b></p>

Page 307



Swansea Bay City Region Joint Committee - 8 February 2024

## Financial Monitoring Report 2023/24 - Provisional Outturn Position Quarter 3 (Oct - Dec 2023)

<b>Purpose:</b>	To provide the Joint Committee with an update on the latest financial position of the Swansea Bay City Region.
<b>Policy Framework:</b>	Swansea Bay City Deal
<b>Consultation:</b>	Accountable Body
<b>Recommendation(s):</b>	It is recommended that Joint Committee:  1) Review and approve the financial monitoring update report.
<b>Report Author:</b>	Chris Moore, Section 151 Officer, SBCD
<b>Finance Officer:</b>	Chris Moore, Section 151 Officer, SBCD
<b>Legal Officer:</b>	Debbie Smith, Deputy 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.

In June 2022 Joint Committee has previously agreed and set a five-year operational budget which has been revised on a continual basis. Since this period the operational budget has been reviewed and a detailed breakdown of the Joint

Committee - Provisional Quarter 3 Outturn Position Financial Year 2023/24 is included in Appendix A.

## **2.2. Joint Committee and Accountable Body**

The Joint Committee and Accountable Body expenditure forecast is estimated at £2,225k. 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. The Accountable Body expenditure is attributable to service provision by the Portfolio Section 151 Officer to the Swansea Bay City Deal and the annual external audit review by Audit Wales.

The accrued interest in residual cash balances is invested in line with Carmarthenshire County Council's approved Treasury Management Strategy. Any interest accrued on such cash balances is dispersed back to projects on an appropriate apportionment methodology (JC – 11 June 2020). The accounting management of this has been amended to clearly demonstrate the interest accrued and paid out. The accrued interest for 2023-24 is estimated at £2,112k.

## **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 £22k.

## **2.4. Portfolio Management Office (PoMO)**

For the period ending 31<sup>st</sup> March 2024 the expenditure is estimated at £565k. The PoMO staffing cost is estimated at £476k which includes the 2023-24 pay adjustment. There is an underspend of £104k against budget, this is due to all posts being budgeted at the top of grade and savings due to in year temporary staffing vacancies.

Rents and service charges in respect of office space total £23k, fees including consultancy and gateway reviews have been forecast at £11k which includes project management software purchased and Portfolio Gateway review; and conferences, marketing and advertising estimated at £40k including the SBCD roadshow events.

Central Recharges of £28k has been included being the contribution to Carmarthenshire County Council as the host Authority's costs for supporting the PoMO. These include payroll, Pensions, Creditors, Debtors, Human Resources support, Information Technology Support, financial systems support, Chief executive administration support, employee support and all necessary insurances.

## **2.5. Income**

Total income for the year demonstrates £2,873k. This consists of anticipated drawdown of 'Top Slice' of £761k from the dispersed grant awards and estimated interest derived from cash balances £2,112k.

## **2.6. Financial Monitoring - Statement of Balances**

The prior year (2022/23) balance carried forward in reserve demonstrates £140.8k. Currently the estimated year end position of the City Deal accounts demonstrates a small deficit of £10.2k. This results in an anticipated reserve of £130.6k at year end.

## **3. PORTFOLIO INVESTMENT FUND – Forecast Outturn Position**

### **3.1. Provisional Portfolio Investment Outturn Position**

The overall estimated investment position is demonstrated at £1.280bn (Quarter 2 2023/24 - £1.279bn) over the fifteen-year life of the portfolio. The revised budget (Quarter 3 2022/23) comprised of a total investment of £1.248bn, currently the City Deal is presenting an over investment against the revised budget of £32m.

Details of significant variances are outlined below:

Digital Infrastructure is demonstrating £15.8m over investment against budget mainly due to additional private sector funding.

Swansea Waterfront: The Arena and Public Realm project is demonstrating an overinvestment of £5m. Swansea Council have completed a reconciliation of costs relating to the Arena and Public Realm and an additional payment of £14.4m is to be allocated between each asset. This brings the total public sector spend to £73.4m against the original business case total of £69m, this £4.4m overspend will be absorbed into the wider Copr Bay project spend and will be covered by the Local Authority. The Arena and Public Realm are part of the wider Copr Bay scheme. There is no overspend on the scheme in totality, but individual elements may be higher or lower than the elements in the original business case. However, the council has not needed to commit any addition funding over and above the amount approved by our cabinet. In addition, the full amount of the city deal funding has been fully committed to the area specific part of the project. The Digital Village project is continuing on track and to forecast spend.

The council is due to submit a change notification to reflect the actual spend and the delivery of the completed Arena works. An updated Business Case will be completed later in the year and will reflect completion of 71-72 Kingsway and updated status of the Hotel. Any change in profiling would be formally recorded as part of this amendment.

Pentre Awel has commenced construction and is demonstrating £6m over investment against budget. Work is estimated to be completed during Autumn 2024.

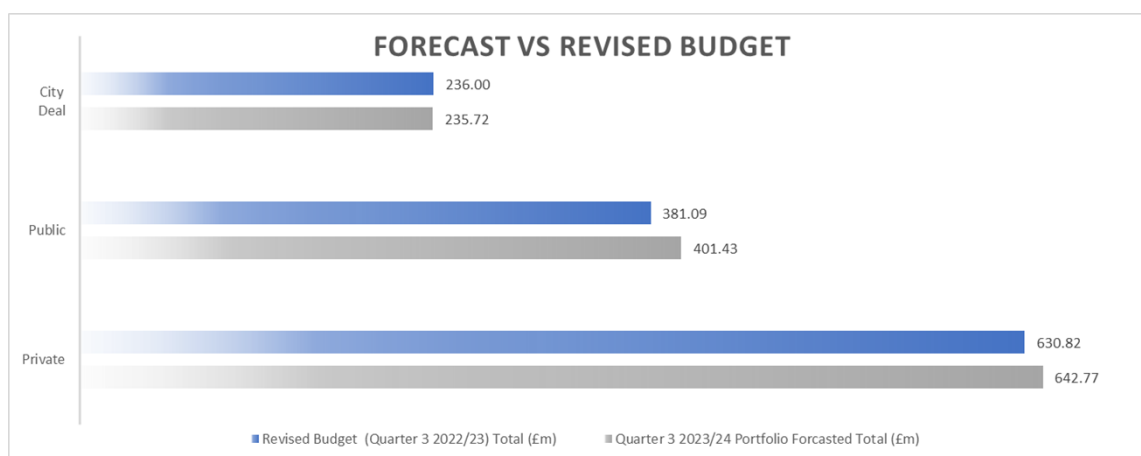
PDM is demonstrating an over investment of £4m. The PDI project is now demonstrating a total investment of £48m project (increased from £41.5m at Approval), the majority of which has come from WEFO (increase from circa £7m to £12m) and the balance from private (port) sources.

**Portfolio Forecast (Estimated)**

Prior Quarter (Quarter 2 2023/24) Portfolio Forecasted Total (£m)	Investment Component	Revised Budget (Quarter 3 2022/23) Total (£m)	Quarter 3 2023/24 Portfolio Forecasted Total (£m)	Variance (£m)	Variance
235.39	City Deal	236.00	235.72	-0.29	-0.12%
401.11	Public	381.09	401.43	20.34	5.34%
642.75	Private	630.82	642.77	11.95	1.89%
1,279.25	Grand Total	1,247.91	1,279.92	32.00	2.56%

**Programme Breakdown (Estimated)**

Prior Quarter (Quarter 2 2023/24) Programme/Project	Programme/Projects	Quarter 3 2023/24 Forecast				Revised Budget (Quarter 3 2022/23) Total	Variance (£m)	Variance (%)
		City Deal Investment (£m)	Public Sector Investment (£m)	Private Sector Investment (£m)	Programme/Project Total (£m)			
71	Digital Infrastructure	25	18	28	71	55	16	29%
506	Homes as Power Stations	15	115	376	506	506	-	0%
136	LS&WB Campuses	15	59	62	136	135	1	1%
64	Pembroke Dock Marine	28	19	17	64	60	4	7%
206	Pentre Awel	40	58	108	206	200	6	3%
30	Skills & Talent	10	16	4	30	30	-	0%
59	Supporting Innovation and Low Carbon Growth	48	6	6	59	59	0	0%
183	Swansea Waterfront	50	92	41	183	178	5	3%
25	Yr Egin	5	19	2	25	25	0	0%
1,279	Grand Total	236	401	643	1,280	1,248	32	3%



### 3.2. Provisional Annual Investment Forecast 2023/24

The forecast estimated investment for the financial year ending 31<sup>st</sup> March 2024 is demonstrated at £143.8m. The annual investment forecast is currently demonstrating an annual under-investment of £43.4m, in respect of the following:

PDM is demonstrating an over investment of £4m. The PDI project is now demonstrating a total investment of £48m project (increased from £41.5m at Approval), the majority of which has come from WEFO (increase from circa £7m to £12m) and the balance from private (Port) sources.

Digital Infrastructure's public and private sector spends are behind profile due to funding agreements being signed mid-year. It is expected that accurate public and private sector investment figures for 2022/23 will be established before the end of the 2034/24 financial year following completion of an externally commissioned benefits realisation exercise which was conducted by Farrpoint. This exercise is undertaken on an annual basis to accurately determine levels of public and private inward investment however, this assessment requires information and data that is not released until the Autumn of the year following which it is reported. This will

therefore continue to require retrospective updated investment reporting to reflect the actual and accurate public and private investment.

Yr Egin Phase 2 (the active component of the wider Egin project) is currently going through a change notification process to significantly change the delivery methodology. This will have a significant impact on the project investment once more up to date costings are identified via expert consultants.

The HAPS project recently launched the Financial Incentives Fund (FIF) with payment to successful schemes being made following installation of the HAPS technologies. In some cases, monitoring will take place for up to 12 months prior to technology being installed. This has resulted in moving the profile of defrayed spend for the £5.75m FIF into latter years than originally profiled. The project has now recruited and successfully filled the post of HAPS Supply Chain Lead and will be launching the Supply Chain Fund this year, however it is unlikely there will be spend of over £500k during 2023/24 and therefore the majority of the spend has been reprofiled into next year.

The Skills and Talent project is demonstrating slippage in delivery within the year. The project has currently awarded funding to six successful school, further and higher education pilot projects and will review the funding mechanism in the new year. This this is not expected to have an impact on the total investment for the project.

Pentre Awel's annual investment profile was estimated as at quarter 3, construction enabling works have commenced and will be completed in Autumn 2024. Whilst slippage has occurred this financial year due to small spend in the preliminary stages, this will accelerate over the remaining 10-month period of construction. This is not expected to have an impact on the total investment for the project.

The SWITCH project has announced Morgan Sindall as the successful contractor on the 2<sup>nd</sup> May with a kick off meeting held mid-May with all parties involved. The first design meeting took place on 8<sup>th</sup> June with subsequent monthly meetings scheduled. The project also met with Swansea University to progress Heads of Terms document.

Swansea Waterfront: The Arena and Public Realm project is demonstrating an overinvestment of £5m. Swansea Council have completed a reconciliation of costs relating to the Arena and Public Realm and an additional payment of £14.4m is to be allocated between each asset. This brings the total public sector spend to £73.4m against the original business case total of £69m, this £4.4m overspend will be absorbed into the wider Copr Bay project spend and will be covered by the Local Authority. The Arena and Public Realm are part of the wider Copr Bay scheme. There is no overspend on the scheme in totality, but individual elements may be higher or lower than the elements in the original business case. However, the council has not needed to commit any addition funding over and above the amount approved by our cabinet. In addition, the full amount of the city deal funding has been fully committed to the area specific part of the project. The Digital Village project is continuing on track and to forecast spend.

**Portfolio Summary 2023/24**

Description	Revised Budget	Quarter 3 2023/24 Provisional Outturn Position				Variance
		Actuals (to Date)	Commitments	Forecast Commitments	Total Annual Forecast	
		(£)	(£)	(£)	(£)	
<b>City Deal Investment</b>						
Capital	76,768,896	26,648,843	3,112,905	26,819,229	56,580,977	- 20,187,919
Revenue Expenditure (where capital receipts directive applied)	5,037,776	846,068	-	1,243,237	2,089,304	- 2,948,471
<b>City Deal Total</b>	<b>81,806,672</b>	<b>27,494,911</b>	<b>3,112,905</b>	<b>28,062,466</b>	<b>58,670,282</b>	<b>- 23,136,390</b>
<b>Public Sector Investment</b>						
Capital	49,736,343	30,710,305	5,005,129	25,855,028	61,570,461	11,834,118
Revenue	6,845,658	2,426,915	39,500	1,482,000	3,948,415	- 2,897,243
<b>Public Sector Total</b>	<b>56,582,001</b>	<b>33,137,220</b>	<b>5,044,629</b>	<b>27,337,028</b>	<b>65,518,876</b>	<b>8,936,875</b>
<b>Private Sector Investment</b>						
Capital	47,007,411	1,596,000	-	16,294,693	17,890,693	- 29,116,719
Revenue	1,721,273	530,649	913,458	229,672	1,673,779	- 47,494
<b>Private Sector Total</b>	<b>48,728,684</b>	<b>2,126,649</b>	<b>913,458</b>	<b>16,524,364</b>	<b>19,564,472</b>	<b>- 29,164,213</b>
<b>Project Total</b>						
Capital	173,512,650	58,955,148	8,118,034	68,968,949	136,042,131	- 37,470,519
Revenue	13,604,707	3,803,632	952,958	2,954,908	7,711,499	- 5,893,208
<b>Project Total</b>	<b>187,117,357</b>	<b>62,758,780</b>	<b>9,070,992</b>	<b>71,923,857</b>	<b>143,753,630</b>	<b>- 43,363,727</b>

**Annual Programme Investment Breakdown 2023/24 (Estimated)**

Description	Revised Budget	Quarter 3 2023/24 Provisional Outturn Position				Variance
		Actuals (to Date)	Commitments	Forecast Commitments	Total Annual Forecast	
		(£)	(£)	(£)	(£)	
Digital Infrastructure	15,602,392	253,584	-	10,102,392	10,355,976	- 5,246,416
Homes as Power Stations	17,466,503	5,828,593	-	658,845	6,487,438	- 10,979,065
LS&WB Campuses	8,866,505	583,185	683,856	7,662,272	8,929,313	62,807
Pembroke Dock Marine	8,120,992	11,021,414	70,341	9,554,708	20,646,463	12,525,471
Pentre Awel	59,122,658	11,635,740	-	35,481,260	47,117,000	- 12,005,658
Skills & Talent	6,700,000	359,076	875,264	946,236	2,180,576	- 4,519,424
Supporting Innovation and Low Carbon Growth	28,558,879	245,762	-	1,518,145	1,763,907	- 26,794,972
Swansea Waterfront	36,959,428	32,831,426	7,441,532	6,000,000	46,272,958	9,313,529
Yr Egin	5,720,000	-	-	-	-	- 5,720,000
<b>Total</b>	<b>187,117,357</b>	<b>62,758,780</b>	<b>9,070,992</b>	<b>71,923,857</b>	<b>143,753,630</b>	<b>- 43,363,727</b>

### 3.3. Capital and Revenue Apportionment

There is currently an estimated revenue requirement of £58.07m (4.54%) to deliver the city deal projects. This will be supported through the use of the Local Authorities flexible capital receipts directive, and alternative public and private sector commitment. The revenue requirement demonstrates a small change compared with the prior period (Quarter 2 2023/24 - £58.04m), this is as a result of some small fluctuation across several projects.

**Capital/Revenue Summary (Estimated)**

Prior Quarter (Quarter 2 2023/24) Portfolio Forecasted Total (£m)	Investment Component	Capital Forecast (£m)	Revenue Forecast (£m)	Total Forecast (£m)	Revenue Proportion
235.39	City Deal	218.26	17.45	235.72	7.40%
401.03	Public	372.82	28.61	401.43	7.13%
642.75	Private	630.76	12.00	642.77	1.87%
<b>1,279.17</b>	<b>Grand Total</b>	<b>1,221.84</b>	<b>58.07</b>	<b>1,279.92</b>	<b>4.54%</b>

### 4. Financial Implications

The forecasted Joint Committee Quarter 3 outturn position (as at 31st December 2023) indicates a small deficit of £10.2k, which will be funded from the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £2,883k, which is offset by the 'Top Slice' of dispersed Government grants of £761k and estimated interest derived from cash balances £2,112k.

The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved and a revised budget was compiled in Quarter 3 2022/23 for the portfolio demonstrating £1.248billion. The estimated portfolio forecasted

investment position (as at 31<sup>st</sup> December 2023) demonstrates over investment against the revised budget of £32m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.280billion. This is subject to fluctuation over the life span of the project and will continue to be monitored quarterly through financial templates and through the Portfolio risk register.

## **5. Legal Implications**


There are no legal implications associated with this report.

### **Appendices:**

Appendix A – Provisional Quarter 3 Outturn Position Financial Year 2023/24



## Appendix A

 <b>Joint Committee - Provisional Quarter 3 Outturn Position Financial Year 2023/24</b> <i>as at 31st December 2023</i>			
Description	Budget 2023/24	Forecast Outturn 2023/24	Variance
Expenditure	£	£	£
<b><u>Programme Management Office</u></b>			
Salary (Inc. On-costs)	580,576	476,253	- 104,323
Training of Staff	27,862	2,000	- 25,862
Rents (The Beacon)	16,921	15,633	- 1,288
Rates (The Beacon)	7,472	7,624	152
Public Transport - Staff	2,185	-	- 2,185
Staff Travelling Expenses	17,482	2,000	- 15,482
Admin, Office & Operational Consumables	2,732	500	- 2,232
Furniture	1,071	1,000	- 71
Fees	27,316	11,000	- 16,316
ICTs & Computer Hardware	2,678	1,100	- 1,578
Subsistence & Meetings Expenses	8,741	1,000	- 7,741
Conferences, Marketing & Advertising	81,947	40,000	- 41,947
Projects & Activities Expenditure	15,297	-	- 15,297
Translation/Interpret Services	10,296	6,000	- 4,296
Printing & Copying	4,917	500	- 4,417
<b>Programme Management Office Total</b>	<b>807,493</b>	<b>564,610</b>	<b>- 242,883</b>
<b><u>Accountable Body</u></b>			
Audit Wales- Financial Audit	26,780	26,484	- 296
Finance support including Section 151 Officer	59,268	59,258	- 10
Interest paid Out to Projects	-	2,111,816	2,111,816
<b>Accountable Body Total</b>	<b>86,048</b>	<b>2,197,557</b>	<b>2,111,509</b>
<b><u>Legal and Governance</u></b>			
Monitoring Officer	38,198	38,472	274
Legal Advisory Fees	26,780	10,000	- 16,780
<b>Legal and Governance Total</b>	<b>64,978</b>	<b>48,472</b>	<b>- 16,506</b>
<b><u>Joint Committee</u></b>			
Room Hire	1,986	-	- 1,986
Subsistence & Meeting Expenses	3,671	-	- 3,671
Democratic, Scrutiny and Legal Support Costs	27,737	27,935	198
<b>Joint Committee Total</b>	<b>33,394</b>	<b>27,935</b>	<b>- 5,459</b>
<b><u>Joint Scrutiny Committee</u></b>			
Subsistence & Meeting Expenses	7,364	-	- 7,364
Travel	1,311	-	- 1,311
Democratic, Scrutiny and Legal Support Costs	22,129	22,171	42
<b>Joint Scrutiny Committee Total</b>	<b>30,804</b>	<b>22,171</b>	<b>- 8,633</b>
<b><u>Internal Audit</u></b>			
Audit Support	22,013	22,171	158
<b>Internal Audit Total</b>	<b>22,013</b>	<b>22,171</b>	<b>158</b>
<b><u>Provision for Unwinding of PMO</u></b>			
Redundancies	37,674	-	- 37,674
<b>Provision for Unwinding Total</b>	<b>37,674</b>	<b>-</b>	<b>- 37,674</b>
<b>Total Expenditure</b>	<b>1,082,404</b>	<b>2,882,916</b>	<b>1,800,512</b>
<b><u>Funding Contributions</u></b>			
Balance C/F from previous year	-	-	-
SBCD Grant Revenue Contribution	723,000	760,858	37,858
Partner Contributions	-	-	-
Interest Income /- contribution from LA'S	-	2,111,816	2,111,816
<b>Total Income</b>	<b>723,000</b>	<b>2,872,674</b>	<b>2,149,674</b>
<b>Provision of Service - Surplus / (Deficit)</b>	<b>(359,404)</b>	<b>(10,242)</b>	<b>349,162</b>
<b><u>Movement to Reserves</u></b>			
<b>Description</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance Brought Forward from previous year	140,801	140,801	-
Net Provision of Service - Surplus / (Deficit)	(359,404)	(10,242)	349,162
<b>Balance Carry Forward</b>	<b>(218,603)</b>	<b>130,559</b>	<b>349,162</b>





Pembroke Dock Marine Integrated Assurance and Approval Plan

Table with columns for Assurance / Approval / Reporting, Activity/Product, Primary client, Last review date, and monthly tracking for years 2019/2020, 2020/2021, 2021/2022, 2022/2023, and 2023/2024. Rows include Governance (Meetings), Strategies, Reporting, Assurance (Level 1-3), and Audit.



**Bergen Ddinesig Swansea District & Waterfront Digital District**  
**BAE ABERTAWA SWANSEA BAY City Deal**  
**Integrated Assurance and Approval Plan**

Assurance / approval / Reporting	Activity/Product	Primary client	2022/2023			2023/2024												Comments
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																		
<b>Meetings</b>																		
Project board	Live document	CCS	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly Meeting
City and County of Swansea	Council Meetings	CCS	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly Meeting
UWTSD	UWTSD meetings	UWTSD																Quarterly Meeting
Project Partners	Meetings	Partners	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly Meeting
Joint Committee	Meetings	SRO, JC, PoMO	x		x		x		x		x		x				x	Monthly Meeting, moving to bi monthly June 2022
Programme Board	Meetings	SRO, PB, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly Meeting
Economic Strategy Board	Meetings	SRO, ESB, PoMO	x		x		x		x		x		x		x		x	Bi monthly
Joint Scrutiny Committee	Meetings	SRO, JSC, PoMO	x		x		x		x		x		x		x		x	Bi monthly
PoMO / Project Leads Team Meeting	Meetings	PoMO, Project Leads	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly Meeting
UK and Welsh Gov Policy Workshops	Meetings	SRO, PoMO																
Risk Critical Friends	Meetings	PoMO, IA, Proc, Risk																
Lessons learned workshop	Meetings	Partners																
Comms group	Meetings	Partners																
<b>Strategies, Policies, Processes and Plans</b>																		
Project business case	Strategy	SRO, PoMO, PB, JC, JSC																
Project Implementation Plan	Plan	SRO, PoMO, PB, JC, JSC																
<b>Reporting</b>																		
Highlight Report	Mothly Report	SRO, PoMO, PB, JC, JSC, ESB		x	x		x	x		x	x		x	x		x	x	monthly apart from when Q Report is due
Risk Register	Regular Report	SRO, PMO, PB, JC, JSC	x			x			x				x			x		Quarterly
Project issues log	Regular Report	SRO, PMO, PB, JC, JSC	x		x				x				x			x		Quarterly
Quarterly Monitoring Report	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB	x			x			x				x			x		Quarterly reporting
Integrated Assurance & Approval	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB	x			x			x				x			x		Quarterly reporting
Benefits Register	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB	x			x			x				x			x		Quarterly reporting
Community Benefits	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB	x			x			x				x			x		Quarterly reporting
Financial Monitoring	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB	x			x			x				x			x		Quarterly reporting
Procurement Pipeline	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB	x			x			x				x			x		Quarterly reporting
Construction Impact Assessment	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB	x			x			x				x			x		Quarterly reporting
<b>Assurance</b>																		
<b>Level 1 - Functional Assurance (Internal)</b>																		
Technical, due diligence, data security and financial	Internal procedures	PoMO, Project Lead															x	Annual review
<b>Level 2 - Independent</b>																		
OGC Gateway Process	Risk Potential Assessment	SRO, PB, PoMO																
OGC Gateway Process	Project Assessment Review (PAR)	SRO, PB, PoMO, JC																
OGC Gateway Process	Gate 0 Programme Strategic Assessment	SRO, PB, PoMO, JC																Overall Project BC
OGC Gateway Process	Gate 1 Business Justification	SRO, PB, PoMO, JC																
OGC Gateway Process	Gate 2 Delivery Strategy	SRO, PB, PoMO, JC																
OGC Gateway Process	Gate 3 Investment Decision	SRO, PB, PoMO, JC																Lead deliverer UWTSD: Innovation Matrix/inc. Precinct
OGC Gateway Process	Gate 4 Readiness for Service	SRO, PB, PoMO, JC																
OGC Gateway Process	Gate 5 Operations Review & Benefits	SRO, PB, PoMO, JC																Arena lessons learned
<b>Level 3 - Audit</b>																		







Assurance / approval / Reporting	Activity/Product	Primary client	2020/2021				2021/2022				2022/2023				2023/2024				Comments									
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Governance</b>																												
<b>Meetings</b>																												
Project board	Meetings	CCC, PCC, CCS, NPT	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting
Carmarthenshire County Council	Council Meetings	CCC	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting
RLSP	Meetings	RLSP	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting
Regional LAs	Council Meetings	CCC, SCC, NPTC, PCC		x			x																					
Project Partners	Meetings	Partners	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting
Joint Committee	Meetings	SRO, JC, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting, bi monthly after June
Programme Board	Meetings	SRO, PB, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting
Economic Strategy Board	Meetings	SRO, ESB, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Bi monthly meeting
Joint Scrutiny Committee	Meetings	SRO, JSC, PoMO	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Bi monthly meeting
PoMO / Project Leads Team Meeting	Meetings	PoMO, Project Leads	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting
Uk and Welsh Gov Policy Workshops	Meetings	SRO, PoMO																										
Risk Critical Friends	Meetings	PoMO, IA, Proc, Risk					x	x	x																			
Lessons learned workshop	Meetings	Partners								x																		
Comms group	Meetings	Partners		x			x			x																		
<b>Strategies, Policies, Processes and Plans</b>																												
Project business case	Strategy	SRO, PoMO, PB, JC, JSC																										
Project Implementation Plan	Plan	SRO, PoMO, PB, JC, JSC	x		x		x		x		x		x		x		x		x		x		x		x		x	
Project M & E plan	Plan	SRO, PoMO, PB, JC, JSC																										
<b>Reporting</b>																												
Highlight Report	Monthly Report	SRO, PoMO, PB, JC, JSC, ESB							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly report apart from when Q Monitoring takes place
Project risk reg	Bi Monthly Report	SRO, PoMO, PB, JC, JSC, ESB	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Bi Monthly Report
Project issues log	Bi Monthly Report	SRO, PMO, PB, JC, JSC, ESB	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Bi Monthly Report
Quarterly Monitoring	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Quarterly Report
Integrated Assurance & Approval Plan	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB							x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Quarterly Report
Benefits Register	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB																										Quarterly Report
Community Benefits	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB																										Quarterly Report
Financial Monitoring	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB																										Quarterly Report
Procurement Pipeline	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB																										Quarterly Report
Construction Impact Assessment	Quarterly Report	SRO, PoMO, PB, JC, JSC, ESB																										Quarterly Report
<b>Assurance</b>																												
<b>Level 1 - Functional Assurance (Internal)</b>																												
Technical, due diligence, data security and financial	Internal procedures	PoMO, Project Lead							x																			Annual review
<b>Level 2 - Independent</b>																												
OGC Gateway Process	Risk Potential Assessment	SRO, PB, PoMO																										
OGC Gateway Process	Project Assessment Review (PAR)	SRO, PB, PoMO																										
OGC Gateway Process	Gate 0 Programme Strategic Assessment	SRO, PB, PoMO, JC																										Gate 0 undertaken Jan 23 - Green DCA. Assessment
OGC Gateway Process	Gate 1 Business Justification	SRO, PB, PoMO, JC																										
OGC Gateway Process	Gate 2 Delivery Strategy	SRO, PB, PoMO, JC																										
OGC Gateway Process	Gate 3 Investment Decision	SRO, PB, PoMO, JC																										
OGC Gateway Process	Gate 4 Readiness for Service	SRO, PB, PoMO, JC																										
OGC Gateway Process	Gate 5 Operations Review & Benefits	SRO, PB, PoMO, JC																										
<b>Level 3 - Audit</b>																												
Audit	Audit	SRO, PB, PoMO, JC																										Annual audit







SBCD Campuses Integrated Assurance and Approval Plan

Table with columns for Assurance/Approval/Reporting, Activity/Product, Primary client, and monthly tracking from 2020/2021 to 2024/2025. Includes sections for Governance, Reporting, Assurance (Level 1-2), and Audit (Level 3).





Supporting Innovation and Low Carbon Growth Integrated Assurance and Approval Plan

Table with columns for Assurance / approval / Reporting, Activity/Product, Primary client, and monthly tracking from 2020/2021 to 2024/2025. Includes sections for Governance, Meetings, Strategies, Policies, Processes and Plans, Reporting, Assurance, and External/Internal Audit.



Swansea Bay City Deal Portfolio Assurance (IAAP Q2 2023/24 updated)

Portfolio / Project / Programme																			Status	RPA updated
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
SBCD Portfolio									Gate 0										Gateway 0 review held 17th-19th July - Amber / Green	Yes
Digital												Gate 0							Gateway 0 review held 10th-12th October - Amber / Green	Yes
Campuses																		PAR	Revised date to be agreed with SRO	No
HAPS	AAP																	PAR	AAP held 11th November - Amber DCA. Next review date to be agreed	No
SILCG																		PAR	Next review linked to the development of revised programme business case - date to be agreed	No
Pentre Awel																		PAR	Revised date to be agreed with SRO	Yes
Pembroke Dock Marine												PAR							PAR review held 25th-27th Sep - Amber / Green	Yes
Yr Egin																		PAR	Next review linked to the development of revised project business case - date to be agreed	No
Swansea Waterfront	PAR											PAR							PAR review held 19th-21st Sep - Amber / Green	Yes
Skills and Talent			Gate 0																Review undertaken 25th-27th Jan 23 - Green DCA rating. Next review recommended for 2025	Yes

# Swansea Bay City Deal Communications, Marketing and Engagement Implementation Plan



**Heidi Harries**, Communications and Marketing Officer  
**Peter Austin**, Business Engagement Manager

**Issue 8: March 2024**

## Contents

<b>Acronyms</b> .....	2
1. Introduction .....	3
2. Structure .....	3
3. Communication, Marketing and Engagement Principles .....	4
4. Overview of Swansea Bay City Deal .....	4
5. City Deal Projects and Programmes.....	5
6. Key Messages.....	6
7. Channels for SBCD Portfolio Communications, Marketing and Engagement .....	6
7.1 Internal Communication.....	6
7.2 External Communications.....	7
7.3 Website.....	8
7.4 Events and promotional resources.....	8
7.5 Annual Report.....	9
8. Business and Private Sector Engagement.....	9
9. Monitoring and Evaluation .....	10
9.1 Social Media Monitoring .....	10
9.2 Press Releases.....	10
9.3 Events .....	10
9.4 Website.....	11
Appendix 1: Summary of the Programmes and Projects.....	12
Appendix 2: Power and Influence Stakeholder Matrix.....	15
Appendix 3: Key Press and Stakeholder Marketing Contacts.....	16



## Acronyms

The following acronyms will be used throughout the document.

BEM	Business Engagement Manager
CCC	Carmarthenshire County Council
C&MO	Communications and Marketing Officer
CM&E	Communications Marketing and Engagement
HAPS	Homes as Power Stations
HDUHB	Hywel Dda University Health Board
NPTC	Neath Port Talbot Council
PDM	Pembroke Dock Marine
PCC	Pembrokeshire County Council
PoMO	Portfolio Management Office
PM	Project or Programme Manager
SRO	Senior Responsible Owner
SILCG	Supporting Innovation and Low Carbon Growth
SBCD	Swansea Bay City Deal
SBCR	Swansea Bay City Region
SBUHB	Swansea Bay University Health Board
SCC	Swansea Council
SU	Swansea University
UKG	UK Government
UWTSD	University of Wales Trinity Saint David
WG	Welsh Government



## 1. Introduction

Employing good communication and engagement practices will create a positive experience for everyone who interacts with the Swansea Bay City Deal. It will help interested parties to understand the SBCD objectives, values, challenges, and achievements.

The objective of this Implementation Plan is to describe the processes by which SBCD communications, marketing and engagement activities are planned and delivered in a co-ordinated and consistent manner, at the right time, in the right way to the right people.

This will ensure that stakeholders, at all levels, are effectively supported with frequent, clear and consistent communications which will maintain their engagement with Portfolio activities.

We will do this on an annual basis by:

- Providing monthly and quarterly reports to governance groups.
- Issuing at least one press release per month which will be published on the SBCD website.
- Attending at least six events per annum to promote the SBCD Portfolio/support partners.
- Issuing an annual report which will be available to interested parties on the SBCD website.

As well as

- Ensuring that the SBCD website content is current and informative.
- Responding to external enquiries in a prompt and professional manner.
- Monitoring third-party press channels

Specific activity for the 2024/25 Financial year will be:

- Examining ways of making Portfolio social media activity more effective
- Hold one workshop with stakeholders to review C&M activities with the aim of improving C&M impact.
- Hold one workshop with stakeholders to review business engagement activities with the aim of developing more effective procedures for the coming years.

## 2. Structure

The Implementation Plan is a suite of four linked documents:

1. **The Implementation Plan:** The overall governing document for Communications, Marketing and Engagement. This plan explains the SBCD Communications and Marketing approach, rationale, principles, and objectives and contains the SBCD overview and Project and Programme narratives. It is reviewed annually with appendices updated as required.
2. **The Communications and Marketing Protocols and Guidelines** detail the key processes to be followed and agreed and the **Brand Guidelines** and narratives to be used. The **Welsh Language Guidance** is a separate Portfolio level document supplementing the CM&E guidelines.
3. **The CM&E Events & Activity Plan** is a live plan of future events and key project milestones around which CM&E activity can be planned.
4. **The Annual CM&E Evaluation Report:** Produced annually, the summary report of CM&E activity during the previous year for governance committees.

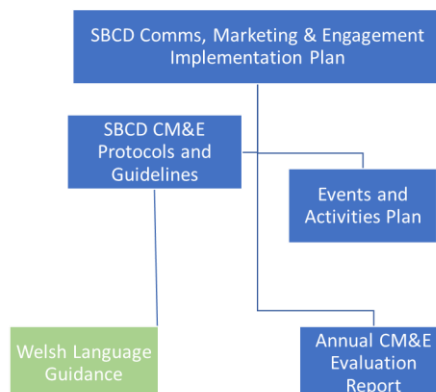


Table 1 – Implementation plan schematic  
Page 331

### 3. Communication, Marketing and Engagement Principles

Throughout our communication and engagement activity we should ensure we adopt the following principles:



1. Communicate clearly and inclusively to promote the SBCD key messages.
2. Use consistent branding and style.



3. Promote the successful progress and achievements of SBCD projects.
4. Grow the perception and image of the SBCD, especially as an example of effective regional working.



Use effective communications and engagement to:

5. Develop and strengthen links with strategic stakeholders, businesses, partners, and networks.
6. Build relationships with interested parties and decision makers nationally, regionally, and locally.



7. Continually measure the effectiveness of all communications and engagement actions

### 4. Overview of Swansea Bay City Deal

The SBCD is an investment of up to £1.3 billion in the Swansea Bay City Region (SBCR), which includes the counties of Neath Port Talbot, Swansea, Carmarthenshire, and Pembrokeshire. It will create a regional economic boost of at least £1.8 billion over the 15-year lifespan of the portfolio and create over 9,000 jobs. It is made up of nine headline projects and programmes delivering a total of 35 individual projects.

The portfolio is funded by the UK Government (UKG), Welsh Government (UK), public sector bodies and the private sector, and was approved by the UKG and WG and local authority Leaders in March 2017.

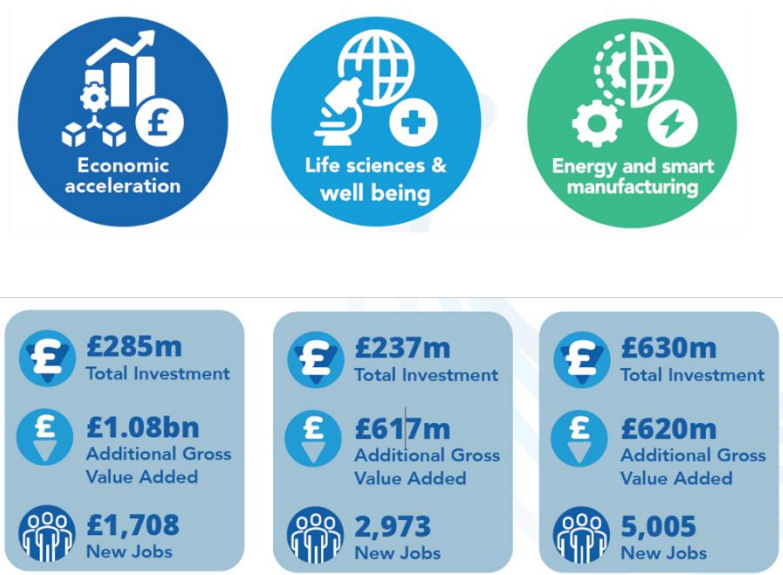
The eight primary stakeholders that make up the City Deal are Swansea Council (SCC), Carmarthenshire County Council (CCC), Neath Port Talbot Council (NPTC), Pembrokeshire County Council (PCC), Swansea University (SU), University of Wales Trinity Saint David (UWTSD), Hywel Dda University Health Board (H DUHB) and Swansea Bay University Health Board (SBUHB).

As a major investment programme, the SBCD will help address persistent regional challenges including the shortage of highly paid local job opportunities, skills gaps, poverty, inequality, and rurality in a transformational and preventative way. It will also aim to close the economic gap between the SBCR and other more affluent parts of the UK, helping act as a catalyst for further investment the coming years.

The Swansea Bay City Deal is one of four City and Growth Deals in Wales. The others being Cardiff Capital Region, Growing Mid Wales and Ambition North Wales.

Planned over a 15-year period, from 2017-2033, the City Deal will transform the City Region into a centre of excellence for several regional priority sectors, delivering the thematic benefits of:

- Economic Acceleration
- Life Science and Well-being
- Renewable Energy and Smart Manufacturing.



## 5. City Deal Projects and Programmes

The SBCD is a Portfolio that consists of nine headline Projects and Programmes and will deliver some 35 individual outputs. The nine headline projects and programmes are:

3 regional Projects and Programmes which will run across South West Wales:

- Homes as Power Stations (HAPS)
- Digital Infrastructure Programme
- The Skills and Talent Initiative

6 location-specific Projects and Programmes:

- Pentre Awel and Yr Egin in Carmarthenshire,
- Campuses and Swansea City Waterfront Digital District in Swansea,
- Supporting Innovation and Low Carbon Growth (SILCG) in Neath Port Talbot
- Pembroke Dock Marine (PDM) in Pembrokeshire.

More detailed information on each of the 9 projects and programmes can be found in **Appendix 1 Summary of Project & Programmes**.

Each SBCD Project and Programme required a bespoke **5-case Business Case** to draw down government funding. Since December 2021, all nine Business Cases have received approval from the UKG and WG meaning that the entire portfolio is in full delivery.

## 6. Key Messages

The key messages for SBCD CM&E activities are listed below.

### **Portfolio headline messages:**

1. Up to £1.3 billion investment through UKG/WG funding, other Public Sector bodies and Private sector
2. At least £1.8bn regional economic impact by 2033
3. Creation or safeguarding of at least 9,000 jobs.

In addition, focus will be provided on the following **subset of key messages** that support the headline messages above:

- a) Recognise and promote SBCR's strengths in key sectors including energy, construction, decarbonisation, digital, creative, health and well-being.
- b) Supply chain development through the construction and operational phases of the Portfolio
- c) Attract inward investment through public/private collaborations to unlock opportunities and accelerate economic delivery.
- d) Create opportunities to upskill existing and next generation workforce that are aligned to industry needs and help retain talent within the region.

The subset of key messages will be reviewed for relevance on an annual basis.

## 7. Channels for SBCD Portfolio Communications, Marketing and Engagement

CM&E channels are used to communicate to internal and external audiences. A variety of communications, marketing and engagement approaches are used by the PoMO to maintain appropriate awareness of the SBCD portfolio activities, including:

1. Internal communications and sharing of updates via SBCD governance arrangements
2. Press Releases and Featured Articles
3. Social Media
4. SBCD website
5. Events and promotional materials
6. SBCD Annual Report
7. Business and private sector engagement and enquiry specific communications i.e. In person, online, email or other correspondence

The Power and Influence Stakeholder Matrix in **Appendix 2** provides an overview of stakeholders and their importance to communications, marketing, and engagement activities.

### **7.1 Internal Communication**

Effective internal communication channels are vital for keeping key stakeholders informed to monitor and plan Portfolio activities, to encourage buy-in and advocacy, and to provide a more holistic view across the City Deal Portfolio. The key SBCD stakeholders include:

- Joint Committee members
- Programme Board members
- Economic Strategy Board members
- Joint Scrutiny Committee members
- Eight partner organisations (primary stakeholders)
- Regional Local Authority economic development directors
- UK Government (Relevant officials and politicians)
- Welsh Government (Relevant officials and politicians)
- Private sector partners

Internal communications to key SBCD stakeholder groups are co-ordinated and delivered by the SBCD PoMO through the agreed governance reporting mechanisms such as monthly highlight, quarterly monitoring, and annual review reports outlining key achievements, planned activity, risks, issues, benefits realisation, etc.

The PoMO will share communications, marketing and engagement information to internal stakeholders through:

- In person or digital meetings with senior representatives of partner organisations, including UKG and WG Ministers and officials.
- Presentations and/or speeches.
- Video content.
- Project site visits and tours.
- PoMO/Project Leads Team meetings with a standing Marketing, Communications, and events agenda item.

In addition, group meetings are held periodically with PLs and Communications / Marketing Officers from the lead delivery and partner organisations. The purpose of the meetings is to discuss upcoming key milestones and developments and plan the approach to promoting the milestone by establishing roles and responsibilities. Project/Programme level Communications and Marketing Plans are also updated during the meetings, with updates circulated to all members.

## 7.2 External Communications

### Press Releases and Feature Articles

Press releases and news articles will be written when:

- Project and programme key milestones are reached.
- Projects and programmes have topical stories to share e.g. awards, case studies etc.
- Government Ministers or other key officials visit project sites.
- News stories and trends present opportunities to maximise SBCD exposure.
- Positive or negative press coverage requires a response.

Pro-active articles will be written, whenever appropriate, to raise the profile of the City Deal. Partner organisations and private sector companies will be included where appropriate.

The Protocol for Media Communications must be followed when writing and distributing Press Releases, as outlined in the **SBCD Communications, Marketing and Engagement Protocol and Guidelines** document.

The Welsh Language Guidance must also be followed which is also detailed in the **SBCD Welsh Language Guidance**.

All press releases and feature articles are shared with the City Deal Press and Media Distribution list shown in **Appendix 3**. The projects and programmes have their own Media Distribution lists which include trade/sector specific media e.g. Construction Sector and Renewable Energy Sector.

Portfolio level PR is shared with SBCD stakeholder marketing and communications teams, who are encouraged to share via their organisation communications channels and on their websites. A distribution list is shown in **Appendix 3**.

Press releases and feature articles will be uploaded onto the News section of the SBCD website. They are also shared on social media platforms and sent to all board members for information.

## Social Media

The PoMO use X (formally Twitter), Facebook and LinkedIn and regularly post with relevant and engaging content.

Examples include links to press releases, images, information relating to exhibitions and events, job opportunities, and meet team members, etc.

@SBCityDeal is the SBCD social media handle. Further guidelines can be found in the **SBCD Communications, Marketing and Engagement Protocol and Guidelines** document.

The X and Facebook accounts are managed by the SBCD C&MO, the LinkedIn account is managed by the SBCD BEM.

The PoMO follows social media pages of businesses and other key organisations/influencers across the region and where relevant, their posts are liked or shared.

The C&MO will also be responsible for fielding any enquiries that come in via social media and making sure the relevant regional functions are aware of correspondence.

## 7.3 Website

The SBCD Portfolio website is the primary public source of information which contains headline information about the SBCD and its constituent projects and programmes.

It is updated regularly with news articles and when other content becomes available. Project and programme pages are refreshed as information becomes available.

Information on procurement opportunities and governance committees is also publicly available on the website. The Website also features:

- **Case Studies:** These can present a powerful message to illustrate how the SBCD is benefiting individuals and businesses. Where appropriate, interviews will be conducted with individuals and companies that have benefited from the City Deal to build case studies for use in press releases, the website and in printed materials.
- **Awards:** From time-to-time programme and project activities are nominated for awards. Success at award ceremonies will present good PR opportunities. PR will be created on awards that programmes and project teams have achieved. This will be used in press, social media and on the website.
- **Videos:** Video content will be used where appropriate. SBCD projects and programmes will produce material as their projects develop which will be shared on the SBCD website and social media. Fly-through videos, drone footage and time lapse photography content will also be used when available.

## 7.4 Events and promotional resources

### Events

Events present some of the best opportunities for the SBCD to be promoted to a wide audience. There are three main categories of event:

PoMO led events:	Organised by the PoMO, these include showcase and networking events.
Partner led events:	Organised by one of the SBCD stakeholders or associated partner, such as Careers Wales Fairs.
Commercial events:	Organised by third parties and are paid to either attend or exhibit at. The PoMO represent the SBCD at events throughout the year including 4theRegion, the Welsh Business Show, the Welsh Construction Show and Introbiz.

The PoMO maintain a Portfolio event plan with input from project leads, which forms part of the **Communications Marketing & Engagement Events & Activity Plan**. The plan is shared with PLs at the PoMO/PL meetings and summarizes forthcoming events and Portfolio representation.

## Promotional Resources

A selection of promotional resources is available to raise awareness of the SBCD. A SBCD website QR code link is incorporated into promotional resources where possible. Promotional resources include:

- **Portfolio Brochure:** Bilingual 28-page A5 City Deal brochure containing high-level headline information suitable for partners, government officials, businesses and potential investors. It is updated and reprinted as required.
- **Leaflet:** Bilingual A5 flyer containing basic information, suitable for general public and use at Careers Events.
- **Branded Items:** These include banners, polo-shirts, drinks bottles, notepads, rulers, pens and lanyards.
- **Presentations:** Up-to-date and informative PowerPoint presentations are made available for use on screen at events or in meetings.
- **Biographies:** a brief written summary of key SBCD representatives that are used for event information packs, website material or integrated into press releases.

## 7.5 Annual Report

The SBCD Annual Report provides all stakeholders with a summary of operation and financial progress. The report includes Forewords from key stakeholders, Portfolio and Benefits realisation update, Project & Programme updates, case studies and awards, governance and financial updates, and highlights for the next FY along other relevant achievements from the year being reported.

The report development is co-ordinated by the SBCD C&MO and receives input and consultation across all projects and programmes and leading personnel.

## 8. Business and Private Sector Engagement

SBCD Business Engagement is undertaken at Portfolio and Programme/Project levels.

### Portfolio Level

At portfolio level the SBCD BEM is responsible for engagement with regional/national businesses, private sector and business-related networks. Business Engagement includes:

- **Facilitation of the Economic Strategy Board (ESB):** liaising with the ESB Chair to arrange meetings and draft agendas as required.
- **Relationship building with Business Representative Organisations and Trade Bodies:** Maintaining regular contact and attending meetings with regional business organisations, including 4theRegion, Chambers Wales, Federation of Small Businesses, Institute of Directors, Swansea Bay Business Club, SA1 business club, CITB, ECITB and local Chambers of Commerce, Business Improvement Districts (Swansea and Llanelli) and the CCP (Carmarthenshire, Ceredigion and Pembrokeshire) Business networking group.
- **Responding to enquires:** Ensuring that enquiries received via the City Deal email inbox or other means are actioned promptly and appropriately.
- **Exploring opportunities:** From time-to-time opportunities arise that may be of interest to the PoMO, projects and programmes or lead delivery organisations. Opportunities are followed up and shared with interested parties. The SBCD PoMO is often receives external enquiries that require facilitation with key contacts across the Swansea Bay City Region
- **SBCD Regional Events:** Managing organisation of and attending City Deal PoMO led events including Procurement Events and City Deal Showcase Events.
- **Attendance at Business Events:** Managing participation and attendance at events as noted in section 5.4 including identifying and recommending suggestions for event sponsorship. Typical events include The Welsh Business Shows and Welsh Construction shows, Introbiz networking conferences and 4theRegion Swansea City Centre conferences.
- **Monitoring Online Media:** monitoring articles appearing in publications, on websites and e-newsletters for content relevant to SBCD Portfolio delivery. These include Business News Wales, Chambers Wales, Wales Business Insider and trade and sector specific sources.



## Programme and Project Level

SBCD Programme and project teams will undertake engagement with the business and private sector according to their individual needs. The level of engagement will vary from project to project, but in the main will:

- Prioritise supporting project construction/delivery phases.
- Raise awareness of future opportunities (marketing tenancy space, pilot projects, grant funding, etc)
- Oversee the achievement of the private sector contribution required to satisfy the investment detailed in the Business Cases. Delivering the project benefits required by the programme and project business cases.

## 9. Monitoring and Evaluation

The PoMO use metrics to monitor the effectiveness of marketing, communications and engagement. The data is presented to stakeholders in Quarterly Monitoring reports, Post Event Evaluation Reports, and an **Annual Marketing, Communications and Engagement Evaluation Report**. The following measurement methods are used:

### 9.1 Social Media Monitoring

Performance data for X and Facebook is extracted from Orlo (digital platform used to plan and publish social media).

ACCOUNT	FOLLOWERS	ACCOUNT IMPRESS...	POST IMPRESSIONS	ACCOUNT REACH	POST REACH	LINK CLICKS	PUBLISHED POSTS	POST ENGAGEMENT
Swansea Bay City Deal Bargen...	1046 +3	7909 +85	6477 ↓-2264	50.95 ↓-6.44	6002 ↓-1930	101 +82	37 ↓-7	2.89% ↑1.43%
SB City Deal	1566 ↓-2	N/A	5144 ↑2127	N/A	N/A	71 +47	40 ↑9	2.51% ↑0.55%

- **Followers / Fans:** The number of people who follow or are fans.
- **Post Impressions:** The total number of times the content was displayed.
- **Link Clicks:** The number of link clicks on posts.

### 9.2 Press Releases

Press coverage is monitored and logged daily by the SBCS C&MO using google alerts, manually searching online, and by looking in local newspaper titles. It is logged as follows:

Date	Press Release	Project	Media Title	Type
08/11/2022	Bay Technology Centre wins another award	SILCG	Business News Wales	Online
10/11/2022	Swansea named in top 4 UK Cities	Swansea WF	Wales 24/7	Online

### 9.3 Events

Events arranged by the PoMO will be evaluated by sending post event surveys to both the exhibitors and attendees. The evaluation will include:

- Overall response rate to the survey.
- Responses to qualitative and quantitative questions to best establish good practice and future considerations or improvements.

Other events will also be evaluated in terms of:

- Number of engagements that the PoMO has exchanged contact details with.
- Quality of engagements and value for money assessment by SBCD attendees.



## 9.4 Website

The website uses google analytics to capture:

- Timing of page views
  - Number of page views
  - Source of views
  - Average dwell times
  - Number of newsletter sign-ups through the website
-

## Appendix 1: Summary of the Programmes and Projects

Below is a breakdown of the nine programmes and projects that make up the SBCD portfolio (in no order of significance).

### **1 Digital Infrastructure**

With links to all the City Deal projects, the Digital Infrastructure project aims to support a thriving digital economy across the City Region that will stimulate private sector investment, improve public services, and generate well-paid job opportunities.

Working alongside the UK Government, the Welsh Government and internet service providers, the project will lead to high-quality, full fibre public and private digital services in urban areas.

Internet coverage in rural areas will also be considerably improved for the benefit of residents and businesses, and work is taking place alongside mobile operators to enable early, in-region access to future technology, including 5G.

**Type:** Regional

**Leading Delivery Organisation:** Carmarthenshire County Council

**Budget:** £55.3m

**Thematic Benefit:** Economic Acceleration

**Partners:** Neath Port Talbot Council, Swansea Council, Pembrokeshire County Council

### **2 Skills & Talent**

The Skills and Talent project aims to deliver a regional solution for the identification and delivery of the skills and training requirements for all City Deal projects.

Working alongside partners from the private sector, higher and further education, schools and the third sector, the project team will map out gaps in current provision and establish the skills and training needed for students, teachers and lecturers both now and in future.

Bespoke education and training solutions will then be introduced, which align to the needs of industry and key City Deal themes. Investment will include funding for equipment and the development of courses to support the projects.

**Type:** Regional

**Leading Delivery Organisation:** Regional Learning & Skills Partnership

**Budget:** £30m

**Thematic Benefit:** Economic Acceleration

**Partners:** Carmarthen County Council, Swansea Council, Neath Port Talbot Council, Pembrokeshire County Council

### **3 Homes as Power Stations (HAPS)**

The Homes as Power Stations project aims to deliver smart, low carbon, energy-efficient homes through a co-ordinated approach across the City Region. The project will deliver a programme of new build developments, the retrofitting of existing buildings and local supply chain development support. It will monitor the health and wellbeing aspects of warmer homes and the reduction in fuel poverty. The aim of the project is to help tackle fuel poverty, cut carbon emissions, and meet the need for more future-proofed housing.

**Type:** Regional

**Leading Delivery Organisation:** Neath Port Talbot Council

**Budget:** £505.5m

**Thematic Benefit:** Energy and Smart Manufacturing

**Partners:** Carmarthenshire County Council, City and County of Swansea Council, Pembrokeshire County Council

#### 4 Swansea City & Waterfront Digital District

Swansea City and Waterfront Digital District project is made up of four elements:

1. The 3,500-seater Swansea Arena in the city centre that will accommodate concerts, shows, exhibitions, conferences, gaming tournaments and other events.
2. A state-of-the-art office development in 71/72 Kingsway will provide space for technology and digital businesses, with conference and meeting facilities and act as a catalyst for further development on The Kingsway. The development will benefit from world class digital connectivity and integration with smart city technology.
3. An Innovation Matrix development at the University of Wales Trinity Saint David SA1 for start-up businesses, which will foster entrepreneurship through close links with academia.
4. An Innovation Precinct to provide expansion space and digital centre for businesses within the City.

**Type:** Local

**Leading Delivery Organisation:** Swansea Council

**Budget:** £175.28m

**Thematic Benefit:** Economic Acceleration

**Partners:** University of Wales Trinity Saint David

#### 5 Yr Egin

Canolfan S4C Yr Egin is a digital and creative cluster at the University of Wales Trinity Saint David in Carmarthen. An iconic building with an auditorium, state-of-the-art office spaces and post production facilities, for professional and community activities. The first phase of the project is complete. Welsh language broadcaster S4C has been secured as an anchor tenant, with several other creative sector businesses taking residency.

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

**Type:** Local

**Leading Delivery Organisation:** University of Wales Trinity Saint David

**Budget:** £25.17m

**Thematic Benefit:** Economic Acceleration

**Partners:** Carmarthenshire County Council

#### 6 Supporting Innovation and Low Carbon Growth

The Supporting Innovation and Low Carbon Growth programme will deliver sustainable jobs and growth to support a decarbonised and innovative economy. It includes:

- The Baglan Technology Centre providing flexible office space for start-up companies and businesses, with a focus on the innovation, ICT and R&D sectors.
- SWITCH, A specialist facility which will support the steel and metals industry in Port Talbot, Wales and the UK, while reducing carbon footprint.
- The AMPF, An Industrial Futures project with a hybrid building providing production units and office space to support start-ups and businesses in the innovation and manufacturing sectors.
- Decarbonisation projects including a low emission vehicle charging network, air quality monitoring and a hydrogen stimulus project.

**Type:** Local

**Leading Delivery Organisation:** Neath Port Talbot Council

**Budget:** £58.7

**Thematic Benefit:** Economic Acceleration

**Partners:** Swansea University, University of South Wales

## 7 Campuses

The Campuses project will deliver two complementary initiatives across two sites in two phases in Swansea, that add value to the regional life science, health and sport sectors. Advanced research and development facilities will be created, building on the success of the Institute of Life Science at Swansea University's Medical School. Collaboration between Swansea University and industry and NHS partners will place the Campuses project at the forefront of new technologies to improve healthcare, while creating new life science and sport-tech companies and well as highly skilled jobs. Projects will include a facility at Swansea University's Singleton Campus, and Morriston Hospital where research will be undertaken alongside world-leading clinical delivery.

**Type:** Local

**Leading Delivery Organisation:** Swansea University

**Budget:** £130.43m

**Thematic Benefit:** Life science and well-being

**Partners:** Swansea Council, Swansea Bay University Health Board, Hywel Dda University Health Board, ARCH Partnership

## 8 Pentre Awel

Combining advanced life science research and business development facilities with a state-of-the-art leisure centre, extra care housing and nursing care, Llanelli's Pentre Awel will be among the first developments of its kind. Education and training facilities will be at the heart of the project and will focus on training the next generation of healthcare professionals, all set within landscaped green spaces for cycling, walking and other outdoor activities. Located in an attractive lakeside setting, Pentre Awel is aimed at boosting the local economy, creating new, high-quality jobs and improving people's health and well-being, while also leaving a long-term legacy for local communities and beyond.

**Type:** Local

**Leading Delivery Organisation:** Carmarthenshire County Council

**Budget:** £199.19m

**Thematic Benefit:** Life science and well-being

**Partners:** Hywel Dda University Health Board, Swansea University, Cardiff University, University of Wales Trinity Saint David, Coleg Sir Gar, Pembrokeshire College, Gower College, Swansea University Health Board, ARCH Partnership

## 9 Pembroke Dock Marine (PDM)

Pembroke Dock Marine will create a world class marine engineering fabrication, test and deployment hub, delivering the support and infrastructure needed to further grow Wales' blue economy.

The project expands upon the Swansea Bay City Region's established facilities and extensive skill base, ensuring maximum operational efficiency and increased innovation opportunities, which will help drive down marine energy production costs.

Focusing on the growth of decarbonised energy production, the project includes dedicated early stage and commercial scale test sites, a CATAPULT innovation centre, and industry focused port infrastructure to ensure developers improve the effectiveness, cost efficiencies and installation of their innovative technology.

**Type:** Regional

**Leading Delivery Organisation:** Pembrokeshire County Council

**Budget:** £60.47

**Thematic Benefit:** Economic Acceleration

**SRO:** Steven Jones

**PMO:** Steven Edwards (Interim)

**Project Partners:** The Port of Milford Haven, Marine Energy Wales, Catapult Network, Wave Hub, Pembrokeshire Coastal Forum

## Appendix 2: Power and Influence Stakeholder Matrix

	<b>Keep Satisfied</b> <b>(High Power &amp; Low Influence)</b>		<b>Manage Closely</b> <b>(High Power and High Influence)</b>	
<b>High Power</b>	Regional Local Authority Cabinet Members	UK national TV news outlets	SBCD Primary Stakeholders	UKG Under Secretary of State for Wales
	Regional Council Members (All)	UK national radio news outlets	Joint Committee Members	WG Ministers for Economy & Transport
	Local Authority Ward Members	Wales European Funding Office	Programme Board Members	WG Minister for Finance
	Regional AMs and MPs	Farmers Union for Wales	Economic Strategy Board Members	Regional Learning and Skills Partnership
	UK national media	National Farmers Union	Joint Scrutiny Board Members	Wales Online
			SBCD Project Managers/teams	BBC Online
			Welsh Government SBCD officials	South Wales Evening Post
			UK Government SBCD officials	Western Mail
			UKG Secretary of State for Wales	Private sector project partners
				Regional business community
<b>Low Power</b>	<b>Monitor</b> <b>(Low Influence and Low Power)</b>		<b>Keep Informed</b> <b>(High Influence and Low Power)</b>	
	Regional bloggers	Antur Cymru	Specialist media	Federation of Small Businesses
	Tenants occupying City Deal premises	Institute of Welsh Affairs	Business News Wales	Swansea Bay Business Club
Swansea Civic Society	National Trust	Wales 247	SA1 Waterfront Business Club	
Business Wales	Regional MEPs	Wales Business Insider	Regional supply chain businesses	
Local Authorities economic development teams	Construction Futures Wales Major regional employers	Local radio stations	Regional Town and Community Councils	
		Local newspapers	3 other Welsh City and Growth Deals	
		4theRegion	Oriel Science	
		Regional Business Improvement Districts	Pembrokeshire Coastal Forum	
		Chambers Wales		
		SWIC (South Wales Industrial Cluster)		
		Welsh Government Energy Service		
	<b>Low Influence</b>		<b>High Influence</b>	

## Appendix 3: Key Press and Stakeholder Marketing Contacts

A list of key communications and marketing contacts are shown below, and up-to-date contact details can be requested through the SBCD C&MO. They are updated on a quarterly basis.

### Press Contacts - Regional and Wales-wide:

Title	Name
Wales Online	Richard Youle
Wales Online	Robert Lloyd (News editor)
Wales Online & South Wales Evening Post	Jonathan Roberts
Wales Online	James Arnott (Content editor)
Wales Online & Llanelli Star	Christie Bannon
Wales Online & Carmarthen Journal	Rob Harries
Wales Online & Carmarthen Journal	Ian Lewis
Western Mail	Chris Pyke (Business reporter)
Western Mail	Sion Barry (Business editor)
BBC Online (Wales)	newsonline.wales@bbc.co.uk
BBC Wales newsgathering	newsgathering.wales@bbc.co.uk
BBC	Aled Scourfield
ITV Wales	Dean Thomas (West Wales reporter)
Newsdesk ITV Wales	news@itwales.com
Western Telegraph & Milford Mercury	Bruce Sinclair (Chief reporter)
Western Telegraph & Milford Mercury	Fiona Phillips
Tenby Observer	editor@thetenbyobserver.co.uk
South Wales Guardian	dla@swguardian.co.uk
South Wales Guardian	Clare Snowdon (Reporter)
South Wales Guardian	news@southwalesguardian.co.uk
Guardian	Daniel Laurie
The Wave (Radio)	news@thewave.co.uk
The Wave (Radio)	Emma Grant (News Editor)
South Wales Radio	news@southwalesradio.com
Business News Wales	news@businessnewswales.com;
Business News Wales	Mark Powney
Wales Business Insider/Inside Media	Douglas Friedli
Wales Business Insider/Inside Media	Laurence Kilgannon
West Wales Chronicle	newsdesk@westwaleschronicle.co.uk
Wales 247	Rhys
Wales 247	requests@wales247.co.uk
Llanelli Online	Alan Evans
Cambrian News	Simon Middlehurst (editor)
Trinity Mirror	Gemma Parry (Evening Post)
Trinity Mirror (Star)	Oliver Roderick

Heart FM	Paula Hughes
The Herald	Jon Cole
The Herald	editor@herald.email
Swansea Bay	news@swanseabay.tv
Tivy-Side Advertiser	tivyside@gwent-wales.co.uk
Western Mail	newsdesk@mediawales.co.uk
Mail on Sunday	news@mailonsunday.co.uk
Radio Carmarthenshire	news@nationbroadcasting.wales
Daily Telegraph	dtnews@telegraph.co.uk
The Independent	newsdesk@independent.co.uk
News Wales Service	news@walesnews.com
The Times	home.news@thetimes.co.uk

Below is the circulation figures/reach and geographical areas covered in the main titles which help give an understanding of how many people are exposed to the PR:

Organisation	Frequency	Circulation/Reach Papers: per issue Radio: per week	Area	Source
South Wales Evening Post	Daily	6184 (in 2022)	Swansea, Neath Port Talbot and Carmarthenshire	ABC.org.uk
Western Mail	Daily	6119 (in 2022)	Wales	ABC.org.uk
Llanelli Star	Weekly	2630 (in 2022)	Llanelli and surrounding area	ABC.org.uk
Carmarthen Journal	Weekly	3250 (in 2002)	Carmarthen and surrounding area	ABC.org.uk
Western Telegraph	Weekly	5067 (in 2002)	Pembrokeshire and West Wales	
Wales Online	24/7	unavailable	Wales and beyond	
BBC Radio Wales	24/7	317,000	Wales-wide	RAJAR
BBC Radio Cymru	24/7	164,000	Wales-wide	RAJAR
The Wave	24/7	91,000	Swansea Bay area, including Carmarthenshire and Neath Port Talbot	media.info
Swansea Bay Radio	24/7	24,000	Swansea Bay area, including Carmarthenshire and Neath Port Talbot	RAJAR

Radio Carmarthenshire	24/7	94,700	Carmarthenshire	RAJAR
Radio Pembrokeshire	24/7	27,000	Pembrokeshire	media.info
Heart South Wales	24/7	111,000	South and West Wales	482,000 listeners a week

### Stakeholder Communications and Marketing Contacts:

Organisation	Name	Job Title
Swansea Bay City Deal	Heidi Harries	PoMO Communications and Marketing Officer
Swansea Bay City Deal	Amy James	Digital Infrastructure Business Engagement & Communications Officer
Carmarthenshire County Council	Deina Hockenhull	Head of Marketing and Media
Carmarthenshire County Council	Caio Higginson	Senior Communications Officer
Carmarthenshire County Council	Rebecca Grinstead	Communications Officer
Swansea County Council	Lee Wenham	Head of Communications
Swansea County Council	Greg Jones	Senior Communications & Business Engagement Officer
Neath Port Talbot	Sylvia Griffiths	Strategic Communications and Marketing Adviser
Neath Port Talbot	Robin Turner	Senior Communications Officer
Pembrokeshire County Council	Anthony Topazio	Communications Officer
UK Government in Wales	Sarah Drew	News and Digital Manager
UK Government in Wales	Chris Herdman	Head of News and Digital
Welsh Government	Becky Carr	Chief Press Officer
Swansea University	Jacqui Bowen	Head of Public Relations
Swansea University	Delyth Purchase	Press Office Manager
Swansea University	Richard Lancaster	Communications and Relationship Manager
Swansea University	Megan Chick	Campuses Project Communications Manager
University of Wales Trinity Saint David	Eleri Beynon	Head of Corporate Communications & PR



University of Wales Trinity St David	Rebecca Davies	Executive Press and Media Relations Officer
University of Wales Trinity St David	Lowri Thomas	Principal Communications and PR Officer
Gower College	Marie Szymonski	Marketing and Admissions
Hywel Dda University Health Board	Sundeep Sehijpal	Communications Manager
Swansea Bay University Health Board	Susan Bailey	Head of Communications
Port of Milford Haven	Anna Malloy	Engagement and Communications Manager
Port of Milford Haven	Anna Mullarkey	Marketing and Communications Executive
Port of Milford Haven	Sara Aicken	PR and Communications Executive
Marine Energy Wales	Jess Hooper	Programme Manager
Marine Energy Wales	Abi Beck	Communications Manager
Cardiff Capital Region	Nigel Pompeus	Head of Marketing & Communications
Ambition North Wales	Bethan Airey	Communications and Engagement Officer
Growing Mid Wales	Angharad Massow	Communications Manager



## SBCD Portfolio Communications, Marketing, and Engagement: Protocols & Guidelines Document

**Heidi Harries**, Communications and Marketing Officer  
**Peter Austin**, Business Engagement Manager

**Issue 7: March 2024**

## Contents

1. Introduction.....	3
2. Official Spokespeople .....	3
3. Photography Guidelines .....	3
4. Branding Guidelines .....	4
5. Protocols for Media Communication .....	7
5.1 Portfolio Level Communications .....	7
5.2 Regional Project and Programme Communications .....	7
5.3 Location Specific Projects and Programme Communications .....	8
5.4 Notes for Editors.....	8
5.5 Negative Publicity.....	8
5.6 Additional Information .....	8
6. Protocol for Ministerial Visits .....	9
7. Bilingual Guidance .....	9
8. Social Media Guidelines .....	10
9. Protocol for Website Content .....	10
Appendix 1 Official Spokespersons for SBCD (March 2024) .....	11

## Acronyms

The following acronyms will be used throughout the document.

BEM	Business Engagement Manager
CCC	Carmarthenshire County Council
C&MO	Communications and Marketing Officer
CM&E	Communications Marketing and Engagement
HAPS	Homes as Power Stations
HDUHB	Hywel Dda University Health Board
NPTC	Neath Port Talbot Council
PDM	Pembroke Dock Marine
PCC	Pembrokeshire County Council
PoMO	Portfolio Management Office
PL/PM	Project or Programme Lead/Manager
SRO	Senior Responsible Owner
SILCG	Supporting Innovation and Low Carbon Growth
SBCD	Swansea Bay City Deal
SBCR	Swansea Bay City Region
SBUHB	Swansea Bay University Health Board
SCC	Swansea Council
SU	Swansea University
UKG	UK Government
UWTSD	University of Wales Trinity Saint David
WG	Welsh Government

## 1. Introduction

The Protocols & Guidelines document is a key delivery document which sits within the **SBCD Communications, Marketing and Engagement Implementation Plan** which should be referred to for further information.

The **SBCD Communications, Marketing and Engagement Protocols & Guidelines** document contains the protocols and guidelines to be followed by the Swansea Bay City Deal (SBCD) Portfolio Management Office (PoMO) and the SBCD Project and Programme teams when delivering marketing, communications, and engagement activities for the City Deal.

## 2. Official Spokespeople

Co-ordinated by the SBCD PoMO, the following post holders have been identified as official spokespeople for the SBCD to undertake spoken interviews, press releases quotes and other media relation activity:

- English language interviews should be conducted by the Joint Committee Chairman
- Welsh language interviews should be conducted by a nominated Welsh speaking member of Joint Committee, currently the CCC Leader
- Business Sector opinions should be conducted by the Chair of the Economic Strategy Board.

The designated spokespersons are detailed in Appendix 1

## 3. Photography Guidelines

In most cases photography opportunities arise because of Project and Programme activities and are managed by the project team. The SBCD C&MO will work with the project team to ensure that the relevant people are available for the photograph session. Where possible, the following people should appear:

- Chairman of the Joint Committee or designated deputy.
- Relevant senior members of the organisation(s) leading on the project or programme.
- UKG or WG Ministers and/or Officials if attending.
- Chairman of the Economic Strategy Board or designated deputy if attending.

The C&MO will request that Project and Programme level photography is shared and stored in the relevant PoMO folder and may be used on the SBCD website, social media etc.

Consideration must be given to quality and diversity to encapsulate broad representation of the community, considering demographics, gender and ethnic balance during photographic sessions.

Any other opportunities for photography at Portfolio level will be coordinated by the C&MO and will follow the guidelines above.




## 4. Branding Guidelines

The following SBCD brand guidelines must be adhered too when communicating SBCD related activity. The SBCD branding includes the logo, corporate font, standardised colour schemes and strapline.



### Colours

#### CMYK

	100% cyan
	100% + 60% magenta
	70% cyan + 60% yellow
	30% cyan + 20% black





#### RGB

	0, 159, 227
	0, 92, 169
	69, 179, 132
	162, 195, 214

#### Web

	#009fe3
	#005ca9
	#45b384
	#a2c3d6

#### Pantone

	PMS - 801
	PMS - 300
	PMS - 339
	PMS - 644

### Formats

The logo is available in the following formats:  
**JPEG** for desktop publishing (MS Word, PowerPoint, etc.)  
**EPS** or **TIFF** for high quality printing, **JPEG** or **PNG** for web.  
Requests for the logo should be made to:  
[marketing@carmarthenshire.gov.uk](mailto:marketing@carmarthenshire.gov.uk)



### Font - 'Ubuntu'

Available from:

<http://font.ubuntu.com>  
<https://fonts.google.com/specimen/Ubuntu>

**To be used in web and print projects.**

*Can be downloaded and used freely. Is covered by an Ubuntu Font Licence.*



## Background colours



Try to avoid placing the logo on a coloured background where possible. If this is unavoidable then please use as above or use a white version of the logo on a dark background and a black version on a light background. For electronic usage the logo must appear on a white background.



## Recommended minimum size



To ensure visibility, legibility and accessibility, the logo, wherever possible, should not be used at a width that is less than 40mm as shown left.

## Clear space



Allow for clear space all around the logo equal to the height shown left.

**The logo is bilingual. Regardless of the language of the materials it appears on, neither English or Welsh should be removed.**

The following layouts must be used when displaying City Deal and partner logos on marketing materials. Images at various resolutions are held by the SBCD PoMO and are available on request.

4.1 When only one stakeholder logo is required, they must be displayed as follows:



4.2 When all stakeholder logos are required, they must be displayed as follows:



4.3 When all stakeholder logos and UK Government and Welsh Government logos are required, they must be displayed as follows:



4.4 The portfolio also has its own strapline which should be used where possible:

**Creu ein dyfodol gyda'n gilydd | Creating our future together**

The Welsh Government require funding acknowledgement plaques to be used where WG funding is used to support a project. Further guidance for the use of plaques is forthcoming and will be shared with all stakeholders and project teams by Q2 2024/25.



## **5. Protocols for Media Communication**

With multiple partners involved in the SBCD Portfolio, the following protocols must be followed to manage press releases, media responses and statements, interview opportunities, social media posts and events.

There are three different levels of communication:

- Portfolio Level Communications
- Regional Project and Programme level Communications
- Location Specific Project and Programme level Communications

### **5.1 Portfolio Level Communications**

The SBCD's Communications and Marketing Officer (C&MO) will lead on all media activity at the Portfolio level. This content requires approval from:

- SBCD SRO.
- Chair of Joint Committee.
- SBCD Portfolio Director.
- Relevant Lead delivery organisation press office.
- Relevant SBCD Project SRO and PM.
- UKG and WG press office if governments are quoted.

Appropriate levels of communication sign off will be determined by the Portfolio Director and based on the scope, significance and complexity of the announcement or statement.

The C&MO will ensure that there is a good coverage of quotes included and depending on the communication this could include:

- The Chairman of Joint Committee
- The relevant senior Joint Committee members of the organisation(s) leading the project (e.g. Council Leaders, University, Health Board etc)
- UKG and WG (if relevant)
- Chair of the ESB (if relevant)

All approved press releases are sent for information to Joint Committee, Programme Board and Economic Strategy Board members, and other relevant key stakeholders.

They will also be uploaded onto the SBCD website and shared on social media.

### **5.2 Regional Project and Programme Communications**

The C&MO will lead on all regional projects and programmes media communications and this content will also require approval from those outlined above.

Working closely with the project or programme PM and SRO, all lead delivery organisations will be informed and engaged throughout the process. Roles and responsibilities will be outlined by the C&MO and communicated to all relevant stakeholders.

The lead delivery organisations will be requested to display the press releases bilingually on their website and share / like social media posts.

### 5.3 Location Specific Projects and Programme Communications

For projects and programmes that are location specific, the lead deliverer in conjunction with partner organisations will lead on PR activities. The SBCD PoMO must be informed via the SBCD C&MO during the planning of the activity following which PoMO support can be made available.

Reference to the SBDC must be included in the body of the text as a minimum. Further details should also be included in the footnote/editor's notes.

### 5.4 Notes for Editors

The suggested text to be used for Notes for Editors is:

The Swansea Bay City Deal is an investment of up to £1.3 billion in a portfolio of major projects and programmes across the Swansea Bay City Region, which is being funded by the UK Government, Welsh Government, public sector and the private sector. Over the 15-year lifespan of the portfolio, the City Deal will boost the regional economy by at least £1.8 billion, while generating over 9,000 jobs. The Swansea Bay City Deal is being led by the four regional local authorities - Carmarthenshire Council, Swansea Council, Neath Port Talbot Council and Pembrokeshire Council - together with the Swansea Bay University and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David, and private sector partners.

### 5.5 Negative Publicity

Every effort must be made to proactively deal with negative publicity. Potential issues should be brought to the attention of the SBCD C&MO at an early stage to allow time to prepare a suitable reactive response.

The SBCD Portfolio Director, SBCD SRO and the Joint Committee Chairman will be informed of any potential negative PR and provided with the facts in case they are required to comment. They will be sent links to relevant online stories that are published and provided with hard copies of any that are in print.

- **Portfolio Level:** The SBCD C&MO will lead the response to any negative publicity and be responsible for communicating the information with the relevant SBCD Chairs and partners.
- **Regional Projects and Programmes:** The SBCD C&MO will lead, and work closely with the PM, lead delivery organization press officers and other delivery partners to establish the facts and formulate a response. The PM is responsible for informing the SRO and providing information to the project board members.
- **Location Specific Projects and Programmes:** The lead deliverer will take the lead, working closely with the project partners and project manager, and ensuring that the SBCD C&MO is kept informed. The PM is responsible for informing the Project/Programme SRO and providing information to the project board members.

### 5.6 Additional Information

Representatives of all City Deal project and programme partners will have equal opportunity to give interviews to the media. Where only one person is required for interview, all partners should be informed prior to the interview. All interviews should, wherever possible, reference other City Deal partners and be communicated in Welsh and English.

## 6. Protocol for Ministerial Visits

Ministerial visits may be called:

- I. By the Government Ministers Office
- II. By the SBCD PoMO

It has been agreed with UK Government and Welsh Government that all portfolio, programme and project level ministerial engagements, whether requested by the PoMO or by the Ministers' Office must be led by the SBCD C&MO and the official protocol below must be followed.

Lead delivery organisations must not bypass the PoMO when requesting Ministerial visits relating to SBCD funded activity.

The SBCD C&MO must:

- Liaise with the Government Officials that support the Minister to determine the purpose of the visit and the requirements e.g. timeframe, duration, mode of meeting, attendees.
- Notify the most senior person from the Lead Authority and Lead Deliverer (e.g. Leader/CEx/Vice Principle etc) about the visit and ask them to attend.
- For regional projects and programmes all four Leaders will be invited to attend. If a Leader is unable to attend an alternative date could be considered or suitable political substitute nominated to represent their Local Authority.
- Ensure that the SRO is invited to take part and that the Project Manager supports the arrangements by being involved throughout the communication loop preparations and attends the visit.
- Raise awareness of the request with the Chairs of the governance boards: Programme Board, Joint Committee and Economic Strategy Board. The Chairs will be invited to attend.
- Raise awareness with the WG/UKG so both are invited to attend.
- Keep all stakeholders updated with developments.
- Post event, follow up with supporting Officers to complete any actions.
- Coordinate PR and seek approval as detailed in Section 5.

All roles and responsibilities surrounding the visit will be agreed between the SBCD C&MO and PM. PMs and partner organisations will be required to assist with arrangements for the visit such as location, guest speakers and schedule for the day.

Dates and times must not be confirmed without prior discussion with the PoMO.

The PoMO provides the UKG and WG with a list of key milestones that are identified by the PLs. These are listed in the **SBCD Events and Activity Planner**.

## 7. Bilingual Guidance

All external City Deal communications such as media releases, brochures, adverts, social media, exhibition material and the website should be in Welsh and English to comply with the Welsh Language Standards.

The Welsh language should be positioned so that it may be read first and not be treated less favorably than the English language, in terms of:

- Presentation e.g., use of font, size, colour and format.
- Position and prominence.
- When and how the material is published, made available or exhibited.
- Promotion and availability.

The **SBCD Welsh Language Guidance document (September 2021)** outlines bilingual guidance.

CCC provides the City Deal PoMO with an English to Welsh translation service for larger documents and presentations, and the SBCD Communications and Marketing Officer (C&MO) carries out day to day translations.

Live translation and the rental of translation headsets are required during live events where a speaker plans to present in Welsh.

Lead Delivery Organizations are responsible for arranging their own translation requirements and costs.

## 8. Social Media Guidelines

The SBCD uses Facebook, X (formerly Twitter) and LinkedIn to engage with individuals and businesses on social media. The handles are as follows:

- Facebook: @SBCityDeal
- X: @SBCityDeal
- LinkedIn: - @Swansea Bay City Deal @Bargen Ddinesig Bae Abertawe



The SBCD M&CO is responsible for Facebook and X.

The SBCD BEM is responsible for LinkedIn.

PLs wishing to publish media onto the SBCD social media channels should do so via the M&CO or the BEM.

Orlo is used to centrally manage and schedule content for Facebook and X.

## 9. Protocol for Website Content

The SBCD C&MO is responsible for managing content on the SBCD Website. All text, images, PR and videos shown on the SBCD website must be approved by PLs and the marketing and communications team of the leading organisation before they are uploaded onto the website.

Any updates required by PLs must be communicated to the SBCD C&MO directly or through their project/programme marketing and communications officers.

Any significant /major changes to the website pages planned by the PoMO will be communicated to various governance groups and to PLs prior to changes taking place.

Partners should include bilingual story content on their websites and should also reference SBCD in social posts.

## Appendix 1 Official Spokespersons for SBCD (March 2024)

The following persons have been nominated as spokespersons for SBCD Comms and Marketing purposes:

SBCD Senior Responsible Owner (SRO)	Wendy Walters, Chief Executive of CCC
English language interviews	Joint Committee Chairman Cllr Rob Stewart, Leader of SCC.
Welsh language interviews	Welsh speaking member of Joint Committee, currently Cllr Darren Price, Leader of CCC.
Business Sector opinions	Chair of the Economic Strategy Board, Mr Chris Foxall
SBCD Portfolio Director	Jonathan Burnes

## Joint Committee Work Plan February 2024

## Appendix N

Category	Action	Development Timeframe	JC Board Date	Responsibility
Governance	SBCD Highlight Report	Monthly	All	PoMO / PB / JC
	Joint Committee Meetings	Bi Monthly	Bi Monthly	SBCD PoMO / Democratic Services
	Review PB Chair	TBC	TBC	PoMO / PB / JC
	Joint Committee Forward Work Plan	January 2024`	February 2024	PoMO / JC
	Review Joint Committee Terms of Reference	TBC	TBC	SBCD PoMO /JC
	Declarations of interest - Status Update	November 2023	February 2024	PoMO / PB / ESB / JSC / JC
	Innovation Matrix & Precinct Update	November 2023	February 2024	PoMO / PB / JC
	Revised Monitoring & Evaluation Plan	March 2023	April 2024	PoMO / PB / JC
	Risk Management Strategy	January 2023	April 2024	PoMO / PB / JC
	Evaluation Framework	December 2023	April 2024	PoMO / PB / JC
	Portfolio Business Case Updated	Jan-Mar 24	April 2024	PoMO / PB / JC / UKG&WG
	Campuses Update	February 2024	April 2024	PoMO / PB / JC
	PDM Update	February 2024	April 2024	PoMO / PB / JC
	HAPS Update	March 2024	April 2024	PoMO / PB / JC
	Elect Joint Committee Chair (Annual Basis)	July 2024	June 2024	PoMO / JC
	SBCD Portfolio Gateway Review Recommendation Report	July 2024	September 2024	PoMO / PB / JC
	HAPS Gateway Review	July 2024	September 2024	PoMO / PB / JC
	Review ESB Chair (Annual basis)	October2024	November 2024	PoMO / PB / JC
	SBCD Portfolio Gateway Review Action Plan	September 2024	Quarterly	PoMO / PB / JC
	SBCD Quarterly Monitoring Report	Q1 (April – June), Q2		SBCD PoMO / JC

	<ul style="list-style-type: none"> <li>• Dashboard</li> <li>• Programme / Project activity planned / undertaken</li> <li>• Portfolio Risk Register (Red Risks)</li> <li>• Portfolio Issues Log (Red Issues)</li> <li>• Benefits Realisation Summary</li> <li>• Procurement Pipeline</li> <li>• Communications &amp; Marketing update</li> </ul>	(July – September), Q3 (October – December), Q4 (January – March)		
	Construction Impact Assessment	Monthly	Bi Monthly	PoMO / PB / JC
	SBCD Ministerial Report	Bi Monthly	Bi Monthly	SBCD PoMO / UKG & WG
<b>Comms &amp; Engagement</b>	Comms & Marketing Plan	January 2024	February 2024	PoMO / PB / JC
	SBCD Annual Report	January 2024 - May 2024	July 2024	SBCD PoMO / PB / JC
	SBCD Primary Stakeholder Event / Local roadshows	Oct 2023 - March 2024	TBC	SBCD PoMO / JC
<b>Legal</b>	Joint Committee Agreement amendments	TBC by Monitoring Officer	TBC	PoMO / Legal / JC
<b>Finance</b>	Quarterly Monitoring	Q1, Q2, Q3, Q4	Quarterly	SEC151 Officer / JC
	NNDR Process - Letter confirming approval when process agreed	TBC	TBC	SEC151 Officer / JC
	Wales Audit Outline Plan	July 2024	July 2024	SEC151 Officer / PoMO / JC
	Wales Audit Detailed Plan	October 2024	October 2024	SEC151 Officer / Audit / JC
	Wales Audit Report	TBC	TBC	SEC 151 Officer / JC
	Internal Audit TOR	November 2024	November 2024	SEC151 Officer / PoMO / PB / JC
	Joint Committee Annual	September	November	PoMO / PB /

	Budget	2024	2024	SEC151 Officer / JC
	Financial Statements	April 2024	May 2024	SEC151 Officer / JC
	Operational Revenue Reporting	TBC	TBC	SEC151 Officer / JC



# Agenda Item 11



Swansea Bay City Region Joint Committee - 11 April 2024

## Change Control Procedure & Thresholds

<b>Purpose:</b>	To inform Joint Committee of the proposed Change Control Thresholds for the reporting and approval of Change requirements of the associated programmes and projects within the SBCD and share revised Change Control procedure as at Appendix A.
<b>Policy Framework:</b>	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
<b>Recommendation(s):</b>	It is recommended that Joint Committee:  1. Supports and approves the proposed Change Control Thresholds set out in Table 1 below:
<b>Report Author:</b>	Jon Burnes (SBCD Portfolio Office Director)
<b>Finance Officer:</b>	Chris Moore (SBCD S151 Officer)
<b>Legal Officer:</b>	Debbie Smith (SBCD Deputy Monitoring Officer)

### 1. Background

- 1.1 The SBCD Change Management Procedure is part of the SBCD Portfolio Business Case. Version 1 of the process was endorsed by Programme (Portfolio) Board in January 2021 and approved by Joint Committee in February 2021.
- 1.2 The Change Control Procedure details the potential impacts and benefits for stakeholders, how stakeholders will be engaged to understand the impact (positive or negative) of the change and how the changes will be communicated, implemented and managed.
- 1.3 The Change Control procedure is owned by the Programme (Portfolio) Board and highlights the changes that result from projects and programmes at project, programme and portfolio level.
- 1.4 The process for change management covers all aspects of change that will have an impact to any deliverables, objectives and benefits agreed as part of the

approval process undertaken for all aspects of the Projects, Programmes or the Portfolio.

## 2. Change Thresholds

- 2.1 As a result of the Internal Audit conducted in 2022/23, one of the recommendations was to introduce baseline thresholds for change notifications / requests which would enable a consistent approach across all Programmes/Projects and support the PoMO in gathering the necessary Programme/Project intelligence data.
- 2.2 The PoMO have carried out a review of the Change Control process attached at Appendix A and have in consultation with the SBCD Sec151 Officer defined thresholds for change notifications and requests. Programme (Portfolio) Board have endorsed the proposed thresholds and the PoMO now seek approval from Joint Committee to implement. These thresholds have been endorsed by SBCD Programme (Portfolio) Board on 26<sup>th</sup> Marh 2024.
- 2.3 Change is likely to affect at least one of the following categories as aligned in the Impact Table below:
- **Cost:** Impact the total cost or finance;
  - **Time:** Impact the completion of delivery of output(s)/ key milestones;
  - **Quality:** Impact the quality outlined within the business case for the specified Project/Programme;
  - **Benefits:** Impact the benefits outlined within the business case for the specified Project/Programme;
  - **Portfolio objectives:** Impact the Portfolio objectives including GVA, jobs created or inward investment.
- 2.4 Any changes resulting in a variance in these areas must follow the change control process, it is important to note that changes can be both positive and negative.
- 2.5 Variation to project delivery could include introduction of a new or termination of existing project, or enhancement/reduction to existing project defined in the business case

**Table 1: SBCD Change Thresholds**

1.	Financial/Cost	<ul style="list-style-type: none"> <li>• Variation* in cost by +/- £1m; or</li> <li>• 10% variation* to project element cost</li> </ul>
2.	Time	<ul style="list-style-type: none"> <li>• +/- 3 months variation* to the completion of a key output or milestone of a project</li> </ul>
3.	Quality	<ul style="list-style-type: none"> <li>• Change to scope that affect 1+ of the other thresholds e.g. fabrication, location, purpose of delivery, sustainability (BREAAAM status), etc</li> <li>• Variation to defined project constraints*</li> </ul>
4.	Benefits	<ul style="list-style-type: none"> <li>• Removal or additional of a planned benefit</li> <li>• +/- 10% variation of defined quantifiable benefits*</li> </ul>
5.	Portfolio objectives	<ul style="list-style-type: none"> <li>• +/- 10% variation in the contribution to Portfolio level jobs created, investment or economic impact*</li> </ul>

\*Variation should incorporate changes that are either absolute at a point in time or incremental over time

### **3. Financial Implications**

- 3.1 This procedure outlines protocol for the amendment to the scope and/or objectives of programmes within the Swansea Bay City Deal portfolio. Financial implications could arise in the form of clawback or reduced funding should Portfolio objectives change or fail to be achieved. However, this procedure's purpose is to manage these objectives engaging with UK and Welsh Government to ensure there is a robust process to control any amendment or change to portfolio objectives to reduce or mitigate financial risk.
- 3.2 Welsh government has acknowledged that the portfolio scope and objectives will change overtime.

### **4. Legal Implications**

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

**Background Papers:** None

**Appendices:**

Appendix A: SBCD Draft Change Control Procedure

# Swansea Bay City Deal

## Change Control Procedure

**Document Control**

Note: this document may not be valid anymore.  
Please check for the latest approved version of the document

**Date:** 15/03/24

**Version:** V2.0 [Inclusion of change control thresholds and Reformatting of document, including Change Notification and Change Request templates]

**Author:** Jonathan Burnes

**Owner:** SBCD Programme (Portfolio) Board

<b>Version</b>	<b>Swansea Bay City Deal Change Control Procedure</b>	<b>Name</b>
Draft V2		Page
15/03/24		Author JB

## 1. Purpose

Purpose is to provide an acceptable procedure for the delivery of change requirements for the duration of the Swansea Bay City Deal Portfolio.

## 2. Background

The Swansea Bay City Deal is a Portfolio made up of 9 programmes / projects with delivery across South West Wales by 8 Key Stakeholders, Delivery Partners and Lead Authorities with a projected investment of up to £1.3bn.

Due to the nature of Projects and Programmes there will inevitably be a need for change thus providing the requirement for a change control process.

The Association for Project Management defines change control as *“the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated and then approved, rejected or deferred.”*

The Change Control Process will detail the potential impacts and benefits for stakeholders, how stakeholders will be engaged to understand the impact (positive or negative) of the change and how the changes will be communicated, implemented and managed.

The change control procedure is owned by the Programme (Portfolio) Board and will highlight the changes that result from projects and programmes at project, programme and portfolio level.

## 3. Impact of Change

The process for change management is outlined below and covers all aspects of change that will have an impact to any deliverables, objectives and benefits agreed as part of the approval process undertaken for all aspects of the Projects, Programmes or the Portfolio.

The change is likely to affect at least one of the following categories:

- **Cost:** Impact the total cost or finance;
- **Time:** Impact the completion of delivery of output(s)/ key milestones;
- **Quality:** Impact the quality outlined within the business case for the specified Project/Programme;
- **Benefits:** Impact the benefits outlined within the business case for the specified Project/Programme;
- **Portfolio objectives:** Impacting the Portfolio objectives including Economic Impact (GVA), jobs created or inward investment.

Any changes resulting in a variance in these areas must follow this change control process, it is important to note that changes can be both positive and negative.

## 4. Change log management and collation

As part of the Portfolio Business Case and associated Monitoring and Evaluation Plan the Portfolio Management Office will keep a change log which will record all changes within the Portfolio. Change control reporting will take place for all SBCD Portfolio change and include full summarisation for

<b>Version</b>	<b>Swansea Bay City Deal Change Control Procedure</b>	<b>Name</b>
Draft V2		Page
15/03/24		Author JB

significant change and notification only of minor change, reporting appropriately to the following levels of Governance at the prescribed frequency following the respective project, programme or portfolio board:

- Programme (Portfolio) Board;
- Joint Committee;
- Welsh and UK Government;
- Economic Strategy Board
- Joint Scrutiny Committee

It is therefore a requirement of the individual project or programme to forward their respective change log following their reporting at their scheduled local project or programme board. The Portfolio Management office will then collate this information into a Portfolio Change log for the purposes of reporting, monitoring, evaluating, and informing.

The minimum expected information will include:

- Change ref/ID
- Description of change
- Owner/originator/identifier
- Impact of change – cost, timeline, quality, benefits, portfolio objectives
- Approval status
- Approver/approval level required

## 5. Change Management Process

Ref #	Detail	Timeline	Owner
4.1a	Identification of a potential change within the respective project or programme		Project Leads (PLs)
4.1b	Portfolio level change, not linked to a specific project or programme, will be identified by the Portfolio Management Office (PoMO)		PoMO
4.2	As soon as a change is identified the owner must complete a change identification notification (template contained within appendix) and forward to the Project/Programme Senior Responsible Office (SRO) and PoMO. The notice will include details of the outline areas that will be affected and a brief description of the change.  In the event the change does not need to follow this process and is agreed solely at a project/programme level the lead will notify the PoMO of the relevant aspects of the change to record and report this accordingly in line with the overall portfolio governance arrangements.	2 days	PoMO
4.3	Review and determine whether the change is: <ul style="list-style-type: none"> <li>• Justifiable, acceptable and should proceed for approval.</li> </ul>	3 days	PoMO/PLs/SRO

<b>Version</b>	<b>Swansea Bay City Deal Change Control Procedure</b>	<b>Name</b>
Draft V2		Page
15/03/24		Author JB

	<ul style="list-style-type: none"> <li>Whether the change is significant enough to warrant scrutiny by a Change Advisory Board or can the change be reported and resolved at project/programme level.</li> <li>Agree a realistic timeline for required decision(s).</li> </ul>		
4.4	Add the change to the relevant risk register or issue log and the respective change log, if not already included.	Immediately	PoMO/PLs
4.5	If the change is within the approval thresholds agreed for the project or programme and no Change Advisory Board (CAB) is required the change can be taken to the relevant Project / Programme board (PB) for approval.	Next PB	PLs
4.6	If the change requires scrutiny by a CAB then the board will be convened as part of a planned or ad hoc board, depending on the urgency of the proposed change.	Max. 21 days from agreeing to submit to CAB	PoMO
4.7	The CAB convenes and: <ul style="list-style-type: none"> <li>Ratifies the decision to proceed (if required)</li> <li>Agrees an appropriate level of approval (if above PB) within the threshold levels agreed.</li> </ul>		CAB
4.8	If the Approval level for the change is at project / programme board then the following steps must be followed and if required, an ad hoc PB can be called: <ul style="list-style-type: none"> <li>PB determine suitability of resolution presented and approve change.</li> <li>Once approved the SRO/PL/PoMO reviews change and completes an impact assessment for submission to Portfolio Board and Joint Committee for information.</li> <li>The project or programme team can proceed to implement the change.</li> <li>Update issue log and risk register as required and periodically review impact of change until complete.</li> </ul>	Within 7 days of CAB	PoMO/PLs
4.9	Convene a resolution meeting before escalating to compile all evidence and complete a change request notification		
4.10	If the Approval level for the change is at Portfolio Board then the following steps must be followed – if required an ad hoc PB can be called to agree change: <ul style="list-style-type: none"> <li>Review and amend resolution as required</li> <li>Approve</li> <li>If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required</li> <li>If rejected, follow the General Points below</li> <li>Advise Joint Committee / WG / UKG of the change</li> <li>The project or programme team can now implement the change into their programme</li> <li>Update issue log and risk register as required and continually review change and impacts until complete</li> </ul>	Within 7 days of CAB	Portfolio Board
4.11	If the Approval level for the change is the Joint Committee then the following steps must be followed:	Within 7 days of	Joint Committee

<b>Version</b>	<b>Swansea Bay City Deal Change Control Procedure</b>	<b>Name</b>
Draft V2		Page
15/03/24		Author JB

	<ul style="list-style-type: none"> <li>Review and amend resolution as required</li> <li>Approve</li> <li>If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required</li> <li>If rejected follow the General Point below</li> <li>Advise WG / UKG of the change</li> <li>The project or programme team can now implement the change into their programme</li> <li>Update issue log and risk register as required and continually review change and impacts until complete</li> </ul>	Portfolio Board	
5.8	<p>If the Approval level for the change is Welsh or UK Government then the following steps must be followed:</p> <ul style="list-style-type: none"> <li>Review and amend resolution as required</li> <li>Approve</li> <li>If the change is not approved then either rejection or amendment must be considered. If amendment is required then review and amend as required</li> <li>If rejected follow the General Point below</li> <li>The project or programme team can now implement the change into their programme</li> <li>Update issue log and risk register as required and continually review change and impacts until complete</li> </ul>	Within 14 days of Joint Committee	WG / UKG
General	If at any point a decision to reject the change is agreed then a risk mitigation meeting is to be called immediately to determine the impact of rejection will have and formulate a strategy to reduce the potential impact.		All
General	It is envisaged that this process is suitable for the approval of most change for the overall Portfolio projects and programmes, however in the event that approval of a change is time critical then amendments to this procedure and timelines associated can be agreed at the initial review meeting (4.3) with the agreement of all relevant parties.		

6. Timeline		
Item	Number of Days to action	Cumulative Total Days
Complete and submit Change Identification Template	2 Days	2 Days
Initial Review (SRO, PL, PoMO)	3 Days	5 Days
Change Advisory Board or Project / Programme Board if CAB not required	21 Days	26 Days
<b>ADVISE WELSH/UK GOVERNMENT OF LIKELY CHANGE / REVIEW REQUIREMENTS</b>		
Resolution Meeting to determine preferred solution post CAB	3 Days	29 Days
Portfolio/Programme/Project Board post CAB Review and/or approval	7 Days	36 Days
Joint Committee Review post relevant P3M board review and/or approval	7 Days	43 Days
Welsh/UK Government approval	14 Days	57 Days





<b>Version</b>	<b>Swansea Bay City Deal Change Control Procedure</b>	<b>Name</b>
Draft V2		Page
15/03/24		Author JB

## 7. Risk Management

The PSRO and PoMO must acknowledge receipt of the Identification Notice and agree whether there are potential risks impacting one or all the above aspects of the Portfolio, Programme or Project.

Newly identified risks must be added to the Project/Programme risk register. Existing risks should be updated with the current information of the change and how it increases or decreases risk.

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 a risk mitigation meeting with participants to be agreed by all three stakeholders. During the risk mitigation discussions, 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 assessment 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.

## 8. Change Thresholds

Any changes at a project or programme level can adopt the Change Control Procedure and be reported locally within the Lead Delivery organisations' governance arrangements.

The SBCD requires all projects and programmes to identify and document change from their current Business Case through Change Notifications, which are predominately for information and Change Requests to determine appropriate levels for approval.

The thresholds below in Table 6.1 have been set to help define a significant change and are based on the project/programme costs, time, quality, benefits/deliverables, and Portfolio investment objectives. A variation to project delivery could include introduction of a new or termination of existing project, or enhancement/reduction to existing project defined in the business case.

1.	Financial/Cost	<ul style="list-style-type: none"> <li>• Variation* in cost by +/- £1m; or</li> <li>• 10% variation* to project element cost</li> </ul>
2.	Time	<ul style="list-style-type: none"> <li>• +/- 3 months variation* to the completion of a key output or milestone of a project</li> </ul>
3.	Quality	<ul style="list-style-type: none"> <li>• Change to scope that affect 1+ of the other thresholds e.g. fabrication, location, purpose of delivery, sustainability (BREAAAM status), etc</li> <li>• Variation to defined project constraints*</li> </ul>
4.	Benefits	<ul style="list-style-type: none"> <li>• Removal or additional of a planned benefit</li> <li>• +/- 10% variation of defined quantifiable benefits*</li> </ul>
5.	Portfolio objectives	<ul style="list-style-type: none"> <li>• +/- 10% variation in the contribution to Portfolio level jobs created, investment or economic impact*</li> </ul>

**Table 6.1 SBCD Change Thresholds**

*\*Variation should incorporate changes that are absolute at a point in time or incremental over time.*

<b>Version</b>	<b>Swansea Bay City Deal Change Control Procedure</b>	<b>Name</b>
Draft V2		Page
15/03/24		Author JB

All changes are subject to the terms and conditions set out in the respective funding awards and respective funding agreements.

Within the legal funding agreements there is potential for permissible change to the project scope or outputs providing the changes follow the approved change control procedure. This is detailed within clause **6.3 Project Agreed Outputs** of both primary and secondary funding agreements as outlined below:

*“Any Party to this Agreement may propose a change to the Project Agreed Outputs by serving a Request for Change to the Project Agreed Outputs on the other Party. Such Request for Change to the Project Agreed Outputs on the other Party shall be in writing and shall identify the change proposed. The Project Authority Lead shall submit any Request for Change to the Project Agreed Outputs to the Accountable Body who may request the Joint Committee to seek approval from the Welsh Government. A Request for Change to the Project Agreed Outputs shall not come into effect until it is approved by either the Accountable Body or the Welsh Government”*

## 9. Change Management Templates

Change procedure templates include:

- **Change Identification Notice** – This is to be completed in the event of a change requiring review and or approval by the PoMO/SRO/PL



SBCD CM  
Identification Notice

- **Change Request Notice** – This is to be completed once a solution is proposed and all supporting documentation is available to allow approval of the proposed solution.



SBCD CM Request  
Template.docx

- **Change Confirmation Notice** – This is to be completed and submitted to the PoMO for confirmation of any project changes not following this process for reporting and information purposes – a template to be provided from the respective lead authorities internal processes.