



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, 12 November 2020
Time: 10.30 am
Chair: Councillor Rob Stewart (Swansea Council)

Watch Online: https://bit.ly/3kkkcum

Membership:

Councillors:
Emlyn Dole Carmarthenshire Council
Rob Jones Neath Port Talbot Council
David Simpson Pembrokeshire Council

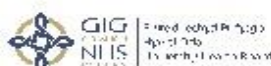
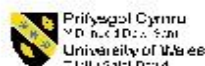
Co-opted Non-Voting Representatives:

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

Agenda

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



5 Public Questions

Questions must be submitted in writing, no later than noon on the working day prior to the meeting. Questions must relate to items on the agenda. Questions will be dealt with in a 10 minute period.

6	Internal Audit Report.	5 - 20
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12	Pentre Awel. (Presentation)	
13	Exclusion of the Public.	135 - 138
14	Pentre Awel Business Case - with Economic Strategy Board Feedback.	139 - 150

Next Meeting: Thursday, 10 December 2020 at 10.30 am



Huw Evans
Head of Democratic Services
Friday, 6 November 2020

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, 10 September 2020 at

10.30 am



Present:

Councillors:

Emlyn Dole	Carmarthenshire Council
Ted Latham	Neath Port Talbot Council
David Simpson	Pembrokeshire Council
R C Stewart	Swansea Council

Co-opted Non-Voting Representatives:

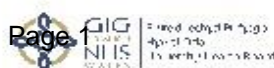
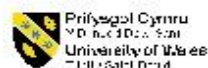
Maria Battle	Hywel Dda University Health Board
Ray Selby	University of Wales Trinity Saint David
Emma Woollett	Swansea Bay University Health Board

Officers:

Richard Arnold	Swansea City Region Finance Manager (Swansea Bay City Region)
Jonathan Burnes	Swansea Bay City Region
Huw Evans	Head of Democratic Services (Swansea Council)
Jason Garcia	Audit Wales
Jon Haswell	S151 Officer (Pembrokeshire Council)
Greg Jones	Communications & Marketing Officer - City Deal (Carmarthenshire Council)
Tracey Meredith	Joint Committee Monitoring Officer (Swansea Council)
Chris Moore	Joint S151 Officer (Carmarthenshire County Council)
Nicola Pearce	Director of Environment (Neath Port Talbot Council)
Phil Roberts	Chief Executive (Swansea Council)
Wendy Walters	Chief Executive (Carmarthenshire Council)

Apologies for Absence:

Councillor(s) Rob Jones (Neath Port Talbot Council)
Medwin Hughes (University of Wales Trinity Saint David), Edward Tomp (Chair of Economic Strategy Board) and Steve Wilks (Swansea University)
Steve Phillips (Chief Executive (Neath Port Talbot Council)) and Ian Westley (Chief Executive (Pembrokeshire Council))



81 Election of Swansea Bay City Region Joint Committee Chair.

The Head of Democratic Services asked for nominations for Chair. A nomination was received for Councillor R C Stewart. The nomination was proposed and seconded.

Resolved that Councillor R C Stewart be elected Chair for the Municipal Year 2020-2021.

Note: The Joint Agreement states that the remaining Leaders of the three Councils act as Joint Vice-Chairs.

Councillor R C Stewart (Chair) Presiding

82 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City & County of Swansea, no interest(s) were declared.

83 Minutes.

Resolved that the Minutes of the Swansea Bay City Region Joint Committee held on 9 July 2020 be signed and approved as a correct record.

84 Announcement(s) of the Chair.

The Chair made no announcements.

85 Public Questions

There were no public questions.

86 Audit Wales Report on Swansea Bay City Region Joint Committee Statement of Accounts (2019/2020).

Jason Garcia, Audit Wales presented the "Audit Wales, Audit of Accounts Report 2019-2020 for the Swansea Bay City Region Joint Committee". The Auditor General is responsible for providing an opinion on whether the Statement of Accounts demonstrate a true and fair view of the position of the Swansea Bay City Region Joint Committee as at 31 March 2020.

Jason Garcia (Audit Wales) responded to questions of a technical nature whilst Chris Moore (Swansea Bay City Region Section 151 Officer) responded to questions relating to the position of the Swansea Bay City Region.

Resolved that:

- 1) The Audit Wales audit of the 2019-2020 Statement of Accounts report for the Swansea Bay City Region Joint Committee be received.

87 Swansea Bay City Region Joint Committee Statement of Accounts (2019/2020).

The Swansea Bay City Region Section 151 Officer (Chris Moore) submitted a report which sought approval of the Swansea Bay City Region Programme's Annual Statement of Accounts 2019-2020.

Resolved that the 2019-2020 post-audited Swansea Bay City Region Statement of Accounts be approved in order to comply with the Accounts and Audit (Wales) Regulations 2014, as amended in 2018.

88 Letter of Representation to Audit Wales.

The Swansea Bay City Region Section 151 Officer (Chris Moore) submitted a report which sought formal acknowledgement of the Swansea Bay City Region Section 151 Officer's letter of Representation to Audit Wales.

Resolved that the Swansea Bay City Region Section 151 Officer and Chair of Joint Committee's Letter of Representation to Audit Wales be acknowledged.

89 Financial Monitoring Report 2020/21 - Swansea Bay City Deal Outturn Position.

The Swansea Bay City Region Section 151 Officer (Chris Moore) submitted a report which informed of the year end forecast outturn position in respect of the Portfolio Management Office (PMO), Accountable Body, Joint Committee and Joint Scrutiny Committee administration functions.

Resolved that the annual accounts of the Swansea Bay City Region be reviewed.

90 External Review into the Swansea Bay City Deal Programme.

The Swansea Bay City Region Programme Director submitted a report which informed of the Swansea Bay City Region Peer Review outcome and recommendations.

Resolved that the external peer review report be approved and that the Swansea Bay City Region Portfolio Management Office be authorised to implement an action plan based on the six recommendations.

91 Economic Strategy Board Chair and Vice Chair.

The Swansea Bay City Region Programme Director submitted a report which informed of a temporary change of Chair and the appointment of a Vice-Chair of the Economic Strategy Board (ESB).

Resolved that:

- 1) The appointment of Chris Foxall as Chair of the ESB for a period of up to 6 months be approved.
- 2) The appointment of Amanda Davies as Vice-Chair of the ESB for a period of up to 6 months be approved.

- 3) Both appointments be reviewed after 6 months or at such time as necessary.

92 Swansea Bay City Deal Projects Update. (Verbal)

The Swansea Bay City Region Programme Director provided an update on the projects forming part of the City Deal Programme. Those projects include:

- Digital Infrastructure;
- Homes as Power Stations;
- Life Science & Well-being Campuses Project;
- Life Science & Well-being Development Planned for Llanelli;
- Pembroke Dock Marine;
- Skills & Talent;
- Supporting Innovation & Low Carbon Growth;
- Swansea City and Waterfront Digital District;
- Yr Egin.

Resolved that the updates and the progress be noted.

The meeting ended at 11.27 am

Chair

Agenda Item 6



Swansea Bay City Region Joint Committee – 12 November 2020

Internal Audit Report

Purpose:	To inform Joint Committee of the findings and actions of an internal audit review into the SBCD Programme
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Consultation:	Programme Board
Recommendation(s):	It is recommended that Joint Committee:
1)	Notes the findings and actions of the internal audit review into the SBCD Programme
Report Author:	Chris Moore (SBCD S151 Officer)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

- 1.1 An audit review of the Swansea Bay City Deal (SBCD) has been carried out as agreed by the Swansea Bay City Deal Joint Committee.

2. Internal Audit

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

Audit Scope

Area	Description
Governance:	<ul style="list-style-type: none"> Follow-up of SBCD Internal Review of Governance Arrangements & Independent Review (by Actica) Legal Agreement & Policy Framework Organisation Structure
Financial Management:	<ul style="list-style-type: none"> Core Funding & Grant Funding
Risk Management:	<ul style="list-style-type: none"> Risk Appetite & Risk Management Methodology
Internal Control:	<ul style="list-style-type: none"> Project Management, Monitoring & Deliverability

- 2.2 The internal audit report has determined an audit assurance rating of Moderate. This will require strategic or operational action. This report will be presented to the Joint Committee within the current financial year (2020/21), having been subject to delay in the 2019/20 financial year due to the Covid-19 crisis.
- 2.3 The Strategic and Annual Audit Plans are approved by Joint Committee annually and regular reports are made to the Joint Committee throughout the year on progress and any significant weaknesses identified.
- 2.4 In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.
- 2.5 The internal audit review into the Swansea Bay City Deal concluded the following recommendations:

<u>Audit Element</u>	<u>Recommendation</u>	<u>Timescale for Action</u>
GOVERNANCE	The role of the Portfolio Management Office needs to be documented, and posts need to be filled as soon as possible, to allow them to carry out their role effectively of analysing business cases prior to approval and monitoring project delivery.	31/12/2020
GOVERNANCE	Governance arrangements need to be strengthened further in terms of documenting the risk management methodology and risk appetite, an information sharing protocol, counter fraud procedures, due diligence and anti-money laundering arrangements, and recording of declarations of interest/gifts and hospitality for all Senior Officers and Members.	31/12/2020
FINANCIAL MANAGEMENT	Formal agreements should be signed with partners who have not signed up as part of the Joint Committee Agreement (i.e. universities and health boards). All contributions due should then be paid or appropriate escalation/action taken.	31/01/2021
FINANCIAL MANAGEMENT	Funding agreements should cover the terms and conditions of the current tranche of grant funding and any terms and conditions associated with future funding releases (a clause to this effect could be added to the funding agreements to cover this).	Completed
FINANCIAL MANAGEMENT	Funding should be awarded in line with the Joint Committee Agreement (i.e. 1/15 allocation) or the actual funding distribution method should be formally approved by the Joint Committee (the Joint Committee Agreement should be amended when appropriate to reflect the actual funding distribution method).	31/03/2020
FINANCIAL MANAGEMENT	A decision on how to treat any interest received on the Programme Investment Fund needs to be made and formally approved by the Joint Committee.	Completed
INTERNAL CONTROL	Progress monitoring reports (showing progress against milestones and targets) should commence as soon as possible to ensure project delivery is monitored and any potential issues are identified and reported on a regular basis.	Completed

3. Financial Implications

- 3.1 Financial implications as appropriate are detailed within the report and are linked to the recommendations.

4. Legal Implications

- 4.1 There are no legal implications associated with the report other than any change to the Joint Committee Agreement will need to be approved by all relevant parties.

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

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

Background Papers: None

Appendices:

Appendix 1: Internal Audit Report 2019/20

SWANSEA BAY CITY DEAL

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Report Issued to:

Chris Moore, Swansea Bay City Deal Section 151 Officer

Report Copied to:

Richard Arnold, Swansea Bay City Deal Finance Manager

Report Copied to:

Tracey Meredith, Swansea Bay City Deal Monitoring Officer

Auditor:

Justin Blewitt, Senior Auditor

Rationale for Audit:

Annual Risk Based Review

Internal Audit Report No:	19110 (2019-20)
Assurance Rating	Moderate
Fieldwork Completed	28 February 2020
Draft Report	05 March 2020
Management Comments	17 August 2020
Final Report Issued	28 September 2020

¹ Delay between Final Report Issued and Management Comments was due to report being taken to Programme Board (taken on 24 September 2020)

Introduction and Objectives

An audit review of the Swansea Bay City Deal (SBCD) has been carried out as agreed by the Swansea Bay City Deal Joint Committee. The audit aims to provide assurance that the Swansea Bay City Deal has adequate governance, internal control, risk management and financial management arrangements in place, which are operating effectively and assisting it to achieve its objectives.

Audit Scope

Governance:	<ul style="list-style-type: none">• Follow Up of SBCD Internal Review of Governance Arrangements & Independent Review (by Actica)• Legal Agreement & Policy Framework• Organisation Structure
Financial Management:	<ul style="list-style-type: none">• Core Funding & Grant Funding
Risk Management:	<ul style="list-style-type: none">• Risk Appetite & Risk Management Methodology
Internal Control:	<ul style="list-style-type: none">• Project Management, Monitoring & Deliverability

Methodology

<ul style="list-style-type: none">• Review of supporting documentation
<ul style="list-style-type: none">• Review of ledger and systems
<ul style="list-style-type: none">• Interviews with relevant officers
<ul style="list-style-type: none">• Sample testing

Executive Summary

The Swansea Bay City Deal (SBCD) is now in a much better position to drive the programme forward. Good progress has been made in implementing the recommendations of the internal and independent reviews (including the appointment of a Programme Director, division of statutory functions, and creation of a Portfolio Management Office {PMO} structure). Further improvements to the governance and risk management arrangements, the prompt appointment of the PMO team, and approval of business cases to Green Book standard, will ensure the programme continues to progress and funds continue to flow to the region. With continued progress, this should provide further assurance on the arrangements in place going forward.

Financial performance has been within budget for each year to date (and is forecast to be within budget for 2019-20), resulting in a surplus of £172,797 at the end of 2019-20 (without use of the 1.5% top slice of grant). There is a need to ensure all partner contributions are received in full, funding agreements are signed as soon as possible (to allow funds to be passed to Authorities), the funding allocation method is formally approved by the Joint Committee, and a decision made on how to deal with any interest earned on grant funding received.

Risk management arrangements are in place but there is an opportunity to strengthen these further with a clear and consistent risk management methodology. As projects now start to progress, it is important that regular progress monitoring reports are submitted to the PMO, Programme Board, Economic Strategy Board (ESB) and Joint Committee to ensure delivery is on track, key milestones and targets are being met, and any issues impeding delivery are identified and reported. To ensure continued good publicity and support for the programme, it is important to ensure processes are in place going forward to monitor and report on the delivery of expected outputs/benefits, to clearly evidence achievement of the original project and programme objectives and value added to the region by the SBCD.

It should be noted that the first tranche of funding (£18million) has only recently been received, and that the PMO and majority of projects are very much still in their infancy; as such there is currently very little to review in terms of central expenditure and project monitoring.

GOVERNANCE

The majority of recommendations made in the Swansea Bay City Deal Internal Review and the Swansea Bay City Deal Independent Review by Actica have been completed in full or good progress has been made. A small number of actions are ongoing (mainly on hold awaiting Programme Director input once he commences in post) and require further work to ensure they are fully addressed (refer to Appendix A and B).

A Programme Director has been appointed (commencing March 2020) and a draft Portfolio Management Office (PMO) structure has been produced. However, the role of PMO has not yet been documented and only 3 appointments have been made to date (including the Programme Director). Assurance was given that these will be addressed once the Programme Director is in post to allow them to have input. It is important that posts are appointed and the role of the PMO is documented as soon as possible to enable the PMO to carry out its role effectively going forward as projects require approval and the deal progresses.

The recent reviews of the Swansea Bay City Deal highlighted that one Authority was carrying out too many functions. In May 2019, the Joint Committee agreed the division of statutory functions between the 4 Local Authorities and it was agreed that these services would be provided as a "benefit in kind". However, in reality, the costs associated with each function (absorbed by Local Authorities) are not equitable, and a proposal is being taken to Joint Committee in the next few months for these costs to be funded out of the deal from the next financial year in order to address the inequity.

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RECOMMENDATION

The role of the Portfolio Management Office needs to be documented, and posts need to be filled as soon as possible, to allow them to carry out their role effectively of analysing business cases prior to approval and monitoring project delivery.

Grade: Critical

MANAGEMENT RESPONSE

The role of the PMO is detailed within the Programme Business Case.

Four new posts have been agreed (JC – 11 June 2020) to be recruited into the PMO and are currently being advertised.

Responsible Officer

Jonathan Burnes

Timescale for Action

31 December 2020

GOVERNANCE

Further work is required to enhance the improvements to governance which have already been made. The risk management methodology and risk appetite have not yet been set (currently being reviewed), and the arrangements for counter fraud, due diligence and anti-money laundering also need to be clarified and documented (e.g. follow Accountable Body procedures or each Authority following their own procedures). Whilst the Joint Committee Agreement makes reference to data protection and confidentiality, a specific information sharing protocol has not been documented. Declarations of interest are in place for Co-opted Members of the Economic Strategy Board (made up of private sector representatives) but not for other Officers & Members, and a register of gifts/hospitality is not currently maintained.

The Joint Committee Agreement sets out the arrangements for Local Authority partners. However, there is no similar agreement for non-Local Authority partners (e.g. Universities and Health Boards) setting out what is expected of them (including any financial contributions) and the actions to be taken if these expectations are not fulfilled (refer to recommendation in Financial Management Section regarding formal agreements with partners who have not signed up as part of the Joint Committee Agreement).

RECOMMENDATION

Governance arrangements need to be strengthened further in terms of documenting the risk management methodology and risk appetite, an information sharing protocol, counter fraud procedures, due diligence and anti-money laundering arrangements, and recording of declarations of interest/gifts and hospitality for all Senior Officers and Members.

Grade: Critical

MANAGEMENT RESPONSE

Anti-money laundering and counter fraud policy currently in development.

A data base of declaration of interests has been compiled for senior members and will be updated annually by the PMO.

Risk management and risk appetite will be documented within the Programme Business Case.

Responsible Officer

Jonathan Burnes

Timescale for Action

31 December 2020

FINANCIAL MANAGEMENT

Of the 8 £50k partner contributions for 2019-20, 2 remain outstanding (£25k outstanding from 2018-19 also). An update was provided at the time of the draft response to state that all 2019-20 contributions have now been received, with just the £25k from 2018-19 remaining outstanding.

Budget setting and forecasts are largely based on estimates (as there has been no previous history to inform these), and assurance was given that the 2020-21 budget would be reported to Joint Committee for approval prior to the start of the financial year (this was delayed due to the COVID-19 crisis and was agreed by Joint Committee on 9 July 2020). Budgets are monitored on a regular basis and it is hoped that there will be a clearer picture of actual expenditure at the end of the financial year which will help inform the budget setting process going forward. The budget will also need to be reviewed with the Programme Director once he commences in post. An update was provided during the draft response stating this was done.

Financial performance has been within budget for each year to date (and is forecast to be within budget for 2019-20), resulting in a surplus of £172,797 at the end of 2019-20 (without use of the 1.5% top slice of grant). The total reserve figure resides at £272,668.

There has been minimal expenditure and transactions to date in relation to the payment of employees, purchases, and compliance with standing orders. Of the transactions that had taken place in 2019-20, only a small number of minor anomalies were noted including a duplicate payment (£32) and an IT purchase (£68.40) where budget holder approval was not evident (retrospective approval was provided during the audit).

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RECOMMENDATION

Formal agreements should be signed with partners who have not signed up as part of the Joint Committee Agreement (i.e. universities and health boards). All contributions due should then be paid or appropriate escalation/action taken.

Grade: Important

MANAGEMENT RESPONSE

PMO will review the role and formal membership of the co-opt members. It should be noted that formal partners have taken an active role in the Joint Committee for the previous two years. All partners have fully paid contributions with the exception of £25k.

Responsible Officer

Jonathan Burnes

Timescale for Action

31 January 2021

FINANCIAL MANAGEMENT

Funding agreements (3 separate agreements) are currently in the process of being drafted by Geldards. The agreement between the Accountable Body and Lead Authorities did not include a small number of items (Schedule 2 – Form of Funding Agreement and the clause allowing the audit of expenditure) and assurance was given that these would be added. An update was provided at the time of the draft response to state that funding agreements had been approved by Joint Committee (11 June 2020) and these items had been included.

Schedule 4 (Terms and conditions of award of funding) is to be inserted in to the agreement for each Authority at the time of signing (e.g. the current terms and conditions will be included for Swansea & Carmarthenshire as their projects have been approved and they will be receiving funding from the initial £18million grant received). There is a risk that compliance with any future terms and conditions (as part of future funding releases) will not be covered by this funding agreement (unless a new funding agreement is signed each time which would not be ideal).

The Joint Committee Agreement states that funding will be allocated based on 1/15 of the allocated sum per project. However, funding is not actually planned to be distributed exactly in accordance with this (due to grant funding not being released on a straight line basis), with Authorities actually getting slightly more than 1/15. The actual methodology used is the “project % of total grant award for the programme” multiplied by the amount of grant funding received in that tranche.

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RECOMMENDATION

Funding agreements should cover the terms and conditions of the current tranche of grant funding and any terms and conditions associated with future funding releases (a clause to this effect could be added to the funding agreements to cover this).

Grade: Important

Funding should be awarded in line with the Joint Committee Agreement (i.e. 1/15 allocation) or the actual funding distribution method should be formally approved by the Joint Committee (the Joint Committee Agreement should be amended when appropriate to reflect the actual funding distribution method).

Grade: Important

MANAGEMENT RESPONSE

This was included within the approved funding agreements (JC 11th June 2020)

The additional money is going to be used to strengthen the service. The 1/15th is only a technicality and likely to change going forward on fluctuation of government grant. The JCA will be amended to direct the award of grant on a proportionate basis over 15 years and not a straight-line 1/15th basis.

Responsible Officer

Chris Moore

Timescale for Action

31 March 2021

FINANCIAL MANAGEMENT

For example, for Swansea City & Waterfront Digital District:

	JCA Methodology	Actual Methodology
Total SBCD Award <i>£241m less 1.5% top slice of grant</i>	£237.39m	£237.39m
Total Project Award <i>£50m less 1.5% top slice of grant</i>	£49.25m	£49.25m
1st tranche of funding <i>£18m less 1.5% top slice of grant</i>	£17.73m	£17.73m
Grant Award from 1st tranche of funding	£3.28m	£3.68m
Method of Calculation	1/15 of total project award <i>(i.e. £49.25m/15)</i>	Project % of Total SBCD Award x 1 st tranche of funding <i>(i.e. {£49.25m/£237.39m} x £17.73m)</i>

No funding has been distributed to Authorities to date as funding agreements are currently being drafted and have not yet been signed. Internal Audit was informed that the £18 million received to date (the Programme Investment Fund) has been pooled in line with Carmarthenshire County Council's approved Treasury Strategy (as the Accountable Body) to optimise the return, and interest will be calculated at an average rate and ring-fenced to the City Deal at year end. Internal Audit was informed that Wales Audit Office are currently reviewing this area.

There has not yet been a decision on how to treat interest earned on the Programme Investment Fund, and it is envisaged that a report submitting options on this will be reported to Joint Committee in the near future.

RECOMMENDATION

A decision on how to treat any interest received on the Programme Investment Fund needs to be made and formally approved by the Joint Committee.

Grade: **Opportunistic**

MANAGEMENT RESPONSE

This was agreed at JC 11/06/2020.

Responsible Officer

Chris Moore

Timescale for Action

Complete

RISK MANAGEMENT

There is not currently a documented risk management methodology/strategy which clearly sets out the process and procedures for recording and reporting key risks, the risk appetite and risk tolerance levels (a risk scoring methodology has been documented). Internal Audit was informed that risk management is currently being reviewed.

A Swansea Bay City Deal Programme Risk Register is in place and is reported to Joint Committee and Joint Scrutiny Committee on a regular basis (a Programme Issue Log setting out the most significant risks for each project accompanies this). Project Leads are responsible for maintaining project risk registers but these do not have to follow a format or methodology consistent with the Programme Risk Register and do not get reported in full (Project Leads would inform the Portfolio Management Office of what they feel are the highest risks).

Ideally, the Portfolio Management Office would be provided with the full project risk registers on a periodic basis as they may have alternative opinions on what the highest risks are to feed into the Programme Issue Log and Programme Risk Register (in an ideal scenario the project risk registers would all be in a consistent format and follow the same methodology as the Programme Risk Register to allow ease of comparison and escalation).

RECOMMENDATION

Refer to recommendation in Governance Section regarding governance arrangements.

MANAGEMENT RESPONSE

Not applicable

Responsible Officer

Not applicable

Timescale for Action

Not applicable

INTERNAL CONTROL

Business cases (following the 5 case business case model) are documented for each project setting out the need, aims, objectives, benefits, project plans, and key milestones. An overarching Implementation Plan and Monitoring & Evaluation Plan (currently at draft and will be subject to review by consultants to develop it further) are in place and good progress has been made recently, with 2 business cases approved, 1 submitted to Governments for approval, 1 approved by the Joint Committee ready for submission to Governments, and plans in place for the submission of the remaining business cases.

Project delivery lies with the Lead Authorities and the process for monitoring progress is documented in the Joint Committee Agreement. This involves Project Leads submitting quarterly progress reports (showing progress against key milestones and targets) to the Portfolio Management Office (PMO), Programme Board, Economic Strategy Board (ESB) and Joint Committee prior to submission to Governments. This process has not yet formally commenced as the completion of signed funding agreements have been awaited. Once projects are complete, it is important to ensure processes are also in place to monitor the delivery of expected outputs/benefits to evidence the achievement of original objectives and value added to the region by the Swansea Bay City Deal.

As mentioned in the Risk Management section, Project Risk Registers are maintained and project leads relay key risks to the Portfolio Management Office (PMO) for reporting to Joint Committee. This process would be improved if risk registers were shared in full to allow the PMO and Joint Committee to make their own assessment of risks and mitigating actions. The full risk register and issue log is compiled by the PMO and shared with the JC & JSC.

RECOMMENDATION

Progress monitoring reports (showing progress against milestones and targets) should commence as soon as possible to ensure project delivery is monitored and any potential issues are identified and reported on a regular basis.

Grade: Critical

MANAGEMENT RESPONSE

Monitoring and evaluation plan now developed and implemented (Approved JC – 9th July 2020).

Issue log and risk register has been in operation and reported on a regular basis and managed at project level.

Responsible Officer

Jonathan Burnes

Timescale for Action

Complete

Ongoing Recommendations from Swansea Bay City Deal Independent Review (Actica)

RECOMMENDATION	CURRENT STATUS
The Regional Office should be designated as a Portfolio Management Office, leveraging their skills with experienced Portfolio/Programme/Project Management (P3M) specialists.	The Regional Office has now been designated as a Portfolio Management Office (PMO) and the Joint Committee Agreement (JCA) has been amended. However, Schedule 15 of the JCA (Role of the Portfolio Management Office) has not yet been completed - awaiting input from the new Programme Director once they commence in post. Similarly, appointments to the PMO have not yet taken place as awaiting input from the Programme Director. The Programme Director will review the PMO structure and budget once in post to confirm it is fit for purpose.
The City Team should (with the support of the Welsh Government Assurance Hub and IPA as necessary) put in place a best practice Integrated Assurance and Approval Plan (IAAP) for the Portfolio. All parties should specifically consider the OGC Gateway™ Review process as a key part of that plan.	Now following the OGC Gateway Review process. A draft Integrated Assurance and Approval Plan (IAAP) has been produced. A meeting was held with Welsh Government recently to review this and a further meeting is planned (after some additional work has been carried out to ensure this reflects project level as well as programme level). Update at time of draft response: The meeting happened on 17 th Feb, Regional meetings were undertaken in May to communicate the gateway process to project management teams.
The SBCD should be managed as a Portfolio not as a set of predetermined and immutable projects.	A number of projects have been reviewed and updated to ensure continued relevance to the City Deal portfolio. Once in place, the Programme Director and PMO (with the assistance of consultants) will carry out a stock take of the current programme to ensure a portfolio approach.

Ongoing Recommendations from Swansea Bay City Deal Internal Review of Governance Arrangements

RECOMMENDATION	CURRENT STATUS
<p>Redistribution of roles and functions to ensure an equitable balance across the SBCD Partnership, each acting as a check and balance for the other.</p>	<p>Roles and functions have been redistributed across the partnership (Pembrokeshire-Audit, Swansea-Monitoring Officer & Democratic Services, Neath Port Talbot-Scrutiny, Carmarthenshire-Accountable Body, Employing Authority & Section 151 Officer). However, these are currently given as benefits in kind which is not equitable as the services provided by each Authority are at different levels. It is proposed to bring these back into the budget to address this inequity. Update at time of draft response: These will be re-included from financial year 20/21 forward (JC - 11/07/2020).</p>
<p>Page 10 The local approach to the delivery of the SBCD projects needs to take account of the interdependencies across the Programme. Consideration should also be given to contingency plans if Government funding is withdrawn at a later date.</p>	<p>A number of projects have been reviewed and updated to ensure continued relevance to the City Deal portfolio. Once in place, the Programme Director and PMO (with the assistance of consultants) will carry out a stock take of the current programme to ensure a portfolio approach.</p> <p>There are no contingency plans in place if Government funding is withdrawn as it is felt that the Government have committed to the funding and the risk is with the Authorities (which was agreed at the outset) and will be fed into the funding agreements.</p> <p>Update at time of draft response: Financial obligations sit with Local Authorities, therefore should Government funding be withdrawn it would fall to the Local Authority to support the funding gap. Also there are clauses within the JCA and the Grant T&C refer to support with remedy to any adverse event a project is exposed to. Clawback will only be triggered as a last resort.</p>

RECOMMENDATION	CURRENT STATUS
<p>The Joint Committee, as a conduit for regeneration of the Region, needs to further establish its own identity in terms of overarching standard operating principles, values and expected practice. Key areas for consideration are highlighted within the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 for such a Partnership and include:</p> <ul style="list-style-type: none"> • Agreed risk appetite of the Partnership • Agreed risk management methodology; • Establishing the ethical values and framework; • Counter fraud, corruption & bribery procedures; • Due diligence and anti-money laundering arrangements; • Programme/project management methodology; and • Overarching record of declarations of interest and offers of gifts and hospitality by all Officers and Members. 	<p>Risk management methodology and risk appetite not yet been set – this is under review at the moment. Arrangements for counter fraud, due diligence and anti-money laundering also need to be clarified and documented (e.g. follow Accountable Body procedures or each Authority following their own procedures). Declarations of interests are in place for Co-Opted Members of the Economic Strategy Board but not for all Senior Officers and Members. No record of gifts and hospitality.</p>

ASSURANCE RATINGS

Level of Assurance	Description	Standard Circulation
Substantial	There are no or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur or their impact is not likely to affect the achievement of the SBCD objectives.	Finance Manager/ Section 151 Officer/Monitoring Officer Programme Board/Joint Committee
Moderate	There are some weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, but these are unlikely to have a significant effect on the achievement of the SBCD objectives.	Finance Manager/ Section 151 Officer/Monitoring Officer Programme Board/Joint Committee
Limited	There are a number of weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, which, in aggregate, could have a significant effect on the achievement of the SBCD Objectives.	Finance Manager/ Section 151 Officer/Monitoring Officer Programme Board/Joint Committee

RECOMMENDATION GRADING

Seriousness	Action Required
Critical	High risk that requires prompt strategic or operational action.
Important	Medium risk that requires strategic or operational action.
Opportunistic	Potential to strengthen the service by taking advantage of a situation

Low level findings will be reported during the exit interview.

LIMITATIONS IN ASSURANCE

It should be noted that full testing was not undertaken as part of this audit review, therefore the results should be considered in this context.

ACKNOWLEDGEMENT

We would like to take this opportunity to thank all staff involved for their co-operation during the audit review.

CONTACT DETAILS

If the Internal Audit Service can be of any further assistance please contact:

- Matthew Holder, Audit, Risk & Counter Fraud Manager
- Jo Hendy, Chief Audit, Risk & Information Officer

Agenda Item 7



Report of the Head of Democratic Services (Swansea Council)

Swansea Bay City Region Joint Committee – 12 November 2020

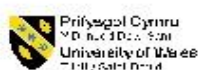
Swansea Bay City Region Joint Committee – Future Dates 2021-2022

Purpose:	The last diarised meeting of the Swansea Bay City Region Joint Committee is scheduled for 15 April 2021. This report seeks to extend the scheduled meetings until 7 April 2022.
Policy Framework:	None.
Consultation:	All 4 Council Leaders & All 4 Chief Executives, Joint Committee Monitoring Officer & Joint Committee Section 151 Officer.
Recommendation(s):	It is recommended that: 1) The future dates as outlined in Paragraph 3.3 of the report be approved.
Report Author:	Huw Evans
Finance Officer:	Chris Moore
Legal Officer:	Tracey Meredith
Access to Services Officer:	N / A

1. Introduction

1.1 The last diarised meeting of the Swansea Bay City Region Joint Committee is scheduled for 15 April 2021. This report seeks to extend the scheduled meetings until 7 April 2022.

1.2 Following consultation with the four Leaders of Council, four Chief Executives, Joint Committee Monitoring Officer and the Joint Committee



Section 151 Officer, a schedule of Joint Committees for 2021-2022 is outlined below.

2. Rationale for Dates of Joint Committees

2.1 The Swansea Bay City Region Joint Committee (where possible) be held on the 2nd Thursday of the Month (avoiding Easter 2022).

3. Swansea Bay City Region Joint Committee Future Dates 2020-2021

3.1 The Swansea Bay City Region Joint Committee meetings will commence at 10.30 and last for approximately two hours.

3.2 They will be held in the Guildhall, Swansea; however the Chair may vary this as required. Where possible and subject to legislative regulations, they will also be held remotely.

3.3 Future Dates (*Meetings Dates in Italics previously Agreed*)

<i>10 December 2020</i>	10 June 2021	9 December 2021
<i>14 January 2021</i>	8 July 2021	13 January 2022
<i>11 February 2021</i>	12 August 2021	10 February 2022
<i>11 March 2021</i>	9 September 2021	10 March 2022
<i>15 April 2021</i>	14 October 2021	7 April 2022 1 st Week of April to avoid Easter
13 May 2021	11 November 2021	-

3.4 Pembrokeshire Council are unable to attend the meetings on 10 December 2020 and 12 August 2021. It is proposed that these meetings be diarised; however consideration be given closer to the time as to whether they actually take place.

4. Equality and Engagement Implications

4.1 There are no equality and engagement implications associated with this report.

5. Financial Implications

5.1 There are no financial implications associated with this report.

6. Legal Implications

6.1 There are no legal implications associated with this report.

Background Papers: None.

Appendices: None

Agenda Item 8



Swansea Bay City Region Joint Committee – 12 November 2020

Swansea Bay City Deal Procurement Principles

Purpose:	For Joint Committee to consider the final draft of the Procurement Principles for SBCD project procurement
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Consultation:	Programme Board Regional Local Authorities
Recommendation(s):	It is recommended that Joint Committee: 1) Approves the final draft Procurement Principles for SBCD project procurement
Report Author:	Peter Austin (SBCD Business Engagement Manager)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

- 1.1 Following concerns in some quarters regarding the transparency of public sector procurement and its perceived lack of benefit to regionally based suppliers, it was agreed that the Swansea Bay City Deal (SBCD) would review its procurement activities.
- 1.2 It was agreed by Programme Board that a set of Procurement Principles should be drafted for the SBCD projects.
- 1.3 It is accepted that public sector procurement is bound by the UK Public Contracts Regulations 2015, the Wales Procurement Policy Statement 2015 and the European Public Contracts Directive 2014/24/EU, as well as the procurement policies of each Local Authority.

- 1.4 The Procurement Principles encourage SBCD 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.
- 1.5 Where SBCD project procurement is undertaken by an organisation other than a Local Authority lead body, those organisations are requested to consider how the Procurement Principles can be aligned to their own procurement policies.
- 1.6 Given the role of the City Deal in aiding regional economic recovery post Covid-19, it is imperative that all City Deal procurements are open to regionally based suppliers wherever possible.
- 1.7 The Procurement Principles extend beyond the initial construction phase and, where appropriate, apply to the operational service of the assets when built.

2. Background

- 2.1 A period of consultation, undertaken over the past 18 months, has led to the drafting of the Procurement Principles. Consultees included construction industry representatives, Welsh Government officials, local authority legal and procurement officers, and SBCD project leads.
- 2.2 In August 2019 the Economic Strategy Board (ESB) led a workshop for representatives of the construction industry and business organisations. Key messages from this workshop were the need for:
 - Effective communication and advance notification of forthcoming procurement notices
 - Fair treatment of the supply chain by Tier 1 contractors
 - Large contracts to be broken down in order that regional contractors could tender for work
- 2.3 The draft Procurement Principles have been considered by the Economic Strategy Board, who have advised that projects should use procurement to achieve regional supply chain growth and net carbon zero targets.
- 2.4 The ESB are especially keen to see projects working together on collaborative purchasing, where economies of scale make this more beneficial commercially and as a benefit to the regional supply chain.
- 2.5 The ESB have recommended that the Procurement Principles be presented to Programme Board and Joint Committee for consideration and approval, with subsequent implementation across the SBCD portfolio of projects.
- 2.6 The draft Procurement Principles were first considered by Programme Board on 19th May 2020, where it was agreed that the Principles should be shared with legal teams across the region for their consideration.
- 2.7 All SBCD Local Authorities replied with constructive comments that have been incorporated in an updated draft document. Comments were varied but the general focus was on three main areas.

- Firstly, In relation to the balance of requirements on Tier 1 suppliers and how, as written, they might disadvantage lower tiers.
- Secondly, Concern about the requirements for carbon offset being part of the scoring process when using existing frameworks.
- Thirdly, Recognition that some projects are at a more advanced stage than others.

2.8 The appended version of the Procurement Principles addresses the above concerns and acknowledges that the Procurement Principles cannot be retrospectively applied to previous procurements.

2.9 The amended Principles were re-presented to Programme Board on September 24th, 2020, and Programme Board have recommended that these Procurement Principles now be considered by Joint Committee for approval.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 Legal officers have been consulted on the final SBCD Procurement Principles document. Separate legal advice should be sought regarding any procurement issues relevant to the projects in order to comply with procurement legislation.

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

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

Background Papers: None

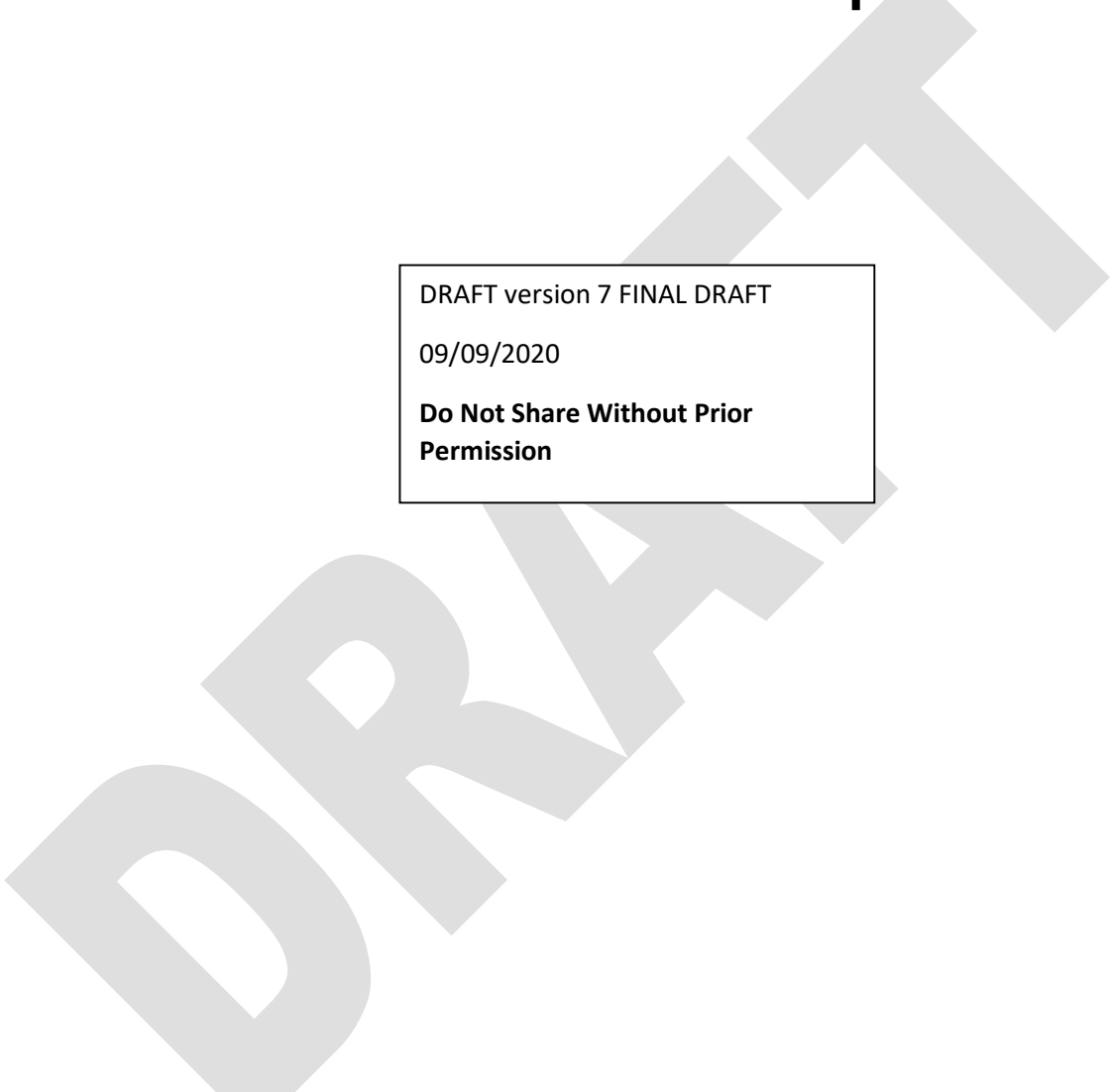
Appendices:

Appendix A - Final Draft Procurement Principles



Swansea Bay City Deal Procurement Principles

DRAFT version 7 FINAL DRAFT
09/09/2020
**Do Not Share Without Prior
Permission**



Swansea Bay City Region City Deal – Procurement Principles - Project Guidance Draft V7 09/09/2020

Foreword

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

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

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

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

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

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

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

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

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



Cllr Rob Stewart
Chair,
Joint Committee



Ed Tomp
Chair,
ESB

Swansea Bay City Region City Deal – Procurement Principles - Project Guidance Draft V7 09/09/2020

Introduction

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

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

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

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

In 2012, the Welsh Government issued the Wales Procurement Policy Statement which was subsequently reviewed and updated in 2015. The statement sets out the principles by which it expects public sector procurement to be delivered in Wales.

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

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

- The UK Public Contracts Regulations 2015
- Wales Procurement Policy Statement 2015
- European Public Contracts Directive 2014/24/EU and the requirements placed on the Welsh public sector for all contracts over certain thresholds to be advertised in the Official Journal of the European Union (OJEU), noting that the [European Public Procurement thresholds](#) are revised every two years.

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

The 5 Procurement Principles:

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

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

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

Long Term, Prevention, Integration, Collaboration, Involvement

Towards seven well-being goals

A prosperous Wales

A resilient Wales

A healthier Wales

A more equal Wales

A Wales of cohesive communities

A Wales of vibrant culture and thriving Welsh language

A globally responsible Wales

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

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

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

Climate Change

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

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

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

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

The Principles

Principle 1 – To Be innovative

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

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

a - Procurement approach

Project teams will be expected to:

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

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

b - Procured goods and services

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

For sustainable local delivery, teams should:

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

c – Collaborative purchasing

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

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

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

a) Advance contract notification

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

City Deal funded Projects are required to use the City Deal project page on Sell 2 Wales to promote all City Deal procurement opportunities and events.

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

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

See also Principle 5

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

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

Advance consideration must be given to how the main contractor will be required to work with the local supply chain to deliver smaller lots/packages within the larger contract. See Principle 3.

Swansea Bay City Region City Deal – Procurement Principles - Project Guidance Draft V7 09/09/2020

Principle 3 – To Maximise Community Benefits from each contract

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

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

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

Community Benefits typically incorporate the following initiatives:

a) Targeted Recruitment and Training

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

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

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

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

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

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

b) Commit to supporting the wider regional supply chain

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

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

Projects should consider the conditions for sub-contracting in a way that supports regionally based suppliers, consortia tendering, the local supply chain and how these procurement principles will be delivered. This may be by holding effective regional B2B awareness events and training in relevant procurement processes.

Community Benefits – continued

c) Education, Community and Environmental Initiatives

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

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

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

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

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

Reporting:

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

Principle 4 – To Use Ethical Employment practices

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

a) All projects to adopt the code

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

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

b) Fair and prompt payment through the supply chain

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

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

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

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

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

*Other criteria also apply, see guidance section.

**Swansea Bay City Region City Deal – Procurement Principles -
Project Guidance Draft V7 09/09/2020**

Principle 5 – To Promote the Swansea Bay City Deal

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

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

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

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

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

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

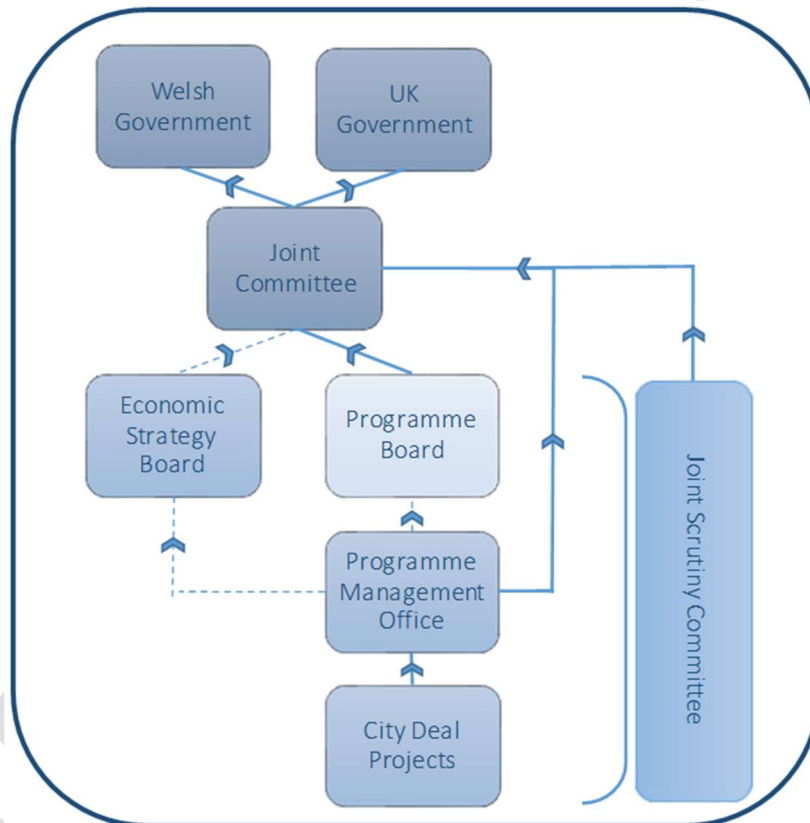
Press releases, interviews or other promotional activity must reference the City Deal and should be drafted bilingually in collaboration with the City Deal Communication and Marketing Officer.

Monitoring and Evaluation

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

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

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



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

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

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

**Swansea Bay City Region City Deal – Procurement Principles -
Project Guidance Draft V7 09/09/2020**

Resources

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

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

Project Bank Accounts: <http://bit.ly/38E7C3h>

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

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

Information about Cyfle Building Skills programme: <http://bit.ly/2P25kTK>

Procurement advice note, use of steel in contracts: <http://bit.ly/2SYa91C>

Cutting embodied carbon in Construction Projects: <http://bit.ly/2HyskWn>

Agenda Item 9



Swansea Bay City Region Joint Committee – 12 November 2020

Swansea Bay City Deal Risk Management Strategy

Purpose:	To set an agreed Risk Management Strategy and Risk Register for the SBCD Portfolio
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee: 1) Approves the Risk Management Strategy and agreed approach to be overseen by Programme Board (Appendix A) 2) Notes the updated Portfolio Risk Register and Covid-19 Impact Assessment (Appendices B & C)
Report Author:	Amanda Burns (SBCD Senior Portfolio Support Officer)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

1.1 Risk management is vital to the good governance and operations of the SBCD, which is why the SBCD portfolio is seeking to promote an environment that is risk aware by striving to place risk management information at the heart of key decisions. This will enable the SBCD's Portfolio Management Office, primary stakeholders, governance structures and third parties to take an effective approach to managing risk in a way that address significant challenges, while delivering positive outcomes.

2. Background

2.1 Aligned to HM Treasury Green Book supplementary guidance (the Orange Book), the SBCD Risk Management Strategy has been developed to provide a systematic and effective method by which risks can be consistently managed throughout the SBCD portfolio. The SBCD Risk Management Strategy:

- Informs stakeholders how risks will be identified, assessed, addressed, reviewed and reported

- Provides a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance
- Details the key roles and responsibilities of groups and individuals associated with the SBCD with respect to portfolio management, while identifying a clear decision-making process
- Provides clear expression of risk appetite and tolerance and preferred methodologies for risk assessment
- Provides clear instruction on how risks will be scored to ensure consistency and common language across the SBCD portfolio
- Provides standard definitions and language to underpin the risk management process
- Implements an approach that follows best practice

2.2 Including a risk management policy statement, the SBCD Risk Management Strategy available in Appendix A outlines benefits of robust risk management, along with information on the categorisation and classification of risks. The approach to risk management is illustrated by a risk management model.

2.3 The Risk Management Strategy will be led from the top of the SBCD and embedded in its standard practices and processes. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives. Training and support - where needed - will be made available via the SBCD Portfolio Management Office.

2.4 The Portfolio Risk Register in Appendix B is an important tool that forms an integral part of the SBCD Portfolio Risk Strategy and helps the PoMO document risks, track risks and address them through preventative controls and corrective measures. This will be standardised and used throughout the SBCD portfolio.

2.5 Available in Appendix C is the Covid-19 Impact Assessment. The SBCD PoMO coordinated all programmes / projects to populate a Covid-19 Impact Assessment template, which is reported through governance structures to actively manage the identified Covid-19 risks. This is a live document that is regularly reviewed by the PoMO.

3. Financial Implications

3.1 Financial implications in respect of this strategy are captured and reported through the portfolio risk register. This report outlines the process of identifying and reporting portfolio risks which is inclusive of financial risks, applied and detailed as an independent component of the overall Portfolio Risk Management Strategy and risk register.

3.2 The financial risks are contained within the risk register - of which there are two high-level risks that are being actively managed within the portfolio and monitored on an ongoing basis.

3.3 The risk register also contains four medium and two low-level risks with management actions.

4. Legal Implications

4.1 There are no legal implications associated with this report.

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

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

Background Papers: None.

Appendices:

Appendix A: SBCD Risk Management Strategy

Appendix B: SBCD Portfolio Risk Register

Appendix C: Covid-19 Impact Assessment

Swansea Bay City Deal Portfolio Risk Management Strategy



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1. Introduction

1.1 Overview

- 1.1.1 The Swansea Bay City Deal (SBCD) will deliver an estimated portfolio investment of £1.13bn across nine project and programmes in partnership with four local authority areas within the Swansea Bay City Region.
- 1.1.2 The SBCD Portfolio Business Case provides details on the management of the portfolio of programmes and projects that respond to the regional needs to increase regional GVA, opportunities for high level skilled jobs and inward investment. These programmes and projects will be delivered against a set of constraints affecting cost, benefits and risk, whereby each will be assessed against the Green Book five business case model.
- 1.1.3 The SBCD Risk Management Strategy is aligned to the HMT Green Book supplementary guidance: [The Orange Book](#).
- 1.1.4 Risk is defined as this uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. The risk must be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does happen. Risk management includes identifying and assessing risks and then responding to them.
- 1.1.5 Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The amount of risk which is judged to be tolerable and justifiable is the risk appetite.
- 1.1.6 The level of risk after these internal controls are known as the residual risk and is the exposure the SBCD has in respect of the identified risk and therefore should be deemed acceptable or justifiable and within the SBCD risk appetite.
- 1.1.7 SBCD risk management considers the environment in which it operates and provides full consideration to the risk priorities of SBCD partners organisations, as these will influence the risks and provide context on how they should be managed.
- 1.1.8 The PoMO functions are based on P3M (Portfolio, Programme and Project) development and delivery.
- 1.1.9 The risk management strategy will be led from the top of the SBCD and embedded in standard practices and processes of the SBCD governance arrangements. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives, where training and support will be made available via the SBCD PoMO.

1.2 Purpose

- 1.2.1 The Swansea Bay City Deal Portfolio purposefully seeks to promote an environment that is risk 'aware' and strives to place risk management information at the heart of key decisions. This means that the SBCD PoMO, primary stakeholders, governance structures and third parties can take an effective approach to managing risk in a way that both address significant challenges and enable positive outcomes for the SBCD Portfolio.

- 1.2.2 The purpose of this Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed throughout the SBCD Portfolio and thus will:
- Inform stakeholders how risks will be identified, assessed, addressed and managed
 - Provide a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance and thereby increasing the likelihood of successful delivery of the SBCD aligned to the regional ambitions
 - Detail the key roles and responsibilities of groups and individuals associated with the SBCD with respect to programme management
 - Signpost to additional resource, support and training
 - Provide standard definitions and language to underpin the risk management process
 - Implement an approach that follows best practice

1.3 Definitions

The City Deal means the Swansea Bay City Deal agreed between the Member Authorities and UK and Welsh Governments.

SBCR is a partnership between the local authorities of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

P3M means Portfolio, Programme and Project management functions, best practices, principles and practices.

The PoMO means the Portfolio Management Office which oversees the SBCD development and delivery and in particular, P3M functions such as assurance, risk and issue management, benefits and value, communications and stakeholder engagement, information management, finance, resource management, reporting and administration.

Risk can be defined as the uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. It is the combination of likelihood and impact, including perceived importance.

Risk Management is the systematic application of all the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress.

Risk Owner is a person with accountability and authority to effectively manage the risk.

Risk Strategy is the overall organisational approach to risk management as defined by the Accounting Officer and/or governance board. This should be documented and easily available throughout the organisation.

Risk Appetite the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.

Inherent Risk is the exposure arising from a specific risk before any action has been taken to manage it.

Residual Risk is the exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective.

1.4 Principles

- 1.4.1 The SBCD portfolio risk management Strategy is based on five principles. These principles aim to assist with increasing confidence in achieving the programme outcomes and making better decisions by utilising forward-looking and proactive tools that enable the SBCD to build a better chance for successful socio-economic outputs and outcomes for the region. They are:
- **Dialogue** - with and amongst key stakeholders to identify risks
 - **Debate and challenge** - collective debate and constructive feedback to challenge organisational and traditional thinking to ensure the decisions are the right ones to make
 - **Culture** - that cultivates creativity, diversity and open ways of thinking from staff engagement and empowerment to contribute and be listened to
 - **Risk appetite** - clear on conduct, behaviour and the level of risk that the SBCD is willing to accept or tolerate in order to operate safely
 - **Independent thinking** - obtaining views from someone who can independently challenge the risk management strategy, practices and ways of thinking to overcome the issues associated with “groupthink”
- 1.4.2 By adhering to these principles, the SBCD will remain relevant, move forward and assure a sustainable future for our region.
- 1.4.3 The SBCD risk management strategy is targeted to all the projects and programmes associated with the portfolio and the key stakeholder members on the governance boards of the SBCD and the UK and Welsh government as sponsoring bodies.

2. Risk Management

2.1 Risk Management Policy Statement

- 2.1.1 The SBCD faces numerous risks (opportunities and threats), which have the potential to disrupt achievement of the investment objectives of the SBCD, for better or worse. The SBCD will use risk management to take better-informed decisions and improve its ability to achieve or exceed its strategic and operational objectives.
- 2.1.2 The SBCD considers risk management to be fundamental to good P3M practice and a significant aspect of governance. Accordingly, risk management must be an integral part of the SBCD routine decision-making and must be incorporated within strategic and operational planning processes at all levels.
- 2.1.3 The SBCD’s **Risk Management Strategy (RMS)** supports this policy statement and contains details of the processes by which risk management will be carried out, reported and managed, including the tools and systems to be used.
- 2.1.4 The RMS will be led from the top of the SBCD and embedded in standard practices and processes of the SBCD governance arrangements. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives.
- 2.1.5 The SBCD PoMO will regularly review and monitor the risk management process and the development of an appropriate risk management culture across the SBCD.

2.2 Benefits of Risk Management

2.2.1 There are several benefits that result from adhering to structured and standardised Risk Management. Most importantly:

- Identifies threats and opportunities to SBCD Portfolio and raises awareness
- Reduces the level of risk which threatens the delivery of SBCD Portfolio
- Elevates communication between stakeholders and the SBCD Portfolio
- Improves decision making at all levels
- Provides confidence from primary stakeholders and governing committees that risks are effectively identified, monitored and evaluated
- Results in fewer surprises

2.3 Risk Categorisation

2.3.1 The SBCD portfolio risk register captures and monitors key portfolio level risks to the delivery of the City Deal and achievement of its aims and objectives. It will be monitored by Joint Committee, Programme Board, Economic Strategy Board and Joint Scrutiny Committee via circulation prior to each meeting and issues tabled for discussion as necessary. This identifies what aspect of the SBCD portfolio could be impacted. See Appendix 1 for more detail on the Impact Criteria.

Category	Ref. No	Description
Contractual	C1	Ineffective use or management of contacts leads to increased costs
Environmental	C2	Environmental incidents
Financial	C3	Financial risks facing the Councils
Health & Safety	C4	Harm to employees / public
IT	C5	Failure of systems / cyber attack
Objectives	C6	Threat to achieving portfolio objectives
People / Social	C7	Threat to / from society / groups / public
Physical / Assets	C8	Damage to organisational property
Political	C9	Adverse actions caused by changes in local/ regional/national governments
Professional	C10	Lack or loss of qualified employees
Projects	C11	Threat to / from individual projects
Regulatory / Legal	C12	Changes to regulations / law
Reputation	C13	Negative publicity
Schedule/Timescales	C14	Threats to timelines / critical path(s)

2.4 Risk Classification

2.4.1 The identification and assessment of risks in the risk register are aligned to the UK and Welsh Government Guidance, where risks fall into three main categories:

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

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

- Displacement as a result of competing with other regions across Wales
- Lack of funding from Welsh and UK Governments
- Lack of inward investment from private sector
- Lack of quality human capital within the region
- Political conflict at Regional, UK and Welsh Government levels

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

2.4.4 **External Risks:** Although not within the control of the portfolio the following external risks are significant to portfolio delivery and are therefore monitored accordingly.

2.4.5 **Brexit:** In 2016 a referendum was held to decide whether the UK should remain in the European Union or not. No dedicated process is in place to monitor the effects of Brexit (at July 2020) due to delays in implementation by UK Government. High-level monitoring is being undertaken at Welsh Government and Local Authority level.

2.4.6 **Covid-19:** At the time of the Business Case update in July 2020, the long-term effects of Covid- 19 and the Brexit situation are largely unknown. This situation will be closely monitored over the coming months, where risks and mitigating actions will be continually under review. To support this process, the SBCD PoMO coordinated all projects to populate a Covid-19 Impact Assessment template, which is reported through governance structures to actively manage the identified Covid-19 risks. This is a live document that is regularly reviewed by the PoMO.

2.4.7 Key business risks captured in a SBCD risk register and Covid-19 impact assessments include SBCD partner withdrawal, delays to project approval, funding draw down and portfolio delivery delays, achievement of targets, reputational effect and change to scope and objectives.

3. The Risk Management Model

3.1 Introduction

3.1.1 SBCD portfolio works towards a comprehensive and integrated approach to risk management where:

- Staff are clear about what risk management is intended to achieve
- Significant risks are being identified and managed effectively
- Guidance on risk management is easily accessible
- A consistent approach is followed across the portfolio, programmes and projects using a common language for risk management and it is seen as an integral part of good corporate governance

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

3.1.3 This section details the agreed arrangements that are needed to ensure the effective management of risk across the portfolio. The SBCD approach to risk management is based on best practice and involves four key steps as outlined in Section 3.1.4 below.

3.1.4 The risk management model is non-linear, whereby the elements of risk management need to be balanced with each other for it to be effective. Risks are also treated together as the management of one risk may be more effective by controlling several simultaneously. The process to manage risks is represented by four main elements for illustrative purposes, but in practice they blend together.

The SBCD Risk Management Model:



3.1.5 Effective communication and consultation between SBCD portfolio is critical to the successful management of risk. These are not one-off standalone events but important factors at every point of the process and it is vital that staff at all levels across the organisation are involved if risk management is to be truly embedded and a useful management tool.

3.2 Identify Risks

3.2.1 Risks should be related to objectives and should encompass the cause of the impact and impact of the objective (the cause and impact) which might arise. Once identified risks will be assigned to an appropriate owner who has the authority and responsibility to manage and monitor the risk. The risk owner may not be the person who addresses the risk. Risks can be identified by either commissioning a risk review and/or by self-assessment.

3.2.2 **Continuous risk identification** is then necessary to identify new risks that were not initially seen and to monitor any changes in already reported risks.

3.2.3 Risks are identified by a variety of means, (e.g. brainstorming, SWOT analysis, workshops, previous experiences, etc). SWOT Analysis through a workshop environment is the technique the SBCD PoMO adopt to determine the Strengths, Weaknesses, Opportunities and Threats to deliver the portfolio both internally and externally. This technique enhances the ability to identify risk within the wider government context.

S trengths	W eaknesses
What do you do well? What unique resources can you draw on? What do others see as your strengths?	What could you improve? Where do you have resource limitations? What are you lacking?
O pportunities	T hreats
What opportunities are open to you? Media / press coverage How can you turn strengths into opportunities?	What threats could harm you? What threats do your weaknesses expose? Regulatory changes

3.2.4 Describing the risk is equally important to ensure that risks are fully understood, and to assist with the identification of actions, the cause and impact of each risk must also be considered. A good risk description avoids ambiguity and confusion. Typical phrases used to do this include:

Cause	Risk	Impact
Lack of clarity in programme / project specification leads to ...	Failure to deliver outcomes as expected resulting in ...	Customer dissatisfaction and damage to reputation

3.2.5 Once the risk, the cause and the impact to the SBCD portfolio has been identified the risks are recorded in the Risk Register.

3.3 Assess risks

3.3.1 Once a risk is clearly defined, the SBCD’s approach to risk management is to assess the risk in terms of probability of occurrence and the plausible impact that its potential consequences using the Risk Assessment Matrix detailed below.

Risk Assessment Matrix		Impact				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Fundamental (5)
Probability	Almost Certain (5)	Low	Medium	High	High	High
	Likely (4)	Low	Medium	Medium	High	High
	Possible (3)	Low	Low	Medium	Medium	High
	Unlikely (2)	Low	Low	Low	Medium	Medium
	Extremely Unlikely (1)	Low	Low	Low	Medium	Medium

3.3.2 **Probability** is scored as follows:

- 5 = Probability is **certain** will occur in most circumstances >80%
- 4 = Probability is **likely** to occur 51% - 80%
- 3 = Probability is **possible** of occurring 26% - 50%
- 2 = Probability is **unlikely** to occur but potentially exists 10% - 25%
- 1 = Probability is **extremely** unlikely to occur <10%

3.3.3 **Impact** is scored using a 1 to 5 scale (**See Appendix 1 for Impact Criteria**):

- 5 = Incidence would be **fundamental** to the ability to deliver the portfolio at all
- 4 = Incidence would be **major** on the ability to deliver the portfolio
- 3 = Incidence would be **moderate** on the ability to deliver the portfolio
- 2 = Incidence would be **minor** on the ability to deliver the portfolio
- 1 = Incidence would be **insignificant** on the ability to deliver the portfolio

3.3.4 The outcome of the risk assessment is determined by multiplying probability by impact and will produce a score that translates into an evaluation of the risk as being high, medium or low.

3.3.5 The assessment needs to be compared to the risk appetite to determine the level of action required. Focus needs to be given to residual risk i.e. the risk after control has been applied and therefore is the actual exposure that SBCD portfolio faces. Information about the inherent risk is also considered to determine if there is over-control in place. The risk assessment will provide the SBCD portfolio with a risk profile that enables the SBCD PoMO to prioritise risk, capture the reasons for decisions, records how risk is being addressed and facilitates the sharing, facilitation and monitoring of risks for all those concerned with risk management.

3.3.6 In order to maintain consistency across the SBCD portfolio, the ‘5 x 5’ scoring matrix (3.3.2) should be used for managing and reporting risks for the City Deal portfolio, programmes and projects. Risk magnitude is determined by categorising as High, Medium or Low.

3.3.7 Risks are given two scores; Firstly, at the point the risk is identified, with any existing controls in place (i.e. before anything new has been done to manage it). This is the “inherent risk” score and is calculated only once, at the time the risk is identified. The score remains unchanged thereafter, to act as a baseline for future risk management activity.

Risk Appetite

3.3.8 The amount of risk, the SBCD portfolio is willing to take on, accept, tolerate or be exposed to, in the pursuit of its objectives, is known as its risk appetite. It is essential to consider risk appetite prior to considering how to address risks. Application of risk appetite requires a standardised escalation process across the portfolio, programmes and projects.

Risk Appetite Status

Status	Management action required
Comfortable	The Joint Committee and Programme Board accepts the level of risk presented as within its' comfort zone
Manageable	The Joint Committee and Programme Board accepts the level of risk presented, subject to suitable and effective risk controls being in place, working and evidenced
Unacceptable	Risks at this level <u>may</u> be accepted, subject to approval of Joint Committee and Programme Board, based on rigorous control measures and regular evidenced reporting of control effectiveness by SBCD PoMo

3.3.9 Within the parameters set by its Risk Tolerance, the SBCD portfolio will be open to risk taking in activities which support the fulfilment of its objectives. Objectives may carry numerous inherent risks and within this context, risk appetite may vary on a case-by-case basis. Risks will therefore be assessed as they arise, in proportion with the opportunities that they present and the controls that will be introduced to protect the SBCD portfolio from financial/reputational loss or non-compliance with legislation.

3.3.10 The SBCD portfolio maintains an effective management process to manage risks. Any risks that are an unacceptable exposure to the SBCD, stakeholders or third parties are mitigated as far as possible. Where a proposed activity or venture has a residual risk that is considered unacceptable and there is no means of reducing the risk to an acceptable level the activity may be rejected.

3.3.11 The SBCD will seek to enhance sustainability and improve the region. The SBCD will be open to risk taking to achieve these goals.

3.3.12 In deciding the risk appetite and delegated risk appetite (risk tolerance levels), consideration needs to be given to:

- Environmental and wider economic factors, including current government

- required reductions in budgetary spending
 - Funding levels and its overall capacity to bear risk
 - The amount of risk that is acceptable (what risk could be justified if it happened)
- 3.3.13 The SBCD will seek to enhance knowledge and understanding of national and globally important issues through its commitment to excellence in economic development. SBCD portfolio is open to an appropriate level of risk taking which is beneficial to advancing the region and supports the achievements of its objectives.
- 3.3.14 The SBCD's reputation will directly influence its ability to attract interest and inward investment, which in turn will influence the opportunities on offer. To this extent, the SBCD will ensure that appropriate measures are in place when exposed to risks which promote and enhance its ambition to become more productive.
- 3.3.15 The SBCD recognises that it must build infrastructure to fulfil its potential and achieve its strategic objectives. The SBCD consists of a portfolio of programmes and projects to transform its economic landscape and infrastructure, whereby risks will be controlled through robust project management, oversight and governance.
- 3.3.16 The SBCD operates in a challenging environment with economic recovery from Covid-19 and Brexit, increasing competition and political differences. The SBCD aims to be competitive by attracting industry, creating highly skilled jobs and creating an ecosystem of innovation, enterprise and engagement. The SBCD will be open to risk taking in order to achieve these goals.
- 3.3.17 The SBCD must be responsive to increasing demands within the various sectors in which it operates and will reflect upon its efficiency and effectiveness with the aim of delivering strategic change within the region for these sectors. Regional change will expose the SBCD to risk and this will be mitigated through strong leadership and meaningful engagement with all stakeholders in order to promote a culture of innovation, development and resilience.

3.4 Address Risks

- 3.4.1 The SBCD will address risks through internal controls and by defining its level of tolerance to achieve its objectives by setting the parameters which determine the acceptance of risk (risk tolerance).
- 3.4.2 Risks rated as Red will be deemed to have exceeded tolerance levels and will be subject to escalation to Programme Board (PB) and Joint Committee (JC) for review and action. The target residual rating for a risk is expected to be 'medium' or lower. In the event that this is not deemed realistic in the short to medium term, this shall be discussed as part of the Governance Boards, and this position regularly reviewed with the ultimate aim of bringing the level of risk to a tolerable level.
- 3.4.3 Not all risks will be required to be managed continually, so having assessed and prioritised the identified risks, cost effective action needs to be taken to manage those that pose the most significant threat.
- 3.4.4 Some risks are unavoidable, and it is not within the ability of the SBCD portfolio to completely manage it to a tolerable level - for example many organisations have to

accept that there is a risk arising from COVID-19 as referred to in 2.4.1 which they cannot control. In these cases, contingency planning is required.

- 3.4.5 The SBCD will accept a degree of financial risk in order to develop and improve; whilst overall, it will adopt a cautious approach to promote financial stability.
- 3.4.6 The SBCD operates in a highly political and legislative environment and will operate within the relevant value for money, legal and regulatory frameworks. The portfolio will not seek to take risks to systemic compliance in these areas.
- 3.4.7 The SBCD portfolio will accept risks that could result in short term adverse but will seek to avoid any longer-term exposure to adverse publicity.
- 3.4.8 There are five key aspects to addressing risk.

Tolerate	Agree that any further action to treat a risk is not cost effective or proportionate in relation to the current risk and decide to tolerate it as it is.
Treat	Implement cost effective measures to reduce or further control a risk to an acceptable level.
Transfer	Move the responsibility for risk or a specific component of risk to another party. This might be achieved through legislation, contract, insurance or other means.
Terminate	Choose an alternative solution or not to be involved in, or to withdraw from, an activity or opportunity because of the risk involved.
Take the opportunity	Actively take advantage of risk through realisation, enhancement and exploitation, where it is seen as an opportunity to gain benefit.
Monitor, review and report risks	Risk management should be thought of as an ongoing process and as such risks need to be reviewed regularly to ensure that prompt and appropriate action is taken to reduce their likelihood and/or impact. The Risk Register is used to monitor, track and review risks to become more proactive to provide solutions to problems that could have been anticipated.

3.5 Monitor, Review and Report Risks

- 3.5.1 Risk management should be thought of as an ongoing process and as such risks need to be reviewed regularly to ensure:
 - Prompt and appropriate action is taken to reduce their probability and/or impact
 - New risks are identified and evaluated
 - Mitigating actions are in place to control the risk
 - Risk management is effective
 - The current risks still exist
- 3.5.2 The Risk Register is an important tool that forms an integral part of the SBCD Portfolio Risk Management Strategy and helps the PoMO document risks, track risks and address them through preventative controls and corrective measures.

3.5.3 Risk Register Template

Risk Theme	Ref	Title	Date Raised	Category	Owner	Risk Description	Inherent Probability	Inherent Impact	Inherent Rank	Original Control Actions	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank	Reported Change	Review Date
	SBCD001			C6 C14			4	3	12			3	3	9	↑ (2,3)	Jan-21

3.5.4 The Risk Register includes the following elements:

Risk Theme	SBCD Portfolio Risk Register defines risks associated to 1. Development 2. Implementation 3. Operational 4. Financial
Reference	A numerical identifier for each risk
Title	Summary of Risk
Date Raised	Date the risk was first identified
Category	The category to which the risk could impact (See 2.3)
Owner	Accountable point of contact for the risk
Risk Description	Description of the Risk, cause and Impact on the Portfolio
Inherent Probability	Assessed at the point of risk identification, how likely is it that the risk will occur prior to any mitigating action.
Inherent Impact	Assessed at the point of risk identification, how significant would the impact be if the risk were to occur prior to any mitigating action
Inherent Risk	The exposure arising from a specific risk before any action has been taken to manage it
Original control action	First steps to control the risk after being identified
Update/Control	Regular progress update / steps that are planned to mitigate the risk
Revised Probability	The probability of the risk occurring after mitigating action has taken place. This can deviate from the inherent probability depending on whether controls in place are taking effect. This can change month on month
Revised Impact	The impact if the risk occurs after mitigating action has taken place. This can deviate from the inherent impact depending on whether controls in place are taking effect. This can change month on month
Revised Risk	The exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective

- 3.5.5 The SBCD PoMO are responsible for creating, maintaining, reviewing and reporting on the Portfolio Risk Register. Frequency of review will be dependent on the circumstances and environment around the risks but will be a minimum of every three months. Risks rated Red will be subject to more detailed and frequent monitoring. Programme / project risks will be the responsibility of the allocated lead. These risks will be reported to the PoMO on a quarterly basis.
- 3.5.6 Portfolio risks will be reported on a quarterly basis to the SBCD governance structures and shared with Welsh and UK Governments on the same basis enabling senior managers and primary stakeholders to be more fully aware of the extent of the risks and progression being made to manage them.

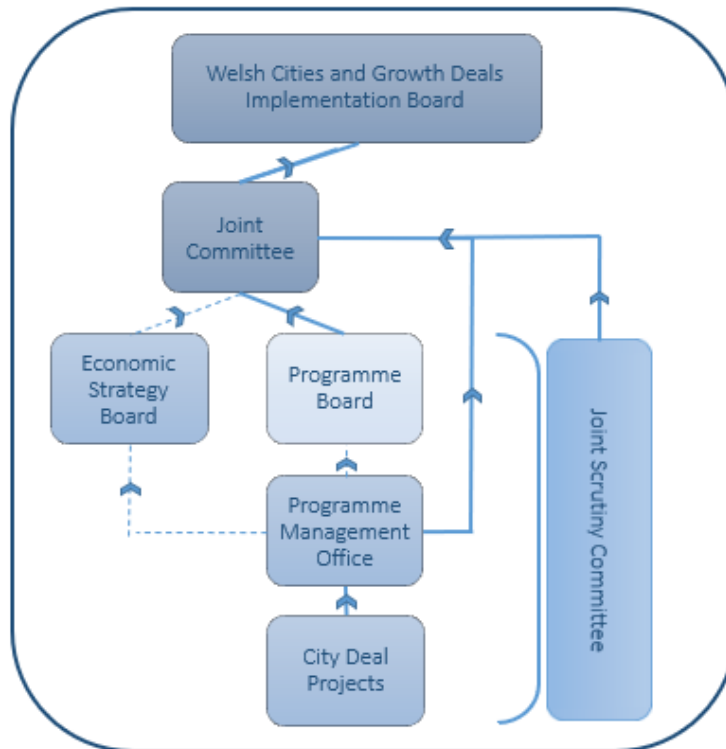
4. Issues

- 4.1 Risks are events which can be anticipated, but when or how often they may happen is uncertain.
- 4.2 Issues are events which have happened or are known to be about to happen and thus their occurrence is certain.
- 4.3 The urgency with which an issue must be addressed is potentially higher than that for a risk, (i.e. a threat or opportunity), because its occurrence is no longer subject to uncertainty. However, the information that needs to be recorded for the issue remains the same as for a risk, as does the way it is managed; identify and implement control actions, monitor and review to determine if further control actions are required, reporting, etc.
- 4.4 Issues will be captured, assessed and monitored via an Issues Log.

5. Governance

5.1 Governance Structure

- 5.1.1 To ensure risk management is effectively implemented, the PoMO are responsible for ensuring that an agreed approach is in place for adequate and effective risk management and control. All primary stakeholders should have a level of understanding of the SBCD risk management approach and regard risk management as part of their responsibilities. Staff and managers that are accountable for achieving an objective are accountable for managing risks to achieve the objective.



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

5.2 Escalation of Risk

5.2.1 A key element to effective risk management is on-going vigilance and the communication and escalation of risk information to the appropriate management level. The reporting and escalation of risk within the SBCD portfolio is based on the Governance structure.

5.2.2 Risk escalation is based on the following key principles:

- Escalation process needs to be managed and have ownership. It is not sufficient to simply escalate a risk to the next management level. It is important that when a risk is escalated, it is reassessed as to its impact on the achievement of objectives at that next level.
- All SBCD staff are empowered to escalate. Importantly, escalation should not be seen as a failure. Escalation is a tool to ensure that risks that cannot be resolved at one level are relayed to the next level to ensure that every effort is made to mitigate the risk.
- Escalation needs to be timely. It is important that risks are escalated early and in good time to affect a resolution.
- Escalation should be documented. It is important that all risks are recorded, where appropriate, in risk registers. Any verbal escalation should be followed up with written or email documentation detailing the risk and retained.

5.2.3 Reasons for Risk escalation:

- The Probability and / or Impact scores of a risk when periodically assessed may increase significantly
- The probability and / or Impact scores of a risk when first identified is significant enough to warrant escalation immediately
- The scope of the risk may increase, (additional stakeholders included, range of causes and / or consequences increases)
- Existing controls not taking a positive effect
- Uncertainty as to what additional / amended controls to apply
- Budget / resources / staffing no longer sufficient to operate existing controls

5.2.4 Escalating risk does not always delegate the management of risk upwards. Risks can sometimes be de-escalated if risk owners feel there are appropriate resources to mitigate the risk at the lower level.

5.2.5 Once escalated, the next management level becomes alerted to the risk, reassesses the risk as to its impact on the achievement of objectives at that next level and takes appropriate action. This may mean:

- Accepting risk at the higher level
- Changing the activity, or
- Adjusting the level of risk, they judge suitable for the level below to manage

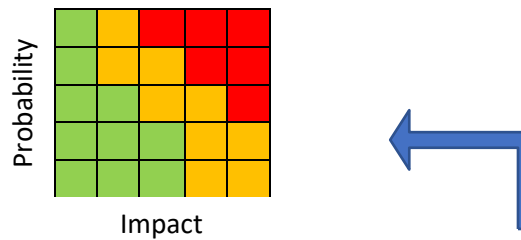
5.2.6 In order to ensure that only those risks which truly require consideration for additional support are escalated, the following guidelines should apply:

	Automatically		Exceptionally
Risk Score	Residual risk score of 20 or 25 And Score not expected to reduce without additional control actions being implemented	OR	Residual risk score of 15 or 16 And The risk owner does not have sufficient knowledge / resources to effectively manage the risk and do not expect the residual risk score to reduce without additional action

5.2.7 Risk escalation process

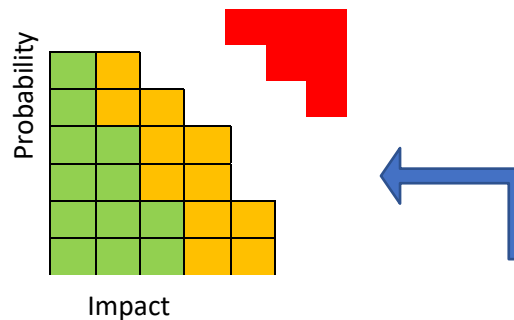
Level 0

Joint Committee
Welsh Cities & Growth
Deals Implementation
Board



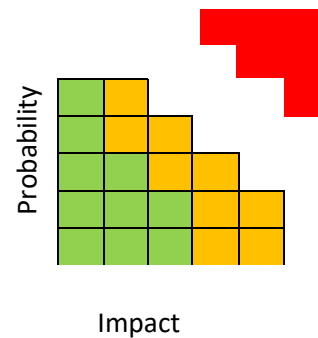
Level 1

Joint Scrutiny Committee
Programme Board
Economic Strategy Board
SBCD Portfolio



Level 2

Programme
Project



5.3 Responsibilities

The following section details the key staff and groups involved in the SBCD Risk Management Strategy and their associated roles and responsibilities.

All SBCD related employees

- Manage day to day risks and opportunities effectively and report risk management concerns to their line managers
- Participate fully in risk workshops and action planning as appropriate
- Attend training and awareness sessions as appropriate

Risk Owners

- Ensure risks are clearly defined to make explicit the risk the cause and the impact that may arise
- Provide assurance that the risks for which they are the risk owner are being effectively managed.
- Ensure the controls that are in place to manage the risk are proportionate to the context and level of risk
- Confirm the existence and effectiveness of existing actions and ensuring that any further actions are implemented

Portfolio Director

- Ensure that effective risk management arrangements are in place to ensure the SBCD exposure is at an acceptable level
- Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability
- Establish and monitor that clear, effective and proportionate governance is in place for all programmes and projects, including risk management
- Evaluate the adequacy of the risk management strategy and supporting documentation to achieve SBCD objectives
- evidence provided or in the depth or scope of the reviews undertaken
- Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required
- Report to Joint Committee on a quarterly basis
- Report to Programme Board on key risks via PoMO Highlight report on a monthly basis and Quarterly Monitoring reports
- Report to Joint Scrutiny Committee on a two-monthly basis

Portfolio Management Office

- Provide a full toolkit of guidance and documentation to the SBCD portfolio including a reporting template risk register template, risk assessment matrix, guidance on categorisation of risks, reporting schedule and frequency of reporting
- Has overall accountability for the SBCD risk management process
- Constructively review the risks held on the portfolio risk register and holds regular risk workshops to identify new risks
- Provide adequate information in a timely manner to primary stakeholders and third parties on the status of risks and controls
- Identify gaps in control and/or over control, and provide the opportunity for continuous improvement
- Provide direction and guidance to programme and project leads to ensure consistency of reporting and recording risks and ensure appropriate action is being taken to mitigate risks

Programme / Project Leads

- Identify, assess and monitor risk appropriately document significant project or programme risks
- Where risks remain intolerable, these will be formally reported to the Portfolio Director for resolution
- Clearly identify risk ownership
- Ensure timely reporting of risks to the PoMO on a quarterly basis
- Record risk via the standardised risk template
- Report risks via programme / project board and host organisation

SBCD & Programme / Project Senior Responsible Owner (SRO)

- This applies to both portfolio and programme / project SRO
- To understand how the objectives of the SBCD and project / programme SRO may be affected by risks to the portfolio
- To escalate risks and issues to the Joint Committee chair
- Oversee portfolio director / project lead to monitor and control risks and issues
- To identify, understand and drive the successful mitigations of portfolio risks

Section 151 Officer (Chief Finance Officer) & Monitoring Officer

- Active involvement in all business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered

Accountable Body

- Carmarthenshire County Council is the Accountable Body responsible for discharging City Deal obligations for the four Local Authorities
- The Accountable body is the primary interface for the City Deal with the Welsh Government and the UK Government

Joint Committee

- The Joint Committee comprises the four local authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.
- The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the SBCD
- Have strategic responsibility for risk management as part of their responsibility for governing delivery of the SBCD
- To ensure that portfolio, programme and project risks are effectively identified and managed and that any impacts on SBCD portfolio that may follow implementation are reported and managed
- Report any risk impact to Joint Committee host organisations
- Continual review of portfolio risk register via quarterly updates by PoMO
- Understand that good risk management is a key part of the Member Authorities culture

Joint Scrutiny Committee

- The Joint Scrutiny Committee shall comprise of 12 members in total, 3 each from the 4 Constituent Authorities
- Provide a scrutiny function to ensure greater public accountability over decisions made by the Joint Committee and any of its sub-committees/related entities
- Provide advice, challenge and support to the Joint Committee on risk management
- Consider the implications of risks and provide relevant advice

Programme Board

- Programme Board will consist of the Chief Executives from each of the Councils or another officer nominated by the Chief Executive and accountable to the Joint Committee, the Programme Board prepare recommendations on the SBCD portfolio
- Support programme and project development
- To ensure that portfolio, programme and project risks are effectively identified and managed and that any impacts on SBCD portfolio that may follow implementation are reported and managed.
- consider the implications of risks and provide relevant advice
- Continual review of portfolio risk register via quarterly updates by PoMO
- Provide advice and guidance on key programme and project risks on a monthly basis via Highlight Report provided by the PoMO

Economic Strategy Board

- Reporting to the Joint Committee, the Economic Strategy Board is made up of representatives from the private sector in key City Deal themes including energy, life sciences, manufacturing and housing
- The Economic Strategy Board acts as the voice of business, providing strategic direction for the City Deal through advice including but not limited to risk management
- Monitor progress of SBCD portfolio risk register
- Provide independent assurance to the on the overall adequacy of the risk

Appendix 1 – Impact Criteria

Category	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Fundamental
Contractual	Barely noticeable reduction in scope/ quality / schedule	Minor reduction in scope / quality / schedule	Reduction in scope or quality, project objectives or schedule.	Significant reduction in ability to meet project objectives or schedule	Poor contractor management results in inability to meet project objectives.
Environmental	Activities with hardly any environmental risk or impact that are site specific	Activities with little environmental risk or impact that are site specific	Activities with moderate environmental risk or impact that are site specific	Activities with high environmental risk or impact that are site specific	Major incident
Financial	Damage, loss, (£< 1k)	Damage, loss, (£1- 10k)	Damage, loss, (£10- 100k).	Damage, loss, (£100k- 1m).	Damage, loss, (£>1m).
Health & Safety	Trivial injury(ies)	Minor injury(ies)	Major injury	Major injuries	Death(s)
IT	Interruption not impacting service delivery	Short-term interruption to service delivery	Interruption with unacceptable impact on service delivery	Sustained interruption to service delivery	Permanent loss of service delivery leading to knock on effects
Objectives	Barely noticeable reduction in scope / quality / schedule	Minor reduction in scope / quality / schedule	Reduction in scope or quality, project objectives or schedule	Significant reduction in ability to meet project objectives or schedule.	Inability to meet project objectives.
People/Social	Complaints results in barely noticeable effect on scope / quality / schedule	Local media coverage with minor effect on scope / quality / schedule	Local media coverage with medium effect on scope / quality / schedule	National media coverage with significant reduction in scope / quality / schedule	International media coverage with inability to meet project objectives.
Physical / Assets	Damage, loss, theft (£< 1k)	Damage, loss, theft (£1-10k).	Damage, loss, theft (£10-100k)	Damage, loss, theft (£100k-1m).	Damage, loss, theft (£>1m).
Professional	Staffing / competence results in barely noticeable reduction in scope /quality / schedule	Staffing / competence results in minor reduction in scope / quality / schedule	Staffing / competence results in reduction in scope or quality, project objectives or schedule.	Staffing / competence results in significant reduction in ability to meet project objectives or schedule.	Staffing / competence results in inability to meet project objectives.
Projects	Minor internal threat to / from individual projects	Major internal threat to / from individual projects	Minor external threat to / from individual projects	Major external threat to / from individual projects	Stops work
Regulatory / Legal	Minor internal breach	Major internal breach	Minor external breach	Major external breach	Stops work
Reputation	Complaints	Local media	Regional media	National media	International media
Schedule / Timescales	<10% overrun	10% - 15% overrun	15% - 25% overrun	25% - 50% overrun	>50% overrun

Latest Assessment: 1 Oct 2020

Risk Theme	Ref	Title	Date Raised	Category	Owner	Risk Description	Inherent Probability	Inherent Impact	Inherent Rank	Original Control Actions	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank	Reported Change	Review Date
Development	SBCD001	Competing priorities of partners	Mar-18	C6 C14	JC	There is a risk of competing priorities of partners causing City Deal issues not to be considered a priority and therefore sufficient resources are not dedicated resulting in potential otherwise unnecessary delays in delivery or achievement of outcomes.	4	3	12	Ensure partners are engaged fully from the outset and that the benefits and potential opportunities of the City Deal partnership, and their involvement are clearly articulated. Ensure opportunities for open and honest dialogue regarding competing pressures. Establish support mechanisms to assist partners with competing priorities to allow them to be as involved as possible. Set up annual meeting schedule to enable effective time management for all partners. Provide regular electronic updates and briefings inbetween meetings on progress / key issues	14/05/20 Programme Business Case is under development with a June target. PMO also being established. Covid-19 risk assessment being undertaken with report for Programme Board and JC in June 01/10/20 Portfolio Business Case underwent WG Accounting Officer Review Sept 20 PMO staff recruited. Covid-19 risk assessment undertaken and reported to for Programme Board and JC in June.	3	3	9	↑ (2,3)	Jan-21
Development	SBCD002	Stakeholders misunderstand the objectives / benefits / purpose of the City Deal	Mar-18	C13 C6	RO	Risk that Stakeholders misunderstand the objectives / benefits / purpose of the City Deal showing lack of support and disengagement caused by inaccurate understanding from the offset. Resulting in potential for negative media and social media coverage, undermining the City Deal brand and objectives	3	3	9	Employed dedicated communication and engagement officer to act as central point of contact for all City Deal related communications. Establish a communications group of key comms officers within all City Deal partner and project lead organisations to ensure consistency and up to date information. Provide regular updates to all partners or programme and project progress. Monitor tweets, press releases, articles etc relating to City Deal and ensure, where appropriate, a response is issued promptly. Regular proactive comms and marketing of the City Deal keeping stakeholders up to date with activities, coverage and outcomes.	31/01/20 Significant media coverage on the release of the first £18 million of SBCD funding, the submission of the PDM project to both governments for approval, the submission of the revised NPT programme to both governments for approval, and the appointment of the new SBCD Programme Director. Regular, impactful social media activity on-going, and e-newsletter for the regional business community due for imminent distribution. Comms, marketing and business engagement on-going. 14/05/20 Programme Business Case and Monitoring & Evaluation Plan under development. Continued City Deal digital communications and engagement with the media and other stakeholders, including the business community 01/10/20 Funding Agreements now better reflect the three categories of deliverables: Project Outputs, Outcomes and impact. Portfolio business case has been updated to reflect objectives and benefits of SBCD. Continued City Deal digital communications and engagement with the media and other stakeholders, including the business community.	2	2	4	↔	Jan-21
Implementation	SBCD003	Slippage in delivery of portfolio	Mar-18	C6 C14	JC	Risk of City Deal not achieving the outcomes intended within the timescales agreed. Borrowing and recouperation does not accurately reflect spend resulting in slippage in delivery of the portfolio.	4	4	16	Establish robust monitoring and evaluation framework to ensure programme and project delivery remains within agreed timescales and to ensure that all targeted project outputs and outcomes will be achieved. Regional Team in place to undertake monitoring role. Accountable Body/Section 151 officers will undertake programme level financial profiling to ensure borrowing and distribution of City Deal funding is reflective of programme delivery.	31/01/20 Implementation of all Actica and internal reviews making significant progress. New Programme Director appointed, who will start in post on March 2, 2020. Specialist advisers to ESB appointed 14/05/20 Implementation of all Actica and internal reviews making significant progress. This includes the development of an Integrated Assurance and Approval Plan (IAAP) and a planned Gateway review for the City Deal programme. Potential Covid-19 impact is being assessed with project leads and stakeholders. 01/10/20 Implementation of all Actica, internal and external reviews to be reviewed by UKG & WG 7th Oct 2020. Integrated Assurance and Approval Plan (IAAP) has been developed and approved by WG. Gateway review for the City Deal portfolio and HAPS/SILCG / Pentre Awel undertaken. Covid-19 impact is being assessed with project leads and stakeholders.	5	3	15	↑ (3,3)	Jan-21
	SBCD004	Delay in development of business plans	Mar-18	C11 C14	RPAL / Delivery Lead	Risk of delay in development of business plans causing delay in project start dates. Depending on critical timescale could impact projects ability to deliver proposed outcomes resulting in a potential knock on affect for other projects ability to deliver and achieve outcome	5	3	15	Iterative review of draft business cases. Open and frequent dialogue between delivery lead and regional project lead authority (RPAL).	31/01/20 First £18 million of City Deal funding released, based on the approval of two projects - Yr Egin and the Swansea City and Waterfront Digital District. Pembroke Dock Marine project submitted to both governments for final approval, as well as the Supporting Innovation and Low Carbon Growth project. Further project business case submissions anticipated in coming months, along with the release of further City Deal funds 14/05/20 Development of business plans on-going. HAPS due for consideration at JC in June. New digital infrastructure project manager in place. 01/10/20 All BC's being actively worked on to be completed by end Dec 2020. See below. External consultants being used to align BC's to BBC guidance and Green Book PMO supporting PL's to develop Cases within the BBC structure. Projects using external consultants to develop BCs and strengthen economic and financial appraisals. HAPS regionally approved at June JC. PDM approved by Govts in June. Digital infrastructure and Pentre Awel BC's undergoing regional approval process	2	2	4	↔	Jan-21
	SBCD005	Delay in approval of business plans	Mar-18	C11	PAL / RO / JC / Govs	Risk of delay in approval of Business plans which depending on critical timescale could impact projects ability to deliver proposed outcomes, resulting in potential knock on affect for other projects ability to deliver and achieve outcomes.	3	4	12	Ensure JCA is completed and agreed. Identify robust regional review process / structure. Ensure project authority leads have early sight of relevant business cases. Iterative process with governments to enable them to review early drafts to minimise the amount of review required for final version. Develop and agreed process and timescale for final business case review with Governments.	31/01/20 Discussions around NNDR/Pembroke Dock Marine on-going and making progress, PDM business case submitted to both Governments for final approval. Revised programme of NPT projects (Supporting Innovation and Low Carbon Growth) approved by Joint Committee on January 28th, 2020, with formal submission imminent to both Governments for formal approval. 14/05/20 Liaison with WG Integrated Assurance Hub (IAH) on-going. IAAP being developed. PAR reviews for all projects to be undertaken. Programme Business Case being developed for June target. 01/10/20 Liaison with WG Integrated Assurance Hub (IAH) on-going. IAAP being developed. HAPS / SICG/ Pentre Awel and Portfolio Business Cases have undergone Gateway reviews SBCD have submitted updates to the funding award conditions. The updates will be considered as part of the Portfolio AOR process 7th October 2020.	3	3	9	↑ (2,3)	Jan-21
Implementation	SBCD006	Business case is not approved	Mar-18	C3 C11	RPAL / Delivery Lead	Risk of Business Case not being approved due to lack of engagement / direction from authorities resulting in project failure	3	5	15	Ensure regional project authority lead is fully involved in the development of the business case and has early sight of relevant business cases. Provide Councils with project briefings where appropriate.	31/01/20 Discussions around NNDR/Pembroke Dock Marine on-going and making progress, PDM business case submitted to both Governments for final approval. Revised programme of NPT projects (Supporting Innovation and Low Carbon Growth) approved by Joint Committee on January 28th, 2020, with formal submission imminent to both Governments for formal approval. 14/05/20 HAPS being considered by JC in June. PMO making significant progress on realising terms and conditions that will enable further projects to be considered by both governments. IAAP under development to provide further assurance 01/10/20 SBCD governance and assurance processes are maturing to better support the development of robust BC's. Project Leads engage with Govt officials and stakeholders to ensure BC alignment to policy, strategy and priorities.	3	3	9	↔	Jan-21

Operational	Implementation	SBCD007	Companies of required calibre are not based within the region	Mar-18	C13 C6	JC / Delivery Leads	Risk that companies of required calibre are not based within the region causing City Deal to not achieve the anticipated long term change / outcomes and projects do not secure long term sustainability. Resulting in potential for negative media and social media coverage, undermining the City Deal brand and objectives	3	4	12	Employ dedicated business engagement officer to work with projects and industry. Host several industry targeted events / engagement opportunities to ensure business community are clear of the opportunities to engage in the City Deal and its legacy. Ensure clear and consistent communications with industry / business forums about City Deal opportunities and potential for industry. This should include phonecalls, e-marketing, face-to-face meetings, newsletters and social media. Engage with organisations that are representative of the business community and have extensive contact networks that can be used to raise awareness. Tailored communications targeted at specialist business/property media	31/01/20 Regular City Deal attendance of business events throughout the City Region and beyond to raise awareness of the City Deal. Tailored e-newsletter, giving City Deal updates to the regional business community, City Deal articles in specialist media. Growing City Deal social media platforms, attracting the interest of the business community. City Deal attendance at MIPIM 2020 to raise the profile of City Deal projects and further investment opportunities in SW Wales. City Deal represented in online and offline MIPIM 2020 promotional materials. 14/05/20 E-newsletter distributed to the regional business community at the start of March. Communications and business engagement on-going remotely, despite Covid-19. This has included discussions with groups including Swansea Bay Business Club, CBI and the South Wales Chamber of Commerce. MIPIM 2020 and other business engagement events postponed due to Covid-19. 01/10/20 See previous	2	2	4	↔	Jan-21
		SBCD008	Change in project scope pre-business case approval	Mar-18	C11 C6	Delivery lead	Risk of change in project scope due to no longer requiring same amount of funding causing the project to no longer achieve the necessary outcomes required for City Deal funding resulting in Project not being approved and therefore unable to proceed as planned..	4	4	16	Continuous dialogue with delivery leads and RO during business case development to ensure consistency with original scope in terms of alignment to overarching aims and objectives of the deal. Iterative process of business case review by governments enabling early identification of concerns to be raised and rectified. Where changes in scope are identified close working with RO, regional project authority lead and delivery lead to ensure that changes do not compromise the proposed outcomes / outputs of the original project and that revised project scope still achieves overall programme aims and objectives	31/01/20 Pembroke Dock Marine project approved by Joint Committee and submitted to both Governments for approval. NPT's Supporting Innovation and Low Carbon Growth programme also approved by JC and submitted to both governments for final approval. Carmarthenshire Council working on a revised Life Science and Well-being development business case, which will be submitted to Joint Committee for approval in Q1 2020. Further business case submissions expected in coming months. 14/05/20 Programme Business Case under development for June target. Projects being assessed to gauge impact of Covid-19.. 01/10/20 Portfolio Business Case under development following AOR. Projects being assessed to gauge impact of Covid-19. HAPS & SILC BC's being updated following PARs	3	3	9	↔	Jan-21
Operational	Implementation	SBCD010	Cancellation of meetings (added April 2019)	Apr-19	C14 C11 C6	JC / PB / ESB / PAL / RO	Risk of Board meetings being cancelled causing implications in signing off documentation including business cases, implementation of review recommendations and key underpinning tasks resulting in delays in delivery.	3	3	9	Monthly meetings of ESB and Joint Committee now taking place at the same venue and on the same day. Programme Board meetings precede these meetings by a fortnight. Meetings of Joint Scrutiny Committee take place throughout the City Region every two month 14/05/20 City Deal governance meetings currently being arranged digitally. 01/10/20 COVID-19 affecting personnel availability. City Deal governance meetings currently being arranged digitally	3	3	9	↑ (1,1)	Jan-21	
		SBCD011	Withdrawal of Local Authority Partner	Mar-18	C3 C6 C11	JC	Risk of withdrawal of Local Authority partner. Potential for projects to fall as lack of funding / borrowing available from the project lead authority. Loss of funding for regional projects and regional support structures. Potential need to reduce scale of regional projects and / or withdraw scheme from local authority area. Resulting in not achieving outcomes of City Deal.	3	5	15	Ensure JCA is agreed by all local authority partners and includes provisions for such a scenario.	31/01/20 NPTC revised programme of projects approved by Joint Committee and will be imminently submitted to both governments for final approval. NPTC anticipating JC consideration of HAPS project by the end of February, 2020. 14/05/20 HAPS being considered by JC in June. PMO making significant progress on realising terms and conditions that will enable governments to consider all project submissions.. PAR reviews planned for projects. 01/10/20 Subject to approval of business cases by Govts, Local Authorities support the SBCD	2	4	8	↑ (2,2)	Jan-21
Operational	Operational	SBCD012	Withdrawal of other partner	Mar-18	C3 C6 C11	JC	Risk of withdrawal of other partner due to reduction in funding for regional support structures, potential impact on ability to achieve broader outcomes of City Deal re: improving public service delivery and other strategic regional functions	3	4	12	Develop arrangements with other partners who are not subject to the JCA to reflect provisions for withdrawal	31/01/20 Swansea University also working on detailed business case for the Campuses projec 14/05/20 Campuses project meetings continuing digitally. Representation of all City Deal partners anticipated at digital governance meetings. 01/10/20 All Partners currently supportive of SBCD. Formal agreements should be signed with partners who have not signed up as part of the Joint Collaborative Agreement (i.e. universities and health boards).PoMO to review role of co-opt partners	2	3	6	↑ (2,2)	Jan-21
		SBCD013	Slippage in delivery of programme against key milestones	Mar-18		JC	Risk that City Deal doesn't achieve the outcomes intended within the timescales agree due to slippage in delivery of programme against key milestones resulting in borrowing and recuperation not accurately reflecting spend	3	4	12	Establish robust monitoring and evaluation framework to ensure programme and project delivery remains within agreed timescales and to ensure that all targeted project outputs and outcomes will be achieved. Regional Team in place to undertake monitoring role. Accountable Body/Section 151 officers will undertake programme level financial profiling to ensure borrowing and distribution of City Deal funding is reflective of programme delivery.	31/01/20 Significant progress in implementing all recommendations arising from City Deal reviews. Programme Plan, Monitoring & Evaluation Plan, and an Integrated Assurance and Approval Plan all being developed. 14/05/20 Assessment of COVID-19 impact currently underway. Programme Director in dialogue with Governments and stakeholders. 01/10/20 Assessment of COVID-19 impact currently underway to assess potential impact on development and delivery of projects. Programme Director in dialogue with Governments and stakeholders. HAPS approved by JC in June. Other BC's going through regional approval process. PMO making significant progress on realising terms and conditions that will enable governments to consider all project submissions.. Gateway reviews planned for all projects. HAPS / SILCG / Pentre Awel and Portfolio BCs have completed Reviews	5	3	15	↑ (3,3)	Jan-21
Operational	Operational	SBCD014	Engaging with stakeholders	Mar-18	C13 C6	RO / Delivery Leads	Failure to engage relevant stakeholders including industry and private sector causing lack of support / engagement with City Deal and related projects resulting in City deal not achieving the anticipated long term change / outcomes. .	3	4	12	Employed dedicated communication and marketing officer. Establish dedicated communication group of key partners and project leads. Utilise different mediums and methods of communication to reach a range of audiences / stakeholders. Hold a variety of events appealing to a range of audiences. Work with project leads to identify targeted stakeholders and develop specific marketing tools for engagement with identified groups. Targeting of specific stakeholders on social media. Promotion and regular update of a cutting-edge City Deal website. Number of key partners already engaged. Ensure early and ongoing involvement through public events, procurement and supply events for example.	31/01/20 City Deal representation at business events throughout the City Region, City Deal coverage in the local, national and specialist media. Regular City Deal engagement with businesses via dedicated social media platforms. City Deal to be represented at MIPIM 2020. E-newsletters specially targeted at the regional business community. Promotion of supply chain benefits linked to City Deal projects. 14/05/20 COVID-19 restrictions have caused many planned engagement events including MIPIM to be postponed. On-going digital engagement with business representative groups being maintained. Programme Director establishing contact with key stakeholders. 01/10/20 COVID-19 restrictions have caused many planned engagement events including MIPIM to be postponed. PoMo now prioritising financial affordability which includes the level of commitment from industry and private sector. Business Eng Mgr to actively work with PLs and ESB Chair and members to engage industry and private sector. On-going digital engagement with business representative groups being maintained. Programme Director has established contact with key stakeholders. Engagement with Interested parties being maintained digitally	4	4	16	↑ (1,1)	Jan-21
		SBCD015	Initial Procurement exercises fail to benefit the local supply chain. Projects fail to implement Programme Procurement Principles.	Mar-18	C6 C7 C13	All	Risk of programmes/projects failing to implement programme management principles causing initial procurement exercises failing to benefit the local supply chain resulting in City Deal not achieving the anticipated long term change / outcomes. Lack of support / engagement with City Deal and related projects. Potential for negative publicity and loss of credibility.	3	5	15	Procurement Action Plan developed. Programme Procurement Principles drafted. Procurement Principles aligned to the WbFG Act. Industry engagement has identified key concerns/issues to be addressed in the Principles. Project Lead meetings planned with speakers on key topics of concern. Industry B2B events to be held. ESB/JC to endorse principles.	31/01/20 City Deal procurement principles considered by ESB and due for submission to Joint Committee for approval in March, 2020. Regional supply chain opportunities linked to the arena project promoted via media, social media and e-newsletter, Tender opportunities to be featured on City Deal website and other online platforms. 14/05/20 City Deal procurement principles reconsidered by ESB and due for submission to Programme Board for approval in May 2020. Effectiveness of SCC meet the buyer events and appointment of regionally based sub-contractors being monitored. 01/10/20 City Deal procurement principles reconsidered by ESB and approved at September Programme Board. Principles. To be approved by JC In November 2020. PP's have been shared with Project Leads. Business Case text and checklist template being developed. Effectiveness of Swansea Digital District procurements being monitored.	3	4	12	↑ (2,3)	Jan-21

Operational	SBCD016	Negative media coverage	Mar-18	C13	RO	Risk of City Deal image being portrayed negatively to all stakeholders and consequently the opportunities afforded by the City Deal are not realised at all levels. Resulting in disengagement of industry, business and social stakeholders alike. Potential for further negative coverage from other media, given damage to City Deal reputation and the opportunity for follow-up questions / diary markers to scrutinise City Deal progress / previous statements.	3	4	12	Dedicated communications officer in place to manage media enquiries, monitor all press releases, posts etc relating to City Deal and develop appropriate response where necessary. Ensure regular press releases on positive news and progress. Further develop relationships with key journalists across the region Develop contacts with specialist publications and websites Regular, pro-active comms (press releases and social media) on City Deal milestones/updates/facts and good news stories. Inclusion of video and audio content to accompany press releases and social media posts, when appropriate Regular proactive comms updates to key identified stakeholders across the region Approved statements to be sent in response to media queries on deadline, accompanied by discussions with the reporter asking the question(s) Discussions with news editors/editors to try to influence the tone of coverage Approved press releases and statements to be sent to identified stakeholders in advance of online or offline publication City Deal news/updates to be regularly added to the City Deal website	31/01/20 Comms and marketing officer responding to media queries. Relationship building with key media on-going. Very positive recent media coverage linked to the release of the first City Deal funding, the appointment of the Programme Director, Joint Committee's approval for the PDM project and revised NPT programme, and the start of work on site for Swansea's indoor arena. Regular on-going, impactful City Deal promotion via the City Deal's social media platforms. Comms sub-groups in place for several City Deal projects. Regular, pro-active engagement between the City Deal's communications and marketing officer, and key communications representatives from all partner organisations. City Deal branding to feature on all live sites. 14/05/20 Continued positive City Deal media coverage on projects including HAPS and the arena element of the Swansea project. Comms plan key messaging being revised to reflect the City Deal's importance as an accelerator of economic recovery, post Covid-19. Content on City Deal social media accounts being maintained. Communications & marketing officer in regular contact with project leads and other stakeholders. Pipeline of media stories being developed. E-newsletter sent to the regional business community at the start of March. Follow-up planned for coming months. 01/10/20 Continued positive City Deal media coverage on projects including the Swansea City & Waterfront Digital District. External review into the City Deal programme positively commented on communications planning, key messaging and the City Deal's strong virtual presence. The City Deal website is due for an imminent refresh to ensure continued accuracy and the comms & marketing officer is working closely with all SBCD projects to support communications in coming months. Direct communications with the regional business community will be enhanced when further projects are approved, further government funding draw-down is secured and procurement opportunities become available. Comms continues to partly focus on the City Deal being recognised as a key accelerator of economic recovery throughout the City Region, post Covid-19.	2	2	4	↔	Jan-21
Operational	SBCD017	Silo mentality / working	Mar-18	C13 C6	All	Risk of silo working due to programmes/ projects not making the cross connections and the whole system opportunity for change is not realised. Ambitions of the City Deal are not embedded into organisational aims and the transformational potential of the deal is therefore not realised. Resulting in City Deal being viewed and delivered via status quo rather than challenging and positively transforming the delivery of industry and public services in the region	4	3	12	Regular project leads meetings to identify opportunities for cross project working. Digital Infrastructure and Skills and Talent projects to meet with other project leads on a 121 basis to ensure the cross cutting themes of skills and digital are incorporated into all project plans.	31/01/20 As per previous update. Digital Infrastructure project manager also now in place, who will be closely liaising with all project leads. Key City Deal updates/press releases circulated to all members of Joint Committee for cascading down to project leads. Key partners included in all City Deal communications, including social media. 14/05/20 Programme Business Case under development, with June target. Enhanced collaboration and communication between PMO and project managers 01/10/20 Portfolio Business Case continues to be developed following AOR. Enhanced collaboration and communication between PoMO and project managers. Synergies across projects are being identified and activity to support joined-working eg Skills workshop with PL's, Digital Infrastructure with regional stakeholders and links between Pentre Awel & Campuses.	3	3	9	↑ (2,3)	Jan-21
Operational	SBCD018	Lack of alignment of communications between partners	Mar-18	C13 C6	RO	Risk of confused / inconsistent / unclear messages given out due to lack of alignment of communication between partners resulting potential negative media and social media coverage, undermining the City Deal brand and objectives	4	5	20	Employed dedicated communication and engagement officer to act as central point of contact for all City Deal related communications. Establish a communications group of key comms officers within all City Deal partner and project lead organisations to ensure consistency and up to date information. Provide regular updates to all partners or programme and project progress. Monitor tweets, press releases, articles etc relating to City Deal and ensure, where appropriate, a response is issued promptly. Develop and maintain a protocol which requires partners to send press releases and statements to the City Deal Communications officer for consistency and awareness. Develop online portal for partners to access shared logos, statements, quotations etc for us in all City Deal comms.	31/01/20 City Deal news/updates circulated to all members of Joint Committee for cascading down to relevant staff, including project leads. Key City Deal announcements featured on internal channels at all partner organisations. City Deal comms protocol in place, with the City Deal's communications and marketing officer working closely alongside communication leads at all partner organisations, including both governments. Social media activity from SBCD accounts tagging partner organisations for sharing/amplification. 14/05/20 Regular engagement between digital project and all other projects. Discussions between campuses project and life science & well-being development project on-going to establish synergy. Internal comms plan to be developed to enable better communication of key messaging between SBCD partners 01/10/20 Regular (fortnightly) PoMO and Project Leads meetings have been established. A new template for project highlight reports has been developed, which is shared with all Project Leads and SBCD governance groups. SBCD comms & marketing officer exploring innovative ways to further improve internal communications between partners and other stakeholders.	1	3	3	↔	Jan-21
Operational	SBCD019	Change in project scope post-business case approval	Mar-18	C11 C6	Delivery lead	Risk that project no longer requires same amount of fundin due to change in project scope post business case approval. Project no longer achieves the necessary outcomes required for City Deal funding resulting in project not being approved and therefore unable to proceed / proceed as planned.	4	4	16	Establish robust project monitoring and evaluation to ensure project remains on track to deliver scope outlined in approved business case and overarching aims of the City Deal in terms of growth and jobs.	31/01/20 High-level monitoring and evaluation plan being developed, along with a Programme Plan and an Integrated Assurance and Approval Plan. Terms and conditions attached to the release of the first £18 million of City Deal funding have been met. 14/05/20 Programme Business Case and Monitoring & Evaluation Plan under development for June target. Covid-19 impact assessment being completed 01/10/20 Programme Business Case and Monitoring & Evaluation Plan continue to be developed following AOR. Discussions with PDM being monitored Project level Covid-19 impact assessments being updated. PoMO will introduce change control between Projects and Portfolio and define risk appetite and tolerance within the risk management strategy	4	3	12	↑ (2,2)	Jan-21
Operational	SBCD020	Failure to establish a robust baseline	Mar-18	C6	Delivery leads / RO	Risk of failing to establish a robust baseline resulting in inaccurate measuring of impacts of city deal.	3	4	12	Initial impact assessment undertaken to identify headline impacts of the city deal. Need to further develop this to capture the full range baseline indicators that will demonstrate the impact of the city deal	31/01/20 Business Engagement Manager in post to gauge impact of City Deal projects. Detailed monitoring and evaluation plan being developed. 14/05/20 Programme Business Case being developed, along with monitoring and evaluation plan. Gateway review for programme also planned. 01/10/20 AOR process has identified this as a priority. The PoMO work with WG to identify baseline targets and timescales and will cascade these to projects. Pomo will procure consultants to help with the identification of baselines and periodic valuations. Programme monitoring and evaluation plan being developed.	3	2	6	↓ (3,3)	Jan-21
Operational	SBCD021	Government policies and legislation	Sep-20	C6		Lack of robust measures to governance policies and legislation can lead to failure to protect the stakeholders, staff and public funds associated with the City Deal and result in legal challenge, reputational damage and threat to SBCD portfolio delivery	3	3	9	Governance arrangements need to be strengthened further in terms of documenting the risk management methodology and risk appetite, an information sharing protocol, counter fraud procedures, due diligence and anti-money laundering arrangements, and recording of declarations of interest/gifts and hospitality for all Senior Officers and Members	30/09/20 Risk appetite and management detailed within programme business case. Counter fraud and moneylaundering policy in development. Central database for declarations of interest implemented but requires updating 01/10/20 Risk appetite and management detailed within portfolio business case. Counter fraud and moneylaundering policy in development. Central database for declarations of interest implemented but requires updating.	3	2	6	↓ (3,3)	Jan-21
Financial	SBCD022	Failure to achieve full funding package	Mar-18	C3	All	Risk of failing to achieve the full funding package resulting in project potentially unable to deliver or to deliver full scale of anticipated project outcomes	3	5	15	Early engagement with all funders to develop strong relationships. Robust financial planning and clear outline of interdependencies of funding in the business case, ensuring that fundamental aspects of the project are funded through most secure funding sources. Timely review and approval of five case business plan. Effective and timely procurement activity. Establishment of robust contracts. Ongoing dialogue to resolve issues relating to revenue funding.	14/05/20 Programme Business Case being developed for June target. Discussions on-going with Welsh Government and other key stakeholders. 01/10/20 Failure to achieve full funding package could give rise to clawback should sufficient outputs and outcomes not be met. Progress will be monitored quarterly via the reporting, monitoring and evaluation process. Financial affordability plans detailing the funding streams and the level of commitment will be detailed at project level. Funding agreement being developed, ongoing discussions between Accountable Body and Project Authority Leads to agree funding conditions.	3	4	12	↔	Jan-21
Financial	SBCD023	Failure to identify / secure revenue funding	Mar-18	C3 C6 C11 C14	Accountable Body	Risk of failing to identify / secure revenue funding resulting in four projects, including one regional project, unable to proceed.	5	5	25	Ongoing dialogue with governments to identify potential solutions including discussions on Capitalisation Direction. Projects with revenue element encouraged to explore alternative funding streams to support revenue elements.	14/05/20 WG confirmation that LAs can be flexible with capital receipts. Discussions with partners on-going 01/10/20 WG confirmation that LAs can be flexible with capital receipts. Discussions with partners on-going. Progress will be monitored quarterly via the financial reporting, monitoring and evaluation process	3	5	15	↔	Jan-21

Financial	SBCD024	Failure to agree NNDR (rates retention) flexibility	Mar-18	C3	Accountable Body	Risk of failing to agree NNDR (Rates Retention) flexibility resulting in Local authorities unable to borrow required amount for projects	4	5	20	Ongoing dialogue with government to explore opportunities for rate retention	31/01/20 Discussions on-going with WG 14/05/20 In-principle agreement with WG but further discussions delayed due to Covid-19. Final confirmation to be sought. 01/10/20 In-principle agreement with WG but further discussions delayed due to Covid-19. Final confirmation to be sought by accountable body	3	3	9	↓ (2,5)	Jan-21
Financial	SBCD025	Private sector funding contribution/s not in line with initial business case projections	Mar-18	C3	Delivery Lead	Risk that Private sector funding / contributions is not in line with initial business case projects resulting in overall impact of the City Deal not being realised. Project cannot deliver full scheme. Project is unsustainable	5	5	25	Projects required to complete full five case business model including robust financial detail and commercial case identifying and confirming sources of income.	31/01/20 Private sector contributions need to be evidenced in all project business cases, which need approval from UKG and WG before release of funds 14/05/20 Quarterly financial monitoring now in place with report to Programme Board and JC in June. Private sector contributions evidenced in project business cases. Covid-19 impact assessment with project leads for completion. 01/10/20 Failure to achieve full funding package could give rise to clawback should sufficient outputs and outcomes not be met	3	4	12	↔	Jan-21
Financial	SBCD026	EU match funding contributions not in line with initial business case projections	Mar-18	C3	Delivery Lead	Risk that EU match funding contributions not in line with initial business case projects resulting in overall impact of the City Deal not being realised. Project cannot deliver full scheme. Project is unsustainable	5	5	25	Projects required to complete full five case business model including robust financial detail and commercial case identifying and confirming sources of income.	31/01/20 Awaiting Update. PDM business case formally submitted to both Governments. NPT revised programme also due for imminent submission. 14/05/20 PDM business case formally submitted to both Governments. NPT revised programme also submitted. Awaiting update from WEFO on EU funding timescales as a result of Covid -19 01/10/20 Ongoing discussions between partners and WEFO to agree commitment of EU match funding due to imminent deadlines. Progress will be monitored quarterly via the reporting, monitoring and evaluation process.	3	4	12	↔	Jan-21
Financial	SBCD027	Timeframe for end of current EU funding programmes	Mar-18	C3	All	Risk of not being able to deliver full funding package at both project and programme level due to time constraints.	3	3	9	Early dialogue with all funders including Governments and WEFO. Project lead to accelerate business case development	31/01/20 Awaiting Update. PDM business case formally submitted to both Governments. NPT revised programme also due for imminent submission. 14/05/20 PDM business case formally submitted to both Governments. NPT revised programme (SILCG) also submitted 01/10/20 Ongoing discussions between partners and WEFO to agree commitment of EU match funding due to imminent deadlines. Progress will be monitored quarterly via the reporting, monitoring and evaluation process	4	4	16	↔	Jan-21
Financial	SBCD028	Project authority lead unable to borrow amount required to frontload project	Mar-18	C3 C6	LA's	Risk that Project authority lead unable to borrow amount required to frontload project projects unable to go ahead	3	5	15	Project lead authority's to factor anticipated CD borrowing and repayment costs into financial profiling. Regular dialogue between delivery lead and project lead authority to develop expenditure forecast as accurately as possible. Delivery lead to inform project lead authority of any changes to financial profile. Section 151 officer group to look at schedule of repayment of City Deal funding for consideration and agreement by Joint Committee.	14/05/20 Agreement in place, enabling LAs to borrow from the SBCD programme 01/10/20 Agreement in place, enabling LAs to borrow from the SBCD programme. Borrowing will be managed locally by Local Authorities	2	3	6	↔	Jan-21
Financial	SBCD029	Regional project authority lead unable to borrow amount required to frontload regional project funding	Mar-18	C3 C6	LA's	Risk that Regional project authority lead unable to borrow amount required to frontload regional project funding resulting in project potentially unable to deliver or unable to deliver across the whole region.	3	5	15	Regional project lead authority's to factor anticipated CD borrowing and repayment costs into financial profiling. Regular dialogue between delivery lead and regional project lead authority to develop expenditure forecast as accurately as possible. Delivery lead to inform regional project delivery lead of any changes in financial profile. Section 151 officer group to look at proportional borrowing, repayment and benefit / impact of regional projects for each local authority area.	14/05/20 JCA signed by all four regional LAs, outlining commitment to regional projects. Details of regional LA obligations outlined in regional full business cases 01/10/20 JCA signed by all four regional LAs, outlining commitment to regional projects. Details of regional LA obligations outlined in regional full business cases. Ongoing discussions with projects on how funding will be raised	2	2	4	↔	Jan-21

Swansea Bay City Deal Programme Risk Register - Categories

The Swansea Bay City Deal programme risk register captures and monitors key programme level risks to the delivery of the City Deal and achievement of its aims and objectives. It will be monitored by Joint Committee and Programme Board via circulation prior to each meeting and issues tabled for discussion as necessary.

Category	Ref. No	Description
Contractual	C1	Ineffective use or management of contacts leads to increased costs
Environmental	C2	Environmental incidents
Financial	C3	Financial risks facing the Councils
Health & Safety	C4	Harm to employees / public
IT	C5	Failure of systems / cyber attack
Objectives	C6	Threat to achieving programme objectives
People / Social	C7	Threat to / from society / groups / public
Physical / Assets	C8	Damage to organisational property
Political	C9	Adverse actions caused by changes in local, regional or national governments
Professional	C10	Lack or loss of qualified employees
Projects	C11	Threat to / from individual projects
Regulatory / Legal	C12	Changes to regulations / law
Reputation	C13	Negative publicity
Schedule / Timescales	C14	Threats to timelines / critical path(s)

Swansea Bay City Deal Programme Risk Register - Scoring

Risk Assessment Matrix		Impact				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Fundamental (5)
Probability	Almost Certain (5)					
	Likely (4)					
	Possible (3)					
	Unlikely (2)					
	Extremely Unlikely (1)					

Status	Management action required
Comfortable	The Joint Committee and Programme Board accepts the level of risk presented as within its' comfort zone
Manageable	The Joint Committee and Programme Board accepts the level of risk presented, subject to suitable and effective risk controls being in place, working and evidenced
Unacceptable	Risks at this level <u>must</u> be accepted, subject to approval of Joint Committee and Programme Board, based on rigorous control measures and regular evidenced reporting of control effectiveness by SBCD teams

		Percentage	Description
Probability	Almost Certain (5)	> 80%	Will occur in most circumstances
	Likely (4)	51 - 80%	Strong possibility
	Possible (3)	26 - 50%	Reasonable chance of occurring - has occurred before on occasion
	Unlikely (2)	10 - 25%	Unlikely to occur but potential definitely exists
	Extremely Unlikely (1)	<10%	Will only occur in exceptional circumstances

Impact	Insignificant (1)	No impact on programme success - minimal delay or interruption. No adverse interest from the media / stakeholder groups
	Minor (2)	Little impact on ability to deliver. Adverse comments confined to local media / stakeholder groups
	Moderate (3)	Moderate impact on the success of programme
	Major (4)	Potential to damage success of programme and prevent achievement of key outputs / outcomes. Significant delays or changes to programme occur as a result of risk being realised. Adverse comments
	Fundamental (5)	Potential to prevent programme from delivering at all. Prevent outputs / outcomes from being achieved. Adverse comments from national press / stakeholder groups.



Covid-19 Impact Assessment

SBCD Joint Committee – 12 November 2020

Jonathan Burnes (PoMO Director)

Introduction

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- Purpose: To assess potential impact that Covid-19 recovery has on SBCD portfolio
- City Deal will support and stimulate national and regional economic recovery
- Complements existing City Deal governance procedures and documentation
- Risks and mitigations are initially managed by Project teams
- Significant risks i.e. project scope, outputs, timescale delays, stakeholder commitment, will be appropriately escalated to the Regional PoMO, PB and JC
- Project managers assessed their project in June and October 2020
- The following summary provides an overview of the most recent assessment







Process

- Key risks identified and assessed as high, medium or low against eight impact criteria
 - Scope and key objectives, targets, timescales, reputation if project fails to deliver, stakeholder/partnerships commitment, project costs, procurement and staff resourcing
- Corrective action identified for each risk based on mitigations, requirements and recovery time objectives
- Impact score provided against each of the eight impact criteria
- Impact score is then allocated a level of intervention

Project Risk and Impact Score	Suggested Project Category	Intervention
100+	A	Joint Committee commissioned task and finish group to conduct an in-depth review
50-99	B	Intervention required. Monitored and supported by the Regional Programme Office in conjunction with Project Team
25-49	C	No intervention required. Continue to monitor locally with support from the Regional Programme Office
0-24	D	No intervention required. Continue to monitor at a project level


Covid-19 Impact Assessment movement

	Number of Red Risks Identified by Impact Criteria							
	Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/partnerships commitment	Project costs	Procurement	Staff resourcing
May-20	10	12	5	11	9	4	2	3
Oct-20	7	10	4	11	10	4	2	3
Change				-		-	-	-

Main concerns: Achievement of targets, reputational effect and stakeholder/partnership commitment

Secondary concerns: Impact on scope and objectives

Impact Assessment Scores

ASSESSMENT CRITERIA	Scoring guide				Impact score								
	0	5	10	20	PDM	Yr Egin	Campuses	Digital	HaPS	SILCG	Pentre Awel	Swansea Waterfront	Skills
Scope and key objectives	No change to project	Limited and minor changes to project	Widespread and major changes to project	Significant change to project	5	20	5	0	5	5	0	0	10
Targets	No risk to achievement	Short-term, limited impact to achievement	Widespread, but relatively short term impact on achievement	Significant, long-lasting impact on achievement	10	10	5	5	5	5	5	20	5
Timescales	No foreseeable delays	Potentially minor delays (0-6 months)	Potentially major delays (6-12 months)	Potentially significant delays (1 year+)	5	0	5	5	5	5	5	5	5
Reputation if project fails to deliver	No negative impact	Local and limited negative impact	Regional and limited negative impact	Significant impact	5	10	10	10	10	10	20	20	5
Stakeholders/partnerships commitment	No issues	Limited and minor issues	Widespread and major issues	Significant issues	10	0	5	5	0	0	0	10	0
Project costs	No variance	0-10% variance	10-20% variance	20%+ variance	5	0	5	5	5	5	5	5	0
Procurement	No impact	Minor impact	Major impact	Significant impact	5	0	5	10	5	5	5	5	5
Staff resourcing	No impact	Limited impact	Widespread and major impact	Significant impact	0	0	5	5	5	5	5	10	5
			TOTAL		45	40	45	45	40	40	45	75	35
			Intervention		C	C	C	C	C	C	C	B	C
			Movement		-	-	-	-	-	-	-	-	

Agenda Item 10



Swansea Bay City Region Joint Committee – 12 November 2020

Portfolio Action Plan

Purpose:	To agree the Action Plan in response to the Accounting Officer Review (AOR) and Gateway 0 Review recommendations
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that Joint Committee: 1) Approves the Portfolio Action Plan in Appendix A as the response to the AOR and Gateway 0 review recommendations (Appendices B & C) 2) Approves the Portfolio Action Plan in Appendix A as a template for the future reporting of the forward work programme of the PoMO
Report Author:	Ian Williams (SBCD Portfolio Development Manager)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

- 1.1 The SBCD Portfolio Action Plan available in Appendix A has been developed in response to the recommendations made in the Accounting Officer Review (AOR) in August 2020 and the Gateway 0 review undertaken in July 2020.
- 1.2 The Action Plan will be a 'live' document, updated and reported on a monthly basis with the potential to expand the scope of the plan to incorporate other work areas of the PoMO. As such it will be the Portfolio Action Plan and a key operational document for overseeing the timely and effective delivery of the forward work programme of the SBCD PoMO.

2. Background

- 2.1 As part of the assurance arrangements for the SBCD Portfolio, an independent Gateway 0 Review was undertaken in July 2020. Further, a five-week Accounting Officer Review (AOR) process was conducted by the Welsh Government, which commenced in August 2020 with the purpose to approve the SBCD Portfolio Business Case.

- 2.2 The AOR review resulted in 15 recommendations for the SBCD PoMO to address in relation to the Portfolio Business Case, as detailed in the report available in Appendix B.
- 2.3 The SBCD Portfolio Gateway 0 report received an Amber Delivery Confidence Assessment (DCA) rating and contained six prioritised recommendations to the Portfolio SRO to ensure that the portfolio is positioned for effective management and delivery. This report is attached as Appendix C.
- 2.4 The Portfolio Action Plan combines both sets of review recommendations and provides detail on the specific actions required to fulfil the recommendations and the priority, timing, ownership, status and dependencies for each action.
- 2.5 It should be noted that there are several dependencies in the Action Plan that relate to WG/UKG to initiate activity or provide specific information. The PoMO will work closely with relevant government officials to progress these actions.

3. Financial Implications

- 3.1 The specific financial implications are detailed within the attached report, with associated recommendations. Financial reporting has been consistently reported and is acquired from the project manager through the use of a standard template, which will be reviewed in collaboration with Welsh Government as part of the financial recommendations. The successful progress and completion of the actions resulting from the AOR process will support the release of future drawdowns of City Deal funding from UKG/WG.

4. Legal Implications

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

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

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

Background papers: None

Appendices:

Appendix A: AOR / Gateway 0 Action Plan

Appendix B: Accounting Officer Review Report September 2020

Appendix C: Gateway 0 Review Report July 2020

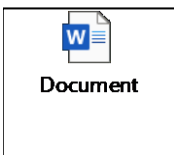
Swansea Bay City Deal - AOR / Gateway 0 Action Plan

As part of the assurance arrangements for the SBCD Portfolio, a Gateway 0 Review was undertaken in July 2020 and an Accounting Officer Review (AOR) conducted by Welsh Government to approve the Portfolio Business Case in August 2020.

Both reports to the Portfolio SRO contained a total of 21 recommendations for implementation in order to position the Portfolio for effective delivery and ensure the clarity, accuracy and effectiveness of the Portfolio Business Case and the individual project / programme business cases which form part of the SBCD Portfolio. The Gateway 0 Review gave the Portfolio an Amber Delivery Confidence rating.

The following tables detail the SBCD Action Plan developed in response to these recommendations. It is intended that this Action Plan be updated on a monthly basis.

Links to the full Gateway 0 and AOR Reports can be found below:



ID	Recommendation	BC Section	Priority	Actions	Target Date	Updated Target Date	Lead	Sign Off	Status	Dependencies	Monthly Update
AOR001	WCGIB share the AOR report with the North Wales Growth Deal and Mid Wales Growth Deal	Portfolio	Recommended	WCGIB to share AOR report with Growth Deal areas	Nov-20		WG	N/A	Not Actioned	WCGIB to action	
				Workshop to be arranged with WCGIB and Growth Deal areas	Dec-20						
AOR002	Subsequent iterations of the PoBC present the current/latest position of the portfolio	Portfolio	Essential	Clarification from WCGIB on timing of next iteration PoBC	Nov-20		PoMO	JC/Board	Not Actioned	WCGIB to clarify timing of PoBC submissions	
				PoBC to be updated with history of change to reflect current / latest position	Nov-20						
AOR003	Release of annual C&GD funding is linked to an annual submission of an updated PoBC	Portfolio	Essential	WCGIB to confirm timing for submission of updated PoBC	Nov-20		PoMO	JC/Board	Not Actioned	WCGIB to clarify timing of PoBC submissions and release of SBCD funding tranches	
				WCGIB to confirm mechanism, conditions and timing for release of funding to SBCD	Nov-20						
				PoBC to be updated and submitted to WCGIB timescales	Mar-21						
AOR004	PoBC be developed to include a section on strategic alignment of UKG & WG policy objectives, at a project level	Strategic	Essential	UKG & WG policy objectives to be reviewed and clarified	Dec-20		PoMO	JC/Board	Not Actioned	All Business Cases to be completed / updated	
				PoMO to collate and summarise Portfolio / Project Business Case Government alignment and share with Project Leads to update	Dec-20						
				PoBC to be updated with aligned project level policy objectives	Jan-21						
AOR005	PoMO fully 'SMARTens' and clearly baselines PoBC Spending Objectives	Strategic	Critical	Agree Portfolio Baseline with WG/UKG	Nov-20		PoMO	JC/Board	Not Actioned		Anticipated Baseline will be 2017 which is when the SBCD was initiated.
				Review and agree Portfolio Spending Objectives with WG/UKG	Nov-20						
				Update PoBC with agreed Baseline and Spending Objectives	Nov-20						
				Disseminate agreed Baseline and Spending Objectives to Project Leads for alignment of Business Cases	Nov-20						
AOR006	PoMO includes project-level Spending Objectives at portfolio level, and quantifies the contribution the portfolio will make to the SBCR strategy	Strategic	Essential	Agree project level Spending Objectives with Project Leads	Dec-20		PoMO	JC/Board	Not Actioned		
				PoBC to be updated with project level Spending Objectives	Dec-20						
				Engage with Regional Directors to align SBCD appraisal SBCR strategy review	Jan-21						
				PoBC to be updated showing the quantified contribution that the portfolio will make to the SBCR strategy	Jan-21						
AOR007	PoMO ensures benefits are quantified wherever possible at project level, and presents the main quantified benefits in the PoBC	Strategic	Essential	Benefits quantification to be undertaken and collated at project level.	Feb-21		PoMO	JC/Board	Not Actioned		
				PoBC to be updated with summary of project level quantified benefits	Feb-21						
				Iterations of PoBC to include updated project level benefits	Feb-21						
AOR008	WG & UKG officials work with the PoMO to develop a standardised economic appraisal template for use by projects	Economic	Essential	Standard economic appraisal template to be developed and agreed with WG/UKG	Dec-20		WG	JC/Board	Not Actioned	WG Economist to provide guidance on economic appraisal methodology	
				Agreed template to be disseminated to Project Leads	Dec-20						
				Project business cases to be updated where possible using standardised economic appraisal method	Dec-20						
				PoBC to include project economic appraisal template	Jan-21						
AOR009	WCGIB to seek assurance from the PoMO that - going forward - appropriate business case documentation, and governance and assurance arrangements are developed and installed respectively, for the constituent parts of the portfolio			Periodically review and update individual project business case documentation with project leads to align to GB / BBC criteria.	6 monthly					PoMO providing strategies, plans, templates, training, audits to standardise and enhance the governance, assurance and reporting arrangements of SBCD. This includes risk registers, issues log, IAAP,	
				Review and agree assurance arrangements for individual projects with project leads via a health check	6 monthly						

		Economic	Critical	Review and agree governance arrangements for individual projects with project leads	Dec-20	PoMO	JC/Board	Not Actioned		impact assessments, road maps, financial monitoring. These will be reported via highlight reports, Quarterly monitoring reports, annual performance reports., forward work plan.
				Develop suite of monitoring and performance reports for constituent projects	Feb-21					
				Develop contingency plans for projects and portfolio based on different scenarios /projections	Feb-21					
AOR010	PoMO adopts standardised definitions for programmes and projects, as defined by the respective best practice methodologies	Economic	Critical	Review P3M definitions against constituent projects / programmes with project leads	Nov-20	PoMO	JC/Board	Not Actioned		
				Agree appropriate business case definitions and formats for projects / programmes with project leads and WG/UKG	Nov-20					
				Project leads to revise / align individual business case documentation where required to agreed P3M best practice definitions	Feb-21					
AOR011	Next iteration of the PoBC is updated to include the identification of project level community benefits, and identified opportunities for collaborative project-level procurements	Commercial	Essential	Procurement template to be finalised and presented to project leads	Feb-21	PoMO	JC/Board	Not Actioned	Procurement template to be approved by JC/Board	February is target completion date - any project going through procurement between now and February will be required to articulate community benefits.
				Project leads to provide information on procurement / community benefits to PMO	Feb-21					
				Workshop to be held to identify best practice and portfolio approach to procurement / community benefits	Feb-21					
				PoBC to be updated with project level information on community benefits and collaborative / innovative procurements	Feb-21					
AOR012	Appropriate WG & UKG officials work with the PoMO to develop a standardised financial appraisal template	Financial	Essential	Standard financial appraisal template to be developed and agreed with WG/UKG	Dec-20	PoMO	JC/Board	Not Actioned	WG Finance officials to work with PoMO to develop templates	
				Agreed template to be disseminated to Project Leads	Dec-20					
				Project business cases to be updated using standardised financial appraisal method	Dec-20					
				PoBC to include updated project financial appraisals	Jan-21					
AOR013	PoMO sets out the relationship between portfolio investment funding and capital financing in more detail in the next iteration of the PoBC	Financial	Essential	Clarification on recommendation requirement from WCGIB and on the timing of next iteration PoBC	Nov-20	PoMO	JC/Board	Not Actioned	WCGIB to clarify timing of PoBC submissions	
				Annex 4.2 on description and scale of private sector funding to be moved to main body of PoBC	Nov-20					
				Clarify detail of short term investments and loan borrowing and how these relate to the financing of projects	Nov-20					
				PoBC narrative to clarify relationship between portfolio investment funding and capital financing	Nov-20					
AOR014	Updated governance and assurance processes are provided by WCGIB to the PoMO for incorporation into their assurance and approval process	Management	Essential	Request updated governance and assurance processes from WCGIB	Nov-20	WG	JC/Board	Not Actioned	WCGIB to provide detail on updated governance and assurance processes	
				Update next iteration of PoBC and PMO documentation with revised governance and assurance arrangements	Mar-21					
AOR015	WCGIB set out its expectations for monitoring progress, and confirms the reporting frequency it is seeking	Management	Essential	Clarify and agree monitoring and reporting arrangements with WCGIB	Dec-20	PoMO	JC/Board	Not Actioned	WCGIB to advise on monitoring and reporting arrangements going forward	
				Monitoring and reporting arrangements to be disseminated to project leads	Dec-20					
				Update PoBC and PMO documentation to align with defined monitoring and reporting arrangements	Mar-21					

ID	Recommendation	BC Section	Priority	Actions	Target Date	Updated Target Date	Lead	Sign Off	Status	Dependencies	Monthly Update
Gate001	Resolve the inertia introduced by Portfolio/Programme terminology and agree with UKG/WG the purpose of the business case to drive its rapid approval and set the framework for constituent Project Business Case approvals.	Portfolio	Critical	Clarify and agree Portfolio / Programme terminology with UKG/WG	Aug-20		PoMO	JC/Board	Completed		WG provided confirmation to PoMO on the purpose of the Portfolio Business Case. PoMO produced and submitted Portfolio Business Case for approval via the AOR process. AOR recommendation sought further clarity on P3M terminology and PoMO are in the process of implementing appropriate Portfolio, Programme and Project status and governance arrangements.
				Realign PoBC with Green Book and BBC best practice and submit to UKG/WG	Aug-20						
				Update and monitor PoBC to UKG/WG requirements to ensure validity and currency	tbc						
Gate002	Obtain written confirmation from UKG/WG of explicit description of the conditions required to trigger SBCD funding to flow and negate the need for any further reference other than normal reporting mechanisms.	Portfolio	Critical	Request clarification of funding conditions from UKG/WG	Aug-20		PoMO	JC/Board	Completed		WG provided confirmation, PoMO submitted information for conditions sign off to WG/UKG. SBCD awaiting conditions sign off.
				Secure sign off of outstanding conditions and the recent recommendations from AOR review	Sep-20						
Gate003	Evaluate the merit of differentiating the accountabilities for strategic oversight and delivery control, thus empowering the Programme Board to exercise its function with agility and in line with the delivery tempo of the programme.	Portfolio	Essential	Case studies to be undertaken of best practice governance and differentiation of oversight and operational roles	Nov-20		PoMO	JC/Board	Not Actioned		This will be initiated Oct/Nov where the PoMO will coordinate and gather insights from stakeholders.
				Recommendations to JC/Board on options for governance	Dec-20						
				SBCD governance arrangements to be revised pending approval by JC/Board of best practice recommendation	Jan-21						
Gate004	Obtain written confirmation from UKG/WG of the acceptance criteria for closing down the response to the external review of February 2019.	Portfolio	Critical	Clarity to be sought from UKG/WG of acceptance criteria for external review Feb 19	Aug-20		PoMO	JC/Board	Completed		Completed as per recommendation 2.
				Outstanding issues relating to external review to be identified and addressed	Aug-20						
				Secure sign off of any outstanding issues from UKG?WG	Aug-20						
Gate005	Reinforce the importance of a strong and well-resourced PMO to provide a solid engine room for SBCD – the 'information power house' that underpins momentum.	Portfolio	Recommended	Complete appointments to all roles in the PMO	Aug-20		PoMO	JC/Board	In Progress		The recruitment of staff for the PMO has led to the development and improvement of governance, assurance and reporting support to project teams and has received positive feedback from Project Leads.
				Agree ongoing monitoring and reporting processes with UKG/WG	Dec-20						
				Develop full suite of documentation for the effective delivery of Portfolio	Dec-20						
				Ensure that Project Leads are resourced and informed to ensure timely approval of Business Cases and effective delivery of projects and programmes	Jan-21						
Gate006	Promote the merit of discovery funding within the Growth Deal approach for project feasibility and innovation work in order to accelerate viable projects and avoid protracted start-up of non-viable projects.	Portfolio	Recommended	Dialogue to be held with UKG/WG relating to the potential for Discovery Funding both outside the current SBCD Portfolio and from within the Portfolio for projects prior to business case approval	Nov-20		PoMO	JC/Board	Not Actioned		
				Explore potential for regional investment fund to initiate innovation and undertake project feasibility	Dec-20						
				Develop innovative proposals with Project Leads for innovative elements	Ongoing						

Swansea Bay City Deal

Portfolio Business Case - Accounting Officer Review Report

September 2020

1. Scope of review

- 1.1. This review has been prepared to help discharge the Accounting Officer's responsibilities as defined in Managing Welsh Public Money¹. The scope of the review is limited to the submitted Portfolio Business Case (PoBC) and its appendices, version 1.1, dated 20th August 2020². The report is structured to align with the Five Case Model³.
- 1.2. The review is focused on the PoBC; and not the constituent parts of the portfolio and their corresponding business cases.
- 1.3. The business case lead, and counterparty for the review, is the Swansea Bay City Deal (SBCD) Portfolio Management Office, herein referred to as the "PoMO". The Review is an agreed joint Welsh Government (WG) and UK Government (UKG) position; the SBCD was signed by Governments and regional partners in March 2017.
- 1.4. This report identifies 15 high level recommendations. These are intended to strengthen the PoBC, assist with the mitigation of risks and improve the chances of successful delivery. A collated version of the recommendations can be seen at **Annex A**.

2. Review team

- 2.1 The review team for this exercise comprised various WG officials, reflecting experience and expertise across the five cases. Given the joint funding profile for the Deal, UKG was invited to contribute. The review team can be seen at **Annex B**.
- 2.2 A copy of the review team's scrutiny comments and the subsequent responses provided by the PoMO can be seen at **Annex C**. Following this process, WG's Business and Regions Mid & South West Wales Regional Team provided clarifying remarks next to some comments, in the interests of transparency these are included in the comment tracker.

3. Background

¹ <http://gov.wales/docs/caecd/publications/160201-managing-money-en.pdf>

² Supplementary updated Executive Summary investment profile table received in the initial stages of AOR

³ <http://gov.wales/funding/wales-infrastructure-investment-plan/better-business-cases/?lang=en>

- 3.1 The Joint UKG & WG - Welsh Cities & Growth Deals Implementation Board (“WCGIB”) has commissioned the Accounting Officer Review, which is linked to the release of pre-committed funding from both Governments to the SBCD.
- 3.2 The AOR process is designed to provide assurance around the PoBC. The wider WCGIB assurance process includes independent Gateway Reviews commissioned by the SBCD PoMO for the component parts of the portfolio in conjunction with appropriate approval points.
- 3.3 The development of the PoBC has benefited in recent months due to collaborative work undertaken between the PoMO, Office for Project Delivery, WCGIB representatives, regional and other officials in WG, and other regional Growth Deals in Wales. The approach centred on a series of best practice business case development workshops, led by the author of the Better Business Cases guidance, Joe Flanagan.
- 3.4 The approach described above is also being replicated by other Growth Deals in North & Mid Wales in the development of their PoBCs. As a result of the work with the regional City & Growth Deals in Wales, the BBC Standards Board (chaired by WG) has commissioned the development of Portfolio Business Case guidance; which will complement existing guidance at project and programme level.
- 3.5 In the interests of creating efficiencies and sharing learning experiences, it is recommended that this report is shared with the North Wales Growth Deal and Mid Wales Growth Deal, both of which are at differing stages of PoBC development.

Recommendation 1: That the WCGIB share the AOR report with the North Wales Growth Deal and Mid Wales Growth Deal

- 3.6 It is also acknowledged and recognised that SBCD is not at the outset of the portfolio development process and indeed, three business cases have been approved and are currently in delivery, and the composition of the portfolio has evolved since 2017. This has led to challenges for the PoMO in presenting the business case and marrying best practice with pragmatism, and balancing what was originally agreed with the current position. It is recommended that in order to provide clarity to the reader, subsequent iterations present the current portfolio position – showcasing change from a previous version – in each case and section, as relevant, but capturing the ‘history of change’ thereafter or in annex.

Recommendation 2: That subsequent iterations of the PoBC present the current/latest position of the portfolio

4. Overview

- 4.1 The SBCD is one of four City & Growth Deals in Wales, and 36 in the UK.

4.2 In order to deliver its intended outcomes, the SBCD PoBC's stated required investment is £1.157bn, comprising the following:

- *£241M City Deal funding (comprising £125.4M from WG and £115.6M from UKG, allocated on an annual basis over a 15 year period),*
- *£330.2M Other public sector funding sources, such as, WEFO, and Local Authority contributions*
- *£591.8M assumed private sector investment into individual projects*

4.3 The scope of the portfolio is defined by four broad strategic themes, namely:

- Economic acceleration
- Life Sciences & Well-being
- Energy
- Smart Manufacturing

Within those themes, the PoBC identifies nine projects as defined by stakeholders.

4.4 The purpose of the PoBC is to identify the optimal combination of programmes and projects necessary to achieve the organisation's⁴ strategic objectives.

5. Conclusions

5.1 The SBCD is a high profile scheme which has received strong public sector support from UK and Welsh Governments and across political parties.

5.2 Intervention will provide timely and much needed investment into the region, not least to assist with the post-Covid-19 recovery process; noting the additional risks brought about by Covid-19.

5.3 The development of the PoBC is going in the right direction in terms of its structure and content. The review team found that there is potential to strengthen the document further providing more detailed evidence and additional clarity in some areas. The contents of this report, its recommendations and the annexed detailed review comments are intended to provide direction in this regard.

5.4 Acknowledging that the level of detail will be greater at project level than it will be at portfolio, the level of detail in the PoBC needs to provide the approving body with sufficient detail where this is available. This principle reflects the C&GD annual funding mechanism to the portfolio rather than more traditional funding provision to projects following project level business case approval.

⁴ The Swansea Bay City Region in this case

- 5.5 The PoBC will undergo a number of iterations over the period of the SBCD (as is already the case) and thus needs to be written in a format that can be easily updated with clear recording of decisions or there is a risk that historical corporate knowledge will be lost over time.
- 5.6 A broad range of stakeholders may read the document without prior knowledge of either the SBCD and/or the Five Case Model methodology, it should therefore be written in a concise manner minimising assumptions required by the reader.
- 5.7 A key challenge for the SBCD is to realise the levels of investment from the private sector – not least due to the impact of Covid-19 and Brexit, managing the private and public sector investment to deliver all of the identified interventions and associated benefits.
- 5.8 Given the fixed funding commitment from Governments affordability is a concern. Not insignificant risks remain that cost increases will lead to project-level scope and benefit reductions, which would ultimately lead to sub-optimal outputs and outcomes. SBCD should be cognisant of the potential that programmes and projects may need to be re-phased and/or reconsidered to ensure that the affordability envelope is met.
- 5.9 The development of a PoBC, grounded in project-level evidence, is designed to ensure that the PoMO is set up for portfolio management and that investment decisions can be made based on evidence e.g. informed by project-level Net Present Social Values (NPSV). The further development of economic and financial appraisals is therefore considered a priority in the short term. This will in turn assist with monitoring, reporting and evaluation by the PoMO, providing assurance to Governments and other key stakeholders.
- 5.10 The continued release of annual C&GD funding should be linked to the annual submission of an updated PoBC; with timescales aligned to allow the consideration of the PoBC prior to the release of funding. This process shouldn't preclude the reporting of management information into Governments on a more frequent basis.

Recommendation 3: That the release of annual C&GD funding is linked to an annual submission of an updated PoBC

6. Strategic Case

- 6.1 There is a need for clarity on the policy and strategic alignment of individual projects at portfolio level. In particular, any differences in policy objectives between UKG & WG including an agreed resolution should be clearly articulated.

Recommendation 4: That the PoBC be developed to include a section on strategic alignment of UKG & WG policy objectives, at a project level

6.2 The portfolio-level Spending Objectives focused on jobs created and Gross Value Added (GVA) are considered appropriate. Through the course of the review there was agreement that a Spending Objective focused on increasing productivity should be removed, due to the difficult nature of quantifying the Deal's contribution to said increase; instead, this should be treated as a benefit.

6.3 The review found that whilst appropriate, the PoBC Spending Objectives should be fully 'SMARTened' and clearly baselined, to enable post portfolio evaluation e.g. to increase GVA, by how much, within the timeframe identified. Furthermore, there is a lack of clarity regarding the cascading to project-level Spending Objectives, and similarly the contribution to the aims and objectives of the overarching Swansea Bay City Region (SBCR) strategy.

Recommendation 5: That the PoMO fully 'SMARTens' and clearly baselines PoBC Spending Objectives

Recommendation 6: That the PoMO includes project-level Spending Objectives at portfolio level, and quantifies the contribution the portfolio will make to the SBCR strategy

6.4 The review team also identified a need to strengthen the benefits section of the PoBC; in particular providing quantification around the main benefits presented at PoBC. This is an important element to help ensure that the impact on benefit changes at project level can be understood at portfolio level.

Recommendation 7: That the PoMO ensures benefits are quantified wherever possible at project level, and presents the main quantified benefits in the PoBC

7. Economic Case

7.1 Overall the economic case presented a clear summary of the process so far and identified the key metrics and decision points in table 2.6. The SBCD team were advised to record how the projects were selected and not to retrofit the process to accord with best practice; the economic case now does this.

7.2 The economic case would benefit from the addition of definitions to ensure that metrics are prepared and presented on a clear and consistent basis. It is noted that one of the project Benefit Cost Ratios (BCRs) appears particularly high, namely, 17.1 to 1 for the Yr Egin project. The preparation of a standardised economic appraisal template for use across all projects, and indeed all C&GDs, is considered key in this regard, and will assist with the assessment of risk and calculation of optimism bias and production of consistent and comparable NPSVs and BCRs.

7.3 This approach will benefit other developing regional Growth Deals in Wales too. It is recommended that appropriate Welsh and UK Government officials work with the SBCD PoMO initially, to assist with the production of a standardised economic appraisal template.

Recommendation 8: That appropriate WG & UKG officials work with the PoMO to develop a standardised economic appraisal template for use by projects

7.4 The PoBC would also benefit from an annex which briefly sets out the options appraisal and decision-making process for each of the projects to demonstrate how preferred options arise.

7.5 The analysis presented confirms that a number of the projects that have been approved thus far, or are already under way, were not developed in a way that is fully compliant with HM Treasury Green Book guidance. Work is under way to ensure that these projects become more aligned with the latest PoBC Spending Objectives and Critical Success Factors, which were developed after the early project business cases. It will be important going forward to ensure that these projects remain aligned and that they are rigorously tested against the portfolio objectives to deliver value for money.

7.6 The PoBC identifies two key risks which have emerged since the initial work was undertaken – Brexit and Covid. Both of these have the potential to fundamentally affect the funding, scale, scope and outcomes of the portfolio. It will be important going forward to develop contingency plans for individual projects and the portfolio as a whole for scenarios such as changing baselines, variations to expected growth/employment trajectories, availability of private (and, potentially, public) finance, changing scale/scope of projects and break-points/exit strategies. These risks and sensitivities will need to be explicitly considered at both the project and portfolio levels to test what is deliverable under different assumptions/out-turns and to ensure that projects remain viable and deliver value for money.

7.7 The constituent parts of the portfolio are identified and defined as projects. The review team considers that a number of the projects appear to resemble programmes (focused on outcomes), each comprising of multiple projects (outputs). Noting that some projects have already been delivered, the WCGIB should seek assurance from the PoMO that, going forward, appropriate business case documentation is being developed. If not, this could lead to difficulties should multiple procurements be required; complications in disaggregating information at a project level, potentially impacting on transparency and creating difficulties in reporting progress (at a portfolio level); and creating confusion regarding application of PPM methodologies, including, governance, assurance and management arrangements.

Recommendation 9: That the WCGIB seeks assurance from the PoMO that - going forward - appropriate business case documentation, and governance and

assurance arrangements are developed and installed respectively, for the constituent parts of the portfolio

- 7.8 It is considered particularly important for the PoMO to use consistent terminology for the use of programmes and projects; this will reduce the scope for misconceptions within and between regional City & Growth Deals. For example, the SBCD PoBC refers to the same initiatives as projects and programmes throughout the business case; and in responding to reviewers comments referred to projects and ‘sub-projects’ – this is not recognised terminology, and therefore not helpful to the reader.
- 7.9 It is therefore recommended that the PoMO adopts standardised definitions for programmes and projects, as defined by the respective best practice methodologies, Managing Successful Programmes and PRINCE2. Related best practice documentation, such as, the Better Business Cases guidance and Cabinet Office Gateway products are already aligned with these definitions. The portfolio in this scenario will reflect the totality of investment propositions at an individual regional C&GD level.

Recommendation 10: That the PoMO adopts standardised definitions for programmes and projects, as defined by the respective best practice methodologies

- 7.10 In time, the aim for the PoMO should be to produce a balanced and prioritised portfolio of investment, aligned to its strategy, and informed by project-level NPSVs. This could potentially develop to include a longer pipeline of projects, fundable by other sources – acknowledging that this is currently beyond the scope of the SBCD.

8. Commercial Case

- 8.1 The PoBC is considered to provide sufficient information around processes, compliance with Public Contract Regulations 2015, application of the Wales Procurement Policy Statement and Ethical Code to provide assurance. It is appropriate for the detail of individual procurements to sit at project-level.
- 8.2 Community benefits are identified at a high-level; future iterations of the PoBC could helpfully set out which community benefits each project seeks to attain.
- 8.3 Similarly, the PoBC states that opportunities for collaboration on project-level procurements will be explored, seeking to generate economies of scales and produce social value. The next iteration of the PoBC should provide further detail on the progress made and opportunities identified, including the identification of National Procurement Service and Welsh Local Government Association frameworks.

Recommendation 11: That the next iteration of the PoBC is updated to include the identification of project level community benefits, and identified opportunities for collaborative project-level procurements

9. Financial Case

- 9.1 The financial case reflects a portfolio of projects at differing stages of development. The review team identified a need for a standardised financial appraisal template to use across projects, to ensure a consistent method of development and reporting financial information. This should help to simplify the exercise of updating the PoBC.
- 9.2 The financial appraisal needs to demonstrate affordability within the portfolio funding envelope. Therefore, the project-level annual capital and revenue requirements (and income) need to be presented against individual annual funding sources e.g. City Deal, WEFO, Local Authority or private sector. This information should also account for any additional funding provided outside of the Deal e.g. £3M of Welsh Government funding granted to phase 1 of the Yr Egin programme in 2017/18. This management information around funding levels and sources will help to identify and manage potential funding pressures, as projects develop.
- 9.3 This approach will benefit other developing regional Growth Deals in Wales too It is recommended that appropriate Welsh and UK Government officials work with the SBCD PoMO initially to assist with the production of a standardised template

Recommendation 12: That appropriate WG & UKG officials work with the PoMO to develop a standardised financial appraisal template

- 9.4 The review team considers that a key risk pertaining to the Deal is the security of funding provided by private sector partners to projects over the lifetime of the deal. Indeed the projection of private sector investment has reduced by £117M in the most recent portfolio review, captured in the PoBC. This risk is exacerbated given the current economic uncertainty, created in particular by the Covid-19 pandemic. There is an increased risk that planned private investment fails, or is not achieved at the required levels; which could jeopardise the delivery of the key components of the SBCD, or result in scope and/or benefits reductions linked to individual projects. Robust project-level economic and financial appraisals (models) will assist with portfolio analysis and enable investment decisions based on evidence, should levels of private sector investment not materialise to the levels assumed.
- 9.5 As part of the review process it was agreed that information relating to the nature, description and scale of private sector funding assumptions would be moved to the main body of the PoBC, and displayed as a key consideration. The annex in question is 4.2 – Public and private sector funding status.

9.6 The PoBC references use of a Portfolio Investment Fund in 4.6, where it proposes to make short term investments with C&GD funding received. Additional clarity is required to establish how this will work. This is also required around capital borrowing costs in respect of the financing of the projects; moreover the relationship between portfolio investment funding and capital financing should be further elaborated.

Recommendation 13: That the PoMO sets out the relationship between portfolio investment funding and capital financing in more detail in the next iteration of the PoBC

10. Management Case

10.1 UKG & WG have reviewed the assurance and approval processes for C&GDs. The SBCD has developed an IAAP at portfolio and project level. The revised changes to the Governance and Assurance processes (flow charts) regarding business case approval and assurance, and annual funding approval requirements, need to be integrated into the existing Regional processes and should be incorporated in the next iteration of the PoBC.

Recommendation 14: That updated governance and assurance processes are provided by WCGIB to the PoMO for incorporation into their assurance and approval process

10.2 The review team found that there is a need for clarity from the WCGIB in terms of the reporting from the PoMO into Governments. It is suggested that the WCGIB set out what information it expects to receive as part of the monitoring process, and the frequency of reporting. This could be expected to be more frequent in the first 5 year tranche of the Deal, where investment profile has been front loaded, perhaps on at least a 6 monthly basis for that period.

Recommendation 15: That the WCGIB set out its expectations for monitoring progress, and confirms the reporting frequency it is seeking

10.3 The SBCD PoMO are developing an improved capacity and capability. This needs to be clearly articulated to provide assurance e.g. in terms of competence levels of PoMO staff and individual project managers e.g. Better Business Cases accreditation, MSP, Prince2, Agile etc.

10.4 The use of standardised project management tools, such as, Microsoft Project, are desirable to aid reporting and delivery assurance.

1. That the WCGIB share the AOR report with the North Wales and Mid Wales Growth Deals
2. That subsequent iterations of the PoBC present the current/latest position of the portfolio
3. That the release of annual C&GD funding is linked to an annual submission of an updated PoBC
4. That the PoBC be developed to include a section on strategic alignment of UKG & WG policy objectives, at a project level
5. That the PoMO fully 'SMARTens' and clearly baselines PoBC Spending Objectives
6. That the PoMO includes project-level Spending Objectives at portfolio level, and quantifies the contribution the portfolio will make to the SBCR strategy
7. That the PoMO ensures benefits are quantified wherever possible at project level, and presents the main quantified benefits in the PoBC
8. That appropriate WG & UKG officials work with the PoMO to develop a standardised economic appraisal template for use by projects
9. That the WCGIB seeks assurance from the PoMO that - going forward - appropriate business case documentation, and governance and assurance arrangements are developed and installed respectively, for the constituent parts of the portfolio
10. That the PoMO adopts standardised definitions for programmes and projects, as defined by the respective best practice methodologies
11. That the next iteration of the PoBC is updated to include the identification of project level community benefits, and identified opportunities for collaborative project-level procurements
12. That appropriate WG & UKG officials work with the PoMO to develop a standardised financial appraisal template
13. That the PoMO sets out the relationship between portfolio investment funding and capital financing in more detail in the next iteration of the PoBC
14. That updated governance and assurance processes are provided by WCGIB to the PoMO for incorporation into their assurance and approval process
15. That the WCGIB set out its expectations for monitoring progress, and confirms the reporting frequency it is seeking

AOR Review Team

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SBCD PoBC AOR Review comments and PoMO responses



200914 SBCD
Portfolio BC - MASTE



OGC Gateway™ Review 0: Strategic assessment

	Swansea Bay City Deal
	AH20/15

Version number:	V1.0 FINAL
Senior Responsible Owner (SRO):	Wendy Walters
Date of issue to SRO:	[Insert date]
Department/Organisation of the Programme	Swansea Bay Region
Review dates:	15/07/2020 to 17/07/2020
Review Team Leader:	David Wilkin
Review Team Members:	Nigel Elias Gez Martin Julie Palmer
Previous Review:	N/A
Security Classification:	Official

This assurance review was arranged and managed by:

Welsh Government Integrated Assurance Hub (IAH)

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1.0 Delivery Confidence Assessment (DCA)

<u>Delivery Confidence Assessment:</u>	Amber
<p>The Review Team finds that the Swansea Bay City Deal has experienced significant inertia in securing UK and Welsh Government approval to proceed accompanied by the flow of funding.</p> <p>In order to unblock this impediment, the Review Team recommends that the SBCD needs to:</p> <ul style="list-style-type: none"> • Clarify the purpose of its Business Case; • Clarify the triggers for release of funding; and • Clarify the acceptance criteria to close down the response to the 2019 external review. <p>The progress made in recent months with the appointment of the SRO and Programme Director, together with the initial formation of the PMO has been creditable, especially in the context of Covid-19 lockdown working conditions.</p> <p>To position the SBCD in a stronger position moving forward, the Review Team believes that the SBCD should:</p> <ul style="list-style-type: none"> • Separate Strategic Oversight from Delivery Control; • Reinforce the importance of the PMO; and • Promote the concept of Discovery Funding. <p>The issues identified, if addressed promptly, should position SBCD positively for success, though the potential for deviation over the 15-year period is significant and will require ongoing strong, and proportionate, governance with matters being resolved at Project Board, Programme Board, Joint Committee or UKG/WG in line with agreed thresholds.</p>	

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

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber/Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	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.
Amber/Red	Successful delivery of the 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.
Red	Successful delivery of the programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The programme may need re-baselining and/or overall viability re-assessed.

2.0 Summary of Report Recommendations

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

Ref. No.	Recommendation	Urgency (C/E/R)	Target date for completion	Classification (Please enter the categorisation number from the list provided here)
1.	Resolve the inertia introduced by Portfolio/Programme terminology and agree with UKG/WG the <i>purpose</i> of the business case to drive its rapid approval and set the framework for constituent Project Business Case approvals.	C- Critical	End Aug 2020	1.3 Approvals
2.	Obtain written confirmation from UKG/WG of explicit description of the conditions required to trigger SBCD funding to flow and negate the need for any further reference other than normal reporting mechanisms.	C- Critical	End Aug 2020	1.3 Approvals
3.	Evaluate the merit of differentiating the accountabilities for strategic oversight and delivery control, thus empowering the Programme Board to exercise its function with agility and in line with the delivery tempo of the programme.	E- Essential	End Sept 2020	1.1 Governance Structures & Processes
4.	Obtain written confirmation from UKG/WG of the acceptance criteria for closing down the response to the external review of February 2019.	C- Critical	End Aug 2020	3.4 Quality Management
5.	Reinforce the importance of a strong and well-resourced PMO to provide a solid engine room for SBCD – the ‘information power house’ that underpins momentum.	R - Recommended	Ongoing	3.7 Methodology & Standards
6.	Promote the merit of discovery funding within the Growth Deal approach for project feasibility and innovation work in order to accelerate viable projects and avoid protracted start-up of non-viable projects.	R - Recommended	End Sept 2020	5 Financial Planning & Management

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme 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 should benefit from the uptake of this recommendation.

3.0 Comments from the SRO

The Stage gate review process was very timely, well received and the six recommendations are reflective of where we are now and what we need to do to ensure we can move forward and deliver the SBCD projects. The process has been quite a reflective one for many and useful in terms of setting the future direction. The emphasis given regionally and nationally on the importance of the SBCD and how the projects will aid with economic recovery during and post Covid-19 needs to translate into delivery. We have seen a noticeable improvement in WG support via Rhodri Griffiths' team and the Office of Project Delivery. Appreciating there have been frustrations around terminology and clarity on direction, relations have very much improved with WG over the last year or so and it is vital that this continues to improve. As SRO for the SBCD, I look forward to seeing the approval and draw down of funding later this year and the realisation of the vision for the region.

4.0 Background

The aims of the programme:

The draft Business Case (v1.1 June 2020) states that:

The Swansea Bay City Region is made up of the four local authority areas of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea, with a combined population of more than 685,000 people.

The City Region – which covers the South West Wales area - was launched in July 2013, with support from the Welsh Government.

Its creation 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 formal establishment of the Swansea Bay City Region built upon existing partnership working throughout South West Wales between regional local authorities, universities, health boards and other organisations.

The Swansea Bay City Region benefits from several extensive assets which provide unique opportunities for economic growth, including:

- *Natural resources and infrastructure*
- *Urban hubs*
- *A growing knowledge economy*
- *Globally recognised science-based facilities*
- *Distinguished universities with expertise in research and development*
- *Strong manufacturing traditions*
- *A skilled, diverse and resourceful workforce*
- *Considerable commuting flows across the area*

The driving force for the programme:

The draft Business Case (v1.1 June 2020) states that:

The strategic context for the Swansea bay City Deal is outlined in the Swansea Bay City Region Economic Regeneration Strategy 2013 – 2030, which represents an ambitious strategic framework to support South West Wales and its future economic development. The document sets out that framework, which is intended to stimulate and shape the work of all our stakeholders as we come together behind a common vision, to enhance the long-term prospects of our City Region economy, its businesses, and communities.

It is an unambiguous strategy for economic success, designed to accelerate our growth so that we can reduce the gap with the performance of the rest of the UK in wealth creation terms. Despite the strategy bringing much needed certainty and assurance to our development thinking, given the speed of change evident within an increasingly globalised world economy, it is vital that the strategy has in-built responsiveness and flexibility at its core, so that it can be delivered in a dynamic fashion and respond quickly and assertively to breaking market, technology and policy opportunities.

It is a forward leaning strategy that proactively charts a better economic future for the City Region and its citizens. It connects and articulates our complex economic, social and environmental needs at the City Region level, whilst also recognising that wider policy thinking at the level of Wales, the UK and EU will also impact greatly on the City Region's future direction.

The delivery status

Version 2
February 2019

The draft Business Case (v1.1 June 2020) sets out the component projects:

The table below reflects the overall revised headline outcomes as at May 2020:

PROJECT NAME	IMPACT	
	GVA £m	Net Jobs
	15 years	15 years
Internet of Economic Acceleration		
<i>Swansea City & Waterfront Digital District</i>	669.8	1,323
<i>Creative Digital Cluster - Yr Egin</i>	89.5	427
<i>Digital infrastructure</i>	318	
Internet of Life Science & Well-being		
<i>Life Science & Well-being Campuses</i>	153	1,120
<i>Life Science & Well-being Village</i>	467	1,853
Internet of Energy and Smart Manufacturing		
<i>Homes as Power Stations</i>	251	1,804
<i>Pembroke Dock Marine</i>	343.3	1,881
<i>Supporting Innovation and Low Carbon Growth</i>	93	1,320
TOTALS	2,605.17	9,279

5.0 Purposes and conduct of the OGC Gateway Review

The primary purposes of a Gateway Review 0: Strategic assessment are to review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to Ministers' or the departments' overall strategy.

Annex A gives the full purposes statement for a Gateway Review 0.

Annex B lists the people who were interviewed during the review.

Current position regarding previous assurance reviews:

This is the first Gateway Review of the Swansea Bay City Deal Programme.

6.0 Acknowledgement

The Review Team would like to thank all participants for their contributions to this review. The assistance provided by Greg Jones and Sara Nicholls was particularly appreciated.

7.0 Scope of the Review

This an early Gateway 0 Review.

The Review team was provided with the following Terms of Reference:

1. Are all stakeholders still committed to the SBCD aims and objectives
2. Does the SBCD still align to national and regional priorities and growth opportunities that will best deliver economic prosperity
3. Is the governance structure for the SBCD in terms of Joint Committee, Programme Board, Economic Strategy Board, Joint Scrutiny Committee and the Programme Management Office appropriate and effective
4. Are the governance processes appropriate and effective for the size and complexity of the SBCD i.e. regularity of meetings, project approval process, decision making, reporting, risk, performance, escalations, etc
5. How confident is the SBCD in achieving leverage of private sector investment and delivery of outputs and outcomes
6. Has the economic context (Covid-19 recovery and Brexit) changed anything for the SBCD
7. What opportunities should be explored within and beyond the scope of the SBCD portfolio
8. What constraints exist that could obstruct SBCD portfolio development and delivery

8.0 Review Team findings and recommendations

8.1: Policy and business context

P3M Terminology

In the lead-up to this Gateway Review the Swansea Bay City Deal (SBCD) team has been in receipt of advice from expert advisors, specialists in the creation of business cases. Unfortunately, this has led to a degree of confusion about terminology used in Portfolio, Programme and Project Management (P3M). These terms have different meanings to different people and are used variably in different public and private sector organisations.

For the purposes of this Gateway Review, the Review Team will use the terminology as follows:

- Portfolio – the totality of all City and Growth Deals in Wales.
- Programme – the totality of all Projects within the SBCD.
- Project – an individual constituent project within the SBCD.

The subject of this Gateway Review is, therefore, the Programme.

Strategic Context

The SBCD is jointly funded by the UK Government (UKG) and Welsh Government (WG) as a Capital Scheme and is subject to robust governance being enacted for the Region. In this case, the Region is defined as the geographical area covered by:

- City and County of Swansea Council;
- Carmarthenshire County Council;
- Neath Port Talbot County Borough Council; and
- Pembrokeshire County Council.

The SBCD is firmly anchored in supporting overarching policy intent for both UKG and WG. SBCD supports UK Government strategies including the Industrial Strategy and Clean Growth Strategy, as well as clear alignment with Wales' Wellbeing of Future Generations Act.

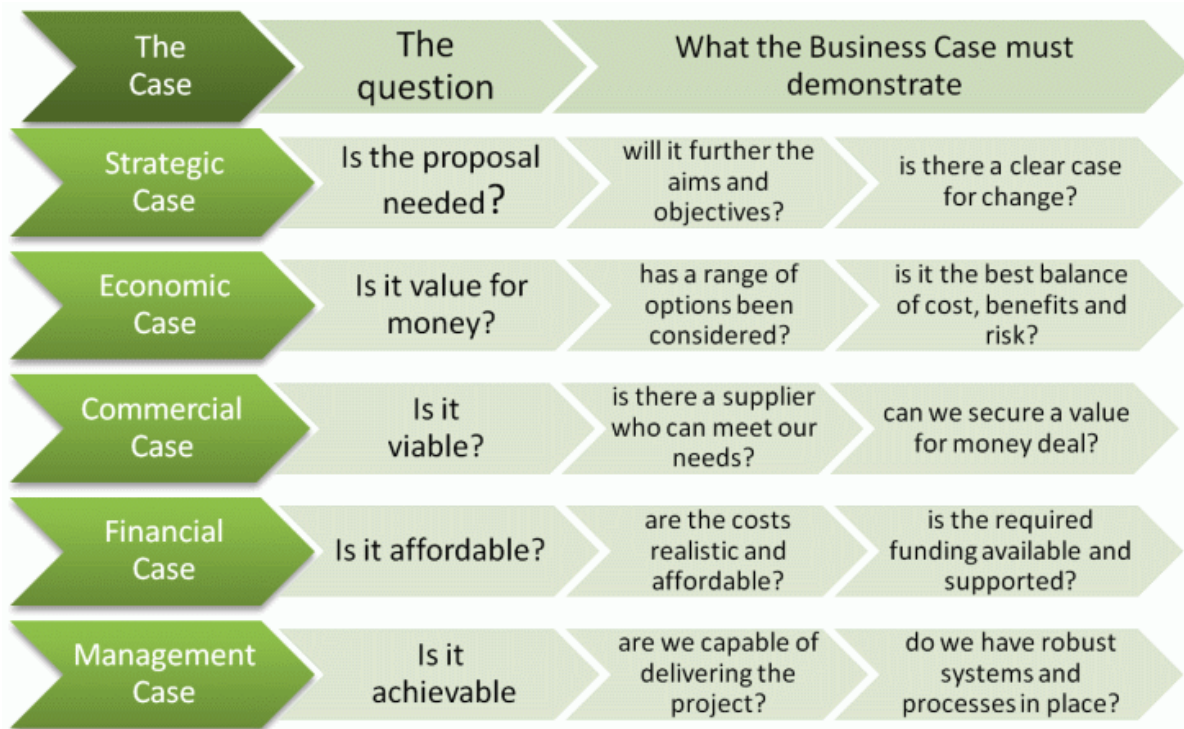
The Programme is complex in its content, and needs to be delivered against a changing political backdrop in both Governments, further exacerbated by the advent of Covid-19 and the inevitable economic challenges that will present. SBCD is scoped to be delivered over a 15-year period, during which many events could influence investment priorities: the structure and control of the Programme will need to cater for momentum to be maintained through periods of change, yet also provide the ability to absorb change in emphasis according to the prevailing strategic direction.

In the context of Covid-19, there is much talk of the need to invest in infrastructure to revive the economy. As such, Programmes such as SBCD would appear to be strong candidates to receive firm support from both UKG and WG.

8.2: Business Case and stakeholders

Business Case

The SBCD Business Case is being constructed in accordance with the HM Treasury Green Book. It follows the 'five case model' which can be summarised (as an example) as:



SBCD Business Case Status

The SBCD Programme has notionally existed for some time but, owing to difficulties in staffing the core of the Programme Management Office (PMO) for SBCD, the Business Case is only now at the development stage.

The Review Team observed Business Case v1.1 (Draft Master – 17/06/2020) which has made impressive progress in the short period since the appointment of the Programme Director in March 2020. It is still a work-in-progress and is yet to be approved by UKG/WG.

The Business Case has been reviewed and is in the process of being revised. In particular, the Strategic Case and Economic Case are being strengthened significantly: this is appropriate at SBCD level in order to demonstrate the compelling need and the value proposition. In essence, this Business Case provides the framework (or wrapper) against which the subsequent component Project Business Cases can be tested for alignment and contribution to achieving outcomes and realising benefits.

Recent consultation with expert advisors, specialists in the creation of business cases, has provided the SBCD team with additional insights. Various stakeholders refer to the P3M terminology discussed above

but there is evident confusion about what is required for the SBCD Business Case. There appears to be a disproportionate amount of effort being expended on re-casting the Business Case to support a Portfolio, as opposed to a Programme. The Review Team is of the view that many people are worrying too much about the label, rather than the purpose.

Significant frustration is evident arising from the inertia in achieving Business Case approval; which appears to be somewhat arising from the P3M terminology confusion. Additionally, scarce resource is potentially undertaking nugatory work re-drafting a 'Programme Business Case' into a 'Portfolio Business Case'. There is a strong desire amongst interviewees to 'get on with delivery' and address the 'blockage' in achieving UKG/WG Business Case approval. This desire needs to be balanced with the requirement to ensure due diligence with the public purse.

In order to progress swiftly, but in a controlled manner, the Review Team is strongly of the view that agreement needs to be achieved between UKG/WG and SBC on the purpose of the Business Case and what it needs to contain to achieve approval; and stop expending energy worrying about the label.

Recommendation 1: Resolve the inertia introduced by Portfolio/Programme terminology and agree with UKG/WG the purpose of the business case to drive its rapid approval and set the framework for constituent Project Business Case approvals. (Critical – Do Now)

SBCD Business Case Approval

Once the Programme Business Case is drafted, it will need to seek approval through the Joint Committee from the UKG and WG. It was acknowledged that this is to be a long and drawn-out process. The Programme needs to make effective use of the experts available in WG to ensure that they get through this process as smoothly as possible. Once the Programme Business Case has been approved, it will provide a strategic framework for future Project case approvals and draw-down of money.

The Programme aims to bring economic prosperity to the entire region, and the set of projects included in the programme has the potential to produce significant benefits provided the Programme is given sufficient flexibility by funders; this is especially important given the long lifespan of the SBCD; this needs to be recognised in the Programme Business Case.

The external review (February 2019) recommended a number of actions which were designed to help the Programme achieve appropriate and proportionate programme governance and controls as a condition for the release of funding. Completing the Programme Business Case was one of the conditions.

The Review Team heard throughout this review of delays, and there is a deeply felt perception of constant barriers, changing requirements, and queries being raised repeatedly in spite of having been answered. Some project business cases have been produced in advance of the Programme Business Case, and several projects are already up and running and producing tangible outcomes, relying on Local Authorities to fund costs including the costs of borrowing. An example is the Supporting Innovation & Low Carbon project business case which was submitted to WG in January but no decision has been made yet.

Interviewees also noted that Local Authorities have taken on a significant financial risk, and also the potential political risk with elections due in 2022, with a high likelihood of the programme being scrutinised and required to demonstrate some outcomes.

Although interviewees recognised that some constraints are owed to the current Heads of Terms, there was the widely-held view that the approval of project business cases should be devolved to the Programme instead of being retained by Governments as sponsors, and that the current approach is overly bureaucratic for the amount of money involved. There is a real risk that this places strain on partners and relationships, and runs counter to the core intentions of the SBCD.

Working with WG, the Programme needs to complete the Programme Business Case to an agreed standard and clearly defined requirements. The focus needs to be on the Strategic Case and the Economic Case. This will set out the framework under which individual projects can be considered against for approval. Once the draft Programme Business Case has been completed, it will need to pass through the pre-defined assurance and approval process, and start drawing down funding based on the agreements that are in place. It is essential that funding starts flowing as soon as possible to enable the Programme to start producing the intended benefits.

Following the appointment of a Programme Director and the establishment of a PMO, it is important that UKG/WG should be prepared to trust given strides made in implementing recommendations from the external review.

Programme Funding

The SBCD is a 15-year Programme of work, and has been running for over 3 years with a total funding envelope of £241m from UKG/WG. This funding was to be released in annual tranches, to fund across all projects in the Deal Region. The first tranche was £18m for 2018-19. However, to date, only this first tranche has been received and Local Authorities are using their own funding mechanisms to finance projects that are part of the SBCD. The Review Team hear that it is a significant source of frustration that Local Authorities have to fund borrowing costs from their own resources, especially given the perceived uncertainty of approvals.

Interviewees acknowledged that, although the process is complex, this was signed up to at the outset and in the Heads of Terms of Agreement. It was also generally acknowledged that good controls of SBCD funding are essential. Draft funding agreements have been developed to ensure accountabilities are clearly reflected; and a suite of programme controls have been put in place or are in advanced development. This demonstrates the ability of the Programme to effectively manage from this point forward. However, there is still some ambiguity as to what conditions are outstanding. The Programme SRO and the lead WG Official should now agree in writing the remaining requirements and how they ought to be implemented to trigger the release of programme funding. Following fulfilment of these, there should be no further requests for change, information, and additions outside the ordinary programme reporting cycle and mechanisms.

Recommendation 2: Obtain written confirmation from UKG/WG of explicit description of the conditions required to trigger SBCD funding to flow and negate the need for any further reference other than normal reporting mechanisms. (Critical – Do Now)

Stakeholders & Communications

The SBCD stakeholders include (but are not limited to):

- UKG and WG;
- Local Authorities;
- Universities;
- Private Sector;
- Health Boards; and
- The Public.

The majority of stakeholders acknowledged the significant strides the Programme has made since the external review in February 2019 and especially since the appointments of the new SRO and the Programme Director. It is important that this is also recognised by both governments with a view of empowering the Programme to manage.

UK Government & Welsh Government

The Review Team heard that both the UKG and WG remain fully committed to the SBCD. This is important as the governments have a key role as joint sponsors and approvers of business cases under the SBCD. This is reflected in the Heads of Terms for the deal. The two governments also provide advice and feedback on business cases, and in the case of the WG have supported the development of the Programme Business Case with expertise through the South West Wales Regional Team. It is important that the Programme continues to fully utilise the support and expertise available from government officers.

Interviewees felt that the approach should be more strongly based on partnership working, recognising the significant expertise and knowledge of SBCD partners in respect to their region's needs and context, and their ability to implement the deal as a programme. It was also noted that requirements were not always clear or understood, and this could result in frustration and delays for both the Programme and governments.

Local Authorities

The 4 Local Authorities that make up the SBCD are the key sponsors, major funders, and the deliverers of the 9 projects that make up the Programme. SBCD will provide benefits across the regions into the Local Authority areas.

There was evidence of the ongoing support and commitment given to this Regional approach, and recognition of the benefit of collaborative working. There is also recognition that not all the projects will have a Regional impact, appearing to benefit only local areas. However, the benefit of the Regional Approach was acknowledged as a good basis to attract funding, and a positive way to improve the prosperity for the whole region, and it is essential that this cross-boundary working continues. The programme has come from a difficult start and since then the leadership of the programme has managed to overcome significant challenges, working together towards a shared vision; the leadership is clearly committed and passionate and has a deep understanding of the needs of not only their own area but of the region.

Relationships between Local Authorities have improved significantly since some changes in personnel, and there is a shared determination to continue building on this and avoid competing for funding. There is also a marked optimism in spite of some scepticism among partners that the SBCD and the impetus it provides for pan-regional cooperation will be successful.

The frustration associated with the lack of progress in some areas, and in particular Business case approvals was echoed across all Local Authorities. The Review Team also heard that support for the regional approach is not unanimous as for example rural communities may not see how it benefits them; however, interviewees emphasized that the regional structure is the appropriate approach to achieve the stated goals of the SBCD. Since the region is not a constituted body and therefore unable to manage funding on behalf of the four Local Authority, individual SBCD projects are led by different Local Authorities. These build on the different strengths of the respective Local Authorities; however, interviewees noted that the current collection of projects within the SBCD is joined by both a shared ambition and shared themes of strategic importance to all four Local Authorities that form the region, but need to be given time to continue growing their regional aspects. The Programme serves as an overarching mechanism to enable and facilitate this.

Other Key Partners

The two Universities (Swansea and Trinity St David's, respectively) have a significant role as partners driving innovation, providing academic expertise, resources and connections with industry; as educational institutions they are important to lifting the quality of skills and jobs in the region. They are directly involved with several of the SBCD projects.

Health Board involvement focuses mainly on the Wellbeing Village and Life Science and Wellbeing Campus projects, which are currently completing their project outline business cases. Health Boards also have an interest in projects that include aspects of health, such as HAPS.

Since a key aim of the SBCD is to raise prosperity across the region, including lifting skills levels, improving infrastructure and employment, and strengthening the regional economy, it is important that the public is recognised as a key stakeholder and that projects need to be developed with good communication and appropriate levels of engagement.

It is important that partners are sufficiently informed and engaged, and the Programme Communication Plan demonstrates that this is in hand.

Private Sector

The private Sector are represented within the Governance structure of the SBCD through membership on the Economic Strategy Board (ESB). Through the ESB they provide valuable insight and guidance to the Joint Committee, Programme Board and its constituent projects. The SBCD relies on private sector funding and therefore giving a forum to private sector views within SBCD is a positive move. There is a keenness for greater involvement from the ESB. Given their depth of knowledge, expertise and commercial understanding the Review Team would encourage the SBCD to identify further opportunities where their knowledge can be effectively applied.

On a broader note it is felt important given the current economic situation, that the public sector is seen to be spending and delivering on capital schemes such as the SBCD to provide confidence to private sector investors.

Communications

The Programme has developed a comprehensive Communications Plan which soundly underpins the SBCD philosophy as a regional programme aiming to deliver for people living in the region. This plan is currently awaiting approval at Programme Board. Owing to resource constraints and the ongoing uncertainty over approvals and funding release, communication activity has been low-key to enable the Programme to manage expectations. This places the Programme and its partners in a very difficult situation given early high-level publicity and exposure. The Programme Team includes an experienced and appropriately qualified communication officer, and the Review Team has seen evidence, including a strong virtual presence of the SBCD, that communications and engagement have been well thought out, and will be ready to recommence once there is more certainty around the future of delivery.

Given the regional nature of the Programme, internal communications are as important as external communications, and the PMO needs to be allowed to control and manage communications across projects and across Programme structures, and ensure that all stakeholders are fully informed and consulted as appropriate.

8.3: Management of intended outcomes

Outcomes & Benefits

The SBCD Implementation Plan (v25 June 2020) describes the intended outcomes for the programme:

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

By 2035 we will:

- *Transform the regional economy*
- *Establish and maintain an effective and aligned skills base*
- *Create, prove and commercialise new technologies and ideas*
- *Be a recognised regional centre of excellence in:*
 - i. *The application of digital technologies*
 - ii. *Life Science and Well-being*
 - iii. *Energy*
 - iv. *Advanced manufacturing*

At the end of the programme period, it's estimated the Swansea Bay City Deal will lead to:

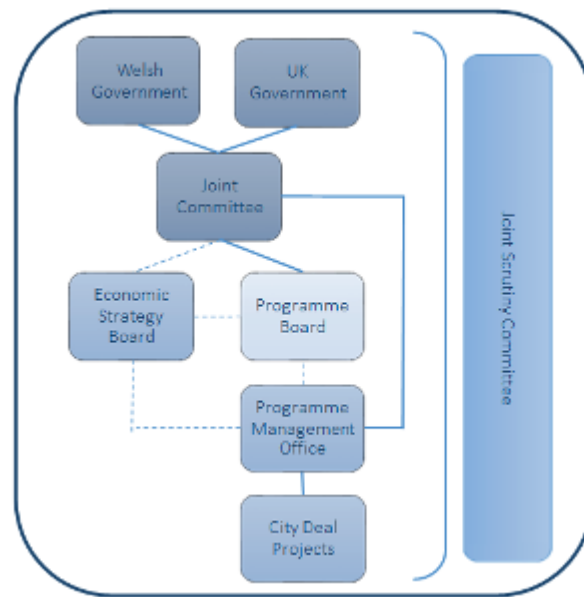
- *Funding of £1.3 billion (including a £600 million private sector contribution) for interventions to support economic growth across the City Region*
- *A portfolio of transformational projects throughout the City Region*
- *A £1.8 billion contribution to regional GVA*
- *The creation of over 9,465 high-skilled jobs*
- *Investment spread across the entire City Region to ensure benefits for residents and businesses in all communities, both urban and rural*

In addition to the above outcomes, the City Deal will also have wider social and economic benefits at both a programme wide and project specific level. The full detail of all City Deal outcomes and benefits will be set out in a Monitoring and Evaluation Plan that will provide details on the capturing, monitoring and evaluation of key information throughout the City Deal programme.

The Review Team observes that these intended Outcomes and desired Benefits are irrefutably of strong merit and strategic alignment. However, cause and effect are very difficult to prove (in any programme). Over the 15-year period of the SBCD, especially in the post-Covid-19 context, there are likely to be perturbations that will mean that the eventual Outcomes and Benefits will differ from those aspirations above. Keeping the investment decisions in line with the strategic intent, whilst allowing room for controlled change, will rely heavily on robust (but nimble, not bureaucratic) governance.

Governance Structure

The SBCD Implementation Plan (v25 June 2020) depicts the governance arrangements for the Programme as:



Joint Committee

The Joint Committee (JC) comprises the Leaders of the four Local Authorities and is currently chaired by the Leader of the City and County of Swansea Council. Additional attendees at JC meetings include the Chief Executives of the four Councils and also representatives of University of Wales Trinity Saint David and Swansea University.

The Swansea Bay City Deal Region is not a statutory entity, in itself. However, it has a Joint Collaborative Agreement that has been approved by the Local Authorities and within has an agreed terms of reference. The JC acts, in effect, as the ‘Sponsoring Group’ for the SBCD. It has the key role of performing strategic oversight.

JC meetings are held in public, with voting and non-voting attendees. Some interviewees expressed a strong view that the JC speaks with one voice and works well; whilst some interviewees observed a lower degree of integration and a sense that the JC meetings feel somewhat choreographed for public audience.

The Review Team had the privilege of conducting a short 'round table' meeting with the four Leaders as part of this Gateway Review. It is evident that whilst the inevitable differences exist, there is a strong bond among the four Leaders towards achieving the intended outcomes for the Region. There is evident frustration at the inability to make more rapid progress and a keenness to achieve UKG/WG approval, free up the flow of funding, and get on with delivering.

Programme Board

The Programme Board (PgB) is chaired by the SRO. It meets on a monthly basis and co-ordinates the direction of the Programme. The new SRO is held in high regard and is said to inject the necessary energy into SBCD. The arrival of the Programme Director is adding structure and P3M expertise at the very core of the PMO.

The PgB is currently positioned as a subordinate body to the JC, providing the JC with 'recommendations': the PgB is not currently seen as a 'decision-making' board. This is out of line with normal Programme governance, disempowers the SRO to be accountable for success and is viewed by many interviewees as being inappropriate for operational governance of the Programme and the constituent Projects.

The Review Team understands that there is some 'history' that has potentially led to a tendency to over-govern and ensure transparency and control. The result is a PgB and SRO whose roles are somewhat diluted, and increased burden on JC members who have other strategic and demanding draws on their time, and the potential for lower-level decisions to have to be escalated to the JC for approval.

Many interviewees have an appetite for streamlined governance: good governance by reduced bureaucracy and greater empowerment, balanced with appropriate reporting and oversight.

The Review Team is of the view that there is potential to differentiate the accountabilities for strategic oversight from operational delivery control. This could avoid over-burdening JC members with Programme Delivery matters and empower the SRO to exercise that role more in line with P3M good practice. Recognising the imperative for ensuring strategic alignment, the JC will need to continue exercising its evident commitment to the joint endeavour. However, as the programme gets underway, the tempo of delivery is likely to mean that 'in-flight' decision-making will be required and the Programme Board will be better placed, closer to the heartbeat of the programme, to undertake delivery-related governance.

The JC could be positioned as the oversight group to whom exceptions are escalated when a deviation from the strategic intent is anticipated. The PgB could get on with governing Programme Delivery once the constituent Projects are in-flight, providing regular reporting to the JC for information, not endorsement.

Recommendation 3: Evaluate the merit of differentiating the accountabilities for strategic oversight and delivery control, thus empowering the Programme Board to exercise its function with agility and in line with the delivery tempo of the programme. (Essential – Do By Business Case submission)

Economic Strategy Board

The Economic Strategy Board (ESB) comprises a group of public and private sector representatives, appointed following nomination. They help set strategic direction and give advice to the JC; and they oversee the production of project business cases prior to submission to the JC.

The Review Team observed a high degree of value in the ESB and the potential to harness greater insights from the private sector, especially in the context of Covid-19 recovery and the potential for innovation and ideas generation. There is a view that the current frustrations with UKG/WG approvals, once overcome, will release an energy to progress: The ESB is seen as a valuable part of that delivery governance and the Review Team observes that the PgB and PMO already have access to the ESB to draw upon their advice. This is encouraging.

8.4: Risk management

The relatively recent arrival of the Programme Director and the subsequent appointment of initial members of the PMO has enabled the SBCD to generate structure and embed P3M good practice. One element of that P3M approach is the implementation of a Risk Management regime.

The Programme risk register is in existence, and requires further development to move from risk recording to active risk management. This should include (as examples) ownership, mitigation, proximity, residual assessment, escalation mechanisms, contingency arrangements.

The Review Team was impressed with the Covid-19 impact assessment, and encourages similar attention to the adoption of RAIDO (Risks, Assumptions, Issues, Dependencies, Opportunities) to harness innovations and optimise benefits.

Risk Management (or the wider RAIDO) should become part of the regular reporting mechanisms to give stakeholders sight of key risks, as appropriate.

8.5: Review of current phase

External Review 2019

The External Review report (26 February 2019) made seven recommendations:

- *Pre-scrutiny should be encouraged but direct and regular face-to-face contact between those writing the Business Cases and those providing comment upon them and advising those who will grant approval is essential.*
- *The Regional Office should be designated as a Portfolio Management Office, leavening their skills with experienced Portfolio/Programme/Project Management (P3M) specialists.*
- *The City Team should (with the support of the Welsh Government Assurance Hub and IPA as necessary) put in place a best practice Integrated Assurance and Approval Plan (IAAP) for the Portfolio. All parties should specifically consider the OGC GatewayTM Review process as a key part of that plan.*
- *Under the chair of the JSC each SBCD board should consider the TORs and ways of working of each to ensure that they work as intended. In doing so they should take account of this review and of the outcome of the audits currently being undertaken.*
- *A Portfolio Director should be appointed before May 2019 to ensure continuity of Swansea Bay City Deal leadership and independent authoritative advice to the Boards.*

- *The SBCD should be managed as a Portfolio not as a set of predetermined and immutable projects.*
- *For Yr Egin and Swansea Waterfront, the two business cases which we consider are close to final approval, senior UK Government and Welsh Government and Local Authority officials should aim to reach a swift conclusion to ensure that funding can flow as needed.*

The frustration expressed by many interviewees about the ‘blockage’ at UKG/WG appears critically to be anchored in SBCD demonstrating that it has addressed the recommendations of the external review. Throughout this Gateway Review, interviewees expressed a variety of perspectives on whether those seven recommendations had been satisfied. It would be good practice to formally define the acceptance criteria for the SBDC response and the Review Team believes, given the apparent lack of alignment in stakeholder perceptions, that achieving UKG/WG written confirmation of those acceptance criteria is critical to overcoming this impediment to progress.

Recommendation 4: Obtain written confirmation from UKG/WG of the acceptance criteria for closing down the response to the external review of February 2019. (Critical – Do Now)

Covid-19 and Brexit

The economic context of SBCD has the potential to change significantly in the coming years. This fact underpins the need for strong, structured, nimble and accountable governance.

Brexit was not a prominent topic through this Gateway Review, though of course as the UK transitions from the EU at the end of 2020 this could present as-yet unforeseen challenges (and potentially opportunities) which will need to be addressed throughout Programme (and Project) delivery.

In recent months, all aspects of life have been dominated by the advent of Covid-19. The pandemic will present the UK with significant economic challenges in coming years. It does, however, also reinforce the current UKG push for the adoption of Keynesian economic principles manifested in investment in infrastructure.

SBCD appears to fit strategically in the contexts of both Brexit and Covid-19 recovery. Since March 2020, all manner of things have been proved possible (including conducting this Gateway Review remotely using ways of working and collaborative tools) that would previously have been thought of as ‘too difficult’. Potentially, therefore, SBCD could break the previous bureaucracy and be progressed in a manner that breeds confidence, empowerment and accountability in a framework of governance that ensures control and strategic oversight, without submerging decision-making at every step in unnecessary ‘treacle’.

The progress made in a mere four months since the core PMO was established is a credit to the energy and dedication of all SBCD staff thus far. It must be remembered that all of that progress has been achieved not in normal times but in the constraint of Covid-19 lockdown. The SBCD is by no means yet a perfectly formed Programme but the trajectory is certainly positive.

SBCD Composition

The SBCD is collection of nine Projects, grouped thematically as follows:

- Internet of Economic Acceleration
 - Swansea Waterfront
 - Yr Egin
 - Skills and Talent
 - Digital Infrastructure
- Life Science & Wellbeing
 - Life Science and Wellbeing Village
 - Life Science and Wellbeing Campus
- Energy

- Homes As Power Stations
- Pembroke Dock Marine
- Smart Manufacturing
 - Supporting Innovation & Low Carbon

Some of those projects are independent entities within the SBCD, and some are co-dependent entities within the SBCD: hence the aforementioned debate about the Portfolio/Programme terminology.

Some of the projects are being enacted within one of the Local Authorities (e.g. Pembroke Dock Marine) but have regional importance. Other project are truly regional, being enacted across multiple Local Authority areas within the Region.

Irrespective of the differences, all of the projects are scoped within the SBCD and are overseen by the Programme Director as a means of ongoing benefit optimisation and harvesting of delivery synergies and efficiencies.

Programme Management Office

The PMO has been established and is currently in the process of recruiting further core members. The PMO is envisaged to operate as the beating heart of the SBCD, to set standards and co-ordinate delivery of the constituent projects. Each project will have distributed P(roject)MOs and linkages to the core PMO. This is one good model for implementation of distributed PMOs where a centralised PMO is not possible or appropriate.

In readiness for the next phase, the setup of the PMO and the adoption of good practice P3M principles stands SBCD in good stead.

8.6: Readiness for the next phase

Planning & Control

The next phase must focus on delivery and commencing the realisation of benefits. It is important that the Programme demonstrates how it will meet the requirements of the UKG and WG, and that it communicates progress. Continuing to put all necessary and proportionate governance controls in place is essential for gaining acceptance and confidence. Programme controls have to remain stable and sustainable throughout the lifespan of the SBCD.

Once this has been achieved, the Review Team is of the view that UKG/WG should withdraw from detailed project-level scrutiny, approval and management, and instead focus on empowering and enabling the Programme to adapt to changing circumstances, in order to allow it to flexibly and promptly explore new opportunities and manage emerging risks and issues.

SBCD Resourcing

The Programme needs to continue strengthening its PMO resource as the pivot of overarching programme management, with the capability to offer programme-level steer, guidance and control, and a conduit for information for all projects within the SBCD Programme.

It is acknowledged that there are nine projects each with their own respective project management and governance which suits their context. However, the PMO will provide crucial cohesion across the programme and ensure that the JC and PgB are sighted appropriately. It will also enable the Programme to look outwards for new opportunities or synergies that continue to add value to the Programme.

The Programme should ensure that it continues to draw on the significant expertise and combined resources across its partners.

Recommendation 5: Reinforce the importance of a strong and well-resourced PMO to provide a solid engine room for SBCD – the ‘information power house’ that underpins momentum. (Recommended – Do on an ongoing basis)

Innovation

The Review Team heard that the Programme partners are clear on the links between innovation, benefits, risks and structures, and that there is an appetite to work differently; this has become vital in the wake of Covid-19. However, the visibility of and legal constraints around spending public money (especially by Local Authorities) does not support risk taking. In addition, the runway time for project conception to approval is far too long to support flexible adaptation of projects and the Programme as a whole to changing contexts. However, creating this kind of flexibility is essential for a programme of this length and the certainty that the programme context will change.

Therefore, the Review Team is of the opinion that an amount of money should be made available to enable some agility and encourage innovation, for example through discovery funding. Whilst historically this is not public sector practice, this will enable projects to test their ability to succeed, or let them fail fast without committing significant amounts of funding over a long time-span. This is in line with private sector practice. Crucially, this approach should appeal to the private sector which the SBCD seeks to attract as key partners to refresh the regional economy.

Recommendation 6: Promote the merit of discovery funding within the Growth Deal approach for project feasibility and innovation work in order to accelerate viable projects and avoid protracted start-up of non-viable projects. (Recommended – Do By Business Case submission)

9.0 Next Assurance Review

The next assurance review is expected in July 2021. It should be a Gateway 0 (Strategic Assessment).

In the meantime, the SRO has signalled the intent to request an **interim ‘Critical Friend Review’ around January 2021.**

ANNEX A

Purposes of the OGC Gateway Review 0: Strategic assessment:

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to overall strategy of the organisation and its senior management.
- Ensure that the programme is supported by key stakeholders.
- Confirm that the programme's potential to succeed has been considered in the wider context of Government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations.
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities.
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.
- After the initial Review, check progress against plans and the expected achievement of outcomes.
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome.
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external.
- Evaluation of actions to implement recommendations made in any earlier assessment of deliverability.

ANNEX B

List of Interviewees

The following stakeholders were interviewed during the review:

Name	Position	Organisation
Wendy Walters	Chief Executive	Carmarthenshire Council
Cllr Rob Stewart	Joint Committee Chairman	Swansea Council
Cllr Emlyn Dole	Leader	Carmarthenshire Council
Jonathan Burnes	SBCD Programme Director	Regional Programme Management Office
Chris Moore	SBCD S151 Officer	Carmarthenshire Council
Tracey Meredith	SBCD Monitoring Officer	Swansea Council
Phil Roberts	Chief Executive	Swansea Council
Steve Phillips	Chief Executive	Neath Port Talbot Council
Cllr Rob Jones	Leader	Neath Port Talbot Council
Steven Jones	Director of Development	Pembrokeshire Council
Cllr David Simpson	Leader	Pembrokeshire Council
Ed Tomp	Chairman	Economic Strategy Board
Professor Steve Wilks	Provost	Swansea University
Ray Selby *	Registrar	University of Wales Trinity Saint David
Sian Harrop-Griffiths	Director of Strategy	Swansea Bay University Health Board
Sarah Jennings	Property Performance	Hywel Dda University Health Board
Cllr Rob James	Chairman	SBCD Joint Scrutiny Committee
Sioned Evans	Director (Business and Regions)	Welsh Government
Helen Davies	Rep. for Chief Regional Officer (Mid & West Wales)	Welsh Government
Debra Carter	Head of Local Government Finance	Welsh Government
Andrew Ashton	Head of Regional Growth Team	UK Government (Office of the Secretary of State for Wales)
Greg Jones	SBCD Communications and Marketing Officer	Regional Programme Management Office

*unable to participate



Swansea Bay City Region Joint Committee – 12 November 2020

Quarterly Monitoring Report

Purpose:	To inform Joint Committee of the Quarterly Monitoring Report for both the SBCD Portfolio and its constituent projects
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Consultation:	Programme Board
Recommendation(s):	It is recommended that Joint Committee: 1) Notes the Quarterly Monitoring Report for the SBCD Portfolio and its constituent projects
Report Author:	Jonathan Burnes (SBCD Programme Director)
Finance Officer:	Chris Moore (SBCD S151 Officer)
Legal Officer:	Tracey Meredith (SBCD Monitoring Officer)

1. Introduction

- 1.1 The SBCD PoMO has developed a Quarterly Monitoring Report for the SBCD Portfolio and its constituent projects. This is the first version and will replace the Implementation Plan update.
- 1.2 Updated Quarterly Monitoring Reports of this kind will be reported for information to Joint Committee once every three months.

2. Background

- 2.1 The SBCD Quarterly Monitoring Report is made up of 2 levels with several components
 - Portfolio
 - Previous quarter achievements and current quarter planned activities
 - Key Risks. For the purpose of this meeting, risks will form part of the Risk Strategy agenda item
 - Integrated Assurance and Approval Plan
 - Financial analysis

- Programmes / Project
 - Scorecard with status summary
 - Previous quarter achievements and current quarter planned activities
 - Outputs
 - Financial analysis

3. Financial Implications

- 3.1 Current forecast estimates a total investment over the 15-year period of £1.157b, against an anticipated investment of £1.274b.

4. Legal Implications

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

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

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

Background Papers: None

Appendices:

- Appendix A: Quarterly Monitoring Report
- Appendix B: IAAP portfolio level
- Appendix C: Portfolio investment forecast

Swansea Bay City Deal Portfolio Quarterly Monitoring Report



Title	Portfolio Management Office	Reporting Period	Q2
Portfolio Director	Jonathan Burnes		

Summary of last 7 months
<ul style="list-style-type: none"> • Completion and submission of the 11 funding award conditions • Creation of a draft Portfolio Business Case that is aligned to the Green Book • A positive SBCD external Stage Gate review that was instigated by the SBCD • Appointment of four new members of staff to the Portfolio Management Office • Completion of the WG Accounting Officer Review (AOR) process • Ministerial approval of the Pembroke Dock Marine project • Maturing the SBCD governance, assurance and reporting arrangements <p>With three projects approved and in delivery, a further four are in the regional approval process and will be sent for Welsh Government and UK Government approval before the end of 2020. The remaining two are being developed and hope to be shared with regional partners in the next quarter and for regional approval. The PoMO has also:</p> <ul style="list-style-type: none"> • Worked in partnership to progress the mitigation of key SBCD risks while resolving issues • Demonstrated a strategically aligned SBCD portfolio to national government policies, businesses and regional need • Maintained and built upon the importance and essence of the SBCD and progressed it towards delivery that will make a difference to the region • Built up working relationships with the Welsh and UK Governments and regional partners • Provided clarity and adapted existing arrangements to suit the existing and future needs of the SBCD e.g. regional approval process and funding agreements

Key achievements in Q2
<ul style="list-style-type: none"> • Recruitment of the four new PoMO posts: Portfolio Development Manager, PoMO Manager, Senior Development Officer, PoMO Assistant. Three are already in post, with the PoMO Manager commencing on November 24th • Accounting Officer Review (AOR): five-week long process, 7 WG reviewers, 143 comments on the draft Portfolio Business Case. The PoMO has responded to all 143 comments and a recommendation report has been produced with 15 recommendations. These include: <ol style="list-style-type: none"> 1. Baselines for portfolio (and project) spending objectives 2. Quantify benefits, including community benefits 3. Standardised economic appraisal template 4. Standardised financial appraisal template 5. Standardised definitions - projects, programme, portfolio 6. Portfolio arrangements for business cases, governance and assurance arrangements are developed and in place 7. Monitoring progress

Key Activities planned Q3
<ul style="list-style-type: none"> • Implementing the AOR and external Stage Gate review recommendations • Further establishing the governance, assurance and monitoring arrangements for the SBCD with WG and regional partners • Ensuring robust economic appraisals and affordability plans are in place for investment decisions and for monitoring purposes • Developing and approving all SBCD projects - Pentre Awel, HaPS, Low Carbon, Digital, Campuses and Skills • Further communication with key partners, businesses and residents on the aims and developments of the SBCD • Exploring the accelerated delivery of the projects once they've been approved by recruiting teams, establishing project/programme governance and communicating with stakeholders on progress and opportunities • A refreshed and updated SBCD website, reflecting the current portfolio of projects • Ministerial briefing on three projects (Pentre Awel, Yr Egin and Homes as Power Stations) with David TC Davies MP - Parliamentary Under Secretary of State for Wales – held on October 15th

- David TC Davies MP - Parliamentary Under Secretary of State for Wales - to meet with the Economic Strategy Board on November 5th

Project Title	Digital Infrastructure	Programme / Project Lead	Gareth Jones
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q2
SRO	Jason Jones		

Budget	
Total Budget	£55m
City Deal	£25m
Public	-
Private	£30m

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 themes:</p> <ul style="list-style-type: none"> • Connected Places • Rural connectivity • Next generation wireless (5G and IOT networks)

Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						The project has been assessed as Amber / Green via a very recently conducted and thorough external peer Stage Gate review. Scorecard remains Amber whilst the recommendations from the review are considered / implemented.

RAG Status	
R	<p>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</p> <p>Remedial plans are not proving effective.</p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</p> <p>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p>Programme / Project is proceeding according to plan.</p>

Risks/issues are being managed within the programme / project.
 No need to escalate to next level.

Key achievements

- Business Case development - Q2 /Q3 2020
- Local, regional and national stakeholder engagement. workshops and business case review based on draft business case - Q2 2020
- Business case rewrite with appointed consultants - Q2 2020
- Business case submitted to all four regional Local Authorities - Q2
- Independent peer review - Q2
- Business case submitted to Economic Strategy Board and Programme Board for approval of the project submission to the UKG/WG - Q2 /Q3 2020

Key Activities planned

- Implement all recommendations from the peer review - Q3 / Q4 2020
- Minor amendments and further strengthening of the business case and all associated plans and documents in line with feedback received from LAs, ESB, Programme Board, external peer review, other partners and stakeholders - Q3 / Q4 2020
- Business case submitted to Joint Committee for approval of the project submission to the UKG/WG - Q3
- UKG/WG approval of the release of Government funding to the project - Q3
- Development of more detailed plans for transitioning the programme to delivery - Q3 / Q4
- Preparation for recruitment of resources to deliver the programme - Q3 / Q4

Project Title	Homes as Power Stations	Programme / Project Lead	Lisa Willis
Local Authority Lead	Neath Port Talbot County Borough Council		
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q2
SRO	Nicola Pearce		

Budget	
Total Budget	£505.5m
City Deal	£15m
Public	£114.6m
Private	£375.9m

Description

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:

- Tackle fuel poverty
- Further decarbonise the regional economy
- Improve residents’ health and well-being
- Reduce burden on regional health and social services
- Benefit regional supply chain businesses
- Potentially develop a UK-wide industry in the City Region, with global export opportunities

Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						Project not yet approved OBC due to be formally submitted for review - end Oct 2020 Limited formal activity PAR review - June 2020 Project Board established; stakeholder mapping undertaken.

RAG Status	
R	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. Remedial plans are not proving effective. Escalate to programme / project sponsor for support to resolve.
A	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. Highlight to programme / project sponsor for visibility and awareness.
G	Programme / Project is proceeding according to plan. Risks/issues are being managed within the programme / project. No need to escalate to next level.

Key achievements
<p>Business Case Development</p> <ul style="list-style-type: none"> Revised Economic Case and updated OBC - Q2 2020 <p>Project Development</p> <ul style="list-style-type: none"> Established formal governance incl. steering group - Q2 2020 Formalised stakeholder engagement plan - Q2 2020 Formalised project delivery / implementation plan - Q2 2020 Progress PAR action plan - Q2 2020
Key Activities planned
<p>Business Case Development</p> <ul style="list-style-type: none"> UKG/WG approval of OBC - Q3 2020 <p>Project Development</p> <ul style="list-style-type: none"> Appoint project manager / formalise team - Q3 2020 Establish regional supply chain fund & financial incentives scheme - Q3 2020 Establish monitoring and evaluation process - Q3 2020 Progress PAR Action Plan - Q3 2020

Outputs
<ul style="list-style-type: none"> Facilitate the adoption of renewable technologies in 10,300 properties Facilitate the adoption of renewable technologies in 10,300 properties Develop a regional supply chain of HAPS related renewable technologies Monitoring and Evaluation - determine the efficacy and impacts of renewable technologies on new build and existing housing stock: <ul style="list-style-type: none"> Energy efficiency and cost effectiveness Health and wellbeing Behavioural change Dissemination of key findings via a 'HAPS design manual'

Project Title	Skills and Talent	Programme / Project Lead	Jane Lewis
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	South West Wales Regional & Skills Partnership	Reporting Period	Q2
SRO	Helen Morgan		

Budget	
Total Budget	£30m
City Deal	£10m
Public	£16m
Private	£4m

Description

To develop a sustainable pipeline of regional talent to benefit from the high-value jobs City Deal projects will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.

Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						<p>Delay in implementing the Skills and Talent programme could impact on the delivery of the skills required by the approved projects. This could lead to projects implementing their own skills plans, which could affect the Skills and Talent initiative, while creating duplication.</p> <p>The project will also not be fully staffed until it has been approved, which is currently a resource challenge.</p>

RAG Status	
R	<p>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</p> <p>Remedial plans are not proving effective.</p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</p> <p>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p>Programme / Project is proceeding according to plan.</p> <p>Risks/issues are being managed within the programme / project.</p> <p>No need to escalate to next level.</p>

Key achievements in Q2
<p>Business Case Development</p> <ul style="list-style-type: none"> Workshop with WG business case adviser - August 2020 Workshop on long-list options appraisal with stakeholders - September 2020

Key Activities planned Q3
<ul style="list-style-type: none"> • Procure consultant for business plan economic appraisal - October 2020 • PoMO review of business case - December 2020 • ESB business case review - January 2021 • Programme Board review of business case - January 2021 • Local Authority approval of business plan - Jan/Feb 2021 • External Stage Gate Review of business case - February 2021 • Joint Committee approval of business case - March 2021 • Business case submitted to UKG/WG for approval - March 2021

Outputs
Due to the status of the business case development, project outputs are yet to be identified and monitored.

Project Title	Swansea City & Waterfront Digital District	Programme / Project Lead	Huw Mowbray
Local Authority Lead	Swansea Council		
Project Delivery Lead	Swansea Council	Reporting Period	Q2
SRO	Martin Nicholls		

Budget	
Total Budget	£175.35m
City Deal	£50m
Public	£85.38m
Private	£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"> • A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events • A ‘digital village’ development in the city centre to accommodate the city’s growing tech and digital business sector • A ‘box village’ and innovation precinct development at the University of Wales Trinity Saint David’s new Swansea waterfront campus to enable start-up company support and growth

Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						Funding agreement discussions are on-going between Swansea Council & UWTSB about the delivery of the box village element of the project. Further City Deal funding drawdown is needed as soon as possible, given spend at risk on the indoor arena element of the project, in particular. The impact of Covid-19 on delivery timeframes, construction costs and tenancy interest in 71/72 The Kingsway (Digital Village) is being continuously monitored.

RAG Status	
R	<p>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</p> <p>Remedial plans are not proving effective.</p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</p> <p>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p>Programme / Project is proceeding according to plan.</p> <p>Risks/issues are being managed within the programme / project.</p> <p>No need to escalate to next level.</p>

Key achievements in Q2

Business Case & Project Development

- Updated business case presented at Programme Board - July 2020
- Updated business case formed part of project update at Joint Committee - July 2020
- Construction tender issued for 71/72 The Kingsway - July 2020
- Steelwork complete for indoor arena - August 2020
- Testing of arena digital façade panel complete - September 2020
- Work starts on bridge linking arena with city centre - September 2020
- Construction tender for 71/71 the Kingsway received and analysed - October 2020
- Letting website has gone live for arena units - October 2020

Key Activities planned Q3

- Lettings discussions on-going for 71/72 The Kingsway - Oct - Dec 2020
- Cabinet decision on 71/72 The Kingsway - December 2020
- Award of construction contract for 71/72 The Kingsway - January 2020
- Outline planning application for Box Village at UWTSD SA1 Waterfront - December 2020

Outputs

Physical delivery of arena (circa 80,000 square feet with a 3,500-capacity), along with digital square and hotel is on track. Steelwork for indoor arena already complete.

Cabinet decision due in December 2020 on 71/72 The Kingsway, which will comprise circa 100,000 square feet of office space.

Discussions on-going with UWTSD about their element of the project (box village and innovation precinct).

Project Title	Pentre Awel	Programme / Project Lead	Sharon Burford
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q2
SRO	Chris Moore		

Budget	
Total Budget	£199.19m
City Deal	£40m
Public	£51
Private	£108.19
Description	
<p>Proposed for an 83-acre site at Delta Lakes in Llanelli, Pentre Awel will be the first development of its kind in Wales. The project will include the co-location of academic, public, business and health facilities to boost employment, education, leisure provision, health research and delivery, and skills and training.</p> <p>City Deal will provide the requisite investment for business incubation and acceleration facilities, laboratory space, testbed capabilities, a well-being skills centre, clinical research centre and a clinical delivery centre to deliver multi-disciplinary care closer to home. The design for Zone 1 will create an ‘ecosystem’ by facilitating joint working across traditional boundaries, integrating education and training programmes within a clinical setting and fostering interface between health and leisure for the benefit of population health.</p> <p>Pentre Awel will include state-of-the-art leisure centre funded by Carmarthenshire County Council.</p> <p>A network of integrated care and rehabilitation facilities will also be provided on site to enable the testing and piloting of life science technologies aimed at enhancing independent and assisted living.</p> <p>Assisted living accommodation will also feature, along with a nursing home, a hotel, expansion space for businesses, and elements of both open market and social and affordable housing.</p>	

Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						<p><u>Delivery</u> - Commencement of procurement exercise for zone 1 subject to timely approval of Business Case. All CCC approvals in place, including Full Council 22/10/20. Supported at informal JC (08/10/20), final JC approval anticipated 12/11/20</p> <p><u>Staffing</u> - resources are drawn in from CCC departments/partner organisations as appropriate</p> <p><u>Finance</u> - City Deal investment decision awaited; institutional investors and funding model to be finalised (n.b. institutional investment not required for Zone 1)</p>

RAG Status	
R	<p>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</p> <p>Remedial plans are not proving effective.</p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p>Some problems identified which may put the programme / project’s scope, time, cost, and/or benefits at risk.</p>

	<p><i>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</i></p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p><i>Programme / Project is proceeding according to plan.</i></p> <p><i>Risks/issues are being managed within the programme / project.</i></p> <p>No need to escalate to next level.</p>

Key achievements in Q2

Business Case Development

- Business case presented at Economic Strategy Board – July 9, 2020
- CCC Members Briefings – August 2020
- Business case approved at Carmarthenshire County Council Preliminary Executive Board – September 7, 2020
- Business case approved at Carmarthenshire County Council Executive Board – September 21, 2020
- Business case approved at Pentre Awel Project Board – September 29, 2020
- External Stage 2 Gate Review undertaken –September 9th – 11th 2020
- Business case presented at Programme Board – September 24, 2020
- MoU prepared with Academic Partners – July – September 2020
- Memorandum of Understanding prepared and issued to Financial Markets (Q1 2020). Engagement with institutional investors July – September 2020. Good level of interest from investment companies

Project development

- Ecology work underway on site to ensure timely discharge of pre-commencement planning conditions: July – September 2020
- Procurement Working Group established to take forward tender exercise for zone 1 principal construction contractor, including dedicated Community Benefits workstream to ensure optimisation of local procurement / supply chain opportunities: 3rd September 2020 – ongoing
- Workstream set up and ongoing to develop a whole site operating model – September 29, 2020

Key Activities planned Q3

- Commissioning of external legal consultants to support procurement – October 9, 2020
- Business case approval in Full Council at Carmarthenshire County Council – October 22, 2020
- Implementation of external Stage Gate review recommendations – October & November 2020
- Business case approval at Joint Committee – November 12, 2020
- Business case submitted to UKG/WG for approval – November 2020
- Procurement documents in preparation to secure a main contractor for Zone One – December 2020
- Heads of Term Agreements to be prepared with tenants. Discussions on-going : October and November 2020

Outputs

Due to the status of the business case approval process, outputs identified are yet to be monitored as construction is not yet underway.

Project Title	Pembroke Dock Marine	Programme / Project Lead	Tim James
Local Authority Lead	Pembrokeshire County Council		
Project Delivery Lead	Milford Haven Port Authority	Reporting Period	Q2
SRO	TBC		

Budget	
Total Budget	£60.47m
City Deal	£28m
Public	£16.35m
Private	£16.12m

Description
<p>This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and 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. Project features include:</p> <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ)

Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						Overall status Red due to awaiting sign off of funding agreements which is impacting all other elements of the programme

RAG Status	
R	<p>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</p> <p>Remedial plans are not proving effective.</p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</p> <p>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p>Programme / Project is proceeding according to plan.</p> <p>Risks/issues are being managed within the programme / project.</p> <p>No need to escalate to next level.</p>

Key achievements
<p>Pembroke Dock infrastructure</p> <ul style="list-style-type: none"> • Contract for the Detailed Design of the Access Infrastructure element Tendered, Contract Awarded and work now in progress - Q2 2020 • Contract for the Project Management and QS Services for the iDevelopment Tendered, Contract Awarded and work in progress - Q2 2020

- Contract for the Detailed Design of the Hangar Annex Renovations Tendered, Contract Awarded and the Detailed Design completed. Building Regulation Consent issued - Q2 2020

Marine Energy Test Area (META)

- Site Management: Q1 2018 - Q4 2022

Pembrokeshire Demonstration Zone (PDZ)

- Consenting, EIA and surveys - Q1 2020 - Q2 2023
- FEED and site investigations - Q1 2020 - Q3 2023
- Site resource data - Q1 2020 - Q3 2023
- Seabed lease - Q4 2019 - Q3 2023
- Delivery strategy - Q4 2019 - Q3 2023
- Project Management - Q3 2019 - Q1 2024

Key Activities planned

Pembroke Dock infrastructure

- Construction phase areas 6, 7, 8 and 9 (land prep at south of site and pickling pond) - Q4 2020 - Q4 2021
- Invitation to tender (Hangar annexes) - Q4 2020
- Cost plan position (re-submission) - Q3 2020
- Construction phase area 2 (Amenity and pocket park) - Q2 2023 - Q4
- Tender for the Construction phase area 1 (Hangar annexes) prepared. Construction expected - Q2 2021 - Q 2022

Pembrokeshire Demonstration Zone (PDZ)

- Grid connection preparations - Q4 2020

Project Title	Supporting Innovation and Low Carbon Growth	Programme / Project Lead	Lisa Willis
Local Authority Lead	Neath Port Talbot County Borough Council		
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q2
SRO	Nicola Pearce		

Budget	
Total Budget	£61.5m
City Deal	£47.7m
Public	£7.7m
Private	£6.11m
Description	
<p>The Supporting Innovation and Low Carbon Growth programme has been developed as a response to a number of key priority areas to deliver sustainable jobs and growth in the Swansea Bay region. It aims to create the right environment for a decarbonised and innovative economy.</p> <p>The vision of ‘delivering low carbon, sustainable and inclusive growth for the region’ will be achieved through This project will help further decarbonise the Neath Port Talbot economy, while safeguarding the regional steel industry and providing high-quality space for the innovation, ICT and research and development sectors.</p> <p>Project features include:</p> <ul style="list-style-type: none"> • A National Steel Innovation Centre • Electric vehicle infrastructure and mapping 	

- Real-time air quality modelling
- Hydrogen production to power hydrogen vehicles
- Cutting-edge business spaces to meet evidenced demand.

Scorecard

Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						OBC in development - due to be formally submitted end November 2020 Project governance in place PAR June 2020 CFR Oct 2020 - recommendations being addressed. 2 projects in delivery Programme Manager to be appointed

RAG Status

R	<p><i>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</i></p> <p><i>Remedial plans are not proving effective.</i></p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p><i>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</i></p> <p><i>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</i></p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p><i>Programme / Project is proceeding according to plan.</i></p> <p><i>Risks/issues are being managed within the programme / project.</i></p> <p>No need to escalate to next level.</p>

Key achievements

Business Case Development

- Revised OBC development - Q2 2020
- Progressed PAR action plan - Q2 2020

Project Development

- Formalise governance arrangements - Q2 2020
- Formalise stakeholder engagement plan - Q2 2020
- Confirm the project delivery / implementation plan - Q2 2020

Swansea Bay Technology Centre

- Full planning consent - Q2 2020

National Steel Innovation Centre

- Revised Economic Case - Q2 2020

Decarbonisation

- Project development in more detail - Q2 2020

Industrial Futures

- Workshop held to develop scope of Advanced Manufacturing Production Facility - Q2 2020

Key Activities planned

Business Case Development

- UKG/WG approval of the release of Government funding to the project - Q3 2020
- Progress actions plans for PAR and Critical Review recommendations - Q3 2020

Project Development

<ul style="list-style-type: none"> Appoint project manager / formalise team - Q3 2020 <p>Swansea Bay Technology Centre</p> <ul style="list-style-type: none"> Construction Start - Q3 2020 <p>SWITCH</p> <ul style="list-style-type: none"> Commence D&B Process - Q3 2020 <p>Industrial Futures</p> <ul style="list-style-type: none"> Finalise Advanced Manufacturing Production Facility scope - Q3 2020
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Outputs
<ul style="list-style-type: none"> Being finalised in revised OBC

Project Title	Life Science, Well-being & Sport Campuses	Programme / Project Lead	Naomi Joyce
Local Authority Lead	City and County of Swansea	Reporting Period	Q2
Project Delivery Lead	Swansea University		
SRO	Keith Lloyd		

Budget	
Total Budget	£45m
City Deal	£15m
Public	£20m
Private	£10m

Description
<p>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</p>

Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						<p>Conflicting priorities, such as COVID may be impacting progress on delivery, although sufficient engagement from stakeholders continue via working group structures.</p> <p>Work ongoing to maintain current scope with the monies available.</p> <p>Project teams have limited resource, existing teams continue efforts to progress business case.</p>

RAG Status	
R	<p>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</p> <p>Remedial plans are not proving effective.</p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p>Some problems identified which may put the programme / project's scope, time, cost, and/or benefits at risk.</p> <p>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p>Programme / Project is proceeding according to plan.</p> <p>Risks/issues are being managed within the programme / project.</p> <p>No need to escalate to next level.</p>

Key achievements
<ul style="list-style-type: none"> • Business Case Development – Strategic & Economic case has been redeveloped. Financial, Commercial and Management Cases are being defined - Q3 2020 • Masterplan of Singleton site completed - Q3 2020 • Outline zoning and outline floorplans completed for Phase 1 at Singleton and Morriston - Q3 2020 • Initial costing completed for Phase 1 Singleton and Morriston - Q3 2020 • Collaborative research and innovation activity continues - Q3 2020 • Development of new skills provision under development - Q3 2020 • Synergies and differentiators between Pentre Awel and Campuses defined - Q3 2020
Key Activities planned
<ul style="list-style-type: none"> • Business case submitted to sponsor local authority, Economic Strategy Board, Programme Board and Joint Committee for approval of the project submission to the UKG/WG - Q4 2020 • External review of project - Q4 2020 • Structured private sector engagement activities to be undertaken - Q4 2020 • Revised feasibility study to align with monies available and original scope agreed - Q4 2020 • Letters of support being obtained from partners to evidence commitment. - Q4 2020

Project Title	Yr Egin - Creative Digital Cluster	Programme / Project Lead	Geraint Flowers
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	University of Wales Trinity Saint David	Reporting Period	Q2
SRO	Ray Selby		

Budget	
Total Budget	£25.67m
City Deal	£5m
Public	£19.17m

Private		£1.5m				
Description						
<p>To support and further develop the region’s creative industry sector and Welsh language culture. The two-phased programme, led by University of Wales Trinity Saint David campus in Carmarthen, features:</p> <ul style="list-style-type: none"> • National creative sector anchor tenants • World class office space for local and regional creative sector SMEs, with opportunities for expansion • Facilities for the community and business networking <p>Facilitating engagement between businesses and students</p>						
Scorecard						
Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall	Status Update
						Economic uncertainty impacting on levels of demand and investment interest. Following Phase 1 Lessons Learned exercise, currently undertaking analysis of future scope and type of facilities required to maintain delivery of project outcomes in development of Phase 2 Strategic Outline Case.

RAG Status	
R	<p><i>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</i></p> <p><i>Remedial plans are not proving effective.</i></p> <p>Escalate to programme / project sponsor for support to resolve.</p>
A	<p><i>Some problems identified which may put the programme / project’s scope, time, cost, and/or benefits at risk.</i></p> <p><i>Remedial plans are in place and are being monitored to ensure that risk is mitigated.</i></p> <p>Highlight to programme / project sponsor for visibility and awareness.</p>
G	<p><i>Programme / Project is proceeding according to plan.</i></p> <p><i>Risks/issues are being managed within the programme / project.</i></p> <p>No need to escalate to next level.</p>

Key achievements	
Project Development	
<ul style="list-style-type: none"> • Phase 2 detailed design - Q2 	
Key Activities planned	
<ul style="list-style-type: none"> • Lessons Learned completion - Q3 October 2020 • Review of Phase 2 scope - Q3 November / December 2020 • Phase 2 Options Appraisal commencement - January 2021 • Market demand analysis - Q3 November / December 2020 	



Swansea Bay City Deal Portfolio Level
Integrated Assurance and Approval Plan

Assurance / approval / Reporting	Activity/Product	Primary client	Last review date	2020/2021												2021/2022												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	
Governance																												
Portfolio Level																												
Meetings																												
Joint Committee	Meetings	SRO, JC, PMO	Oct-20			x	x		x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting. August recess. Informal meeting October 2020
Programme Board	Meetings	SRO, PB, PMO	Oct-20		x	x	x		x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Monthly meeting. Two meetings in June 2020. August 2020 meeting cancelled
Economic Strategy Board	Meetings	SRO, ESB, PMO	Oct-20			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 Scrutiny Committee	Meetings	SRO, JSC, PMO	Oct-20				x				x		x		x		x		x		x		x		x		Meetings every two months. September 2020 meeting pushed back to October 2020	
Regional S151 officers	Meetings	AB, PMO	Oct-20			x					x		x		x												Quarterly meeting	
WG/UKG/PMO briefing	Meetings	SRO, PMO, WG, UKG	Oct-20	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 meetings
SBCD/WG PMO briefing	Meetings	SRO, PMO, WG	Oct-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Weekly meeting
PMO Team	Meetings	SRO, PMO	Oct-20	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Weekly meeting
PMO/Project Leads	Meetings	PMO, Project Leads	Oct-20			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	Fortnightly meetings
WLGA Regional City Deal Directors	Meetings	SRO, WLGA, WG	Oct-20	x		x		x		x		x		x		x		x		x		x		x		x	Meetings every two months	
Key Documentation Review																												
Integrated Assurance & Approval Plan	Live document	SRO, PB, PMO, JC	Oct-20			x																					June 2020 approval at JC. IAAP review every 6 months	
Portfolio Business Case	Live document	SRO, PB, PMO, JC	Oct-20			x	x																				June/July 2020 review at PB and JC. AOR in Sep/Oct 2020. Annual review of PBC.	
Implementation Plan	Live document	SRO, PMO, PB, JC, JSC	Oct-20			x	x																				June/July 2020 approval at PB & JC. Annual review of Implementation Plan	
Portfolio Issues Log	Live document	SRO, PMO, PB, JC, JSC	Oct-20			x	x																				Quarterly to PB & JC for review. Every two months to JSC	
Portfolio Risk Register	Live document	SRO, PMO, PB, JC, JSC	Oct-20			x	x																				Quarterly to PB for review / Bi-monthly to JSC. Risk management workshops Oct 2020. Risk management policy/strategy to PB Nov 2020 and JC Nov 2020.	
M & E plan	Live document	SRO, PMO	Oct-20			x	x																				June/July 2020 approval at PB and JC. Monthly highlight reports in place from Oct 2020. Quarterly monitoring reports planned from Nov 2020. Annual performance reports also planned.	
Covid-19 Impact Assessment	Live document	SRO, PMO	Oct-20			x	x																				June/July 2020 review at PB & JC. Updated assessments due for JSC in Oct 2020 and PB/JC in Nov 2020. Further assessments will also be carried out, if needed	
Key Documentation Approvals																												
Integrated Assurance & Approval Plan	Live document	SRO, PB, PMO, JC	Oct-20			x																					June 2020 approval at JC / Approval every 6 months	
Portfolio Business Case	Live document	SRO, PB, PMO, JC, WCGIB	Oct-20			x	x																				June/July 2020 review at PB & JC. AOR Sep & Oct 2020. PBC to be approved annually. Approval needed from both WCGIB & JC	
Implementation Plan	Live document	SRO, PMO, PB, JC, JSC	Oct-20				x																				July 2020 approval at JC / Annual approval needed	
Portfolio Issues Log	Live document	SRO, PMO, PB, JC, JSC	Oct-20			x	x																				Quarterly to PB for review/JC for approval and every two months to JSC	
Portfolio Risk Register	Live document	SRO, PMO, PB, JC, JSC	Oct-20			x	x																				Quarterly to PB for review / Bi-monthly to JSC. Risk management workshops Oct 2020. Risk management policy/strategy to PB Nov 2020 and JC Nov 2020.	

Portfolio Investment Forecast

Portfolio Summary

Investment Component	Forecast (£m)	Original HoT (£m)	Variance (£m)	Variance (%)
City Deal	235.70	241.00 -	5.30	-2.20%
Private	591.79	637.44 -	45.65	-7.16%
Public	330.20	395.95 -	65.75	-16.60%
Grand Total	1,157.69	1,274.39 -	116.69	-9.16%

Programme Summary

Programmes	Forecast (£m)	Original HoT (£m)	Variance (£m)	Variance (%)
Digital Infrastructure	55.00	55.00	-	0.00%
Homes as Power Stations	505.50	517.05 -	11.55	-2.23%
LS&WB Campuses	45.00	45.00	0.00	0.01%
LS&WB Village	199.19	199.50 -	0.31	-0.16%
Pembroke Dock Marine	60.47	76.32 -	15.85	-20.77%
Skills & Talent	30.00	30.00 -	0.00	-0.02%
Supporting Innovation and Low Carbon Growth	61.52	159.02 -	97.51	-61.32%
Swansea Waterfront	175.35	168.20	7.15	4.25%
Yr Egin	25.67	24.29	1.38	5.66%
Grand Total	1,157.69	1,274.39 -	116.69	-9.16%

Agenda Item 13



Report of the Chief Legal Officer

Swansea Bay City Region Joint Committee – 12 November 2020

Exclusion of the Public

Purpose:	To consider whether the Public should be excluded from the following items of business.	
Policy Framework:	None.	
Consultation:	Legal.	
Recommendation(s):	It is recommended that:	
1)	The public be excluded from the meeting during consideration of the following item(s) of business on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs listed below of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 subject to the Public Interest Test (where appropriate) being applied.	
	Item No.	Relevant Paragraphs in Schedule 12A
	13	14
Report Author:	Democratic Services	
Finance Officer:	Not Applicable	
Legal Officer:	Tracey Meredith – Chief Legal Officer (Monitoring Officer)	

1. Introduction

- 1.1 Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, allows a Principal Council to pass a resolution excluding the public from a meeting during an item of business.
- 1.2 Such a resolution is dependent on whether it is likely, in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present during that item there would be disclosure to them of exempt information, as defined in section 100I of the Local Government Act 1972.

2. Exclusion of the Public / Public Interest Test

- 2.1 In order to comply with the above mentioned legislation, Cabinet will be requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendation(s) to the report on the grounds that it / they involve(s) the likely disclosure of exempt information as set out in the Exclusion Paragraphs of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.
- 2.2 Information which falls within paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended is exempt information if and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2.3 The specific Exclusion Paragraphs and the Public Interest Tests to be applied are listed in **Appendix A**.
- 2.4 Where paragraph 16 of the Schedule 12A applies there is no public interest test. Councillors are able to consider whether they wish to waive their legal privilege in the information, however, given that this may place the Council in a position of risk, it is not something that should be done as a matter of routine.

3. Financial Implications

- 3.1 There are no financial implications associated with this report.

4. Legal Implications

- 4.1 The legislative provisions are set out in the report.
- 4.2 Councillors must consider with regard to each item of business set out in paragraph 2 of this report the following matters:
 - 4.2.1 Whether in relation to that item of business the information is capable of being exempt information, because it falls into one of the paragraphs set out in Schedule 12A of the Local Government Act 1972 as amended and reproduced in Appendix A to this report.
 - 4.2.2 If the information does fall within one or more of paragraphs 12 to 15, 17 and 18 of Schedule 12A of the Local Government Act 1972 as amended, the public interest test as set out in paragraph 2.2 of this report.
 - 4.2.3 If the information falls within paragraph 16 of Schedule 12A of the Local Government Act 1972 in considering whether to exclude the public members are not required to apply the public interest test but must consider whether they wish to waive their privilege in relation to that item for any reason.

Background Papers: None.

Appendices: Appendix A – Public Interest Test.

Public Interest Test

No.	Relevant Paragraphs in Schedule 12A
12	Information relating to a particular individual.
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 12 should apply. Their view on the public interest test was that to make this information public would disclose personal data relating to an individual in contravention of the principles of the Data Protection Act. Because of this and since there did not appear to be an overwhelming public interest in requiring the disclosure of personal data they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
13	Information which is likely to reveal the identity of an individual.
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 13 should apply. Their view on the public interest test was that the individual involved was entitled to privacy and that there was no overriding public interest which required the disclosure of the individual's identity. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>
14	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
	<p>The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 14 should apply. Their view on the public interest test was that:</p> <ul style="list-style-type: none"> a) Whilst they were mindful of the need to ensure the transparency and accountability of public authority for decisions taken by them in relation to the spending of public money, the right of a third party to the privacy of their financial / business affairs outweighed the need for that information to be made public; or b) Disclosure of the information would give an unfair advantage to tenderers for commercial contracts. <p>This information is not affected by any other statutory provision which requires the information to be publicly registered.</p> <p>On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.</p>

No.	Relevant Paragraphs in Schedule 12A
15	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
	The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 15 should apply. Their view on the public interest test was that whilst they are mindful of the need to ensure that transparency and accountability of public authority for decisions taken by them they were satisfied that in this case disclosure of the information would prejudice the discussion in relation to labour relations to the disadvantage of the authority and inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.
16	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
	No public interest test.
17	Information which reveals that the authority proposes: (a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) To make an order or direction under any enactment.
	The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 17 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by the public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.
18	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime
	The Proper Officer (Monitoring Officer) has determined in preparing this report that paragraph 18 should apply. Their view on the public interest test was that the authority's statutory powers could be rendered ineffective or less effective were there to be advanced knowledge of its intention/the proper exercise of the Council's statutory power could be prejudiced by public discussion or speculation on the matter to the detriment of the authority and the inhabitants of its area. On that basis they felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when determining the public interest test, which they must decide when considering excluding the public from this part of the meeting.

Agenda Item 14

By virtue of paragraph(s) 14 of Schedule 12A
of the Local Government Act 1972
as amended by the Local Government (Access to
Information) (Variation) (Wales) Order 2007.

Document is Restricted

By virtue of paragraph(s) 14 of Schedule 12A
of the Local Government Act 1972
as amended by the Local Government (Access to
Information) (Variation) (Wales) Order 2007.

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