

Pecyn Dogfennau



Cydbwyllgor Bargen Dinas-Ranbarth Bae
Abertawe
Uned Gwasanaethau Democraidd
Adran y Prif Weithredwr
Cyngor Sir Gar
Neuadd y Sir
Caerfyrddin SA31 1JP.

DYDD MAWRTH, 21AIN MAI, 2019

AT: HOLL AELODAU'R CYD-BWYLLGOR DINAS-RANBARTH BAE ABERTAWA

YR WYF DRWY HYN YN EICH GALW I FYNYCHU CYFARFOD O'R **CYD-BWYLLGOR DINAS-RANBARTH BAE ABERTAWA** A GYNHELIR YN YSTAFELL BWYLLGOR GWASANAETHAU DEMOCRATAIDD, NEUADD Y SIR, CAERFYRDDIN AM 2.00 Y.P. AR DDYDD MAWRTH, 28AIN MAI, 2019 ER MWYN CYFLAWNI'R MATERION A AMLINELLIR AR YR AGENDA SYDD YNGHLWM

Mark James

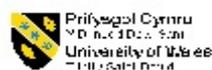
**PRIF WEITHREDWR
CYNGOR SIR GAR**

Swyddog Democraidd:

Gaynor Morgan

Ffôn (llinell uniongyrchol):

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GMorgan@sirgar.gov.uk

CYDBWYLLGOR DINAS-RANBARTH BAE ABERTAWA
(Arweinwyr y 4 Awdurdod Lleol a 5 Aelod Cyfetholedig)

CYNGOR SIR GAR

CYNGHORYDD EMLYN DOLE

CYNGOR BWRDEISTREF SIROL CASTELL-NEDD PORT TALBOT

CYNGHORYDD ROB JONES

DINAS A SIR ABERTAWA

CYNGHORYDD ROB STEWART

CYNGOR SIR BENFRO

CYNGHORYDD DAVID SIMPSON

AELODAU CYFETHLEDIG (Heb Bleidlais)

(Cyfnod 5 mlynedd 31ain Awst 2018 – 30ain Awst 2023)

Yr Athro Medwin Hughes

**Prifysgol Cymru y Drindod
Dewi Sant**

Yr Athro Andrew Davies

**Bwrdd Iechyd Abertawe Bro
Morgannwg**

Yr Athro Iwan Davies

Prif Ysgol Abertawe

Judith Hardisty

**Bwrdd Iechyd Prifysgol Hywel
Dda**

Edward Tomp

**Cadeirydd y Bwrdd
Strategaeth Economaidd**

AGENDA

1. YMDDIHEURIADAU AM ABSENOLDEB
2. DATGANIADAU O FUDDIANNAU PERSONOL
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NI DDYLID CYHOEDDI'R ADRODDIAD SY'N YMWNEUD Â'R MATER CANLYNOL GAN EI FOD YN CYNWYS GWYBODAETH EITHRIEDIG FEL Y'I DIFFINIWDYD YM MHARAGRAFF 15 O RAN 4 O ATODLEN 12A I DDEDDF LLYWODRAETH LEOL 1972 FEL Y'I DIWYGIWDYD GAN ORCHYMYN LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) (AMRYWIO) (CYMRU) 2007. OS BYDD Y CYD-BWYLLGOR AR ÔL CYNNAL PRAWF LLES Y CYHOEDD YN PENDERFYNU YN UNOL Â'R DDEDDF, I YSTYRIED Y MATER HYN YN BREIFAT, GORCHMYNNIR I'R CYHOEDD ADAEL Y CYFARFOD YN YSTOD TRAFODAETH O'R FATH
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(NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE JOINT COMMITTEE AT ITS NEXT MEETING)

SWANSEA BAY CITY REGION JOINT COMMITTEE

Thursday, 28 March 2019

PRESENT: Councillor R. Stewart (Chair)

Councillors:

E. Dole, D. Simpson and A. Taylor (Reserve Member).

Co-optees:

Dr J. Davidson, University of Wales Trinity St David (Reserve Member)

Prof I. Davies, Swansea University

E. Tomp, Chair of the Economic Strategy Board

Also in attendance from the Welsh Audit Office:

Mr. J. Evans, Performance Audit Manager

Also in attendance as an observer:

Councillor R. James (Carmarthenshire County Council)

The following Officers were in attendance:

S. Phillips, Chief Executive, Neath Port Talbot County Council

I. Westley, Chief Executive, Pembrokeshire County Council

W. Walters, Director of Regeneration & Policy, Carmarthenshire County Council

M. Nicholls, Director of Place, Swansea Council

C. Moore, Joint Committee S.151 Officer

L.R. Jones, Joint Committee Monitoring Officer

H. Morgan, Economic Development Manager

R. Phillips, Funding Manager

J. Hendy, Governance, Assurance & Information Manager, Pembrokeshire C.C.

M. Evans Thomas, Principal Democratic Services Officer

G. Jones, Communications & Marketing Officer (City Deal)

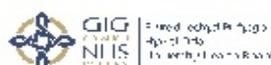
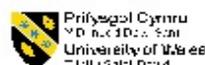
R. Llewellyn, Performance, Governance & Policy Officer

J. Laimann, Assistant Democratic Services Officer

Democratic Services Committee Room, County Hall, Carmarthen. 11.00 - 11.40 am.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rob Jones (Neath Port Talbot Council), Professor Medwin Hughes (University of Wales Trinity St David), Judith Hardisty (Hywel Dda University Health Board) and Mark James (Carmarthenshire County Council). Councillor Anthony Taylor (Neath Port Talbot Council) and Dr Jane Davidson (University of Wales Trinity St David) attended the meeting as substitutes. Wendy Walters attended the meeting on Mark James' behalf.



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The Chair welcomed Professor Iwan Davies (Swansea University) to the meeting.

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest made at the meeting.

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE JOINT COMMITTEE MEETING HELD ON THE 24TH JANUARY 2019

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Swansea Bay City Region Joint Committee held on the 24th January 2019 be signed as a correct record.

4. NOTIFICATION OF CHANGE OF CO-OPTED REPRESENTATION ON THE JOINT COMMITTEE

The Joint Committee considered the following formal notifications of change of co-opted representation on the Joint Committee:

1. Formal notification from Swansea University that its representative on the Joint Committee going forward will be Professor Iwan Davies, with Professor Steve Wilks acting as the Reserve Member.
2. Formal notification from Hywel Dda University Health Board that Judith Hardisty will be its representative on the Joint Committee going forward, replacing Bernadine Rees.

The Chair thanked Bernadine Rees for her contribution to the Joint Committee.

UNANIMOUSLY RESOLVED that the change of co-opted representation on the Joint Committee be formally endorsed.

5. SWANSEA BAY CITY DEAL INDEPENDENT REVIEW: UK AND WELSH GOVERNMENT

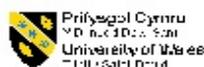
The Joint Committee considered a report on the Swansea Bay City Deal Independent Review carried out by the UK and Welsh Governments.

The Chair suggested that all seven recommendations made in the report should be accepted and implemented as soon as possible. For this purpose, an implementation and action plan could be drafted by the Programme Board and brought back to the next Joint Committee meeting.

The Joint Committee noted that both Independent and Internal Review recommended the appointment of an independent Managing Director for the City Deal Regional Office. The Chair suggested that the recommendation should be



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(NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE JOINT COMMITTEE AT ITS NEXT MEETING)

accepted and funding arrangements discussed at a separate meeting in order to move the subject forward quickly. A job profile and outline of resources required for the role would be drafted for consideration at the next Joint Committee meeting.

A comment was made expressing support for the appointment of an independent Regional Office Director but suggesting that the current £50k Local Authority contribution toward the Swansea Bay City Deal should not be increased to fund the post. Each Authority made a significant financial contribution to the Deal and there was a need to look at whether there was scope within existing budgets initially.

The Chair advised that criticisms of processes in the reviews should not be confused with criticism of people and thanked City Deal Officers for their work. Members and Officers clarified that, while some projects were in the process of remodelling, no City Deal projects had been put on hold. It was suggested that the portfolio management approach recommended in the review provided useful flexibility and the opportunity to introduce new project elements.

UNANIMOUSLY RESOLVED that

- 5.1. the report on the UK and Welsh Government Independent Review into the Swansea Bay City Deal be received;**
- 5.2. all seven recommendations made in the Independent Review report be accepted and referred to the Programme Board for the drafting of an implementation and action plan to be considered at the next Joint Committee meeting;**
- 5.3. a draft job profile and outline of funding options for the City Deal Office Managing Director be prepared for consideration at the next Joint Committee meeting;**
- 5.4. funding arrangements for the City Deal Management Director be left in abeyance and discussed at a separate meeting;**
- 5.5. the current LA contribution of £50k not be increased to fund the Managing Director post.**

6. SWANSEA BAY CITY DEAL INTERNAL REVIEW OF GOVERNANCE ARRANGEMENTS REPORT MARCH 2019

The Joint Committee considered the Swansea Bay City Deal Internal Review of Governance Arrangements Report.

The Chair suggested that all recommendations made in the report should be accepted and implemented as soon as possible. Recommendations from both Independent and Internal Review could be included in the implementation and action plan (Minute Item 5 refers).



(NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE JOINT COMMITTEE AT ITS NEXT MEETING)

The Chair thanked Jo Hendy and the other auditors for their work on the review and recommendations.

UNANIMOUSLY RESOVLED that

- 6.1. the Internal Review be received;**
- 6.2. all recommendations made in the Internal Review be accepted and referred to the Programme Board to be included in the implementation and action plan (Minute Item 5.2. refers).**

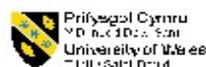
7. CARMARTHENSHIRE COUNTY COUNCIL - LLANELLI WELLNESS AND LIFE SCIENCE VILLAGE REVIEWS

The Joint Committee considered reports on the Carmarthenshire County Council Llanelli Wellness and Life Science Village Reviews, consisting of an Independent Legal Review and a Wales Audit Office (WAO) Review. The Joint Committee noted that the Independent Legal Review focussed on procurement and governance pre and post Collaboration Agreement and the WAO review assessed Carmarthenshire County Council’s management of process, risk, and governance and the protection of public money in relation to the project.

The Joint Committee was advised that findings from both reviews had been unanimously accepted by Carmarthenshire County Council’s Executive Board on the 4th March 2019. The Executive Board had welcomed the findings, which concluded that due process had been followed and the Council had acted properly. The Executive Board would continue to monitor progress and the Authority was pleased that the project was not on hold and would continue to be considered within the first tranche of projects. The Joint Committee was informed that the reviews had concluded that the Council was not precluded from further collaboration with Swansea University.

The Joint Committee was informed that WAO had provided a letter rather than a full report and that a representative of WAO, Mr Jeremy Evans, was attending the meeting to answer questions. A question was raised asking whether it was normal practice for WAO to issue letters rather than full review reports. Mr Evans advised that the letter and full report both had equal weight. WAO had found that the issuing of a letter was most appropriate to convey key findings in a timely and succinct manner without repeating details from other reviews.

In response to a query as to how the WAO review related to the findings of the Independent and Internal Reviews into the City Deal, Mr Evans advised that the reviews had a different focus, with the Internal and Independent City Deal reviews looking at the broader City Deal governance arrangements. To avoid unnecessary repetition, WAO had decided that it was appropriate to focus specifically on Carmarthenshire County Council’s processes in relation to the Llanelli Wellness and Life Science Village project and the findings were detailed in the report.



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UNANIMOUSLY RESOLVED to note the findings of the Carmarthenshire County Council Independent Legal Review and the WAO Review of the Llanelli Wellness and Life Science Village.

8. PEMBROKE DOCK MARINE PROJECT

The Joint Committee was advised that several key issues in relation to the Pembroke Dock Marine Project had to be addressed in order for the project to be progressed. The case for a Joint Committee decision was set out in a memorandum from Milford Haven Port Authority (on behalf of the Pembroke Dock Marine Project partners) attached to the report.

The Joint Committee was asked to consider three key recommendations. It was informed that Pembrokeshire County Council had received advice from the Joint Committee Monitoring and S.151 Officers in relation to recommendations 2 and 3.

With regard to recommendation 2, Officers had advised that project delivery periods had always been five years from the commencement of the City Deal.

With regard to recommendation 3, Officers had advised that the Joint Committee could not be expected to agree the principle of shared NNDR uplift allocation as the issue would require a separate report and additional information from the Welsh Government was awaited.

It was suggested that Leaders and Chief Executives could convene an urgent meeting to discuss key decisions 2 and 3. The Joint Committee was advised that Welsh Government had to be further engaged in relation to NNDR uplift allocation.

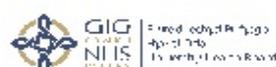
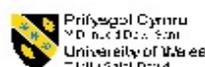
The Project Lead thanked the Joint Committee Monitoring and S.151 Officers for their advice.

UNANIMOUSLY RESOLVED that

- 8.1. the change in the Pembroke Dock Marine project scope be approved, subject to any comments from the Economic Strategy Board;**
- 8.2. an urgent meeting of Leaders and Chief Executives be convened to discuss NNDR uplift allocation and the delivery period for City Deal projects;**
- 8.3. the outstanding decisions in relation to NNDR uplift allocation and the start date for the project delivery period be added to the issue log.**

9. DEVELOPMENT OF HOMES AS POWER STATIONS, DIGITAL, SKILLS AND TALENT AND PEMBROKE DOCK MARINE

The Joint Committee considered a report on the development of the Homes as Power Stations, Digital Infrastructure, Pembroke Dock Marine and Skills and Talents projects. The four projects had been recommended as part of the second



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tranche of projects to be progressed from draft to formal business plan submission and approval stage.

It was suggested that flexibility regarding the tranching of projects should be agreed.

UNANIMOUSLY RESOLVED that

9.1. the prioritisation of the following business cases be approved:

- i. Digital Infrastructure**
- ii. Homes as Power Stations**
- iii. Pembroke Dock Marine**
- iv. Skills and Talents**

9.2. the tranching of projects be flexible so as to enable projects to come forward.

10. PROJECTS ISSUE LOG AND RISK REGISTER

The Joint Committee received the Swansea Bay City Deal Programme Risk Register and Projects Issue Log. It was suggested that the two documents were in draft stage and would have to be updated to reflect the recommendations from the City Deal reviews (Minute Items 5 and 6 refer).

With regard to the Projects Issue Log, Project Leads were asked to ensure that the log was up to date. The Joint Committee was advised that updated versions of both documents would be circulated prior to its next meeting.

UNANIMOUSLY RESOLVED that

10.1. the SBCD Projects Issue Log and Programme Risk Register be noted;

10.2. both documents be updated to reflect the recommendations from the City Deal Independent and Internal Reviews.

11. RETROSPECTIVE CLAIMS - DEFRAID EXPENDITURE

The Joint Committee considered a report on retrospective claims of defrayed expenditure back to the 20th March 2017. The Shadow Joint Committee had approved retrospective claiming of defrayed expenditure on the 13th July 2017 and the decision would now require formal approval by the Joint Committee.

The Joint Committee was advised that Project Leads had incurred preliminary expenditure to develop the projects and business plans and that these costs would be eligible for funding. It was also advised that defrayed expenditure was referring to preliminary and delivery costs. Updated reports to be provided to the next meeting detailing expenditure to date.

UNANIMOUSLY RESOLVED that the report on defrayed expenditure be noted.



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12. CORRESPONDENCE:-

12.1. LETTER FROM THE CHAIR OF THE SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE (15th February 2019)

The Joint Committee received a letter from the Chair of the Swansea Bay City Deal Joint Scrutiny Committee, dated 15th February 2019, which outlined findings and recommendations of the Joint Scrutiny Committee meeting held on the 31st January 2019.

The Chair thanked the Joint Scrutiny Committee for its work and advised that a draft response to the letter would be issues shortly.

UNANIMOUSLY RESOLVED that the letter be noted.

12.2. LETTER FROM THE CHAIR OF THE SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE (5th March 2019)

The Joint Committee received a letter from the Chair of the Swansea Bay City Deal Joint Scrutiny Committee, dated 5th March 2019, which included recommendations of the Joint Scrutiny Committee meeting held on the 1st March 2019.

The Chair thanked the Joint Scrutiny Committee for its work and advised that a draft response to the letter would be issues shortly.

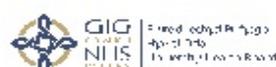
UNANIMOUSLY RESOLVED that the letter be noted.

13. EXCLUSION OF THE PUBLIC

UNANIMOUSLY RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following items as the reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

14. YR EGIN RESUBMISSION

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 13 above, to consider this matter in private, with the public excluded from the meeting, as the report included the business case to be submitted to the UK and Welsh Governments for approval and contained indicative cost estimates, and disclosing those indicative cost estimates in advance of procuring a works contractor could prejudice the procurer's position.



(NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE JOINT COMMITTEE AT ITS NEXT MEETING)

The Committee noted that the suggestion to resubmit the business plan was a response to the Independent Review's recommendation to move forward those projects closest to final approval (Minute Item 5 refers).

The S.151 Officer advised the Joint Committee that, given the recommendations of the City Deal Internal Review (Minute Item 6 refers), Items 14 and 15 should be considered on the understanding that Project Lead Authorities were taking full financial responsibility for their projects, including management of financial risks. The Chair confirmed that it would be a matter of each Local Authority to identify and manage its own financial risks.

UNANIMOUSLY RESOLVED that

- 14.1. the formal submission of the Yr Egin full five case business plan, submitted to the UK and Welsh Governments on 26th November 2018, be withdrawn;**
- 14.2. the Yr Egin full five case business plan be resubmitted to the UK and Welsh Government for approval.**

15. SWANSEA CITY AND WATERFRONT DIGITAL DISTRICT RESUBMISSION

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 13 above, to consider this matter in private, with the public excluded from the meeting, as the report included the business case to be submitted to the UK and Welsh Governments for approval and contained indicative cost estimates, and disclosing those indicative cost estimates in advance of procuring a works contractor could prejudice the procurer's position.

The Committee noted that the suggestion to resubmit the business plan was a response to the Independent Review's recommendation to move forward those projects closest to final approval (Minute Item 5 refers).

The Chair confirmed that the previous commitment in respect of Project Lead Authorities taking full financial responsibility for managing the risks and consequential liability would apply, and this was acknowledged by the City and County of Swansea.

UNANIMOUSLY RESOLVED that

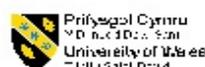
- 15.1. the formal submission of the Swansea City & Waterfront Digital District full five case business plan, submitted to the UK and Welsh Governments on 26th November 2018, be withdrawn;**
- 15.2. the Swansea City & Waterfront Digital full five case business plan be resubmitted to the UK and Welsh Government for approval.**

CHAIR

DATE



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**CYD-BWYLLGOR
DINAS-RANBARTH BAE
ABERTAWA**

28 MAI 2019

Y Cynnydd yn sgil yr Adolygiadau

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

- Ystyried a chytuno ar yr argymhellion a amlinellwyd yn yr adroddiad manwl (amgaeedig).
- Gofyn i'r Swyddfa Ranbarthol mewn cydweithrediad â'r swyddogion monitro symud ymlaen â'r holl gamau gweithredu a rhoi'r wybodaeth ddiweddaraf am y cynnydd yn y cyfarfod nesaf.

Y RHESYMAU:

Yn dilyn derbyn canfyddiadau Adolygiad Annibynnol Actica Consulting a'r Adolygiad Mewnol gan y Cyd-bwyllgor ar 28 Mawrth 2019 mae'r adroddiad hwn yn amlinellu'r camau allweddol i weithredu argymhellion yr adolygiadau.

Awdur yr Adroddiad: Helen Morgan	Swydd: Swyddfa Ranbarthol Bargen Ddinesig Bae Abertawe	Rhif Ffôn: 01267 224902 E-bost: hlmorgan@sirgar.gov.uk
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EXECUTIVE SUMMARY
SWANSEA BAY CITY REGION JOINT COMMITTEE
28 MAY 2019

Progress on Reviews

BRIEF SUMMARY OF PURPOSE OF REPORT

By accepting the findings of the Actica Consulting Independent Review and Internal Review, the Joint Committee is recognising the need for change.

The implementation of the following key recommendations, are therefore needed along with progress on the remaining recommendations.

Recommendation 1: A Programme Director should be appointed before May 2019 to ensure continuity of Swansea Bay City Deal leadership and independent, authoritative advice to the Boards.

It is recognised that appointing a person in such tight timescale is not feasible and the proposed deadline of May will need more flexibility.

Recommendation 2: The Regional Office should be designated as a Portfolio Management Office (PMO), leavening their skills with experienced Portfolio / Programme Project Management (P3P) specialists.

Recommendation 3: 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.

This attached report provides options for delivering the aforementioned recommendations.

DETAILED REPORT ATTACHED?

YES - Recommendations relating to the Implementation of the Independent Government and Internal Joint Committee Reviews

IMPLICATIONS

Policy, Crime & Disorder and Equalities NO	Legal YES	Finance YES	Risk Management Issues YES	Staffing Implications YES
<p>Legal Progress against some recommendations will require changes to the Joint Committee Agreement for the Swansea Bay City Deal although not necessarily ratified by the Constituent Authorities.</p>				
<p>Finance Without additional funding via a 1.5% top slice from overall City Deal monies resources required to implement the review recommendations will be significantly limited.</p>				
<p>Risk Management Issues Governments have clearly stated that project approvals beyond those of the Yr Egin and Swansea City & Waterfront Digital District will not be granted until there is evident significant progress to implement recommendations of the independent review. If the recommendations detailed in the report cannot be taken forward there is a risk to further delays in project approvals.</p>				
<p>Staffing Implications Recruitment of a new programme director is required. Subsequent recruitment to the new SBCD programme management office will also be required.</p>				

CONSULTATIONS

Leaders & CEX's of four regional authorities.
SBCD Section 151 Officer and Monitoring Officer

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK
UK & WG Review Document		https://www.gov.uk/government/publications/swansea-bay-city-deal-independent-review
Internal Review Report		Available from regional office

Mae'r dudalen hon yn wag yn fwriadol

Swansea Bay City Deal

Report – May 2019

Recommendations relating to the Implementation of the Independent Government and Internal Joint Committee Reviews

1. Purpose

By accepting the findings of the Actica Consulting Independent Review and Internal Review, the Joint Committee is recognising the need for change.

The implementation of the following key recommendations, are therefore needed along with progress on the remaining recommendations.

Recommendation 1: A Programme Director should be appointed before May 2019 to ensure continuity of Swansea Bay City Deal leadership and independent, authoritative advice to the Boards.

Recommendation 2: The Regional Office should be designated as a Portfolio Management Office (PMO), leveraging their skills with experienced Portfolio / Programme Project Management (P3P) specialists.

Recommendation 3: 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.

This report provides options for delivering the aforementioned recommendations.

2. Appointment of Programme Director

As agreed by Members of the Joint Committee, on 28th March 2019, the role of the Programme Director should progress to recruitment and appointment. It is proposed that Carmarthenshire County Council should continue to be the Employing Authority.

The new Programme Director will be independent and will report directly to the Joint Committee.

A draft Job Description is attached at Annex 1 for consideration. Following the Joint Committee's endorsement, this will need to be formally reviewed as part of the Job Evaluation process. Consideration needs to be given to the contract term.

Recruitment process:

The proposed recruitment process is as follows:

- The appointment will be advertised in accordance with Carmarthenshire County Council's Recruitment procedures
- The advert will be advertised through a number of communication platforms including national newspapers and digital platforms as well as via the four Local Authorities

- A formal assessment of applications received will be undertaken by the Programme Management Office in consultation with the other three Local Authorities
- The appointments decision making process will be delegated to the Programme Board to agree

3. Portfolio Management Office (PMO)

In line with recommendation 2 above, a PMO should be established. It is proposed that the office would be based at The Beacon office Llanelli, in order to ensure independence. The office has been equipped specifically for City Deal activity and allows for agile working by all partners across the Region.

It is proposed that Carmarthenshire County Council would be the Employing Authority for pay and rations purposes.

The structure and associated costs of the PMO would be proposed by the Programme Director, once in post.

Despite the Beacon being the allocated main office for the City Deal, it is suggested and to ensure shared ownership that each local authority provides agile working spaces for the PMO team. This would better promote regional co-working arrangements.

4. Accountable Body role

It is proposed that Carmarthenshire County Council maintains its role as the Accountable Body (inc of 151 responsibilities) alongside which it would act as the pay and rations for the Programme Director and the independent Programme Management Office (PMO). The role of Accountable Officer would no longer exist and be replaced by the Programme Director.

5. Role of the Lead Chief Executive

The role of Lead Chief Executive will no longer exist and be replaced by the new Programme Director who will be the main advisor to the various Governance Groups within the Region. This will further ensure independence is achieved in accordance with review recommendations.

6. Monitoring Officer Role

In line with the recommendation to share roles across the region, it is proposed that the Democratic Governance function along with the Monitoring Officer role should move from Carmarthenshire County Council and be led by Swansea City Council.

7. Regional Scrutiny Role

The Regional Scrutiny function should be maintained by Neath Port Talbot County Council.

8. Audit Function

It is proposed that Pembrokeshire County Council lead on the audit function on behalf of the Joint Committee. In order to ensure Section 151 duties can be legally discharged it is proposed that the lead audit officer reports directly to the SBCD S151 officer and aligns their work programme accordingly.

9. Funding the Programme Director and PMO

The City Deal operational costs which include, the Regional Office, Accountable body and Joint Scrutiny costs, have to date been funded by the £400k contributions from the Joint Committee members.

The total outturn for SBCD for 18/19 equates to £471,309. Expenditure incurred over and above the £400k partner contributions has been accommodated from underspends in 17/18.

Members agreed at their meeting on the 28th March 2019 that the costs for the implementation of the review recommendations should be contained from within the existing £400k budget. The appointment of the Programme Manager post will therefore inevitably mean changes to the current Regional office structure and possible HR implications. The re-distribution of functions across the region may have implications on the budget. In addition, the budget moving forward based on the current structure relies on additional income per annum, as well as the £400k partner contributions. There is potential for an increased resource via the drawdown of the 1.5% (£723k) top slice from the City Deal allocated Government funding. This can be used to cover the operating costs of the Joint Committee, Economic Strategy Board, Programme Board, Joint Scrutiny Committee, Accountable Body and the PMO functions.

It is proposed that the Joint Committee consider the release of the 1.5% from their overall £241m contribution in order to financially deliver the role of the Director, the PMO and all associated governance functions. The initial 1.5% would be released as soon as the first City Deal funds are drawn down from Governments with a further 1.5% released annually.

10. Other Considerations

- **Role of the Economic Strategy Board (ESB)** – as discussed at the Joint Committee meeting on 28th March and in line with the recommendations of the reviews, the role of the ESB needs to change and expand. The ESB should purely reflect only a private sector membership. Consideration of regional added value and opportunities for investment should be core and fundamental accountable responsibilities for the ESB. Pouring over individual Business Plan detail should not be a requirement of the ESB. The current Terms of Reference will need to be amended to reflect these changes.
- **Request to both Governments to release funding** – as previously requested by the Joint Committee and recommended in the Actica review, both Governments should to release funding for Yr Egin and Swansea City and Waterfront Digital District as a matter of urgency in order to re-instil public confidence.

At the Joint Committee on 28th March 2019, it was agreed that prompt consideration of the other outstanding Tranche 1 project, Life Science & Well-being Village, should also be prioritised. It was also agreed to progress with the development of Tranche 2 projects, namely Pembroke Dock Marine; Skills and Talent; Digital Infrastructure; Homes of Power Stations. All four projects need to gather momentum in order for the Joint Committee to be in a position that it can formally submit the Business Cases to both Governments.

- **Amendments to the Joint Committee Agreement (JCA)**

In light of the recommendations made within this report, there will be a requirement to undertake minor amendments to the existing JCA. The proposed changes are summarised below. A detailed account is included at Annex 2.

- Changes required in relation to the role of the Regional Office, Programme Director and the re-distribution of functions across the region. Amendments will need to be made to Clauses 6-9 of the JCA
- Amendments to the Terms of Reference for the Programme Board and Economic Strategy Board to accommodate the review recommendations (Schedules 2 & 6 of the JCA).

Due to the limited amendments proposed, it is suggested that these be jointly undertaken by the monitoring officers in all four Authorities, led by Carmarthenshire County Council, until such time changes are made to the roles and responsibilities across the region.

Amendments to the JCA will be a matter for the Joint Committee to ratify.

11. Recommendations:

To ensure that the recommendations of the reviews can be implemented with immediate effect, it is proposed that the Joint Committee consider and agree the above recommendations and task the Regional Office in association with the monitoring officers to progress all actions and to provide an update on progress at the next meeting.

DRAFT

Proffil Swydd/Job Profile

Teitl y Swydd -

Post Title – Swansea Bay City Deal
Programme Director

Is-Adran/Adain	
Department	Swansea Bay City Deal Programme Management Office
Gradd/Grade	Circa £75,000
Rhif y Swydd/Post Number	TBC
Paratowyd Gan/Prepared By	Swansea Bay City Deal Programme Office
Dyddiad Paratoi/Date Prepared	Mai 2019 - May 2019

Main Purpose of Job

This is a high profile and critical role tasked with establishing and running the programme management office for the Swansea Bay City Deal plus coordinating its portfolio of regional projects.

The City Deal includes funding from the UK and Welsh Governments, the public sector and the private sector. This presents a huge opportunity for an ambitious and experienced senior manager/leader to work in South West Wales. We are particularly looking for candidate with demonstrable skills in terms of project and programme management and an ability to work across organisational boundaries in both public and private sectors.

Key tasks/responsibilities

Purpose:

- To be accountable to the Swansea Bay City Deal Joint Committee in delivering its vision and aspirations for the region
- To ensure successful delivery of the agreed Swansea City Deal programme, effectively delivering its projects, achieving sustainable growth and unlocking further government and investment funding
- To develop and maintain effective relationships with all public and private partners across the region and ensure commitment to the City Deal vision
- To assist in developing the profile of the Swansea Bay City Deal Region as a place to live, work and invest

Duties and Responsibilities:

1. To work with the Joint Committee to deliver the city deal priorities and projects within the relevant timescales and to ensure the successful co-ordination of a portfolio of projects across a range of partner agencies, ensuring that the programme is joined-up and coherent
2. To be responsible for coordinating the programme management underpinning the City Deal and ensure that develops into a robust supporting framework which assists in the successful delivery of outcomes
3. To effectively establish and manage the Swansea Bay City Deal Programme Management Office ensuring that it becomes a value-added resource for the region based on P3M3 project management principles
4. To put in place the key structures in order to identify and agree the local and national indicators that will measure the success of the City Deal
5. To assist and support all partners to follow the City Deal governance arrangements and to successfully manage the approval of project business cases
6. To interface with the wider Welsh and UK Government in pursuit of this and any other potential sources of investment
7. To build strong and productive partnership with the private sector throughout the Swansea Bay region and seek further opportunities for private investment in the City Deal
8. To keep abreast and devise new strategic thinking aimed at developing innovative and creative solutions that address the challenges and impediments to economic growth across the region

9. In liaison with the Economic Strategy Board, develop a new approach to the foundational economy throughout the region and link into government strategies on this, especially in terms of local procurement
10. To effectively communicate the vision of the City Deal both within the region and across the wider UK and internationally
11. To ensure there is effective financial management and reporting to maximise the use of the resources available and to ensure that there is effective resourcing of agreed priorities
12. To report progress and issue in terms of project implementation and management to the Joint committee, Programme Board and the Economic Strategy Board and to seek solutions to any problems that may arise
13. Provide comprehensive performance monitoring data to the Joint Committee and any other identified stakeholders
14. Ensure there is comprehensive and pro-active stakeholder engagement across partner agencies, local councils, businesses and other sectors

Responsible for staff/equipment

Responsible for recruitment and management of Programme Management Office

Reporting to

Swansea Bay City Deal Joint Committee

Criteria	Essential
Qualifications/ Vocational training/ Professional Memberships	<ul style="list-style-type: none"> • Educated to degree level in relevant subject or equivalent experience • Programme / Project management qualification (e.g. PRINCE2, AGILE) • Demonstrable continuing professional development
Knowledge	<ul style="list-style-type: none"> • Wide knowledge of local, regional and National Government and agencies, the business community and other relevant external organisations • Good understanding of National Government and local authority decision-making processes and local government finance • A clear understanding of the Government's agenda for Local Government at both UK and Wales levels • A thorough understanding of key governance principles
Experience	<ul style="list-style-type: none"> • Experience of leading large and complex programmes to deliver successful outcomes within associated compliance strategies • Experience of planning and implementing large, complex programmes to strict deadlines by marshalling resources across organisational boundaries • Extensive experience of portfolio/project management • Substantial partnership working with a range of internal and external organisations to deliver common objectives • Significant and recent experience of successful management at a senior level covering a diverse range of key, high profile Public and Private Sector organisations. • Track record of operating at a senior level, managing complex and varied stakeholder relationships effectively • Proven ability to lead multidisciplinary, cross organisational teams • Proven ability to find creative and innovative solutions to complex problems and to work with a range of partners to implement them.
Personal qualities	<ul style="list-style-type: none"> • Strategic approach and vision to deliver large complex programmes • Takes a collaborative approach to partnership working • Makes informed decisions based on sound information and experience • Self-motivated with a flexible and adaptable approach to work • Ability to work under pressure and to tight time scales • Have the ability to create an environment of trust, openness and equality by interacting with people of various social, cultural, economic and educational backgrounds

	<ul style="list-style-type: none"> • Excellent interpersonal skills and the ability to build successful relationships and trust with a wide range of partners • Ability to analyse financial information and effectively use the information to ensure efficient budget management and accountability
Job Related Skills/ Competencies	<ul style="list-style-type: none"> • Deciding & Initiating Action - Makes prompt, clear decisions which may involve tough choices or considered risks; Takes responsibility for action, projects and people; Takes initiative, acts with confidence and works under own direction; Initiates and generates activity • Political sensitivity - Excellent political sensitivity and judgement, and the ability to work with both governments and councils; Confident in managing sensitive and political issues; Effective use of diplomacy • Leading & Supervising - Provides others with a clear direction; Sets appropriate standards of behaviour; Delegates work appropriately and fairly; Motivates and empowers others; Provides staff with development opportunities and coaching; Recruits staff of a high calibre • Adhering to Principles & Values - Upholds ethics and values; Demonstrates integrity; Promotes and defends equal opportunities, builds diverse teams; Encourages organisational and individual responsibility towards the community and the environment • Persuading & Influencing - Makes a strong personal impression on others; Gains clear agreement and commitment from others by persuading, convincing and negotiating; Promotes ideas on behalf of self or others; Makes effective use of political processes to influence and persuade others • Presenting & Communicating - Speaks clearly and fluently; Expresses opinions, information and key points of an argument clearly; makes presentations and undertakes public speaking with skill and confidence; Responds quickly to the needs of an audience and to their reactions and feedback; Projects creditability • Formulating Strategies & Concepts - Works strategically to realise organisational goals; Sets and develops strategies; Identifies and organises resources needed to accomplish tasks: Monitors performance against deadlines and milestones • Adapting & Responding to Change - Adapts to changing circumstances; Accepts new ideas and change initiatives; Adapts interpersonal style to suit different people or situations; Shows respect and sensitivity towards cultural and religious differences; Deals with ambiguity, making positive use of the opportunities it presents
Special Circumstances	<ul style="list-style-type: none"> • Politically Restricted Post: (which requires the postholder to be politically neutral)
	Desirable

Experience	<ul style="list-style-type: none"> • Experience in leading special initiatives in support of economic and social objectives • Experience of reporting to Joint Committees / Boards
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Language/ Communication Skills	Spoken Level	Written level
Welsh	Level 3	Level 3
English	Level 5	Level 5
Other (please State)	Indicate Level	Indicate Level

DISCLOSURE AND BARRING SERVICES (DBS) CHECKS

DBS Checks may be required for certain posts which work with children and vulnerable adults. This post requires: Indicate requirement in boxes

NO DBS CHECK REQUIRED	<input checked="" type="checkbox"/>
<u>Section A – type of disclosure</u>	
STANDARD DISCLOSURE	<input type="checkbox"/>
ENHANCED DISCLOSURE	<input type="checkbox"/>
ENHANCED DISCLOSURE WITH BARRED LIST CHECK	<input type="checkbox"/>
<u>Section B – workforce type</u>	
CHILD WORKFORCE	<input type="checkbox"/>
ADULT WORKFORCE	<input type="checkbox"/>
CHILD AND ADULT WORKFORCE	<input type="checkbox"/>
OTHER WORKFORCE	<input type="checkbox"/>

JUSTIFICATION

Please refer to your HR Advisor before deciding whether this post requires a DBS Check. Record your reasons here

ANY OTHER INFORMATION

None

Annex 2: Implication of Reviews on the existing Joint Committee Agreement (JCA)

Internal Review Recommendations

	Internal Audit Recommendations	Commentary
1	Redistribution of roles and functions to ensure an equitable balance across the SBCD Partnership, each acting as a check and balance for the other	Key amendments will have to be made to the JCA to reflect the changes and what party will take on what function. Amendments would need to be made to clauses 6 - 9 to reflect the re-distribution of roles and PMO function. Also amendment to clause 20.6 audit function
2	Appointment of an independent Programme Director, securing the independence of the Lead Officer responsible for the Regional Office with a direct reporting line to the Joint Committee. Reconsideration of the funding arrangement for the RO could enable the associated costs to be contained within existing commitments	In theory it could perhaps be achieved without having to make any amendment to the JWA, because it relates to the structure of the PMO however if the Jt Cttee wishes to enshrine that role within the JCA and ensure clear reporting channels (i.e. increased transparency and accountability), the only way to achieve that would be to insert an additional schedule into the JWA which sets out the role of the Programme Director and some small amendments to the other schedules. Would need to replace reference to regional office with PMO
3	Contingency plans if Government funding is withdrawn at a later date	These relate to overarching principles which need to permeate through all decision making. No amendments need to be made to the JCA to reflect this and instead it stems for the Joint Committee to consider and document what contingency plans are in place. This could be a stream of work for the PMO.
4	Local approach to delivery of SBCD be reconsidered	Key amendments will have to be made to the JCA to reflect the changes and what party will take on what function. This could be done by amendments to clauses 6 - 9 to reflect the re-distribution of roles and PMO function.
5	Implementation plan revised so that delivery is prioritised and approved by the Joint Committee.	These relate to overarching principles which need to permeate through all decision making. No need to amend JCA. Instead it stems for the Joint Committee to consider and document what contingency plans are in place.

		IP approved by Govs and will be updated continuously.
6	<p>Consideration of:</p> <ul style="list-style-type: none"> • Agreed risk appetite of the Partnership and 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. (refer to 3.1, 3.6 and 3.11) 	These relate to overarching principles which need to permeate through all decision making. No amendments need to be made to the JCA to reflect this and a Memorandum of Understanding could be agreed for the Joint Committee to commit to and the necessary processes then are followed during Joint Committee meetings.
7	Approach to UK & WG to reconsider the process to eliminate disproportionate effort by all parties and to ensure that focus is on the deliverability of outcomes and not only on the standard of written documents.	These relate to overarching principles which need to permeate through all decision making. This sits outside the JCA therefore no amendments needed.
8	Programme Board, Economic Strategy Board (ESB) and Joint Committee should receive written assurance (in a format to be agreed) that each business case submitted for approval has been subject to the required checks and process as defined within the JCA, including approval by the Lead Local Authority.	<p>A simple checklist as part of report consideration to the Joint Committee is perhaps all that is required to achieve this.</p> <p>This could be a stream of work for the PMO.</p> <p>This sits outside of the JCA therefore no amendments needed.</p>
9	Regional Office, in its capacity as the SBCD Delivery Team should undertake detailed checks prior to entering into the	A simple checklist as part of report consideration to the Joint Committee is all that is required to achieve this. This sits outside the JCA therefore no amendments needed

	<p>iterative process or submitting to Programme Board and ESB, to ensure compliance with standard operating principles/values and provide an overview of the outcome of these checks, in order to provide independent assurance to the Programme Board and Joint Committee.</p>	<p>This could be a stream of work for the PMO.</p>
10	<p>Programme Board needs to undertake detailed analysis of the financial viability, deliverability and risks to the project. The Programme Board should have detailed knowledge of the business cases and the feedback from UK & Welsh Government to ensure that business cases are of the standard and quality to be submitted for approval to Joint Committee. Current membership includes the Chief Executives of the four Local Authorities: this may be too onerous a commitment for the Chief Executives. Consideration should be given to the most suitable level of Management to commit to Programme Board (possibly Director or appropriate Head of Service), consideration should be given to including a Section 151 Officer to provide financial scrutiny and challenge and appearance of lead project officers to present the case.</p>	<p>A very small amendment could be made to Schedule 2 of the JCA to suggest that the Programme Board should also have a S151 Officer and Monitoring Officer present. There is already a power though to Chief Executive to nominate another officer so feasibly there is scope to nominate others. It Cttee to pull together protocol to determine those that routinely attend e.g. Directors /Heads of Service</p> <p>An amendment could also be made to specify the specific responsibilities of the Programme Board to achieve this.</p>
11	<p>The ESB membership needs to be streamlined to enable a well functioning commercially minded appraisal function that is focused on identifying further opportunities for the Region and attracting inward investment. Current membership includes the</p>	<p>Schedule 6 of the JCA sets out the remit of the Economic Strategy Board. If looking to make amendments as to who ultimately sits on this group then would have to revise Clause 3 of that Schedule. If the ESB are going to be required to produce a summary report, then obviously they will need to have the necessary support from the PMO to achieve this and there will need to be a corresponding amendment made to the</p>

	<p>Leaders of the four Local Authorities, which seems impractical given the ESB report to the Joint Committee.</p> <p>Consideration should be given to limiting membership of the ESB to the Private Sector, supported by Life Science & Wellbeing and Further/Higher Education representatives, and the Regional Office Lead. There is an opportunity for the ESB to provide UK & WG with the confidence that is currently lacking around the commercial case; consideration could be given to including a summary report from the ESB with the Full Business Case submission.</p>	<p>Agreement that requires the ESB to produce a report that must be considered by the Joint Committee as part of its decision making.</p> <p>A generic amendment could be made effectively delegating appointment to the ESB to the Joint Committee but because of the suggestion of reports being considered there will need to be corresponding amendments.</p>
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Atica Recommendations

	Actica Recommendations	Commentary
1	<p>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</p>	<p>This recommendation does not relate to any Joint scrutiny function but the informal engagement between projects and governments.</p> <p>This detail therefore falls outside of the JCA</p>
2	<p>Regional Office should be designated as a Portfolio Management Office, leavening their skills with experience specialists</p>	<p>These relate to overarching principles which need to permeate through all decision making. Minor amendments to clauses 6-9 of JCA.</p>
3	<p>City Team should put in place a best practice Integrated Assurance and Approval Plan for the Portfolio.</p>	<p>These relate to overarching principles which need to permeate through all decision making. This falls outside the remit of the JCA. Governments have confirmed that this is not a requirement but something for the region to consider</p>
4	<p>Each SBCD board should consider the terms of reference and ways of working to ensure they are working as intended.</p>	<p>Minor amendments to schedule 2 (PB) and schedule 6 (ESB) would be needed to meet review requirements.</p>
5	<p>Portfolio director should be appointed before May</p>	<p>It would be difficult to see how though this could be accommodated within the funding arrangements already established for the</p>

	2019 to ensure continuity of the SBCD	<p>Regional Officer, without some additional amounts having to be provided.</p> <p>In theory it could perhaps be achieved without having to make any amendment to the JCA, because it relates to the structure of the Regional Office however if the Jt Cttee wanted to enshrine that role within the JCA and ensure clear reporting channels (i.e. increased transparency and accountability). This could be achieved through an additional schedule into the JCA which sets out the role of the Programme Director and some minor amendments to clauses 6-9 and the other schedules.</p>
6	SBCD should be managed as a Portfolio not as a set of predetermined and immutable projects	These relate to overarching principles which need to permeate through all decision making. This falls outside of the JCA therefore no amendments needed
7	Yr Egin and Swansea Waterfront – reach a swift conclusion to ensure that funding flow is met	This falls outside of the JCA



CYD-BWYLLGOR DINAS-RANBARTH BAE ABERTAWE

28 MAI 2019

Y COFNOD MATERION PROSIECTAU A'R GOFRESTR RISG

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Rhoi gwybod i'r Cyd-bwyllgor am y cofnod materion prosiectau a'r BDBA gofrestr risg diweddaraf.

Y RHESYMAU:

Gofynnodd y Cyd-bwyllgor am i gofnodion materion prosiectau a BDBA chofrestrau risg gael eu cyflwyno i bob Cyd-bwyllgor eu hystyried.

Awdur yr Adroddiad:

Helen Morgan

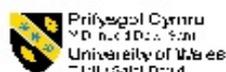
Swydd:

Rheolwr Datblygu Economaidd
Cyngor Sir Caerfyrddin

Rhif Ffôn:

01267 224902

E-bost: HLMorgan@sirgar.gov.uk



EXECUTIVE SUMMARY

SWANSEA BAY CITY REGION JOINT COMMITTEE

28TH MAY 2019

PROJECTS ISSUE LOG AND RISK REGISTER

The report includes;

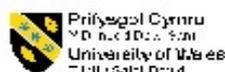
1. SBCD Programme Risk Register

A detailed Programme Risk Register has been developed for the Swansea Bay City Deal Programme (attached) and will be managed, revised and updated by the Regional Office. The risk register will be updated on a quarterly basis or as otherwise required. The Programme Board will review the risk register at every Board meeting and escalate key risks to the attention of Joint Committee via a risk register summary which will be tabled at every Joint Committee meeting. A copy of the full risk register and any further detail requested will also be sent to Joint Committee as required. This provides an overview of the programme and project risks, as detailed in the SBCD Implementation Plan. Each Swansea Bay City Deal project will carry its associated risks which will be mitigated throughout the application and delivery process. A detailed risk analysis will be undertaken for all projects by the Project Delivery Lead as part of the development of the 5 case business model process, with a project specific Risk Register established to assist in the ongoing management and mitigation of all risks. These will be available to Joint Committee as project business cases develop. A summary of key overarching project risks is included in the SBCD Implementation Plan approved in principle by the SBCD Joint Committee on 31st August 2018.

2. SBCD Project Issues Log

Any risks which pose a potentially significant or immediate risk to the overall City Deal programme and/or project delivery will be highlighted and escalated to the Joint Committee via the monthly issue log. The issues log captures the most current position and will be updated and submitted to Programme Board and Joint Committee on a monthly basis.

DETAILED REPORT ATTACHED?	YES
	<ul style="list-style-type: none"> - Project Issues Log – May 2019 - Programme Risk Register – April 2019



IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal Not at this stage	Finance Not at this stage	Risk Management Issues YES	Staffing Implications NONE
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Risk Management Issues

An agreed process to identify potential significant and/or immediate risks is required to strengthen the integrity of existing programme risk management arrangements. Although risk ownership for individual projects remains with the project lead and project lead authority this process will ensure that any risks and issues which pose a potentially detrimental risk to the overall City Deal are identified, mitigated and escalated to Joint Committee at the earliest possible stage.

CONSULTATIONS

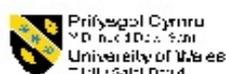
n/a

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK
Swansea Bay City Deal Implementation Plan		Available from the Regional Office



Mae'r dudalen hon yn wag yn fwriadol

Key
New Issue
Resolved since last update
Ongoing Issues

SBCD Project Issue Log – April 2019

The project issue log highlights current pressing issues and risks currently or potentially have a significant or immediate affect to overall City Deal programme and/or project delivery including delays to project development, implementation or achievement of outcomes for example. The issue log should be considered alongside the wider project risk register (where available) and the SBCD programme risk register.

Skills and Talent				
Issue	Description	Owner	Implications	Action / Update
Business Case Development	Working with new Government officials on a revised approach to business planning	WG / UKG	Delay in business case / funding approval will mean that the skills training required for other projects who have received approval may not be progressed or progressed at risk.	Skills and Talent project identified as a Tranche 2 project for development at Joint Committee on 28 th March 2019.

Digital Infrastructure				
Issue	Description	Owner	Implications	Action / Update
Project management resource	Dedicated digital project manager is required. Identified project leads in each of the partner organisations is also required.	Project lead authority	Project unable to progress without dedicated project manager.	Currently no resource available.

Swansea Waterfront and Digital District				
Issue	Description	Owner	Implications	Action / Update
Funding approval	Approval of Council funding is dependent on Government sign off of City Deal business case.	SBCD / UKG / WG	Delay to approval of City Deal funding will impact on the delivery timescales for the projects	Business case formally submitted to UK and Welsh Government following approval by Joint Committee on 28 th March 2019. Awaiting approval in principle from UK and Welsh Government.

Yr Egin - Creative Digital Cluster				
Issue	Description	Owner	Implications	Action / Update
Funding approval	Yr Egin phase one has been completed and is fully occupied	SBCD / UKG / WG	Delay in approval of City Deal funding will increasingly impact on project delivery timetable for phase 2.	Business case formally submitted to UK and Welsh Government following approval by Joint Committee on 28 th March 2019. Awaiting approval in principle from UK and Welsh Government.

Centre of Excellence in Next Generation Services (CENGs)				
Issue	Description	Owner	Implications	Action / Update
Project Review	Project being reviewed by Neath Port Talbot Council	NPT Council	Project may be amended or substituted with alternative scheme	

Life Science and Well-being Campuses				
Issue	Description	Owner	Implications	Action / Update
None reported as at 21 st May 2019.				

Life Science and Well-being Village				
Issue	Description	Owner	Implications	Action / Update
Delay in phase 1 funding	Funding for phase 1 will need to be confirmed in line with procurement of a construction contractor.	Project lead	Potential delay in September 2021 'go live' date for education, skills and training components.	Chair of Joint Committee confirmed at JC meeting on 28 th March 2019 that no City Deal project is on hold following completion of reviews. Revised business case to be reviewed by ESB in July 2019.
Negative perception of project	Reputational risks owing to sustained media coverage linking to the ongoing investigation in Swansea University to the proposals for the Village.	Project lead / SBCD	Potential decline in interest by investors, service providers and general public	Proposals to rebrand Village project under development RIBA stage 2 designs will be shared with stakeholders to provide certainty that the project remains on course. Programme of meetings underway to appraise partners of progress and reassure that project timeline remains Q4 2021.
Flood notice	Following NRW endorsement of flood modelling work a request has been made to the Minister for Planning to remove the 'stop notice'.	Project lead	Delay in project delivery	

Homes as Power Stations				
Issue	Description	Owner	Implications	Action / Update
Funding approval	Funding assurance required to support match funding bids for ERDF and IHP funding	SBCD / UKG / WG	Until formal approval of City Deal business case is received project can only provide assurance in principle which may pose a risk to securing match funding	Homes as Power Stations project identified as a Tranche 2 project for development at Joint Committee on 28th March 2019.

Pembroke Dock Marine				
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Issue	Description	Owner	Implications	Action / Update
Change in project scope	Since signing the heads of terms the project funded outputs have changed significantly to reflect the needs of industry, as detailed in separate report to JC in March 2019. Need approval to progress change in scope.	JC / Project leads	If change of scope is not agreed this will have severe implications on whether the project can proceed.	Change in project scope approved by JC on 28 th March 2019.
NNDR	Clarity required on NNDR arrangements specifically how NNDR will be apportioned	Acc. Body / Project authority lead	Project viability is subject to discussions relating to NNDR	SBCD Section 151 in discussion with UK and Welsh Government. Paper on NNDR to be tabled at Joint Committee for discussion in May 2019.
Project delivery timescale	Clarity required on when the five year delivery period begins	JC	Will ensure project implementation and benefits realisation timescales are accurate.	To be considered by Joint Committee.
Funding approvals / terms and conditions	Number of interdependencies relating to spend / securing of ERDF match funding which require project start date of July 2019.	SBCD / UKG / WG	If funding approvals are not received the project may miss the required start date which poses a risk to project delivery and potentially some elements not proceeding as currently planned. Until formal approval of City Deal business case is received project can only provide assurance of funding in principle which may pose a risk to match funding and/or overall project delivery.	Pembroke Dock Marine project identified as a Tranche 2 project for development at Joint Committee on 28 th March 2019.

Factory of the Future				
Issue	Description	Owner	Implications	Action / Update
Project Review	Project being reviewed by Neath Port Talbot Council	NPT Council	Project may be amended or substituted with alternative scheme	

Steel Science				
Issue	Description	Owner	Implications	Action / Update
Project Review	Project being reviewed by Neath Port Talbot Council	NPT Council	Project may be amended or substituted with alternative scheme	

Mae'r dudalen hon yn wag yn fwiadol

Swansea Bay City Deal Programme Risk Register

Original Assessment:- MARCH 2018

Latest Review Date:- APRIL 2019

Summary - Immediate Risks

This summary details the risks which pose the most pressing potential challenges to delivery of the City Deal Programme.

The summary provides a snapshot in time.

Full details of all programme risks are detailed in the individual tabs and should be considered alongside this summary

Risk Group	Risk Description	Category	Owner	Potential Consequence	Inherent Probability	Inherent Impact	Inherent Rank	Latest Review Date	Latest Update/Control of Actions	Current Probability	Current Impact	Current Rank
Developmental	Delay in approval of JCA	C6 C14	All	Unable to formally establish governance structures. Unable to draw down city deal funding. Unable to sign off project business cases. Risk of withdrawal of local authority / other partner from City Deal (see risks below)	3	5		15.Apr.19	Further to the findings and recommendations of the two SBCD reviews changes to the JCA will be required. The full scale and requirements of the changes are currently being assessed but will require re-approval by the Joint Committee, UK and Welsh Government and could require re-submission to the four Councils. This may delay approvals of forthcoming projects.	3	2	
Implementation	Slippage in delivery of programme	C6 C14	JC	City Deal doesn't achieve the outcomes intended within the timescales agreed. Borrowing and recouperation does not accurately reflect spend	4	4		15 Apr.19	Both independent and internal reviews have been completed and recommendations accepted by SBCD Joint Committee. Implementation of the recommendations will require changes to existing procedures and may result in delays in programme delivery and project approvals for tranche two projects if these cannot be achieved quickly. Programme Board tasked with developing an implementation plan against the recommendations which will provide clarity on timescales, interim arrangements and potential impacts on overall programme delivery.	4	3	
	Business case is not approved / project falls	C3 C11	RPAL / Delivery Lead	Project unable to proceed	3	5		15 Apr.19	Further to findings of the SBCD reviews a number of projects are currently under review and may be revised or substituted for an alternative scheme. This reflects recommendations of the SBCD reviews to increase flexibility of the programme. In addition outstanding issues around NNDR pose a significant threat to the Pembroke Dock Marine project in particular and if this continues to be unresolved the project may not be able to meet the required start date of their match funders of July 1st 2019. This may result in the project being unable to deliver certain elements as planned / at all. Control actions are as previous update.	3	4	
	Change in project scope pre-business case approval	C11 C6	Delivery lead	Project no longer requires same amount of funding. Project no longer achieves the necessary outcomes required for City Deal funding. Project is not approved and therefore unable to proceed / proceed as planned.	4	4		15 Apr.19	Change in scope of the Pembroke Dock Marine project has been approved by Joint Committee. Further to findings of the SBCD reviews a number of other projects are currently under review and may be revised or substituted for an alternative scheme. This reflects recommendations of the SBCD reviews to increase flexibility of the programme. Any changes in scope will following the agreed review process as detailed in the JCA. Control actions are as per previous update.	5	4	
	Delay in development of business plans	C11 C14	RPAL / Delivery Lead	Delay in project start. Depending on critical timescale could impact projects ability to deliver proposed outcomes. Potential knock on affect for other projects ability to deliver and achieve outcomes.	5	3		15 Apr.19	Two projects have been formally submitted for approval. Following a meeting of the Welsh Cities and Growth Implementation Board these business case are imminently due to be recommended to Ministers for approval in principle. A second tranche of projects for business case development was agreed by Joint Committee on 28th March 2019. Further to findings of the SBCD reviews a number of projects are currently under review and may be subject to changes which delay the development of associated business plans. Any changes in scope will following the agreed review process as detailed in the JCA.	3	3	
	Delay in approval of business plans	C11	PAL / RO / JC / Govs	Delay in project start. Depending on critical timescale could impact projects ability to deliver proposed outcomes. Potential knock on affect for other projects ability to deliver and achieve outcomes.	3	4		15 Apr.19	Further to findings of the SBCD reviews changes are required to the processes by which business cases are approved. Whilst this will not delay approval of tranche 1 projects it could potentially have an impact on the approval of future tranches of projects.	3	3	

	Withdrawal of Local Authority Partner	C3 C6 C11	JC	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. Unable to achieve outcomes of City Deal.	3	5		15.Apr.19	Following findings of SBCD Reviews NPT Council will review City Deal involvement over the next six months. All partners continue to work to address recommendations of the reviews. JCA signed by each LA which clearly sets out agreed provisions for such a scenario.	3	5	
Financial	Failure to identify / secure revenue funding	C3 C6 C11 C14	Accountable Body	Four projects, including one regional project, unable to proceed.	5	5			Awaiting Update			
	Failure to agree NNDR (rates retention) flexibility	C3	Accountable Body	Local authorities unable to borrow required for projects	4	5			Awaiting Update			
	Private sector funding contribution/s not in line with initial business case projections	C3	Delivery Lead	Overall impact of the City Deal not realised. Project cannot deliver full scheme. Project is unsustainable	5	5			Awaiting Update			
	EU match funding contributions not in line with initial business case projections	C3	Delivery Lead	Overall impact of the City Deal not realised. Project cannot deliver full scheme. Project is unsustainable	5	5			Awaiting Update			
	Timeframe for end of current EU funding programmes	C3	All	Unable to deliver full funding package at both project and programme level.	3	3			Awaiting Update			
	Failure to achieve full funding package	C3	All	Project potentially unable to delivery or to deliver full scale of anticipated project outcomes	3	5			Awaiting Update			



**CYD-BWYLLGOR
DINAS-RANBARTH BAE
ABERTAWE**

28^{AIN} MAI 2019

ALLDRO ARIANNOL 2018-19

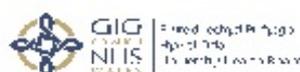
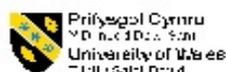
YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Sicrhau bod y Cyd-Bwyllgor yn derbyn yr alldro ariannol ar ddiwedd y flwyddyn 2018-19.

RHESYMAU:

I ddatgan i'r Cyd-Bwyllgor sefyllfa y gyllideb ar ddiwedd y flwyddyn 2018-19.

Awdur yr Adroddiad: Chris Moore	Swydd: Swyddog 151 y Cyd-Bwyllgor Cyngor Sir Gâr	Rhif ffôn 01267 224120 E-bost: CMoore@sirgar.gov.uk
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EXECUTIVE SUMMARY
SWANSEA BAY CITY REGION JOINT COMMITTEE
28TH MAY 2019

FINANCIAL OUTTURN 2018-19

BRIEF SUMMARY OF PURPOSE OF REPORT

The year-end financial position for the Swansea Bay City Region Account is attached.

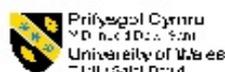
The final out-turn figures for 2018-19 indicate that the expenditure is in excess of income by £14k.

However, you will note that £113k was brought forward from 2017-18 which has been partly used to fund the shortfall. The balance carried forward at year end is £100k.

Members of the Joint Committee will also note a variance on the report in respect of the 1.5% top slicing contribution. As no schemes, as yet, have been approved and no funding has been received from Welsh Government, no funding has been provided against this budgeted head of £723k income. This income is expected to be forthcoming when schemes are approved in the future.

Regional Office

Regional Office costs total £348k for the year, which in year 1 is a part year effect. Of this, staff costs total £266k. The Regional Office is not yet fully staffed and only 2 posts have been recruited. You will note within the staffing budget, expenditure has been incurred on recharges, as a consequence of staff being employed by CCC and being recharged. Other costs include Promotions & Marketing £47k, Admin costs £17k, and Rent £14k.



Accountable Body

The Accountable Body costs are £111k for the year. £101k relates to Finance Services support, which includes Section 151 Officer, Monitoring Officer and Democratic recharges. There is also £10k for audit fees.

Joint Committee

The Joint Committee has spent £4k on fees and travel.

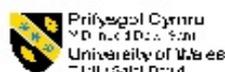
Joint Scrutiny

The Joint Scrutiny costs of £8k consist of subsistence and meeting expenses undertaken by Neath Port Talbot Council.

Income

The Income received in the year of £458k consists of £400k partner contributions and £58k Welsh Government business engagement grant.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance YES	Risk Management Issues NONE	Staffing Implications NONE
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Finance

The final out-turn figures indicate an excess of expenditure over income received of £14k. This will be funded from the brought forward balance of £114k. The c/fwd balance is £100k.

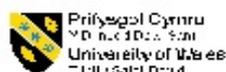
CONSULTATIONS

Details of any consultations undertaken are to be included here

None

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK
Budget 2018/19		Corporate Services, County Hall Carmarthen



Swansea Bay City Deal Financial Outturn 2018/19

Expenditure	Budget 2018/2019 £	Actual 2018/2019 Final £	Variance 2018/2019 £
Regional Office			
Pay - NJC	372,131	65,284	306,847
National Insurance	38,566	6,878	31,688
Superannuation	66,239	11,621	54,618
Staff Recharges	48,915	182,617	-133,702
Apprentice Levy	0	326	-326
Training of Staff	15,000	0	15,000
Premises Maintenance	500	630	-130
Electricity	2,400	0	2,400
Gas	600	0	600
Rents General	15,000	13,648	1,352
Public Transport - Staff	1,800	21	1,779
Staff Travelling Expenses	17,820	1,575	16,245
Admin, Office & Operational Consumables	11,500	16,738	-5,238
Supplies & Services Materials	0	0	0
Printing & Copying	1,000	0	1,000
Fees	25,000	0	25,000
Translation/Interpret Services	10,000	819	9,181
ICTs & Computer Hardware	20,000	0	20,000
Subsistence & Meetings Expenses	1,000	717	283
Promotions, Marketing & Advertising	150,000	47,404	102,596
Projects & Activities Expenditure	204,246	0	204,246
Photocopying recharge	0	77	-77
Regional Office Total (Controllable)	1,001,717	348,355	653,362
Accountable Body			
Finance Services Support (inclusive of Section 151 Officer)	216,943	100,349	116,594
Staff recruitment costs	0	597	-597
Wales Audit Office	25,000	10,000	15,000
Accountable Body Total	241,943	110,946	130,997
Joint Committee			
Room Hire	1,890	0	1,890
Meeting Expenses	1,200	0	1,200
Fees	25,000	3,671	21,329
Travel	1,800	726	1,074
Joint Committee Total	29,890	4,397	25,493
Joint Scrutiny			
Subsistence & Meeting Expenses	20,000	7,611	12,389
Joint Scrutiny Committee Total	20,000	7,611	12,389
Total Expenditure	1,293,550	471,309	822,241
Income			
Welsh Government Grant Business Engagement (Confirmed)	-57,000	-57,633	633
SBCD Project Contribution	-723,000	0	-723,000
Partner Contributions based on 5yrs	-400,000	-400,000	0
Total Income	-1,180,000	-457,633	-722,367
Net total for the year	113,550	13,676	99,874
Balance B/Fwd from previous year	-113,550	-113,547	-3
Balance C/Fwd to 2019/20	0	-99,871	

Mae'r dudalen hon yn wag yn fwriadol



CYD-BWYLLGOR DINAS-RANBARTH BAE ABERTAWE

28^{AIN} MAI 2019

CYLLIDEB Y CYD BWYLLGOR 2019-20

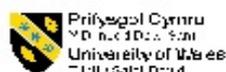
YR ARGYMHELLION/PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

- 1) Bod y Cyd-Bwyllgor yn nodi y gyllideb wreiddiol ar gyfer y flwyddyn 2019-20, cytunwyd yn y Cyd-Bwyllgor ar Awst 31ain, 2018;
- 2) Bod y Cyd-Bwyllgor yn cydnabod y bydd y gyllideb yn cael ei diwygio ar ôl i'r Cyd-Bwyllgor gytuno ar y trefniadau llywodraethu diwygiedig.

RHESYMAU:

Cytuno, yn unol â'r cytundeb ar y cyd, ar gyllideb flynyddol ar gyfer y flwyddyn 2019-20.

<p>Awdur yr Adroddiad:</p> <p>Chris Moore</p>	<p>Swydd:</p> <p>Swyddog S151 y Cyd-Bwyllgor Cyngor Sir Gâr</p>	<p>Rhif ffôn.</p> <p>01267 224120</p> <p>E-bost: CMoore@sirgar.gov.uk</p>
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**EXECUTIVE SUMMARY
SWANSEA BAY CITY REGION JOINT COMMITTEE
28TH MAY 2019**

JOINT COMMITTEE BUDGET 2019-20

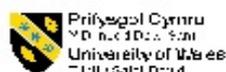
BRIEF SUMMARY OF PURPOSE OF REPORT

The annual costs budget for 2019-20 is attached.

The budget for 2019-20 was approved as part of the 3 year rolling budget by the Joint Committee on 31st August 2018. As stated in the Joint Agreement the Joint Committee will review this budget annually.

The costs in the Annual Budget are fully funded by contributions from the local authority, university and health board partners. Costs not funded from these contributions will need to be recovered as project costs.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
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Finance

The annual budget for 2019-20 is attached. This budget was agreed as part of a 3 year rolling budget on 31st August 2018.

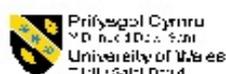
CONSULTATIONS

Details of any consultations undertaken are to be included here

None

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:
THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK
Budget 19/20		Corporate Services Department, County Hall, Carmarthen.



Mae'r dudalen hon yn wag yn fwriadol

Swansea Bay City Deal Operational Budget 2019/20

Expenditure		2019/2020 £
Regional Office		
Pay - NJC		388,968
National Insurance		40,890
Superannuation		69,236
Training of Staff		15,000
Rents General		15,450
Electricity		2,472
Gas		618
Premises Maintenance		500
Public Transport - Staff		1,800
Staff Travelling Expenses		17,820
Admin, Office & Operational Consumables		1,000
Printing & Copying		1,000
Finance support		49,893
Fees		10,000
Translation/Interpret Services		10,000
ICTs & Computer Hardware		10,000
Subsistence & Meetings Expenses		1,000
Promotions, Marketing & Advertising		125,000
Projects & Activities Expenditure		84,343
Regional Office Total		844,990
Accountable Body		
Wales Audit Office		25,000
Finance Services Support (inclusive of Section 151 Officer)		218,120
Accountable Body Total		243,120
Joint Committee		
Room Hire		1,890
Meeting Expenses		1,200
Fees		10,000
Travel		1,800
Joint Committee Total		14,890
Joint Scrutiny		
Subsistence & Meeting Expenses		20,000
Joint Scrutiny Committee Total		20,000
Total Expenditure		1,123,000
Funding Contributions		
SBCD Project Contribution		723,000
Partner Contributions based on 5yrs		400,000
Total Income		1,123,000

Project contributions based on the 1.5% contribution of grant

4 LAs x £50k	200
2 Unis x £50k	100
2 HBs x £50k	100
	400

Mae'r dudalen hon yn wag yn fwriadol



CYD-BWYLLGOR DINAS-RANBARTH BAE ABERTAWE

28^{AIN} MAI 2019

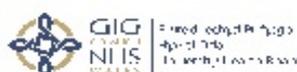
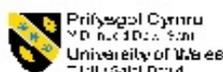
MORLYN LLANW BAE ABERTAWE – YNYS YNNI – ADOLYGIAD O'R OPSIYNAU STRATEGOL

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

1. Derbyn adroddiad Holistic Capital a'r ymateb gan y tasglu;
2. Ystyried yr argymhellion gan y tasglu ynghylch camau nesaf y gwaith o gyflawni'r prosiect sy'n arwain at y broses gaffael ffurfiol ac yn cynnwys hynny;
3. Cefnogi ymgysylltu parhaus â'r holl bartneriaid, gan gynnwys Llywodraeth Cymru, ac awdurdodi cadeirydd y cyd-bwyllgor a chadeirydd y tasglu i gyflwyno'r adroddiad a'r argymhellion sy'n deillio ohono i Lywodraeth Cymru;
4. Cadarnhau bod Cyngor Abertawe yn parhau i arwain y prosiect ar ran y rhanbarth.

RHESYMAU: Fel y nodwyd yn adroddiad Holistic Capital ac yn ymateb y tasglu a gynhwysir yn y papur hwn.

Awdur yr Adroddiad:	Swydd:	Rhif ffôn
Martin Nicholls	Cyfarwyddwr Lle – Cyngor Dinas a Sir Abertawe	01792 637535
		e-bost: martin.nicholls@swansea.gov.UK



EXECUTIVE SUMMARY
SWANSEA BAY CITY REGION JOINT COMMITTEE
28TH MAY 2019

**SWANSEA BAY TIDAL LAGOON – ENERGY ISLAND STRATEGIC OPTIONS
REVIEW**

BRIEF SUMMARY OF PURPOSE OF REPORT

The joint committee authorised the creation of a regional task force to review the outcome from the rejection of the funding model for the delivery of the then Tidal Lagoon proposal for Swansea Bay.

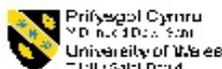
In conjunction with Welsh Government, the task force has worked with Holistic capital and other partners, to review the project and the report attached which sets out the key findings and next steps and proposed timelines.

This report was presented to the task Force on the 30th April 2019 with the response from the Task Force on behalf of the region set out below.

Response of the Task Force

1. Revised 2.0 proposal key points

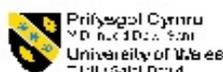
- The Dragon Energy Island Project represents a completely new approach, to **build upon the natural tidal energy production opportunity** in Swansea, as well as delivering a world leading **integrated renewable energy hub** in Swansea Bay.
- This review recommends that the City Region, supported by Welsh Government, work in partnership with a **suitably procured private sector partner**, who will **invest alongside the public sector**, to deliver this globally significant renewables opportunity, and to create a new and globally scalable industry for Wales.
- This review concludes that there is the potential opportunity for the City Region to work in joint venture with a suitably procured private sector partner, on the basis of joint investment, to deliver the new Dragon Energy Island project, within the timeframe of the City Deal, without the need for subsidy.



- This approach is **fundamentally different from the previous proposal** to build a stand-alone power plant, **funded by government subsidy**.
- The major opportunity for Wales is clearly to deliver this **integrated project**, and to use this as a platform to deliver similar projects in other locations not only across Wales and the UK, but **using the IP and skills developed, along with local supply chain partners, to do so internationally**.
- The integrated Dragon Energy Island proposal, was developed through the Task Force review process, and builds upon the natural elements of local tidal range energy potential, but critically supplements these with the addition of a large development of new floating modular commercial plus residential accommodation, within the new lagoon.
- The introduction of the mixed use development component to the scheme works to bridge the overall funding requirement for the power plant element of the project.
- In addition to the new mixed use development, the Task Force have identified a significant number of additional complementary elements that allow for the creation of a truly integrated renewables hub.

2. Key improved elements over the 'legacy project' (TLP proposal)

- New 'Dragon Energy' homes demand available as an 'anchor' purchaser for the power plant energy.
- **New Modular Homes production plant** to service anchor modular homes requirement within Dragon Energy Island development (1000 units/year), as well as the Welsh Housing Association sector and Local Authority Housing (4000 units/year).
- Incorporate cost savings across the energy plant (estimated at 30%).
- Consider the use of the electricity generated to produce production of pure hydrogen & pure oxygen for storage/onward sale (significant revenue increase opportunity)
- Integration with 'Homes as Power stations element of the City Deal, within the residential element of the project (Solar energy).
- Potential to aggregate the public energy demand across the City Region.
- Develop a 'circular economy' approach, e.g. Potential for turbine rental not purchase.
- Consider adopting proprietary large-scale mobile caisson technology.



- Align the requirements of large data-center requirements, with the potential private wire supply and potential for under water construction.
- Potential commercial/education building uses (extend University Campus).

3. Proposed procurement route and key activities to take us to full contract award

Proposed route is through formal public procurement via an Innovation Partnership route

Full contract award expected by end of Q1 2020.

4. Costs (WG support) and timescales for point 3

Outline budget cost estimate scheduled estimated £250 to £400k to reach procurement stage with full costs determined during this phase. Funding will be sought from WG to continue with the project. There are no financial implications of the City region although resources are being input into the project “without charge”.

5. Options for lead body on behalf of SBCR / WG

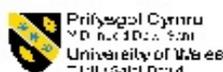
CCS has been happy to lead the project on behalf of the city region and would offer continuing in this capacity if supported by the joint committee and welsh government. Further procurement, finance and legal resource would need to be employed and this could be via other partners or procured accordingly depending on capacity

It is suggested the task force continues to operate the oversight role with regular reports to the JC and Welsh Government

Summary

The views of the Joint committee are welcomed in relation to the report and the response from the task force and the recommendations referred to above

DETAILED REPORT ATTACHED?	YES (Holistic Capital Part A)
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IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance NONE	Risk Management Issues NONE	Staffing Implications NONE
Policy, Crime & Disorder and Equalities None				
Legal None as this stage. Any decision to formally proceed to procurement would require and appropriate report and authorisation at that stage and would be based on the lead body's own procurement rules				
Finance Financing to proceed to the next and future stages will be sought from WG so no direct financial impacts arising out of this report				
Risk Management Issues None				
Staffing Implications None				

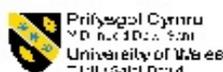
CONSULTATIONS

Details of any consultations undertaken are to be included here

No formal consultation associated with this report

Swansea Council issued a PIN notice consultation issued as part of Task Force Review

Section 100D Local Government Act, 1972 – Access to Information		
List of Background Papers used in the preparation of this report:		
THESE ARE DETAILED BELOW		
Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK



Mae'r dudalen hon yn wag yn fwriadol

Commissioned by the City & County of
Swansea on behalf of the Swansea
Bay City Region

Dragon Energy Island Swansea Bay Strategic Options Review





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1.0 Foreword

Following a strongly supportive Hendry Review in 2017, setting the context for a strong tidal industry to develop across the UK, the government determined in June 2018 that the pathfinder tidal lagoon proposal did not meet the necessary value for money criteria to secure subsidy support.

At this point the Swansea City Region leadership, in discussions with Welsh Government, determined that there may be the possibility to re-configure the legacy project, with alternative technical options, as well as revised funding solutions, to deliver a viable project.

The commercial context for this determination included the retention of a potential offer of financial support, "in principle", from Welsh Government. It was understood that this offer would take the form of co-investment alongside private sector investment, and need to stand scrutiny in the normal fashion, respecting value for money and public procurement provisions.

In August 2018 the City Region established the Tidal Lagoon Task Force, a group made up of stakeholders and experts in their respective fields, with the intention of providing oversight and expertise to consider options for a re-formatted project.

This report was commissioned by the City and County of Swansea (CCS), on behalf of the Swansea Bay City Region. The intention of this work was to support City officials, and the Tidal Lagoon Task Force, to determine the residual level of appetite in the market for a re-formatted Tidal Lagoon project, specifically from the large corporates Hendry had referenced, who had the proven track record to deliver a large scale project of this nature.

Over the last 5 years Holistic Capital have conducted strategic due diligence on over 250 high value projects, throughout the UK, on behalf of HMG, which gives a wide-ranging experience of capital projects, upon which to support the City Region and Task Force.

The scope of this initial report was determined by an agreed set of terms of reference, which are set out within the body of the report, and which were used to address certain specific aspects of the project on behalf of the key stakeholders within the Local, Regional, and National Government.

The short timeframe for producing the output from this initial report, has necessitated a strategic level assessment, based on industry experience, typical financial benchmarks and project delivery processes.

The conclusions drawn, and commercial opinions expressed, rely upon the validity of the data, as presented. Should this be demonstrated to be incorrect at any time, we reserve the right to re-appraise the outputs from this report.

Paul Marsh

March 2019



2.0 Terms of reference

The terms of reference were established and approved by the Task Force in August 2018, and set out the key principles below.

This was not intended to be an exhaustive scope, and was subject to further definition between the parties as work progressed:

Key Principles

For all parties to evaluate options for delivery of the Swansea Bay Tidal Lagoon and associated Lagoon Technologies that could be utilized across Wales and the UK.

Task Force members may contribute to the development of an alternative business model, based on the Holistic Capital report published in July 2018 of which the key recommendations are:-

- A new approach to procuring the lagoon by bringing on board well established construction partners to provide the confidence that a project of this magnitude can be delivered.

- A new construction model using a single construction company, rather than two, to make the construction simpler and cheaper.
- Funding the project without the need for UK Government financial support through Contract for Difference. This includes a Welsh Government Bond issue plus introducing an opportunity for the lagoon to sell energy produced directly to customers through a 'direct supply' arrangement. This has the potential to significantly improve revenue streams.
- A new operating model which includes creating an energy company to distribute the electricity direct to consumers so that the lagoon becomes both an energy generator and supplier. This has the potential to dramatically change the income and retention of revenues which makes the project more affordable.



Additionally, the Task Force will evaluate alternative models against the following criteria

- The new proposal must be delivered within the timescale of the City Deal
- It must remain below the 350MW threshold to retain the decision making within the devolved authority of the Welsh Government.
- All models will be formally and independently stress tested.
- Ideally revised proposals should not require further permissions or support from the UK Government.

Conduct of the Review

This review could not have been conducted without the support of Swansea City Region, City and County of Swansea and the members of the Tidal Lagoon Taskforce.

Whilst respecting the opinions developed by all parties, we have attempted to produce overall an objective review of the commercial aspects of this major project, which has been derived from a combination of our experience in conducting such reviews on over 250 projects in the recent past, but most significantly upon the factual evidence provided by all contributing parties.

3.0 Executive Summary

The Dragon Energy Island Project represents a completely new approach, to build upon the natural tidal energy production opportunity in Swansea, as well as delivering a world leading integrated renewable energy hub in Swansea Bay.

The Welsh Government was the first parliament in the world to declare a Climate Emergency and the Dragon Energy Island project has enormous potential for the Welsh Government to lead the way, and to address these critical global concerns with positive action

This review recommends that the City Region, supported by Welsh Government, work in partnership with a suitably procured private sector partner, who will invest alongside the public sector, to deliver this globally significant renewables opportunity, and to create a new and globally scalable industry for Wales.

This review concludes that there is the potential opportunity for the City Region to work in joint venture with a suitably procured private sector partner, on the basis of joint investment, to deliver the new Dragon Energy Island project, within the timeframe of the City Deal, without the need for subsidy.

This approach is fundamentally different from the previous proposal to build a stand-alone power plant, funded largely by government subsidy

The major opportunity for Wales is clearly to deliver this integrated project, and to use this as a platform to deliver similar projects in other locations not only across Wales and the UK, but using the IP and skills developed, along with local supply chain partners, to do so Internationally.

The integrated Dragon Energy Island proposal, was developed through the Task Force review process, and builds upon the natural elements of local tidal range energy potential, but critically supplements these with the addition of a large development of new floating modular commercial plus residential accommodation, within the new lagoon.

The introduction of the mixed use development component to the scheme works to bridge the overall funding requirement for the power plant element of the project.

In addition to the new mixed use development, the Task Force have identified a significant number of additional complementary elements that allow for the creation of a truly integrated renewables hub.

A selection of these potential additional elements are set out below:

- New 'Dragon Energy' homes demand available as an 'anchor' for the power plant.
- New production plant to service anchor modular homes requirement within Dragon Energy Island development (1000 units/year), as well as the Welsh Housing Association sector and Local Authority Housing (4000 units/year).
- Consider the use of the electricity generated to produce production of pure hydrogen & pure oxygen for storage/onward sale (significant revenue increase opportunity)
- Integration with 'Homes as Power stations element of the City Deal, within the residential element of the project.
- Potential to aggregate the public energy demand across the City Region.
- Develop a 'circular economy' approach, eg. potential for turbine rental not purchase.
- Consider adopting proprietary large-scale mobile caisson technology
- Align the requirements of large data-centre requirements, with the potential private wire supply and potential for under water construction.
- Potential commercial/education building uses.
- Consider the use of battery storage technology to improve revenues and efficiency of the power plant.



The Strategic case for this integrated form of project clearly aligns very well with the ambitions of the Wellness of Future Generations (Wales) Act, as well as certain specific elements of the Swansea City Region City Deal (ie. Homes as power stations).

The next steps recommended within this review are for the City Region (supported by Welsh Government), to develop the necessary further detail around the scope, to independently determine the outline economic and commercial metrics of the project, then to ultimately progress the financial and management cases for the project.

It is envisaged that these elements will be developed by existing resources within the City Region governance structure, supported as required by suitable external resources, in clear stages, set against the key milestones within this review;

- 2019** Project visioning – 3 months
- 2019** Partner procurement – 6 months
- 2020** Detailed scheme design and permitting – 18 months
- 2021** Delivery (in phases)

The soft-market testing exercise has shown that there remains a strong appetite for a large scale integrated renewables project in Swansea, working with leading corporates, with a suitable track record, as recommended by Hendry. It has also indicated that there are significant capital and financing savings that could be adopted for a new project.

The key outputs delivered from the options review process are that if we adopt an integrated project approach, then this has the potential to be enhanced by the introduction of modular residential accommodation, within the formed lagoon, and that the core power generation project has the potential for significant (30%) cost savings.

The combination of reduced costs of one component, with the additional revenue from another, have the potential to significantly improve the viability of the Dragon Energy Island integrated renewables project, and provide the opportunity to deliver a flagship Wellness and Future Generations Project for Wales.

The amalgamation of these two components, together with the potential set out in the significant innovations set out above, create the opportunity for the Swansea City Region to deliver a flagship renewables project, which has the potential to deliver a quantum shift in the regions economic output.

At its core, the energy production element relies on a simple form of electricity generation, consisting of a series of turbines, which are rotated by the tidal movement of the sea. The innovation associated with this technology is connected with the delivery of this solution at industrial scale, and the development of the necessary supply chain partners required.

It is also un-equivocally recommended that the project should receive the full support of local, regional and national government stakeholders, to ensure the potential of this exceptional project is brought forward to provide affordable new homes and to generate clean power for future generations.

The critical success factor to this project, like many other large-scale infrastructure projects, rests not solely with the ability to construct the proposed project, but with the ability to secure the necessary level of capital to fund the project.

The options review has identified the opportunity to allow the market to deliver the cost savings that have been indicated through the PIN process, together with the introduction of the floating residential component, to provide the double bottom line benefits of reducing costs and adding revenue to the integrated project.

The options review process has delivered a strong message from the market that was demonstrated very clearly the following:

1. There is a clear **DEMAND** from credible financially robust organizations to re-format the opportunity into a financially viable project (as recommended by Hendry).
2. Strong evidence to suggest that significant **SAVINGS** can be made against the initial capex budgets.
3. There is opportunity to introduce a wide range of **INNOVATIONS** to aid the project viability.

Whilst there were strong positive outcomes from the PIN process, there was also a limited scope of innovation demonstrated, which allows significant further opportunity to improve the projects viability, and ability to act as a regional/national economic catalyst.

The public sector has the opportunity to lead the process of developing innovation around the project, by developing an inspiring vision for the re-formatted project, and then attracting a suitable co-investment partner to deliver the project.

We have recommended that a staged approach to the progression of the project be adopted, to ensure that value for money considerations are preserved, as well as providing sufficient control on the direction/scope of the project, and to ensure the delivery of the necessary social and commercial outputs.

The outputs from the options review would indicate a very strong case for the Public Sector to take the initiative with the Swansea Bay project, as it will be required to play a pivotal role in the funding, scoping and the likely energy purchase from the project, if the project is to be progressed.

It is also considered clear that the significant wider socio-economic benefits will feed into the macro financial infrastructure of the public sector elements of the region as well, through improved employment, demographics, health and wellbeing.

The next steps to progress the Dragon Energy Island Project provide the opportunity to deliver an integrated renewables project, which aligns with almost all of the objectives of the Wellbeing of Future Generations (Wales) Act, as well as the City Deal, and will require a commitment to move forward by the key stakeholders at regional and central government level.

The framework set out within this options review document, we believe, sets out a clear route-map to deliver this project.

The key strategic question to be considered by local, regional and national stakeholders, is whether the ambition to deliver this project aligns sufficiently with the many competing areas to deploy limited public sector resources, and will secure the necessary financial and political support to continue to develop the significant potential of Dragon Energy Island.



Eitem Rhif 10

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