



Swansea Bay City Region Joint Committee – 9 July 2020

Covid-19 Impact Assessment

Purpose:	To present an overview and status update of the Covid-19 impact self-assessments covering the nine SBCD projects
Policy Framework:	Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA)
Recommendation(s):	It is recommended that: Joint Committee receives the status update of the Covid-19 impact assessment
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1. Introduction

- 1.1. The Covid-19 impact assessment is the method used by the Swansea Bay City Deal to assess the potential impact that the Covid-19 crisis has on each of the nine SBCD projects and the overarching City Deal programme. This assessment is based on recognition that the national and regional economic recovery will rely upon City Deal projects to support and stimulate national and regional economic growth and attract inward investment during these times of uncertainty.

- 1.2. The assessment will assure the viability and successful delivery of the City Deal projects during the crisis and recovery stages of the Covid-19 pandemic. This assessment will complement existing City Deal governance procedures and documentation and any Covid-19 recovery plans for all primary stakeholders. It is envisaged that risks impacting the project and mitigations to overcome them will be dealt with at project level. Any risks deemed to place significant pressures on the project or overarching programme such as significantly changing the project scope, significant variance in the defined project outputs, significant stage gate delays or continued commitment from key stakeholders, will be assessed by the Regional Programme Management Office and escalated to Joint Committee. If a project is exposed to have significant risk and impact, a task and finish group will be established to gather evidence, identify mitigations and determine an appropriate course of action.

1.3. Project managers were provided guidance and a template to complete a self-assessment of their associated project(s) in May 2020. The following document and attached Master Covid-19 Impact Assessment provides the overview and details of the assessments.

2. Background

2.1. Each project was tasked with completing the template provided by the Regional PMO. Project leads were asked to:

- 2.1.1. Identify key risks and assess the potential impact of those risks as high, medium or low against eight impact criteria (Scope and key objectives, targets, timescales, reputation if project fails to deliver, stakeholder/partnerships commitment, project costs, procurement and staff resourcing)
- 2.1.2. Identify corrective action for each risk based on mitigations, requirements and recovery time objectives
- 2.1.3. Provide an impact score for each of the eight impact criteria. The impact score is then allocated a level of facilitation from no facilitation required to Joint Committee commissioning a task and finish group to conduct an in-depth review.

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

2.2. Project assessments have been compiled into a master Covid-19 Impact Assessment (Appendix 1). This summary summarises the project risks that were assessed as high (red). Six of the nine projects identified high (red) risks across the eight impact criteria.

2.3. The number of occurrences of these red risks against the impact criteria are as follows:

	Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/partnerships commitment	Project costs	Procurement	Staff resourcing
Red risk entries by impact criteria	10	12	5	11	9	4	2	3

2.4. This demonstrates that, at the point in time of assessment, the projects have identified achievement of targets, reputational effect and impact on scope and objectives to be their main concerns, closely followed by stakeholder/partnership commitment in relation to the Covid-19 crisis and recovery period.

2.5. Each project provided an impact score against the eight assessment criteria. The scoring for each project provides a facilitation course of action. Based on the point in time assessment there are no projects requiring an in-depth review. Swansea Waterfront requires supportive facilitation from the Regional PMO and the remaining projects can continue closely monitoring Covid-19 risks and impacts at a local level.

2.6. The scorings also show that the Pembroke Dock Marine, Campuses and Digital projects are at the high end of locally monitoring their risks with support from the Regional PMO (Facilitation C).

2.7. The Impact scoring matrix for the nine SBCD projects can be found in Appendix 2.

2.8. Working closely with the Regional PMO, projects will be required to continually assess and report changes on their Impact Assessment and Risk Register. Until further notice, the Covid-19 Impact Assessment will be updated and presented to the Programme Board.

3. Financial Implications

3.1. Financial implications are identified at project level within Appendix 1. Several projects have identified having high-risk implications on funding and project costs as a result of the Covid-19 crisis.

3.2. The impact assessment identifies direct risks at project level. However, financial implications exist which cannot be qualified in respect of the costs associated to the ongoing management of the crisis and the effects of legislation imposed to support this management (such as a restricted workforce due to social distancing). This will potentially cause delays in project delivery and an increase in costs.

4. Legal Implications

4.1. None identified at this time

Background Papers:

1. Master Covid-19 Impact Assessment Workbook

Appendices:

Appendix 1 – High risk assessment summary

Appendix 2 – Impact assessment scoring matrix

Appendix 1 – High (red) risk assessment summary

Project	Ref No.	Risk	Impact Criteria								Corrective action			
			Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/ partnerships commitment	Project costs	Procurement	Staff resourcing	Risk mitigation(s)	Requirements for recovery	Recovery time objective	
Digital Infrastructure	1	Project funding is reduced or removed as a result of Covid19 and it's economic impact.	High	High	High	High	High	High	High	High	Seek assurances from regional office, Welsh and UK Government regarding Project funding.	Assurances received regarding security of Project/Deal funding.	Jun-20	
Yr Egin	1	impacts	High	High	Medium	Low	Low	Medium	Low	Low	Monitoring/industry analysis	Demand levels post-Covid	6 months	
	2	Reduced occupier demand	High	High	Low	Medium	Medium	Low	Low	Low	Dialogue with industry/occupiers	Demand levels post-Covid	6 months	
	8	Changed industry requirements	High	High	Medium	Low	Medium	Low	Low	Low	Dialogue with industry/users	Specification of demand post Covid	6 months	
	9	Reduction in service needs and commercial opportunities	High	High	Low	Medium	Medium	Low	Low	Low	Dialogue with industry/users	Specification of demand post Covid	Ongoing	
LS & WB Development	2	Ability to secure institutional funding	Medium	Medium	Medium	High	Low	Low	Low	Low	Prior to COVID positive feedback received from selected funders. One of which has re-engaged and is currently preparing funding bid. The understanding is that this type of investment is likely to be more attractive going forward than for example office/fretail investment. Financial consultant maintained to ensure a proactive approach to securing institutional investment.	Proactive management of approach to investors to ensure that CCC can maintain flexibility to progress with optimal funding in the changing market.	3 month	
	7	Delay in securing approval for City Deal Funding	Low	Medium	Medium	High	Low	Low	Low	Low	Full Business Case redrafted and prepared for resubmission. Business case identified as a priority for gateway process.	Prioritise/Agree approval process with Programme Management Office	none	
Swansea Waterfront	1	Construction Delays	High	High	High	High	High	Medium	Low	Low	Work with contractor	Working practice	min time to PC	
	2	Contractor Failure	High	High	High	High	High	High	Low	High	Enter deed with Cont	Copm ASAP	PC	
	3	Anchor failure	High	High	High	High	High	Medium	High	High	Meet regularly	Monitor	By PC	
	5	Project Outputs	Medium	High	Low	High	High	Medium	Low	Medium	Review and monitor	Economic recovery	Now	
	6	Recession	High	High	Medium	High	High	Medium	Low	Medium	Review and monitor	Economic recovery	By PC	
PDM			Investment Objectives											
	PDM_7	Universities do not sign up to MEECE collaboration agreement because of uncertainty of, or late confirmation of	Medium	High	Low	High	High	Low	Low	Medium	ORE Catapult continues without university partners, with a smaller project, narrower scope and less likelihood of a long term legacy presence.	SBCE sign-off in time for universities to commit to recruitment on three year contracts.	April 30th 2020	
	PDM_9	PDZ Objectives - with significant SBCE approval delay, floating offshore wind (FLOW) market leaves PDZ behind and public sector money impact is	High	High	Medium	High	Medium	Low	Low	Medium	Consider PDZ FLOW fit in light of delay, and be prepared to adjust project objectives and business plan, through Project Change Request (PCR)	Updated FLOW market analysis together with continued engagement with Welsh Gov on FLOW opportunity.	PCR developed once approval received	
			Costs											
	PDM_12	Increase in cost due to having to pay for acceleration charges from consultants to maintain delivery timescales	Low	Low	Medium	Low	High	High	Medium	Medium	review project timescale to see if delay in project end date possible. if not, assess the pros and cons of paying acceleration and make case to stakeholders for additional intervention if required.	Site work enabled to inform design work.	31-Mar-21	
PDM_13	Increase in cost for construction and service due to high demand of contractors and consultants during recovery phase as a result of market	Low	Low	Medium	Low	High	High	Medium	Medium	potential to delay construction works planning in the immediate term out beyond period of 'economic bounce' to allow for supply demand curve to settle	timely approval to unlock ability to tender for detailed design.	31-May-20		
PDM_14	PDZ Consents - approval delay together with COVID-19 constraints critically prejudices PDZ consent programme	Medium	Medium	High	Low	Medium	Low	Low	Low	Review PDZ Consent programme in the light of FLOW market analysis, and adjust programme to conform with ERDF funding timeline	Economic recovery	By PC		
Skills	7	Delay in securing approval for City Deal Funding	Low	Medium	Medium	High	Low	Low	Low	Low	Full Business Case redrafted and prepared for resubmission. Business case identified as a priority for gateway process.	Prioritise/Agree approval process with Programme Management Office	none	
		Red risk entries by criteria	10	12	5	11	9	4	2	3				

