

Swansea Bay City Deal COVID-19 Economic Impact Assessment

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Completed by:

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 nine programmes / projects and overarching City Deal portfolio. Recognising that the national and regional economic recovery will rely upon City Deal programmes / projects to support and stimulate national and regional economic growth and attract inward investment during these times of uncertainty.

The assessment will assure the viability and successful delivery of the City Deal programmes / projects during the crisis and recovery stages of the Covid-19 pandemic. This assessment will compliment existing City Deal governance procedures and documentation and any Covid-19 recovery plans for all primary stakeholders. It is envisaged that risks impacting the programmes / project and mitigations to overcome them will be dealt with at programme / project level. Any risks deemed to place significant pressures on the programme / project or overarching portfolio such as significantly changing the programme / project scope, significant variance in the defined programme / project outputs, significant stage gate delays or continued commitment from key stakeholders, will be assessed by the SBCD Portfolio Management Office and escalated to Joint Committee for appropriate intervention and decision. In the event that a programme / 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.

The process to gather the required information, assess its impact and determine appropriate mitigations and decisions is outlined below:

1. Define assessment scope and areas of focus

2. Identify key risks in the Risk Assessment worksheet and assess the level of risk associated with each

3. Analyse the potential impact of these risks in the Impact assessment worksheet

4. Identify corrective action and level of intervention

5. Report to Joint Committee, Programme Board and Economic Strategy Board

6. Disseminate findings regionally and to Welsh and UK Government

ASSESSMENT CRITERIA	SCORING				Impact score October 2021								
	0	5	10	20	PDM	Yr Egin	Campuses	Digital	HaPS	SILCG	Pentre Awel	Swansea Waterfront	Skills
Scope and key objectives	No change to project	Limited and minor changes to project	Widespread and major changes to project	Significant change to project	5	10	0	0	5	5	0	0	10
Targets	No risk to achievement	Short-term, limited impact to achievement	Widespread, but relatively short term impact on achievement	Significant, long-lasting impact on achievement	10	10	5	5	5	5	5	5	5
Timescales	No foreseeable delays	Potentially minor delays (0-6 months)	Potentially major delays (6-12 months)	Potentially significant delays (1 year+)	5	5	5	0	5	5	5	5	5
Reputation if project fails to deliver	No negative impact	Local and limited negative impact	Regional and limited negative impact	Significant impact	5	5	10	10	10	10	10	10	5
Stakeholders/partnerships commitment	No issues	Limited and minor issues	Widespread and major issues	Significant issues	10	0	5	5	0	0	5	10	0
Project costs	No variance	0-10% variance	10-20% variance	20%+ variance	5	5	5	5	5	5	5	5	0
Procurement	No impact	Minor impact	Major impact	Significant impact	5	0	5	5	5	5	5	5	5
Staff resourcing	No impact	Limited impact	Widespread and major impact	Significant impact	0	5	5	5	5	5	5	5	5
					TOTAL	45	40	40	40	40	40	50	35
					C	C	C	C	C	C	C	B	C

	Number of Red Risks Identified by Impact Criteria								total Red Risks
	Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/partnerships commitment	Project costs	Procurement	Staff resourcing	
Oct-21	4	4	4	4	2	6	2	1	27
Jan-22	3	4	4	4	2	6	2	1	26
Change	✔	-	-	-	-	-	-	-	✔

ASSESSMENT CRITERIA	Scoring guide				Impact score January 2022								
	0	5	10	20	PDM	Yr Egin	Campuses	Digital	HaPS	SILCG	Pentre Awel	Swansea Waterfront	Skills
Scope and key objectives	No change to project	Limited and minor changes to project	Widespread and major changes to project	Significant change to project	5	10	0	0	5	5	0	0	10
Targets	No risk to achievement	Short-term, limited impact to achievement	Widespread, but relatively short term impact on achievement	Significant, long-lasting impact on achievement	10	10	5	5	5	5	5	10	5
Timescales	No foreseeable delays	Potentially minor delays (0-6 months)	Potentially major delays (6-12 months)	Potentially significant delays (1 year+)	5	5	0	0	5	5	5	5	5
Reputation if project fails to deliver	No negative impact	Local and limited negative impact	Regional and limited negative impact	Significant impact	5	5	10	10	10	10	10	10	5
Stakeholders/partnerships commitment	No issues	Limited and minor issues	Widespread and major issues	Significant issues	10	0	5	5	0	0	5	5	0
Project costs	No variance	0-10% variance	10-20% variance	20%+ variance	5	5	5	5	5	5	5	5	0
Procurement	No impact	Minor impact	Major impact	Significant impact	5	0	5	5	5	5	5	0	5
Staff resourcing	No impact	Limited impact	Widespread and major impact	Significant impact	0	5	5	5	5	5	5	5	5
					TOTAL	45	40	35	35	40	40	40	35
					Intervention	C	C	C	C	C	C	C	C
					Movement	-	-	✔	-	-	-	✔	-

Suggested project categories relating to the risk and impact assessment score are as follows:

Project Risk and Impact Score	Suggested Project Category	Intervention
100+	A	Joint Committee commissioned task and intervention required.
50-99	B	Intervention required.
25-49	C	No intervention required. Continue to monitor.
0-24	D	No intervention required. Continue to monitor, at a

The context in which the project operates and an element of

Identify project risks associated with the Covid-19 in the table below and determine to what extent they affect the impact criterion (blue shaded section):
 Note: Once the above is complete, move to the impact assessment matrix worksheet before completing the corrective action section (red shaded section)

Ref No.	Risk	Scope and key objectives		Targets		Timescales		Impact Criteria			Risk mitigation(s)	Corrective action	Jan-22	Review Date		
		Scope	Key objectives	Targets	Timescales	Appropriateness of project	Appropriateness of delivery	Stakeholder/partnership commitment	Project costs	Procurement					Staff resourcing	
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	High	High	High	High	High	Seek assurances from regional office, Welsh and UK Government regarding Project funding. Assurances remain with no reason to believe otherwise at this point.	Apr-22
2	The Digital Project is no longer treated as a priority by the region and/or individual partners.	Low	Low	Medium	Medium	Medium	Medium	Low	Low	Medium	Low	Low	Medium	Low	Continue to engage and build effective relationships with all partners and stakeholders, ensuring alignment with their priorities. Clear regional commitment to investment in Digital Infrastructure remains.	Apr-22
3	Telecommunications providers reduce activity and investment in Digital Infrastructure as a result of the economic downturn.	Low	Low	Medium	Medium	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Continue to engage with the Telecommunications industry, monitor the market and it's activity. Consistent or increased activity and investment from Telecommunications sector ongoing	Apr-22
4	Delay in the approval of the finalised business case through partner governance and regional office governance	Low	Low	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	Medium	Medium	Medium	Pathway mapping and scheduling to ensure approval at required governance meetings is being undertaken. Ongoing adherence to Governance structure, pathways and timelines.	Apr-22
4	More people working flexibly / from home presents an opportunity risk. These people clearly require the types of infrastructural services that will be provided by Digital Infrastructure Programme.	Low	Low	Low	Medium	Medium	Medium	Low	Medium	Medium	Low	Medium	Medium	Medium	Programme to continue as planned. Programme continuing as planned	Apr-22
Pembroke Dock Marine																
Funded Outputs																
PDM_2	Risk of not completing the PDI slipway component by the end of the current ERDF period	Low	Low	Medium	Low	Low	Low	High	Low	Medium	Low	Medium	Medium	Medium	Could push completion of defects liability period outside December 2023 meaning any costs incurred outside this period would be ineligible for WEFO funding. MHPA quantifying the potential cost of this based on the current delivery profile. Potential to pay consultants acceleratory costs to pull timeline back into line. Potential to also modify slipway construction method to achieve result quicker. These measures will be best finalised once Principle Contractor is procured after detailed design at the end of 2020-Q1 2021.	Apr-22
Investment Objectives																
PDM_3	Delay in progress from key industry stakeholders and inward investors	Medium	Low	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Continue dialogue with project developers and public stakeholders (TCE, BEIS, Treasury) to maintain momentum. Concentrate on 'active' companies, such as grant-funded or equity-funded organisations. Focus on innovation projects that require little direct input from target companies, but that can provide them with benefits when they leave 'hibernation'.	Apr-22
PDM_5	Supply chain companies go into 'hibernation' making it difficult for MEECE and META to engage in innovation-support activities.	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Focus on innovation projects that require little direct input from target companies, but that can provide them with benefits when they leave 'hibernation'.	Apr-22
PDM_7	Universities do not sign up to MEECE collaboration agreement because of uncertainty of, or late confirmation of SBCD funding.	Medium	Medium	Low	Medium	Medium	Low	Low	Low	Medium	Low	Low	Medium	Low	ORE Catapult continues without university partners, with a smaller project, narrower scope and less likelihood of a long term legacy presence.	Apr-22
PDM_8	Floating wind Project Developers delay or cancel potential projects in Welsh waters due to inability to make progress on technical aspects due to supply chain shutdown.	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Continue dialogue with project developers and public stakeholders (TCE, BEIS, Treasury) to maintain momentum.	Apr-22
PDM_9	PDZ Objectives - with significant SBCD approval delay, floating offshore wind (FLOW) market leaves PDZ behind and public sector money impact is significantly diluted	Medium	Medium	High	High	Medium	Low	Low	Low	Medium	Low	Medium	Medium	Low	Consider PDZ FLOW fit in light of delay, and be prepared to adjust project objectives and business plan, through Project Change Request (PCR)	Apr-22
Consent & Consent Management																
PDM_10	Delay in consents due to the third party resource issues to review and respond within statutory time limits	Low	Medium	Medium	Low	Medium	High	Low	Low	Low	Low	Low	Low	Low	Maintain dialogue with key stakeholders throughout consent process & manage expectation and key messaging around need for timely determination	Apr-22
PDM_11	Inability to progress with submission of consents due to need for more survey work that can not be completed until restrictions are lifted	Low	Low	Medium	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Not currently an issue but potentially could be if the situation continues for more than 6 months.	Apr-22
Costs																
PDM_12	Increase in cost due to having to pay for acceleration charges from consultants to maintain delivery timescales	Low	Low	Medium	Low	Medium	High	Medium	Medium	Medium	Medium	Medium	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.	Apr-22
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 forces competing to regain control of project costs and programs	Low	Low	Medium	Low	Low	High	Medium	Medium	Medium	Medium	Medium	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	Apr-22
PDM_14	PDZ Consents - approval delay together with COVID-19 constraints critically prejudices PDZ consent programme	Medium	Medium	High	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Review PDZ Consent programme in the light of FLOW market analysis, and adjust programme to conform with ERDF funding timeline	Apr-22
Project Governance																
PDM_15	Delay in progress towards finalising terms and conditions and associated documentation (collaboration agreement etc)	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	maintain regular dialogue within PDM partners and key stakeholders via Teams etc to maintain progress on project governance work during restrictions	Apr-22
PDM_16	Insurance costs	Low	Medium	Low	Low	Low	Medium	Low	Low	Medium	Low	Low	Medium	Medium	insurance brokers inundated with COVID related enquiries leading to a delay in response. Could delay activity on site if timely insurance not in place. Also cost increase	Apr-22
Pentre Awel																
1	The Further and Higher Education programmes at Pentre Awel are not aligned with project objectives and local skills shortages	Medium	Medium	Low	Medium	Medium	Low	Low	Low	Medium	Low	Medium	Medium	Medium	The courses under development for Pentre Awel are in areas of targeted skills shortages and which have been critical to the COVID-19 effort. Courses to be included are amongst those targeted for growth. Subsequently, projected student numbers/throughput at the Village are likely to be maintained. We will engage with our academic partners to understand and manage any impact and to ensure that the project benefits from any linked growth in student numbers. Education, Skills and Training programmes can be apportioned across number of HE providers should the need arise.	Apr-22
2	Ability to secure institutional funding	Medium	Medium	Medium	High	Low	Low	Low	Low	Low	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/retail investment. Financial consultant maintained to ensure a proactive approach to securing institutional investment.	Apr-22
3	Uncertainty in construction sector/costs	Low	Low	Medium	Low	Low	Medium	Medium	Medium	Low	Low	Medium	Medium	Low	The construction of phase one will be procured through the South West Wales Contractors Framework, Lot 1. The companies have been assessed ahead of inclusion on the framework and there is no indication that this situation has changed. Suggestions are that price competition will be keen in the timescale proposed. Consultants Anup will be able to undertake informal pre-market engagement with contractors to ascertain their recovery period and ability to mobilise within the current project programme.	Apr-22
4	Delays in project programme	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Momentum has been maintained. RIBA stage 3 work has been submitted, distribution of report has commenced to Directors and will be sent for specialist internal oversight as appropriate. Ecology work commissioned and assessed for social distancing to ensure the requisite surveys and pre-commencement works can be undertaken over the summer months. This will avoid any delay in construction commencing on site. COVID-19 may have an impact on construction contractors ability to mobilise to current project programme.	Apr-22
6	Changed partner priorities owing to COVID-19	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	The areas of work under consideration are those focused on health research (e.g. respiratory). Design specification to be updated as appropriate throughout RIBA stage 4 to reflect partners' priorities. This will ensure Pentre Awel is fully optimised to meet the latest research, health and education requirements.	Apr-22
Yr Egin																
1	Unpredictable/unknown economic impacts	Medium	Medium	Medium	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Monitoring/industry analysis. Revised scope being refined along with planned further stakeholder engagement. Economic recovery from COVID ongoing and will be monitored	Apr-22
2	Reduced occupier demand	High	High	Low	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Dialogue with industry/occupiers. Change of project delivery scale and scope potentially necessary	Apr-22
3	Availability of external funding	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Limited impact but maintain dialogue with funders	Apr-22
4	Rise in construction costs	Medium	Medium	Low	Low	Low	Medium	Medium	Low	Low	Low	Low	Low	Low	Reduce scope to contain within budget	Apr-22
5	Delays in project programme	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Maintain current programme. Low risk event	Apr-22
6	Ability to collaborate effectively with partners	Low	Low	Low	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Maintain current effective dialogue with partners. Low risk	Apr-22
7	Skills and capacity issues in terms of project delivery	Low	Low	Medium	Medium	Low	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Monitor project team capacity	Apr-22
8	Changed industry requirements	High	High	Medium	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Dialogue with industry/users. Potentially change scope in line with new requirements	Apr-22
9	Reduction in service needs and commercial opportunities	Medium	Medium	Medium	Medium	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Dialogue with industry/users. Potentially change scope in line with new requirements	Apr-22
10	Delay in obtaining relevant approvals	Low	Low	Medium	Low	Low	Medium	Low	Low	Low	Low	Low	Low	Low	Maintain current project planning. Low risk likelihood	Apr-22
Campuses																
RO01	There is a risk that project partners will be less engaged with the project development and governance due to competing priorities	Low	Low	Medium	Medium	Medium	Low	Low	Medium	Medium	Low	Medium	Medium	Medium	A new Campuses project governance and working group structure has been established and we are working with our colleagues particularly in health to ensure continued engagement and participation is facilitated virtually at suitable and convenient times. Project Board has been revised and work streams identified to align with the delivery phase. Project approval gained and Stakeholder mapping exercise complete along with new appointment of a Comms and Relationship Manager to the project to continue direct stakeholder engagement thus reducing the probability of the risk.	Apr-22

R002	There is a risk that wider stakeholders including private sector will be less engaged with the project	Medium	Medium	Medium	Medium	Medium	Low	Medium	Low	An engagement strategy is being developed with regards to private sector supported by Life Science Hub Wales. This remains a priority.	Relationship Manager appointed and work packages and teams constructed to ensure engagement strategy is utilised to maximum effect.	Apr-22
R003	There is a risk of under demand of incubation space	Medium	Medium	Low	Medium	Medium	Low	Low	Low	Continued engagement of private sector demand for incubation space in line with the developing private sector engagement strategy. Modelling continues of required proportion of incubation space within developments	Additional market research to be commissioned along with additional stakeholder focus groups to interact with commercial clientele and ensure demand and desirability are priorities for the planned outputs.	Apr-22
R004	There is a risk that there will be a delay in the preparation of the business case	Low	Low	Low	Low	Low	Low	Low	Low	A new working group has been formed to bring together the efforts to support the ongoing work to develop a revised business case	Business case approval by U.K. and Welsh Government. Risk Now Closed.	Apr-22
R005	There is a risk that there will be a delay in the approval of the finalised business case through partner governance and regional office governance	Low	Low	Medium	Medium	Medium	Low	Low	Low	Continuous mapping and scheduling to ensure approval at required governance meetings is up to date and are being undertaken.	Business case approval by U.K. and Welsh Government. Risk Now Closed.	Apr-22
R006	There is a risk that there will be insufficient resourcing to progress the project including human resource	Low	Low	Low	Medium	Low	Low	Low	Medium	A review will be undertaken to ensure where possible there is sufficient resourcing to progress the project in line with plan	Additional resources allocated to the project, including appointment of a Communication and Relationship manager along with a restructured Project Board and delivery teams.	Apr-22
R007	There is a risk that there will be significant unmet requirements for digital connectivity of any development	Medium	Low	Low	Medium	Low	Medium	Medium	Low	Further engagement will be undertaken with the Digital theme to ensure that all requirements are captured. Link in with existing digitally led projects.	Discussions continue with digitally led project leads and delivery partners such as Vodafone and estates departments.	Apr-22
R008	There is a risk that cofinancing of later stages may be delayed/reduced due to weakened economy	Medium	Medium	Medium	Medium	Low	Low	Medium	Low	Continued engagement with key stakeholders and scope maximised to attract investment opportunities	Work streams identified in relation to commercial investment opportunities along with engagement with DTI, ES8, Business Wales and private sector investors.	Apr-22
Homes As Power Stations												
1	Economic downturn - housing market decline	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Close engagement with private and public sector	Close engagement with private and public sector	Apr-22
2	Economic downturn - affects the supply chain	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Close engagement with private and public sector - establish regional supply chain to ensure sustainability	Close engagement with private and public sector - establish regional supply chain to ensure sustainability	Apr-22
3	economic downturn - building cost increases / less able to afford technologies due to viability issues	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Flexible technology package - ensure affordability	Flexible technology package - ensure affordability	Apr-22
Supporting Innovation & Low Carbon Growth												
1	Economic downturn	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Low Carbon as C 19 recovery plan	No change	Apr-22
2	Reduced demand for business premises	Medium	Medium	Low	Medium	Low	Low	Low	Low	Evidence of demand. Private Sector engagement plan in place and regular review	Continuing demand for facilities	Apr-22
3	Availability of external funding	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	Policy alignment to ensure funding is available	No change	Apr-22
4	Rise in construction costs	Medium	Medium	Low	Medium	Low	Medium	Medium	Low	Ongoing engagement with contractors	Evidence of increase in costs	Apr-22
5	Delays to project programme	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	Project management	No change	Apr-22
6	Skills and capacity issues in terms of project delivery	Low	Low	Medium	Medium	Low	Low	Low	Medium	Project management	No change	Apr-22
7	revised industry requirements	Medium	Medium	Medium	Medium	Low	Medium	Medium	Low	ongoing engagement with industry stakeholder / private sector engagement plan	No change	Apr-22
8	reduction in service needs and commercial opportunities	Medium	Medium	Low	Medium	Low	Low	Low	Low	stakeholder / private sector engagement plan	No change	Apr-22
9	delay in obtaining relevant approvals	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	policy alignment / decision making process	Need to review Economic Case in line with UKG meetings	Apr-22
10	technological advancements	Medium	Medium	Low	Low	Low	Low	Low	Low	ongoing engagement with industry	No change	Apr-22
Skills & Talent												
1	Ability of training providers to deliver necessary training with the new restrictions following on from Covid 19 restrictions.	Medium	Low	Medium	Medium	Medium	Low	Low	Medium	Identify new ways of delivering training	capital funding for equipment to allow for on line delivery of training.	Apr-22
2	shortage of teachers/lecturers qualified to teach the level of new technology training required by businesses	Medium	Medium	Medium	High	High	Low	Low	Medium	Develop training immediately for the teachers and lecturers utilising existing courses prepared in colleges and universities outside of Wales and work in partnership to upskill the staff	Funding and the willingness of teachers/lecturers to be upskilled.	Apr-22
Swansea City & Waterfront Digital District												
1	Construction Delays	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Work with contractor	Working practice	Apr-22
2	Contractor Failure	Low	Medium	High	Medium	Low	High	Low	Medium	Enter deed with Cont	Cogn ASAP	Apr-22
3	Anchor failure	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Meet regularly	Monitor	Apr-22
4	Other Tenants	Medium	Medium	Medium	Medium	Medium	Medium	Low	Medium	Marketing process	Lockdown released	Apr-22
5	Project Outputs	Medium	High	Medium	Medium	Medium	Medium	Low	Medium	Review and monitor	Economic recovery	Apr-22

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

The context in which the project operates and an element of common sense will be considered alongside the impact score to ensure that the right level of intervention and monitoring is in place for the successful delivery of the project.