

Swansea Bay City Region Joint Scrutiny Committee

(Remotely via Teams / Hybrid meeting in Council Chamber)

Members Present:

6 December 2022

Chairperson: Councillor R.James

Vice Chairperson: Councillor T.Bowen

Councillors: S.Yelland, G.Morgan, R.Sparks, V.Holland,
A.Dacey and M.Harvey

Officers In Attendance N.Pearce, A.Parnell, N.Mayhew, L.Willis,
I.Williams, O.Gavigan, C.Moore, M.Shaw,
J.Burnes and A.Thomas

1. **Chair's Announcements**

The chair welcomed everyone to the meeting.

Apologies were received from Cllrs J.Curtice, C.Holley and J.Beynon.

It was confirmed that Members will be considering items 1, 2, 3, 6, 7, 11 and 12.

2. **Declarations of Interest**

There were no declarations of interest.

3. **Homes as Power Stations (HAPS) Project Update**

Members were provided with a presentation outlining the project.

The Homes as Power Stations project is one of nine city Deal projects, and is one of three regional projects, covering the four local authorities. The aim of the project is to facilitate the adoption of homes with integrated energy efficient design and renewable technologies, in both new build homes and existing stock.

The investment objectives include future proofing 10,300 homes, by increasing affordable warmth, reducing fuel poverty, improving health & wellbeing and delivering a sustainable, cost effective and holistic housing programme.

The various work streams were outlined to Members, including a financial incentives fund of £5.75m, a regional supply chain fund of £7m and a technical monitoring and evaluation contract of £1m. Further, whilst there is no budget attached, there is also a skills stream which will have the ability to install, maintain and repair technology.

Officers outlined the recommendations from the PAR (Project Assessment Review) which took place in July. The assessment team outlined a delivery/confidence assessment score of amber/red. There were six recommendations made in response to the review. In November, the review team came back to assess the actions undertaken in response to the recommendations. The review indicated an amber delivery/confidence assessment. Two of the recommendations remained a theme, with four being marked as actioned.

Members queried if the figures relating to the number of homes was realistic. Officers advised that the figures were provided by the local authorities involved and that they were taken from the Local Development Plans, so the figures have a formula behind them.

It was noted that jobs created as indicated in the dashboard relate to the total number of jobs created as a result of the project in its entirety and is not just specific to the team role.

Officers were unable to provide an exact figure for the number of houses that have been built or retrofitted as part of the project. This is currently part of the mapping process. Different local authorities are at different stages of their developments. It was confirmed by officers that the project itself does not build new homes, but facilitates the fitting of the homes with the new technologies.

Officers outlined the importance of sharing information, good practice including any mistakes made, across the project. Including in both the public and private sector in terms of behavioural change. This will assist to fast forward the positive pace of change. It will ensure that the housing structure is upgraded and amended as quickly as

possible to improve the quality of housing standards across the board and addressing fuel poverty.

Members queried if the current rise in inflation would affect the overall number of properties that can be developed through the project. Officers were unable to confirm this.

Officers acknowledged that it will take time to build up a skilled workforce that are able to contribute to fulfilling the aims of the project.

Officers confirmed that at this current time, due to increased overall costs, less was likely to be delivered for the same costs.

Members queried the correlation between the red warning identified on the risk assessment for underspend, and the rising construction costs. Officers confirmed the underspend delays deliverability. The consequence of this is that the authority will have to borrow less in order to deliver projects as they're much further on than planned. This would be a positive effect. Officers advised that contracts can't be committed too when constructions costs are uncertain.

Members requested a site visit to the homes to see how the work has been carried out.

4. **Swansea Bay City Deal Internal Audit Terms of Reference 2022-23**

This item was not scrutinised.

5. **Swansea Bay City Deal Internal Audit Charter**

This item was not scrutinised.

6. **Financial Monitoring Report 2022/23 - Provisional Outturn Position Quarter 2**

Members were presented with information pertaining to the Financial Monitoring Report 2022-23 as detailed within the report circulated.

Officers outlined the detail presented within the report. Members referred to slippages in the budget and noted some likely reasons for these including COVID. Members queried if there was a risk that deliverables would be harder to measure as a result of construction delays? Officers advised that provided the projects are used for their intended purpose, then the economic output can continue to be assessed on an ongoing basis.

Officers confirmed that all funds have been transferred across to the relevant authority with regards to the Yr Egin project.

Members queried if the slippages had increased in comparison to previous years. Officers confirmed that they had increased as the expectation was that projects would be further along at this stage than they actually are. It was confirmed that any interest accrued would be distributed back out to the constituent authorities. This would likely be balance against the increased interest costs incurred against borrowing as a result of delays to projects and a change in the market.

Following scrutiny the report was noted.

7. **Swansea Bay City Deal Quarterly Monitoring Report**

Members were presented with information pertaining to the Quarterly Monitoring Report 2022-23 as detailed within the report circulated.

Officers noted that there has been slippage, however they are working with the project officers and looking at the mitigations to determine why this has happened.

It was noted that there has been an increase from five to six red risks on the risk register. The red risk increase is due to projected in-year underspend. Mitigations are being looked at in relation to this.

Officers confirmed that there has been a lot of positive market communications on the projects.

Members asked for information in relation to Phase 2 of Yr Egin. Officers confirmed that no decision has yet been made in how this will proceed. Officers anticipate that early next year preferred options will

be indicated by Trinity St.David on how they will be proceeding on this.

With regards to partnership funding, it was confirmed that each year partners contribute to the funding of the portfolio office. It was originally anticipated that the Project Management Office would be funded for five years, however the projects did not begin as quickly as originally anticipated. The Project Office is likely to be extended beyond five years, however a model has not been created to consider how long it will be extended by. The function of the PMO office now needs to be aligned to the delivery of the projects.

Members briefly queried the correlation and future relationship between the CJC's and the city Deal. This will need to be given consideration at a future time.

Members noted the report.

8. **Swansea Bay City Deal Business Case Development Process**

This item was not scrutinised.

9. **Portfolio Gateway Assurance Arrangements**

This item was not scrutinised.

10. **Portfolio Gateway Review and Action Plan**

This item was not scrutinised.

11. **Forward Work Programme 2022/23**

Members asked to invite Cllr Rob Stuart to a future meeting to discuss the future of the City Deal.

Officers outlined the projects that would be presented to the next Joint Committee.

This item was noted for information.

12. **Urgent Items**

There were no urgent items.

CHAIRPERSON