

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

2.30 pm TUESDAY, 8 OCTOBER 2024

**MULTI-LOCATION MEETING - COUNCIL CHAMBER, PORT TALBOT
& MICROSOFT TEAMS**

1. Chair's Announcements
2. Declarations of Interest
3. Minutes of the Previous Meeting (*Pages 3 - 18*)
To approve the minutes of the meeting held on 25/07/24 as an accurate record of the proceedings.
4. Supporting Innovation and Low Carbon Growth Progress Update (*Pages 19 - 24*)
5. Swansea Bay City Deal Quarterly Monitoring Portfolio (*Pages 25 - 80*)
6. Financial Monitoring Report 2023/24 - Provisional Outrun Position Q4 (*Pages 81 - 88*)
7. Pre - Audit Annual Statement of Accounts (*Pages 89 - 160*)
8. Swansea Bay City Deal Annual Report (*Pages 161 - 212*)
9. Construction Impact Assessment Review Report (*Pages 213 - 220*)
10. Report on the delivery of local Meet the City Deal Events 2023/24 (*Pages 221 - 222*)

11. Forward Work Programme 2024/25 (Pages 223 - 226)

12. Urgent Items

Any urgent items at the discretion of the Chairperson pursuant to Section 100BA(6)(b) of the Local Government Act 1972 (as amended).

K.Jones
Chief Executive

Civic Centre
Port Talbot

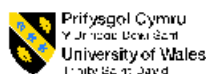
1 October 2024

Committee Membership:

Chairperson: Councillor T.Bowen

**Vice
Chairperson:** Councillor D.Cundy

Councillors: B. Hall, S.Yelland, M.Bowen, G.Morgan,
R.Sparks, J.Curtice, V.Holland, C.Holley,
A.Dacey and R.W.Wood



Swansea Bay City Region Joint Scrutiny Committee

(Multi-Location Meeting - Council Chamber, Port Talbot & Microsoft Teams)

Members Present:

25 July 2024

Chairperson: Councillor T.Bowen

Vice Chairperson: Councillor D.Cundy

Councillors: M.Bowen, G.Morgan, R.Sparks, C.Holley, A.Dacey and R.W.Wood

Officers In Attendance J. Burnes, L.Willis, S.Aldred-Jones , O.Gavigan M. Holder And T. Rees

1. **Appointment of Chair and Vice Chair**

It was proposed and seconded and agreed that Cllr Tim Bowen be the Chair of the Committee.

It was proposed and seconded and agreed that Cllr Deryk Cundy be the Vice-Chair of the Committee.

2. **Chair's Announcements**

The Chair welcomed everyone to the meeting and welcomed the new members of the committee. The Chair confirmed that Democratic Services have received apologies from Cllr S.Yelland and Cllr J. Curtice.

3. **Declarations of Interest**

There were none.

4. **Minutes of the Previous Meeting**

The minutes of the meeting held on 13/02/24 and the 16/04/24 as an accurate record of the proceedings.

5. **Audit Wales - Assurance & Risk Assessment**

Members were informed that apologies had been received from Audit Wales officers. Jonathan Burnes gave members an overview of the process and the findings of the report.

Members were advised that the Audit Wales Assurance and risk assessment was conducted between October and March 23-24 and that the assessment was to look at the effectiveness of the City deal's existing management arrangements and how it supports the effective & efficient delivery of the City deal portfolio.

Officers explained that Audit Wales undertook a review of documents, sampling joint committee and portfolio office documents.

Members were also informed that there was a series of interviews, with various key people including the chair of the programme board Wendy Walters, Chris Moore the Section 151 officer the chair of Economic Strategy Board and the deputy monitoring officer.

Officers also explained that there were a series of working groups where leaders from the four local authorities, chief executives, senior managers from the two health boards, universities and regeneration directors attended and this was designed to try to answer the question, 'do programme management arrangements support the effective and efficient delivery of the city of portfolio?'

Members were advised that Audit Wales found that the arrangements are there to support. It also said that there is clear insight to the portfolio in terms of progress, but there is an opportunity to review the current existing arrangements to make sure that they're fit for purpose going forward.

Officers explained that Audit Wales don't formally make recommendations, but they do look at areas of focus.

Officers will create an action plan and assess those areas of focus against it to look at progress updates.

Members were advised that in the action plan there are 16 areas of focus; the time scales, who will be leading on them, the status, any dependencies, all of those will be reported now on a quarterly basis to of give a feel for where city deal is with those.

8 are currently in progress, 8 are yet to be actioned. Offices said that the headlines of where they are, are things around alignment to CJC, the corporate run committees, benefit realisation evaluation, the phase of the portfolio delivery, portfolio management arrangements, the purpose of economic Strategy Board, the role of regional scrutiny, lessons learnt and wider regional opportunities.

Members were concerned about point AW16 and clarified whether it is the duplication with the arrangements relating to the data being collected and reported locally was also being collected and reported at regional level, leading to potential inefficiencies.

Members noted that in point AW15 the report reflected on whether there is a greater opportunity to raise the profile of the city deal impact with the public. Members felt that it is very important considering the amounts of money involved and asked what sort of plans officers have got for doing that.

Officers stated that in relation to AW16 it depends on people's interpretation of it, but they could be seen as duplication because it's the same information being used for two different levels. Officers are going to review all the reporting requirements for every project and programme with the portfolio arrangements to make sure that that duplication or inefficiencies or potential inefficiencies are removed.

In relation to point AW15 officers agreed with the councillors that a lot of money was being spent and a lot of activity undertaken, but some of it may not be as visible to members of the public as others.

Officers explained that they are trying to attend as many events as possible because what the public perception in the wider public sense has been more business engagement related so far but officers have refreshed their marketing communications plan and are looking towards what events that we put forward for this financial year going forward.

Members were advised that the 'meet the city deal events' we're in the four areas of the region and there was an opportunity more for businesses to engage in public.

Officers also stated that they are trying to engage with the public through the forums, events and the PR and communications they are doing which also includes a lot with social media as well.

Officers suggested that they may be able to provide an update talking about what other opportunities are there for the public perspective on City Deal.

Members suggested to officers that a 15 minute presentation on what is happening in City Deal to each of the councils could be done because the members are the ones that are going to have to sell this to the public.

The report was noted.

6. **Internal Audit Report**

Matt Holder head of internal audit for the Swansea Bay City deal introduced the report to on the findings and actions of the 2022-23 Internal Audit review into the Swansea Bay City Deal (SBCD) Portfolio. He explained that it is part of the internal audit work undertaken during the 2023/24 financial year.

Matt Holder advised that it was his team and his remit to provide assurance that there's adequate arrangements in place to make sure that the Swansea Bay City dealer can continue to operate and make sure that the outcome is what members want to achieve.

Members were advised that officers took the, the audit scope to the Joint committee on the 16th of November where it was agreed. They then started doing the work in late quarter four due to timing issues.

Matt Holder explained that as part of his role he tries to gain as much assurance as he can so the scope is quite broad. Members were advised that officers are looking at the governance arrangements, project management and the monitor arrangements and the whole undertaking of that. Officers also look at the financial management and risk management arrangements. They do this to look collectively at the region rather than project specific basis. Members were advised that all of the work is done on an evidence-based approach and only things that they can measure.

Matt Hoder explained that they have determined an audit assurance rating of substantial which is the highest rating officers will give. This is because they will never give full assurance because they do a sample basis as they haven't got the ability to do a full sample of everything that's going on.

Members were advised that substantial assurance means that there's a sound system of governance, internal control, financial management and risk management arrangements in place with the controls operating effectively and being consistently applied to support the achievements of the of the objectives in the area audited.

Officers advised that they note the point in the last item about public engagement and duplication and they will consider that when we're doing the audit plan for 24/25.

Officers advised that they will take the Audit Wales report into account and there will be areas that will be picked up and followed to make sure that best practise is delivered across the region.

Officers felt that overall, it is a pleasing report.

The report was noted.

7. **HAPS Progress Update**

Oonagh Gavin manager of the Homes as power stations project. Gave members a short presentation on the report provided.

Members asked if as well as the flats on Aberavon Sea front, has the HAPS team made any houses?

Officers advised that there's lots of activity happening across the region and on a regular basis they do a collation of the numbers of houses. Members were informed that there are HAPS houses already existing across all of the four local authority areas.

Members stated that it was good to see the HAPS initiative being so positive and having so many outcomes already.

Members enquired if the £3.7 million in funding that has been allocated, used and developed. Members asked if the officers are now looking at drawing further money in from the shared prosperity fund and if the HAPS project is just continuing to grow.

Members also noted that the report stated 1804 jobs were created and asked for an outline where those jobs are.

Officers were also asked if any work is being done around rainwater recovery systems and is it being included into any HAPS properties.

Officers clarified that the 1800 jobs are the project target and that hasn't been reached yet. It is part of the tracking exercise that will be ongoing as the project develops. Officers explained that it is early

days with the collation of that data but officers hope within the next few months that they will have more detail on that.

Members were informed that the project was awarded the funding late last year and some of those contracts for the build of the houses or the retrofit of the houses are going through the contracting stage, but officers advised that is creating jobs.

Members asked if the city deal funding has all been allocated already? Officers explained that it had not. Officers referred to the supply chain Development Fund and that they are working on the scope and exercise of that and explained that the project has £7 million at its disposal.

Officers also stated that from the financial incentives fund, they have allocated £3.7 million of the total amount that they have which is £5.75 million.

Members noted that the report says that officers are yet to publish a full list of schemes because there might be legal matters going on in the background and members asked when they were likely to see a full list of schemes.

Members noted that ten jobs created already and that from February the investment has gone up by about £15 million in the last few months, but the number of jobs hasn't, members hoped they would come online shortly.

Officers reiterated that it would take a bit of time to collect the jobs data and advised that since March where officers set out where they were with the legal documentation, things have progressed, and they will be able to publicise the schemes in the next few weeks.

Members asked about the Duracell batteries mentioned in the report and asked if they are for house storage whether safety testing is being done on them and whether officer have any assurances that there is no risk attached with that?

Officers advised that vigorous testing has taken place and Welsh Government have introduced the new Welsh Quality Housing Standard criteria, where there is a recommendation that batteries are now stored outside of the property. Members were informed that this has created some work for the Registered Social Landlords who now must fit an external cupboard where the battery can be stored. This hasn't had any negative implications for City Deal.

Officers also advised that with the housing standard changes and progressing constantly, it has created the opportunity for RSLs to look at what products to use. Officers felt that the battery in Duracell's case has a housing cupboard that can also be purchased as part of that solution.

Members asked about jobs created in the last 15 years and if there is any monitoring on apprenticeships that have been created or are under way because of this enterprise. Officers explained that it is over the period of the next 15 years up to 2033 and not retrospective.

When the project benefits will be realised, officers will continue to do a tracking exercise to ensure they capture as much information as they possibly can to show what the benefits of the project have been. Part of that plan is to capture how many apprenticeships have been created.

Officers advised that they are working closely with the Other City Deal project, the Skills and talent Programme, to identify and capture that information also.

Jonathan Burnes also advised members that across the city deal portfolio, officers are monitoring and measuring apprenticeships across all nine projects and programmes, being collated by the skills and talent programme. Officers are also capturing community benefits, including training weeks as well. Members were advised that there is a wider assessment and reporting done.

Neath Port Talbot Members asked if they could visit the HAPS project in Aberavon as they had missed the site visit previously. Officers agreed that they could and advised that as soon as the two houses, the retrofit houses in Margam Port Talbot are finished that members are welcome to come and visit those two.

Officers would arrange this with Tai Tarian.

The report was noted.

8. **SBCD Quarterly Portfolio Monitoring**

Jonathan Burnes gave members an overview of the January to March and highlighted some of the key portfolio level summaries and the project and programme updates.

On the dashboard, members were advised that there is no overall change to the status, but there have been a few movements within

staffing and resources for digital infrastructure. For Yr Egin delivery has moved from green to amber status.

On the risk register members were advised that there are currently 25 portfolio level risks, five are red risks. There is no change from quarter three. Members were advised that the five red risks are around construction costs, TAN 15 which is the flood risk management maps, in year spend, slippage and delivery of benefits. Officers that they all have mitigations associated with them.

Members were advised that there were 4 amber risks which were closed since the quarter three reporting, and these relate to the time frame of the end of current EU funding programmes which is completed. The unallocated £5.3 million of CDL funding which is now allocated through Neath Port Talbot Council for the skill centre operations of the PMO. That moved from the risks to the issues because Ian Williams has departed and the Co-opted members not attending programme and joint programme boards and joint committee, and they are attending, and officers continue to monitor those.

Officers advised that there are no red issues and the only red issue which was previously on there was Campus funding agreement that now has been signed and resolved, and that can come off the issues register.

In terms of the quarterly reports, there was an increase in jobs created from 567 from quarter three to 597 and investment has increased from £272 million to £289 million.

In terms of the construction impact assessment, members were advised that business cases have been written and they are now going into procurement to look at what the funding gap is from what officers thought it would cost to what it does cost.

Members were advised that the headline gap is £43 million but through the mitigations that are detailed in the report, it has now reduced to £12 million, and officers are still working on the mitigations on that residual impact.

Members were advised that the key mitigations are to secure additional funding, revisit the construction brief and opening dialogue with the contractors.

Officers explained that the projects identified as experiencing slippage are the waterfront, Yr Egin, digital infrastructure, campuses

and support innovation low carbon growth. All of those are subject to the change management process and reporting them through the government arrangements accordingly.

Members asked about the benefits summary and noted that compared to the last report Pentre Awel was created 23 jobs, but the innovation matrix was not included before, and this is the first time it was in this benefits summary.

Officers explained that the Innovation Matrix is nearing its completion, and they have construction jobs created. Officers had thought they had reported some before, but the six that has been identified in this quarter are likely to increase again in future quarters. Officers explained that they can only report once the contractor and the subcontractors have reported their numbers of jobs created, particularly through construction and once it's into operation. Then it is about the organisations that reside within it and how they grow. Officers advised that these may have to be evaluated separately.

Members were informed that the innovation matrix is completed, and it is being fitted out internally for tenants to reside within it led by University of Wales, Prince St David.

Officers were asked if these jobs will be included in the benefit summary of the report or are they going to move somewhere else?

Officers confirmed that in terms of jobs created, they will just be accumulated in the report and more jobs will come through the pipeline for each of the projects as they as they get reported.

Members were advised that the 597 jobs include the ones from innovation matrix campuses and Pentre Awel from that quarter, quarter four.

Members noted that a line had been introduced in the report that hasn't been in previous reports in relation to the benefit summary on page 135. Which shows six additional jobs in the innovation matrix. Officers advised that it shouldn't be in the report because the innovation matrix is part of Swansea Waterfront business case, and it should be part of that project instead.

Officers believed that the officer that dealt with it was just highlighting that that was the addition. It is not part of Swansea Council's lead element. It is part of Trinity Saint David's lead element. It should be the nine headline projects and programmes and officers will correct that.

Members asked what the mitigations officers are looking at for the 12 million pounds shortfall

Officers explained that the £12 million is an indicative figure and it hasn't moved on. Officers advised that in the last report they had still identified a £12.75 million gap and in terms of the key mitigations there are three. The first is securing additional funding which could be through the lead deliverer or through governments or through private sector. The second mitigation option is revisiting the construction brief and the third is delaying some projects and opening dialogue with contractors.

Officers advised that they are experiencing a lot more dialogue with the primary contractors and with the supply chains because the subcontractors also have a lot more dialogue with the primary contractors because they don't make a lot basically and they want to make sure that they deliver in quality.

Members noted that in the benefits report there were no jobs targeted but jobs had been created in skills and talent and digital infrastructure and asked why this was.

Members asked if there was a way that they can have an updated figure, even if it's emailed to them about the jobs total, because 6.15% is quite low and noted that they were 3 months behind in reporting.

Officers explained that when the business cases were written, particularly for digital infrastructure and skills and talent, they were fully regional projects and cover all of Southwest Wales. Members were advised that these were enablers, and they didn't directly create jobs. Officers advised that the jobs are created through the other projects and programmes but because of a lot of work being done particularly for digital infrastructure and skills and talent, jobs are being created directly and indirectly through the projects and programmes.

Members were told that this is why jobs created will show up in the report but there is no requirement in those business cases to evidence that and they will be captured throughout the process.

Officers advised that in terms of the targets and the timing of reports, as soon as they go through joint committee, they are publicly available through Democratic services officers and Jon Burnes will make sure that they are the relevant projects as members will likely just want key, key summaries.

Members were also advised that for the reporting of some jobs must go through an evaluation to qualify what officers are saying. And this will make things harder to get exact figures and explained that even though it's at 6% officers know that number is higher, but it just hasn't gone through the evaluations to qualify them.

Officers explained that if you are going to verify the claims made by people before you, particularly the indirect ones then the direct ones are claimable because there is an auditable trail.

For more indirect jobs created as a consequence of building, they have to go through an evaluation with the evidence to make sure that it's verified externally (Ideally), but it could be verified internally as well.

Members noted that they see this as 6% of jobs achieved. But the public may read it as 94% not achieved and asked if this could be seen as a negative for the project.

Members also asked does this reflect similarly to the issues with the Gross Value Added (GVA) in that it's quite hard to quantify?

Members used Yr Egin as an example of a building that has been up and running for a while and it's got 117 out of the 400 jobs. Members asked if Yr Egin phase 2 was really going to achieve the other 300 jobs when that's done?

Members asked if this a case of the numbers from the initial business are hard to achieve or if any of them realistically achievable because of all of the changes that have happened.

Officers advised that this is currently year eight and there was a false start with City Deal at the beginning and getting all of the business cases through the approval process, but it is now on track for delivery, officers believe they are realistically achievable.

In relation to evaluations, Officers have advised that they have done an evaluation, and it is the first evaluation of a city deal and it hasn't been reported through any governance board.

Later this financial year members will see and be able to scrutinise the first evaluation, which is Yr Egin looking at the economic impact of Yr Egin phase one that will include jobs and various other things as well. they couldn't have evaluated during the kind of COVID lockdown, and they needed a clean operational year and therefore evaluated 22/23 as the operational year.

Members were also given as an example, Swansea arena which will need to have a year or two of operation before they can evaluate it. Officers explained that they are going to evaluate the arena to look at the wider economic impact, including jobs, jobs as part of that.

Officers hope that the evaluation framework will hopefully put to rest some of the concerns around the numbers because it will come through as buildings come into operation and the wider impact of those.

Members noted that the projects are making a massive impact in terms of regeneration and positivity for the region, across the region.

Members stated that they look forward to the evaluation on Swansea Arena because there are 25 full time jobs and note that there are lots of part time jobs other jobs that are around it in the Green Cafe.

Members felt that it will be critical for them to understand how that process is carried out because that is the whole basis of what the city deal is about and stated that it is incredibly important that that process is transparent and is also publicly available as well.

Officers advised that at a portfolio level, that they had held some 'Meet the City Deal' events within the last quarter and noted that in Neath Port Talbot was the Margam Orangery event which had over 100 people in attendance. Part of the annual report will talk about the four Meet the City Deal events in Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot.

Officers felt that they were extremely beneficial and successful.

Members were advised that the slipway and the pontoons in Pembroke Dock Marine are now starting to be used and a lot of the other projects within the Pembroke Dock Zone are now securing and leveraging funds through other mechanisms and officers were happy to see that pipeline of activity behind the infrastructure happening.

In terms of campuses, the funding agreement has now been signed and a re-profile is under way and since the report was published, there has been progression on the procurement process for Singleton phase one.

Members were advised that in terms of support and innovation, low carbon growth, the key areas are Bay Technology Centre is now just over 50% of occupancy and there's a pipeline of inquiries around the office space and lab space that they have available.

Officers advised that with the air quality monitoring project, there's a company called Ricardo who has done a review report, and they are presenting that to board and looking at what the next steps are.

Members were informed that Pentre Awel is progressing and there is over 2000 training weeks in the construction phase to date. They have 31 apprenticeships undertaken within the build and 44 new entrants. Pentre Awel are currently working on updating their business case, this will help them reprofile the economic, commercial and financial cases of their business case for zone one and future zones (2,3 & 4).

In relation to digital infrastructure, they have been awarded their first 5G investment fund which is linked with the campuses project, and this is considered by officers as an example of good cross fertilisation across the portfolio and it is on track for completion.

Officers advised that the dark fibre phase one procurement exercise is complete, and the preferred supplier has been appointed.

Members were informed that for the waterfront that the hotel developments were going to cabinet last week for decision to appoint a preferred collaborator around what is the Arena hotel.

Officers advised that there is lots of work happening with the 171 Kingsway around respective tenants.

Members were advised that the innovation matrix is progressing well and according to plan and they're doing the fit out now for the tenants to move in as soon as possible within the next month or so.

In relation to Yr Egin, members were advised that it is going on to phase two and are looking at what change notification change request is required for that and the solution. Officers are yet to receive anything formally from Trinity Saint David on that.

Members were also informed that for skills, they are now up to 19 pilot projects, which officers considered to be great especially because of the spread of it across all the different sectors with all the different training providers and private sector companies is phenomenal from an officer's perspective.

The report was noted.

9. **SBCD Evaluation Framework**

Jonathan Burnes gave members an overview of the Evaluation Framework as per the report.

Members were advised that this was about bringing everything that was happening previously all together and encapsulating it into a document that is readable by everyone and then a plan to look at what, how, when and who will be evaluating.

Officers advised that the frameworks first question answers why they are evaluating and explained that it is crucial for demonstrating the impact of the city deal over its lifetime and that officers have had lots of feedback through scrutiny, both this committee and through gateway assurance reviews and audit, all looking at emphasising how benefits are now being evidenced and start being reported through the City deal.

Jonathan Burnes advised that he chaired an evaluation task and finish group that oversaw the development of the framework.

The Task and finish Group consisted of project programme leads and PMO team members who met monthly and shaped the framework into the one in the report. They looked at making sure that it was practical and workable in in what they were trying to present. Members were advised that the point of the framework is looking at the rationale, the principles, roles and responsibilities and its methodology.

How are you calculating these things? How, how was it presented and being open and transparent about that approach.

Officers explained that they want to look at two midterm evaluations and a final evaluation for the portfolio. Basing it on years 1 to 7 for midterm evaluation and then the second midterm would be between 25/26 up to 2029/30. The final evaluation will be in 2032/33, which is when the 15 years of the portfolio ends.

Members were advised that in the document every project and programme is listed with a schedule of what will be evaluated and when.

Officers have worked with all the projects and programmes, and they put them into a draught, and these are all collated in the portfolio office into an evaluation profile. The Profile will summarise every evaluation that projects will do, what that will entail and who will conduct it. Officers stated that they don't want to start evaluating things for evaluation's sake and want to do it at the right time.

The framework will form part of a large document called the monitoring evaluation plan. Officers will do the monitoring reports, this will be the evaluations which help support that reporting.

Members felt that the framework was good but on item 7, in relation to the governance and oversight it should have wording in there about scrutiny so that people are aware that there is a scrutiny function to carry out especially as the document is one of the more important documents the committee scrutinises on a regular basis.

Officers agreed and noted that there is only one reference to scrutiny and that is more about the input as opposed to the process so they will feed that back through the governance process and add some words.

Jonathan Burnes advised that he can write wording or he can receive any narrative of people would like to see in it and then review it with the committee members if that would help put it in the next iteration of the framework. 1:09:38

Members asked if GVA features in the document.

Officers confirmed that GVA features in it twice and that GVA can still be used and it's in the business cases as an economic appraisal part of the process. Officers advised that they are not requiring the projects and programmes to report GVA because you can't attribute GVA to a building, however if somebody can then they will accept it.

Members stated that if officers do use things like GVA on websites and documents then they will hold officers to GVA standards.

Members noted in a previous meeting that they requested a letter to the Chair of the Corporate Joint Committee relating to the use of GVA and asked if a reply had been received. The democratic services officer confirmed that a reply was received and was on the last meeting's agenda.

Officers advised that they are happy to incorporate GVA into it if they can evidence it. But they want to make sure they can evidence the economic impact indicators that they utilise. Currently they can't do that with GVA.

The report was noted.

10. **Forward Work Programme 2024/25**

The Members of the Committee noted the Forward Work Programme and received an update on the planned Forward Work Programme session to be arranged.

11. **Urgent Items**

There were none.

CHAIRPERSON

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 8th October 2024

Supporting Innovation and Low Carbon Growth Programme Update

RECOMMENDATIONS/KEY DECISIONS

To inform Joint Scrutiny Committee of the progress made and status of the SBCD Supporting Innovation and Low Carbon Growth Programme

1. Introduction

The Supporting Innovation and Low Carbon Growth Programme vision is: ***to deliver low carbon, sustainable and inclusive economic growth for the region.***

The Supporting Innovation and Low Carbon Growth (SILCG) programme aims to deliver sustainable jobs and growth in the Swansea Bay City Region by creating the right environment for innovation and new technologies to support the creation of a decarbonised and innovative economy.

The programme's Investment Objectives include:

1. To build resilience, diversify and grow the regional economy
2. To support innovation and new product development in science, technology and manufacturing sectors - strengthening industry, academia and government collaboration
3. To support innovation to influence a shift in the use of high CO₂ energy usage to low CO₂ energy usage in economic activities (industry, commercial buildings and transport)
4. To demonstrate the link between GHGs from economic activities and air quality improvements in the targeted area.

The £64m programme funds the following eight interlinked projects:

- Bay Technology Centre
- South Wales Industrial Transition from Carbon Hub (SWITCH)
- Hydrogen Stimulus Project
- Air Quality Monitoring Project
- Low Emission Vehicle Charging Route map
- Advanced Manufacturing Production Facility, including open access equipment for industry
- National Net Zero Skills Centre of Excellence (new project approved December 2023)
- Property Development Fund

2. SILCG Programme Status

Business Case

The SILCG programme underwent a Peer Review in January / February 2020, a Gateway Review Project Assessment Review (PAR) in June 2020, followed by a Gateway Review Critical Friend Review (CFR) in October 2020. An internal audit was also undertaken in October/November 2022.

Governance

- The SILCG Programme Governance is fully established and functioning. The governance structure ensures robust, effective decision making and accountability.
- The SILCG Programme Board has been fully established. Membership of the Board comprises senior representation from the Programme's key partners with the opportunity to co-opt representation from additional key stakeholders as and when required. Terms of reference are in place, agreed upon and reviewed at regular intervals.
- A Senior Responsible Officer (SRO) for the Programme is in place.
- The Programme Risk Register is fully operational and scrutinised regularly by the SILCG Programme Board.
- The Programme has a comprehensive Integrated Assurance and Approval Plan (IAAP) and Risk Potential Assurance (RPA) Matrix in place which follows regional and national formats and requirements. Both the IAAP and RPA are regularly reviewed in consultation with the City Deal PoMO.

Funding

- The SILCG Programme Business Case was approved in August 2021
- The primary funding agreement for the SILCG Programme has been signed under seal.
- An additional £5.3million (originally allocated to Neath Port Talbot Council but not attributed to any activity) was approved at the end of 2023 to fund the National Net Zero Skills Centre of Excellence.

3. SILCG Programme Delivery Summary

The eight interlinked projects are at various stages of delivery.

Bay Technology Centre

Developed in response to well-evidenced demand for high quality, flexible business premises. A hybrid building on Baglan Energy Park providing a range of high quality, flexible, speculative office and laboratory space to support start-up businesses and indigenous business growth.

The design of the building has established it as Wales' first commercial 'building as a power station' (energy positive) with a link to the University of South Wales Hydrogen

Centre providing a proof of concept to use renewables to create hydrogen and fuel vehicles demonstrating the potential to decarbonise vehicle refuelling.

Current occupancy of 53% with a pipeline of interested parties. Recent tenants include High Value Manufacturing Catapult (Baglan Office) and UK Shared Prosperity Fund (UKSPF) Strategic Projects collaboration.

SWITCH (South Wales industrial Transition from Carbon Hub) Harbourside

SWITCH will provide a specialist facility on Harbourside, Port Talbot to carry out research to support the steels and metals industry and supply chain to improve competitiveness by increasing product capability and reduce carbon emissions to meet legislative requirements.

This will be achieved by strengthening collaboration between industry and academia and increasing the level of applied research to accelerate the adoption of improved products and processes. The City Deal funding will be used to construct a purpose built facility and purchase specialist equipment.

12 month design phase concluded with Pre Application Consultation (PAC) proposed to be submitted in Spring / Summer 2024, this will be followed by a 15 - 18 month construction phase.

Advanced Manufacturing Production Facility (AMPF)

This project has been developed in response to the well evidenced need for business sites and premises, including industrial premises. The project is to develop a hybrid building based on the 'proving factory' concept, providing a range of production units incorporating a pilot line with office space to support start-up companies and indigenous business growth in the innovation and manufacturing sectors.

Currently exploring options for delivery models to align to the existing local ecosystem. Convening a group of key stakeholders in Spring / Summer 2024 to explore delivery model options.

National Net Zero Centre of Excellence for Skills (new project approved in December 2023)

To deliver industry led, green skills training and development by upskilling the local, regional and national labour markets with appropriate green skills to enable transition to a net zero economy, whilst supporting the development of local and regional low carbon projects.

The aim is to establish the facility as a central hub for national Research Development & Innovation activity, using the state of the art facilities to increase the number and quality of low carbon businesses in the region, promoting further investment and innovation. The skills provision will be collocated with the Advanced Manufacturing Production Facility.

- Support from PoMO with Outline Business Case (OBC) preparation
- SILCG Programme Board sign off (11/10/23)
- City Deal Economic Strategy Board (ESB) Test & Challenge (13/10/23)
- Briefing with UK and Welsh Governments (23/10/23)
- SBCD Programme Board sign off (31/10/23)
- SBCD Joint Committee sign off (16/11/23)
- UK & WG sign off (19/12/23)

- Approval email received on (09/02/24)

Hydrogen stimulus programme

This project has been developed to demonstrate the viability and commercial opportunities to the creation of hydrogen from renewable sources.

The project will establish a link between the Swansea Bay Technology Centre and the University of South Wales Hydrogen Centre on Baglan Energy Park, including necessary upgrades to the equipment including an electrolyser to create smart energy systems and to use excess electricity to convert to hydrogen to fuel vehicles for council use which will also be purchased with City Deal funding. There is potential to replicate this activity on a commercial scale which will be explored during the delivery of this initial project.

Air quality monitoring programme

This project has been developed in response to air quality issues and the need to understand levels of pollution to make informed decisions on mitigation and intervention measures. The project will incorporate a monitoring and analysis system to provide verified sources of air quality data. The data analytics generated by the project will help to identify correlation with factors such as pollution sources, both internal and external to the area. The funding will be used to purchase air quality monitors and the data analytics side of the project. There is potential to replicate this activity across the region, Wales, the UK and worldwide.

Electric vehicle charging infrastructure route map project

This project has been developed in response to the need to decarbonise transport, and address the new challenges posed by the increasing number of electric vehicles. The project consists of three phases:

Phase 1 – to consult with leading academics, industry partners and the public sector to produce an effective, impactful and future-proof electric vehicle charging strategy / coordination of activities.

Phase 2 - will focus on the physical implementation of smart charging stations and the grid infrastructure required to support modern charging technologies.

Phase 3 – To use information gathered from the implemented smart charging stations to build a detailed dataset of electric vehicle charging behaviours within the area. This will be used to fuel research into topics including vehicle-to-grid transfer for flexible energy systems, virtual power plants, and future economic/business models for electric vehicle charging stations.

Property Development Fund

This project has been developed to support the viability of private sector schemes to develop bespoke and speculative buildings in the Port Talbot Waterfront Enterprise Zone (Harbourside, Baglan Energy Park and Baglan Industrial Estate). The fund will be administered by Neath Port Talbot Council as a £10million fund (£4.5million gap funding non-repayable finance / £5.5million Private Sector investment).

Projects from round 1 are currently being notified and Grant Agreements issued. Round 2 Expression of interest projects have been notified and invited to submit stage 1 applications.

NPTCBC Internal Audit of SILCG Programme

During October and November 2022 the SILCG Programme was subject to an internal audit. This involved a series of interviews and analysis of programme documentation, claims, governance, procurement etc. The outcome from the audit published on 15th November 2022 was the project demonstrated '**Substantial Assurance**' which is the highest rating available.

Forward Plan

- Additional tenants to be secured for Bay Technology Centre
- Agreement and signing of Heads of Terms and Agreement for Lease between Neath Port Talbot Council and Swansea University in relation to SWITCH
- AQMP activities to continue with additional sensors deployed
- Scoping exercise to explore delivery models with key stakeholders for the AMPF
- PDF issue Grant Agreements for projects to start delivery.
- Appoint a new programme manager.

4. SILCG Programme Risks

The SILCG Programme has a comprehensive risk register which is used to identify, record, monitor and mitigate against all Programme and individual Project risks. There are currently 15 live risks being managed across the Programme, of which the following 2 are classified as red:

Title	Risk description	Control actions
TAN 15 Revised Flood Maps	Revised TAN 15 flood maps could potentially affect SWITCH, AMPF, and any PDF projects.	Potential impact is currently being assessed and will need to be closely monitored.
Increasing capital costs	Further funding could be required i.e unforeseen costs, changing requirements, COVID etc.	<ol style="list-style-type: none"> 1. Effective programme management / budget monitoring 2. Capital costs around construction - if build costs increase could impact on fittings which could impact on outputs.

Appendices:

None

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SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 8th October 2024

SBCD Quarterly Monitoring Report

RECOMMENDATIONS/KEY DECISIONS

To inform Joint Scrutiny Committee of the SBCD Quarterly Monitoring Report for both the SBCD Portfolio and its constituent programmes / projects

1. Introduction

SBCD Quarterly Monitoring Report for the SBCD Portfolio and its constituent projects provides the Programme (Portfolio) Board with a summary of key activity for Q1 2024/25 and current quarter planned activity.

2. Background

2.1 Appendix A: Dashboard Quarterly Monitoring

A summary of all the Quarterly Reporting documentation. It was agreed by Joint Committee that the following components would be included in the initial iteration in quarterly monitoring dashboards:

Item	Theme	Update	Annex
1.	Programme / Project RAG Status	Pentre Awel - <u>Delivery</u> - Updated to Amber. A revised construction programme has been agreed in the period which re-casts the Zone 1 handover date to Q1 2025 for primary areas of the building.	A / B
3.	Portfolio Red Risks	Red Risks remain at 5. No change	A
4.	Portfolio Red Issues	No Red Issues, no change.	A
5.	Benefits Realisation	Increase in jobs created from 597 to 615 due to an increase with Pentre Awel	C
6.	Financial Management	Detailed information is in the Quarterly Financial Monitoring Report will be a separate Agenda item	-
9.	Communications & Engagement & Business Engagement	Part of Quarterly Monitoring Report	B

	Gateway Review Action Plan	Latest progress on the Gateway Review Actions	D
10.	Procurement Pipeline	As below table	F
11.	Construction Impact Assessment	This report shows an estimated £43.5m shortfall across the portfolio due the current pressures affecting the construction sector. No change since last quarter.	G
12.	Internal Audit Recommendations Report	Update on recommendations 2022/23 & 2023/24	E

2.2 Appendix B: The SBCD Quarterly Monitoring Report is made up of 2 levels with several components

- Portfolio
 - Communications and Marketing
- Programmes / Project
 - Scorecard with status summary
 - Previous quarter achievements and current quarter planned activities
 - Outputs

2.3 Appendix C: Benefits Realisation

The SBCD Benefits Register captures the annualisation of Portfolio benefits for Investment, and Jobs that will be delivered up to 2032/33

Increase in jobs created from 597 to 615 due to an increase with Pentre Awel (18)

Total Investment increased from £289.29m to £318.23 due to an increase with Pentre Awel and PDM

2.4 Appendix D: Portfolio Gateway 0 Review Action Plan

The SBCD Portfolio Action Plan available in Appendix D has been developed in response to the recommendations made in the Gateway 0 review undertaken in July 2023

The Action Plan is a 'live' document, updated on a monthly basis with the potential to expand the scope of the plan to incorporate other work areas of the PoMO. As such it will be the Portfolio Action Plan and a key operational document for overseeing the timely and effective delivery of the forward work programme of the SBCD PoMO.

2.5 Appendix E: Internal Audit Action Plan

An Internal Audit was completed April 2024 with a Substantial (Green) rating awarded. The Action Plan highlights progress made on the 5 recommendations listed in the Audit Report from 2022/23. 2 out of 5 complete, 3 on going. 2 New Recommendations added for 2023/24.

2.6 Appendix F: Procurement Pipeline

The SBCD has an agreed set of procurement principles that outline the expected approach for its programmes and projects to follow. Achieving the maximum of community benefit and social value are primary considerations of these principles.

This procedure accepts that there is an obligation in the WPPS for the public sector to report community benefits annually for projects over £1m, utilising an acceptable method such as the WG community benefits toolkit. The SBCD procurement principles acknowledge this requirement.

The SBCD Procurement Pipeline details the route of procurement, start and completion date and contract value which covers the design and construction phase of the SBCD Programmes and Projects

Changes reflect that the projects and programmes are in delivery and maturing their procurement plans with more accurate delivery target from contractors.

Project/programme procurement movement this quarter include:

Table 1

Digital Infrastructure	<ul style="list-style-type: none"> Connected Places completion date moved from Q4 2025 to Q1 2026.
Pentre Awel	<ul style="list-style-type: none"> Zone 1 Construction - Completion date moved from Q4 2024 to Q2 2025 Zone 1 EV Charging Operator - Procurement date moved from Q2 2024 to Q3 2024 On Site date moved from Q4 2024 to Q1 2025. Completion date now TBC Zone 1 Site Security - On site date moved from Q4 2024 to Q1 2025. Zone 1 - Leisure Equipment - Procurement date moved from Q2 2024 to Q3 2024. On site date moved from Q4 2024 to Q1 2025. Completion date now added Q1 2025. Zone 1 Interior Designer - Procurement date moved from Q2 2024 to Q3 2024. On site date moved from Q3 2024 to Q1 2025. Completion date now added Q1 2025.
PDM	<ul style="list-style-type: none"> MEECE - Added new item - Civils for X-Band Radar at St Anne's Head

2.7 Appendix G: Construction Impact Assessment

The purpose of the Construction Impact Assessment Summary is to combine cost/risk/issues and impact assessment to highlight and quantify the specific cost increases/risks/issues currently being experienced throughout the construction industry and the resulting effect across the SBCD Portfolio.

SBCD Programme Board and Joint Committee have requested that all programmes and projects assess their current status and ongoing monitoring with regards the potential impact these construction challenges will have on the successful delivery of the portfolio and the constituent programmes and projects.

The current report is in a new format that presents the information more concisely.

This report shows an estimated £43.5m shortfall across the portfolio due the current pressures affecting the construction sector. No change since last reported to Joint Committee in June 2024

Table 1 shows a summary of risks identified in Programme / Project returns. 1 new Risk added for Pentre Awel - Delays to Construction Company which has added an extra 1 Red for Time, 1 Amber for Reputation, 1 Amber for Cost and 1 Green for all other categories.

Table 1

Impact Field Risk / Issue	Scope	Targets	Time	Reputation	Stakeholder / Partnerships	Costs	Procurement	Resources
Red	1	0	8	0	0	4	0	0
Amber	11	20	17	20	12	24	18	5
Green	34	26	21	26	34	18	28	41

Appendices:

- A: Dashboard Quarterly Monitoring
- B: SBCD Quarterly Monitoring Report
- C Benefits Summary
- D: Portfolio Gateway 0 Action Plan
- E: Internal Audit Action Plan
- F: Procurement Pipeline
- G: Construction Impact Assessment

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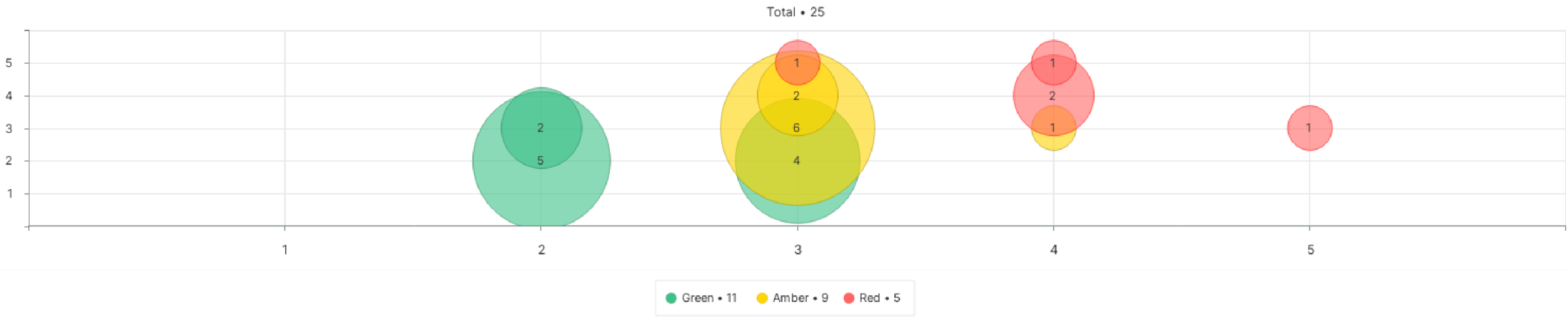
Email:
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SBCD Portfolio RAG Status

Name ↑	RAG Delivery	RAG Scope	RAG Staffing/resource	RAG Finance	RAG Stakeholder Engagement	RAG Overall Rating
Campuses	Red	Green	Green	Red	Green	Red
Digital Infrastructure	Amber	Amber	Green	Amber	Green	Amber
HAPS	Amber	Green	Green	Amber	Amber	Amber
PDM	Amber	Green	Green	Green	Green	Green
Pentre Awel	Amber	Green	Green	Green	Green	Green
SILCG	Amber	Green	Green	Amber	Green	Amber
Skills & Talent	Green	Green	Green	Green	Green	Green
Swansea Waterfront	Amber	Green	Green	Amber	Green	Amber
Yr Egin	Amber	Amber	Amber	Amber	Green	Amber

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Portfolio Risks



Red Risks

Name	Resid...	Description	Mitigation Plan	
Increase in cost of construction	Red	Risk that cost of construction may increase impacting on budgets set out in Programme / Project Businesses resulting in an overspend	<p>08/04/24 Overall current estimated construction cost has increased to £43.5m. An increase of £1.2m since the last report to PB in March-24. The increase is in relation to the SILCG SWITCH Project. CIA Report summarises the key mitigations and resolutions in place to close the funding gap. The Residual Gap currently stands at £12.7m. Continue to monitor. PoMO to request in Joint Committee that the CIA report goes back to quarterly reporting</p> <p>26/06/24 No change during May / June reporting period. SBCD Programme (Portfolio) Board have requested PoMO to revisit the CIA report. Key significant procurements still in pipeline which currently have not identified CIA funding gap.</p>	
Welsh Government 2021 update of TAN) 15 development risk of flooding, coastal erosion & associated flood planning maps.	Red	Proposed updates to the TAN and maps have recategorised the vulnerability of certain developments, increased the extent of the flood maps and the ability of land owners and local authorities to potentially achieve planning permission and ultimately develop land affected by the 2021 updates.	<p>24/04/24 WG have been working with NRW to understand the integrity of existing flood defences in the National Growth Areas set out in Future Wales. Coincident with this the TAN got stuck due to the FM election and changes to the Cabinet. Now this uncertainty is out of the way WG expect to be putting advice to the Cabinet Secretary soon with a redrafted version of the TAN</p> <p>24/04/24 WG have been working with NRW to understand the integrity of existing flood defences in the National Growth Areas set out in Future Wales. Coincident with this the TAN got stuck due to the FM election and changes to the Cabinet. Now this uncertainty is out of the way WG expect to be putting advice to the Cabinet Secretary soon with a redrafted version of the TAN.</p>	
In Year Slippage	Red	Having undertaken a reprofiling and baselining exercise across the Portfolio, there is a risk of an in year underspend of circa 10% of the portfolio value, however this has no effect on the overall investment of the Portfolio or the wider benefits and deliverables.	<p>08/04/24 Q3 2023/24 reported circa £43.4m slippage. Currently monitoring Q4 2023/24 slippage. Explanatory notes will be provided in Q4 monitoring on the reasons for slippage.</p> <p>26/06/24 Q4 2023/24 reported circa £54.7m slippage. Noting this number is likely to be lower once Digital Infrastructure have confirmed Private Investment figures.</p>	
Slippage in delivery of programmes / projects against key milestones	Red	As all City Deal Business Cases have now been approved the risk that City Deal doesn't achieve the outcomes intended within the timescales agree due to slippage in delivery of programme against key milestones resulting in borrowing and recuperation not accurately reflecting spend. Has been re-assessed following the closing of Risk ID SB CD013.	<p>04/01/24 Q3 2023/24 slippage currently being compiled.</p> <p>11/04/24 FY 2023/24 has demonstrated further slippage. As a consequence the PoMO instigate a point in time assessment of Programme / Project slippage against original targets.</p> <p>26/06/24 Slippage is being monitored by PoMO and Finance Manager.</p>	

Programmes / Projects are requested to submit Change Notifications and Procurement Pipeline being updated quarterly. Governments were informed of BCD slippage at the June WCGIB. PoMO and Finance Manager will be working with Programmes and Projects to more accurately forecast progress and report spend.

Prog/Proj delivering all outputs and outcomes within the business case

Red

Risk that programmes and projects will not deliver elements of the business case resulting in depleted benefits being delivered. Currently funding agreements ensure that programmes and projects are committed to the delivery of business case objectives through the delivery of the outputs, however some of the business cases rely on the outcomes in order to realise the benefits within them. It is a risk if both outputs and outcomes are not delivered upon, however if an output or outcome is not attempted then the organisation will have failed to use best endeavours

11/04/24

PoMO are continuing to work with Programme / Project Leads to finalise Benefit Profiles, and aim to submit to Governance Boards in Q1 2024/25.

26/06/24

Evaluation Framework submitted to Governance Boards and approved by Joint Committee in June 2024. Programme / Project Evaluation Profiles to be submitted to July Programme (Portfolio) Board and incorporated into the Evaluation Framework.

Portfolio Gateway Review Action Plan

Task ↑	Task : Planned Finish	Comments
1 - Reinforce communication of the strategic, regionalised approach, both internally and externally	31 Jul 24	Meet the City Deal Pembrokeshire event held 20th July and Carmarthenshire event confirmed for 27th November. Portfolio representation at Careers Wales events, Welsh Business shows, Welsh Construction show and Intro Biz Expo in October Established SBCD Construction and Community Benefits sub group and Monitoring and Evaluation Task and Finish Group. Meetings held and schedule of future meetings set
2 - Further develop the benefits management approach to shift the focus to sustainable social and economic uplift, not just enablers.	31 Jul 24	SBCD Monitoring and Evaluation Task and Finish Group established. Initial meeting held in August and Group now meeting at regular monthly intervals Engagement initiated with other City and Growth Deals to identify best practice Meetings held with project teams to clarify requirements for benefits realisation and reporting. Benefits registers, profiles and maps being developed at a project level Engagement initiated with other City and Growth Deals to identify best practice
3 - Review and refresh the Portfolio Governance structure	29 Dec 23	Discussions ongoing
4 - Emphasise the focus on Dependencies and Opportunities	30 Jul 24	ESB involvement in the development of project proposals and engagement being promoted across the portfolio as projects are developed and delivered. ESB Test and Challenge session held in October to discuss the Enhanced AMPF OBC

Active Change Requests

001	Innovation Matrix Reprofile	Change Request Confirmation of Financial Reprofile Confirmation of revised Delivery Timeline
003	Swansea Waterfront	Change Notification Update Completion Date Swansea Arena Update Planned Completion Date 71/72
002	Digital Infrastructure Change Notification	Change Notification Confirmation of Business Case Updates
004	PDM	Change Notification Confirmation of PDI Completion Date
005	Campuses	Change Notification New estimate for sketty lane construction cost is £17.2 M as opposed previously forecast from the funding gap paper
006	SILCG	Change Request NPT Council obtained approval from SBCD JC to develop an enhanced business case for the SILCG AMPF projects. The NNZSCoE business case is attached detailing the Green Book 5 Case structure (strategic, economic, commercial, financial and management cases).
007	PDM	Change Notification Date change will allow Swansea University to recruit a PhD student who will make a significant contribution to their activities based around the fatigue testing equipment that was partly funded with City Deal grant The new end date also means that the full financial year of 2025/26 is now within the City Deal spending period, which aligns better with other funding sources that the PDM partners will be applying for Timeline - 7 month extension to the period over which City Deal funding will be defrayed Benefits - More time and better alignment to financial years should increase our ability to win further funding to deliver the MEECE project outcomes and impacts.
008	PDM	Change Request Change Information Notice 2 was approved in May 2023 to push the output achievement date for IP4 (progress toward planning consent for the PDZ element) to the end of the FY 26/27. Following approval CSP have updated PDZ's financial profile to match, extending the City Deal funding profile from the end of FY 23/24 by 36 months out to end FY 2026/2027. This revised profile along with supporting narrative formed part of the recent Business Case Addendum process being shared with PoMo and accountable body finance officers
003b	Waterfront	Change Notification Extension to 003 Milestone completion date for 71-72 Kingsway (Digital Village) has changed from the business case V003 October 2023 to March 2024. This delay to programme is due to a (now resolved) dispute with BYUK on groundwork programme scope. There is no change to the project benefits as stated in the business case as they will be realised within the City Deal timeline.
009	HAPS	Change Notification HAPS Supply Chain Fund reprofile. Since the overall HAPS Project financial reprofile in Q2 2023/24, a further reprofile for the HAPS Supply Chain Fund (SCF) has been undertaken to accurately reflect the planned expenditure profile for the fund. The change will ensure alignment with several additional regional funding opportunities from UK Government including UKRI, Levelling up and SPF. A scoping exercise has been undertaken, ensuring funds and opportunities add value and are maximised, whilst reducing potential duplication/ conflict with complimentary funding schemes.
010	Campuses	The Campus project has been awarded £1.5m from the Digital Infrastructure 5G Innovation Fund. Due to complexities of contract negotiations and following site surveys there are two changes to the project. <ul style="list-style-type: none"> A change from the number of total new macro installations from 5 to three. These were initially listed as two in SA2, Two in SA1 and one in SA6. This requires amendment to two in SA2 and one in SA1. SA6 will be covered through upgrade of existing infrastructure.

- There will be a change in timelines now to reflect our delays in procurement and signature of contract. The project is still committed to being completed by November 2025 with all infrastructure in place (and grant spent) by December 2025.

011	Digital Infrastructure	The Connected Places Full Fibre Infrastructure Build (FFIB) with the PSBA to 69 public sector assets across the region is in full delivery and nearing its first payment milestones. To support with the funding of this project, the programme has secured additional capital funding of £1.05m via Welsh Government's Local Broadband Fund (LBF). This is additional public sector matching funding investment to that originally profiled for the programme. The investment will be received in the financial year 2024/2025 and will be reflected in benefits reporting for that year.
012	Digital Infrastructure	<p>The Digital Infrastructure Programme currently runs to end of September 2026.</p> <p>In order to ensure that all capital contracts can be managed and deliver to full completion it is proposed that:</p> <ul style="list-style-type: none">• The programme delivery timescale is extended by an initial period of six months to end of March 2027.• Some of the current revenue underspend identified for the programme is initially utilised to extend the central programme delivery team only by period of six months to end of March 2027.

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**Swansea Bay City Deal Portfolio
Quarterly Monitoring Report
(April - June 2024)**

Programme / Project Scorecard							
Prog / Proj	Status Update	Delivery	Scope	Staffing Resource	Finance	Stakeholder Engagement	Overall (change)
<p>Digital Infrastructure</p>	<p>Programme remains on target to deliver objectives to time. PSBA FFIB order is progressing, forecasted for completion by Q2 2025-26. To date, 19 sites are End to End complete, 22 CBT complete, and 24 in build. All remaining sites are in planning or survey. Dark Fibre East procurement now completed with VMO2 awarded the contract following a period of contract negotiations. Project mobilisation meeting to take place early July 2024; build due to be completed within 18-20 months.</p> <p>Procurement for Dark Fibre Carmarthenshire is progressing, with PIN issued on Sell2Wales and PPME completed; working with the CPU on finalising specification and other tender documentation prior to issuing ITT, on track to launch end of July 2024.</p> <p>5G Investment Fund continues to be open for applications from SBCD projects and programmes and has now been extended for applications from the private sector following board approval. First award to Campuses project 5G Living Lab in delivery, on track for completion within agreed timescales.</p> <p>Stakeholders in UK and Welsh Government continue to be fully engaged, working closely with the programme, ensuring alignment of national and regional connectivity projects, notably Project Gigabit.</p> <p>Better Broadband in-fill project progressing to time with local LA teams finalising latest data for project gigabit, commercial rollout, and other government intervention areas to ensure an accurate and targeted site list. PIN issued on Sell2Wales and PPME completed with 10 suppliers engaged. Specification and route to market to be determined with CPU with tender to be issued end of July 2024.</p> <p>Benefits Realisation exercise for 2022-23 completed, pending publishing once confirmation of final investment figures. Exercise for 2023-24 to be completed in summer 2024.</p> <p>Hosted successful Digital Innovations and 5G event at Swansea.com stadium, to an audience of circa. 80 attendees comprising of industry experts, private and public sector partners. Event well received by all in attendance and those joining on live stream. Comms to follow after election period.</p> <p>Central engagement and communications officer continues to work on event planning, press releases, engagement, and educational video content to support programme delivery and engagement with stakeholders.</p> <p>Local teams fully resources and working well across the region with key stakeholders, notably fibre/mobile network providers, internal departments, and open access network providers.</p> <p>Local team at Swansea Council continue to build on momentum to secure Open Access Agreement with Ontix following signatory of agreement with Freshwave.</p> <p>Continuous dialogue with UK and Welsh Governments, and key national and regional private sector partners, including leading telecoms providers. Central team in regular contact with other growth deals to share best practice/lessons learned/challenges.</p>			↓			↔
<p>Pembroke Dock Marine</p>	<p>PAR review completed in Sept / Oct 23, which concluded PDM is mostly green with some Amber (focusing on Outcome and Impact related benefit realisation)</p>						↔
<p>Pentre Awel</p>	<p><u>Delivery</u> – Updated to AMBER. A revised construction programme has been agreed in the period which re-casts the Zone 1 handover date to Q1 2025 for primary areas of the building. The health board demise will follow in Q2 2025. Works being delivered and managed in accordance with the NEC3 Construction Contract. <u>Finance</u> – remains Green as forecasted construction cost remains in tolerance with the contract sum agreed with Bouygues UK and prior approval at Full Council. Z Clause for managing inflation risk of key materials has been removed from NEC3 contract. Swansea University has signed an agreement to lease for its demise, and agreements with Hywel Dda University Health Board in the process of being finalised. Discussions are ongoing with other prospective FE and HE tenants. Commercial property agents appointed to help secure tenancies. External structure has been completed, culminating in the Topping Out event on 29th February 2024. Internal works progressing well.</p>	↑					↔
<p>Yr Egin</p>	<p>Increasing economic uncertainty and Covid implications impacting on levels and nature of demand. Following Phase 1 Lessons Learned exercise, an updated Creative Sector demand analysis has identified a significant change in the type of target companies (by financial size) and nature of provision required (bespoke support services rather than leased floorspace). Internal team putting in place process to identify</p>						↔

	<p>Quarterly Monitoring Report</p> <p>required revisions to meet industry requirements post-COVID. Project team moving forward with Change Notice for Egin Phase 2 but this will only be submitted when the new University Senior Leadership Team have agreed the direction of travel</p>						
Campuses	<p>Delays with the funding agreement have started to affect the timeline of the project. Funding agreement signed January 2024. 3 separate change notifications (ILS Singleton, Morrision Management, Access Route) will be submitted to reprofile timelines of outputs. Scope of the project remains unchanged as per the Business case however particular focus is on the affordability of the Phase 1 Singleton development and Morrision Management Centre. Mitigating actions formulated and circa £4M approved for Singleton phase 1 by Swansea University. Delivery and finance red due to funding agreement only being signed.</p>						↕
Homes As Power Stations	<p>A large proportion of the HAPS Financial Incentives Fund has now been allocated, supporting over 360 homes across the region. HAPS supported two successful applications to leverage funding from UK Government supporting the realisation of the project benefits, financially totalling £12.5m</p>						↕
Supporting Innovation & Low Carbon Growth	<p>Multiple projects in delivery namely SWITCH, AQMP, LEV, PDF, H2 stimulus project-</p> <ul style="list-style-type: none"> - Bay Technology Centre - is currently at 53% occupancy with active pipeline of enquiries. - SWITCH - Morgan Sindall progressing with the design phase of the project with monthly design meetings. - Enhanced AMPF project received approval for National Net Zero Skills Centre of Excellence. Key stakeholder engagement and land acquisition enquiries are continuing. - PDF stage 2 process underway with Grant Agreements issued - LEV strategy under development. - AQMP project draft analysis report has been received <p>SILCG Programme Board meets quarterly. Lessons learned from BTC construction is informing future projects such as SWITCH. Finance changed to Amber to reflect funding gap on SWITCH.</p>						↕
Skills & Talent	<p>22 Pilot projects and 4 Apprenticeship developments have now been approved by RLSP board.</p>						↕
Swansea City & Waterfront Digital District	<p>71-72 Kingsway: BYUK now undertaking landlord fit out works, Practical Completion programmed for August 2024.</p> <p>Arena Hotel - Hotel developers and operators shortlisted after successful marketing campaign. Interviews held with three developers and are currently being considered.</p> <p>Innovation Matrix will be practically complete on 10th July 2024. Discussions ongoing between Swansea Council & UWTSO about the delivery of the Innovation Precinct. Innovation Precinct - funding on amber</p>						↕

Title	Portfolio Management Office (Communications & Marketing)	Reporting Period	Q1 2024/25
Officer	Heidi Harries (SBCD Communications & Marketing Officer)		

Key achievements

- 45 positive mentions in local, regional, national and specialist media. Previous quarter was 67 therefore down by 22.
Pre-election period started on 31st May 2024.
Coverage was through the following media outlets: Wales Online, Western Mail the South Wales Evening Post, Wales Business Insider, Business News Wales, Wales 247, Inside Media, and specialist publications. Topics covered include: Digital Infrastructure Event Improvements in mobile connectivity in Swansea, Pembroke Pontoon welcomes first customer, Biodiversity at Pentre Awel and Port of Pembroke breaks £40m revenue.
- X posts - From 1st April – 30th June: Number of followers is 1,559. Post impressions is 4,748.
- Facebook posts - From 1st April – 30th June: Number of followers is 1023. Post impressions is 5, 868.
- Represented the City Deal in the Welsh Business Show and Welsh Construction Show in Cardiff.
- Planned and organised the Meet the City Deal Event in Neath Port Talbot.
- Helped co-ordinate the Digital Infrastructure 5G Technology workshop.
- Helped co-ordinate the City Deal section of the NNISH video
- Social posts and/or web updates including 5G Innovation Event, Kingsway latest pictures, Job Opportunities, Pembroke Pontoon first customer, Neath Port Talbot Meet the City Deal Event.
- First stage training on the new website CMS.
- Final text draft of Annual Report and confirmed new design.
- Finalised the Marketing budget planning and forecasting.

Key Activities planned

- Attend events including Welsh Business Show Carmarthen.
- Finalise the Annual Report for approval and issue.
- PR on upcoming activities (following the issue of the Annual Report)
- Further training on the new website CMS
- Upload copy and build content for the new website ahead of the launch in December 2024.
Plan Marketing and Communications workshop.

Title	Portfolio Management Office (Business Engagement)	Reporting Period	Q1 2024/25
Officer	Peter Austin (SBCD Business Engagement Manager)		

Key achievements over the last 3 months

Support Programmes and Projects - Ongoing support for programmes and projects this quarter includes:

- Supporting Pentre Awel at the community benefits steering group.
- Supported UWTSD at Industry open day.
- Supported RLSP at Retrofit Conference.
- Arranged and delivered Business Engagement workshop for stakeholders.

Events - Events attended include:

- Arranged and delivered regional showcase event with NPT CBC at Margam Park
- Exhibited at SWWRFC event Parc y Scarlets.
- Attended 4theRegion Pembrokeshire event.
- Exhibited at Welsh Business Show, Cardiff.

- Exhibited at Welsh Construction Show, Cardiff.

Business Engagement –

Meetings:

- Oliver Phillips, Gambit Corporate Finance. Passed information to S151, UWTSU, SU.
- Russel Greenslade, Swansea BID. Follow-on from Swansea City Deal event.
- William Silverstone, Silverstone Green Energy. Follow on from events contact.
- Christine Jardine, Computer Aid Wales.
- Mark Hunter, Parc Dewi Sant developer.
- Louise Jones, Innovate UK/UKRI. Investment opportunities.
- Simon Erasmus, Fidelity Energy. Passed info to PLs, S151 and Universities.
- Lewis Garvey, Wales and West Utilities. Passed info to relevant organisations.
- Barry Kirby, K-Sharp. Integration with projects. Info passed to PLs and other interested parties.

Support stakeholder groups.

- Attended CEIC project Advisory Panel meeting (Swansea & Cardiff Universities).
- Attended Swansea Uni schools project demo at NBGW.

Economic Strategy Board - This quarter focussed on:

- Arranging ESB involvement with Engagement Workshop.
- ESB Chair included in meeting with Innovate UK.
- Ongoing liaison with CJC team to support advisors group set up.

Other Activity:

- Attended BCIS Construction Sector webinars.
- Attended Launch of Delineate, Llandysul, follow on from earlier contact.
- Meeting with Tinint, to review delivery of website contract.
- Met with Stori Cymru, re website enhancements.
- Attended 4theRegion meeting re youth engagement.
- Meeting with Peter Jones, Growing Mid Wales re construction costs.
- Meeting with Clare Sullivan, Dev Bank Wales re-funding opportunities.
- Attended Global Welsh Brain Drain webinar.
- Undertook Armed Forces Covenant training.

Ongoing Activity

- Managing upgrade and development of new SBCD website.
- Planning and arrangements for Comms and Marketing Workshop.
- Continued monitoring of construction costs and associated reporting.
- Monitoring Apprenticeship register reporting.
- Monitoring Portfolio procurement pipeline.
- Updating the PoMO Events planner.
- Responding to enquiries received via the City Deal email inbox and other avenues.
- Managing SBCD LinkedIn account.
- Support Comms & Marketing officer in promotion of SBCD.

Key Activities planned

- Manage project delivery for update of SBCD Website.
- Arrange and deliver Comms and marketing workshop.
- Draft year end Private Sector Contribution report.
- Continue to engage and support stakeholders, programmes and projects, businesses, and ESB Board.
- Support Comms & Marketing officer in promotion of SBCD.

Project Title	Pembroke Dock Marine	Programme / Project Lead	Steve Edwards
Local Authority Lead	Pembrokeshire County Council		
Project Delivery Lead	Milford Haven Port Authority	Reporting Period	Q1 2024/25
SRO	Rachel Moxey		

Budget	
Total Budget	£65.2m
City Deal	£28m
Public	£19.2m
Private	£17.9m
Description	
<p>This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and offshore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Project features include:</p> <ul style="list-style-type: none"> • Pembroke Dock Infrastructure (PDI) improvements • A Marine Energy Engineering Centre of Excellence (MEECE) • Marine Energy Test Area (META) developments • The Pembrokeshire Demonstration Zone (PDZ) 	

Key achievements (Overall Objective ID shown in brackets)

<p>PDI update</p> <ul style="list-style-type: none"> • Lot 3 (Terrestrial Infrastructure) works in concept planning/budgeting stage.
<p>PDZ update</p> <ul style="list-style-type: none"> • Attended MEW Advisory Board and members summit to promote PDZ and PDM • Attended workshop with TCE in regards of variation to lease of PDZ. Agreed narrative around framing the future of the PDZ around the Industrial Growth Plan. • Attended Hydrogen Innovation Initiative launch and Hydrogen Innovation Initiative Showcase in Manchester. • Awaiting confirmation regarding funding won, for Subsea Soundscape project, in principle (embargoed) awaiting grant offer letter. Project in collaboration with ORE Catapult which will provide additional info for PDZ EIA • MH:HK project in delivery, “at risk”, prior to imminent signing of grant offer letter. • Attended Celtic Sea Design workshop to promote PDM as part of the Welsh and UK offer to the global energy industry.
<p>META update</p> <ul style="list-style-type: none"> • ERM Hydrogen Barge deployed at META Criterion Jetty site. • PEBL novel remote environmental monitoring stations deployed at META Dale Roads and East Pickard Bay site. • META schools competition winners deployed at META Quayside.
<p>MEECE update</p> <ul style="list-style-type: none"> • £2M funding won, for Subsea Soundscape project with Celtic Sea Power, in principle (embargoed) awaiting grant offer letter. • MH:HK project in delivery, “at risk”, prior to imminent signing of grant offer letter. • X-Band radar installation at St Anne’s Head now has planning approval, seeking an installation contractor. • Engaged with the Sea Ranger initiative, exploring how they could be contracted to deliver on our at sea projects.

- Supported Porpoise Power with their application for LaunchPad funding for a demonstration in META.

Key Activities planned

PDI

- Once Lot 3 works finalised construction contract commence works.

PDZ

- MH:HK Consenting Workshop – presenting the outputs of WP2 in collaboration with other MHHK partners.
- MH:HK Formal Launch at the H2 Bay Day in Swansea 18th of July
- Subsea Soundscape project will move into delivery phase.
- Attend the “Unleash the future of underwater tech! at Smart Sound Connect” Event

META

- Complete test campaigns of devices currently deployed.
- Porpoise Power tidal energy test device pre-deployment preparation (Dependent on Innovate UK application success).
- Detailed market assessment to establish the sector’s current/future needs for META
- ROV reef surveys at East Pickard Bay.

MEECE

- Installation of X-band radar next quarter.
- Deployment of waverider buoys as ground truth for radar measurements.
- Subsea Soundscape project will move into delivery phase.
- LaunchPad in-person Seminar expected in September, at Swansea University Bay Campus

Project Title	SBCD Campuses Project	Programme / Project Lead	Clare Henson
Local Authority Lead	City and County of Swansea		
Project Delivery Lead	Swansea University	Reporting Period	Q1 2024/25
SRO	Keith Lloyd		

Budget	
Total Budget	£130.44m
City Deal	£15.00m
Public	£58.01m
Private	£57.43m
Description	
<p>The project harnesses unique capabilities and the thriving life science ecosystem in the Swansea Bay City Region to establish an international centre for innovation in life science, wellbeing and sport, supporting preventative interventions in healthcare and medicine and driving the growth of a globally significant Sports Tech industry. The project will deliver R&D, trials and testing facilities, enabling co-location of research and industry alongside clinical infrastructure and investment opportunities. An emphasis on digital and data-driven innovation at the intersection of life sciences, health, wellbeing and sport is a key differentiator for this project within the South Wales health and life sciences sector.</p>	

Key achievements
<ul style="list-style-type: none"> Continued workstream meetings held with WS1 Morriston Management Centre, WS2 Sketty Lane, WS3 Education, WS4 Enterprise and Innovation, WS7 Research, WS8 Health and well being WS9 Morrison Link Road, Singleton Phase 2 WS2; Sketty lane <ul style="list-style-type: none"> Tender period for contractor concluded on 30th May 2024. 5 principle contractors returned tenders. Submissions currently under review. Contractor to be appointed end of July. Design review to be undertaken upon appointment and planning to be submitted July 2024. Public consultation event took place on Thursday 13th June from 8am until 6:30pm. Wider consultation has been undertaken by the wider team. 5G Vodafone bid - Continuing to progress. Change notification submitted May 2024 and approved at Digital Infrastructure board. Continued development of key business relationships and development of research and innovation collaborations Benefits - Cluster companies engaged and signed up to network. Business development - attended MediWales Event
Key Activities planned
<ul style="list-style-type: none"> WS2 - Design review to be undertaken upon appointment and planning to be submitted July 2024. WS1 - Morriston Management Centre - Review designs. Write a tender pack details designs/ requirements WS4 and 5 - Continued discussions with Vodafone UK senior leadership and other stakeholders to develop cluster of companies and commercial opportunities NNISSH network launched and established.

Project Title	Homes as Power Stations (HAPS)	Programme / Project Lead	Oonagh Gavigan
Local Authority Lead	Neath Port Talbot County Borough Council		
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q1 2024/25
SRO	Nicola Pearce		

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

Description
<p>HAPS is a regional pioneering project to facilitate the adoption of houses with energy efficient design and renewable technologies in both new build and existing housing stock in the public, RSL and private sector across the City Region. The project will support the implementation of renewable technology by facilitating collaboration across the region and creating a platform to share lessons learned. The Technical Monitoring and Evaluating contract will provide data and the ability to realise many of the project benefits. HAPS will support a regional supply chain of proven technology to enable the wider benefits associated with the project.</p> <p>The project will:</p> <ul style="list-style-type: none"> • Facilitate the take up of renewable technologies and energy efficient design in new build and existing housing stock • Support a regional supply chain of proven technologies. • Establish an open access knowledge sharing hub to share the project findings with all sectors across the region and wider • Tackle fuel poverty • Further decarbonise the regional economy • Improve residents’ health and well-being

Key achievements

<p>Project Development</p> <ul style="list-style-type: none"> • Levels of monitoring within homes has been designed for the retrofit houses and device installation has commenced. • Neath Port Talbot Meet the City Deal Event held on 9th April ‘24 • Supported application to the Skills and Talent Programme for Renewable Workshops in secondary schools in the region. • Submitted an application for funding to the Local Area Retrofit Accelerator scheme through the MCS Foundation. • Attended and presented at the South West RLSP Retrofit Conference 20th May ‘24 • Meetings held with ARCH to discuss current research and further opportunities linking homes and health. • Attended the Housing Industry Leaders Conference in Cardiff to speak as part of a panel, this gave the opportunity to share some of the work we are doing through the HAPS project.
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Key Activities planned

<p>Project Development</p> <ul style="list-style-type: none"> • Work with the regional LAEP (Local Area Energy Plan) staff to ensure opportunities are maximised. • Plan online / web content to raise awareness of FIF Projects. • Finalise scoping of Supply Chain Development Fund to present to Project Board. • Plan marketing opportunities for the HAPS Demo Houses • Scope area specific criteria for remaining Financial Incentive Fund to address any gaps not yet filled. • Employer engagement to support information gathering on skills requirements for HAPS related roles
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Outputs	
Project Outcomes	
<ul style="list-style-type: none"> Facilitate the adoption of renewable technologies in 10,300 properties (7,000 retrofits and 3,300 new builds) Develop a regional supply chain of HAPS related renewable technologies Technical Monitoring and Evaluation - determine the efficacy and impacts of renewable technologies on new build and existing housing stock Establish knowledge sharing hub for all sectors 	
Project Outputs	
<ul style="list-style-type: none"> Reduction in energy use as a result of the additional technologies funded by HAPS for new build and retrofit homes, New build = £564 per home Retrofit = £758 per home by 2033 Reduction in greenhouse gas (GHG) emissions as a result of reduction in energy use, New build = £71 per home Retrofit = £99 per home by 2033 	

	Supporting Innovation and Low Carbon Growth		
Local Authority Lead	Neath Port Talbot County Borough Council	Programme / Project Lead	Interim: Lisa Willis
Project Delivery Lead	Neath Port Talbot County Borough Council	Reporting Period	Q1 2024/25
SRO	Nicola Pearce		

Budget	
Total Budget	£64m
City Deal	£53m
Public	£5.5m
Private	£5.5m
Description	
<p>The Supporting Innovation and Low Carbon Growth (SILCG) programme has been developed to deliver sustainable growth and job creation in the Swansea Bay City Region, with a targeted focus on the Port Talbot Waterfront Enterprise Zone area. It aims to create the right environment for a decarbonised and innovative economy.</p> <p>The programme will support the green industrial revolution and will be delivered in partnership with industry, academia and government.</p> <p>The Programme of interlinked projects comprises:</p> <ul style="list-style-type: none"> Bay Technology Centre South Wales Industrial Transition from Carbon Hub (SWITCH) with Swansea University Hydrogen Stimulus Project with University of South Wales Air Quality Monitoring Project Low Emission Vehicle Charging Infrastructure Advanced Manufacturing Production Facility, National Net Zero Skills Centre of Excellence Property Development Fund 	

Key achievements
<p>Project Development</p> <ul style="list-style-type: none"> Discussions with PoMO on new SBCD website Attended SBCD Monitoring and Evaluation Sub

- SILCG Programme Board meeting held on 13th June
-
- Meeting with 5G innovation fund project
- Hosted (as part of the Strategic Funding Programme Office) the Supporting Businesses in Neath Port Talbot and the Region Event at Margam Orangery on 8th March

Bay Technology Centre

- The Centre is now 53% let with an active pipeline of enquiries
- Strategic partnerships office in the BTC has been established. This is for use by UKSPF funded strategic projects to increase the interaction with existing tenants and provide a hot desk base for UKSPF strategic projects to use.
- The High Value Manufacturing Catapult have taken occupancy at BTC.. This suite of rooms in the BTC will be to provide an interface for Welsh based organisations to access the wider UK Catapult network.

SWITCH

- The team have continued to work with Morgan Sindall and their subcontractors to optimise the internal space of the SWITCH Harbourside facility
- Work is ongoing by Morgan Sindall to address the risk register and minimise the costs around this.
- Ongoing work to reduce external construction costs as much as possible.
- Ongoing workshops with Morgan Sindall to progress to RIBA stage 3 and identify opportunities for cost reduction
- Heads of Terms and Agreement for Lease documentation in development

Enhanced Advanced Manufacturing Production Facility & NNZSCoE

- Discussions with interested stakeholders are ongoing
- Active discussions taking place around delivery and operator models for the Facility.
- Land acquisition discussions are ongoing

Property Development Fund

- Round one of funding saw five successful bidders complete Stage 2 applications. Face-to-face meetings between the project team and applicants were held to talk through process, requirements, and timings.
- Applications have been reviewed by a quantity surveyor and site visits took place, before three companies were successfully awarded the funding.
- Grant Agreements have been issued to applicants following subsidy control assessments.
- Round two of the PDF launched with NPT Council inviting Expressions of Interest (EOI) for the funding. As a result of Round Two of the Property Development Fund, three applicants have been invited to submit stage 1 applications.

Hydrogen Stimulus Project

- Infrastructure preparation works carried out in advance of purchase and installation of 100KW electrolyser which converts green energy at Hydrogen Research Centre on Baglan Energy Park.
- Funding agreement signed between Neath Port Talbot Council and University of South Wales
- £4m of EPSRC PBIAA funding awarded to a consortium of universities with the Hydrogen Centre used as a key research centre for the activity.
- €3.4m European Horizon project H2SHIFT funding awarded to develop electrolytic hydrogen testing facilities in Baglan Energy Park.

Air Quality Monitoring Project

- Ricardo Environmental Specialists produced draft quality assurance report of the network with a Year 1 data analysis report written.
- Maintenance carried out and new sensors units were made available.
- Next steps discussions with suppliers ongoing
- Automatic Urban and Rural Network (AURN) cabin upgrade is now complete.

Low Emission Vehicle Charging Infrastructure

- NPT Zero Emissions Vehicle Infrastructure Strategy document (NPT ZEVIS) approved by Neath Port Talbot Cabinet
- Working groups established to establish case study in Valley areas to explore solutions to on street vehicle charging.
- Exploring Hydrogen fleet options for Neath Port Talbot Council fleet
- £5M EPSRC Place Based Innovation Accelerator Account funding awarded which will...
- Hosted 'Road to Zero' GreenFleet Cymru roundtable event and the CENEX Cymru roadshow

Key Activities planned next Quarter

<p>Project Development</p> <ul style="list-style-type: none"> The role of Programme Manager remains vacant, , in the interim Lisa Willis and Julia Lewis will manage and coordinate the SILCG programme <p>Bay Technology Centre</p> <ul style="list-style-type: none"> Look to promote and sign up additional tenants <p>SWITCH</p> <ul style="list-style-type: none"> Heads of Terms and Agreement for Lease between NPT Council and Swansea University to be progressed and agreed Morgan Sindall to submit PAC to NPT for consideration Finalise Pre Construction Service activities <p>Advanced Manufacturing Production Facility/NNZSCoE</p> <ul style="list-style-type: none"> Set up meetings to engage local stakeholders to decide on an operator model Visits planned to local HEI partners Progress land negotiations with WG <p>Property Development Fund</p> <ul style="list-style-type: none"> The project team will continue to support applicants. Four, round two expression of interest forms were received and three have been invited to stage 1 Issue Grant Agreements and review subsidy control compliance <p>Hydrogen Stimulus Project</p> <ul style="list-style-type: none"> Further development of the technical aspects of the Hydrogen Stimulus project will take place, including finalising designs for the upgraded hydrogen vehicle refuelling facility at the Baglan Hydrogen Centre. Ongoing supply of hydrogen from the USW/Protium Electrolyser at the Baglan Hydrogen Centre Hydrogen Projects stimulated by this activity will continue to be explored in NPT and within the Swansea Bay City Region. SWITCH PBIAA, GW-SHIFT PBIAA and H2SHIFT projects will continue <p>Air Quality Monitoring Project</p> <ul style="list-style-type: none"> Take forward the field trial report from Ricardo and work out the next steps. Discuss condition of network with Ricardo and obtain upgrade costs proposals. <p>Low Emission Vehicle Charging Infrastructure</p> <ul style="list-style-type: none"> Develop procurement routes for commercial collaboration on ULEV TF Project Prioritise PFAs leading from NPT ZEVIS <p>Develop 'Fast Track' programme from PFAs</p>

Outputs

Project component	Expected Outputs
Technology Centre	Construction of an energy positive hybrid commercial building (2500 m2) completed
SWITCH	Specialised open access facility created to enhance applied research for steel & metals industry (4000 m2)
	Provision of specialised equipment to enhance research for steel & metals industry
Hydrogen Stimulus Project	Increase capacity for hydrogen production at the Hydrogen Centre at Baglan Energy Park
Air Quality Monitoring Project	Procurement & installation of 70 sensors in and around the Port Talbot Air Quality Management Area (AQMA)
LEV Charging Infrastructure	Regional strategy for LEV charging
Advanced Manufacturing Production Facility	Specialist hybrid facility providing a range of industrial / production units with pilot line and office space (4000 m2)
	Provision of open access specialist equipment advised by industry with academia input

National Net Zero Skills Centre of Excellence	1000m2 facility located on site with AMPF
Property Development Fund	Property Development Fund targeted on the Port Talbot Waterfront Enterprise Zone (expected premises created 6000 m2)

Project Title	Pentre Awel	Programme / Project Lead	Alex Williams
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q1 2024/25
SRO	Chris Moore		

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

Key achievements in Q3 2023/24
<p>Construction:</p> <p>A revised construction programme has been agreed in the period which re-casts the Zone 1 completion date to Q1 2025 for primary areas of the building (wet and dry leisure, education, business, café and customer hub). The Clinical Health and Research Hub will follow in Q2 2025 and will constitute contract completion. The prolonged programme accounts for the impact of adverse weather, additional scope and extensive re-design of Health Board space and will be managed through a Deed of Variation to the construction contract.</p> <p>Works continue to progress well onsite with the external envelope and roof works nearing completion and Bouygues on target to make the building watertight in July/August 2024. As of w/c 8th July 2024, Zone 1 is in week 75 of construction activity. Key highlights in the period include:</p> <ul style="list-style-type: none"> • Installation of 6 atrium rooflights

- Internal partitioning and mechanical and electrical services progressing in education, leisure and facilities management/back of house areas
- External cladding and brickwork are underway
- External drainage and services installations to both building footprint and car park
- Review of samples and finishes for Buildings A, B, C and E
- First review of Stage 4 technical design for Hywel Dda’s Clinical Delivery and Research Hub
- Design of cafe, leisure retail/customer hub and signage & wayfinding fixed for pricing
- Completion of northeast section of foot/cycle path. This now opens up the entire northern lake section of footpath for public use
- BREEAM design stage certificate issued June 2024 with a score of 75.7% achieving BREEAM “excellent”.
- BYUK has completed 95% of its procurement activity

Community Benefits:

- 3,158 person weeks of TR&T delivered during the construction phase to date, inclusive of 35 apprentices and 62 new entrants (mix of unemployed, long term unemployed, NEET and economically inactive). BYUK is currently averaging 300 TR&T weeks per month
- BYUK’s ‘Employment Hubs’ (which proactively promote TR&T opportunities to target groups) have, to date, helped 22 people find employment onsite. Of these, 17 employees reside within a Llanelli postcode
- BYUK has interacted with 617 pupils and delivered 110 hours of educational engagement. It is supporting local schools to deliver a 6-week ecology and sustainability project and preparing for the second cohort of the Skills & Talent funded Real World Learning project in which participating primary and secondary schools will be tasked with designing assisted living or hotel facilities at Pentre Awel. In addition, July will see the culmination of an artwork project with Coleg Sir Gar students; an event will be held onsite to unveil the new site hoarding based on the 7 wellbeing goals
- BYUK contributed £5,000 in sponsorship towards a homeless street [football initiative](#) at Stebonheath Park in May
- Some community initiatives (newsletter and Residents Surgery) have been paused whilst the Council observes the pre-election protocol period for the PCC and general election

Project Update:

- First draft of updated Full Business Case (FBC) prepared. Following review and sign off within internal project and CCC governance structure, this will be submitted to the City Deal PMO and requisite change notification procedures will be observed
- CCC has appointed BP2 and Savills as joint commercial property agents to promote Pentre Awel to prospective business tenants and provide market intelligence on the type of office and lab space required. Marketing materials and methodology being developed. Potential for a demo/show office being explored
- Three SPF Project Managers in post covering remit of (1) business and clinical incubation; (2) research and product development and (3) social models and community health. These roles will help develop a ‘pipeline’ of businesses/organisations ready to move into the Pentre Awel ecosystem once opened, together with the practical ‘wraparound’ support to be offered to businesses/organisations based onsite
- IRCF bid submitted 11th June to seek additional capital funding required for build and fit-out of Zone 1.
- CCC initiated a PIN notice to raise awareness of a forthcoming tender opportunity to procure an electric vehicle charging operator. Tender documentation and specification at an advanced stage with the aim to launch in September 2024.
- Dialogue continues with FE and HE providers to explore the viability of ‘Teach and Treat’ within Zone 1 across a number of disciplines including pharmacy, optometry and dentistry, as well as a number of options around more vocational skills.
- Branding exercise undertaken to form a name for the Zone 1 building
- Hosted site visits with prospective tenants. Welcomed sector leads within Welsh Government, UK Government and ARCH to showcase Pentre Awel, promote business and research opportunities and facilitate access to regional and national networks
- Expressions of Interest received for the hotel development opportunity in Zone 4. PQQ stage evaluation concluded; successful tenderers will be invited to participate in competitive dialogue
Change Notification to be submitted to PMO to confirm the total development costs for Zone 1

Key Activities planned Q4 2023/24

- Zone 1 construction: Building to be ‘watertight’ in July/August 2024; installation of capital plant for wet and dry leisure; approve/instruct cafe design and fit-out
- Zone 1 community benefits: 4 week wellbeing programme with Llanelli Foodbank (Trussel Trust); unveiling ceremony for Coleg Sir Gar site hoarding artwork project in July 2024.

- Sign Agreement to Lease with Hywel Dda UHB
- Consolidate interest in education and training / teach and treat
- September - Undertake procurement exercise for an EV charging operator
- Launch business marketing literature
- Submission of revised City Deal Business Case
- Determination of IRCF application
- Firm-up delivery programme for Zones 2 and 3

Outputs

- 3,158 weeks of TR&T delivered on the project to date.
- 655 pupil interactions achieved during the construction stage and 114 hours of schools engagement
60 pupils from local primary and secondary schools have been recruited to Bouygues' Student Ambassador Programme.

Project Title	Digital Infrastructure Programme	Programme / Project Lead	Rebecca Llewellyn / Dija Oliver
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	Carmarthenshire County Council	Reporting Period	Q1 2024/25
SRO	Simon Davies		

Budget

Total Budget	£55m
City Deal	£25m
Public	£13.5m
Private	£16.5m

Description

To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The project is made of up of three Project workstreams:

- Connected Places
- Rural connectivity
- Next generation wireless (5G and IOT networks)

Key achievements

- PSBA FFIB order placed, in build phase. Project in delivery to drive FTTP to 68 public sector assets with additionality to 401 premises and investment of £1.7million across the region. Progress to date (30/06/24):
 - 60 surveys complete, 3 in progress
 - 14 sites in planning
 - 24 in build
 - 22 Connectorised Block Terminal (CBT) complete
 - 19 End to End (E2E) complete
- Dark Fibre Phase 1 procurement exercise completed; contract awarded to VMO2. Project mobilisation meeting due early July 2024.
- Dark Fibre Phase 2 PIN issued, with PPME completed with 8 organisations interested. Route to market agreed with CPU, pending completion of specification and tender documentation. On track to issue ITT for end of July 2024.
- 5G Investment Fund live and open for applications from public sector partners and SBCE projects and programmes. Fund now extended for applications from the private sector following board approval and amendment of subsidy scheme. Further EOIs received, with subsequent applications to follow.

- First 5G Investment Fund of £1.55 million to Campuses project 5G living lab awarded, with project on track for completion within agreed timescales.
- Data analysis for Better Broadband in-fill project nearing completion; final checks being undertaken by local LA teams to inform final site list. PIN issued, PPME completed. On track to issue ITT by end of July 2024.
- Hosted successful Digital Innovations and 5G Technology event. circa. 80 attendees from industry, public and private sector partners. Feedback overwhelmingly positive. Highlights video and comms to be circulated following election period.
- Signatory of Open Access Agreement (OAA) - Swansea Council and Freshwave. LA team working towards signatory of identical OAA with Ontix.
- Benefits Realisation exercise for 2022-23 completed, pending final approval of figures from one outstanding supplier. 2023-24 exercise to be completed summer 2024.
- Created overarching communications plan for programme.
- Established plans and timescales for significant Shared Rural Network (SRN) investment across the region working with UK and Welsh Government.

Key Activities planned

- Finalise site list for Better Broadband in-fill Procurement and issue ITT.
- Finalise specification and outstanding tender documentation for Dark Fibre Carmarthenshire and issue ITT.
- Complete Benefits Realisation exercise for 2023-24.
- Signatory of OAA – Swansea Council and Ontix.
- Utilising e-mail marketing for stakeholder communications and implementing for Q2 2023-24.
- Supporting Local Authorities with ongoing Digital Infrastructure interventions and investment.
- Programme risk mitigation ongoing.
- Finalise and publish case studies as part of programme communications plan.
- Market engagement with operators and suppliers ongoing.
- Additional lobbying for, facilitating, and supporting of private sector investment

Outputs

- More public sector assets with gigabit capable FFTP connections.
- Increased, future proofed DUCT / asset infrastructure.
- Regional Innovation Network established.
- 5G Testbed(s) deployed.
- More mobile infrastructure.
- Community based interventions delivered.

Project Title	Swansea City & Waterfront Digital District	Programme / Project Lead	Lee Richards
Local Authority Lead	Swansea Council		
Project Delivery Lead	Swansea Council	Reporting Period	Q1 2024/25
SRO	Martin Nicholls		

Budget

Total Budget	£175.35m
City Deal	£50m
Public	£85.38m
Private	£39.97m
Description	

To boost Swansea city centre’s economic well-being at the heart of the City Region’s economy, while retaining local tech, digital and entrepreneurial talent. This project includes:

- A digitally enabled indoor arena in the city centre for concerts, exhibitions, conferences and other events
- A ‘digital village’ development in the city centre to accommodate the city’s growing tech and digital business sector
- Innovation Matrix development at the University of Wales Trinity Saint David’s new Swansea waterfront campus to enable start-up company support and growth

Key achievements

Digital Arena and Hotel.

- Hotel: Six expressions of interest have been received for the hotel and interviews held w/c 10th June. Recommendation to Cabinet for preferred developer in July.

71/72 Kingsway Construction:

- Cat A works are nearing completion with some external works to follow.
- BYUK have begun CAT B landlord fit out works and full practical completion with building ready for operational use is expected by Q2.
- Savills have been formally appointed as building managers and mobilisation is taking place.
- Vodafone have completed ducting from Copr Bay to the Kingsway in readiness for fibre connections.
- Internal landlord shared area furniture order placed.

71/72 Kingsway Commercial:

- Second Floor Tenant - Agreement to lease with tenant progressing for half of the second floor.
- Third & Fourth Floor Tenant - Formal proposals issued for office floors 3 and 4 to one potential tenant who visited the site in April. Awaiting response on how they want to proceed.
- Fourth Floor Tenant - A separate proposal has been issued to another tenant for the fourth floor. Site visit has taken place and tenant undertaking detailed due diligence checks.
- Flex Space Operator/Tenant - Swansea Council have asked for formal “best offers” from the proposed flex operator and other interested parties. Formal presentations from two flex operators took place Thursday June 20th.
- Retail Units - Variety of interest from a number of different tenants/offers. One tenant is interested in taking all 5 units, but there is also interest from other tenants with smaller unit requirement. Swansea Council to decide on preferred retail unit strategy.

Innovation Matrix:

- Project is onsite and progressing according to programme plan
- Tenant HoTs at 75% of available net lettable space
- Tenant engagement is ongoing to finalise fitout plans
- Social Value targets are on track.

Innovation Precinct:

- Options appraisal workshop has been completed to support the CRN and will be appended in the re-submission
- Ongoing negotiations with the Local Authority development partner regarding potential property delivery model

Key Activities planned

Arena and Hotel

- Decision on preferred Hotel developer to be made by Cabinet in July.

71/72 Kingsway

- Work towards full practical completion, ensuring all planning conditions are discharged.
- Sign lease with 2nd floor tenant.
- Progress data connections to the building.
- Review flex operator options.
- Progress lettings on other floors.
- Progress Managing Agent mobilization and Building Management Strategy.
- Progress design and costings for public realm Mowbray Yard to the rear of the building.

Innovation Matrix & Precinct:

- Continuation of construction programme
- Preparation for Gateway assessment for Innovation Matrix
- Continuation of negotiations with local authority for development of Innovation Precinct
- Completion of change request notification for Innovation Precinct

Outputs

- Physical delivery of arena (circa 80,000 square feet with a 3,500-capacity), along with digital square is on track.
- Physical delivery of 71/72 The Kingsway, which will comprise circa 115,000 square feet of office space.
- Discussions on-going with UWTSO about their element of the project (Innovation Precinct).
Caveat: Covid 19 could have an impact on jobs and GVA.

Project Title	Yr Egin - Creative Digital Cluster	Programme / Project Lead	Geraint Flowers
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	University of Wales Trinity Saint David	Reporting Period	Q1 2024/25
SRO	Professor Elwen Evans		

Budget

Total Budget	£25.17m
City Deal	£5m
Public	£18.67m
Private	£1.5m

Description

To support and further develop the region’s creative industry sector and Welsh language culture, led by University of Wales Trinity Saint David campus in Carmarthen. Phase 1 was completed in September 2018 and features:

- National creative sector anchor tenants
- World class office space for local and regional creative sector SMEs, with opportunities for expansion
- Facilities for the community and business networking

Facilitating engagement between businesses and students as well as accommodating dynamic growth of the creative and digital industries within Carmarthenshire and SW Wales.

Key achievements

Project Development

- University has engaged expert consultants to develop a proposal centred around the provision of a Digital Production Facility in existing University space.
- University has begun drafting Change Notification that will encapsulate the proposed change to the Egin Phase 2 project
- Key concept and equipment requirements developed

Key Activities planned

- University to complete initial Change Notification to evidence the requirements for Egin Phase 2 and document the rationale behind the change in delivery methodology
- Ongoing financial development to understand new project cost requirements etc.
- Further engagement with creative and digital sector to ensure that the proposed Egin Phase 2 project will satisfy requirements going forward
- Survey of proposed location for Egin Phase 2 along with design and development work commencing

Project Title	Skills and Talent	Programme / Project Lead	Samantha Dillon
Local Authority Lead	Carmarthenshire County Council		
Project Delivery Lead	South West Wales Regional & Skills Partnership	Reporting Period	Q1 2024/25
SRO	Andrew Cornish		

Budget	
Total Budget	£30m
City Deal	£10m
Public	£16m
Private	£4m
Description	
<p>To develop a sustainable pipeline of regional talent to benefit from the high-value jobs City Deal projects will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.</p>	

Key achievements
<p>Business Case Development</p> <ul style="list-style-type: none"> • 22 Pilot projects and 4 Apprenticeship developments have now been approved by RLSP board and are in delivery. • Gateway Review completed resulting in a 2nd Green Rating. • Barometer Reviewed and Updated and prepared for transition to digital platform. • Feedback from Cluster groups received regarding Sector Skills gap analysis, with discussions ongoing on developments of Pilot Projects to meet those needs. • Development of Website. • Marketing materials for students, parents and business produced. • Teaching experienced pilot complete with report submitted to WG. • Work experience pilot in development ready for September roll out. • Further pilot project applications in development
Key Activities planned
<ul style="list-style-type: none"> • Receive and review further pilot project applications. • Increased marketing and events • Barometer data being reviewed and updated with a further focus on capacity. • Website update being completed with a view of increased marketing activity and website updates to raise awareness of Programme and stimulate further pilot applications. • Ongoing discussions with interested parties regarding further pilot project development to meet with the skills gaps identified through the skills barometer.

Outputs
<ul style="list-style-type: none"> - Create 14,000 individuals with increased level of skills within 10 years - Create at least 3000 new apprenticeship opportunities, to include level 3 to Degree apprenticeships. - Create Centre of Excellence for specific sectors. - 2,200 additional skills - 20 new course frameworks updated/created - 2 Centres of excellence - Create a clear career pathway through school, FE, HE and apprenticeship and into the world of work

ANNEX 1

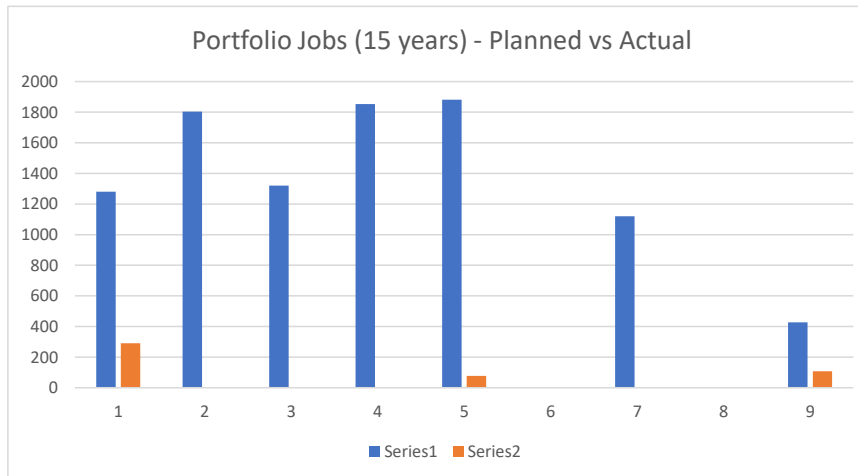
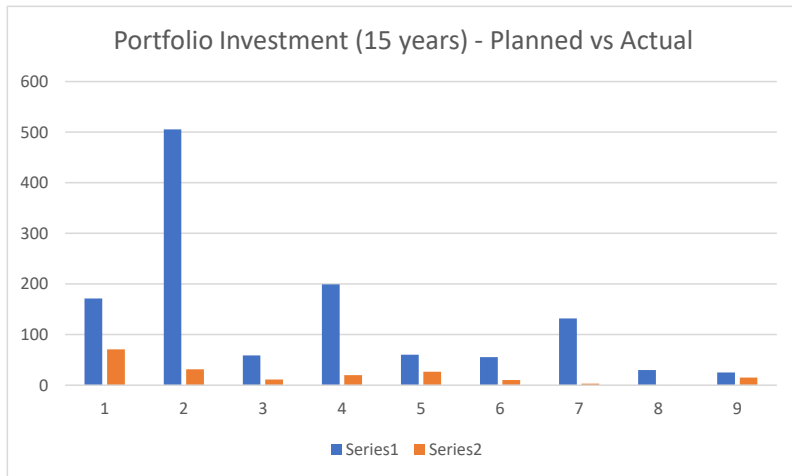
RAG Status	
R	<p><i>Major problems identified which mean the programme / project is unlikely to deliver the agreed scope to the required standard on time or on budget, or to deliver the expected benefits.</i></p> <p><i>Remedial plans are not proving effective.</i></p> <p>Escalate to programme / project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

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Swansea Bay City Deal Benefits Recording Register - Portfolio Summary

Project/Programme	Total Investment Target (£m)	Total Investment to date (£m)	Total Jobs Target	Total Jobs Created	Business Case Status	Project Stage	Stage Commencement	Stage Completion
Swansea Waterfront Digital District (Jobs inc IM)	171.54	95.10	1281	312	Approved - FBC	Partial Delivery (2/4)	Oct-19	Q4-2027
Homes as Power Stations	505.50	66.00	1804	10	Approved - OBC	Pre-procurement	Jul-21	Q1-2022
SILCG	64.00	10.88	1335	17	Approved - OBC	Partial Delivery (7/8)	Nov-20	Q4-2027
Pentre Awel	200.50	48.10	1853	62	Approved - FBC	Construction	Feb-23	Q2 2025
PDM	63.90	55.87	1881	77	Approved - OBC	Partial Delivery (1/4)	Sep-21	Q1-2024
Digital Infrastructure	69.10	22.20	0	13	Approved - OBC	Capital funding partial delivery (2/3 workstreams) Revenue in delivery	Oct-23	Q3 2026
Campuses	131.98	2.22	1120	5	OBC regionally approved	Delivery	Jul-21	Q1-2022
Skills and Talent	30.50	2.80	0	2	Approved - FBC	Delivery	Nov-21	Q4-2025
Yr Egin	25.17	15.07	427	117	Approved - FBC	Partial Operation (1/2)	Sep-18	Q4-2023
	1262.19	318.23	9701	615	N.B There are also in excess of 100 Part Time jobs which have been created by the Arena since opening, after 12 months of operations these will be reviewed to determine an appropriate FTE allocation			
		25.21%		6.34%				

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Portfolio Gateway Review 2023-24 Recommendation Action Plan

ID	Recommendation	Priority	Actions	Target Date	Lead	Sign Off	Status	Dependencies	Update
Gate001	Reinforce communication of the strategic, regionalised approach, both internally and externally, in order to embed further the understanding of the sum of the parts rather than simply individual project benefits.	Recommended	<p>Update the Portfolio Communications and Marketing Plan with emphasis to enhance comms in relation to a regional perspective</p> <p>Calender engagement events including regional showcase events</p> <p>Establish collaborative sub groups for SBCD cross cutting issues and approaches</p>	Jul-24	PoMO	PB/JC	Actioned and Ongoing	<p>Engagement of Projects and Programmes in events and sub-groups</p>	<p>Communications, Marketing and Engagement Implementation Plan developed giving guidance to project teams on how to communicate SBCD messages on a local and regional level. PoMO working on key milestone log for 2024/25 to highlighting forthcoming marketing and communications activities across the portfolio</p> <p>Meet the City Deal events held in Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot. Portfolio representation at Careers Wales events, Welsh Business shows, Welsh Construction show and 4theRegion. PoMO also planning to attend out of region</p> <p>Established SBCD Construction and Community Benefits sub group and Monitoring and Evaluation Task and Finish Group. Meetings held and schedule of future meetings set</p>
Gate002	Further develop the benefits management approach to shift the focus to sustainable social and economic uplift, not just enablers.	Recommended	<p>Establishment of an Evaluation Task and Finish group</p> <p>Portfolio M&E plan / benefits realisation plan to be updated with detail on the measurement and evaluation of outcomes and impacts</p> <p>Projects and programme to update benefits realisation plans and registers</p> <p>Develop best practice in collaboration with other City and Growth Deals</p>	Jul-24	PoMO	PB/JC	Actioned and Ongoing	<p>Project and programmes to engage with the Task and Finish group and the development of benefit realisation plans</p>	<p>SBCD Monitoring and Evaluation Task and Finish Group established. Monthly meetings held from August to engage with project leads and agree approach to evaluation. Draft Evaluation Framework to be circulated and currently being finalised.</p> <p>Portfolio M&E Plan to be updated following agreement of SBCD Evaluation Framework</p> <p>Meetings held with project teams to clarify requirements for benefits realisation and reporting. Benefits registers, profiles and maps being developed at a project level</p> <p>Engagement initiated with other City and Growth Deals to identify best practice</p>
Gate003	Review and refresh the Portfolio Governance structure, considering potential options to integrate within the new Corporate Joint Committee structure, update the terms of reference and membership of the governance bodies should options progress.	Essential	<p>Discussions amongst CEXs / Leaders and key LA Officers relating to the alignment between CJC and SBCD governance structures</p>	Dec-23	SRO / NPT CEX	JC	In Progress	<p>Outcome of discussions among regional authority Leaders and CEXs</p>	<p>Discussions ongoing</p>
Gate004	Emphasise the focus on Dependencies and Opportunities, particularly in respect of private sector investment and clarity surrounding the respective responsibilities for harnessing and driving emerging prospects.	Recommended	<p>Clarity of roles particularly in relation to private sector engagement that leads to collaborations and securing of investment</p> <p>SBCD stakeholders to work with ESB members to identify private sector investment opportunities. PoMO to undertake scoping exercise to assess opportunities for engagement of ESB in SBCD projects</p> <p>Review the portfolio opportunity management approach (esp private sector) across the portfolio</p>	Jul-24	PoMO / PMs	PB	Actioned and Ongoing	<p>Engagement of Projects and Programmes with ESB and potential collaborations</p>	<p>Communications, Engagement and Marketing Implementation Plan clarifies roles and responsibilities in relation to private sector engagement. Implementation plan outlines opportunities for collaborations and activities to promote the securing of private sector investment</p> <p>ESB involvement in the development of project proposals and engagement being promoted across the portfolio as projects are developed and delivered. ESB Test and Challenge session held in October to discuss the Enhanced AMPF OBC</p> <p>PoMO and projects and programmes supporting proposals for the funding and establishment of synergistic initiatives within the region. Workshop to be held with projects to identify business engagement activities and opportunities</p>

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SBCD Internal Audit Report Action Plan July 2024 v8.0

Actions 2022/23									
No	Rec	Recommendation	Grade	Timescale for Action	Response	Progress Update	Owner	Status	
1	Monitoring Arrangements	As each of the Programmes/Projects move into full delivery, quarterly monitoring reports presented to the Joint Committee and Programme (Portfolio) Board should be developed to incorporate enhanced financial monitoring, including whether expenditure is in line with forecasts and whether grant drawn down is in line with the agreed funding profile. Reporting would also benefit from enhanced data regarding delivery timescales. This would provide correlation and synergy between project progress and financial reporting	Important	Q1 2023/24	Enhancements will be made to the project/programme financial monitoring as per recommendation from Q1 2023/24. This will be embedded with the existing quarterly monitoring arrangements, including the monitoring of forecasted/actual delivery timescales. In addition, the PoMO will continue to work with SROs and PMs to ensure the change management process is adhered to, with a particular focus on detailing financial and timescale changes in a timely manner.	Brief explanations accompany quarterly financials. Details could include the reasons for adjustments to forecasted figures in terms of costs or timeframes, including slippage within the financial year or across the delivery lifecycle.	Steven Aldred-Jones	On-going	
4	Budget Control	The development of the Swansea Bay City Region budget for 2023-24 should be concluded at the earliest opportunity (recognising that a five-year budget has previously been approved by the Joint Committee). Moving forward, arrangements should be made to ensure that draft budgets are presented for approval prior to the start of the upcoming financial year.	Important	July 2023	Budget will be presented to the next Programme Board and JC. However, the operation of the City Deal is based on the 5-year budget which has been previously presented to JC. Therefore, the budget report will be an update on the 5-year budget. The budget and the budget monitoring report does recognise the partner contributions have ended in the 2022/23 and the expectation is that the 1.5 % top slicing of funding will continue to fund the PoMO. This top slicing contribution has been lower in previous years than profile and will allow the additional funding moving forward. A new Finance Manager has now been appointed and is due to commence at the beginning of July 2023.	The 2023/24 JC budget is being finalised. 16/05/24 With 2023/24 being closed, the 2024/25 budget is being finalised and will be presented at the earliest opportunity. 16/07/24 Due to a member of the PoMO leaving in July, further consideration is being given to the structure of the PoMO and its longer term support of the SBCD. This will need Programme Board decision before a budget can be set for 2024/25.	Chris Moore / Steven Aldred-Jones	On-going	

SBCD Internal Audit Report Action Plan July 2024 v8.0

5	Grant Funding	Grant claim forms should be used by all Programmes/Projects when requesting funding from Swansea Bay City Deal. Programmes/Projects in delivery should be advised that quarterly grant claims should be submitted, to allow funding to be distributed to lead bodies in a timely manner. Additionally, verification of the grant claim forms should be undertaken prior to payment being made, to ensure the total value of grant paid does not exceed the balances included within the payment profile.	Critical	Immediate	A reminder will be sent to Project Managers in respect of grant claim forms being submitted on a timely basis. The slight over payment on the scheme, was due to the current lack of Finance Officer being post but also a misunderstanding on the value of the claims. This was identified at the time of payment and will be adjusted in the next claim.	Payments are not made to partners unless an appropriately authorised claim form is received from the partner. Payments are then made in line with the profile to ensure the value paid does not exceed the payment profile.	Chris Moore / Steven Aldred-Jones	On Going
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Actions 2023/24

No	Rec	Recommendation	Grade	Timescale for Action	Response	Progress Update	Owner	Status
1	Monitoring Page 60	Monthly and Quarterly monitoring reports should be enhanced, to ensure Programme/Project progress over the period is clearly identifiable, and bring consistency to information reported. In addition, further work should be undertaken to enhance the synergy in the financial RAG rating of Programmes/Projects, by including the annual investment and grant draw-down status in RAG rating determinations.	Medium	End Q1 FY 2024/25	A framework will be drafted and guidance provided to all Project/Programme Leads to ensure consistency across the Portfolio when reporting RAG status of the 6 categories (Delivery, Scope, Staffing / Resources, Finance, Stakeholder Engagement, Overall Rating) that make up the Scorecard within the Quarterly Report. A more in-depth review will be undertaken by the PoMO with Project and Programme Leads regarding Highlight Reports and Quarterly monitoring. The aims will be to ensure all Programmes and Projects are reporting progress, reduce repetition between reports and provide consistency across the Portfolio e.g. all are reporting key risks and issues and their mitigating/resolving actions.	22/07/24 PoMO to hold an Engagement Session with Programme / Project Lead on 12 th August to discuss future reporting requirements.	Jon Burnes / Chris Moore / Steven-Aldred Jones	
2	Grant Claim Forms	Programmes/Projects in delivery should submit grant claims on a more frequent basis, to allow funding to be distributed in a timely manner (and within the correct financial-year), enabling draw	Medium	End Q1 2024/25	A reminder will be sent to Project Managers in respect of grant claim forms being submitted on a timely basis and these claims should include	16/07/24 A reminder will be sent when the grant claim forms for quarter 1 are	Chris Moore / Steven Aldred-Jones	

		down of the top-slice to support the PoMO budget.		supporting evidence before funding can be released.	issued. Due to closure timescales, this is likely to be during August.		
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Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated June 2024

Programme	Lead body	Project(s)	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Swansea Waterfront & Digital District	Swansea CC	71-72 Kingsway office accommodation	Swansea Council	Circa £49.6m	Bouygues UK appointed via SWWRC Framework	2020	Q3 2021	Q4 2021	Q3 2024
		Innovation Matrix	UWTSD	Circa £9m	Procured - Kier PAGABO Framework	2022	Q4 2021	Q1 2023	Q2 2024
		Innovation Precinct	UWTSD	Circa £17.42m	SWWRC Framework (TBC)	2023	Q1 2024 (Predicted)	Q2 2024 (Predicted)	Q2 2025 (Predicted)

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Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Yr Egin 2	UWTSD	Creative Business Hub Phase 2	UWTSD	Tbc	tbc	Q3 2022 – Q1 2023	Q4 2024 (Predicted not yet agreed by UWTSD SLT)	2025 (Predicted not yet agreed by UWTSD SLT)	2026 (Predicted not yet agreed by UWTSD SLT)

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Digital infrastructure	Carmarthenshire CC	Connected places	Carmarthenshire County Council	£12m	PSBA – Existing contract Dark Fibre East - DPS RM6095 Dark Fibre Carmarthenshire – DPS RM6095	Q3/Q4 2022	Q3/Q4 2023	Q2 2024	Q1 2026

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated June 2024

		Rural connectivity	Carmarthenshire County Council	£6m	tbc	Q2 2024	Q3 2024	Q1 2025	Q4 2026
		Next generation wireless (5G and IOT networks)	TBC	£2.5m	Grant fund	Q1 2023	Q4 2023	Various	Q4 2025

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Skills and Talent Initiative									

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
SBCD Campuses	Swansea University	Phase 1a Morryston refurbishment	SU/SBUHB	Circa £1.25m	SWWRFC/Sell to Wales	Q3 2023	Q1 2025	Q3 2025	Q1 2026
		Phase 1b Campuses Building	Swansea University	Circa £17.m	Design and Build SWWRFC/SEWSCAP	Stage 2 Q4 2022	Stage 3 Q3 2023	Stage 4 Q3 2024	Q3 2026

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
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Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated June 2024

Pentre Awel	Carmarthenshire County Council	Zone 1 - construction	CCC	£84m	Two stage design and build via SWWRCF Framework (BYUK procured)	2018 - 2023	Q3 2021	Q4 2022 enabling works Q1 2023 Construction.	Q2 2025
Pentre Awel Page 65	Carmarthenshire County Council	Zone 1 – EV charging operator	CCC	N/A	Vehicle Charging Infrastructure Solutions (VCIS) dynamic purchasing system (DPS) framework	2024	Q3 2024	Q1 2025	TBC
		Zone 1 – site security	CCC	TBC	TBC	N/A	Q3 2024	Q1 2025	TBC
		Zone 1 – leisure equipment	CCC	TBC	TBC	N/A	Q3 2024	Q1 2025	Q1 2025
		Zone 1 – interior designer	CCC	TBC	TBC	N/A	Q3 2024	Q1 2025	Q1 2025

Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Homes as Power Stations	Neath Port Talbot CBC	Monitoring and evaluation services	NPTCBC	£1m	Sell 2 Wales	2021 Q4	2022 Q1	Q1 2023	Q4 2027
		HAPS financial incentives fund	NPTCBC	£5.75m	Fund – to be advertised to all	2021 Q4	2023 Q1 – fund launch	Q3 2023 First round complete	

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated June 2024

		HAPS regional supply chain fund	NPTCBC	£7m	Fund – to be advertised to all	2021 Q4	2024 Q2 – initial call fund launch		
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Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Page 66 Supporting Innovation and Low Carbon Growth	Neath Port Talbot CBC	SWITCH Specialist facility (construction)	NPTCBC	Circa £15m	SWWRC Framework	Q2 2022	Q3 2022	Q1 2024	Q2 2025
		SWITCH Specialist equipment	NPTCBC	Circa £5m	tbc	Q2 2022	Q1 2025	Q2 2025	Q3 2025
		Hydrogen stimulus project	NPTCBC	Circa £1m	tbc	Q3 2022	Q3 2022		
		Advanced manufacturing Production facility (construction)	NPTCBC	Circa £12m	SWWRC Framework	Q3 2024	Q3 2023	Q1 2025	Q2 2026
		Advanced manufacturing Production facility Specialist equipment	NPTCBC	Circa £5m	Tbc	Q4 2024	Q1 2026	Q2 2026	Q2 2026
		Advanced manufacturing Production Facility End operator	NPTCBC	Tbc	TBC	Q2 2024	Q2 2024		Q3 2026
		Property Development Fund	NPTCBC	Circa £10m	Fund – to be advertised to all				Q4 2026

Swansea Bay City Deal Programme and Project Procurement Pipeline Design and Construction phase

Updated June 2024

					Third parties to procure construction				
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Programme	Lead body	Project	Procuring body	Contract Value	Procurement route	Design date (Cal Yr)	Procurement date (Cal Yr)	on site date (Cal Yr)	Completion date (Cal Yr)
Page 67 Pembroke Dock Marine	Port of Milford Haven	Pembroke Dock Infrastructure All Completed							
		Marine Energy Engineering Centre of Excellence							
		Vessel hire for deployments in META	OREC	£26,000	Sell2Wales		2021	Ongoing	Ongoing
		Vessel charter	OREC	£47,040	SSJ via vessel broker		n/a	2023	Ongoing
		Meta berthing fees	OREC	£196,000	SSJ		2021	Ongoing	Ongoing
		Civils for X-Band Radar at St Anne's Head	OREC	<£25k	Sell2Wales		2024	Expected 2024	Expected 2024
		Marine Energy Test Area Developments							
		Legal support	PCF	£10,000	Sell to Wales / Find a Contract (value dependant)		2024		
		The Pembrokeshire Demonstration Zone							
		Offshore surveys – environmental surveys to inform the offshore EIA	Celtic Sea Power	£2.1m	OJEU via Sell2Wales / CSP Consultancy Agreement		2023	n/a	Not carried out due to reprofiling of ERDF Funds

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Swansea Bay City Deal

Construction Impact Assessment

Summary Report



Owner	Jonathan Burnes, SBCD Portfolio Director
Author	Peter Austin, SBCD Business Engagement Manager
Date	June 2024
<u>Version</u>	V19.0

1.0 Executive Summary

The Construction Impact Assessment (CIA) provides a combined assessment of costs, risks, and issues, to quantify and highlight the effect of rising construction costs across the SBCD Portfolio.

The CIA covers 15 construction-related project elements within the 9 SBCD programmes and projects. At the date of this report:

- 3 elements are completed (known cost)
- 5 elements are procured and subject to contract (known cost)
- 7 elements yet to be procured (estimated)

This current assessment estimates a **£43.5m** gross funding gap because of inflationary pressures and rising construction costs between business case development, sign off, and now. See Table 1, Sect 4.1.

No change since reported to Joint Committee June 2024.

Mitigating actions by Lead Delivery Organisations have reduced the residual impact to **£12.75m** as shown in Table 2, Section 4.2.

Although there are several mitigating options available to project leads, the common approaches to address the funding shortfall are to:

- Secure additional funding
- Revisit the construction brief
- Open dialogue with contractors.

The risk assessment shows that 3 areas of high concern persist, these being the potential effects on Scope, Time and Costs. Summarised in Table 3, Section 4.2.

It should be noted that this CIA does not include future phases of some projects and programmes that are part of the project Business Cases. There remains a risk that increased costs may affect delivery of future stages, which, in some cases, may subsequently affect achievability of programme and project deliverables and benefits.

Inflationary uncertainties aside, the Construction sector seems more settled (June 2024) than in 2022 when the original CIA was compiled and the spike in prices and material supply issues were at a peak. Although prices remain high, they are more consistent, and supply is much improved. Some market volatility remains with metal doors and windows, ready mix concrete and some insulation materials seeing significant price increases in Q4 23, but fabricated structural steel, concrete reinforcing bars (steel), imported sawn or planed wood and imported plywood all seeing significant reductions. Contract terms, recruitment and labour costs are currently big issues across the sector.

The PoMO continues to monitor the impact of inflation, cost and effect of mitigating actions on a monthly basis. SROs and Project Managers are required to notify the PoMO and record key changes via the change management process and submit appropriate paperwork via their local and SBCD regional governance arrangements.

2.0 Background

In response to several macro-economic factors affecting the construction industry, in mid-2022 the PoMO set out to identify and forecast the likely impact of increasing construction costs on the Business Case estimates across the SBCD Portfolio. The result was the creation of a point-in-time report titled Assessment of Increasing Construction Costs (September 2022) that was subsequently reported through SBCD Programme Board and Joint Committee. The initial report estimated a £30m gross funding gap due to inflationary pressures and construction costs.

The purpose of the Construction Impact Assessment (CIA) is to add a combined risk/issues assessment with the cost impact assessment. The combined assessment highlights and quantifies the potential effect on SBCD Programmes and Projects of specific issues currently being experienced throughout the construction industry.

SBCD Programme Board and Joint Committee have requested that all Lead Delivery Organisations continue to assess and monitor the status of their SBCD Programmes and Projects and report the potential or actual impact of construction related challenges on successful delivery of their Programmes or Projects.

3.0 Definitions

For the purposes of this report the term Construction Costs is defined as those costs directly attributable to the building, refurbishing, or delivering items or services that are specified in the procurement tendering process and the construction contract awarded for each individual element of the SBCD projects or programmes.

The non-exhaustive list includes groundworks, site works, costs of materials, labour, consultancy, mechanical and electrical items, fuel, machinery and operation, PPE, and on-site staff facilities.

It should not include any ancillary consultancy fees, or similar activities, that are associated with the wider delivery of projects or programmes.

4.0 Project and Programme Risk Impact Assessment June 2024

The Construction Impact Assessment provides a combined assessment of costs, risks, and issues to quantify and highlight the effect of rising construction costs across the SBCD Portfolio.

The Assessment covers 15 construction-related project elements within the 9 SBCD programmes and projects. At the date of this report:

- 3 elements are completed (known cost - no further risks or issues)
- 5 elements are procured and subject to contract (known cost – some risk remains)
- 7 elements yet to be procured (estimated cost – risks and issues remain)

The HAPS Project and Skills and Talent Programme are not included in this assessment. These programmes do not directly fund any construction activity. However, increased construction costs and inflationary pressures could have an indirect effect on the realisation of project and programme outcomes. This will be monitored separately via the benefits and risk reporting processes.

Tables 1 and 2, Sect 4.1, detail the current situation of cost variances, key mitigations, and their associated impact across the Portfolio.

4.1 Project and Programme Cost Assessment Summary

The initial Construction Costs report was mostly based on estimates contained in the programme and project business cases, which would become more certain as projects procured and awarded contracts and when actual costs are known.

This report is reviewed monthly to align costs with current risks and circumstances. Reported costs will change as and when contracts are awarded, or during delivery. The estimation methodology is detailed in Appendix 1.

The current estimate, as of June 2024, has been derived using a combination of actual costs, current tender pricing, and cost estimation. These are based on actual and anticipated delivery timelines i.e. build of infrastructure. The funding gap is caused by inflationary pressures and rising construction costs between business case development, sign off, and now. See Table 1, Sect 4.1.

Mitigating actions by Lead Delivery Organisations have reduced the residual impact which now stands at **£12.75m** as shown in Table 2, Section 4.2.

Costs that are outside of the original budget allocations are expected to be managed by Local Authorities and Lead delivery partners. An explanation of mitigating actions and the consequences of mitigation are given in Table 2.

The report does not include future procurements that are yet to be designed and costed, such as future zones/phases in respect of the life science projects (Pentre Awel Zones 2,3,4 and Campuses Phase 2). These have been omitted as SBCD funding is not directly utilised to develop them, and due to their nature, a reliable estimate is unobtainable at present.

It should be noted that the above phases are part of the project Business Cases and there remains a risk that increased costs may affect delivery of future stages which, in some cases, may affect achievability of programme and project benefits and deliverables.

Table 1 Construction Cost Assessment


 Construction Cost Assessment				
Programme/Project	Construction Estimate (Per BC) (£)	Current		Development Position
		Estimation (April 2024)(£)	Variance (£)	
SILCG				
Bay Technology Centre	8,500,000	8,883,000	- 383,000	Delivered
SWITCH	15,000,000	23,000,000	- 8,000,000	Estimated
Advanced Manufacturing	17,200,000	21,595,189	- 4,395,189	Estimated
	40,700,000	53,478,189	- 12,778,189	
Pentre Awel	79,000,000	84,056,756	- 5,056,756	Procured
Yr Egin				
Phase 1	14,868,348	14,868,348	-	Delivered
Phase 2	10,301,653	12,956,872	- 2,655,219	Estimated
	25,170,001	27,825,220	- 2,655,219	
Swansea Waterfront				
Arena and Public Realm	68,975,842	73,398,769	- 4,422,927	Delivered
71/72 Kingsway	48,540,125	48,540,125	-	Procured
Hotel	0	0	0	Not yet procured
Innovation Matrix/DLF	13,232,099	15,984,542	- 2,752,443	Estimated
Innovation Precinct	17,424,458	21,092,933	- 3,668,475	Estimated
	148,172,524	159,016,369	- 10,843,845	
Campuses				
ILS Innovation Centre - Singleton	12,790,000	16,945,955	- 4,155,955	Estimated
ILS Innovation Centre - Morriston Planning	960,000	960,000	-	Estimated
ILS Innovation Centre - Morriston Construction	1,250,000	1,250,000	-	Estimated
	15,000,000	19,155,955	- 4,155,955	
PDM				
Pembroke Dock Infrastructure	41,593,611	48,105,228	- 6,511,617	Estimated
	41,593,611	48,105,228	- 6,511,617	
Digital Infrastructure	20,500,000	22,097,114	- 1,597,114	Estimated
Total	370,136,136	413,734,831	- 43,598,695	

Table 2 Cost Variance from Business Case and Residual Variance after Mitigating Actions

Project/Programme	Lead deliverer	Cost variance	Key mitigation(s)	Residual variance	Mitigations to address Residual/Notes
Swansea Waterfront - Arena and Public realm	Swansea Council	£4.4M	Shortfall to be met by Swansea Council. 71/72 Kingsway shortfall estimated between £2m-3m, Fixed price contracts with tier 1 contractor, however cost inflation is having a negative impact which is being monitored closely.	£0	n/a Hotel yet to be procured
Swansea Waterfront - Innovation Matrix and Precinct	University of Wales Trinity Saint David	£6.4M	Innovation Matrix shortfall met by UWTSU. Value engineering on design and build.	£0	Innovation Precinct yet to be assessed for cost variance and will be subject to a change request.
Pentre Awel	Carmarthenshire County Council (CCC)	£5.05M	Shortfall to be met by CCC. Value engineering exercise undertaken. Changes to materiality and some omissions undertaken. Reduction of building area by 750m ² . Increased use of digital and remote delivery for education and training, health and research/innovation.	£0	NB The £84,056,756 is the total value of the current construction contract, but the total costs incurred in relation to Zone 1 of Pentre Awel are projected as £96m. This includes an additional sum of £2.6million for fit out costs which sits outside of the current construction contract, which will be procured once further tenants are confirmed. Change Identification Notice to be submitted.
Campuses	Swansea University	£4.15M	Shortfall met by Swansea University of up to £4.15M for Singleton Phase 1. RIBA Stage 3 completed	£0	Value Engineering exercise undertaken for Singleton resulting in a reduction of ££569.6k cost estimate.
Pembroke Dock Marine – Pembroke Dock Infrastructure	Pembroke Port	£6.5M	Competitive tenders and further review of Best and Final with additional scrutiny. Value Engineering has resulted in a reduction of costs circa £10m which brings costs down from circa £55m to £45m. Additional WEFO funding secured.	£0.5M	Innovative trading and phasing within overall programme to deliver the individual phased outputs and outcomes.
Supporting Innovation and Low Carbon Growth	Neath Port Talbot Council	£12.77M	Shortfall for BTC met by NPT Council (£0.38M). SWITCH element, the overall budget for the project is £28m split into £23m build (construction) and £5M for specialist equipment	£8M	SWITCH: on-going review and value engineering. Seeking other funding opportunities. AMPF element not yet procured
Yr Egin phase 2	University of Wales Trinity Saint David	£2.65M	Change Request being developed for Phase 2, which aligns to current regional demand.	£2.65M	Potential to value engineer, secure funding from additional sources or reduce infrastructure size.

Construction Impact Assessment Summary Report June 2024

					The Egin 2 delivery solution is currently under review by the University's new senior management team. Consideration of several options is likely to result in the commencement of a change control process. The current budget projections (based on the original Business Case) are likely to change in accordance with the outcome of this process.
Digital Infrastructure	CCC	£1.6M	Calculation is based on forecasted inflationary increases.	£1.6M	<p>The programme continues to adopt an agile approach to delivery, ensuring sufficient funding is allocated for the delivery of each project.</p> <p>The programme has secured additional funding to partially fund the delivery of one project, which ensures existing funds can be re-allocated to other workstreams as/if required to support potential cost variances as a result of inflationary pressures.</p>
TOTAL (*allowing for rounding)		£43.5M*	Key mitigation(s)	£12.75M	

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4.2 Summary of Risks and areas of concern

The Construction Impact Assessment has 10 questions that represent broader issues being experienced in the construction industry that may affect project delivery; these are mapped across 8 fields to score potential impact and probability of occurrence leading to a high, medium, low (Red, Amber, Green RAG) rating.

The result is shown in the following example return from a Project or Programme:

Ref No.	Risk		Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/ partnerships commitment	Project costs	Procurement	Staff resourcing
		Risk or Issue								
	People									
1	labour and/or suitable subcontractors and suppliers	Risk	Low	Low	Low	Low	Low	Medium	Medium	Low
2	main contractor delivery/management team -	Issue	Low	Low	Low	Low	Low	Medium	Medium	Low
	Materials									
3	Lack of availability of construction materials	Risk	Low	Medium	Medium	Low	Low	Medium	Medium	Low
4	Quality of materials	Issue	Low	Low	Low	Low	Low	Medium	Low	Low
	Finance									
5	Rising construction costs	Risk	High	Medium	Low	Medium	Medium	High	Medium	Low
6	Contractor / subcontractor / experiencing financial difficulty	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low
	Timelines									
7	Delays in due to traditional infrastructure project factors	Risk	Low	Medium	High	Low	Low	Medium	Low	Low
8	delay in obtaining relevant construction related / operational approvals	Risk	Medium	Medium	High	Medium	Medium	Medium	Low	Low
	Policy/political									
9	industry/governmental statutory & mandatory requirements	Issue	medium	medium	low	low	low	Medium	low	low
	Other									
10	other risks/issues in relation to construction not highlighted above									

The programme and projects returns are summarised at Portfolio level in Table 3

Table 3: Portfolio construction impact risk assessment summary

Impact Field	Scope	Targets	Time	Reputation	Stakeholder/ Partnerships	Costs	Procurement	Resources
Risk / Issue								
Red	1	0	8	0	0	4	0	0
Amber	11	20	17	20	12	24	18	5
Green	34	26	21	26	34	18	28	41

Table 1 shows a summary of risks identified in Programme / Project returns. 1 new Risk added for Pentre Awel - Delays to Construction Company which has added an extra 1 Red for Time, 1 Amber for Reputation, 1 Amber for Cost and 1 Green for all other categories

A full summary by project is shown in Appendix 2

Areas of concern will continue to be monitored, and as any issues arise, along with associated change requirements, the change notifications and change requests will be submitted to the PoMO and reported/escalated accordingly to stakeholders as per the SBCD change procedures.

This will ensure that:

- All change is reported, recorded, escalated, and approved appropriately.
- Any mitigations required are implemented.
- The overall success of outcomes, outputs and impacts are not affected.

An explanation of methodology is given in Appendix 1

7.0 Conclusion

Although there are several recommended mitigating options available to project leads (see Section 8), the common approaches to address the funding shortfall are to:

- Secure more funding
- Revisit the construction brief
- Open dialogue with contractors.

Inflationary uncertainties aside, the Construction sector seems more settled now than in 2022 when the original CIA was compiled and the spike in prices and material supply issues were at a peak. Although prices remain high, they are more consistent, and supply is much improved. Some market volatility remains with metal doors and windows, ready mix concrete and some insulation materials seeing significant price increases in Q4 23, but fabricated structural steel, concrete reinforcing bars (steel), imported sawn or planed wood and imported plywood all seeing significant reductions. Contract terms and recruitment/labour costs remain big issues across the sector.

Inflation rates seem to be falling against predictions which will help future procurements.

While value management is always important, it is particularly so at a time when budgets are under pressure. Regular reviews should be undertaken to look for opportunities and to ensure the best use of available resources.

Altering the specification and reducing floorspace needs caution as it may affect the projects' ability to achieve its intended targets; this could be attracting tenants and thus achieving rental income, being able to deliver jobs or being fit for original intended purpose.

Those projects that are in early procurement stages are assessing the procurement pathways available. Entering dialogue with contractors to manage any cost issues is recommended as best practice by industry bodies.

Mitigating actions by Lead Delivery Organisations reduce the headline shortfall figure but significant residual shortfall remains.

The PoMO continues to monitor the impact of inflation, cost and effect of mitigating actions. Any changes will be recorded via the change notification process with any significant change being managed via the change request process.

It is important to note that the report does not include future procurements that are yet to be designed and costed, such as future zones/phases in respect of the life science projects (Pentre Awel Zones 2,3,4 and Campuses Phase 2). These have been omitted as SBCD funding is not directly utilised to develop them, and due to their nature, a reliable estimate is unobtainable at present.

The above phases are part of the project Business Cases and there remains a risk that increased costs may affect delivery of future stages which, in some cases, may affect achievability of programme and project benefits and deliverables.

A Construction Costs/Community Benefits sub-group has been formed to allow programmes and projects to share best practice and discuss lessons learned.

This sub-group reports to the PoMO and Project Leads group and Programme (Portfolio) Board.

Appendix 1 - Methodology

Cost Estimates

Current estimated costs (October 23) have been provided by the SBCD Programmes and Projects; these can be based on either:

- Actual cost- where current tender prices have been provided or
- Estimated cost - where projects are pre-tender

UK inflation rates at 1.25% have been applied to financial years 2017/18 – 2022/23 to demonstrate projected estimation figures. This was the rate when the original Construction Cost report was created.

It should be noted that from September 2022 the rate of inflation rose to 5.25% (October 2023) and currently sits at 3.9% (Jan 2024).

Building Cost Information Service All-in Tender Price Index (TPI) ([bcis.co.uk](https://www.bcis.co.uk)) indices were used to calculate projected estimations for future years (2023/24 – 3.2%, 2024/25 – 3.9%). These indices are industry specific and were deemed most appropriate to apply. The BCIS 4Q 2023 TPI figure now shows a decrease to 3.5% down from 4.9%.

Inflationary rates are estimated and where Building Cost Information Service indices have been used these by their nature do not account for volatile or unexpected adjustments.

Construction impact assessment (CIA) Requirements

The CIA has been developed with 9 key questions listed below, whilst providing projects the opportunity to highlight specific risks or issues under question 10:

		Risk or Issue
	<u>People</u>	
1	Decreased available labour and/or suitable subcontractors and suppliers	
2	main contractor delivery/management team - skills and capacity issues in terms of project delivery	
	<u>Materials</u>	
3	Lack of availability of construction materials	
4	Quality of materials (due to lack of stock of preferred option)	
	<u>Finance</u>	
5	Rising construction costs results in exceeding/increasing programme / project budget	
6	Contractor / subcontractor / supplier going bankrupt/experiencing financial difficulty	
	<u>Timelines</u>	
7	Delays in project programme due to traditional infrastructure project factors such as ground/weather/construction site issues etc.	
8	delay in obtaining relevant construction related / operational approvals	
	<u>Policy/political</u>	
9	revised industry/governmental statutory & mandatory requirements - including technological/policy/political advancements since initial planning phases	
10	<u>Other</u> Please highlight any other risks/issues in relation to construction not highlighted above	

These questions are scored across 8 fields of potential impact of low/medium/high (probability x impact).

Impact Field	Scope	Targets	Time	Reputation	Stakeholder/ Partnerships	Costs	Procurement	Resources
Risk / Issue								
Red								
Amber								
Green								

The example in Sect 4, 4.2 shows a completed assessment.

Once completed, the author must then identify mitigations that are/will be put in place along with any resource requirements in enacting these mitigations. The PoMO collate the returns and total the number of red/amber/green occurrences and report in Table 3, Section 4 above.

Quantification of impact

Once known the impact of these risks becoming issues will likely result in a change, the CIA has been developed so that all quantification links to the 5 categories of change derived in the SBCD change procedures, namely:

- Financial/costs
- Timescales
- Quality
- Programme and/or project benefits are impacted.
- Portfolio benefits are impacted.

Appendix 2

Programme and Project Construction Risk Assessment Summary

		Impact Criteria							
Project/Programme	Notes	Scope and key objectives	Targets	Timescales	Reputation if project fails to deliver	Stakeholders/ partnerships commitment	Project costs	Procurement	Staff resourcing
Swansea Waterfront		All Green	Amber x 2	Amber x 5	Amber x 6	Amber x 1	Amber x 2	Amber x 2	Amber x 2
Campuses		Red Risk x 1 - Finances Amber x 3	Amber x 6	Red Risks x 3 - Finances (2) / Timeline Amber x 1	Amber x 3	Amber x3	Red Risk x 1 Finances Amber x 8	Amber x 4	All All Green
PDM		Amber x 8	Amber x 9	Red Issue - Finances Red Risk - Finances Red Risk - Timeline Red Risk - Other (Post Brexit scenarios) Amber x 6	Amber x 8	Amber x 7	Red Issues x 2 - Finances Red Risk x 1 - Other(Post Brexit scenarios) Amber x9	Amber x 7	Amber x 1
Pentre Awel		All Green	All Green	Amber x 1	Amber x 4	All Green	Amber x 4	Amber x 3	All All Green
SILCG		All Green	Amber x 2	Red x 1 Amber x 5	Red 1 Amber x 6	Amber x 1	Red Issue x 1 - Finances Amber x 1	Amber x 2	Amber x 2
Yr Egin	stage 2 stc								
Digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Skills	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HAPS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 8th October 2024

Financial Monitoring Report 2023/24 - Provisional Outturn Position Quarter 4

RECOMMENDATIONS/KEY DECISIONS

To provide Joint Scrutiny Committee with an update on the latest financial position of the Swansea Bay City Region.

1. Introduction

This report details the forecasted year end outturn position of the Joint Committee and the Portfolio Investment Fund. The Financial Monitoring Report presents the City Deal Accounts in a detailed format, in line with Carmarthenshire County Council's financial management system.

2. JOINT COMMITTEE - Estimated Forecast Outturn Position

2.1. Supplementary Information

The outturn position includes 'Top Slice' of Government Grants in terms of income. On drawdown of government grants, 1.5% of this will be utilised to support the PoMO and the direct administration functions of the Portfolio. Any contribution from Government grants utilised within the financial year will be transferred to a ring-fenced reserve at year end, for utilisation in future years.

In June 2022 Joint Committee has previously agreed and set a five-year operational budget which has been revised on a continual basis. Since this period the operational budget has been reviewed and a detailed breakdown of the Joint Committee - Provisional Quarter 4 Outturn Position Financial Year 2023/24 is included in Appendix A.

2.2. Joint Committee and Accountable Body

The Joint Committee and Accountable Body expenditure forecast is estimated at £2,958k. This is in respect of democratic support, support of the portfolio monitoring officer and legal fees in respect of the funding agreements. Internal audit has been forecasted and has recently been undertaken. The Accountable Body expenditure is attributable to service provision by the Portfolio Section 151 Officer to the Swansea Bay City Deal and the annual external audit review by Audit Wales.

The accrued interest in residual cash balances is invested in line with Carmarthenshire County Council's approved Treasury Management Strategy. Any interest accrued on such cash balances is dispersed back to projects on an appropriate apportionment methodology (JC - 11 June 2020). The accounting management of this has been amended to clearly demonstrate the interest accrued and paid out. The accrued interest for 2023-24 was £2,770k.

2.3. Joint Scrutiny Committee

The Joint Scrutiny Committee expenditure consists of democratic services and related costs, provided by Neath Port Talbot County Borough Council was £21k.

2.4. Portfolio Management Office (PoMO)

For the period ended 31st March 2024 the expenditure was £533k. The PoMO staffing cost £472k which includes the 2023-24 pay adjustment. There is an underspend of £109k against the revised budget, this is due to all posts being budgeted at the top of grade, savings due to in year temporary staffing vacancies and a small recharge in respect of the Finance Manager for work outside the SBCD.

Rents and service charges in respect of office space total £23k, fees including consultancy and gateway reviews underspent by £12k and conferences, marketing and advertising underspent by £78k including the annual event. ICT costs were on budget which includes project management software purchased and associated training.

2.5. Income

Total income for the year demonstrates £3,555k. This consists of drawdown of 'Top Slice' of £785k from the dispersed grant awards and interest derived from cash balances of £2,770k.

2.6. Financial Monitoring - Statement of Balances

The prior year (2022/23) balance carried forward in reserve demonstrates £140.8k. The net cost of the City Deal accounts demonstrates a surplus of £42.1k, this is due to a timing effect attached to the grant dispersed to projects/programmes within the year. This has resulted in a reserve of £182.9k being carried forward at the end.

3. PORTFOLIO INVESTMENT FUND - Forecast Outturn Position

3.1. Provisional Portfolio Investment Outturn Position

The overall estimated investment position is demonstrated at £1.278bn (Quarter 3 2023/24 - £1.277bn) over the fifteen-year life of the portfolio. The revised budget (Quarter 2 2023/24) comprised of a total investment of £1.283bn, currently the City Deal is presenting a small under investment against the revised budget of £4.9m.

Details of significant variances are outlined below:

PDM is demonstrating an overall over investment of £1.7m against budget, £1m of which relates to private sector contributions for the MEECE project.

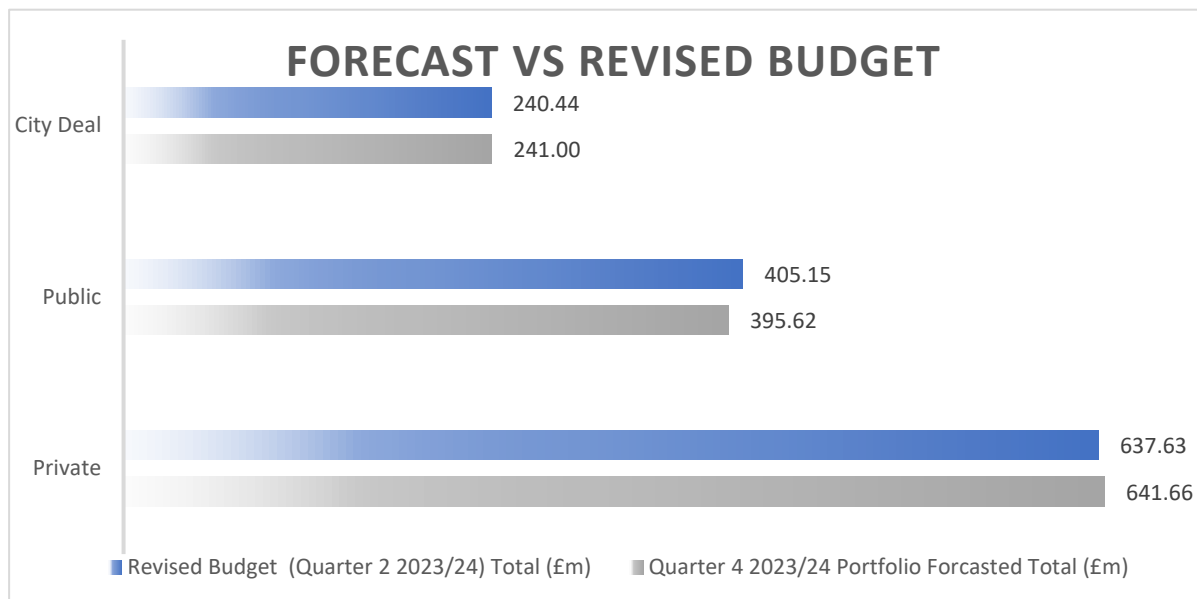
Swansea Waterfront Digital Village is currently demonstrating an underinvestment of £4.4m against budget, however this is expected to be reprofiled in quarter 1 2024-25 to

match the existing budget. The Innovation Precinct is currently demonstrating an under investment of £2.4m which will be reviewed during quarter 1 2024-25.

Prior Quarter (Quarter 3 2023/24) Portfolio Forecasted Total (£m)	Investment Component	Revised Budget (Quarter 2 2023/24) Total (£m)	Quarter 4 2023/24 Portfolio Forecasted Total (£m)	Variance (£m)	Variance
235.61	City Deal	240.44	241.00	0.56	0.23%
400.27	Public	405.15	395.62	- 9.53	-2.35%
641.00	Private	637.63	641.66	4.02	0.63%
1,276.88	Grand Total	1,283.21	1,278.27	- 4.94	-0.39%

Programme Breakdown (Estimated)

Programme	City Deal Investment (£m)	Public Sector Investment (£m)	Private Sector Investment (£m)	Programme Total (£m)	Revised Budget (Q2 23-24) Total (£m)	Sum of Variance (£m)	Sum of Variance (%)
Digital Infrastructure	25.00	18.25	26.06	69.31	69.79	0.48	-0.69%
Homes as Power Stations	15.00	114.60	375.90	505.50	505.50	0.00	0.00%
LS&WB Campuses	15.00	58.58	62.21	135.79	135.06	0.73	0.54%
Pembroke Dock Marine	28.00	19.26	18.65	65.92	64.24	1.68	2.61%
Pentre Awel	40.00	58.30	108.19	206.48	206.48	-	0.00%
Skills & Talent	10.00	16.00	4.00	30.00	30.00	-	0.00%
Supporting Innovation and Low Carbon Growth	53.00	5.50	5.50	64.00	64.00	-	0.00%
Swansea Waterfront	50.00	86.45	39.66	176.10	182.98	- 6.87	-3.76%
Yr Egin	5.00	18.67	1.50	25.17	25.17	0.00	0.00%
Grand Total	241.00	395.62	641.66	1,278.27	1,283.21	- 4.94	-0.39%



3.2. Provisional Annual Investment Forecast 2023/24

The forecast estimated investment for the financial year ended 31st March 2024 is demonstrated at £125.3m. The annual investment forecast is currently demonstrating an annual under-investment of £32.9m. The significant variances are detailed below.

Digital Infrastructure's public and private sector spends are behind profile due to funding agreements being signed mid-year. Accurate public and private sector investment figures for 2022/23 have not been established before the end of the 2023/24 financial year following completion of an externally commissioned benefits realisation exercise which was conducted by Farrpoint. These reports create a 12-18-month lag for reporting the private and public sector investment. This exercise is undertaken on an annual basis to accurately determine levels of public and private inward investment however, this

assessment requires information and data that is not released until the Autumn of the year following which it is reported. This will therefore continue to require retrospective updated investment reporting to reflect the actual and accurate public and private investment.

The HAPS project public sector expenditure has exceeded its reprofiled budget due to successful applications for grants awarded:

- Supported the application of an UKRI application, securing £5m for a Place Based Impact Accelerator Account 'Switch to Net Zero buildings' led by Swansea University.
- Supported the application of an Innovate UK application, securing £7.5m. The Launchpad is a partnership between NPTCBC, Pembrokeshire County Council and Net Zero Industry Wales for business-led innovation projects and wrap around support.
- Supported the application to the AHRC (Arts & Humanities Council) securing £4.6m - Transforming Housing and Homes for Future Generations.

Campuses: Project delivery has been delayed due to delays in finalising funding agreements between Lead and delivery partners. Funding agreements have now been completed and the project is proceeding at pace with Design and Build tender returns currently being evaluated for Singleton phase 1 project.

Pentre Awel: The construction phase commenced later than anticipated in February 2023. The planned end date of construction is early 2025/26. Therefore, a significant proportion of originally projected 2023/24 expenditure has moved into 2024/25 and a smaller amount into 2025/26. The Pentre Awel team are working on the FBC refresh and will submit a change notification which sets out the revised spend profile. Pentre Awel private sector contributions are linked to Zones 2, 3 and 4. It was envisaged that these would move forward more quickly, however, delays to Zone 1 due to the Pandemic and Contractual arrangements has meant delays to progressing Zones 2, 3 and 4 and consequently securing the private sector investment. Zone 4 is progressing well, and a competitive dialogue process is due to commence with shortlisted interested parties to take forward the hotel development. This development will be key in drawing down a proportion of the private sector investment.

Skills & Talent: Slippage relates to project claims being submitted later than expected. This slippage will be rectified early in 2024/25.

SILCG: Slippage is in relation to several factors including grant agreements, procurement delays and capital programme slippage. Progress will be made to catch up with profile in the 2024/25 financial year.

Swansea Waterfront: Slippage relates mainly due to contract delays for Digital Village (£3.8m) and Innovation Matrix (£1.4m). These projects will both be completed in financial year 2024/25. Underspend on the Innovation Precinct (£1.2m) due to the project delivery solution currently being reviewed by UWTSD.

Yr Egin Phase 2 (the active component of the wider Egin project) is currently going through a change notification process to significantly change the delivery methodology. This will have a significant impact on the project investment once more up to date costings are identified via expert consultants.

Portfolio Summary 2023/24							
Prior Quarter Forecast Total (£)	Description	Revised Budget (£)	Quarter 4 2023/24 Provisional Outturn Position				Variance (£)
			Actuals (to Date) (£)	Commitments (£)	Forecast Commitments (£)	Total Annual Forecast (£)	
	City Deal Investment						
59,585,031	Capital	60,065,827	51,707,071	484,819	2,087,465	54,279,356	- 5,786,4
2,089,304	Revenue Expenditure (where capital receipts directive applied)	2,975,935	1,911,117	-	-	1,911,117	- 1,064,8
61,674,336	City Deal Total	63,041,762	53,618,189	484,819	2,087,465	56,190,473	- 6,851,2
	Public Sector Investment						
60,068,434	Capital	66,967,745	52,916,383	-	7,370,547	60,286,930	- 6,680,8
3,948,415	Revenue	5,448,414	2,371,984	39,500	782,000	3,193,484	- 2,254,9
64,016,849	Public Sector Total	72,416,159	55,288,366	39,500	8,152,547	63,480,413	- 8,935,7
	Private Sector Investment						
16,388,666	Capital	21,058,179	1,671,000	-	1,310,212	2,981,212	- 18,076,9
1,673,779	Revenue	1,658,959	1,661,152	836,765	164,236	2,662,153	- 1,003,1
18,062,445	Private Sector Total	22,717,139	3,332,152	836,765	1,474,448	5,643,365	- 17,073,7
	Project Total						
136,042,131	Capital	148,091,752	106,294,454	484,819	10,768,224	117,547,498	- 30,544,2
7,711,499	Revenue	10,083,308	5,944,253	876,265	946,236	7,766,754	- 2,316,5
143,753,630	Project Total	158,175,060	112,238,707	1,361,084	11,714,460	125,314,252	- 32,860,8

Annual Programme Investment Breakdown 2023/24 (Estimated)

Prior Quarter Forecast Total (£)	Description	Revised Budget (£)	Quarter 4 2023/24 Provisional Outturn Position				Variance (£)
			Actuals (to Date) (£)	Commitments (£)	Forecast Commitments (£)	Total Annual Forecast (£)	
10,355,976	Digital Infrastructure	10,602,392	778,422	-	-	778,422	- 9,823,9
6,487,438	Homes as Power Stations	7,104,990	23,560,624	-	-	23,560,624	- 16,455,6
8,929,313	LS&WB Campuses	8,866,505	877,764	484,385	-	1,362,148	- 7,504,3
20,646,463	Pembroke Dock Marine	20,407,799	12,215,499	1,436	9,250,079	21,467,014	- 1,059,2
47,117,000	Pentre Awel	47,117,000	29,152,093	-	-	29,152,093	- 17,964,9
2,180,576	Skills & Talent	3,277,040	567,723	875,264	946,236	2,389,223	- 887,8
1,763,907	Supporting Innovation and Low Carbon Growth	2,615,907	245,762	-	1,518,145	1,763,907	- 852,0
46,272,958	Swansea Waterfront	52,463,427	44,840,820	-	-	44,840,820	- 7,622,6
-	Yr Egin	5,720,000	-	-	-	-	- 5,720,0
143,753,630	Total	158,175,060	112,238,707	1,361,084	11,714,460	125,314,252	- 32,860,8

3.3. Capital and Revenue Apportionment

There is currently an estimated revenue requirement of £59.7m (4.67%) to deliver the city deal projects. This will be supported through the use of the Local Authorities flexible capital receipts directive, and alternative public and private sector commitment. The revenue requirement demonstrates a small change compared with the prior period (Quarter 3 2023/24 - £58.07m), this is as a result of some small fluctuation across several projects.

Capital/Revenue Summary (Estimated)

Prior Quarter (Quarter 3 2023/24) Portfolio Forecasted Total (£m)	Investment Component	Capital Forecast (£m)	Revenue Forecast (£m)	Total Forecast (£m)	Revenue Proportion
235.61	City Deal	223.52	17.48	241.00	7.25%
400.27	Public	367.06	28.56	395.62	7.22%
641.00	Private	627.99	13.67	641.66	2.13%
1,276.88	Grand Total	1,218.57	59.70	1,278.27	4.67%

4. Financial Implications

The forecasted Joint Committee year end out-turn position (as at 31st March 2024) indicates a surplus of £42.1k, which will be transferred to the Swansea Bay City Deal ring-fenced reserve at the year end. Expenditure is forecasted at £3,512.8k, which is offset by the 'Top Slice' of dispersed Government grants of £785.2k and interest income of £2,769.7k.


The business cases of all nine SBCD Portfolio programmes and projects have now been formally approved and a revised budget was compiled in Quarter 2 2023/24 for the portfolio demonstrating £1.283billion. The estimated portfolio forecasted investment position (as at 31st March 2024) demonstrates small under investment against the revised budget of less than £5m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.278billion. This is subject to fluctuation

over the life span of the project and will continue to be monitored quarterly through financial templates and through the Portfolio risk register.

Appendices:

Appendix A - Provisional Outturn Position 2023/24.

Appendix A

 Joint Committee - Provisional Outturn Position Financial Year 2023/24			
Description	Budget 2023/24 (£)	Actuals 2023/24 (£)	Variance (£)
Joint Committee and Accountable Body			
Room Hire	1,986	-	1,986
Subsistence & Meeting Expenses	3,671	-	3,671
Travel	-	-	-
Democratic Services - CCS	27,737	27,935	(198)
Monitoring Officer & Legal Services	38,198	38,472	(274)
External Legal Advisory Fees	26,780	-	26,780
Internal Audit Support	22,013	22,064	(51)
Staff Recruitment Expenses	-	-	-
External Audit Fees	26,780	40,758	(13,978)
Section 151 Officer	59,268	59,268	-
Interest paid out to projects	-	2,769,692	(2,769,692)
Joint Committee and Accountable Body Total	206,433	2,958,189	(2,751,756)
Joint Scrutiny Committee			
Subsistence & Meeting Expenses	7,364	-	7,364
Travel	1,311	-	1,311
Democratic Services - NPT	22,129	21,115	1,014
Joint Scrutiny Committee Total	30,804	21,115	9,689
Portfolio Management Office			
Recharges - Employee Costs (direct)	580,576	471,718	108,858
Staff Recruitment Expenses	-	-	-
Training of Staff	27,862	-	27,862
Response Maintenance	-	-	-
Rents (The Beacon)	16,921	14,889	2,032
Rates (The Beacon)	7,472	7,624	(152)
Public Transport - Staff	2,185	-	2,185
Staff Travelling Expenses	17,482	1,802	15,680
Admin, Office & Operational Consumables	2,732	174	2,558
Furniture	1,071	-	1,071
Fees (including Gateway Reviews)	27,316	15,130	12,186
ICT Computer Hardware & Software	2,678	1,084	1,594
Subsistence & Meetings Expenses	8,741	445	8,296
Conferences, Marketing & Advertising	81,947	19,614	62,333
Projects & Activities Expenditure	15,297	-	15,297
Translation/Interpret Services	10,296	995	9,301
Printing & Copying	4,917	17	4,899
Photocopying Recharge	-	-	-
Central Recharge	-	-	-
Portfolio Management Office Total	807,493	533,492	274,001
Provision for Unwinding of PMO			
Redundancies	37,674	-	37,674
Provision for Unwinding Total	37,674	-	37,674
Total Expenditure	1,082,404	3,512,796	(2,430,392)
Funding Contributions			
Welsh Government - Revenue Grant	-	-	-
SBCE Grant Revenue Contribution	(723,000)	(785,198)	62,198
Partner Contributions	0	0	-
Interest Income	0	(2,769,692)	2,769,692
Total Income	(723,000)	(3,554,890)	2,831,890
Provision of Service - (Surplus) / Deficit	359,404	(42,095)	401,499
Movement to Reserves			
Description	2022/23 (£)	2023/24 (£)	
Balance Brought Forward from previous year - (Surplus) / Deficit	(220,361)	(140,802)	
Net Provision of Service - (Surplus) / Deficit	79,559	(42,095)	
Balance Carry Forward - (Surplus) / Deficit	(140,802)	(182,897)	

OFFICER CONTACT	
Name: Chris Moore	Email: CMoore@carmarthenshire.gov.uk

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 8th October 2024

Pre Audit Annual Statement of Accounts 2023/24

RECOMMENDATIONS/KEY DECISIONS

To provide Joint Scrutiny Committee with the Joint Committee Pre - Audit Annual Statement of Accounts 2023/24 (Appendix A) for the Swansea Bay City Deal.

1. Introduction

Carmarthenshire County Council as the Accountable Body is responsible for the financial stewardship of the Swansea Bay City Deal. This is the fourth year the Swansea Bay City Deal Joint Committee has had to compile a Statement of Accounts in line with the Accounts and Audit (Wales) Regulations 2014, as amended in 2018. This Pre-Audit Statement of Accounts will be audited by Audit Wales in line with the detailed Audit Plan and any amendments will be noted in the ISA 260. The Pre-Audit Statement of Accounts 2023/24 is attached at Appendix A.

2. Statement of Accounts 2023/2024

The Statement of Accounts present full financial statements for the financial year 2023/24, as required by legislation. To the period which ended on 31st March 2024, the Joint Committee and Portfolio Management Office expenditure incurred totalled £3,512.8k. Income through partner contributions, top slice and interest earned totalling £3,554.9k. This resulted in a surplus of £42.1k with the balance being transferred to the City Deal reserve, which now demonstrates £182.9k in total.

Further income received by the Joint Committee included the sixth instalment of Welsh and UK Government City Deal Grant totalling £23.1m along with an additional front-loading contribution of £19.3m. Grant of £39.2m was dispersed to projects during the year. Accrued interest is dispersed to projects on an annual basis apportioned on the basis of the City Deal grant award. This was approved at Joint Committee on 10th July 2020. Debtor and creditor amounts represent contributions outstanding from partners and funders, and the amount owing to Carmarthenshire County Council as the Accountable Body.

3. Financial Implications

The total annual expenditure of the Joint Committee was £2,979.3k. The total expenditure for the Portfolio Management Office was £533.5k. Income through top slice of £785.2k and interest earned of £2,769.7k. This resulted in a surplus position of £42.1k. The current

reserves reside at £182.9k for the Joint Committee, and £54.2m for the portfolio investment fund.

City Deal grant totalling £42.4m and generated interest of £2,769.7k was accounted for within the year. Payments totalling £39.2m have been disseminated from the Accountable body.

The estimated portfolio forecasted investment position (as at 31st March 2024) demonstrates an underinvestment of £4.9m. Currently the portfolio is presenting a total investment over the fifteen-year life span of the Swansea Bay City Region Deal of £1.278bn. This is subject to fluctuation over the life span of the project and will be monitored quarterly through financial templates and through the Portfolio risk register. The remaining business cases were approved within the year and the portfolio is now in full delivery.

Appendices:

Appendix A - Joint Committee Pre-Audit Annual Statement of Accounts 2023/24 for the Swansea Bay City Deal.

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Joint Committee
Pre-Audit
Statement of Accounts
2023/24



The Swansea Bay City Deal is an alliance of four Regional Local Authorities, supported by four co-opt regional partners governed by a legally constituted Joint Committee.

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Swansea Bay City Deal

The Swansea Bay City Deal is a £1.278 billion investment in 9 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire, and Swansea.

The City Deal is being funded, subject to the approval of project business cases, by the UK Government, the Welsh Government, the public sector, and the private sector.

Over the next 10 years, the City Deal will boost the regional economy by £1.8 billion and generate over 9,000 new, high-quality jobs.

City Deal projects are based on key themes of Economic Acceleration, Life Science and Well-being, Energy, and Smart Manufacturing. Each project will be supported by world class digital infrastructure and a Skills and Talent initiative that will give local people a pathway to access the jobs that will be created.

The Swansea Bay City Deal is being led by the four regional local authorities – Carmarthenshire County Council, City and County of Swansea Council, Neath Port Talbot County Borough Council and Pembrokeshire County Council – together with the Swansea Bay Health Board and Hywel Dda University Health Board, Swansea University, the University of Wales Trinity Saint David. The UK and Welsh Governments are funding bodies supporting the City Deal Grant.

Chair's Statement

"As we continue to help shape the future for South West Wales through the delivery of the Swansea Bay City Deal, I am pleased to introduce the financial statement for 2023/2024. The commitment and collegiality of the regional partners, aligned with the positive engagements with the UK Government and Welsh Government, are reflected in several initiatives moving forward into build, and from build into operations.

Excellent progress is being made, despite the turbulent economic climate we're all continuing to navigate through. Challenges relating to increased construction costs, and pressures in inflation and public sector spending, has required us to rethink solutions. By attracting further funds from public or private sector, and entering negotiations with contractors, we are continuing to overcome key risks and issues and remain on track to deliver the £1.3bn Portfolio.

Moving forward into 2024/25 and beyond, I look forward to presenting the economic impact from the SBCD investment and evidencing its fruition as we enter the next phase of the Portfolio."



Councillor Rob Stewart

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council

Narrative Report

The Swansea Bay City Region is an important driver for the Welsh and UK economy. An area with a significant coastal footprint, with rural idyllic landscape, complimented with diverse urban centres, the region offers opportunities far and wide reaching.

The Portfolio offers regional partners new ways of working and resource to unlock significant potential, to stimulate economic growth and increase added value in the region.

Taking a regional collaborative approach enables the Authorities to plan and deliver services more effectively, through strategic land use planning, strategic transport and economic development.

The City Deal is expected to boost the region estimating;

- Funding and investment of £1.278 billion for interventions to stimulate economic growth.
- Pan-region investment, ensuring all localities and citizens can benefit.
- Over 9,000 additional gross direct jobs.
- A contribution to regional Gross Value Added of over £1.8 billion.

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

Within the United Kingdom City Deals have been adopted by Governments to give local areas specific powers and freedoms to help regions in supporting economic growth, job creation and to stimulate investment in local projects.

During March 2017 the then Prime Minister Theresa May visited the City of Swansea to meet with region Council Leaders to formally sign-off the Swansea Bay City Region Deal, bringing the current portfolio into fruition.

The award of City Deal funding was based on local demand-led elements labelled under four key themes, each adopted to provide the region with value added growth and economic stimulation. The portfolio comprises of nine projects each designed around four key themes of Internet of Economic Acceleration, Life Science and Well-being, Energy, and Smart Manufacturing.

On establishment of the Swansea Bay City Region Deal, a shadow Joint Committee was formed consisting of all four regional participating Authorities, with support from four co-opt portfolio partners (Swansea University, University of Wales Trinity St David, Swansea Bay Local Health Board and Hywel Dda Local Health Board) to oversee delivery of all eleven projects within the established portfolio.

On approval by all four participating Authorities the Joint Committee was formalised by the investiture of the Joint Committee Agreement (JCA) on 29th August 2018. The JCA constitutes governance arrangements, embedding a structured framework of control through outlining accountability and responsibility, thus allowing Authorities to discharge their functions appropriately to successfully deliver projects under the City Deal Portfolio.

OUR VISION

Based on the Swansea Bay City Region Economic Regeneration Strategy 2013-2030, the Swansea Bay City Deal sets out an integrated, transformational approach to delivering the scale and nature of investment needed to support plans for growth in the Region.

The strategic vision is to create a super smart innovation region which will inform and advance solutions to some of the most pressing challenges of modern times in the areas of economic acceleration, smart manufacturing, energy, life sciences and well-being.

The City Deal provides a once in a generation opportunity to further consolidate the region's role in technological innovation through the creation of interconnected testbeds and living laboratories, designed not only for proof of concept but also for proof of business.

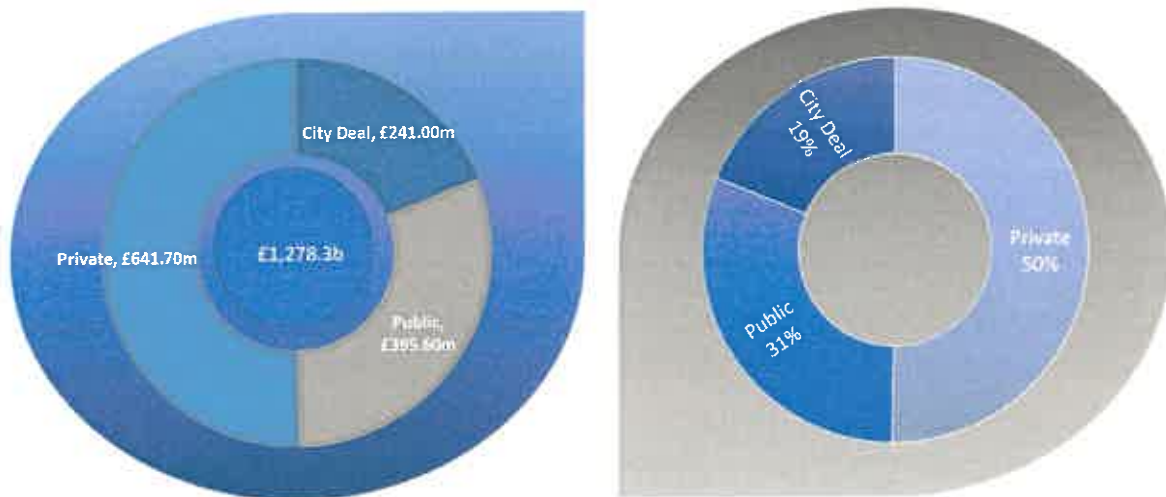
Using the transformational powers of next generation digital technologies, and supported by a portfolio of tailored skills development, the City Deal will accelerate the region's innovation, technological and commercialisation capabilities to support the establishment and growth of local innovation businesses, while also acting as a catalyst to attract further inward investment.

Swansea Bay City Region Deal Investment

The City Deal program is fabricated through three forms of funding components, constituting in £1.278 billion of investment within the South Wales region.

The total investment package is made up of £241.0 million (19%) UK and Welsh Government funding, £395.6 million (31%) other public sector investment, and £641.7 million (50%) from the private sector. This totalling £1,278.3 billion.

Funding Apportionment



Swansea Bay City Region Deal Grant Funding Profile

It is the aim of the Swansea Bay City Region Deal that all projects will be delivered by 2028/29 in order to maximise the full benefits realisation of the operational schemes during the lifetime of City Deal funding, which is to be released in the form of a capital grant to the Region from both the UK and the Welsh Governments over a 15-year period. On 2nd March 2021 the UK Government announced that it would be cutting its grant payment profile term from fifteen to ten years, front loading its financial commitment to 2027/28. On the 14th March 2024 the UK Government announced that it would reprofile its capital grant funding of the Swansea Bay City Region Deal with the revised reprofile further accelerating the funds in years 6 and 7.

The Portfolio will disperse funding to the regional Project Authority Leads to support the projects on which the grant was awarded. Funding will only be released by the Accountable Body on behalf of the Joint Committee on the successful approval of business cases by both UK and Welsh Government.

With the funding being released to the portfolio over a fifteen-year period an inherent temporary funding gap is recognised. Each Lead Authority is responsible for managing the cashflows in respect of the projects in which they hold responsibility for delivery, and subsequently are accountable for managing inherent risks and the funding gaps recognised. Each Authority shall be responsible for borrowing to provide funding or securing funding for projects in its own area.

Swansea Bay City Region Deal Investment Breakdown

The Swansea Bay City Region Deal partnership, through the 'Internet Coast' publication and subsequent discussions with the Welsh and UK Governments, has developed a clear strategy which has been underpinned with identified interventions to deliver widespread and sustainable economic growth across the region. These interventions, subject to the submission and approval of detailed business cases for the now nine identified projects by the Welsh and UK governments, and the agreement of necessary governance arrangement and delivery models.

The overall estimated investment position is demonstrated at £1,278.27 billion over the fifteen-year life of the portfolio. The revised budget comprised of a total investment of £1,283.21 billion. Currently the City Deal is presenting under investment against the revised budget of £4.9m. Details of variances are outlined below:

PDM is demonstrating an overall over investment of £1.7m against budget, £1m of which relates to private sector contributions for the MEECE project.

Swansea Waterfront Digital Village is currently demonstrating an underinvestment of £4.4m against budget, however this is expected to be reprofiled in quarter 1 2024-25 to match the existing budget. The Innovation Precinct is currently demonstrating an under investment of £2.4m which will be reviewed during quarter 1 2024-25.

Portfolio Investment Breakdown

Prior Quarter (Quarter 3 2023/24) Portfolio Forecasted Total (£m)	Investment Component	Revised Budget (Quarter 2 2023/24) Total (£m)	Quarter 4 2023/24 Portfolio Forecasted Total (£m)	Variance (£m)	Variance
235.61	City Deal	240.44	241.00	0.56	0.23%
400.27	Public	405.15	395.62	- 9.53	-2.35%
641.00	Private	637.63	641.66	4.02	0.63%
1,276.88	Grand Total	1,283.21	1,278.27	- 4.94	-0.39%

Funding elements are subject to change as the portfolio evolves and matures. On the successful approval of business cases the Accountable Body will release Government grant funding to projects up to the maximum of the agreed allocated value. Grant values are subject to change, however this will be supported by a full business case and approval by the Joint Committee and both UK and Welsh Governments, as outlined within the Joint Committee Agreement.

Organisational Overview and External Environment

The Joint Committee is composed of the four Regional Local Authority Leaders, supported by the four Authority Chief Executive Officers and four non-voting co-opt partners. Internal Audit and External Audit (Audit Wales) report independently to the Joint Committee. Chaired by Councillor Rob Stewart, Leader of the City and County of Swansea Council, the Joint Committee whilst not itself a legal entity, rather a joint arrangement under a joint committee agreement, holds responsibility and accountability for the delivery of the Swansea Bay City Region Deal Portfolio.

To oversee delivery of the portfolio, the Joint Committee is supported by an Economic Strategy Board (ESB) (comprising of private sector advisers), Portfolio Board (comprising of the four regional authority Chief Executive Officers and co-opt partners), and an oversight board in the form of a Joint Scrutiny Committee. The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the Swansea Bay City Region Deal. The role of the Portfolio Board is to ensure that all schemes are developed in accordance with the agreed process, analysing the financial viability, deliverability and risk of each City Deal project proposal. This detailed analysis will then be reported to the ESB and Joint Committee.

To ensure successful delivery the portfolio has embedded core administration functions conforming to statutory and regulatory requirements, with a constructive governance framework entrenching transparency, integrity, objectivity, accountability and responsibility.

The financial structure of the portfolio has been split in to two distinct delivery areas the Joint Committee including administration and statutory functions, and the Portfolio Investment Fund.

Joint Committee

The Joint Committee has ultimate responsibility and accountability for decisions taken and the delivery of the City Deal Portfolio. There is recognition by both the UK and Welsh Governments of a requirement for revenue funding to support the Joint Committee's activities, including the administration and statutory functions. This was also acknowledged by all partners and subsequently an agreement was concluded to support these central functions with an amalgamation of funding consisting of partner contributions (£50k per partner) and applying a top slice to Government grants of 1.5%.

Portfolio Investment Fund

The Portfolio Investment Fund is overseen and upheld by the Accountable Body who administer the receipt and distribution of City Deal grant on behalf of the Joint Committee. The Accountable Body is accountable to the Joint Committee and manages the City Deal grant and investment pool in line with Carmarthenshire County Council's approved Treasury Management Strategy.

The Joint Committee distributes Government grants on a programme/project basis to Project Lead Authorities. An annual grant award is receipted from Welsh Government on behalf of both Governments and then distributed on actual expenditure in arrears ensuring clear financial governance is pursued. The total investment package is an anticipated £1.278 billion, with grant totalling £241m relating to the Portfolio Investment Fund (UK and Welsh Governments). Any portfolio cash balances are invested to ensure effective optimisation of resources until approval is confirmed to initiate the release of funds from the Portfolio. Joint Committee have formally agreed it will afford Lead Authorities to borrow from any such balances that reside in the portfolio, this is done at a set rate on a 12-month term, as cashflow determines.

Government Grant 'Top Slice'

The Joint Committee has approved the 'Top Slice' of Government grants on an annual basis up to a value of 1.5%. This allocation will be earmarked to finance the Joint Committee, central administration and statutory functions required to support the delivery of the Portfolio.

Retention of National Non-Domestic Rates

Welsh Government have agreed in principle (as per below) that 50% of the additional net yield generated through City Deal developments can be retained by the region to support revenue costs associated with the portfolio. This has been acknowledged by the Lead Authorities within the Joint Committee Agreement (JCA - 29th April 2018).

Welsh Government (Cabinet Secretary for Finance, 11th April 2018)

'I intend to initiate arrangements to allow the region to retain 50% of the additional net yield in Non-Domestic rates generated by the 9 projects which are to be delivered by the Deal'

The Joint Committee formally agreed (JC-10th February 2022) the distribution basis of the allocated retention. Officers are working with Welsh Government to establish a robust process for the drawdown of the retention of rates. Recent discussions with Welsh Government have further progressed the process for the drawdown of the retention of rates.

Gateway Reviews

The Welsh Government Assurance Process (consistent with the OGC Gateway) is the responsibility of the Integrated Assurance Hub (IAH) and authorised to deliver assurance under accredited license from the Infrastructure and Projects Authority (IPA), which is part of the UK's Cabinet Office. This process is designed to provide independent guidance to Senior Responsible Owners (SROs), portfolio and project teams and to the departments who commission their work, on how best to ensure that their portfolios and projects are successful.

During 2023/24, the Welsh Government Integrated Assurance Hub conducted an Office of Government Commerce (OGC) Gateway Review at a City Deal portfolio (Gate 0) level. This will assure successful progression and overall delivery, while supporting the SRO in the successful discharge of their duties. The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub Guidelines. Sixteen 'conversations' were held with stakeholders between 17th-19th July 2023 together with a workshop session with the four local authority Leaders.

The next Review is due in July 2025.

Current Economic Climate

Partners and Governments are fully committed to the City Deal recognising it as an important driver in the economic recovery of the region and country. Despite the unprecedented national and global challenges, the City Deal's continued progress should reassure regional businesses and residents that partners remain focused on delivering the City Deal as soon as possible. The remaining programme/project business cases were approved during the year, with the portfolio now in full delivery.

The Joint Committee has conducted an assessment of the risks and issues affecting the delivery of the portfolio and will address and manage the matters identified that could significantly impact the delivery or scope of the Swansea Bay City Deal Portfolio. The Joint Committee will continue to monitor these impacts, risks, and issues.

The financial statements are required to reflect the conditions applying at the end of the financial year.

The City Deal's financial standing has been maintained at a prudent level, with internal audit presenting an assurance rating of 'Substantial' (Green Rating) once again. There continue to be no or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur, or their impact is not likely to affect the achievement of the SBCD objectives.

There are unprecedented significant inflationary and construction cost increases that are impacting the projects. During the year an assessment of increasing construction costs and mitigating actions that are being taken to address them was presented to the Joint Committee. A construction impact assessment summary report is also presented at each Committee meeting.

The impact of continued interest rate increases has had a positive effect on the finances of the City Deal. Cash balances have been high, so substantial additional interest has been redistributed to the projects.

Operational Model

Business Case Model

The need to get the best possible value from spending public money will always remain a constant for the Joint Committee and its partners. To this end, all City Deal business cases must be developed using the HM Treasury and Welsh Government's Five Case Model - an approach which is both scalable and proportionate. It is recognised as best practice and is the Treasury's standard methodology.

The business case, both as a product and a process, provides decision-makers, stakeholders and the public with a management tool for evidence-based, transparent decision-making and a framework for the delivery, management and performance monitoring of the resultant scheme.

Each business case in support of a SBCD project must evidence:

- Strategic Case - the intervention is supported by a compelling case for change that provides a holistic fit with other parts of the organisation and public sector
- Economic Case - the intervention represents best public value (to the UK as a whole)
- Commercial Case - the proposed project is attractive to the marketplace, can be procured and is commercially viable
- Financial Case - the proposed spend is affordable
- Management Case - what is required from all parties is achievable

As set out in the Joint Committee Agreement, the Project Business Case shall include a Resolution of the Project Authority Lead and all Councils in whose area the project shall take place will approve the submission of the Project Business case.

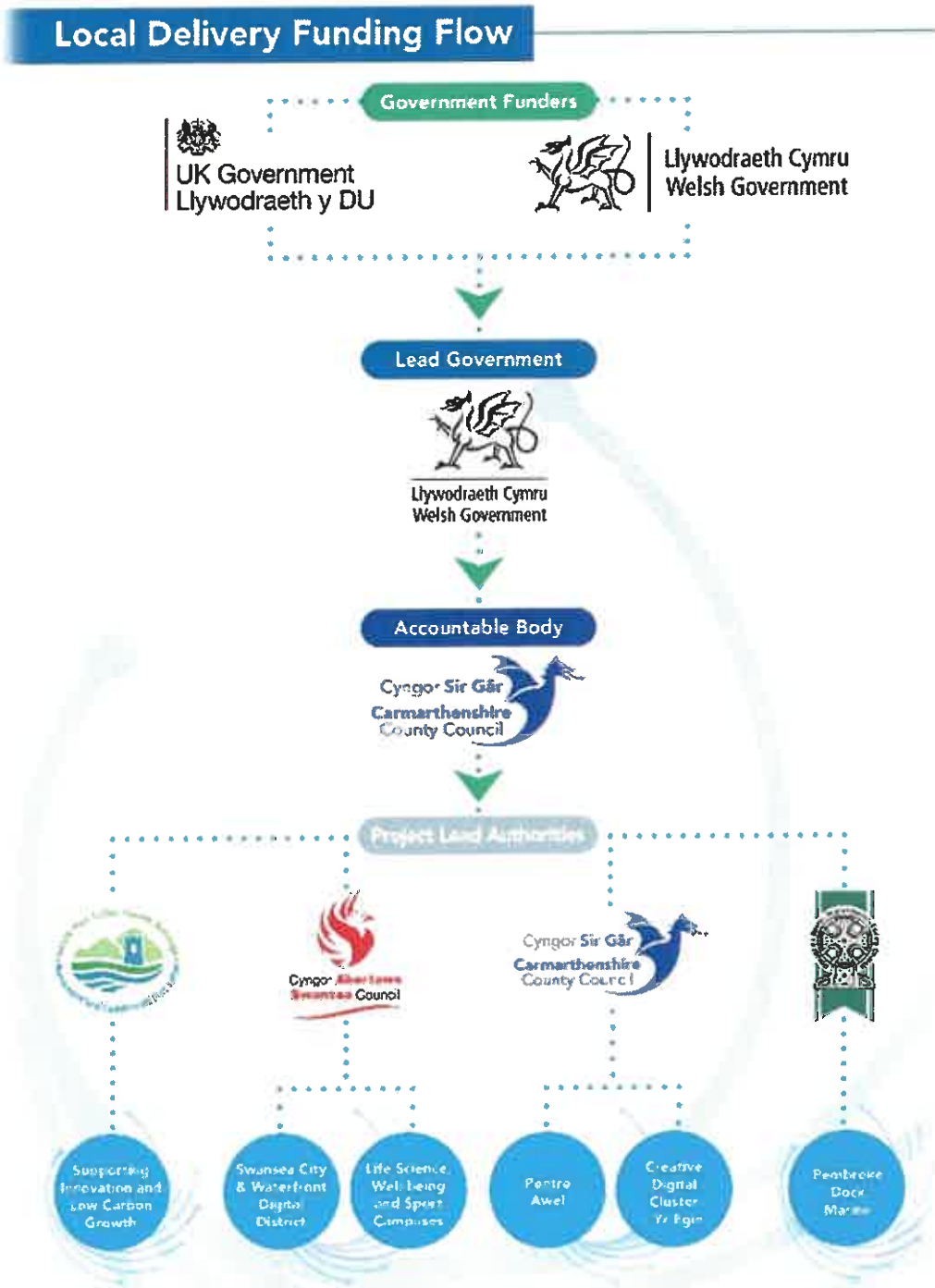
The Portfolio Management Office has day to day responsibility for managing the assessment process for projects.

To assist a speedier assessment process, the UK Government and Welsh Government have agreed an informal iterative review process for assessing draft versions of business cases in order to assist Project Leads in the production of complete full business cases which are appropriate for 5 case formal review process.

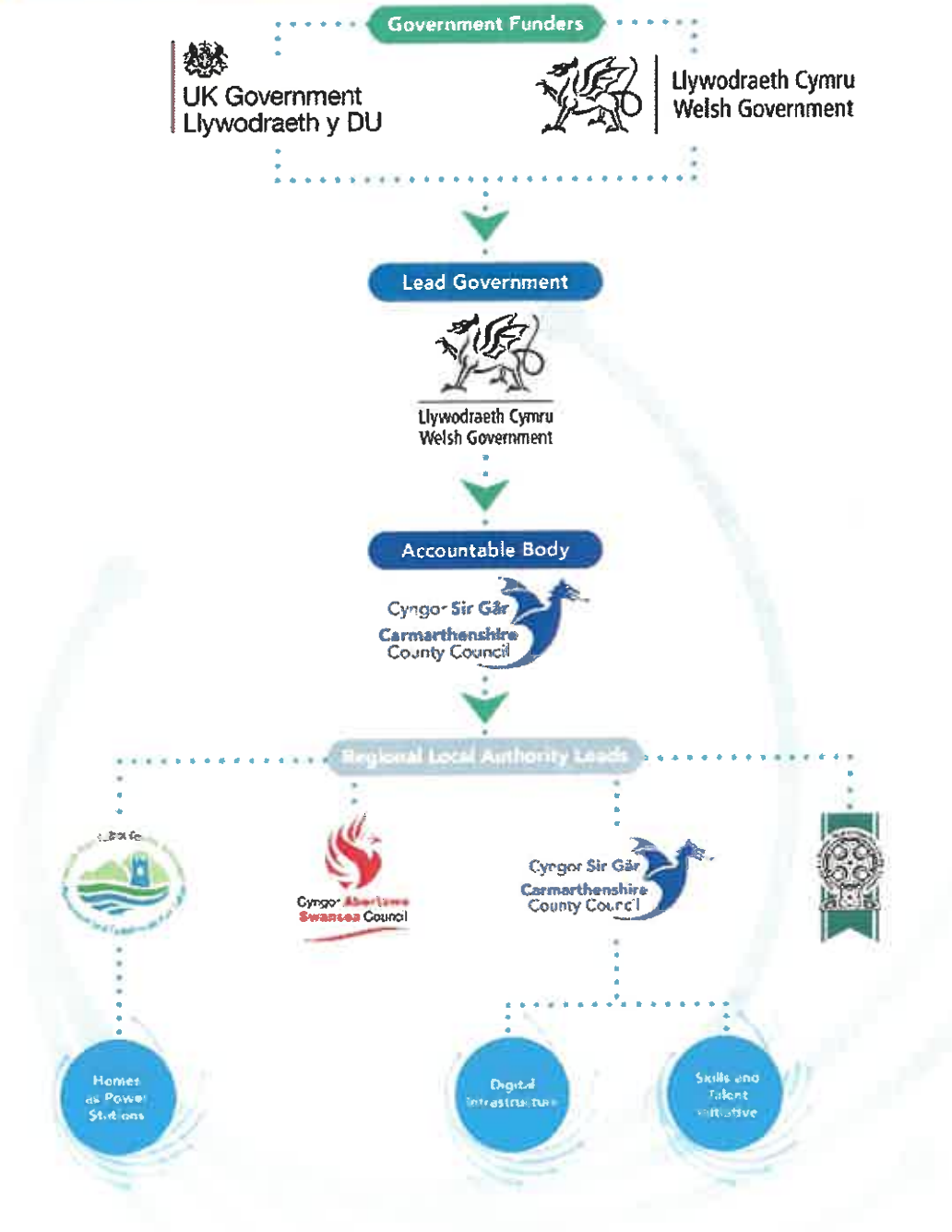
On completion of the final draft business case and following approval from the respective Regional/Project Authority Lead(s), full business cases for each of the City Deal projects will undergo assessment by the Portfolio Management Office before being considered by the respective City Deal governance structures. After approval by the Joint Committee the project business case will be forwarded to the UK Government and Welsh Government for approval to release City Deal Government project funding to the Accountable Body.

City Deal Flow of Finances

The release of funds from the Accountable Body will follow one of two funding routes. This is determined on a Programme/project basis depending on whether funding is being released to a regional project or a Local Authority lead project. The flow of funding is demonstrated below:



Regional Delivery Funding Flow



Summary of Financial Performance

Joint Committee Annual Year-End Outturn Position 2023/24

The year-end outturn position compared with the predetermined set annual budget is demonstrated below for both the Joint Committee and Portfolio Investment Fund (PIF). An extract of the Joint Committee's reserve is also summarised.

Joint Committee Budget and Out-Turn Position 2023/24

<u>Actual 2022/23</u>	<u>Description</u>	<u>Budget 2023/24</u>	<u>Actual 2023/24</u>	<u>Variance 2023/24</u>
(£)		(£)	(£)	(£)
	<u>Gross Expenditure</u>			
84,360	Joint Committee	120,385	88,471	31,914
951,145	Accountable Body	86,048	2,869,718	(2,783,670)
21,115	Joint Scrutiny Committee	30,804	21,115	9,689
546,550	Portfolio Management Office	845,167	533,492	311,675
-	City Deal Assurance Grant	-	-	-
1,603,170	Total Expenditure	1,082,404	3,512,796	(2,430,392)
	<u>Income</u>			
(400,000)	Partner Contributions	0	0	-
(252,978)	Top Slice' of Government Grants	(723,000)	(785,198)	62,198
(870,633)	Investment Income	-	(2,769,692)	2,769,692
-	WG Government Revenue Grants	-	-	-
(1,523,611)	Total Income	(723,000)	(3,554,890)	2,831,890
79,559	Net Annual Total - (Surplus)/Deficit	359,404	(42,095)	401,499
* £401,499 is the difference between the Budget and Actuals and is not an additional surplus				

Portfolio Investment Fund Out-Turn Position 2023/24

Actual 2022/23 (£)	Description	Budget 2023/24 (£)	Actual 2023/24 (£)	Variance 2023/24 (£)
	Gross Expenditure			
24,406,436	Project Lead Authorities	23,086,000	39,222,471	16,136,471
24,406,436	Total Expenditure	23,086,000	39,222,471	
	Income			
(23,086,000)	Government Grant Income	(23,086,000)	(42,428,000) -	19,342,000.00
(23,086,000)	Total Income	(23,086,000)	(42,428,000) -	19,342,000.00
1,320,436	Net Annual Total - (Surplus)/Deficit	-	(3,205,529)	(3,205,529)

Summary of Reserves (Extract from Balance Sheet) 2023/24

31st March 2023 (£)	Description	31st March 2024 (£)
140,802	Usable Reserves - Revenue	182,897
51,023,963	Capital Grants Unapplied	54,229,492
	- Unusable Reserves	-
51,164,765	Total Reserves	54,412,389

Supporting Information

Operational Summary

The operational costs demonstrate a surplus of £42k which will be transferred to the ring-fenced reserve.

Salary and Pension Liabilities

The Joint Committee is not itself a separate legal entity and as such cannot enter into contracts for the provision of goods and services. Officers directly employed to support the Joint Committee are contractually employed through Carmarthenshire County Council. It is the responsibility of the employing Authority to remunerate officers and commit to current and future pension liabilities that may arise from these arrangements. Eight staff members continued to support the activities of the portfolio during the year.

The Joint Committee reimburse all costs in respect of salary and on-costs, including all employer related pension costs and account for this within its Income and Expenditure account. No liability is recognised within the statements of the Joint Committee in respect of future pension liabilities.

Investment Activities

Portfolio balances are invested in line with Carmarthenshire County Council's approved Treasury Management Strategy. Interest is calculated on an average rate and ring fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury Management Strategy.

On the 11th June 2020, the Joint Committee approved the distribution of income generated from investments back to programmed/projects based on an allocation outlined within the original SBCD Heads of Terms. The £2,770k interest earned on balances during 2023/24 has been distributed to the 4 Authorities.

General Reserves

Usable Reserves

A General Fund Usable Reserve has been established due to income through partner contributions, interest on investments and 'Top slice of Government Grants' exceeding actual spend to date. The reserve currently resides at £183k and will support operations in future years.

Capital Grants Unapplied Reserve

The Capital Grants Unapplied Reserve comprises of portfolio balances created through the receipt of City Deal Government grant exceeding funding released to Project Authority Leads. Funding is only released to Project Authority Leads based on spend in arrears and upon approval of business cases and engagement in funding agreements. Payments and commitments to projects with a total of £39.2m were transacted during the year.

The SBCD received the grant award offer letter for financial year 2023/24 totalling £23.09 million on the 31st August 2023, with subsequent acceptance and grant receipt during November 2023.

Annual Review

“The Swansea Bay City Deal (SBCD) progressed with significant delivery throughout 2023-24. The progress is becoming more visible across the South West Wales region. Several initiatives valued at £148m, are well underway and will be nearing completion within the next financial year, including the Innovation Matrix and 71/72 Kingsway in Swansea, and Pentre Awel in Llanelli.

The Pembroke Dock Marine (PDM) project has also made significant progress by completing the Pembroke Dock Infrastructure element of the project. The immense scale of the new dock infrastructure will help unlock the potential for Floating Offshore Wind (FLOW) and the testing and deployment of many other marine and renewable technologies in partnership with industry. The infrastructure includes the office developments in the Hangar Annexes, a 11,353 sqm slipway and 17,000 sqm laydown space. The other elements of PDM are also making good progress to leverage public and private sector interest and funding to boost opportunities for Pembrokeshire and the wider region.

Several projects also continue to realise economic impact through their operations including the popular and stylish Swansea Arena, office and lab space in Neath Port Talbot’s Bay Technology Centre and supporting the region’s creative sector through the Yr Egin development in Carmarthenshire.

Yr Egin celebrated its fifth-year anniversary of operation in 2023-24 and produced an economic impact report for 2022-23. The independently verified assessment shows that Yr Egin generated £7.6m in the economy of Carmarthenshire with 174 staff being employed at Yr Egin.

Our three regional initiatives are also making headlines. The Skills and Talent programme is working in collaboration with training providers and industry. Key activity to date includes funding of 19 pilot projects, new curriculum development, apprenticeship opportunities and building platforms to develop centres of excellence across the region. The Digital Infrastructure programme has transformed regional working and engagement with digital infrastructure providers. This joined up working has helped leverage in over £45m funding to support connectivity across South West Wales. The Homes As Power Stations project has launched 16 schemes, developed 361 HAPS homes, and leveraged over £50m of public and private sector funding.

Further developments are underway across the region, where several initiatives are working through the pre procurement activity. These include the Campuses project, Advanced Manufacturing Production Facility, South Wales Industrial Transition from Carbon Hub (SWITCH), Innovation Precinct and Yr Egin Phase 2.

We will continue to see the realisation of benefits as a result of the UK Government and Welsh Government’s City Deal funding, that will catalyse further investment and interest with our partners throughout South West Wales. Construction costs and inflationary pressures remain a key issue for developments but are being managed and mitigated appropriately by the lead delivery organisations.

The 2023/24 Portfolio assurance and audit assessments are extremely positive and reflect the current and robust position of the SBCD Portfolio. The Portfolio Office will continue to work closely with all project teams to report and resolve barriers as we move through the delivery phases of the Portfolio.

The Swansea Bay City Deal has created a real opportunity through alignment of regional priorities to achieve growth in investment, jobs, and economic impact.”



Dr Jonathan Burnes

Portfolio Director

Swansea Bay City Deal

Statement of Responsibilities

for the Statement of Accounts

The Joint Committee Responsibilities

The Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Director of Corporate Services.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

Joint Committee Approval

Approval of Statement of Accounts post audit.

Signed:

Dated:

Councillor Rob Stewart

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council



Certificate of the Chief Finance Officer

The Director of Corporate Services Responsibilities

The Portfolio Section 151 Officer (Director of Corporate Services) is responsible for the preparation of the Joint Committee's Statement of Accounts, in accordance with proper accounting practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2023/24.

In preparing this Statement of Accounts, the Director of Corporate Services has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper and timely accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities;

Certification of Accounts

I certify that the Statement of Accounts on pages 27 to 42 demonstrates a true and fair view of the financial position of Swansea Bay City Region Deal at 31st March 2024 and its income and expenditure for the year ended 31st March 2024.

Signed:



Chris Moore FCCA

Director of Corporate Services

Swansea Bay City Region Deal Section 151 Officer

Carmarthenshire County Council



Dated:

10/07/24

Audit Report

The independent auditor's report of the Auditor General for Wales to the members of Swansea Bay City Deal Joint Committee

A

ccounting Policies

The Statement of Accounts summarises the transactions of the Swansea Bay City Region Deal for the 2023/24 financial year and its position at the year ended 31 March 2024.

Carmarthenshire County Council as the Accountable Body is required to prepare annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and the Service Reporting Code of Practice 2023/24, supported by International Financial Reporting Standards (IFRS).

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Assets constructed or held as part of a project delivered within the portfolio will be disclosed and held on the Balance Sheet within the Project Lead Authority responsible for the delivery of such project.

Assets constructed or held as part of a regional project within the portfolio will be proportioned accordingly or reside within the balance sheet of the Project Authority Lead in which constituency such asset resides.

The Joint Committee will hold no such physical asset as categorised above within its legal remit.

Related Party Disclosures

Related parties denote the possibility that the SBCD financial position and profit or loss may have been affected or influenced by the existence of related parties, inhibiting the SBCD Joint Committee to operate and conduct its duties independently.

A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.
- An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

Disclosure:

For the financial year 2023/24 all related party transactions are identified under the Notes to the Accounts, schedule 7: Related Party Disclosures.

Accruals Basis (Concept)

Financial Statements are prepared under the Accruals Concept of accounting which requires that income and expense must be recognised in the accounting periods to which they relate rather than on a cash basis. An exception to this general rule is the cash flow statement whose main purpose is to present the cash flow effects of transaction during an accounting period.

The Joint Committee applied the Accruals concept throughout the preparation of the Financial Statements and Accounts.

Under the Accruals basis of accounting, the Joint Committee recognized income in the accounting period in which it was earned. Income received was recognised within accounting period in which it arose, rather than in the subsequent period in which it will be received. Expenses, in contradiction, were recorded in the accounting period in which they incurred. Therefore, accrued expenditure was recognized in the accounting period in which it occurred, rather than period in which it was paid.

Revenue Income

It has been recognised by the Joint Committee and by both Governments that an element of revenue funding is required to support the central services employed to deliver the City Deal Portfolio. Revenue income to support the portfolio has been agreed as an amalgamation of partner contributions (£50k per partner) and "Top Slice" of Government grants (1.5%). Any surpluses are transferred to a ring-fenced reserve.

Cash and Cash Equivalents

Cash Equivalents are investments that are readily convertible to known amounts of cash with no change in value. Cash is withdrawn and deposited depending on a deficit or surplus of cash on the day. All call accounts are classified for this purpose. Cash Equivalents also includes fixed term investments that mature within three months or less from the date of acquisition.

The Joint Committee does not operate its own independent bank account, all cash related transactions are managed through Carmarthenshire County Council as the Accountable Body.

Carmarthenshire manage the Joint Committee's cash balances and short-term investments in line with their own approved Treasury Management Strategy.

The Treasury Management Strategy allows Carmarthenshire to successfully manage the Joint Committee's funds independently from its own resources and ring-fence any reserves for future utilisation by the Committee. Arrangements consist of short-term investments through approved financial institutions to maximise the return on cash balances, whilst managing the cash requirement of approved projects within the portfolio.

Government Grants

The Government grant was awarded to fund expenditure incurred and future spend in the delivery of the approved projects within the portfolio. The terms and conditions of the grant award were not accepted by 31st March 2024, and as such, transactions in respect of the grant award have been included based on the below judgments and methodology in line with **The Code of Practice on Local Authority Accounting in the UK, Section C: Government and Non-Government Grants**.

Government grants are recognised within the statements of the Portfolio when there is reasonable assurance that:

- the Portfolio (projects) will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Repayment of funding attached to the grant award will be initiated as a last resort on the occurrence of a notification event, and subsequent failed remedy (Welsh Government, Award of Funding - Terms and Conditions). As such, the Terms and Conditions are interpreted to be that of a **restrictive** nature, under **The Code of Practice on Local Authority Accounting in the UK** (Restriction - Paragraph 2.3.2.14; a return of funding obligation does not arise until such time as it is expected that a condition based on the occurrence (or otherwise) of a specified future event will be breached).

The afore mentioned accounting principle has concluded in the below treatment of government grants;

The receipt of grant is included within the balance sheet as Cash and Cash Equivalent, with a Capital Grants Unapplied Reserve created.

Funding Agreements demonstrating the legal framework between the Accountable Body and Lead Authorities embedding the terms and conditions, obligations and target outputs attached to the funding, were approved by the Joint Committee.

Events After the Reporting Period

Events occurring between the end of the reporting period and the date when the financial statements are authorised for issue are required to be accounted for in accordance with International Accounting Standard 10.

No events have been recognised as occurring after the reporting period.

Reserves

All reserves are considered usable reserves as they are available for future use in the delivery of the portfolio. There are two forms of reserve held within the City Deal:

Usable Reserves

This reserve is created through partner contributions, interest and the "Top Slice of Government Grants" exceeding operational expenditure. A prior year reserve was carried forward and is included within the Movement in Reserves Statement.

Capital Grants Unapplied Reserve

Reserves are created through the value of capital grant receipted exceeding the allowable release of funding to Project Lead Authorities in line with project delivery. Relevant grant is released and matched with eligible expenditure, with any balance residing in this reserve. This reserve is held within the accounts of the Accountable Body but ring-fenced to the Swansea Bay City Region Deal.

Financial Instruments

It is recognised that throughout the lifecycle of the City Deal Portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest is calculated on an average rate and ring fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury Policy. Within the Treasury strategy, investments are only employed with Counterparties whose risk appetite is very low.

Carmarthenshire County Council conducts its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2017. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

Going Concern

The Swansea Bay City Deal Joint Committee Statement of Accounts have been prepared on a going concern basis. There has been no indication that the Swansea Bay City Deal cannot operate in its current form or fail to deliver its objectives outlined within the original Heads of Terms. Five projects have currently been approved by both UK and Welsh Government and three grant awards have been receipted and in line with the agreed profile.

Value Added Tax

VAT payable has been excluded from expenditure with exception where it is not recoverable from HMRC. The VAT on income receivable has been omitted from the statements.

Provisions, Contingent Assets and Liabilities

Provisions

A provision is a liability of uncertain timing or amount. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

The Joint Committee will recognise a provision if it is probable that an outflow of cash or other economic resource will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. When payments are made, they are charged to the provision account held within the balance sheet and are credited back to the service category if no longer required. All provisions are reviewed at the end of the financial year.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable.

Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

A contingent liability is not recognised in the Statement of Financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes of the Statement of Accounts.

Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position because that asset is no longer considered to be contingent.

Judgements and Key Assumptions

- There were no further critical judgments made in the preparation of the financial statements other than those outlined within the specific accounting policies adopted and the estimations used in the compilation of the statement of accounts.

No information key assumptions concerning the future, and other key sources of estimation uncertainty were disclosed at the end of the reporting period.

F inancial Statements

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of the delivery of portfolio outputs in accordance with generally accepted accounting practices, rather than the amount to be funded from the award of grant. The reconciliation to the grant position is shown in the Movement in Reserves Statement.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves. The Provision of Services line shows a surplus of £3,247,624 with operational expenditure of £3,512,795 being the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive income and Expenditure Statement.

The Balance Sheet

This shows the assets and liabilities of the Joint Committee as at 31 March 2024.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period.

Notes to the Financial Statements

These are the notes that accompany the financial statements and provide further information to support the stated accounts.

Comprehensive Income and Expenditure Statement

The below statement demonstrates all income and expenditure, received, and incurred by the Joint Committee throughout the financial year. The statement represents the accounting cost of service provision during the financial year 2023/24, aligned with United Kingdom Generally Accepted Accounting Practices.

Actuals 2022/23 (£)	Description	Actuals 2023/24 (£)	Notes
	Cost of Service		
486,398	Employee Expenditure	471,455	1
21,577	Premises Related Expenditure	22,513	2
769	Transport Related Expenditure	1,802	3
1,014,174	Supplies & Services	2,957,477	4
80,252	Support Services	59,548	5
1,603,170	Total Operating Expenditure	3,512,795	
	Income		
(400,000)	Partner Contributions	0	6
(252,978)	Top Slice' of Government Grants	(785,198)	6
0	Other: Government Grant	-	6
(652,978)	Total Operating Income	(785,198)	
950,192	Net Cost of Service - (Surplus) / Deficit	2,727,597	
	Financing and Investment Activities		
(870,633)	Investment Interest Income	(2,769,692)	14
(870,633)	Net Financing and Investment Activities	(2,769,692)	
	Taxation and Non-Specific Grant Income and Expenditure		
(23,086,000)	Capital Grants and Contributions Receipted	(42,428,000)	15
24,406,436	Capital Grants and Contributions Applied	39,222,471	15
1,320,436	Net Taxation and Non-Specific Grant Income	(3,205,529)	
1,399,995	Total (Surplus) / Deficit on Service Provision	(3,247,624)	
	Other Comprehensive Income and Expenditure		
-	Other Income and Expenditure	-	
-	Net Other Comprehensive Income and Expenditure	-	
1,399,995	Total (Surplus)/Defecit on Comprehensive Income and Expenditure	(3,247,624)	

Movement in Reserves Statement

The statement below demonstrates the Swansea Bay City Deal reserve position as at 31st March 2024.

Description	General Fund Balance (£)	General Fund Earmarked Reserves (£)	Capital Grants Unapplied (£)	Total Usable Reserves (£)	Unusable Reserves (£)	Total Reserves (£)
Balance Brought Forward (as at 1st April 2022)	220,361	-	52,344,399	52,564,760	-	52,564,760
Movements in Reserve during Financial year 2022/23:						
Provision of Services - Surplus / (Deficit)	(1,399,995)	-	-	(1,399,995)	-	(1,399,995)
Adjustments Between Accounting Basis and Funding Basis Under Regulations - Surplus / (Deficit)	1,320,436	-	-1,320,436	-	-	-
Total In-Year Reserve Movement	(79,559)	-	1,320,436	(1,399,995)	-	(1,399,995)
Balance Carried Forward (as at 31st March 2023)						51,164,765
Movements in Reserve during Financial year 2023/24:						
Provision of Services - Surplus / (Deficit)	3,247,624	-	-	3,247,624	-	3,247,624
Adjustments Between Accounting Basis and Funding Basis Under Regulations - Surplus / (Deficit)	(3,205,529)	-	3,205,529	-	-	-
Total In-Year Reserve Movement	42,095	-	3,205,529	3,247,624	-	3,247,624
Balance Carried Forward (as at 31st March 2024)	182,897	-	54,229,492	54,412,389	-	54,412,389

Balance Sheet

The below statement demonstrates the assets held and the committed obligations and liabilities of the Joint Committee, together with its current reserve balance, as at the 31st March 2024.

31st March 2023 (£)	Description	31st March 2024 (£)	Notes
Non-Current Assets			
	- Long Term Debtors Capital	-	
	- Total Long Term Assets	-	
Current Assets			
23,685,872	Short Term Debtors	325,595	9
33,448,200	Cash and Cash Equivalents	72,445,249	10
57,134,072	Total Current Assets	72,770,844	
Current Liabilities			
(5,969,307)	Short Term Creditors	(18,358,455)	12
(5,969,307)	Total Current Liabilities	(18,358,455)	
Long Term Liabilities			
	- Long Term Creditor	-	
	- Total Long Term Liabilities	-	
51,164,765	Total Net Assets	54,412,389	
Total Reserves			
140,802	Usable Reserves - Revenue	182,897	13
51,023,963	Capital Grants Unapplied	54,229,492	15
	- Unusable Reserves	-	
51,164,765	Total Reserves	54,412,389	

Cashflow Statement

The statement below demonstrates how cash and cash equivalents are generated and applied to the portfolio by the Joint Committee. These are presented through classifying cashflows as ascending from either operating, investing, or financing activities, during the Financial Year.

<u>Actuals 2022/23</u> (£)	<u>Description</u>	<u>Actuals 2023/24</u> (£)	<u>Notes</u>
1,399,995	Net (surplus)/Deficit on the provision of services	(3,247,624)	
(435,421)	Adjust net surplus or deficit on the provision of services for non-cash movements	(29,774,204)	17
964,574	Net Cashflows from operating activities	(33,021,828)	
449,803	Investing Activities	(5,975,221)	17
	- Financing Activities	-	17
1,414,377	(Net increase) / Decrease in cash and cash equivalents	(38,997,049)	
(34,862,577)	Cash and cash equivalents at the beginning of the reporting period	(33,448,200)	
(33,448,200)	Cash and cash equivalents at the end of the reporting period	(72,445,249)	

N otes to the Accounts

1. Employee and Related Expenditure

<u>Actuals 2022/23</u> (£)	<u>Description</u>	<u>Actuals 2023/24</u> (£)
486,398	Employee and Related Expenditure	471,455
	- Training Of Staff	-
486,398	Total Employee and Related Expenditure	471,455

Direct employees supporting the activities of the Joint committee are contractually employed by Carmarthenshire County Council, with additional support being provided by Carmarthenshire on a recharge methodology.

In adherence with the International Accounting Standard; IAS 19- Employee Benefits, the employing body is required to provide disclosure of information concerning the income and expenditure of its pension scheme and any related assets and liabilities.

As the Joint Committee is not by right a separate a legal entity, it cannot enter into employee contracts of employment. The Joint Committee therefore does not directly employ officers, as such, related statutory disclosures do not apply, as employee remuneration costs will be disclosed within the Financial Statements of each employing organisation.

Employee Voluntary Remuneration Disclosures

Under the Accounts and Audit (Wales) Regulations 2014 it is a requirement to disclose the number of employees in receipt of remuneration exceeding £60,000 per annum. Further disclosure is required under the afore mentioned regulation in respect of senior officers employed within the portfolio.

Details of officer remuneration have been made on voluntary basis, as per the reasoning outlined above. Disclosures of officers who fall within the Officer Emoluments criteria are demonstrated below:

Number of Senior Employees (Exceeding £60,000)

Remuneration Bandings	Number of Employees	
	2022/23	2023/24
£100,000 to £104,999	1	1

Senior Officer Disclosures

<u>Total Remuneration</u> <u>2022/23 (£)</u>	<u>Senior Employee Position Title</u>	<u>Salary, Fees &</u> <u>Allowances (£)</u>	<u>Employers Pension</u> <u>Contribution (£)</u>	<u>Total Remuneration</u> <u>2023/24 (£)</u>
118,411	Programme Director	103,860	16,825	120,685
118,411		103,860	16,825	120,685

2. Premises Related Expenditure

The total premises costs incurred for the year is demonstrated below:

<u>Actuals 2022/23</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2023/24</u> <u>(£)</u>
14,889	Rents & Room Hire	14,889
-	Premises Maintenance	-
6,688	National Non Domestic Rates	7,624
21,577	Total Premises Related Expenditure	22,513

3. Transport Related Expenditure

The total transport related costs incurred for the year is demonstrated below:

<u>Actuals 2022/23</u> <u>(£)</u>	<u>Description</u>	<u>Actuals 2023/24</u> <u>(£)</u>
-	Public Transport - Staff	192
769	Staff Travelling Expenses	1,610
769	Total Transport Related Expenditure	1,802

4. Supplies and Services

The total supplies and services costs incurred for the year is demonstrated below:

<u>Actuals 2022/23</u> (£)	<u>Description</u>	<u>Actuals 2023/24</u> (£)
113,786	Professional Fees	165,473
10,511	Admin, Office & Operational Consumables	174
415	Computer software	1,084
7,048	Translation/Interpret Services	995
68	Subsistence & Meetings Expenses	445
11,713	Promotions, Marketing & Advertising	19,614
870,633	Projects & Activities Expenditure*	2,769,692
1,014,174	Total Supplies and Services	2,957,477

** Relates to interest earned on cash balances, paid out to projects*

5. Support Services

The total support services expenditure incurred for the year is demonstrated below:

<u>Actuals 2022/23</u> (£)	<u>Description</u>	<u>Actuals 2023/24</u> (£)
56,435	Recharges - Employee costs (in-direct)	59,268
23,712	Central Recharges	263
105	Photocopying Recharge	17
80,252	Total Support Services	59,548

6. Income

The total received income during the year is demonstrated below:

<u>Actuals 2022/23</u> (£)	<u>Description</u>	<u>Actuals 2023/24</u> (£)
(400,000)	Income - Partnership Contributions	0
(252,978)	Top Slice' of Government Grants	(785,198)
0	Government Revenue Grants - WAG	0
(652,978)	Total Income	(785,198)

Partnership Income

Within the Joint Committee Agreement there is an acknowledgment that all partners will contribute £50,000 per annum to support the central and administrative functions of the portfolio, this contribution ceased in 2022/23. This applies to all eight partners (including co-opt members).

'Top Slice of Government Grants'

The income in respect of the 'Top slice' has been drawn down against grant paid and committed throughout the year. The top slice is agreed at 1.5% of the grant value as outlined within the Joint Committee Agreement.

7. Related Party Disclosures

Under *International Accounting Standard 24 – Related Party Disclosures* the Joint Committee is required to disclose material transactions between partners, bodies, individuals, or related parties, that could potentially influence the decisions of the Joint Committee or be influenced by the Joint Committee.

Any transactions between parties outlined above will require disclosure to allow the users of these financial statements to assess the extent to which the Joint Committee independence could potentially been impaired or influenced another party's ability to transact with the Joint Committee.

Welsh and UK Governments could influence the Joint Committees decision making abilities or operational delivery, through grant terms and conditions or legislation and regulation. Details of grant receipts are outlined in note **6. Income**.

Related Party Transactions

Related Party	Actuals 2023/24						
	Revenue	Revenue	Total Revenue (£)	Capital	Capital	Total Capital (£)	Total (£)
	Income (£)	Expenditure (£)		Receipts (£)	Expenditure (£)		
PEMBROKESHIRE COUN	0	474,283	474,283	-	5,871,333	5,871,333	6,345,616
HYWEL DDA UNIVERSIT	0	-	0	-	-	-	0
SWANSEA UNIVERSITY	0	-	0	-	-	-	0
CITY & COUNTY OF SW.	0	632,776	632,776	-	13,507,176	13,507,176	14,139,952
SWANSEA UNIVERSITY	0	-	0	-	-	-	0
NEATH PORT TALBOT C	0	569,781	569,781	-	776,142	776,142	1,345,923
UNIVERSITY OF WALES	0	-	0	-	-	-	0
CARMARTHENSHIRE CC	(3,554,890)	3,512,795	(42,095)	(42,428,000)	39,222,471	(3,205,529)	(3,247,624)

Related Party	Actuals 2022/23						
	Revenue	Revenue	Total Revenue (£)	Capital	Capital	Total Capital (£)	Total (£)
	Income (£)	Expenditure (£)		Receipts (£)	Expenditure (£)		
PEMBROKESHIRE COUN	(50,000)	129,480	79,480	-	9,848,059	9,848,059	9,927,539
HYWEL DDA UNIVERSIT	(50,000)	-	(50,000)	-	-	-	(50,000)
SWANSEA UNIVERSITY	(50,000)	-	(50,000)	-	-	-	(50,000)
CITY & COUNTY OF SW.	(50,000)	314,705	264,705	-	4,957,677	4,957,677	5,222,382
SWANSEA UNIVERSITY	(50,000)	-	(50,000)	-	-	-	(50,000)
NEATH PORT TALBOT C	(50,000)	263,993	213,993	-	3,369,351	3,369,351	3,583,344
UNIVERSITY OF WALES	(50,000)	-	(50,000)	-	-	-	(50,000)
CARMARTHENSHIRE CC	(1,523,611)	1,603,170	79,559	(23,086,000)	24,406,436	1,320,436	1,399,995

Balance Sheet Disclosures

Actuals 2022/23			Description	Actuals 2023/24		
Debtors (£)	Creditors (£)	Balance (£)		Debtors (£)	Creditors (£)	Balance (£)
599,872	(5,935,003)	(5,335,131)	Partner Local Authorities	325,595	(18,304,122)	(17,978,527)
23,086,000	(4,950)	23,081,050	Central Government Bodies	-	(208)	(208)
23,685,872	(5,939,953)	17,745,919	Total	325,595	(18,304,330)	(17,978,735)

Carmarthenshire County Council (as the Accountable Body) Disclosures

Actuals 2022/23 (£)	Description	Actuals 2023/24 (£)
1,603,170	Expenditure	3,512,795
(1,523,611)	Income	(3,554,890)
79,559	Net Cost of Service - (Surplus) / Deficit	(42,095)
55,719,695	Assets	72,770,844
(5,969,307)	Liabilities	(18,358,455)
49,750,388	Total Net Assets	54,412,389
49,750,388	Total Reserves	54,412,389

8. External Audit Fees

The following charge is the cost payable to Audit Wales for external audit services provided to the Swansea Bay City Region Deal:

<u>Actuals 2022/23</u>	<u>Description</u>	<u>Actuals 2023/24</u>
(£)		(£)
11,330	Audit Fees - Audit of Accounts	13,886
12,746	Audit Fees - Performance Audit	11,731
24,076	Total External Audit Fees	25,617

9. Debtors

The total outstanding debtor balances as at 31st March 2024 are demonstrated below:

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
(£)		(£)
599,872	Income - other Authorities & Bodies	325,595
23,086,000	Government Grant Income	-
23,685,872	Total Debtor Balance	325,595

10. Cash and Cash Equivalents

The Joint Committee itself does not operate or control its own individual bank account to facilitate the delivery of the Portfolio. Carmarthenshire County Council in its role as the Accountable Body administer all cash and cash equivalent transactions on behalf of the Joint Committee.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest yielded is recognised in the Comprehensive Income and Expenditure Statement and accounted for within Carmarthenshire Council's Statement of Accounts.

All monies demonstrated within the Cash and Cash equivalents are retained within the accounts of Carmarthenshire County Council as the accountable body, ring-fenced to the Swansea Bay City Deal Joint Committee and available for immediate use.

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
(£)		(£)
34,862,577	Balance B/F	33,448,200
(1,414,377)	Cash and Cash Equivalents In Year Movements	38,997,049
33,448,200	Total Cash and Cash Equivalents	72,445,249

11. Financial Instruments

Financial instruments held by the Joint Committee consist of the cash and cash equivalents as stated in schedule 10. **Cash and Cash Equivalents.**

It is recognised that throughout the lifecycle of the City Deal Portfolio, cash balances will arise through cashflow movements as and when projects become live and actual expenditure is incurred.

Portfolio balances are invested in line with Carmarthenshire County Council's Treasury Management Policy to optimise the return on cash surpluses. Interest is calculated on an average rate and ring fenced to the City Deal portfolio. Throughout the year balances have been invested through approved institutions in short-term financial instruments in adherence to the protocols set out within the applied Treasury strategy. Within the Treasury strategy, investments are only employed with Counterparties whose risk appetite is very low.

Carmarthenshire Council carries out its treasury management activities in accordance with the Prudential Code of Practice first developed for public services in 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code was last revised in 2017. The Council also carries out its treasury management activities in accordance with the CIPFA Treasury Management Code of Practice 2017.

All cash and cash equivalents are demonstrated within these financial statement's representative of their fair value, which equates to their carrying value, in accordance with the requirements of IFRS 9 Financial Instruments.

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
(£)		(£)
Fair Value		Fair Value
34,862,577	Balance B/F	33,448,200
(1,414,377)	Cash and Cash Equivalents In Year Movements	38,997,049
33,448,200	Total Financial Instruments	72,445,249

12. Creditors

The total outstanding creditor balances as at 31st March 2024 are demonstrated below:

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
(£)		(£)
(4,950)	Central Government Bodies	0
(5,935,003)	Local Authorities	(18,304,330)
(29,354)	Other: Short Term Creditors	(54,125)
(5,969,307)	Total Creditors Balance	(18,358,455)

13. Usable Reserves

Usable reserves in respect of the Swansea Bay City Region Deal Portfolio are demonstrated below:

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
(£)		(£)
220,361	Balance B/F	140,802
(79,559)	Usable Reserves In Year Movements	42,095
140,802	Total Usable Reserves	182,897

14. Interest

Carmarthenshire County Council upholds responsibility as the Accountable Body for managing investments of cash balances held by the Joint Committee. Portfolio balances are invested in line with Carmarthenshire County Council's treasury policy. Interest is calculated on an average rate and ring fenced to the Swansea Bay City Region Deal Portfolio.

Investment activities consist of short-term investments through approved institutions to optimise returns, whilst maintaining and managing cash requirements of approved projects within the Portfolio.

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
(£)		(£)
(870,633)	Interest Income	(2,769,692)
(870,633)	Total Interest Income Balance	(2,769,692)

15. Capital Grants Unapplied Reserve

This reserve is in sole respect of the capital grant received by the portfolio from the Welsh and UK Governments.

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
(£)		(£)
52,344,399	Balance B/F	51,023,963
23,086,000	Capital Grants Unapplied	42,428,000
(24,406,436)	Capital Grants Applied	(39,222,471)
51,023,963	Total Capital Grants Unapplied	54,229,492

16. Grant Income – Capital

Capital grant income received is demonstrated below:

<u>31st March 2023</u>	<u>Description</u>	<u>31st March 2024</u>
<u>(£)</u>		<u>(£)</u>
(77,086,000)	Balance B/F	(100,172,000)
(23,086,000)	Government Grant Income	(42,428,000)
(100,172,000)	Total Government Grant Income	(142,600,000)

17. Notes in Respect of the Cashflow Statement

Operating Activities

This statement outlines the cash generated through the activities of the Joint Committee, including the Portfolio Investment Fund.

<u>Actuals 2022/23</u>	<u>Description</u>	<u>Actuals 2023/24</u>
<u>(£)</u>		<u>(£)</u>
0	Creditors - (Increase) / Decrease	(12,389,148)
0	Debtors - Increase / (Decrease)	(23,360,277)
23,086,000	Capital grants and contributions recognised in CIES	42,428,000
(24,406,436)	Capital Grants and Contributions Applied in CEIS	(39,222,471)
870,633	Interest Received	2,769,692
(449,803)	Net Cashflow from Operating Activities	(29,774,204)

Investing Activities

This component of the cashflow statement demonstrates changes in assets and investments. Effectively, it documents the cash spend or the drawdown of cash from investments.

<u>Actuals 2022/23</u>	<u>Description</u>	<u>Actuals 2023/24</u>
<u>(£)</u>		<u>(£)</u>
1,320,436	Short-Term Investments	(3,205,529)
(870,633)	Interest Received	(2,769,692)
449,803	Net Cashflow from Investing Activities	(5,975,221)

18. Expenditure and Funding Analysis

The Expenditure and Funding Analysis breakdown was omitted from the financial statements due to the transactions being of minimal value and as such immaterial in the presentation of the accounts.

19. Contingent Liabilities

During the financial year 2020/21 it was agreed to extend the budget for the Portfolio Management Office to five operational years to 2024/25. Within the budget there was a provision for redundancy in respect of the current posts employed by Carmarthenshire directly attributable to the City Deal.

All employees are permanently contracted to Carmarthenshire County Council and at present the probability of redundancy preceding the budgeted operational term is considered remote due to the delay in the commencement of programmes / projects. Therefore, no redundancy provision has been included within the accounts, should there be need for consideration of any such payment this would be provided from the reserves.

Annual Governance Statement

Scope of Responsibility

The Swansea Bay City Region Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must also ensure that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively and to secure continuous improvement and delivery in this regard.

The Joint Committee is responsible for putting in place appropriate arrangements for the Governance of its affairs and facilitating the effective exercise of its functions including having appropriate arrangements for the management of risk and portfolio delivery.

The Joint Committee details how it deals with all aspects of Governance through its Joint Committee Agreement which defines the standards, roles and responsibilities of the Chair, its Members, Committees, and its Officers. The Joint Committee Agreement includes a Scheme of Delegation outlining the decision-making process taking into account the relevant legislation.

The Governance Framework

The Governance Framework comprises of the systems, processes, cultures, and values by which the Joint Committee is directed, controlled and the way it accounts to, engages with and leads the Region and Community. It enables the Committee to monitor the achievement of its strategic objectives and to consider whether those objectives are/have led to the delivery of appropriate, relevant, value for money projects.

The system of internal control is a significant part of that framework and is designed to manage risk to an appropriate level. It aims to identify and prioritise the risks to the achievement of the Committee's policies, aims and objectives. It evaluates the likelihood and impact of identified risks being realised and to manage individual risks appropriately.

This Statement explains how the Joint Committee has complied with the various elements of the Governance Framework.

The Joint Committee has adopted and implemented a code of Corporate Governance based on the Framework 'Delivering Good Governance in Local Government' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives and Senior Managers (SOLACE).

The Governance Environment

The Governance framework comprises of 7 fundamental principles implemented to endorse high standards of confidence and trust in the governance and operation of the Portfolio, whilst upholding a commitment to ongoing improvement on a continuing basis through a process of evaluation and review.

The CIPFA/SOLACE Governance Framework sets out 7 fundamental principles of Corporate Governance. The 'CIPFA Seven' are:

1. Integrity and Values - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Openness and engagement - Ensuring openness and comprehensive stakeholder engagement.
3. Making a difference - Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Making sure we achieve what we set out to do - Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Valuing our people; engaging, leading, and supporting - Developing capacity and the capability of leadership and individuals.
6. Managing risks, performance, and finance - Managing risks and performance through robust internal control and strong public financial management.
7. Good transparency and accountability - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Integrity and Values

- The behaviour and expectations of Officers/Members are set out in the Swansea Bay City Region Joint Committee Agreement. The Agreement sets out the procedure for meetings, highlights conflicts of interest and includes Rules of Conduct of Co-opted Members of the Joint Committee and the Economic Strategy Board.
- The Joint Committee Agreement sets out requirements for members and officers to disclose gifts and hospitality annually.
- The Joint Committee Agreement provides that Members must at all times act in accordance with the Member Code of Conduct of their respective authorities. The Code of Conduct will apply when they are acting in their capacity as Joint Committee Member.
- Declarations of interest is a standing item of the agenda for both Portfolio Board and Joint Committee.
- All members of the Joint Committee, Programme Board, Economic Strategy Board, as well as Statutory Officers and direct SBCD portfolio employees, are required to complete a declaration of interest form on a six-month basis, including within, third party interests and related party disclosures.
- Compliance with policies and rules set out in the Joint Committee Agreement.
- Reports to both Portfolio Board and Joint Committee have legal/finance clearance prior to publication.
- Comprehensive scrutiny function.
- Comprehensive audit scrutiny.
- The Monitoring Officer ensures compliance with statute and reports on any maladministration.
- External challenge from auditors.

Openness and Engagement

- The Joint Committee ensures an open culture evidenced by open meetings and publication of agendas, minutes, and webcasts where appropriate.
- There is enough opportunity for public questions at Joint Committee.
- Portfolio and project risks are published.
- There is appropriate consultation and engagement supporting the decision-making process including annual budget consultation, engagement with Governments, Economic Strategy Board regional advisers and key stakeholders.
- The scrutiny function invites stakeholder participation and contribution.
- The Portfolio's Marketing and Media function promotes the work of the Portfolio and supports proactive engagement with members of the public, helping them to access information on project delivery wherever and whenever it is convenient to them.

Making a difference

- The portfolio has a clear vision set out within its heads of terms.
- The portfolio deliverables will make a step change in the economic prosperity of the Swansea Bay Region.
- The Portfolio Management Office presents quarterly the Implementation Plan and has developed an Integrated Assurance Action Plan, Monitoring and Evaluation Plan and a Portfolio Business Plan.
- The Accountable Body provides regular financial monitoring updates.
- Portfolio risk management policy ensures consistent application of risk registers and terminology and audit scrutiny.
- Improved communications and regional working across all 8 primary stakeholders.

Making sure we achieve what we set out to do

- Establishment of a regional Portfolio Management Office to oversee the governance, assurance, and portfolio progression.
- Appointment of a Senior Responsible Officer for the Swansea Bay City Deal Portfolio to work with the Portfolio Director and Joint Committee.
- There is regular public and stakeholder engagement at project level.
- The Portfolio takes a sustainable view, with Lead Authorities each having their own independent social and environmental policies and plans, including:
 - *Medium term financial plan*
 - *Corporate Plan*
 - *Annual reports*
- Projects are supported by detailed business cases with clear deliverables and are managed locally.
- There is an annual budget setting process in place. There is regular financial monitoring updates and engagement in respect of financial matters with members.
- The portfolio has a detailed risk management procedure.

Valuing our people; engaging, leading and supporting

- The Joint Committee ensures that members and officers have the right skills, knowledge and mind set to operate efficiently and effectively to achieve its intended outcomes by:
 - *Providing a comprehensive induction portfolio*
 - *Annual performance review*
 - *Providing job related training*
- The Joint Committee encompasses a robust governance structure including private sector advisors.
- Effective shared leadership and understanding of roles and objectives is supported by:
 - *Clear and defined leadership roles.*
 - *Appraisal of Portfolio Director role and remuneration.*
 - *Regular committee and board meetings.*
 - *The JCS sets out clearly defined roles and responsibilities of members, officers and advisers.*

Managing risks, performance and finance

- Decision making supported by;
 - *Risk register*
 - *Issue log*
 - *Progress update log*
- Regular financial monitoring updates by the Section 151 officer.
- Monthly review of all risk logs and registers
- There are regular individual project updates, given by respective Lead Authority leaders/chief executives.
- Internal audit provides an independent and objective assurance on the effectiveness of internal control, risk management and governance.
- The portfolio has approved and embedded anti-fraud and corruption policy.
- The Internal Audit plan is approved by Joint Committee
- The External Audit plan is approved by Joint Committee.
- Financial Management is integrated through all levels of planning and control by:
 - *Specific corporate risk around financial control within the risk register.*
 - *Financial implications are included within all decision-making reports.*

Good Transparency and Accountability

- Joint Committee Agreement demonstrates clear accountability of project delivery leads.
- Project outputs and outcomes linked to grant funding.
- Government progress updates.
- Reports are published on the City Deal website and are available in the Welsh language.
- Where possible exempt reports are split so the main report can be heard in public with confidential information being a separate exempt report.
- The Joint Committee have adopted the Code of Corporate Governance based on CIPFA framework.
- Implementation of Audit Wales and Internal Audit recommended actions monitored by Joint Committee.
- Peer review and inspection from regulatory bodies, including Gateway Assurance Processes.

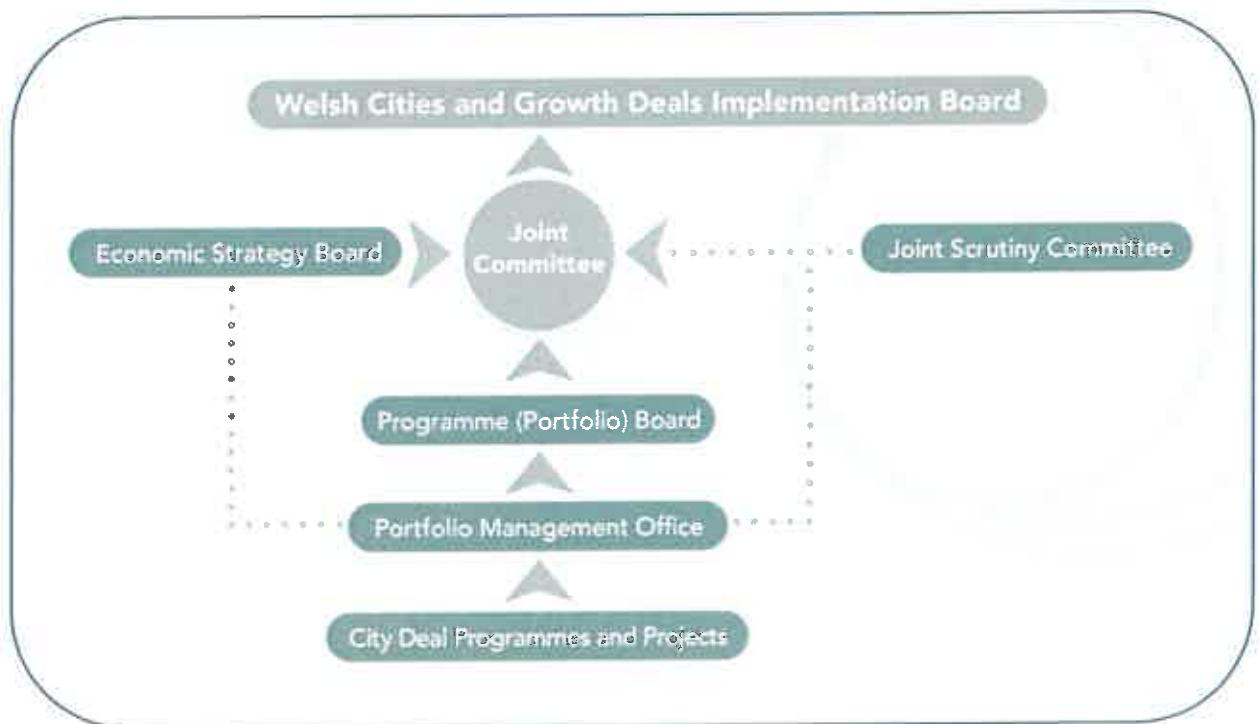
Embracing good governance in the Public Sector



Governance Structure

The Governance Structure details the hierarchy of committees and boards adopted to successfully manage, control, and deliver the Swansea Bay City Region Deal portfolio. The formal Governance Structure adopted by the City Deal for project implementation is demonstrated below. The Joint Committee upholds ultimate responsibility and accountability for decisions taken in the City Deal portfolio. However, this is not an independent entity, rather a collaborative leadership group consisting of the four regional Local Authorities, underpinned by a Joint Committee Agreement.

Swansea Bay City Deal Governance Structure



Swansea Bay City Deal Accountable Officers

Chair of the Joint Committee - Councillor Rob Stewart, Leader of City and County of Swansea Council

Senior Responsible Owner – Wendy Walters, Chief Executive of Carmarthenshire County Council

Section 151 Officer – Chris Moore, Director of Corporate Services, Carmarthenshire County Council.

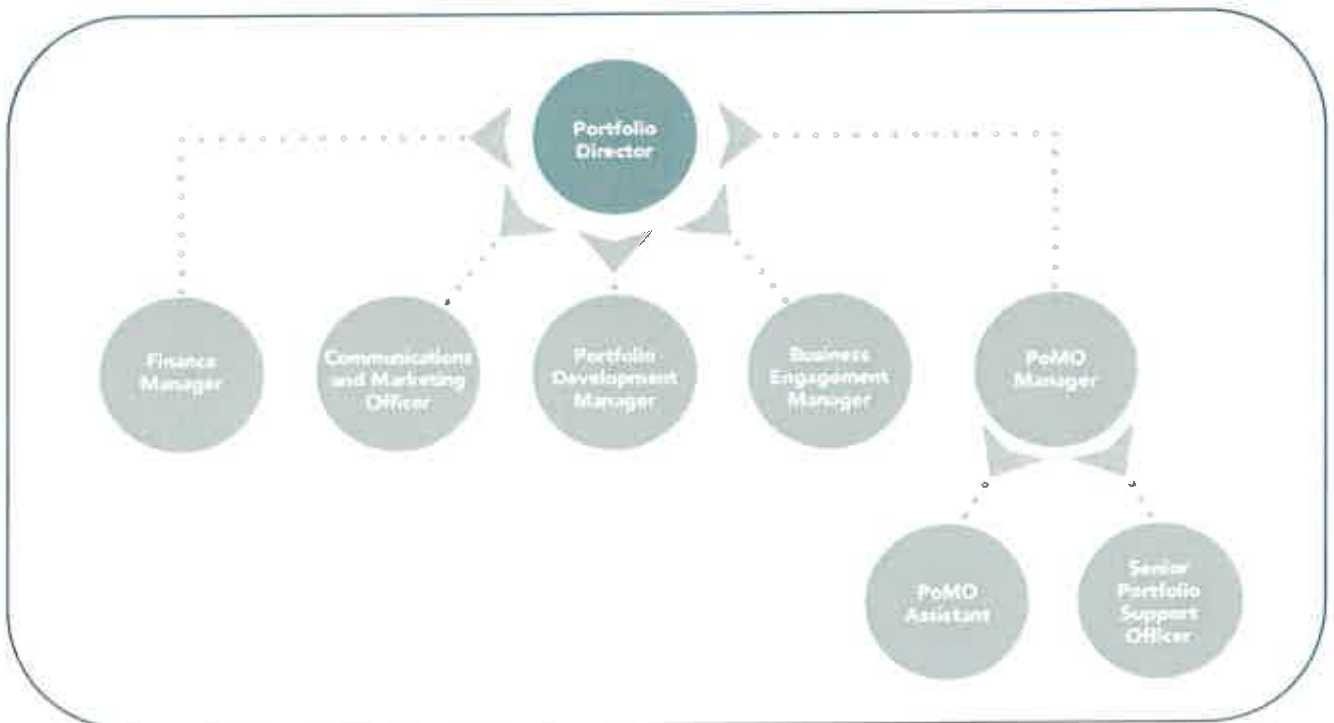
Deputy Monitoring Officer – Debbie Smith, Deputy Chief Legal Officer and Deputy Monitoring Officer, City and County of Swansea Council

Portfolio Management Office – Dr Jonathan Burnes, Portfolio Director

Portfolio Management Office

The PoMO is tasked with the responsibility for the day-to-day management of matters relating to the Swansea Bay City Deal. One post is vacant as at year end (PoMO Manager). The PoMO staffing structure is outlined below:

Portfolio Management Office Staffing Structure*



*The Finance Manager is responsible to the Portfolio Section 151 Officer.

Internal Sources of Assurance

Governance Structure

Joint Committee

The Joint Committee comprises of the four Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire, and Swansea councils.

The Joint Committee will be chaired by a Local Authority Leader, and it has been agreed by the four Councils that the Leader of Swansea Council will take on this responsibility. The Chair of the Joint Committee will be elected for a two-year term in the first instance, reviewed annually thereafter.

The Joint Committee has ultimate responsibility and accountability for decisions taken in relation to the Swansea Bay City Deal, in line with the visions and interests of all participating parties and the Swansea Bay City Deal document signed on 20th March 2017.

Since the signing of the Heads of Terms document, to maintain momentum, the Joint Committee operated in shadow form. The first formal meeting of this committee took place on 29th August 2018 when each of the four Local Authorities signed the Joint Committee Agreement, the legal document which sets out how the Councils will work together.

The Head of Paid Service, Monitoring Officer, and Section 151 officer of each of the Councils shall be entitled to attend meetings of the Joint Committee as an adviser and shall not have a vote.

The Leaders have agreed to co-opt to the Joint Committee the Chair of the Economic Strategy Board, and one representative each from the University of Wales Trinity Saint David, Swansea University, Hywel Dda University Health Board and Swansea Bay University Health Board. Voting rights will be reserved to the four Local Authority Leaders.

The Joint Committee meets currently on a quarterly basis and as set out in the Joint Committee Agreement; its function includes:

- Identifying and implementing appropriate governance structures for the implementation of any projects within the Swansea Bay City Deal portfolio. This shall include the formation of bodies corporate and any other structures which the Councils can lawfully establish or participate in.
- Agreeing and planning the overall strategy for and delivery of the portfolio for the Swansea Bay City Deal.
- Performance management of the Swansea Bay City Deal portfolio.
- Strategic communications
- Monitoring of the impact of the Swansea Bay City Deal portfolio and reporting on this to the Councils.
- Authorising the Accountable Body to commission external support and to oversee the delivery and management of project expenditure.
- Progressing a regional approach for the Swansea Bay City Region for the discharge of strategic functions. These functions may include land use planning, transport planning and economic development.
- Approval and adoption of the Implementation Plan.
- Approval of any extension agreed by the Councils to the deadline for approval of the Implementation Plan.
- Agreeing the terms and conditions of Government Funding.
- Overseeing the proportion of each Council's responsibility for borrowing to provide funding for regional projects.
- Reviewing performance of the Chair of the Economic Strategy Board on an annual basis.
- Agreeing the Annual Costs Budget.

Following the process as set out in the Joint Committee Agreement, the Joint Committee shall consider the project business case and the recommendations of the Portfolio Board and the Economic Strategy Board and shall decide whether or not to approve the project for submission to the UK Government and Welsh Government for approval by the UK Government and Welsh Government for the release of government funding for the project.

Economic Strategy Board

Reporting to the Joint Committee, the Economic Strategy Board will represent the wider community, including the private sector.

The Economic Strategy Board will act as the voice of business and will provide strategic direction for the Swansea Bay City Deal, through advice to the Joint Committee on matters relating to the Swansea Bay City Region. It will have a role in advising the Joint Committee on opportunities to strengthen the City Deal's impact.

The Chair will be accountable to the Joint Committee. The Economic Strategy Board will not have any formal decision-making powers and it will reach agreement by consensus.

The Economic Strategy Board will meet with the following frequency or as and when required:

- Quarterly in advance of any Joint Committee meeting.
- When necessary to deal with business as agreed by the Chair of the Economic Strategy Board.
- The Portfolio Management Office will arrange for minutes of the proceedings of each meeting to be taken, approved, and recorded. Key activities of the Economic Strategy Board include.
- Submit strategic objectives for the Swansea Bay City Region.
- Assess the individual Project Business Cases against the strategic aims and objectives of the Swansea Bay City Deal and make a recommendation to the Joint Committee on whether or not the Project Business Case should proceed.
- Consider implications of a proposed withdrawal or change of Project Authority Lead and any proposal for a new project and provide recommendations to the Joint Committee on whether the new project proposed should replace the project to be withdrawn and if not the process for selecting new projects or reallocation of funding.
- Monitor progress with regard to the delivery of the Swansea Bay City Deal.

The Chair of the Economic Strategy Board has been appointed following an open competition exercise. The process of appointing other members of the Economic Strategy Board has taken place through an open recruitment and nomination process, membership being drawn from across the wider private and public sectors. The Economic Strategy Board membership was agreed through a vote at the first formal meeting of the Joint Committee on 29th August 2018. Members are expected to adhere to the conditions of membership as outlined in schedule 13 of the Joint Committee Agreement.

Portfolio Board

The Portfolio Board is accountable to the Joint Committee and consists of the Head of Paid Service of each of the four Councils, or another officer nominated by the Head of Paid Service. The Portfolio Board Chair shall be reviewed annually.

The Portfolio Board may co-opt additional representatives to the Board. Co-opted members may include representatives of Swansea University, University of Wales Trinity St David, Hywel Dda University Health Board and Swansea Bay University Health Board.

It has been unanimously agreed by the Councils that the Chief Executive of Carmarthenshire County Council will chair the Portfolio Board meetings.

Portfolio Board was formally established by the Joint Committee at its first meeting.

The Portfolio Board has four distinct roles:

- Preparing recommendations on the Swansea Bay City Deal portfolio:
 - *Ensuring that all schemes are developed in accordance with the agreed package, analysing the financial viability, deliverability, and risk of each City Deal project proposal.*
 - *Overseeing production of business case.*
- Advising on the strategic direction of the Economic Strategy Board.
- Overseeing performance and delivery of the delivery of projects, reviewing progress against agreed milestones, focusing on delivery and financial risks, and identifying any necessary remedial action.
- Working on a regional basis to improve public services especially in the areas of economic development, transport, planning and strategic land use, housing, and regeneration.

Meetings of the Portfolio Board take place on a quarterly basis before the Joint Committee meeting and before all quarterly meetings of the Economic Strategy Board.

Portfolio Management Office

Reporting directly to the Accountable Officer and the Joint Committee, the Portfolio Management Office plays a pivotal coordinating and supporting role and it is responsible for the day-to-day management of matters relating to the Joint Committee and the Swansea Bay City Deal.

Key activities of the Portfolio Management Office include:

- Strategic liaison with UK Government and Welsh Governments and policy advisors.
- Governance support for all aspects of the City Deal governance structure, the SBCD Joint Committee, Portfolio Board and Economic Strategy Board.
- Portfolio implementation co-ordination, monitoring, and evaluation.
- Undertake research, analysis and report on findings as requested by groups within the governance structure.
- Strategic project co-ordination includes advising on and coordinating the development and submission of 5 case business models for City Deal projects.
- Liaison and engagement with government funding bodies and portfolios, and with the Universities and Health Boards.
- Responsibility for managing the identification, assessment, approval, monitoring and evaluation processes for Regional interventions and projects.
- Communications and engagement management for the Swansea Bay City Deal.
- Private sector involvement, business development and inward investment.

Utilising the Joint Committee's governance model to lead in the consideration and development of opportunities for additional capital and revenue external funding bids for additional funding sources to assist in the delivery of the regional activities which are complimentary to the SBCD.

Accountable Body

The Councils have agreed that Carmarthenshire County Council will act as the Accountable Body responsible for discharging the Councils' Obligations in relation to the Swansea Bay City Deal in accordance with the Joint Committee Agreement.

The role of the Accountable Body is to:

- o Act as the primary interface with Welsh Government, UK Government, and any other funding bodies necessary to discharge the Councils' Obligations.
- o Hold and release any Government Funding in relation to the Swansea Bay City Deal and only to use and release such funds as agreed in accordance with the terms of such funding and the Joint Committee Agreement.
- o Comply with the Funding Conditions as set out in the JCA.
- o Undertake the accounting responsibilities set out in this Agreement.
- o Employ the Regional Office staff.

The Joint Committee will designate the Chief Executive of the Accountable Body as Lead Chief Executive to act as its principal adviser and as Accountable Officer to manage and oversee the work of the Accountable Body and the Portfolio Management Office team.

Monitoring Officer

The Monitoring Officer is responsible for ensuring good governance and maintaining the highest ethical standards, ensuring the legality of arrangements as well as ensuring that the Joint Committee Agreement is adhered to. The Monitoring Officer has access to all meetings of the Joint Committee including the Economic Strategy Board and the Portfolio Board.

The Councils have agreed that the Monitoring Officer function and occupation with responsibility for discharging the Councils' Obligations in relation to the Swansea Bay City Deal in accordance with the Joint Committee Agreement, will be supported by the City and County of Swansea. Due to sickness absence the Monitoring Officer duties have been undertaken since May 2023 by the Deputy Chief Legal Officer and Deputy Monitoring Officer of Swansea Council.

The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the Joint Committee's own procedures. The Monitoring Officer is supported by the Democratic Services function of City and County of Swansea Council who is responsible for the formal recording and publication of the democratic decision-making process.

The Monitoring Officer works closely with the Portfolio Director and the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and will report to Joint Committee or the Portfolio Board if she considers that any proposal will give rise to unlawfulness.

Financial Services (Section 151 Officer)

The Director of Corporate Services Carmarthenshire County Council is the responsible officer for the administration of the Joint Committees affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the Swansea Bay City Region Deal.

The Chartered Institute of Public Finance and Accountancy (CIPFA) previously published a “Statement on the Role of the Chief Financial Officer in Local Government”. The Statement describes the role and responsibilities of the Chief Financial Officer (CFO) and sets out 5 Key Principles (see below) that define the core activities and behaviours that belong to the role of CFO in public service organisations and the organisational arrangements needed to support them. Carmarthenshire County Council through the appointment of the Director of Corporate Services fully complies with the Statement.

- Principle 1 - The CFO in a Local Authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Authority’s strategic objectives sustainably and in the public interest.
- Principle 2 - The CFO in a Local Authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the Authority’s overall financial strategy.
- Principle 3 - The CFO in a Local Authority must lead the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- Principle 4 - The CFO in a Local Authority must lead and direct a finance function that is resourced to be fit for purpose.
- Principle 5 - The CFO in a Local Authority must be professionally qualified and suitably experienced.

The Financial Services function provides support to the Joint Committee and co-ordinates and supports the budget preparation and financial monitoring process.

Internal Audit

The review of the effectiveness of the system of Internal Control and Governance arrangements is informed by the work of the Internal Auditors on which the Joint Committee gains assurance. Internal Audit are required to undertake their work in accordance with the standards as set out in the Public Sector Internal Audit Standards (PSIAS) established in 2013 are the agreed professional standards for Internal Audit in Local Government. The principles of Internal audit are demonstrated below.

As required by the Standards, the Head of Internal Audit (Pembrokeshire County Council) prepares an annual report for consideration by the Joint Committee. The format of the Annual Report complies with the requirements of the Code of Practice.

Internal Audit Report – Swansea Bay City Deal

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

Audit Scope

Governance:	<ul style="list-style-type: none">• Follow Up of Previous Recommendations• Joint Committee Agreement, Governance Boards & Decision-Making Arrangements• Assurance, Audit and Scrutiny
Risk Management:	<ul style="list-style-type: none">• Risk Management Arrangements
Project Management & Monitoring Arrangements	<ul style="list-style-type: none">• Project Management Process• Monitoring and Evaluation Arrangements• Change Control Process• Post Completion Reviews
Financial Management:	<ul style="list-style-type: none">• Budgetary Control• Private Sector Investment• Grant Claims Process

The internal audit report, agreed by Joint Committee on 13th June 2024, has determined an audit assurance rating of 'Substantial'; There are none or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur, or their impact is not likely to affect the achievement of the SBCD objectives.

The Strategic and Annual Audit Plans are approved by Joint Committee annually and regular reports are made to the Joint Committee throughout the year on progress and any significant weaknesses identified.

In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.

Committees

Joint Scrutiny Committee

The Joint Scrutiny Committee comprise of 12 members in total, three from each of the four Constituent Authorities. The Role of the Joint Scrutiny Committee is to provide advice, challenge and support to the Joint Committee. The Joint Scrutiny Committee is required to:

- o Review and Scrutinise the Joint Committee's financial affairs.
- o Review and assess the Joint Committees risk management, internal control and corporate governance arrangements.
- o Review and assess the economy, efficiency and effectiveness with which resources have been used.
- o Make reports and recommendations to the Joint Committee in relation to the points outlines above.

The purpose of the Joint Scrutiny Committee shall be:

- o Performing the overview and scrutiny function for the Swansea Bay City Deal on behalf of the four constituent authorities.
- o To develop a forward work Portfolio reflecting the functions as demonstrated in the Joint Committee Agreement (Cl. 2.1.1)
- o To seek reassurance and consider if the city deal is operating according to the Joint Committee Agreement, its business plan, timetable and/or is being managed effectively.
- o To monitor any City Deal Regional projects against its portfolio plan.
- o To make any reports and recommendations to the constituent authorities, whether to their executive boards or Full Council as appropriate, in respect of any function which has been delegated to the Joint Committee pursuant to the Joint Committee Agreement.

Scrutiny of individual authorities' projects shall be a matter for the relevant Constituent authorities Scrutiny Committee.

External Sources of Assurance

External Audit

The Auditor General (Audit Wales) is the auditor for Carmarthenshire County Council and discharges his responsibilities under the Public Audit (Wales) Act 2004 through the external audit of the Swansea Bay City Deal Joint Committee statement of accounts.

Carmarthenshire County Council holds responsibility of the Accountable Body function on behalf of the Swansea Bay City Deal Joint Committee.

The agreed Annual Audit plan 2024 outlined the proposed audit plan and scope of the external audit to be undertaken by Audit Wales of the Swansea Bay City Deal Joint Committee Statement of Accounts. This plan was prepared and agreed by the Joint Committee and represents the fourth year of external audit work.

The Auditor General has a duty under the Public Audit (Wales) Act to assure himself each year that audited bodies, including the Swansea Bay City Deal Region Joint Committee, have put in place proper arrangements to secure value for money in the use of their resources. Audit Wales undertook this review between October 2023 and March 2024.

Gateway Reviews

Office of Government Commerce (OGC) Gateway Reviews will be appropriately carried out at both a City Deal Portfolio (Gate 0) and project level (Project Assessment Reviews (PARS) or Gates 1-5) to examine specific points in their lifecycles. This will assure successful progression and overall delivery, while supporting the Senior Responsible Owner (SRO) in the successful discharge of their duties.

These reviews are among a suite of assurance activities the City Deal's Portfolio Management Office will organise, with the best course of action determined by the maturity of the portfolio or the stage of a constituent project's development or delivery.

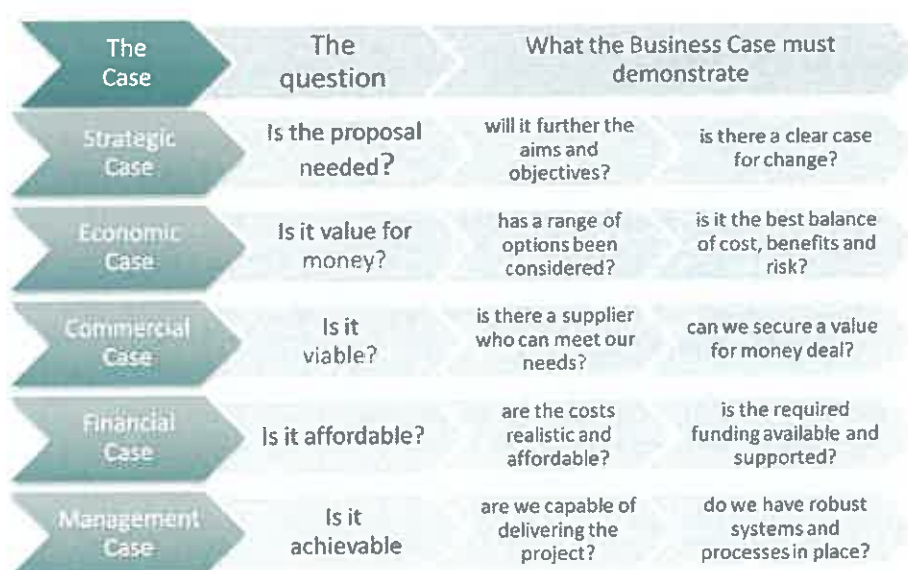
To support this process the Portfolio SRO and Joint Committee will ensure the delivery of an Integrated Assurance and Approval Plan (IAAP), a Monitoring and Evaluation Plan and a Portfolio plan. The Regional Portfolio Management Office will provide visibility to the SRO and Joint Committee of the collaborative work undertaken with Welsh Assurance Hub to develop these assurances and monitoring plans over the coming months. A portfolio level IAAP has been developed and implemented together with individual IAAPs for each of the constituent projects. A Joint SBCD / WG / UKG Assurance Panel has been established and a Portfolio Assurance Framework developed to inform and guide assurance activity across the Portfolio.

Government Review (5 case business model)

The need to get the best possible value from spending public money will always remain a constant for the Joint Committee and its partners. To this end, all City Deal business cases must be developed using the HM Treasury and Welsh Government's Five Case Model - an approach which is both scalable and proportionate. It is recognised as best practice and is the Treasury's standard methodology.

The business case, both as a product and a process, provides decision-makers, stakeholders, and the public with a management tool for evidence-based, transparent decision-making and a framework for the delivery, management and performance monitoring of the resultant scheme.

Each business case in support of SBCD project must evidence:



- o Strategic Case - the intervention is supported by a compelling case for change that provides a holistic fit with other parts of the organisation and public sector

- Economic Case - the intervention represents best public value (to the UK as a whole)
- Commercial Case - the proposed project is attractive to the marketplace, can be procured and is commercially viable
- Financial Case - the proposed spend is affordable
- Management Case - what is required from all parties is deliverable

As set out in the Joint Committee Agreement, the Project Business Case shall include a Resolution of the Project Authority Lead and all Councils in whose area the project shall take place that they approve the submission of the Project Business case.

The Portfolio Management Office has day to day responsibility for managing the assessment and approval process for all City Deal projects.

To assist a speedier assessment process, the UK Government and Welsh Government have agreed an informal iterative review process for assessing business cases to assist Project Leads in the production of robust outline business cases which are appropriate for 5 case formal review process.

On completion of the final draft business case and following approval from the respective Regional/Project Authority Lead(s), business cases for each of the City Deal projects will undergo assessment by the Portfolio Management Office before being considered by the respective City Deal governance structures. After approval by the Joint Committee the project business case will be forwarded to the UK Government and Welsh Government for approval to release City Deal Government project funding to the Accountable Body. Following outline business case approval there is an expectation that all the SBCD project and programme business cases are developed as they progress into Full Business Case stage and reported through the SBCD Governance arrangements. A Business Case Update process has been developed and approved to facilitate this process.

Well-being of Future Generations Act (Wales) 2015

The Swansea Bay City Deal demonstrates close alignment with the Well-being of Future Generations Act (Wales) 2015, as well as the seven well-being goals for Wales, which are at the core of the investment portfolio.

This is evidenced both at a portfolio business case level, as well as within business cases for the City Deal's constituent projects.

City Deal reports considered at both Portfolio Board and Joint Committee also demonstrate alignment with the legislation.

OGC Gateway™ Review 0: Strategic assessment

As part of the assurance arrangements for the SBCD Portfolio, an independent Gateway 0 Review was undertaken in July 2023.

The Review was undertaken by an independent, external team in accordance with the Welsh Government Integrated Assurance Hub Guidelines. Sixteen 'conversations' were held with stakeholders between 17th-19th July 2023 together with a workshop session with the local authority Leaders.

The SBCD Portfolio received an Amber-Green Delivery Confidence Assessment (DCA) rating. The summary finding of the Review were:

1. The SBCD Portfolio continues to make progress under the leadership of a strong SRO and Portfolio Director
2. The Portfolio continues to exercise good disciplines and work well with the individual SROs across the multiple partners in a quest to capitalise on the opportunities SBCD presents to the region.
3. There is a need to keep all parts of the Portfolio strategically relevant in enabling, contributing to, or delivering directly the Outcomes and Benefits intended.

4. The Portfolio is in good shape and indications are that successful delivery appears probable. Constant attention should be maintained, however, to ensure that risks to not materialise into issues threatening delivery (of the Projects and Programmes) or the achievement of the strategic intent (of the Portfolio).

The Review Team made four recommendations to the Portfolio SRO to ensure that the portfolio is positioned for effective management and delivery. The recommendations cover communications regarding strategic intent, benefits management, governance (in terms of the alignment with the CJC) and maximising value from dependencies and opportunities, particularly in relation to the private sector.

All of the recommendations of the Review team are shown below.

RECOMMENDATIONS			
1.	Reinforce communication of the strategic, regionalised approach, both internally and externally, in order to embed further the understanding of the sum of the parts rather than simply individual project benefits.	R - Recommended	July 24
2.	Further develop the benefits management approach to shift the focus to sustainable social and economic uplift, not just enablers.	R - Recommended	July 24
3.	Review and refresh the Portfolio Governance structure, considering potential options to integrate within the new Corporate Joint Committee structure, update the terms of reference and membership of the governance bodies should options progress.	E- Essential	December 24
4.	Emphasise the focus on Dependencies and Opportunities, particularly in respect of private sector investment and clarity surrounding the respective responsibilities for harnessing and driving emerging prospects.	R - Recommended	July 24

Internal review

Project approval process and flow of funds

On completion of a final draft business case and following approval from the respective regional/project authority lead, business cases for each of the City Deal projects will undergo assessment by the Regional Portfolio Management Office before being considered by the respective City Deal governance structures. After regional approval by the Joint Committee, the project business case will undergo an external Stage Gate review before progressing to the UK Government and Welsh Government for Ministerial approval.

The flow of funds for the City Deal portfolio is set out in the financial section of this Portfolio Business Case.

Governance Assessment Process

Each Swansea Bay City Deal project has its own governance structure and management arrangements to oversee their development and delivery, which are outlined in their individual business case.

Portfolio level governance arrangements are also in place that each project will be expected to implement and provide updates on.

These include, but are not limited to:

- Implementation plan
- Risk and issue management
- Monitoring and evaluation
- Benefits realisation
- Community Benefits
- Change control
- Dependencies and interdependencies
- Escalation and reporting structures
- Integrated Assurance and Approval Plan
- Construction Impact Assessment
- Procurement Pipeline Activity
- Financial control and contingency management

Integrated Assurance and Approval Plan

This plan will ensure the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio, proportionate to levels of project cost and risk. As well as a portfolio level IAAP, constituent projects will also feed into the overall plan. The IAAP is a live document that will be kept updated and actioned throughout the lifecycle of the City Deal portfolio.

Risk Management Arrangements

The Swansea Bay City Deal risk register logs risks both at a project and portfolio level. These include business, organisational and external risks. Each risk is updated periodically and reported to Portfolio Board where each risk details the description, owner, consequence and review update, accompanied by a scoring based on probability and impact.

Key business risks captured in a portfolio risk register include SBCD partner withdrawal, delays to project approval and funding draw down and portfolio delivery delays.

Following Portfolio Board review, the portfolio red risks and portfolio red issues, are considered by Joint Committee on a quarterly basis. These documents are also considered by Joint Scrutiny Committee at each of its meetings, which take place once every two months.

Organisational risks are captured in project specific risk registers.

The current portfolio risk register demonstrates risks of an operational, governance and financial nature with emphasis on the significant (red) risks, which are risks that will significantly impact the delivery of the portfolio. A summary of the current significant risks are demonstrated below:

Area	Key findings against PoMO
Slippage in delivery of programmes / projects against key milestones	Slippage is being monitored by PoMO and Finance Manager. Programmes / Projects are requested to submit Change Notifications and Procurement Pipeline being updated quarterly. Governments were informed of BCD slippage at the June WCGIB. PoMO and Finance Manager will be working with Programmes and Projects to more accurately forecast progress and report spend.
Increase in cost of construction	The PoMO will continue to work closely with programme / project leads to identify potential impact and determine whether it is managed locally or whether intervention at Portfolio level is required. Overall current estimated construction cost is £43.5m. The Residual Gap following mitigations currently stands at £12.7m. Key significant procurements still in pipeline which currently have not identified CIA funding gap. PoMO to continue to monitor.
WG 2021 update of Technical Advice Note (TAN) 15 development risk of flooding, coastal erosion and associated flood planning maps	Following a consultation period, WG have been working with NRW to understand the integrity of existing flood defences in the National Growth Areas set out in Future Wales. WG expect to be putting advice to the Cabinet Secretary soon with a redrafted version of the TAN15.
Prog/Proj delivering all outputs and outcomes within the business case	Portfolio benefits profiles have been agreed with all programmes/projects. Other major programme/project benefits are being forecasted and will be reported via SBCD governance. Joint scrutiny Committee and partner Local Authority scrutiny committees are requesting more visibility on Benefits Realisation reporting. Monitoring and Evaluation Task and Finish Group have developed a Draft Evaluation Profile to include a schedule of evaluations for all projects and programmes.
In year underspend	Slippage is being monitored by PoMO and Finance Manager. Slippage of £54m identified for 2023/24. Governments were informed of SBCD slippage at the June WCGIB. PoMO and Finance Manager will be working with Programmes and Projects to more accurately forecast, and report spend.

Benefits Realisation Arrangements

The Swansea Bay City Deal headline benefits are at least a £1.8 billion boost to regional GVA and the creation of at least 9,000 high-value jobs.

The focus on the regional economy across the SBCD projects will also support regional supply chain businesses, with the City Deal's energy theme due to further accelerate the growth of the region's blue and green economies, helping meet regional, Wales and UK-wide decarbonisation targets.

As well as financial benefits, the City Deal will also lead to societal benefits. These include tackling fuel poverty, improving people's health and well-being, and creating more resilient communities and businesses.

The benefits realisation plan is made up from the constituent projects, where they are required to develop and submit a benefit's register as part of the business case submission. The approach to monitoring and evaluating the portfolio benefits features in the Portfolio's Monitoring and Evaluation Plan and are regularly reported at project and portfolio level at the Portfolio Board and Joint Committee governance groups.

Monitoring and evaluating the portfolio performance and impact will improve informed decision making and planning and risk management in order to deliver the widest possible benefits to the region and value for money. It will also create a culture of learning from doing and sharing.

The Portfolio SRO will oversee the vision, objectives, and project governance arrangements, in conjunction with the Joint Committee and Portfolio Director, including the benefits realisation of the portfolio.

Post Implementation and Evaluation Arrangements

The Swansea Bay City Deal deliverables are aligned to SMART (specific, measurable, achievable, realistic and timebound) objectives. These will aid with the post evaluation at both project and portfolio level.

The objectives will be detailed in the tools adopted in the Monitoring and Evaluation Plan at both a portfolio and individual project level. Periodic reports and evaluations will be undertaken both at key project and portfolio milestones and at the end of the implementation stage. External stage gate reviews will form part of this process, along with regional reviews and assessments.

Action Plan of Portfolio Governance Issues July 2024

<p>Monthly and Quarterly monitoring reports should be enhanced, to ensure Programme/Project progress over the period is clearly identifiable and bring consistency to information reported. In addition, further work should be undertaken to enhance the synergy in the financial RAG rating of Programmes/Projects, by including the annual investment and grant draw-down status in RAG rating determinations.</p>	<p>A framework will be drafted, and guidance provided to all Project/Programme leads to ensure consistency across the Portfolio when reporting RAG status of the 6 categories (Delivery, Scope, Staffing / Resources, Finance, Stakeholder Engagement, Overall Rating) that make up the Scorecard within the Quarterly Report.</p> <p>A more in-depth review will be undertaken by the PoMO with Project and Programme leads regarding Highlight Reports and Quarterly monitoring. The aims will be to ensure all Programmes and Projects are reporting progress, reduce repetition between reports and provide consistency across the Portfolio e.g. all are reporting key risks and issues and their mitigating/resolving actions.</p>	<p>End of quarter 1 FY 2024/25</p>
<p>Programmes/Projects in delivery should submit grant claims on a more frequent basis, to allow funding to be distributed in a timely manner (and within the correct financial-year), enabling draw down of the top-slice to support the PoMO budget.</p>	<p>A reminder will be sent to Project Managers in respect of grant claim forms being submitted on a timely basis and these claims should include supporting evidence before funding can be released.</p>	<p>End of quarter 1 FY 2024/25</p>

The above governance issues will be monitored and assessed as part of the internal audit work undertaken on the City Deal and through the implementation of an Annual Governance Statement.

Certificate of Approval

Chair of Joint Committee Approval:

Signed:



Date: 10/07/24

Councillor Rob Stewart

Chair of Swansea Bay City Region Deal Joint Committee

Leader of City and County of Swansea Council



Senior Responsible Owner Approval:

Signed:



Date: 10/7/2024.

Wendy Walters

Chair of Swansea Bay City Deal Portfolio Board

Chief Executive, Carmarthenshire County Council



Glossary of Terms

The following section summarises expiation around the technical terminology demonstrated and included within the Financial Statements and accompanying narrative.

General Terms

Accrual

An accrual is a sum shown in our accounts to cover income or expenditure for the accounting period that was not paid at the date of the balance sheet.

Audit

An audit is an independent examination of our activities.

Audit Wales

An independent body lead by the Auditor General for Wales who is responsible for the appointment of external auditors to local authorities.

Balance

The surplus or deficit on any account at any point in time.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the end of the financial year.

Budget

A budget is a spending plan, usually for the following financial year.

Capital Expenditure

Capital expenditure is spending on non-current assets such as Property, Plant and Equipment, Investment Properties and Heritage Assets. This would include the purchase or construction of new assets, together with subsequent expenditure on major maintenance or development work.

Capital Receipt

These are the sales proceeds from the disposal of land and buildings which are restricted in their use by statute. They can only be used to fund new capital expenditure or set aside to finance historic capital expenditure.

Creditor

A creditor is someone to whom money is owed at the end of the financial year for work done, goods received, or services rendered.

Current Assets

These are short-term assets that are available for us to use in the following accounting year.

Current Liabilities

These are short-term liabilities that are due for payment by us in the following accounting year.

Debtor

A debtor is someone who owes money to us at end of the financial year.

Depreciation

Depreciation is a method of allocating the cost of Property Plant and Equipment assets over their useful lives.

Employer Contributions

The employer contributions are the amounts actually paid by the employer during the year. They include any amounts paid in respect of early retirement strains and any recharges in respect of compulsory added years benefits.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31 March in the following year.

Gross Expenditure

The total cost of providing the council's services before taking into account income, such as fees and charges for services etc.

IFRS*

International Financial Reporting Standard.

IFRIC*

International Financial Reporting Interpretations Committee.

**The above two are accounting standards which provide a guideline for financial accounting.*

Liability

A liability is an amount due and payable at some time in the future.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge occupiers of business premises pay to finance part of local Authority spending. The NNDR is set by Government and is a percentage of the rateable values. The percentage is the same throughout Wales. The total collected is split among individual authorities in proportion to their adult populations.

Net Realisable Value

The selling price of the asset reduced by the relevant costs of selling it.

Operating Leases

A means by which capital items are bought. These are leases where risks (and rewards) of ownership of the asset remain with the owner.

Pension Fund

The fund maintained to meet pension payments on the retirement of participants.

Property, Plant and Equipment

These are assets with a physical substance that are held for use in the production or supply of goods and services, for rental to others (as part of a service) or for administrative purposes. Any asset included in this category is expected to be used for more than one financial year.

Provision

Provisions are amounts set aside for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

Prudential Code

The Prudential Code is a professional code of practice to support local authorities in making capital investment decisions.

Public Works Loan Board (PWLB)

This is a Government agency that provides longer-term loans to local authorities. It charges interest rates only slightly higher than those at which the Government itself can borrow.

Reserve

Reserves are amounts set aside that do not fall within the definition of provisions and include general reserves (or 'balances') which every Authority must maintain as a matter of prudence.

Revenue Account

This is an account that records our day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Securities

These are investments such as stocks, shares, and bonds.

Inventories

Inventories are raw materials purchased for day-to-day use. The value of those items not used at the end of the financial year is shown within current assets in the balance sheet.

Subjective Analysis

An analysis of income and expenditure according to type. Such expenditure headings include employee, premises and

transport expenses. Income includes government grants and fees and charges.

Variance

The difference between actual expenditure and budget - expressed in cash or percentage terms.



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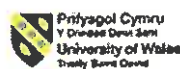
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The Swansea Bay City Deal is an alliance of four Regional Local Authorities governed by a legally constituted Joint Committee.

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 8th October 2024

SBCD Annual Report

RECOMMENDATIONS/KEY DECISIONS

To inform Joint Scrutiny Committee on the content of the SBCD Annual Report April 2023-March 2024 attached at Appendix A

1. Introduction

SBCD Annual Report for the SBCD Portfolio as at Appendix A, provides a summary of key activity for the last 12 months (April 2023 - March 2024) and a summary of the planned activity for the next 12 months.

This Annual Report narrative has been approved by SBCR Joint Committee.

Final version of the Annual Report has been circulated to Stakeholders.

2. Background

The SBCD Annual Report is made up of the following:

Item
Executive Summary, foreword from Cllr Rob Stewart
Portfolio Themes & impact
Portfolio progress intro from Wendy Walters
Benefits Realisation update
Project & Programme Updates
Digital Infrastructure
HAPS
Skills & Talent
Pentre Awel

Campuses
Yr Egin
Swansea Waterfront
PDM
SILCG
Governance intro from Jon
Governance & PoMO Structure
Risk Management
Assurance & Audit
Lessons Learned
Financial Summary
Marketing and Communications
Business Engagement, intro from Chris Foxall
Additional 'In Focus' pieces
Apprenticeships x 2
Sustainable Construction
Skills & Talent: Pilot projects
Pentre Awel: Dragons Den pitching event
Digital: Videos
HAPS: Duracell Event
SILCG: BTC Tennent
PDM: META trial
Egin: Anniversary & Evaluation
Campuses: Finding from Skills & Digital
Swansea: Social Value (Matrix) and Construction (Kingsway)
Leveraging Power
City Deal Event
Event Summary

Appendices:

SBCD Annual Report Narrative

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Executive Summary

Welcome to the 2023-24 Swansea Bay City Deal (SBCD) Annual Report. Much progress continues to be made across the region to deliver our ambitious Portfolio, which is reflected throughout the report. Progress is detailed through key information, activity, achievements, and in focus pieces.

The City Deal provides South West Wales a unique opportunity through a £1.3 billion Portfolio investment across nine headline programmes and projects, throughout the counties of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

The ambition is to deliver key benefits to the region over a 15-year period including:

- Creating over **9,000** jobs in areas including energy, manufacturing, digital, health and well-being, R&D, education, leisure and tourism.
- Contributing **£1.8-2.4 billion** of economic impact.
- Upskilling **14,000** people through **2,200** training opportunities and over **3,000** new apprenticeships.

Achieving these ambitions will help transform South West Wales into a place of opportunity, where people can live and work, and where businesses can thrive through the creation of well-paid jobs, new skills and a first-class business environment.

MAP & PARTNER LOGOS
FUNDING INFOGRAPHICS

The projects and programmes within the City Deal Portfolio are aligned to three themes - Economic Acceleration, Energy and Smart Manufacturing, and Life Science and Well-being.

Economic acceleration - Providing the space, skills and connectivity to drive forward the regional economy to provide new opportunities for our businesses and communities to thrive.

Life science and well-being - Providing developments that will combine cutting edge innovation, research and learning facilities with new business and within areas of life sciences, health, well-being and sport.

Energy and smart manufacturing - Placing the region at the forefront of energy and manufacturing innovation as part of the drive towards a low carbon economy and the strengthening of the existing manufacturing base.

Foreword:

Cllr Rob Stewart Swansea Council Leader and Swansea Bay City Deal Joint Committee Chairman

“We have seen yet another year of significant progress across the Portfolio, welcoming new companies into South West Wales, building new facilities, taking on apprentices, creating jobs and growing our regional economy. Many of our projects are maturing and excelling in delivery, and the collaborative working between all our partners is strengthening as we reach important milestones. Complimentary initiatives within the region including several successful Levelling-up bids and the Celtic Freeport bid are also progressing which are also having a positive impact on the City Deal. I’m looking forward to the next 12 months with excitement as further projects come to fruition.”

Benefits

The portfolio has again made significant progress during 2023/24 towards its benefit targets as its projects are delivered. It is expected that this progress will continue to accelerate in future years as more projects enter their delivery and operational phase. Some headline achievements to date include:

- **£354m** of total investment to date
£125m investment in 2023-24
- **£71m** Private Sector investment contribution secured to date.
- At least **600+** Full Time Equivalent (FTE) jobs created*
- **160 FTE** apprenticeship opportunities created or continued
- **13,464** construction related training weeks across Portfolio training weeks provided across Portfolio construction activity to date with at least **4,264** weeks delivered in 2023-24.
- **75,701m²** of completed floor space across the Portfolio
- Skills and Talent Programme delivered **22,215** Additional Skills and **42** new course frameworks to date.
- **£34m** private sector funding levered through the Digital Infrastructure programme 2022-23.
- **308** Homes as Power Stations homes delivered leveraging **£48.6m** of investment, in addition to another **£17.4m** of public and private sector investment.
- **250+** contracts awarded to Welsh based companies.
- **3 of 36** projects completed with a total investment of **£123m**.
- **19 of 36** projects in delivery, delivering **£438m** total investment once completed.
- **14 of 36** projects approved and working through pre-commencement activity. Once complete, these projects will deliver the remaining **£721m** of SBCD forecasted investment.
- Construction contracts in the region of **£141m** are in the immediate pipeline including major procurements for HAPS, Digital Infrastructure and Campuses projects.

*Further jobs have been created, and will be confirmed with a 12-24 months' time lag post completion

Wendy Walters, Carmarthenshire County Council Chief Executive and SBCD Senior Responsible Owner

“We are on track to deliver significant regional change through the delivery of the SBCD Portfolio. To date, over £354m of investment has been spent to help support the South West Wales economy. Further key infrastructure has become visible across the region over the past 12 months, including Pentre Awel, Pembroke Dock Infrastructure, 71-72 Kingsway and the Innovation Matrix. With many more developments in the pipeline and will be delivered over the next 2-3 years.

The most exciting thing about portfolio delivery is the networks and collaborations that these initiatives bring to the region that support the growth of key sectors and businesses. This activity will, in turn, create employment opportunities for our existing workforce and future generations in sectors including health and well-being, energy, digital and manufacturing.

As the operations of completed projects becomes embedded, including Yr Egin, Swansea Arena and the Bay Technology Centre, we will look towards their success through economic impact evaluations. Coupled with the delivery of the three regional SBCD projects, Homes as Power Stations, Digital Infrastructure and Skills and Talent, the Portfolio will put South West Wales on the map for being a place that people want to invest, work, learn and live.”

Quote from UK Government TBC

Skills & Talent

Focussing on high growth industry sectors in the digital, construction, energy, smart manufacturing and health and well-being sectors, the programme will deliver 2,200 additional skills and development opportunities, 14,000 higher skilled individuals and 3,000 new apprenticeships - which will support businesses by allowing them to grow and future proof through developing a talented regional workforce.

Working alongside partners from the private sector, higher and further education, schools and the third sector, the programme team are periodically identifying gaps in current provision and establishing the changes needed to develop new courses and frameworks to meet these skills gaps. Pilot projects are being developed and deployed which align to the needs of industry and the key SBCD themes.

Key milestones and achievements:

- 10 further skills pilot projects approved by the Regional Learning and Skills Partnership (RLSP) board. Taking the total number of approved pilots to 21 since launching the scheme. There was a strong focus on priority sectors specifically energy and engineering. Other pilot activity also included upskilling current workforce in the hydrogen sector.
- Exceeding targets for 'Additional Skills' with 22,215 created to date against a target of 2,200. Also exceeding target for 'New Course Frameworks' with 42 created against a target of 20.
- Skills Barometer reviewed and updated with sector skills gap analysis and reports undertaken.
- Development of website www.rlp.org.uk – with information about the RLSP and SBCD Skills and Talent programme, latest news section, and a summary of approved pilot projects.
- Teacher Encounters pilot complete and evaluation report prepared for Welsh Government. This was to support teaching staff at Dwr Y Felin Secondary School in Neath with the implementation of the new curriculum for Wales, allowing them to transfer their subjects into relevant industry requirements.
- Attendance at Parent Evenings in two schools per local authority to raise awareness of the SBCD, the Skill and Talent Programme and upcoming local career options. Engagement with parents and teachers was very well received and has provided further opportunities to work collaboratively.
- Marketing material produced showing career pathways roadmaps, highlighting post 16 training opportunities available in colleges and universities across the region.
- Work Experience pilot planned for Ysgol Dyffryn Aman school which will include real life industry experience and classroom project work. This will be rolled out in the next academic year.
- Workshop held with pilot project leads and City Deal project managers to share best practice and what activities have been undertaken. The workshop was successful and is planned to be repeated.

Key activity for 2024-25:

- Supporting the TATA Steel Transition Board to upskill and reskill workers to retain them within the region.
- Review the skills barometer and skills data to evaluate impact and target necessary skills interventions.
- Engage with stakeholders and partners to ensure the needs of employers direct any skills developments.
- School engagement to raise awareness of City Deal and what that means for young people.

Infographics for anticipated benefits:

2,200	Additional Skills
14,000	Upskilling Opportunities
3,000	Apprenticeships Opportunities
20	New Course Framework
2+	Centres of Excellence Developed

In Focus: Exceeding Targets

To ensure the success of the programme, key activities with school pupils and staff were undertaken to drive additional skills and create new course. This is demonstrated by the programme surpassing its targets for both 'additional skills' and 'new course frameworks' over the last 12 months.

22,215 individuals have benefited from additional skills against a target of 2,220.

In conjunction new courses have been developed, across a range of levels and sectors. The RLSP are working in collaboration with training providers and industry partners to create pilot projects in sectors with a future high demand for workers and current lack of training provision to meet the future skills needs of the region. To date, 42 new course frameworks have been created against a target of 20, in sectors including Digital, Green Construction, and manufacturing.

Quote from Welsh Government TBC

In Focus: Skills & Talent pilot projects

Over the last 12 months the Skills & Talent programme have approved 10 new pilot projects which will prepare young people for upcoming jobs across the region.

Investment to date

Public Sector Match Funding of £1,229,985

Private Sector Match Funding of £1,362,810

Private Apprenticeships Investment of £1,060,800

Future Skills for Land & Sea



COLEG Sir Benfro
Pembroke COLLEGE



Port of
Milford Haven



REARDON SMITH
NAUTICAL TRUST

Directly addresses skills need in the region's growing maritime sector. A 2-year programme of pre-cadetship in maritime studies for students, delivering courses in maritime specific qualifications and visits to industry. On completion, the learners will be offered direct entry onto a fully funded officer cadetship. The project will also develop pathways in schools to engage learners with the STEM aspects of marine renewable energy including renewable energy technologies and project development processes for wave, tidal, onshore wind, solar and offshore wind.

294 Higher skilled individuals gaining a qualification.

Construct Net Zero



Canolfan Artesol Adnoddau Cymru
Construction Wales Innovation Centre

Provides a range of innovative courses for learners in energy-saving building techniques, delivered by industry experts with a combination of practical and theoretical work education at various levels. Based on 'fabric first' design, the project will work closely with partners in industry, higher and further education, schools and the third sector to establish the training need and build a unified Net-Zero construction curriculum across the whole spectrum from Level 1 to Level 7.

450 Higher skilled individuals gaining a qualification.

The Young Dragons - Futurescape



To introduce pupils to the construction industry using a combination of Virtual Reality and hands-on experience. Using realistic workplace scenarios, the project will help develop key employability skills such as

problem solving and creative thinking, as well as enabling the application of maths, science and enterprise skills.

800 Individuals benefitting from increased learning.

VR/AR Technologies Training Project



Promote the use of VR (virtual reality) and AR (augmented reality), and the benefits it can bring to the region's business community. Working closely with industry, this project will design a VR training centre to provide a platform to deliver an exciting learning experience to the region through blended learning, on-line or face to face learning environments. Training will also be available to school leavers, the unemployed, as well as students and career changers.

500 Higher skilled individuals gaining a qualification.

AGOR skills – Sport Health and Wellbeing



Addresses the skills gap in the rapidly growing sector of Sport, Health and Wellbeing. It will take advantage of the wealth of opportunities arising around the City Deal Campuses and the Pentre Awel developments. Working closely with businesses, this exciting project offers a collaborative environment for online and in-person learning, hosting innovative courses and events for a range of market led, sector focused skills.

50 Higher skilled individuals gaining a qualification.

Advanced industrial Drone Course



Provides advanced accredited training for drone pilots to be able to undertake inspection flights required for regular inspection and identification of plant and equipment in industrial settings.

12 Higher skilled individuals gaining a qualification.

Sustainable Power Renewables and Construction (SPARC)



To encourage females into careers in underrepresented industries across Pembrokeshire including sustainable power, renewables, engineering and construction. Working closely with schools and industry, the project will work to empower and inspire young women to consider and pursue careers in these industries and create a more diverse and inclusive workforce for the future.

40 Higher skilled individuals gaining a qualification.

Energy Transition Hub



Shell
ENERGY



This UK first will see the establishment of a control room operator facility based in Pembrokeshire College. With a room capable of training groups of 24 learners, including students and existing workforce, the facility will accurately emulate the environment seen in all major energy plants in the region. This will include both current facilities such as oil refinery, LNG plants, power station and food and drink facilities, as well as future plants such as offshore floating wind and hydrogen plants.

450 Higher skilled individuals gaining a qualification.

Fit For Offshore Renewables Wales



To help prepare the region's supply chain for the offshore renewable energy sector. It will support a wide range of the region's businesses to develop into the sector both locally and globally, offering tailored advice and the opportunity to grow a network of supply chain contacts. Once the company is F4OR 'granted', it will be promoted to industry contacts who would be potential future customers.

80 Higher skilled individuals gaining a qualification.

Immersive Learning for the Hydrogen Industry in Wales



Develop and deliver innovative training courses for the region's rapidly growing hydrogen industry using cutting-edge 360-degree immersive filming techniques. It addresses the skills gap in the region's hydrogen industry and will help develop a skilled workforce, better able to compete on the global stage.

100 Higher skilled individuals gaining a qualification.

Homes As Power Stations

This project will facilitate the adoption of energy efficient design and renewable technologies into homes across the region – helping to tackle fuel poverty, cut carbon emissions and support regional economic growth.

Supporting development of both new build schemes and retrofitting of existing homes, it will enable a programme of comprehensive monitoring and data collection. Financial support is available to incorporate renewables technologies in homes and to develop renewable technology supply chains across the region.

Key milestones and achievements:

- Launch of the Financial Incentives Fund (FIF) where 16 applications were approved utilising £3.7m of City Deal Funding and leveraging an additional £37.6m of public and private sector funding. This supports 8 organisations to progress their housing decarbonisation plans with the support of Cardiff University’s Welsh School of Architecture.
- Swansea based supply chain and procurement consultant OPUS BS completed a supply chain mapping exercise, identifying current suppliers and potential future opportunities across the region.
- Continued to work with UK Government & Welsh Government to ensure the scope of the FIF is aligned to the Optimised Retrofit Programme and ECO 4 Flex to maximise the funding opportunities.
- Communications and Marketing Plan created by Urban Foundry.
- Technical Monitoring and Evaluation planning meetings held with Cardiff University Welsh School of Architecture to ensure collaboration with existing work and current opportunities.
- Subsidy Scheme in development to award Financial Assistance in line with subsidy control regulations.
- £75k of funding secured from MCS (Microgeneration Certification Scheme) to enable foundational work to be undertaken with schools and colleges.
- £250k Shared Prosperity Funding secured to create a HAPS Demo House.
- Co-ordinated events to support supply chain activity and skills across the region:
 - SO Modular event held, highlighting Modern Methods of Construction, using Welsh Wood.
 - Launch of Duracell’s Home Battery to increase awareness of the product and increase the number of accredited installers.
- Supported the application of:
 - UK Research & Innovation, part of UK Government to secure £5m for a Place Based Impact Accelerator Account Switch to Net Zero buildings led by Swansea University.
 - Innovate UK, to secure £7.5m funding from Launchpad. This is a partnership between NPT Council, Pembrokeshire Council and Net Zero Industry Wales for business-led innovation projects and wrap around support.
 - Arts & Humanities Council to secure £4.6m for a collaborative project Transforming Housing and Homes for Future Generations. This project will run until September 2025 across 50+ consortium members including Cardiff, Bath, Bristol and Exeter Universities, Swansea Council and So Modular, it aims to create a new multi-partner, transdisciplinary, design ecosystem to transform housing for future generations using bio-based and non-extractive materials, together with renewable energy supply and storage.

Key activity for 2024-25:

- Launch the £7m Supply Chain Development Fund which will leverage the regional demand to attract manufacturers, suppliers and installers to the region and to stimulate existing companies to manufacture, train and invest in response to the region’s needs.
- Create content for sharing progress (including lessons learned) of schemes funded through the FIF.
- Continue to seek opportunities to leverage additional funding that support the project objectives.
- Support opportunities for businesses to increase skills within their workforce to install and maintain the technologies associated with the project.

Infographics for anticipated benefits:

£251m Contribution to Regional GVA

1,804 Jobs created.

10,300 New and existing homes fitted with Renewable Technologies

10,417+ KWh Energy savings
19,000+ Tonnes of CO2 Reductions per year

In Focus: The Duracell Battery Launch

The project supported a successful event held in the National Botanical Garden of Wales, Carmarthenshire on 30th November to launch Duracell battery storage for homes. There were over 85 attendees and the event facilitated more than 15 installation companies becoming 'platinum partners' with Duracell. The first Duracell battery has already been installed by a company within the region and the more installers of batteries there are, the more competitive the pricing will become.

Gareth Bevan, Solar Centric (awaiting approval from Solar Centric)

"We were invited to a Duracell Launch event that was hosted by the HAPS Team at the Botanical Gardens. Following this event, we were able to become platinum installers for Duracell, which enables home owners and developers to use us as a local business to install and maintain a quality product and a trusted brand that is known to us all. We have already seen a great interest in the battery, which is considerably more affordable than other brands, we carried out our first installation several months ago now and have received orders for many more across the region. It's fantastic to see how HAPS is supporting change and ensuring the impact of developing supply chains will have a positive effect on those who live in fuel poverty."

Digital Infrastructure

Providing full fibre connectivity to strategic public sector sites, addressing areas of poor connectivity in rural settings and supporting the rollout of 4G & 5G to drive adoption of emerging technologies.

The programme's three workstreams – Rural, Connected Places and Next Generation Wireless are all in delivery and continuing to support the programme's aspirations:

- Better broadband for everyone... leaving nobody behind
- A smart region, ready and able to innovate and adopt emerging technology.
- An inclusive digital landscape that meets everyone's needs.

The delivery team includes Digital Champions within each Local Authority to provide support to residents across the region and be a central point for suppliers and government.

Key milestones and achievements:

- Full Fibre infrastructure Build (FFIB) has connected 68 public sector assets with an additional 401 residential/business premises benefitting from full fibre connectivity as a result.
- Connected 35 key strategic public sector sites with dedicated Dark Fibre. The contract was awarded to VMO2.
- Continued to work on the Better Broadband Infill project with detailed analysis of connectivity needs for every premise cross referencing multiple dataset to define the intervention area.
- Launched the 5G Innovation Fund to support the use of 5G / advanced wireless networks to drive adoption, commercialisation, and scalability of emerging technology across key sectors. Swansea University's Campuses project was awarded £1.55m to fund the infrastructure required to support their use of 5G technology to further advancements in life-sciences and sports.
- Open Access Agreement signed between Swansea Council and Freshwave to deploy small cell technology to improve the mobile capabilities in congested areas of the city. Confirmed investment from VMO2.
- Support delivery of the £1bn Shared Rural Network programme, which is UK Government and Mobile Network Operator led, to improve 4G mobile coverage in the most challenging parts of the UK. Carmarthenshire and Pembrokeshire were the primary beneficiaries of this programme. On completion this will significantly improve 4G connectivity for most rural communities with the region.
- Programme has funded two Digital Champions in each Local Authority; they are the first points of contact for both residents and suppliers.
- Marketing and Communications Plan approved and in place, outlining key activities and milestones.
- Completed a Gateway Review, receiving a Green/Amber rating.
- Farrpoint conducted an independent impact assessment for 2022–23 which estimated £36.7m inward investment from the public and private sector to improve connectivity across the region.

Key activity for 2024-25:

- Hold a Digital Innovations and 5G Technology event - Shaping our future. The event will highlight key topics relating to digital connectivity as well as innovations happening across the region.
- Define intervention area and viability of the Better Broadband Infill project. Conduct procurement.
- Scope Dark Fibre in Carmarthen and the East of the region with partners and conduct procurement.
- Build is in delivery for the Public Sector Broadband Aggregate which is supporting the transformation of public sector service delivery by upgrading several public sector assets across the region to full fibre.
- All four Local Authorities to adopt Lessons Learned from Swansea to ensure a consistent approach is used across the region.
- Continue to support delivery of mobile infrastructure through the Shared Rural Network programme.
- Continue the 5G Investment Fund to support the development and use of 5G and advanced wireless technology

- Support delivery of the £5bn Project Gigabit at a local level by reviewing data to inform voucher scheme areas. Continue to review data to inform voucher scheme areas and monitor progress.

In Focus: Educational Animations

A series of educational animations have been created and produced to inform the public of the benefits of better connectivity, what financial support is available to assist with improving their broadband, as well as information on technology changes in their area. The series is now being used by each local authority's Broadband Engagement Officers, as part of their community outreach work.

This forms part of the wider barrier-busting work, which is taking place across the programme's workstreams, to focus on the deployment of Digital Infrastructure, to ensure efficient processes are in place internally when reviewing/approving Digital Infrastructure deployment, and to increase knowledge/awareness of Digital Infrastructure and Internet of Things (IoT).

[EDUCATIONAL ANIMATIONS on Vimeo](#)

Campuses

Delivering two complementary initiatives on the Singleton Campus at Swansea University and Morriston Hospital, as well as an industry-leading network of expertise, this project will add value to the regional life science, health and sport sectors.

Advanced research and development facilities will be created. Collaboration between academic research, industry and the NHS will place Campuses at the forefront of new technologies to improve healthcare, while creating opportunities for new life science and sport-tech companies and creating highly skilled jobs for people in the region.

Key Milestones and Achievements:

- All Funding Agreement signed between partners - Carmarthenshire County Council, Swansea Council, Swansea University and Swansea Bay University Health Board.
- Singleton project actively engaged with stakeholder groups, including councilors, Swansea University staff groups, and members of the public through comprehensive public consultations to inform on the design and gather feedback.
- Singleton Phase 1 tender process commenced through the Southeast & Mid Wales Collaborative Construction Framework to secure the build's main contractor. Seven contractors expressed an interest, initiating early discussions. The Statutory Planning Application also went live with no objections raised to date.
- Working in collaboration with Vodafone, Swansea University successfully secured £1.5m Digital Infrastructure 5G funds. The project will fully fund 3 PhDs to work on research opportunities and use cases.
- Successful allocation of £150k from the Skills and Talent programme to support the Agor Skills Sport Health and Well-being pilot project.
- A regional Health Needs Assessment was co-ordinated by ARCH, involving the Local Public Health Teams in Hywel Dda University Health Board and Swansea Bay University Health Board. Campuses will use the HNA to inform activity to benefit the health and well-being of the regional population <https://nniish.uk/en/2024/02/13/health-needs-assessment/>.
- Sports Showcase event saw over 100 people participate in discussions on the Campuses Project and University Sporting activity. Academics, industry, and sport's governing bodies helped identify and progress in discussions to enhance existing partnerships and establish new collaboration by providing exemplars of good practice and showcasing ambition for sport.
- Phase 2 Singleton master planning progressed and Phase 2 Morriston development control plan written.

Key Milestones for 2024-25:

- Site work preparation and main contractors appointed for the Sketty Lane, ILS Singleton.
- Submission of planning for access route to the 55-acre site at Morriston Hospital, which is proposed as part of the project's Phase 2.
- Design and tender the Management Centre at Morriston Hospital

Infographics for anticipated benefits:

£150m contribution to Regional GVA

1,120 Jobs created.

2,000m² Sports Tech and Med Tech Research and Innovation Space

700 m² Centre for Commercial and Academic Collaboration

300+ Cluster companies

100+ Innovation and Commercial Opportunities

In Focus: Collaborative working

Campuses has worked collaboratively with two of the regional SBCD programmes to successfully secure and leverage additional private sector funding and collaborations to help deliver the project.

£1.5m of the Digital Infrastructure programme's 5G Innovation Fund has been awarded to Swansea University to transform health, well-being and sports-science capabilities across sites in Swansea. This groundbreaking research will support key device developments for health that will enable real-time monitoring of physical and mental well-being, helping improve the overall standard of care in the area.

Further info <https://nniish.uk/en/2023/11/21/swansea-university-to-develop-world-first-research-and-innovation-living-lab/>

£155,860 of Skills and Talent funding was also secured by Swansea University that will assist the Campuses project to bridge the skills gap in the sports, health and well-being sector. Working closely with businesses, a pilot project will be set up creating a collaborative environment for online and in-person learning, with innovative course and events for a range of sector led focused skills.

Quote from Vodafone

"We're immensely impressed by Swansea University's ambition to push the boundaries of research and innovation while enriching the lives of communities in South West Wales. The collaboration between Swansea University and Vodafone provides an environment to test and develop ground-breaking products and solutions across multiple industries, particularly healthcare and engineering, with potential impacts across the UK and beyond. We've already made progress with multiple workshops, site-visits and engagements. We're excited for what's to come as we continue merging academic and industry expertise to bring innovation and co-creation to life."

Yr Egin

Canolfan S4C Yr Egin is a digital and creative cluster, led by University of Wales Trinity Saint David (UWTSD), based in Carmarthen. The iconic building boasts an auditorium, superfast connectivity, state-of-the-art office spaces and post-production facilities for professional and community activities. Welsh language broadcaster S4C is the anchor tenant and many leading creative and digital businesses co-locate within the centre. Yr Egin is a catalyst for a creative cluster to inspire collaboration, develop talent, and enhance the status of the Welsh language.

The delivery model for the 2nd phase of Yr Egin project is currently being considered by the University and its advisors.

Key milestones and achievements:

- Phase 1 celebrated its five-year anniversary of operations.
- Fully occupied with tenants including S4C, Atebol, Carlam, Moilin, Rural Office, Stiwdioibox and Theatr Genedlaethol Cymru.
- Economic evaluation undertaken by Arad Research which demonstrates the significant impact Yr Egin is having on the economy.
- Launch of Creative West Wales network. The network aims to represent and engage the creative industries in the region, namely the counties of Swansea, Ceredigion, Pembrokeshire, Carmarthenshire and Neath Port Talbot. Creative West Wales's initial priority is to focus on the growth of the screen, music, digital and research and development sectors.
- 'Drws Agored' evening held where 18 local businesses showcased the opportunities, experiences, and jobs available in the creative sector to young people in Carmarthenshire.
- Shortlisted for 'Best Promoter of Welsh in the Workplace' in the Careers Wales Valued Partners Awards.
- Successful application to the Sustainable Communities Fund, which is part of the UK Shared Prosperity Fund that is distributed by Carmarthenshire County Council, for the "TANIO" project, with £178,636 being awarded for the project. Creative and Digital Clubs for children and young people to develop their creative skills in a series of weekly specialist clubs as well as the re-launch of Shwmae Sir Gâr, local online 'TV' service for Carmarthenshire, are the main strands of the project.
- Adventure Film Festival hosted. This was a new innovative event to celebrate adventurers and content creators, and allowed participants to enjoy film screenings and talks with industry experts.
- UWTSD has engaged with expert industry consultants to consider the most appropriate delivery model for Egin Phase 2.

Key Milestones for 2024-25:

- Progress with planning for Yr Egin Phase 2.
- Yr Egin Phase 1:
 - Develop the Creative West Wales network further in all 5 counties (Carmarthenshire, Pembrokeshire, Swansea, Neath Port Talbot and Ceredigion) with a series of events, engagement programme and promotion of the creative industries in the region.
 - Exhibit more Independent, World and Made in Wales films at Yr Egin to grow the independent cinema provision available to audiences in our area.
 - Continue to engage with schools and further education colleges to provide workshops and experiences that enrich the Curriculum for Wales and understanding of the opportunities available in the creative industries.
 - Ensure business support and available funding is signposted and shared with tenant companies and network.
 - Provide quality event, conference and meeting spaces with seamless livestreaming and hybrid options to a growing client base.

Infographics for anticipated benefits:

£89.5m contribution to Regional GVA

427 jobs created.

150 Skills and training opportunities created.
167 Construction workplace employment opportunities
363m² Workspace created.

In Focus: 5th Anniversary Celebration

On 26th October 2023, Yr Egin celebrated its 5th anniversary. A day of celebration was organised by UWTSO, and stakeholders, tenants and guests were invited to mark this key milestone.

Over the last five years Yr Egin has:

- Developed into a vibrant cultural venue for business and established itself as a creative hub.
- Been home to S4C's headquarters, over 16 tenant organisations and additional companies and freelancers that make use of the hotdesking facilities.
- Catered for numerous events, workshops, meetings, conferences, performances and screenings with over 12,000 people engaging during 2022-23.

According to a recent economic impact report, Yr Egin has:

- Generated an economic impact of £21.6m to the Welsh economy (2022-23).
- Generated an economic impact of £7.6m to the economy of Carmarthenshire (2022-23).
- A total of 175 people employed at Yr Egin (September 2023).

Cllr. Darren Price, Leader of Carmarthenshire Council:

"Yr Egin plays an integral role within the economy of Carmarthenshire and within the rich cultural network of our county and country. On behalf of Carmarthenshire County Council, I would like to wish a very happy birthday to Yr Egin and here's to the next successful 5-years and beyond."

Carys Ifan, Director of Canolfan S4C Yr Egin:

"Leading this transformative project and developing a creative cluster in west Wales has been incredibly rewarding. The value and benefits of Yr Egin are priceless in my opinion, and its initial impact is substantial according to the recent study. Yr Egin has had an immediate effect on people's lives and livelihoods, a positive impact on people's confidence and use of the Welsh language as well as inspiring the next generation to be creative and ambitious. I'm already thoroughly excited about the outcomes and achievements of the next five years."

In Focus: Current Tenants

Over the last 12 months the building has reached a 100% occupancy levels. Tenants include:

S4C
Rural Office
Asset Finance Solutions
Carlam Ltd
Atebol
Arts Council Wales
Optimwm
Moilin
Captain Jac
Theatr Genedlaethol Cymru
Police Pass
Urdd Gobaith Cymru
Stiwdio Box
Twrw Ltd



Cyngor Celfyddydau Cymru
Arts Council of Wales



Theatr
Genedlaethol
Cymru



Rural
Office



Urdd



Swansea City Centre and Waterfront Digital District

With the aim to drive regional and City economic development and growth, this programme includes:

1. **Swansea Arena** development at the £135m Copr Bay Phase One district in the city centre which also includes a hotel with around 150 rooms and a roof-top bar.
2. A state-of-the-art office development at **71/72 Kingsway** providing space for 600 jobs, flexible co-working environments and office space for the innovative technology and digital sectors. It will be aiming for carbon net zero when in operation.
3. **Innovation Matrix and Innovation Precinct** developments delivered by the University of Wales Trinity St David (UWTSD), to harbour startup businesses and foster entrepreneurship through close links with academia.

Key milestones and achievements:

Swansea Arena and hotel

- Over 185,000 people have attended Swansea Arena for shows, with average occupancy of 87% for over for 70 ticketed performances. Highlights include:
 - Events such as Swansea Comic and Gaming Convention, 4theRegion's first Green Economy Conference, the ATG Tech Forum and Swansea Bay Business Club Beaujolais day celebrations.
 - 16 graduation ceremonies including Swansea University and UWTSD, with approximately 22,000 attendees.
 - Sell out performances for Jack Whitehall, Russell Howard, Hollywood Vampires, Nothing But Thieves, Busted and Rhod Gilbert.
- Finalising construction and fit out snagging works.
- Reviewing hotel developer options, which will continue into 2024-25.
- Arena won the Dewi-Prys Thomas Award 2024 in architecture. It recognises the importance of good design to the quality of life, identity and regeneration of Wales by rewarding projects of excellence in a range of fields including architecture, landscape and design, public realm design and public art.

71/72 Kingsway

- Construction work with Bouygues UK progressed and a 'Topping Out' ceremony to celebrate the completion of the highest structural feature on the seven-story building. UK Government Minister James Davies attended along with partners from the Welsh Government, local authority, and prospective tenants.
- Internal works and fit out commenced.
- Digital infrastructure and power supplies within the building planned by digital and data specialists.
- Second floor tenant secured. Potential occupiers for the remaining floors being progressed.
- Savills appointed as the Managing Agents for the premises.
- JLL and Avison Young appointed as joint Letting and Marketing Agents, and Cre8te appointed as Branding Agents.
- Service charges and landlord costs established.
- Design and scope of external signage finalised.

Innovation Matrix:

- Celebratory ground breaking events held by UWTSD and Kier to celebrate the commencement of the build. Guests included Welsh Government Minister for the Economy Vaughan Gething MS and UK Government Secretary of State for Wales David TC Davies, Swansea Council Leader Cllr Rob Steward as well as partners and potential tenants. Construction work progressed.
- Tenants in contract negotiations for approximately 70% of the lettable space.
- Ongoing engagement with potential tenants for the remaining space.

Innovation Precinct:

- Ongoing discussion between UWTSD and Swansea Council over potential changes to the delivery model to align with current market conditions.

Key Milestones for 2024-25:

Swansea Arena and hotel:

- Continue to host a schedule of programmes with over 200 events during the year including Jamie Cullum, Max Boyce, The Cult, Jimmy Carr, Rhod Gilbert and Katherine Ryan.
- Appoint hotel development partner and work towards planning and design.

71/72 Kingsway:

- Practical completion of the building including internal landlord fit out.
- Digital infrastructure and full fibre broadband in place.
- Flex operator to be appointed, which will allow the space to be sub-let to small businesses and start-up companies.
- Sign lease with second floor tenants and discussions in place with potential tenants for the remaining floors.

Innovation Matrix:

- Practical completion of the building in July 2024, followed by tenants moving in, and an official opening ceremony.
- Renewed focus on the operational model and achievement of benefits.

Innovation Precinct:

- Continue discussions with partners around the development of a market appropriate delivery model.

Infographics for anticipated benefits:

£669.8m contribution to Regional GVA

1,281 Jobs created

50+ opportunities and space for Graduate Start-Ups

8,700+ Training Weeks

10,684m² Facility for Digitally Focussed Businesses

3,500 Capacity Indoor Arena

Pentre Awel

Combining life science research, business development facilities, community healthcare, assisted living and a state-of-the-art leisure and aquatics centre, Llanelli's Pentre Awel will be among the first development of its kind in Wales.

Education and training facilities will be at the heart of the project which will focus on training the next generation of the health and social care workforce.

Key milestones and achievements:

- Zone 1 construction works progressed which included completing the piling work, excavation, cast and testing of the main pool and hydrotherapy, steel frame, formation of car park and commencement of internal works, including mechanical and electrical and partitioning.
- Topping Out Event held which showcased local procurement, and the media, stakeholders and potential tenants were invited.
 - Bouygues UK Community Benefits programme progressed with 'Employment Hubs' held to engage with target groups (unemployed, economically inactive, school leavers, NEETS) to promote recruitment and training opportunities available within the construction industry.
 - Three Community Newsletters issued and three Resident Surgeries held which included an opportunity for residents to meet the project team.
 - Sponsored 10 mechanical and electrical apprentices via Cyfle's Shared Apprenticeship Scheme.
 - 2,228 person weeks of Targeted Recruitment and Training delivered (inclusive of 31 apprentices, 44 new entrant jobs and 22 traineeships), interacted with 584 pupils and delivered 86 hours of engagement.
- Virtual Meet the Buyer event held to promote future Sell2Wales and sublet tendering opportunities.
- Communications Plan agreed and executed including regular PR and marketing activities.
- Swansea University signed an Agreement to Lease within Zone 1.
- Business and Innovation Plan approved which sets out the principles and methodology for sectors/businesses to be engaged onsite.
- Awarded Shared Prosperity Funds (SPF) for two projects:
 - £182k to Accelerate Pentre Awel, led by Swansea University.
 - £330k to Innovate Pentre Awel, delivered in partnership with Carmarthenshire County Council and Cardiff University.

Key Milestones for 2024-25:

- Opening of Zone 1 and transition of Llanelli Leisure Centre to Pentre Awel.
- Procurements for current and future zones including commencing a competitive dialogue process for the development of the Wellness Hotel (Zone 4) and procuring an EV charging operator, site security and leisure equipment (Zone 1).
- Develop an Overall Site Management and Development Plan which includes recruitment to key roles.
- Forward planning for the Assisted Living development to include potential for a nursing home and rehabilitation beds alongside extra care.

Infographics for anticipated benefits:

£467m contribution to Regional GVA

1,853 Jobs created

50,000m² Development across all four zones

12,000m² Community Research, Education and Clinical Space

80 Life Science Businesses Established / Supported

In Focus: Dragons Den Style Event

Following the allocation of £88,750 Skills and Talent funding in the last financial year for the 21st Century Skills project, a very successful Dragons Den style event took place as part of the pilot. Funded by CCC, Bouygues UK and the Skills & Talent programme, a 2-week Real-World Learning project saw pupils from 5 Llanelli schools taking part in a design challenge under the mentorship of Bouygues professionals aimed at empowering them to discover a career in construction and design. The schools were given a brief to design a collaborative workspace aligned with innovation, positive health and well-being and environmental sustainability. They then showcased their final design in a Dragons Den Style pitch to the judging panel, and some schools wrote additional bid documents to support their presentation, made 3D scale models and digital fly-through videos.

Judges were very impressed by the designs, and it was difficult to single out an overall winner. St John Lloyds RC and Ysgol Gyfun Y Strade schools were joint overall winners and Ysgol Pen Rhos won the innovation / sustainability award.

A work experience programme will follow during 2024-25, allowing the pupils to gain further skills that they need for the future workforce.

Ellie (Learner on the project)

“I think this project was a great idea as it involves getting young people to help design a space that they may want to work in, but also, I think it has taught us many skills”.

Nina Williams, Bouygues UK’s social value advisor

“The engagement from all the schools was outstanding with some amazing designs and concepts. The project has helped schools and industry to build positive relationships, utilising the knowledge and experience of professionals to enhance and develop their knowledge base which can be applied in their future curriculum design.”

In Focus: Supporting the local economy.

Bouygues UK is committed to using local subcontractors as part of its commitment to provide employment, training and skills opportunities to local people and underrepresented groups.

- 9% (£6.5m) of spend has been with SA postcode companies
- A further 63% (£44.5m) of spend has been with Welsh companies.
- 28% (£20m) of spend has been with companies outside of Wales

In Focus: Sustainable Construction and Community Benefits

Pentre Awel

Carbon reduction, sustainability, biodiversity and the environment are at the heart of the construction of Pentre Awel. Bouygues UK:

Are using materials made from recycled content:

- 98% recycled content in the reinforcement bar supplied by Dyfed Steels
- 80% recycled content in the structural steel supplied by Shufflebottom.

The steel frame also provided a historical link to the previous industrial buildings onsite including South Wales Tinplate Works and the Richard Thomas (Tinplate) Mills.

Top marks in Considerate Constructors Scheme (CCS) assessment:

- Total score of 45/45 across all the examination criteria
- 15/15 for Respect for the Community, Care for the Environment and Valuing our Workforce.

Sustainable electricity and fuel:

- All site offices, cabins and the CCTV system have solar panels. When not powered by sunlight, they use a hydrotreated vegetable oil (HVO) powered generator.
- Machinery and vehicles are fully converted to HVO fuel, through contractor Alan Griffiths. Although more expensive than white diesel, it can reduce carbon emissions by up to 90%.

Biodiversity and consideration for the environment:

- By completion, it is expected that biodiversity will increase by 137% at the site, and a 18.4% reduction in carbon.
- The project team has worked closely with ecology officers and Natural Resources Wales to ensure the build does not impact on the ecology and waterbodies.
- Measures are in place to safeguard reptiles, water vole, otters, nesting birds and bats.
- Environmental Champion who ensures all fencing around the site is fit for purpose.
- Preventative measures including minimising lighting at night to avoid impacting bats.

Bouygues UK's Sustainability and Environment Manager Simon Hazel

“What we do on reducing carbon at Pentre Awel compliments our wider Climate and Environment strategy. We have committed to diverting 98% of waste from landfill. Excavated material and soil from the site have been taken to a local recycling facility where the material can be segregated, treated and reused, reducing the amount of waste going to landfill.”

71/72 Kingsway

A circular economy approach was used during the construction process for 71/72 Kingsway, to minimise waste and reduce the carbon footprint of the build.

Materials for a temporary access ramp into the two-storey basement came from a site less than 100 metres away, rather than new aggregate deliveries from the supply chain depot 17 miles away. This resulted in a reduction of carbon footprint associated with transport by 11.2 tonnes. There was also a reduction of 5 tonnes in carbon footprint by using recycled materials compared to virgin materials.

Several community projects have taken place which have repurposed the waste from the build. These include:

Onsite planters project: A trainee carpenter was hired from Cyfle for two weeks onsite work experience to create a range of planters, benches, flower beds and a notice board for the site from the old timber. When the site is demobilised, these will be donated to the local community.

Vetch Community Garden: Located a few minutes from the site, a local allotment group prides itself on using recycled materials from local sources to keep them within the circular economy. Bouygues UK donated 5m³ of fence posts and rails to create new raised vegetable beds. The group will also advise the site team on what plants and seeds to grow on site.

HM Prison Carpentry Workshop: Prison Officers have collected around 5m³ of fence posts, rails and panels for use in their carpentry workshop, which is used to re-skill and retrain inmates. Bird boxes, signs, furniture and props for their training room have been created. Bouygues UK is also working with the prison Employment Hub to support prisoners back into work post-release.

Wall of Kindness: Old clothes that would normally be sent to charity shops were placed on hooks on the hoarding on Oxford Street allowing the public to pass on jackets, gloves and hats to those more in need.

Innovation Matrix

Community projects have taken place this year with the project, which include:

Blaenymaes Drop-in Centre: Working with supply chain partners, the drop-in centre has been refurbished to include installing a new shed and disability access ramp. The centre is run by community representatives to provide services such as free internet, phone calls, a food bank, as well as workshops to support health and well-being for the wider community.

Donations: Working with supply chain partner Mitie, Christmas Selection Boxes were donated to Women's Aid Charity. Air Purifiers were also donated to children's cancer charity 'The Megan Mai Foundation'.

Education Engagement:

- Llamau's education and training centre in Swansea and CITB Neach College Students visited the Matrix site to learn about the project and careers in construction. The pupils were able to use the immersive equipment, to inspire them to consider a career in construction.
- Talks on the journey towards Net Zero have been delivered to UWTSD Students.
- Swansea University civil engineering students visited the site.

Supporting Innovation and Low Carbon Growth

This programme will deliver eight interlinked projects that support jobs and growth in the low carbon technology and innovation sectors.

1. The **Bay Technology Centre (BTC)** is an energy positive building that provides flexible office and laboratory space for start-up businesses and indigenous business growth.
2. **South Wales Industrial Transition from Carbon Hub (SWITCH)** will be an industrial decarbonisation research facility.
3. The **Advanced Manufacturing Production Facility (AMPF)** provides hybrid facilities, production units and office space in conjunction with a National Net Zero Skills Centre of Excellence ensuring collaboration between industry, academia and government.
4. **National Net Zero Skills Centre of Excellence** builds on the existing AMPF to support the national, regional and local labour markets for the transition to a low carbon economy by addressing existing skills gaps.
5. **Property Development Fund (PDF)** consists of £4.5m of gap funding aimed to encourage private sector development in the Port Talbot Waterfront area.
6. To develop a **Low Emission Vehicle (LEV) charging strategy** including coordination and EV charging case study for the region.
7. The **Air Quality Monitoring Project (AQMP)** will test alternative low-cost sensors to assess air quality and pollution.
8. **Hydrogen Stimulus Project (HSP)** will enable excess renewable electricity from the Bay Technology Centre to be converted to hydrogen fuel for vehicles.

Key milestones and achievements:

Bay Technology Centre (BTC)

- Official opening event with a showcase from contractors, partners and tenants and a tour of the Hydrogen Centre. UK Government Secretary of State for Wales David TC Davies attended, and a pre-recorded video was shown from Welsh Government Minister for the Economy Vaughan Gething.
- 4 companies and organisations took tenancy in 2023/24, taking occupancy to 53% of the total rentable floor space. Advanced discussions being held with potential tenants for both office and laboratory space.
- The building was shortlisted for the Association of Public Services Excellence (APSE) 2023, Best Climate Action or Decarbonisation initiative award.
- The building was featured as best practice at the Circular Economy Innovation Communities (CEIC) conference in Swansea.com, highlighting its energy saving, low carbon features.

South Wales Industrial Transition from Carbon Hub (SWITCH)

- Appointed Morgan Sindall as the contractor for the SWITCH facility on Harbourside.
- Concept design for RIBA stage 2 began and monthly meetings held to monitor progress.
- Heads of Terms and Agreement for Lease in development with Swansea University.
- Industry engagement with key stakeholders to provide updates and forward involvement.
- Engagement with academia to ensure alignment with Further Education and Higher Education ecosystem.
- Awarded £5m UK Research and Innovation (UKRI) Place Based Impact Acceleration Account (PBIAA) SWITCH to Net Zero Building funding.

Advanced Manufacturing Production Facility (AMPF)

- Ongoing discussions with Welsh Government around land and location for the facility.
- Ongoing dialogue with Industry Wales and Welsh Government to inform delivery model and synergy with other innovation investment.
- Ongoing discussion with academia, industry and key stakeholders to develop the scope and delivery model of the facility.

National Net Zero Skills Centre of Excellence

- Outline Business Case developed by NPT Council and approved by Welsh Government and UK Government, allocating the remaining £5.3m City Deal funding to the Centre of Excellence.

Property Development Fund (PDF)

- Round one of the PDF received five applications, of which three companies were awarded funding. The remaining two applications will have the opportunity to be resubmitted for consideration in 2024/25.
- Round two of the PDF launched by NPT Council inviting Expressions of Interest for the funding. Three applicants have been invited to progress to Stage 1 of the application process.

Hydrogen Stimulus Project (HSP)

- Infrastructure preparation works carried out in advance of purchase and installation of 100KW electrolyser which converts green energy at Hydrogen Research Centre on Baglan Energy Park.
- Funding agreement signed between NPT Council and University of South Wales.
- £4m of Engineering and Physical Science Research Council (EPSRC) PBIAA funding awarded to a consortium of universities with the Hydrogen Centre used as a key research centre for the activity.
- €3.4m European Horizon project H2SHIFT funding awarded to develop electrolytic hydrogen testing facilities in Baglan Energy Park.

Air Quality Monitoring Project (AQMP)

- Ricardo Environmental Specialists produced draft quality assurance report of the network with a year 1 data analysis report. A review of the findings is underway.
- Maintenance carried out and new sensors units were made available and deployed.
- An upgrade to the Automatic Urban and Rural Network (AURN) monitoring station in Port Talbot has been undertaken.

Low Emission Vehicle Charging Infrastructure (LEV)

- Working groups established to develop a case study in Valley areas exploring solutions for on-street electric vehicle charging.
- Hydrogen options explored for NPT Fleet, also linked to the Hydrogen Stimulus Project.
- Hosted 'Road to Zero' GreenFleet Cymru roundtable event and the CENEX Cymru roadshow as part of the regional coordination activity of this project.

Key Milestones for 2024-25:

- **BTC:** Continue to market facility to secure tenants until building is fully occupied.
- **SWITCH:** Submit pre-application consultation for the SWITCH facility
- **AMPF / National Net Zero Skills Centre of Excellence:** Develop a detailed scope and brief for collaborative delivery model and scope for facility engaging industry, academia and government.
- **PDF:** Delivery commence for PDF Round 1 approved projects Hydrogen Stimulus Project – procure and install Electrolyser, progress procurement of hydrogen fleet
- **AQMP:** Review findings of air quality reports
- **LEV Charging infrastructure:** Develop case study for on-street charging in valleys communities.

Infographics for anticipated benefits:

£93m contribution to Regional GVA
 1,320 Jobs created.
 18,500m² Development across all four zones
 £10m Property Development Fund
 45 Enterprises Contribution to Supported Research
 4 patents registered for products.

In Focus: Location, Location, Location

The High Value Manufacturing Catapult (HVMC) has expanded to help bolster South Wales' manufacturing capabilities by fostering innovation, tackling regional industrial challenges, and seizing strategic opportunities. The new regional office is located within SBCD's award winning Bay Technology Centre in Baglan.

HVMC is an established network of seven leading research and technology organisations. Employing over 3,500 engineers across the UK, they have supported over 30,000 businesses to transform great ideas into valuable products and services. Half of the businesses supported by HVMC were Small to Medium Sized Enterprises (SMEs).

Locating the HVMC in Neath Port Talbot will strengthen and reinvigorate the importance that industry and manufacturing have to the identity of Wales. The hub will provide a place where existing and new industry can be creative, where new innovations can be developed and tested and deliver productive and sustainable approaches to manufacturing.

The BTC in Port Talbot will help catalyse manufacturing in South Wales through its:

- Central location positioned in the manufacturing heart of South Wales with useful motorway and rail connections.
- Purpose built; modern facility that aligns with HVMC aim to drive towards net-zero.
- Flexibility to collaborate with organisations from all industrial sectors and training providers.
- Proximity to an established and growing industrial and innovation ecosystem.
- Strategic alignment between NPT Council and HVMC
- Industrial landscape and transition to green steel and offshore wind
- Value for money in terms of investment and potential return

Pembroke Dock Marine (PDM)

PDM will establish a world class marine energy and engineering fabrication, test and deployment hub, delivering the support and infrastructure needed to grow Wales' low carbon economy. The project will help grow the region's established facilities and extensive skill base, ensuring maximum operational efficiency and increased innovation opportunities, which will help drive down marine energy production costs.

Focusing on the growth of decarbonised energy production, the project includes dedicated early stage and commercial scale test sites, a CATAPULT innovation centre, and industry focused port infrastructure to ensure developers improve the effectiveness, cost efficiencies and installation of their innovative technology across four headline projects:

1. **Pembroke Dock Infrastructure (PDI)** will reshape the physical infrastructure of Pembroke Port to ensure maximum operational efficiencies for UK industry.
2. **Pembrokeshire Demonstration Zone (PDZ)** will enable offshore renewable infrastructure to catalyse the Celtic Sea floating offshore wind (FLOW) and marine energy opportunities.
3. **Marine Energy Test Area (META)** will create pre-consented and licensed zones within the Milford Haven Waterway for component and scaled device testing.
4. **Marine Energy Engineering Centre of Excellence (MEECE)** will support innovation by technology developers and their supply chains, capturing and embedding these innovations in Wales.

Key milestones and achievements:

Pembroke Dock Infrastructure (PDI)

- Completion of 17,000 sqm of laydown space by the Walters Group, which has created a new flat, open laydown area to allow the marine energy and FLOW industries and supply chain to manoeuvre large devices, vessels and infrastructure.
- Completion of a supersized slipway and pontoon by BAM Nuttall. The new slipway can launch and recover large marine energy devices and vessels. The debris removed from the demolition of the old slipways was repurposed to infill the timber pond onsite.
- The construction of five new workboat pontoons near the existing ferry berth will provide berthing for marine energy/FLOW Operation and Maintenance vessels.
- Completion by R&M Williams of 1,967 sqm of new office and workshop space at Pembroke Port across four renovated Sunderland Hangar Annexes. It opened with tenants in place.

Pembrokeshire Demonstration Zone (PDZ)

- Delivered European Regional Development Fund business plan commitments including:
 - Technical Concept Study for a small multi-connection substation supporting the Test and Demonstration FLOW projects.
 - A 100MW project in the PDZ, showing a £90m consumer saving versus each project connecting independently.

Marine Energy Test Area (META)

- Tests concluded at various META sites including:
 - Dale Roads: Settlement lines experiment and trials of novel anchor designs.
 - Quay 1: Low carbon marine concrete experiment.
 - Warrior Way: Converging Acoustic Doppler Current Profiler (C-ADCP) demonstration and Swansea University Tidal Turbine successfully tested and validated.
 - Dale Roads and Warrior Way: Benthic habitat mapping.
 - Criterion Jetty: Wave buoy monitoring campaign in preparation for Dolphyn Hydrogen trials.
 - East Pickard Bay test site: Exo-engineering innovative scour protection test units successfully deployed.
- Schools project launched encouraging learning groups from Pembrokeshire to submit their ideas across three pivotal topics: underwater survey, platform stability and marine habitat creation.

Marine Energy Engineering Centre of Excellence (MEECE)

- Welsh European Funding Office (WEFO) funded activity completed.
- Analysis completed to show MEECE performance against targets, with overachievements celebrated in several areas including:
 - 41 from a target of 30 (137%) enterprises supported to introduce new to the market products.
 - 49 from a target of 30 (163%) enterprises supported to introduce new to the firm products.
 - 113 from a target of 60 (188%) partners co-operating in research projects.
 - £2,447,000 from a target of £1,710,000 (143%) private investment matching public support in innovation or R&D projects.
- Legacy funding secured, including a £250,000 grant from Welsh Government for the Tidal Lagoon Challenge: FLOMax project, and £218k from Milford Haven Hydrogen Kingdom project.

Key Milestones for 2024-25:

- PDI: Trials for the workboat pontoons and commercial operations. Official opening event for the Hangar Annexes, slipway, pontoon and laydown space. PDI expected to become part of the Celtic Freeport.
- PDZ: Celtic Sea Power to scope, engage and lead the collaboration to secure £880k Launchpad Southwest Wales funding from Innovate UK for the £1.4m Milford Haven Hydrogen Kingdom project.
- META: Continue to provide a pre-consented real sea test facility to reduce the time, cost and risks associated with deployment and commercialisation of marine energy technology. First of a kind floating hydrogen trial takes place at META.
- MEECE: ORE Catapult and High Value Manufacturing Catapult (HVMC) will respond to the offshore wind industrial growth plan showing ambitions for South Wales. ORE Catapult will also support the inclusion of innovation activity in the Celtic Freeport Full Business Case. Expect to sign a grant offer letter worth £600k of grant funding for a deployment of a network hydrophones across the Celtic Sea.

Infographics for anticipated benefits:

£343.3m contribution to Regional GVA

1,881 Jobs created.

1,000MW Contribution to Decarbonisation Targets

60,600m² Physical Infrastructure Creation

In Focus: Tidal Turbine successfully trialled.

A team of researchers at Swansea University, led by Professor of Ocean Energy, Ian Masters, has successfully trialled and recovered a tidal turbine. Deployed in the META Warrior Way site in Pembroke Dock, the tidal turbine is designed to provide reliable low-cost renewable power to remote communities. Meanwhile the floating platform used to mount the turbine and built by local Marine Contractor, Rudders Boatyard, is now in high demand from other tidal turbine and generator developers wanting to use it to test their designs at Warrior Way.

Ian Masters, Professor of Ocean Energy, Swansea University

It is a real privilege to be testing tidal energy in a realistic tidal flow. META has enabled us to take our research out of the lab and into the real world. We have gathered valuable data which we're going to share with the scientific community, providing the tidal energy community with data needed to move more quickly towards commercial viability.

In Focus: Changing career to be an apprentice.

Luke's Story, Project Officer at Celtic Sea Power Delivery partner in Pembroke Dock Marine Project

Having served in the HM Forces for over 12 years, Luke decided he wanted a change in career. He enrolled to study for a BEng in Renewable Energy Engineering at the University of Exeter, and shortly after graduating worked as a design engineer for a company installing solar PV, battery energy storage systems and heat pumps. This was an exciting role for Luke as he had always wanted to work in the renewable energy sector, and whilst completely different to his previous experiences in the military, he was able to adapt and use his transferable skills.

Luke then moved to Celtic Sea Power, where he works as a Project Officer, helping deliver part of the SBCD's PDM project. His main responsibility is exploring the role of concrete sub-structures which are needed for Floating Offshore Wind in the Celtic Sea. It involves engaging with the local supply chain and developing his skills and experience within the industry. This role has given him the opportunity to learn how the industry works and to interact with a diverse range of stakeholders at different levels within organisations.

"It's never too late to change your career path – I am proof of this. Look for something you are interested in and for graduate opportunities. Start to think early on in your placement about the type of job you would like and apply early for graduate schemes. I'd also recommend making contact within the industry to establish current challenges and base a dissertation or project around these challenges to help get a job."

In Focus: Celebrating women in construction.

Claire Lawrence, Project Manager at Port of Milford Haven Delivery partner in Pembroke Dock Marine Project

After studying ALevels, Claire joined the Port of Milford Haven as an apprentice at the Port of Milford Haven's Estates department, looking after the business' property portfolio. On completion of a successful apprenticeship, she was offered a full-time position at the Port. Claire then completed a work-funded foundation degree in Construction Management at Pembrokeshire College, whilst working full time, which she passed with distinction. Following this she completed a BSc in Construction Management at the University of Wales Trinity Saint David, which she achieved a first-class honour.

Claire has progressed to assist and lead of some of the Ports most high-profile projects including the Ty Hotel on Milford Waterfront and more recently the Hangar Annexes Renovations, workboat pontoons and slipway as part of the Pembroke Dock Marine project.

66% of young women already work in or have considered working in the construction industry.

Claire is also part of the Pembrokeshire College SPARC panel, funded by the City Deal Skills and Talent programme, which is set up to empower the progress of females and promote gender diversity in Sustainable Power, Renewables and Construction (SPARC) industries.

“For me the Port is a fantastic place to work, and I’ve thoroughly enjoyed working on the City Deal’s PDM project, improving the Port’s infrastructure. No two days are the same and my role is challenging and exciting.”

“The sense of achievement when you see a previously disused area completely transform into a functioning asset for our community and stakeholders. As a social person, the opportunity to work with a wide variety of professionals, suppliers, stakeholders and within your own community is hugely rewarding.”

Lessons Learned

Portfolio delivery provides many valuable experiences and interactions across the range of City Deal projects and partners across the region. The partners share these experiences to develop and improve their approaches and activities.

The Portfolio Office has maintained a lesson learned log to share best practice with regional partners since 2020.

SBCD stakeholders shared 21 lessons learned for 2023-24 covering governance, reporting, collaboration, procurement, finance, networking, communication, resources and benefits.

In a broader context, the SBCD also shares experiences and best practice with other City and Growth Deals in Wales.

We always seek feedback, so welcome your views of how the SBCD is performing and interacting. Email: SBCD@carmarthenshire.gov.uk to share your views.

The key lessons and recommendations are summarised below:

Situation	Recommendation
Collaborative working between projects has been working well and proving valuable	Continue to facilitate collaborative and partnership working across projects and teams
Challenges of partnership working in delivering projects have led to things taking longer than anticipated	Ensure project/activity planning fully considers the required inputs from partners and allows for realistic timescales
Consistency required in approaches to benefits profiling and realisation	Projects/PoMO to continue to refine benefits reporting. Evaluation Framework will help with consistency across the Portfolio
Business case updates can be time-consuming, but have been valuable to the SBCD Portfolio	Business case updates will continue to be a requirement for the SBCD Portfolio
Assurance reviews help identify areas of focus to support delivery, and provides a delivery confidence rating for stakeholders	Projects and programmes to utilise the Assurance Framework and PoMO support to undertake periodic reviews
Effective PoMO meetings and support recognised	Continue to engage and enhance arrangements to maintain effective levels of PoMO support
Lack of resources in project teams' impact on ability to monitor and report effectively	Ensure project teams are resourced appropriately and prioritise workload
Events within and outside of the region have provided good opportunities for networking and promotion	Continue to promote the City Deal through regional and other events and achieve appropriate balance between promoting and networking
Inconsistencies in the process for quarterly claims and the accuracy/timeliness of returns	Claims process to be reviewed and requirements clarified
SBCD governance needs to be robust, but needs to be as streamlined as possible	Quarterly SBCD governance meetings implemented. Reporting arrangements are under review, including robustness of financial forecasting and recording of spend
Use of external consultants can be an expensive resource	Ensure value for money, along with balancing input from regional expertise through colleagues and partner organisations

Financial Update

The overall investment position of the Portfolio is estimated to be £1,278.27m over its 15-year life cycle, as summarised below. Total SBCD investment from all sources was £354.01m, of which £33.17m was private sector investment at the end of the financial year.

The economic climate in which we operate continues to present Portfolio delivery challenges. Several macroeconomic factors, including availability of resources and recruitment, energy prices, construction costs, inflationary pressures, and the COVID pandemic have resulted in delivery slippage and escalating cost pressures over the last four years.

Despite these challenges, all projects and programmes are progressing through delivery and all partners are fully committed to the delivery of their SBCD initiatives.

In 2023-24 financial year, the SBCD invested £125m on the planning, procurement, build and operations across the majority of the nine of the Portfolio's projects and programmes. Further large investments through procurement and build will take place between 2024-28.

Close monitoring, mitigation and resolution of risks, issues and communicating delivery and financial profiles with all stakeholders is continually undertaken by the SBCD Portfolio Management Office. This helps to determine the impact that the macroeconomic climate is having on the delivery of the Portfolio.

The SBCD received a further funding award in 2023-24 from the Welsh Government and UK Government, releasing the sixth annual draw down of City Deal funding. This has taken the total drawdown to £142.6m since Portfolio commencement. The latest City Deal funding draw down included the accelerated UK Government grant which will now be awarded over a ten-year period, rather than the original fifteen-year period.

Annual Investment Forecast Profile

Investment Component	Year 0-4 2017-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	Total
Capital/Revenue Investment	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Capital Investment	133.66	84.70	117.55	234.62	226.48	257.52	164.05	-	-	-	-	-	1,218.57
Revenue Investment	6.05	4.39	7.66	13.45	13.33	11.65	0.87	0.44	0.45	0.46	0.47	0.48	59.70
Total	139.71	89.09	125.21	248.07	239.81	269.16	164.92	0.44	0.45	0.46	0.47	0.48	1,278.27
Funding													
City Deal Investment	37.84	24.22	56.20	66.71	43.02	12.20	0.81	-	-	-	-	-	241.00
Public Sector Investment	86.04	53.18	63.36	65.14	53.69	57.74	16.47	-	-	-	-	-	395.62
Private Sector Investment	15.83	11.69	5.64	116.22	143.11	199.22	147.64	0.44	0.45	0.46	0.47	0.48	641.66
Total	139.71	89.09	125.21	248.07	239.81	269.16	164.92	0.44	0.45	0.46	0.47	0.48	1,278.27

Governance Structure

Jonathan Burnes, Swansea Bay City Deal Portfolio Director:

Robust monitoring and reporting arrangements for SBCD are in place and reflect the good progress that is being made with the Portfolio. There have been positive outcomes from the assurance and audit reviews, and the region continues to have close and productive working relationships with both Governments. Design solutions for several projects will be progressed over the next 12 months, along with developing a plan to undertake key economic evaluations to show the impact the projects have having through their operation.

Welsh Cities and Growth Deal Implementation Board

A joint UK Government and Welsh Government Board with responsibility for providing assurance and advice to the Joint Chairs regarding strategic and operational issues, the release of funding to the Portfolio, the oversight and monitoring of projects, and effective governance and assurance.

Joint Committee (JC)

Chair, Cllr Rob Stewart, Leader of Swansea Council

Comprising of the four regional Local Authority Leaders, as well as senior representatives from all eight primary partner organisations, it holds the Programme (Portfolio) Board and PoMO to account and has overall responsibility for scrutiny and approvals.

Economic Strategy Board (ESB)

Chair, Chris Foxall

A private sector advisory body which acts as the voice of business. The ESB provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region.

Programme (Portfolio) Board (PB)

Chair, Wendy Walters, Chief Executive Officer, Carmarthenshire County Council

Responsible for overseeing the operations of the City Deal Programme (Portfolio) Board which receives Portfolio progress updates and reviews risks, issues and changes to business case delivery.

Joint Scrutiny Committee (JSC)

Acting Chair, Cllr Tim Bowen, Elected Member, Neath Port Talbot Council

The Committee provides advice, challenge and support to the Joint Committee and consists of three elected members from each of the four local authorities.

The Portfolio Management Office Team

The Portfolio Management Office (PoMO) is responsible for the day-to-day running of the Portfolio and is in regular contact with the wider City Deal teams and board members.

DIAGRAM OF STRUCTURE

The SBCD is also supported by Carmarthenshire Council's Section 151 Officer and Swansea Council's Monitoring Officer as part of the statutory functions of the Portfolio.

Chris Moore

Director of Corporate Services, Carmarthenshire County Council and SBCD Section 151 Officer

Chris is responsible for the administration of the JC affairs under Section 151 of the Local Government Act 1972 and has overall responsibility for the financial administration of the City Deal.

Debbie Smith

Deputy Monitoring Officer, Swansea County Council and SBCD Monitoring Officer

Debbie is responsible for ensuring good governance and maintaining the highest ethical standard, ensuring the legality of arrangements and that the JC Agreement is complied with.

Assurance and Audit

Gateway Reviews

The SBCD Portfolio, programmes and projects are subject to Office of Government Commerce Gateway Reviews, facilitated by the Welsh Government Integrated Assurance Hub, the reviews provide third party assurance of successful progression and overall delivery of the portfolio and associated projects and programmes. The SBCD Portfolio has undertaken a further strategic review in July 2023 together with reviews on the Swansea Waterfront, Pembroke Dock Marine and Digital Infrastructure.

A schedule of forthcoming reviews has been developed for the next 12 months. Regular meetings of the SBCD Assurance Panel have been undertaken throughout the year, providing oversight and input into the assurance arrangements across the Portfolio.

The table below shows the most recent reviews undertaken across the Portfolio together with their Delivery Confidence Assessment rating (DCA) and the estimated date for the next assurance review.

Portfolio/Programme/Project	Stage	Latest Review Date	DCA Rating	Next Planned Review
Portfolio	0	July 2023		July 2025
Homes as Power Stations	PAR	Nov 2022		Sep 2024
SILCG	PAR (Critical Friend Review)	June 2020 (Oct 2020)		Nov 2024
Pentre Awel	PAR	Sep 2020		Oct 2024
Digital Infrastructure	0	Oct 2023		2026
Pembroke Dock Marine	PAR	Sep 2023		2026
Yr Egin	5	Nov 2021		2025
Swansea Waterfront and Digital district	PAR	Sep 2023		2027
Skills and Talent	0	Jan 2023		2027
Campuses	PAR	Aug 2021		Jan 2025

Portfolio Gateway 0 Review Recommendations 2023

The 2023 Gateway assurance review for the Portfolio returned a third consecutive Amber/Green rating with 4 minor recommendations, all of which have been actioned. The recommendations covered communications regarding strategic intent, benefits management, governance alignment with the Corporate Joint Committee (CJC) and maximising value from dependencies and opportunities, particularly in relation to the private sector.

Audit

An internal audit was undertaken for the SBCD by Pembrokeshire County Council for 2023/24. The audit returned a Substantial (Green) rating with 2 recommendations relating to the enhancement of monthly/quarterly reporting for projects and programmes and the submission grant claims on a more frequent basis.

An Audit Wales Assurance and Risk Assessment review was undertaken for the 2022/23 period. The review found that the SBCD portfolio management arrangements support clear insight into the portfolio's progress. Sixteen areas for resolution were identified to formally review the existing arrangements to ensure they are the right fit for future needs. An action plan has been prepared to report on progress via SBCD governance on a quarterly basis. Eight of the areas are in progress and eight are yet to be actioned.

Portfolio Risks

The SBCD Portfolio Risks continue to be closely monitored and reported quarterly with updates on their status and mitigations. The total number of Portfolio risks reduced from 35 to 25 within the year. Two new risks were identified, and five risks were categorised as Red Risks.

PIE CHART

Risk Rating 2023 - 2024

Red Risks	5
Amber Risks	9
Green Risks	11

Risk Rating 2022 - 2023

Red Risks	7
Amber Risks	20
Green Risks	8

Portfolio Red Risks for 2023-24 were:

	Mitigation
Risk that increasing cost of construction will impact on budgets set in Programme/Project Business Cases	The PoMO is working closely with programme/project teams to identify potential impact. Quarterly Construction Impact Assessment provided to governance boards. Three key mitigations are being reported by projects: i) secure additional funding, ii) revisit design brief, iii) undertake detailed contractual negotiations during procurement
Welsh Government (WG) 2021 update of Technical Advice Note (TAN) 15 development risk of flooding and coastal erosion and associated flood planning maps	Flood Map for planning embedded. Welsh Government are monitoring effectiveness of Planning Policy Wales and TAN 15 through a notification direction and sustainable development indicators. WG have been working with NRW to understand the integrity of existing flood defences. WG expect to be putting advice to the Cabinet Secretary soon with a redrafted version of TAN 15
In Year Slippage - Having undertaken a reprofiling and baselining exercise across the Portfolio, there is a risk of an in-year underspend	PoMO and Finance Manager are working with Programmes and Projects to more accurately forecast progress and report spend. Financial Quarterly Monitoring Reports now includes supporting narrative on slippage. In year slippage has no reported effects on the overall investment of the Portfolio or the wider benefits and deliverables
Slippage in delivery of programmes/projects against key milestones	Portfolio level benefits have now been forecast for the remaining duration of the Portfolio. PoMO and Finance Manager to monitor progress on a quarterly basis via Financial Returns and the Procurement Pipeline. Programmes/Projects report slippage via the Change Management Process
Ability for programmes/projects to deliver all outputs and outcomes within the business case	Monitoring & Evaluation Task and Finish Group established. Programmes/Projects have populated benefit realisation templates to incorporate into SBCD Governance reporting. Joint Committee have approved an Evaluation Framework. Programme/Project Evaluation Profiles being drafted for submission through SBCD Governance

Marketing and Communications

A range of Marketing and Communications activities have taken place over the last 12 months including:

- Updating the Portfolio Communications and Marketing Plan, including: an implementation plan, protocols and guidelines, and an events calendar.
- **222** positive mentions in local and national press including online and printed titles, across all projects and programmes.
- **12,746** Facebook impressions, **1,021** followers and **166** clicked links.
- **30,479** X impressions, **1,563** followers and **244** clicked links.
- Ministerial Visits from UK Government and Welsh Government to Pentre Awel, Innovation Matrix, 71/72 Kingsway and Pembroke Dock Marine.
- Attendance and exhibition space at **30** events including Introbiz, Welsh Business Show, Welsh Construction Show, 4theRegion, Marine Energy Wales Conference and Green Economy Conference.
- Attendance at **4** Careers Wales events to meet with year 10 students. Around **6,000** pupils attended, representing **31** different schools across Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot.
- Organised **4** Meet the City Deal Events across the region, one in each local authority.
- Portfolio Director represented the region in the Wales Business Insider Investment Forum Event to discuss how Wales can attract commercial investment.
- Updated the City Deal website with latest news and project updates.
- Procured for a new website and undertaking early-stage planning.
- Partnership working with key communications contacts at partner organisations and at the other Welsh City and Growth Deals.
- Key Milestone Log developed to plan marketing activity.

Events

Events play a major role in promoting the SBCD and supporting programme and project activity.

The PoMO have arranged or exhibited at 30 events throughout the year.

Participation at events provides a platform to network and promote the SBCD opportunities to attendees as well as exhibitors. Event attendance has led to new contacts being made, has enabled relationship building and raised awareness of the SBCD Portfolio activities to a wide range of audiences.

Event	Date	Location
UKREiiF	May 2023	City Centre, Leeds
Innovation Matrix Breaking Ground	June 2023	Y Fforwm, Swansea
Hydrogen Gateway Conference.	June 2023	International Convention Centre, Newport
Bay Technology Centre Official Opening	June 2023	Bay Technology Centre, Port Talbot
Regional Learning and Skills Partnership Summer Conference	June 2023	Swansea.com Stadium, Swansea
CEIC Summer Conference	July 2023	Cardiff Stadium
Welsh Business Show	July 2023	Parc y Scarlets, Llanelli
Pembrokeshire Meet the City Deal	July 2023	Bridge Innovation Centre, Pembroke Dock
Swansea University Sports Showcase	September 2023	SU Bay Campus, Swansea
Swansea & Neath Port Talbot Careers Event	October 2023	Brangwyn Hall, Swansea
Welsh Business Show	October 2023	Swansea.com stadium, Swansea
Welsh Construction Show	October 2023	Swansea.com stadium, Swansea
Carmarthenshire Careers Event	October 2023	Halliwel Centre, Carmarthen
Introbiz West Wales Expo	October 2023	Brangwyn Hall, Swansea
Yr Egin 5 Year Anniversary Event	October 2023	Yr Egin, Carmarthen
SA1 Business Club Showcase	November 2023	Dylan Thomas Centre, Swansea
Pembrokeshire Careers Event	November 2023	Pembrokeshire College Haverfordwest
4theRegion Green Conference	November 2023	Swansea Arena, Swansea
Carmarthenshire Meet the City Deal Event	November 2023	Yr Egin, Carmarthen
HAPS Duracell Event	February 2024	National Botanical Gardens, Carmarthen
Business Hub	February 2024	Margam Park Orangery, Port Talbot
HAPS Supply Chain Event	February 2024	Parc y Scarlets, Llanelli
Insider Magazine Investment Wales Forum	February 2024	Parkgate Hotel, Cardiff
Choose your Future Carmarthenshire	February 2024	Parc y Scarlets, Llanelli
Pentre Awel Topping Out Ceremony	February 2024	Pentre Awel, Llanelli
PDM Breakfast Meeting	March 2024	The Guard House, Pembroke Dock
4theRegion Swansea City Centre Conference	March 2024	Swansea Arena, Swansea
SPARC Launch Event	March 2024	Pembrokeshire College Haverfordwest
Marine Energy Wales Annual Conference	March 2024	Swansea Arena, Swansea
Swansea Meet the City Deal Event	March 2024	Swansea Arena, Swansea

Meet the City Deal Events

4 Meet the City Deal Events were delivered locally for each Local Authority area in the Swansea Bay City Region. The events spanned across 2023-24 and were held at The Bridge Innovation Centre, Pembrokeshire; Yr Egin, Carmarthenshire; Swansea Arena, Swansea; and The Margam Orangery, Neath Port Talbot.

The events aimed to:

- Provide Portfolio insights including the latest project updates.
- Provide opportunities for local businesses to learn, engage and network with City Deal opportunities.
- Share information from the Local Authorities and partner organisations that enable businesses to grow, including grants and business support.

Key highlights from the events:



4 Events



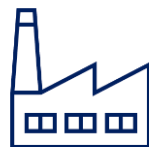
31 Exhibitors



509 registrations



296 attendees,
58% of registrations



74% attendees from private sector



20% of attendees sent survey responses



84% of people surveyed would attend a future SBCD event.



80% of attendees found the events useful or very useful

James Owen, Creative Director, Stori Cymru

It's been a great to meet the City Deal team and the wider network at these engagement events. I've developed strong relationships with Swansea Bay City Deal because of this, and I'm proud to say that I've worked with Swansea University to develop a promotional video thanks to an introduction from the team.

Howard Jacobson, Supply Chain Engagement Manager, Business Wales

The Swansea Bay Meet The City Deal Events have provided Business Wales with unmissable opportunities to engage with local SMEs face to face and make them aware of how to access the support they require to find, bid and win public and large private sector contracts.

Additionally, it allows Business Wales to highlight and share the Welsh Government's fully funded service including general business support, carbon reduction, supply chain, skills, HR and International Trade.

Business Engagement

Chris Foxall, Chair of the Economic Strategy Board (ESB)

The ESB assisted the development of an exciting opportunity with Neath Port Talbot Council. The National Net Zero Skills Centre of Excellence, which is part of the SILCG Programme, will enhance the forthcoming Advanced Manufacturing Production Facility to develop the next generation workforce that will support business growth and new job opportunities.

The ESB were also busy supporting the Portfolio Office by attending and networking at a series of successful Meet the City Deal Events across the region. We are looking forward to a productive year to come as the Portfolio moves further into delivery and operations. We will be using our specialist knowledge and expertise to support workshops on topics such as Business Engagement and Supply Chains with the SBCD, and expanding our Board to incorporate expertise from wider regional economic development priorities that will support the Corporate Joint Committee.

ESB's Deputy Chair, Amanda Davies, announced her retirement from Pobl and ESB. On behalf of the ESB, I'd like to wish Amanda a happy retirement and thank her for her invaluable contributions over the past six years.

Private sector contributions:

Leveraging private sector contributions to support programme and project delivery remains one of the SBCD's highest priorities. To date, over **£71m** of private sector contributions has been secured with forecasts in coming years to achieve our £600m+ Portfolio target.

Reaching out to businesses:

Exhibiting at events during 2023-24 has helped to promote the SBCD to more than 1,000 businesses across South Wales.

The PoMO will continue to build on business engagement activities over the coming year, working with projects and programmes teams to identify new avenues of engagement.

Supply chain impact:

Projects and programmes have a major impact to supply chains during the construction and operational phases of the SBCD Portfolio. Much of this impact is benefiting local and regional companies directly and through supply chains across Wales. They have also helped build on existing relationships and forged new collaborations that have mutual benefit to deliver the Portfolio across South West Wales.

To date, the SBCD Portfolio has generated:

- 250+ contracts worth over £176m.
- 80 contracts awarded to businesses in South West Wales, worth more than £15m.
- 95 further contracts awarded to Welsh based businesses worth more than £100m.
- 160 construction related apprenticeships opportunities.

Dafydd Johnson, Projects Development Manager, Qualitek Engineering

“Attendance at the Swansea Bay City Deal events and support from the Business Engagement Manager have enhanced our ability to engage with major regional projects and connect with essential stakeholders. This has helped foster growth and development for Qualitek Engineering and led to being part of the NPT Cluster Group. We are better connected with access to a community of like-minded professionals and organisations to facilitate the sharing of resources, knowledge and support, which are essential for the successful progression of large-scale initiatives.”

In Focus: Leveraging funding and collaborations.

Having a strategic regional Portfolio provides the vision and resources to forge collaboration and attract and leverage additional funding. With the SBCD in full delivery and operation, there is a growing momentum of activity securing additional funding across all projects and programmes.

Bringing regional and national stakeholders together with a common aim has helped support the region to shape and progress regionally critical initiatives such as the Masterplan for the development of Swansea City and creating the pathways that supported the Celtic Freeport bid. Below are some examples of the types of funding and collaborations the Swansea Bay City Region are progressing.

Swansea City Centre Developments

The SBCD Swansea Waterfront Project has proven to be a significant catalyst for the City Centre and surrounding area. Swansea Arena and the 71/72 Kingsway development have helped leverage considerable private and public sector investment worth over within a **£1bn** regeneration programme, including:

- Award-winning regeneration company, Urban Splash, leading a £750m transformation portfolio.
- Hacer Developments leading the 'living building' at Picton Yard in partnership with Swansea University's BioHUB project and Pobl Group who will manage 50 affordable apartments.
- Tramshed Tech due to run shared workspace environment at The Palace Theatre, which is being brought back to life by the Council.
- Loft and Co. who are leading the transformation of the Albert Hall.
- Kartay Investments leading on several developments, including the Princess Quarter scheme, which will include over 15,000 square feet of office space, high-end retail units and a rooftop terrace with panoramic views over Swansea Bay.
- Bridgend-based DST innovations leading development around Swansea port include a tidal lagoon, a battery farm to store the renewable energy generated on site, a floating solar panel facility, eco-homes anchored in the water and a hyper-scale data centre.
- New Zealand-based Skyline Enterprises are proposing a major investment at Kilvey Hill that will, subject to planning permission, lead to a world class outdoor leisure destination.

Examples of leveraged funding across the Portfolio through collaborative working include:

Project/ Programme	Source	Value	Description
Skills and Talent	Private and Public sector Contributions	£1.23m	21 pilot projects have been approved to date with private sector contributions already committed
Digital Infrastructure	Private Sector Contributions	£48m+	Secured through infrastructure deployments that the region and partners have supported and facilitated
HAPS	UK Government Shared Prosperity Fund	£0.25m	Creation of two HAPS Demo Houses in partnership with Tai Tarian and Cardiff University Welsh School of Architecture
	Microgeneration Certification Scheme (MCS)	£0.08m	Delivered in conjunction with Neath Port Talbot Group of Colleges, MOBIE (ministry of Building Innovation and Education) and Supply Chain Sustainability School
	AHRC (Arts & Humanities Council) Transforming Housing and Homes for Future Generations	£4.6m	Creating a new multi-partner, transdisciplinary, design ecosystem to transform housing for future generations using bio-based and non-extractive materials, together with renewable energy supply and storage.
SILCG/HAPS	Engineering and Physical Sciences Research Council	£5m	The Place Based Impact Accelerator Account 'SWITCH to Net Zero Buildings'– led by Swansea

	(EPSRC) / UK Research & Innovation Investment		University, with Neath Port Talbot Council as a civic partner, deployment of resources to unblock barriers to adoption of net zero buildings
SILCG	Launchpad, Innovate UK for business-led innovation projects and wrap-around support	£7.5m	A partnership project between Neath Port Talbot Council, Pembrokeshire Council and Net Zero Industry Wales. Strengthening the business case of innovative SMEs and larger industry
	New tenant	tbc	Attracting the High Value Manufacturing Catapult as a tenant in the Bay Technology Centre
	Engineering and Physical Sciences Research Council (EPSRC) Place Based Impact Acceleration Account (PBIAA) funding	£4m	Successful award to a consortium of universities with the Hydrogen Centre used as a key research centre for the activity.
	European Horizon project H2SHIFT funding	€3.4m	Led by SNAM of Italy, Europe's leading utility company for natural gas, to develop further hydrogen testing facilities, including development of electrolytic hydrogen testing facilities at University of South Wales Baglan
Pentre Awel	UK Government Shared Prosperity Fund	£0.2m	Accelerate Pentre Awel, led by Swansea University, based on the successful Accelerate model and will develop a Pentre Awel ecosystem of business, health, academic, and public sector collaborations
	UK Government Shared Prosperity Fund	£0.3m	Pentre Awel Business Preparedness, delivered in partnership between CCC and Cardiff University, includes: <ul style="list-style-type: none"> • Business and clinical incubation. • Research and product development. • Social models and community health. Project Managers have been appointed covering these specialist areas
	UK Government Shared Prosperity Fund	£0.14m	A supplementary SPF project by CCC's Actif leisure team aims to invest in community sport and fitness initiatives, with a particular focus on areas of deprivation including Pentre Awel
PDM	Welsh Government	£0.25m	Legacy funding secured, including the Tidal Lagoon Challenge: FLOMax project.
	Public and Private sector contributions	£1m+	Added value contributions achieved by project partners MEECE, PDZ, META
Yr Egin	Economic impact	£21.6m	Yr Egin economic impact of to the Welsh economy in 2022-23
	Economic Impact	£7.6m	Yr Egin economic impact of to the economy of Carmarthenshire in 2022-23
	UK Government Shared Prosperity Fund	£0.18m	"TANIO" project, which delivers Creative and Digital Clubs for children and young people to develop their creative skills in a series of weekly specialist clubs including

			the re-launch of Shwmae Sir Gâr, local online 'TV' service for Carmarthenshire.
Campuses	HEFCW Swansea University	£1.45m	3G Pitch
	UK Government Shared Prosperity Fund	£0.38m	Accelerate Pentre Awel
	SBCD Skills and Talent Swansea University	£0.31m	Agor Skills, Sport, Health & Wellbeing
	Swansea Council Swansea University	£0.13m	Floodlighting
	Swansea University	£0.12m	Hockey Stand
	Swansea University	£1.2m	Modular Changing facilities
	Swansea University	£0.04m	Spectator facilities on hockey pitches
	SBCD Digital Infrastructure Swansea University Vodafone	£2.6m	Swansea Bay 5G Innovation Testbed
	UK Government Shared Prosperity Fund	£0.29m	Swansea Bay Sports Park Feasibility Study
	Ospreys Swansea University Welsh Rugby Union	£0.1m	Womens Player Development Centre (West Wales)
	Swansea University	£0.02m	Consultancy Stakeholder Mapping Engagement and Comms
	Swansea University	£0.02m	Consultancy Future Investment Opportunities
	Swansea University	£0.05	Consultancy Service Improvement and Patient Impact

Business Partners

The SBCD continues to work in partnership with many private sector companies across a range of industries to deliver the Portfolio's objectives.



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SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 8th October 2024

Construction Impact Assessment Review Report

RECOMMENDATIONS/KEY DECISIONS

To update Joint Scrutiny Committee on the review of the Construction Impact Assessment Report

1. Introduction / Background

- 1.1. The Swansea Bay City Deal (SBCD) Portfolio Management Office (PoMO) collates and reports a Construction Impact Assessment (CIA) through the SBCD Governance Boards.
- 1.2. The CIA summarises programme and project risks and issues, estimated construction cost increases and Lead Delivery Organisation mitigating actions specifically affecting the procurement and construction phases of delivery.
- 1.3. SBCD Programme Board and Joint Committee requested that all Lead Delivery Organisations continue to assess and monitor the status of their SBCD Programmes and Projects and report the potential or actual impact of construction related challenges on successful delivery of their Programmes or Projects.
- 1.4. Following the submission of the latest version of the report to Programme Board in May 2024, the PoMO was asked to reassess the CIA by considering the following areas of focus:
 - Value for money when allocating public funds.
 - Flexibility in procurement, especially in frameworks.
 - Informing a review for the regional procurement strategy.
 - Partnership solutions to address the skills issues affecting the Construction Industry.

2. Construction Impact Assessment

- 2.1. As a response to several macro-economic factors affecting the construction industry since 2021/22, the PoMO set out to identify and forecast the likely impact of increasing construction costs on the Business Case estimates across the SBCD Portfolio

- 2.2. A point-in-time report titled Assessment of Increasing Construction Costs was reported through SBCD Governance in September 2022, which estimated a £30m gross funding gap.
- 2.3. A complementary Construction Impact Assessment (CIA) was also created to undertake an assessment of key risks and issues. These identified potential or actual circumstances that affect the procurement and construction stages of projects across the SBCD Portfolio. Projects were required to assess several pre-determined factors and provide a Red, Amber, Green assessment of impact.
- 2.4. After a year of reporting, the Assessment of Increasing Construction Costs and Construction Impact Assessment were combined into one single report. The combined assessment was undertaken monthly and included updated costs, risks and issues and assessed the potential effect on SBCD Portfolio delivery. The combined CIA was subsequently updated to include a description of mitigating actions being undertaken by Lead Delivery Organisations.
- 2.5. The latest assessment in July 2024 estimates a **£43.5m** gross funding gap because of inflationary pressures and rising construction costs, between business case development, sign off, and date of report. Mitigating actions by Lead Delivery Organisations have reduced the residual impact to **£12.75m** which includes estimated values for those projects yet to procure.
- 2.6. Although there are several mitigating options available to project leads, the common approaches to address the funding shortfall are to:
- Secure additional funding.
 - Revisit the construction brief.
 - Open dialogue with contractors.
- 2.7. Costs and the assessment of risk/issues have remained static over several iterations of report mainly due to portfolio progress and no new significant procurements affecting the report. In the short to medium term the next tests for the portfolio will be:
- Campuses: Swansea University are currently assessing tender returns for the Sketty Lane phase 1 element.
 - Swansea Waterfront: Swansea Council are negotiating the hotel development as part of Copr Bay 1 development, UWTSD taking forward the Innovation Precinct.
 - SILCG has yet to confirm affordability for the SWITCH element and costs for AMPF elements.
- 2.8. The current CIA does not cover any effects of increasing costs on future phases of construction required to fulfil the Programme or Project Business cases e.g.: Future Zones 2, 3 and 4 of Pentre Awel, and Campuses Project, Singleton site Phase 2 and Morrision site Phase 2.
- 2.9. A further factor affecting rising costs is the additional need to achieve Net Zero targets in public sector infrastructure. In some instances, these costs were not factored into the original business case forecasts, as it was not a requirement when they were approved by the region and both Governments.

3. Construction Sector Appraisal

- 3.1. Leading up to 2022, Brexit, the international response to the COVID pandemic and the war in Ukraine had a substantial negative effect on the construction sector resulting in shortages in supply, high energy costs and highly volatile price increases. Rising inflation and predictions of a national recession also had an impact on industry confidence. The combined result caused issues and concerns across the industry with difficulty in pricing projects, affordability and providing responses to tenders.
- 3.2. Currently, the sector is reported to be more stable (July 2024) and although prices remain high, generally they are more consistent, and supply is much improved. The sector continues to see market fluctuations, for example Quarter1, 2024 has seen a sharp rise in the cost of copper which will have a knock-on effect on electrical items especially affecting the Mechanical and Electrical sector of construction.
- 3.3. The latest Quarter 1, 2024 BCIS Industry Assessment notes that inflation rates seem to be falling against predictions, which will help future investments, although despite more confidence in general, the industry considers itself still to be in recession. The Industry Assessment also identifies the current areas of concern are recruitment and labour costs, agreeable contract terms (procurement, risk and cost), and insolvencies across the supply chain.

4. Value For Money

- 4.1. In relation to public spending, value for money is concerned with economy (cost minimisation), efficiency (output maximisation) and effectiveness (delivery of intended results).
- 4.2. Increasing pressures on public sector funding in recent years has placed greater emphasis on all public sector bodies to ensure value for money when delivering public services.
- 4.3. There are various approaches and models that can be adopted to assess value for money including stakeholder involvement from the outset, value for money audits, assurance reviews, wider return on investment and user surveys and feedback.
- 4.4. Across the SBCD Portfolio the determination of project value for money is part of the programme or project 5-Case Business Case process which more widely, identifies the preferred option that delivers best public value to society, including wider social and environmental effects.
- 4.5. The five interlinked cases are:
Strategic case – Economic Case – Commercial Case – Financial Case – Management case
 - The Strategic Case makes the case for change and demonstrates how it provides strategic fit.
 - The Economic Case demonstrates public value and requires a wide range of realistic options to be appraised (the long list), in terms of how well they meet the spending objectives and critical success factors for the scheme; and then a reduced number of possible options (the short-list) to be examined in further detail.

- The Commercial Case demonstrates that the preferred option will result in a viable procurement and a well-structured deal between the public sector and its service providers.
- The Financial Case demonstrates the affordability and funding of the preferred option, including the support of stakeholders and customers.
- The Management Case demonstrates that robust arrangements are in place for the delivery, monitoring, and evaluation of the scheme.

4.6. Within the Outline Business Case (OBC) the Economic Case short-list options must include:

- Business As Usual,
- A realistic and achievable 'do minimum' that meets essential requirements,
- The preferred way forward (if this is different)
- Any other options that have been carried forward.

4.7. These options are subjected to cost benefit analysis (CBA) or cost effectiveness analysis (CEA), where more appropriate, to identify the option that offers best public value to society.

4.8. As the project progresses and a procurement exercise is undertaken for the preferred option, the Business Case will progress from Outline (OBC) to Full (FBC) status.

4.9. During this progression the 5 cases should be revisited to ensure that, after the procurement process, the project remains within strategic scope, the preferred option remains economically, commercially, and financially viable and remains manageable.

4.10. This FBC review is the stage where value for money is assessed and agreed.

5. Procurement

5.1. Public sector procurement processes are in place to achieve transparency, competitive pricing and equality of opportunity in how public goods and services are delivered.

5.2. Public sector bodies need to balance risks and overcome well known issues such as cost overruns, quality, delays and renegotiations for many procured goods and services. As such, a reform of procurement policies, principles and practices would benefit both the client and suppliers to ensure efficient and effective procurements.

5.3. Until recently Public Sector procurement has been governed by the:

- The UK Public Contracts Regulations 2015
- The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020
- Wales Procurement Policy Statement 2021
- Post Brexit, WPPN 03/20 Post EU Transition Public Procurement, including Find a Tender Service (FTS).

5.4. Over the past few years UK Government (UKG) and Welsh Government (WG) have been reviewing post EU procurement policies and regulations. Alongside this reform WG have been reviewing better integration of The Well-being of Future Generations (Wales) Act 2015 and achievement of social value into procurement activities.

5.5. These reviews will see the introduction during 2024/25 of three new major procurement regulations:

- **The Procurement Act 2023** from UKG. The Act consolidates current procurement rules to create a single public procurement regime. This will simplify the system, open up public procurement to new entrants and embed transparency.
- **The Procurement (Wales) Regulations 2024** will be the main Welsh Regulations underpinning the Procurement Act.
- **The Social Partnership and Public Procurement (Wales) Bill**. The Bill provides for a framework to enhance the well-being of the people of Wales by improving public services through social partnership working, promoting fair work and socially responsible public procurement.

5.6. Once implemented these procurement reforms may have a significant effect on how public sector procurement is undertaken in future, as they contain many areas for improved SME and social value inclusion.

5.7. Many of the SBCD public sector procurements have used the South West Wales Regional Contractors Framework (SWWRCF) and Sell2Wales for tender purposes. This approach presents an open and fair approach to procurement.

5.8. The current iteration of the SWWRCF comes to an end in October 2024 and a new iteration is currently being developed. The new Framework is being amended to include an agile approach to procurement for both clients and contractors including provisions for:

- Cost/quality split
- Mini competitions
- “active” reserves that can be called upon to tender for call-offs where core contractors have indicated they are not bidding.
- Early Contractor Engagement
- Net Zero

5.9. The operation of Sell2Wales has already undergone an update to include the new procurement regulations.

5.10. Apart from where regionally agreed Frameworks exist, there is no regional procurement strategy in place across SW Wales. The SBCD Portfolio has an agreed set of Procurement Principles which align to current procurement policy, and which will need updating when the new regulations are actively in place.

5.11. Consideration on whether a regional procurement strategy is required following current public sector procurement reforms, is beyond the remit of the SBCD and may fall within the scope of the SW Wales Corporate Joint Committee.

6. Skills

6.1. The construction sector is facing unprecedented challenges in the recruitment of staff, with an ageing workforce and reduced interest from school leavers in taking up training within the sector.

6.2. This is a key area of concern for our region and is affected by the supply and demand surrounding capacity and capability of the national construction workforce; especially when considering the new skills needed to meet net zero targets in the wider renewable energy sector and regionally through the HAPS targets.

- 6.3. According to the CITB Construction Skills Network, Labour Market Intelligence Report Wales 2024–28, the average annual recruitment requirement in Wales is set to average 19% based on 2023 workforce levels, which is the same as the UK. For the industry to meet expected demand in the nation, the forecast shows that recruitment would have to increase by the equivalent of 2,200 workers per year. The report notes that this is important to understand because there are still construction vacancies in Wales that need filling going into 2024.
- 6.4. In response, the SW Wales Regional Learning and Skills Partnership (RLSP) has been working with the construction sector, the housing associations, and the Local Authority Housing departments, to identify opportunities to upskill the existing workforce to meet the Microgeneration Certification Scheme (MSC) and Trustmark accreditation standards required by industry. This will enable them to tender more effectively for local procurement opportunities.
- 6.5. The information on career opportunities within the sector available to young people in schools has also been a key area of focus for the RLSP and the Skills and Talent programme. Pilot projects are being delivered to upskill and increase awareness of the sector by offering opportunities to have work experience, project working and training whilst in school. The five construction specific pilot projects that have been supported through the City Deal are working with primary or secondary schools to promote interest in working in the sector.
- 6.6. To ensure that we have a workforce for the future, there must be an increased incentive to upskill the existing workforce within the sector. This includes those residents who are currently economically inactive or who are in prison. Work has already been undertaken with Swansea prison to support individuals with basic training in the construction sector, to prepare them to be ready for work when they are released. This support highlights the employability programmes across the region the opportunities and training available.

7. Conclusions

- 7.1. The CIA remains to be a valid and strategic quarterly report for all stakeholders, as many significant procurements are yet to be delivered, either directly SBCD funded or Business Case outcome dependant, within the SBCD Portfolio.
- 7.2. It remains a relevant record of costs, risks and issues affecting the commercial cases within project and programme Business Cases. It should be enhanced to include the business case dependant elements of construction that are yet to be delivered.
- 7.3. The SBCD Business Case update process from OBC to FBC is an important stage that provides the test scenario for project viability and value for money, following the procurement process. It is at this stage that affordability is reviewed and a decision to proceed made.
- 7.4. The following elements are outside of the scope of the CIA or SBCD Business case process.
- 7.5. The public sector procurement landscape in Wales is due to undergo a significant revision with a shift in focus to consider social and environmental value, and more inclusive procurement practises. This, in turn, should help achieve value for money, support the local supply chains and improve the foundational economy. The regional implications of these changes may need to be considered by the SWW

CJC with regards approaches to future regional procurement and procurement policy.

7.6. The UK construction sector is facing a number of skills related challenges at present. In Wales, industry bodies are working with skills providers to develop an effective short-term solution. The SW Wales RLSP is working with local educational and industry organisations to explore effective short and medium term interventions across the region that can address the different levels of need. It is hoped that these interventions will have a longer-term impact on recruitment in the sector.

Appendices:

None

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SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 8th October 2024

Report on the delivery of local Meet the City Deal events 2023/24

RECOMMENDATIONS/KEY DECISIONS

To update Joint Scrutiny Committee on the delivery of 4 local Meet the City Deal events during 2023/24

1. Introduction

The attached report summarises the delivery of a series of 4 locally-focused 'Meet the City Deal' events, as recommended in feedback from the 2022 Swansea Bay City Deal (SBCD) Showcase event.

Details include the event preparations and formats, attendee and exhibitor evaluation, and lessons learned to incorporate into future events.

Post event evaluation indicated that the events were well organised and successful based on attendance levels and positive feedback.

2. Background

In March 2022, the SBCD Portfolio Management Office (PoMO) delivered a well-received Showcase Event which celebrated the Portfolio milestone of all 9 City Deal programme and project business cases being approved by UK Government and Welsh Government and the entire Portfolio being in full delivery.

That event hosted over 135 attendees including representatives from both Governments, Local Authorities, the Education and Healthcare Sector, businesses and other public sector bodies.

Feedback from the Showcase event was very positive, with a key recommendation being to host further events across all four Local Authority areas.

A series of 4 locally focused 'Meet the City Deal' events was delivered by the PoMO in partnership with the Local Authority business support teams between July 2023 and April 2024.

Key stats:

- 4 events.
- Over 30 Exhibitors.

- 509 registrations.
- Over 296 attendees = 58% of registrations.
- 74% attendees from private sector.
- 20% of attendees supplied survey responses.
- 84% of people surveyed would attend a future SBCD event.
- 80% of attendees found the events useful or very useful.

Appendices:

None

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Swansea Bay City Region Joint Scrutiny Committee Forward Work Programme
2024/2025

(All starting 2pm unless otherwise stated)

Meeting Date	Agenda Item	Contact Officer
2024		
25th July	Audit Wales – Assurance & Risk Assessment	
	Internal Audit Report	
	HAPS Progress Report	
	SBCD Quarterly Portfolio Monitoring	
	SBCD Evaluation Framework	
8th October	Financial Monitoring Report 2023/24 - Provisional Outturn Position Q4	
	Pre - Audit Annual Statement of Accounts	
	SBCD Annual Report	
	Supporting Innovation & Low Carbon Growth Progress Update	
	Construction Impact Assessment Review Report	
	SBCD Quarterly Portfolio Monitoring	
	Meet the City Deal Events	

3 RD December		
2023		
18 th March		
13 th May		

- **Members requested an update on the Campus project again this civic year.**

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