

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

12.30 pm THURSDAY, 31 JANUARY 2019

(*PRE-BRIEFING 10.00AM COMMITTEE MEMBERS ONLY)

COUNCIL CHAMBER - PORT TALBOT CIVIC CENTRE

1. Declarations of Interest
2. Minutes of the Meeting held on 20 November 2018 (*Pages 3 - 6*)
3. Update from the Chair of the Joint Committee and Chief Executive of the Lead Authority for the Swansea Bay City Deal (Background Papers attached) (*Pages 7 - 52*)
4. Forward Work Programme (*Pages 53 - 54*)

S.Phillips
Chief Executive

Civic Centre
Port Talbot

Friday, 25 January 2019

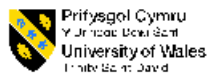
****There will be a Pre-Briefing at 10.00am – 12.00pm for Committee Members only, all Committee Members are requested to attend. This will be held in the Council Chamber, Port Talbot Civic Centre.***

Committee Membership:

Chairperson: Councillor A.N.Woolcock

**Vice
Chairperson: R.James**

**Councillors: A.Llewelyn, S.E.Freeguard, P.Downing,
J.Curtice, M.Evans, J.Adams, T.Baron,
G.Morgan, D.Price and Jones**



SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

(Council Chamber 3 Spilman Street Carmarthen SA31 1LE)

Members Present:

20 November, 2018

Chairman: Councillor A.N.Woolcock

Vice Chairman: Councillor R.James

Councillors: J.Adams, T.Baron, J.Curtice, P.Downing,
M.Evans, S.E.Freeguard, A.Llewelyn, G.Morgan
and D.Price

Officers In Attendance J.Davies and A.Manchipp

1. **APPOINTMENT OF CHAIR**

RESOLVED: That the Chairperson of the Joint Scrutiny Committee be Cllr.A.N.Woolcock for a two year period.

2. **APPOINTMENT OF VICE CHAIR**

RESOLVED: That the Vice Chairperson of the Joint Scrutiny Committee be Cllr.R.James for a two year period.

3. **DECLARATION OF INTEREST**

The following Member made a declaration of interest at the commencement of the meeting:-

Cllr.S.E.Freeguard

Re the Regional Projects as she is a Member of the ABMU Community Health Council and also Vice Chair of Neath Port Talbot County Borough Council's

4. **TERMS OF REFERENCE AND BACKGROUND PAPERS**

Members received and noted the Terms of Reference, together with Background Papers in relation to the Joint Scrutiny Committee.

5. **PROCEDURE RULES FOR SCRUTINY (NEATH PORT TALBOT COUNTY BOROUGH COUNCIL'S CONSTITUTION)**

Members received and noted the Procedure Rules for the Joint Scrutiny Committee, which were the rules used by Neath Port Talbot County Borough Council, the host Authority. From the papers it was noted that the call in period was three days.

6. **ADMINISTRATION ARRANGEMENTS**

Members considered the proposed administration arrangements for the Joint Scrutiny Committee.

- RESOLVED:**
1. That the next meetings of the Joint Scrutiny Committee be held on 22 February 2019 and 16 May 2019 at 2pm;
 2. That the meetings be rotated around the Constituent Authorities;
 3. That the arrangements in relation to the Welsh Language, mirror those in place for Carmarthenshire County Council i.e. the meetings would be supported by simultaneous translation and agendas and minutes only would be produced in both Welsh and English;
 4. That meeting papers including the Forward Work Programme be published, and issued to relevant Members/Officers via the Modern.Gov system with restrictions applied as appropriate for exempt items. The papers would also be available via the Neath Port Talbot County Borough Council's website as

host Authority. Any alternative Member requirements would be addressed by the relevant constituent Authority;

5. That when the Scrutiny Committee wished to draw attention to an issue or make a recommendation to the constituent Authority, this would be reflected in the Minutes of the relevant meeting and supported by a letter from the Chair of the meeting to the Chief Executive of the constituent Authority/Authorities and copied to the relevant Officer/Member.

7. **FORWARD WORK PROGRAMME FOR THE JOINT SCRUTINY COMMITTEE**

The Committee considered the work programme of the Joint Committee, attached as an appendix to the circulated report.

Members noted that the remit of the Joint Scrutiny Committee was in relation to the three regional projects only, however Members asked whether this could be extended as the three regional projects fed into the other projects under the City Region Programme as a whole. The Committee asked for advice in relation to this request.

In respect of the three regional projects namely Digital Infrastructure, Skills and Talent, and Homes as Power Stations, Members of the Joint Scrutiny Committee asked that they receive a presentation, by the Lead Officers on each of the projects. As a result Members asked that the meeting to be held on 22 February 2019 be extended to an all day meeting.

- RESOLVED:**
1. That the Joint Committee receive further advice around its remit particularly in relation to scrutinising the individual constituent Authority projects;
 2. That the meeting to be held on 22 February, 2019 be extended to an all day meeting to accommodate presentations by the Lead Officers on each of the three regional projects.

CHAIRMAN

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

31ST JANUARY 2019

SCRUTINY OF DEVELOPMENTS FOLLOWING THE UK AND WELSH GOVERNMENTS' DECISION TO COMMISSION AN INDEPENDENT REVIEW OF CITY DEAL ARRANGEMENTS

RECOMMENDATIONS/KEY DECISIONS

1. That the Joint Scrutiny Committee scrutinises developments that led to the UK and Welsh governments' decision to commission an independent review of City Deal arrangements and subsequent events.
2. That the Joint Scrutiny Committee determines any action/recommendations arising from the scrutiny of developments that led to the UK and Welsh governments' decision to commission an independent review of City Deal arrangements and subsequent events.

REASONS

To discharge the terms of reference set for the Swansea Bay City Region Joint Scrutiny Committee.

SUMMARY

Leaders of the four local authorities within the Swansea Bay City Region received a letter signed by the Rt Hon Alun Cairns MP Secretary for State for Wales and Ken Skates AM Cabinet Secretary for Economy and Transport Welsh Government prior to Christmas setting out their intention to conduct a rapid and focused independent review of City Deal arrangements to provide both governments with the assurances necessary to begin releasing public funds for the City Deal programme.

A number of other reviews/investigations have also been announced which touch on the City Deal programme to a greater or lesser extent: Swansea University's internal investigations following the suspension of high profile

individuals; a review of due diligence in the City Deal initiated by the Joint Committee; a Wales Audit Office review of matters related to the Llanelli Life Science and Well-being Village project; and a legal review initiated by Carmarthenshire County Council to provide external expert legal assurance that all due legal processes had been followed in relation to the Llanelli Life Science and Well-being Village.

On 12th December 2018, in his capacity as Chair of the Joint Scrutiny Committee, Councillor A Woolcock wrote to the Chair of the Joint Committee, Councillor R Stewart registering the Joint Scrutiny Committee's interest in these developments and seeking information to inform the Scrutiny Committee's work under the terms of the Joint Working Agreement. On 20th December 2018, Councillor Woolcock wrote to all joint scrutiny committee members advising that it was his intention to call an extraordinary meeting of the Scrutiny Committee in January when the committee could have an opportunity to receive information directly from the Chair of the Joint Committee, Cllr R Stewart and the Lead Chief Executive, Mr Mark James and inviting members of the committee to contribute to the lines of inquiry for the meeting.

Attached are background papers to support the meeting scheduled for the 31st January 2019.

Report Author:

Mrs Karen Jones
Assistant Chief Executive and Chief
Digital Officer
Neath Port Talbot County Borough
Council

Contact Details:

k.jones3@npt.gov.uk
01639 763284

Background Papers:

- Letter from Rt Hon Alun Cairns MP and K Skates AM
- Letter dated 12th December 2018 from Cllr Woolcock to Cllr Stewart
- Letter dated 20th December 2018 from Cllr Woolcock to members of the joint scrutiny committee
- Project Progress Report provided by the Swansea Bay City Deal Programme Office
- Swansea Bay City Deal Programme Risk Register provided by the Swansea Bay City Deal Programme Office

- Swansea Bay City Deal Internal Review – Terms of Reference and Programme
- Swansea Bay City Deal Independent Review – Terms of Reference

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To: Cllr Rob Stewart, Leader Swansea County Council
Cllr Rob Jones, Leader Neath Port Talbot Council
Cllr David Simpson, Leader Pembrokeshire County Council
Cllr Emlyn Dole, Leader Carmarthenshire County Council

cc: Chief Executives

Review of the Swansea Bay City Region City Deal

It is now more than 18 months since we signed the Heads of Terms Agreement for the Swansea Bay City Region City Deal.

Both the UK and Welsh Governments are aware of the hard work to develop robust business cases and governance arrangements for each of the projects, which form the City Deal.

We remain fully committed to delivering the deal in partnership with you. As has been discussed during recent meetings, we share your wish to see the deal delivering for the region, however, we have not yet collectively reached the point where government funds can be released.

The determination of all partners to see this deal succeed has been demonstrated by the hard work on all sides to develop the elements of the deal, as required in the Heads of Terms.

We are now at the stage where it is appropriate to review the deal, to help us progress to the next stage of delivery.

As you are aware we have been considering the potential for a focused, independent and rapid review. This will provide us all with assurance that the structures, processes and governance are in place to deliver a robust and successful deal, which realises the full economic benefits promised by this ambitious programme.

The time is now right to commission this review, working together with all partners in the region.

The review will assess the progress to date; consider whether oversight and compliance are proportionate and robust at both programme and project level, and provide recommendations for the future, as appropriate.

These recommendations will inform decisions about funding and no money will be released until the review is complete. They will also provide further confidence for potential private sector investors across the deal as a whole.



We are keen to maintain momentum and would like to encourage you to continue working on individual projects in parallel with the review. All current and future business cases will, of course, need to be considered in light of the review's outcome and recommendations.

We reiterate once again our commitment to the success of this deal and we look forward to the role this review will play in supporting its success.

Rt Hon Alun Cairns MP Secretary of State for Wales UK Government	Ken Skates AM Cabinet Secretary for Economy and Transport Welsh Government
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Cllr. Rob Stewart
Chair of the Swansea Bay City Region
Joint Committee
C/o City & County of Swansea
Civic Centre
Oystermouth Road
Swansea
SA1 3SN

By e-mail

Dear Councillor Stewart

RE: Swansea Bay City Region

As Chair of the Joint (Regional) Scrutiny Committee, I am writing to register our concern over recent developments and public comment regarding one City Deal project, other related matters and the announcement by the UK and Welsh Governments of an independent review of the City Deal.

The Joint Scrutiny Committee is, of course, aware of its remit as set out in section 20.5 and Schedule 12 of the Joint Committee Agreement dated the 29th August 2018. As Chair I am of the view – shared by a number of Members of the Committee - that it is necessary in particular and in the current circumstances “to review and assess the Joint Committee’s risk management, internal control and corporate governance arrangements” in line with section 20.5 (b) of the Agreement and “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” in line with paragraph 2.1.3 of Schedule 12.

continued overleaf...

I am aware that the City Deal Joint Committee is meeting this week to discuss these and related matters and that the holiday season is nearly upon us. However, I should be grateful for a response at your earliest convenience so that I may report to the Joint Scrutiny Committee as soon as is practicably possible. It is likely that the Committee will wish to hold an Extraordinary meeting in January to consider your response; take further evidence; review progress of the UK and Welsh Governments' Independent Review (so far as is practicably possible at the time) and make recommendations to the Joint Committee as set out in section 20.5 (d) of the Agreement.

I am sending a copy of this letter to other members of the Joint Scrutiny Committee and to the four Leaders of the constituent local authorities.

Yours sincerely,



Councillor Arwyn Woolcock
Chair of the Swansea Bay City Deal Joint Scrutiny Committee

CC Councillor Sharon Freeguard C/o Neath Port Talbot County Borough Council (by e-mail)

Councillor Alun Llewelyn C/o Neath Port Talbot County Borough Council (by e-mail)

Councillor Darren Price C/o Carmarthen County Council (by e-mail)

Councillor Rob James C/o Carmarthen County Council
(by e-mail)

Councillor Giles Morgan C/o Carmarthen County Council
(by e-mail)

Councillor James Adams C/o Pembrokeshire County Council
(by e-mail)

Councillor Tony Baron C/o Pembrokeshire County Council
(by e-mail)

Councillor Michael Evans C/o Pembrokeshire County Council
(by e-mail)

Councillor Jan Curtice C/o City and County of Swansea
(by e-mail)

Councillor Philip Downing C/o City and County of Swansea
(by e-mail)

Councillor Mary Jones City and County of Swansea
(by e-mail)

Councillor Rob Jones, Leader, C/o Neath Port Talbot County
Borough Council (by e-mail)

Councillor Emlyn Dole, Leader, C/o Carmarthenshire County Council
(by e-mail)

Councillor David Simpson, Leader, C/o Pembrokeshire County
Council (by e-mail)

Councillor Rob Stewart, Leader, C/o City and County of Swansea
(by e-mail)



Committee Member
Swansea Bay City Region
Joint Scrutiny Committee

By e-mail

Dear Committee Member

RE: Swansea Bay City Region

I am writing to you as Chair of the Joint Scrutiny Committee for the Swansea Bay City Region of my intention to hold an Extraordinary meeting towards the end of January following the recent events surrounding the Wellness Village/Delta Lakes project.

It is my view that Councillor Rob Stewart in his capacity as Chair of the Joint Committee, and Mark James in his capacity as the Chief Executive for the authority designated as the Accountable Body for the Swansea Bay City Deal, and the constituent authority with responsibility for the project in question, be requested to attend the meeting as witnesses.

It is important that the Joint Scrutiny Committee receives an up to date account on the sequence of events that have taken place. It is understood that the purview of the Joint Scrutiny Committee is somewhat restricted to the three regional projects; however the committee will need assurances regarding the impact of recent events on the wider programme.

continued overleaf...

In preparation for the meeting I would like to propose the following lines of enquiry for the Joint Scrutiny Committee to focus on during the meeting:

- How many reviews/investigations are currently being undertaken in order to provide assurances around the Swansea Bay City Deal? It is currently understood that the UK Government, Welsh Government, Wales Audit Office and the Joint Committee are undertaking reviews/investigations. I propose that the Joint Scrutiny Committee request sight of the terms of reference and timetables for each of the reviews/investigations being undertaken.
- What is the impact and implications on the wider programme and projects within the Swansea Bay City Deal as a result of the recent events?
- What is the current status for each of the 11 projects? Are there any projects which are on hold? What is the impact of placing any projects on hold? If there are any projects continuing, what assurances can be provided to the Joint Scrutiny Committee?

In addition to the above, I would propose that the Joint Scrutiny Committee receives an updated risk register in preparation for the meeting.

I would welcome your thoughts on the above proposed lines of enquiry and any additional questions/lines of enquiry that you would like to raise at the meeting by mid-January preferably, as this will enable the questions and lines of enquiry to be provided to the witnesses in advance of the meeting, so that the purpose and the expectations required of them are clear beforehand.

On the day of the meeting I propose to hold a two hour pre-briefing session in preparation for the main meeting. A legal representative from Neath Port Talbot County Borough Council will be at the meeting, and I propose that the Chief Financial Officer appointed under Section 151 by

the Accountable Body be available at the meeting to answer any questions. Please advise me whether you think it is appropriate to invite any other witnesses to the meeting based on the lines of enquiry outlined above, or any additional lines of enquiry/questions that you may have.

Further details regarding the time and location of the meeting will be circulated in due course.

Yours faithfully,

Handwritten signature in black ink, appearing to read "PP. John Davis".

Councillor Arwyn Woolcock
Chair of the Swansea Bay City Region Joint Scrutiny Committee

CC Councillor Sharon Freeguard C/o Neath Port Talbot County Borough Council (by e-mail)

Councillor Alun Llewelyn C/o Neath Port Talbot County Borough Council (by e-mail)

Councillor Darren Price C/o Carmarthen County Council (by e-mail)

Councillor Rob James C/o Carmarthen County Council (by e-mail)

Councillor Giles Morgan C/o Carmarthen County Council (by e-mail)

Councillor James Adams C/o Pembrokeshire County Council (by e-mail)

Councillor Tony Baron C/o Pembrokeshire County Council

(by e-mail)

Councillor Michael Evans C/o Pembrokeshire County Council

(by e-mail)

Councillor Jan Curtice C/o City and County of Swansea

(by e-mail)

Councillor Philip Downing C/o City and County of Swansea

(by e-mail)

Councillor Mary Jones City and County of Swansea

(by e-mail)

SBCD PROJECT PROGRESS UPDATE

January 2019



Digital Infrastructure - Regional Project Project Authority Lead Carmarthenshire County Council

Business Plan Update

- RO and Mike Galvin met with CUBE on Monday 14th January to discuss progress
- Economic options appraisal currently under development
- Overall development currently two weeks behind schedule although assured progress will be back on track by the end of January
- Weekly catch ups now scheduled between Regional Office, CUBE and Mike Galvin to ensure slippage is recovered
- Draft Full Business Case expected end February 2019

Project Update

- Meetings held between Mike Galvin and Three and Factory of the Future and Pembroke Dock Marine projects with future areas of cooperation identified
- Mike Galvin represented the SBCD region at a WG 5G Workshop to identify Welsh opportunities for 5G and also indicate funding priorities, and also a WG Infrastructure Workshop which reviewed common infrastructure investment opportunities with WG and across regions

Other

- SBCD Region LFFN funding bid presented to Joint Committee, December 14th 2018 and subsequently submitted to DCMS for consideration.
- Follow up call with DCMS Thursday 17th January 2019

Initial draft Full Business Case to be submitted to RO February 2019

Swansea City & Waterfront Digital District - Project Authority Lead Swansea Council

Business Plan Update

- Updated business case submitted to Governments in December 2018
- Approval of Council funding pending business plan sign off.

Project Update

Box Village and Innovation Precinct

- The University has entered into a development agreement with a private sector partner to take forward the delivery of Box Village
- Advanced funding is in place covering project design and planning submission for Box Village
- Contractor appointed and progressing design for planning submission (two stage design and construct)
- Submission of planning application - March 2019
- Commencement of construction subject to planning approval
- Practical completion subject to finalisation of construction procurement strategy

Digital Village

- The Kingsway Infrastructure Project recommenced on 7th January 2019
- Digital Village design being progressed.

Digital Square & Arena

- Entering pre contract services agreement with the primary contractor for Digital Square & Arena.
- RIBA Stage 4 commencing once pre contract services agreement is signed.
- Advanced construction enabling works recommencing after Christmas break.

Other

- Ongoing discussions with Mike Galvin on the Digital project and the LFFN Wave 3 Bid

Draft 5 Case Business Model well developed – submitted to UK & WG December 2018

Yr Egin - Project Authority Lead Carmarthenshire County Council

Business Plan Update

- Draft response prepared in response to further questions received from UKG / WG

Project Update

- Phase 1 iconic Yr Egin formally opened October 2018
- Phase 2 commencement of construction planned for December 2019
- Phase 2 completion planned for March 2021

Project Lead addressing comments received from the two governments

CENGS - Project Authority Lead Neath Port Talbot County Borough Council

CENGS - Swansea Bay Technology Centre (Capital):

Business Plan Update

- Business case in development, economic case being finalised – due for submission to RO Feb 2019.

Project Update

- Out to tender on design and build contract end Jan 2019
- Two stage procurement exercise to commence end Jan 2019
- Planning application / approval June 2019 – Sept 2019
- WEFO ERDF match funding confirmed - £3m ERDF P4.4, currently at mobilisation stage
- Construction period Autumn 2019 – end 2020

First draft version Business Case for Technology Centre (Capital element) - to be submitted to RO Feb 2019

CENGS - Organisation (Revenue):

Business Plan Update

- Business case in development

Project Update

- Met with Satellite Application Catapult to discuss synergies
- On-going engagement with WG to discuss synergies with other data / analytics activity
- Following a soft market testing exercise, the project team will carry out a procurement exercise to appoint an organisation to run the CENGS organisation.
- Private sector investment will be identified during the implementation of the project through licences etc.

First draft version Business Case for *Operational Element (Revenue)* - anticipated submission to RO end June 19

Skills and Talent - Regional - Project Authority Lead Carmarthenshire County Council

Business Plan Update

- Following feedback from the governments on the draft version Full Business case, Project Lead has drafted an addendum to the plan - this has been submitted to the governments by Regional Office
- Delivery of the Skills & Talent project will align with the eleven SBCD projects
- Regional Learning & Skills Partnership has worked closely with WG's Policy advisors on its content

Project Update

- Work continues with schools across the region and specific schemes have been identified to raise the skills of young people required by the City Deal projects.
- Working with a private sector partner to develop a basic financial skills project to be rolled out across all schools in the region
- Working with secondary schools (Carmarthenshire as a pilot) on a specific Welsh Baccalaureate for post 16 students with a specific area of work for students to work on around the City Deal projects
- A pre-16 package has also been developed and distributed to schools in Carmarthenshire
- Training Solutions Committee are working on the skills gaps and identifying solutions for the skills gaps within the region
- RSLP have been engaged with industry across the region to highlight the City Deal and ensure that any skills gaps identified meet with the wider needs of businesses across the region

Awaiting feedback from the UKG & WG on supplementary information provided by the Project Lead

Homes as Power Stations - Regional Project
Project Authority Lead Neath Port Talbot County Borough Council

Business Plan Update

- Preparing response to comments received from UKG & WG on initial draft business case

Project Update

- Pathfinder / proof of concept development at Neath (former care home Hafod site) on site, construction commenced. This is a collaborative partnership between Neath Port Talbot CBC, Pobl and Specific (Swansea University). UKG (BEIS) and WG monitoring and evaluation on-going.
- Regional local authority steering and working group established to co-ordinate the HAPS programme
- Regional RSL engagement on going.
- Private sector engagement commenced, to develop further once business case approved and programme team established.
- On-going engagement with key stakeholders incl. Western Power Distribution, Welsh Government, mortgage providers.

Project Lead addressing comments received from the two governments

Life Science and Well-being Campuses - Project Authority Lead Swansea Council

Business Plan Update

- Regional Office feedback on initial draft business case submitted to Swansea University, Project Lead, in July 2018
- Project Lead continuing to develop initial draft full business case

Project Update

- Project will focus on the two sites at Morriston and Singleton to create new Research, Development & Innovation facilities

Project Lead to send revised Full Business Case to Regional Office - anticipated February 2019

Life Science and Well-being Village
Project Authority Lead Carmarthenshire County Council

Business Plan Update

- Full Business Case approved in principle by Council pending an independent review.

Project Update

- Outline Planning Application unanimously approved (10/01/19) pending NRW's Flood Consequences Assessment
- Arup are nearing the completion of the design development work for phase 1 elements (Wellness Hub, Community Health Hub and primary infrastructure). This work will be completed by the end of February

- Positive engagement with core partners continues, including Hywel Dda University Health Board and Swansea University
- Whole site financial plan is currently being developed. Aim to submit to financial markets in Feb 2019.

Other

- Project has progressed to Gateway 2 of the Department for International Trade Wales portfolio as a High Potential Opportunity (HPO) project to be marketed to 108 countries
- The Council has invited Wales Audit Office to review project compliance, risk management and governance arrangements and management of public assets. Review currently live.

Pembroke Dock Marine - Project Authority Lead Pembrokeshire CC

Business Plan Update

- PDM project team (led by Milford Haven Port Authority) revising draft full business case following meeting in Pembroke Dock with the governments, Regional Office and Pembrokeshire County Council on 28th September, 2018
- Supplementary information provided by the PDM project team on 29th November has been forwarded by Regional Office to the two governments for review and feedback

Project Update

- Marine Energy Testing Areas (META) - Project Design Envelope and site selection has been finalised
- META - Scoping submitted to NRW on November 16th
- META - Public exhibitions to be held in Pembrokeshire on 4th - 6th Dec and 11th - 12th Dec 18
- Pembroke Dock Improvements (PDI) - Hangar Annex Planning Applications approved 14th Dec 2018
- PDI - Framework contractors contacted for Fee Proposals to carry out design feasibility of Slipway build, graving dock infill and access assessment between the two assets, Timber pond infill method, and a swept path analysis for the transport corridor between Gate 1 & Gate 4

Other

- Letter sent from project leads via the RO to both UK and Welsh Government outlining critical dates and dependencies in December 2018.

Awaiting feedback from the UKG & WG on supplementary information provided

Factory of the Future - Project Authority Lead Neath Port Talbot CBC

Business Plan Update

- Engagement continues with external expert to develop robust business case.
- In depth analysis of financial case with particular emphasis on revenue generation undertaken.

Project Update

- Land issues still to be resolved
- Architectural and M&E designs process continuing.

- Vortex IOT announced as the first industrial partner of Factory of the Future in December.

Revised draft Business Case to be submitted to Regional Office - anticipated Jan 19

Steel Science - Project Authority Lead Neath Port Talbot CBC

Business Plan Update

- Engagement continues with external expert to develop robust business case.
- In depth analysis of financial case with particular emphasis on revenue generation undertaken.

Project Update

- Land issues still to be resolved
- Architectural and M&E designs process continuing.

Revised draft Business Case to be submitted to Regional Office - anticipated Jan 19

Swansea Bay City Deal Programme Risk Register

Development Risks

Original Assessment: March 2018 Latest Assessment:- 1st January 2019

Risk Description	Category	Owner	Potential Consequence	Inherent Probability	Inherent Impact	Inherent Rank	Control Actions	Revised Probability	Revised Impact	Revised Rank	Review Date	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank	Review Date	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank
Delay in approval of JCA	C6 C14	All	Unable to formally establish governance structures. Unable to draw down city deal funding. Unable to sign off project business cases. Risk of withdrawal of local authority / other partner from City Deal (see risks below)	3	5	5	Local authority legal and financial working group established and meeting regularly with contractors to ensure agreement reflects requirements of all parties. Regular updates to Joint Committee and drafts regularly submitted to Joint Committee and Governments for review.	2	5	5	1.Oct.18	JCA formally approved by each of the four local authorities at meetings of the full Councils in June and July. JCA endorsed by JC at first formal meeting on 31st August 2018	1	1	1	01.Jan.19	As previous update	1	1	1
Delay in approval of Implementation Plan	C6 C14	RO	Delay in overall mobilisation and delivery of City Deal programme and agreement of formal Joint Committee work programme.	3	3	3	IP drafted by RO. Review of draft versions IP by both Goves and speedy iterative process have enabled final version. IP on agenda for sign-off at first formal JC meeting anticipated end of Summer 18.	2	3	3	1.Oct.18	IP signed off in principle at the first JC on 31st August 2018. Final IP to be reviewed and endorsed by JC at next meeting following approval by UK and Welsh Government	1	1	1	01.Jan.19	IP signed off in principle at the first JC on 31st August 2018. IP will need to be reviewed in light of / following programme review due to be completed in Jan 2019.	5	4	4
Delay in establishment of ESB	C14	JC / UKG & WG	Formal governance structure incomplete. Unable to begin formal review of business cases. Lost opportunity of private sector direct involvement to inform and assist in the wider economic development of the SBCD Region.	4	5	5	Recruitment process agreed with UK & Welsh Government Early and frequent communication re: regional decisions / recommendations	3	5	5	1.Oct.18	ESB Chair and membership approved at first formal Joint Committee meeting on 31st August 2018. Introductory session held on 19th September to assist members in their new role. Future meeting dates for the next 12 months set in advance, with scheduled frequency of ESB meetings increased to a monthly basis (or more frequently as required) to establish momentum in anticipation of a number of business cases coming forward.	1	1	1	01.Jan.19	As previous update	1	1	1
Competing priorities of partners	C6 C14	JC	City Deal issues are not considered a priority and therefore sufficient resources are not dedicated causing potential otherwise unnecessary delays in delivery or achievement of outcomes.	4	3	3	Ensure partners are engaged fully from the outset and that the benefits and potential opportunities of the City Deal partnership, and their involvement are clearly articulated. Ensure opportunities for open and honest dialogue regarding competing pressures. Establish support mechanisms to assist partners with competing priorities to allow them to be as involved as possible. Set up annual meeting schedule to enable effective time management for all partners. Provide regular electronic updates and briefings inbetween meetings on progress / key issues	2	2	2	1.Oct.18	Timetable of meetings for 2019 circulated August 2018 to allow partners to organise diaries in advance. Fortnightly updates circulated to all committee members. Nominated substitutes identified for Joint Committee to further enable organisations to be represented at all times.	2	1	1	01.Jan.19	As previous update	2	1	1
Stakeholders misunderstand the objectives / benefits / purpose of the City Deal	C13 C6	RO	Lack of support for City Deal. Disengagement due to confusion or lack of understanding. Support for City Deal but based on inaccurate understanding. Potential for negative media and social media coverage, undermining the City Deal brand and objectives	3	3	3	Employed dedicated communication and engagement officer to act as central point of contact for all City Deal related communications. Establish a communications group of key comms officers within all City Deal partner and project lead organisations to ensure consistency and up to date information. Provide regular updates to all partners or programme and project progress. Monitor tweets, press releases, articles etc relating to City Deal and ensure, where appropriate, a response is issued promptly. Regular proactive comms and marketing of the City Deal keeping stakeholders up to date with activities, coverage and outcomes.	2	3	3	1.Oct.18	SBCD Business Engagement Officer in post. SBCD Business Engagement Plan currently being drafted outlining opportunities, plans and indicative timescales for engagement with businesses. SDCD Communications Officer in post. Draft SBCD Communication Plan developed for consideration by governance structures including key messages, key stakeholder groups, opportunities, plans and timescales for engagement. Daily tweets, monitoring of news articles and responding to press enquiries. Representation at a number of public and business engagement events to raise awareness and spread consistent messages about the SBCD.	2	2	2	01.Jan.19	In addition to ongoing work included in previous update eight dedicated Business Engagement Sessions held throughout November 2018 and large Regional Regeneration event held in early December 2018 primarily targeting private sector businesses within the region to raise awareness of the City Deal and other opportunities within the Region.	2	2	2

Swansea Bay City Deal Programme Risk Register

Implementation Risks

Original Assessment: March 2018 Latest Assessment: 1st January 2019

Risk Description	Category	Owner	Potential Consequence	Inherent Probability	Inherent Impact	Inherent Rank	Control Actions	Revised Probability	Revised Impact	Revised Rank	Review Date	Review update	Revised Probability	Revised Impact	Revised Rank	Review Date	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank
Slippage in delivery of programme	C6 C14	JC	City Deal doesn't achieve the outcomes intended within the timescales agreed. Borrowing and recouperation does not accurately reflect spend	4	4	4	Establish robust monitoring and evaluation framework to ensure programme and project delivery remains within agreed timescales and to ensure that all targeted project outputs and outcomes will be achieved. Regional Team in place to undertake monitoring role. Accountable Body/Section 151 officers will undertake programme level financial profiling to ensure borrowing and distribution of City Deal funding is reflective of programme delivery.	3	3	3	1.Oct.18	Ongoing monitoring of programme and project delivery and of programme level financial profiling.	2	3	3	01.Jan.18	UK and WG independent review of the City Deal programme announced in December 2018 to be completed by end of January 2019. Corresponding internal review also to take place in January 2019 to provide assurance of the robustness of the Deal. It is impretive that these reviews are timely in order to prevent further delays in programme delivery and the region will work closely to support both reviews in order to ensure the City Deal achieves outcomes in a timely manner.	3	3	3
Delay in development of business plans	C11 C14	RPAL / Delivery Lead	Delay in project start. Depending on critical timescale could impact projects ability to deliver proposed outcomes. Potential knock on affect for other projects ability to deliver and achieve outcomes.	5	3	4	Iterative review of draft business cases. Open and frequent dialogue between delivery lead and regional project lead authority (RPAL).	4	3	3	1.Oct.18	Regional Team in place to co-ordinate submission of business cases by the Project Leads. Gantt Chart developed to assist in mapping out project development, submission and approval process timelines. Programme Board and ESB in place to oversee the development of business cases. Joint Committee Agreement in place which sets out agreed processes for deciding on any actions required	2	3	3	01.Jan.18	Two projects submitted for formal approval following sign off by City Deal Governance. Work to develop the other business cases continues.	2	3	3
Delay in approval of business plans - regional structure	C11	RO	Delay in project start. Depending on critical timescale could impact projects ability to deliver proposed outcomes. Potential knock on affect for other projects ability to deliver and achieve outcomes.	3	4	4	Ensure JCA is completed and agreed. Identify robust regional review process / structure. Ensure project authority leads have early sight of relevant business cases.	2	4	3	1.Oct.18	JCA and governance structure formalised in August 18. Regional Project Authority Leads / Project Authority Leads will have early sight of relevant draft version business cases for comment/feedback.	2	3	3	01.Jan.18	Forward work programme for Joint Committee approved in Dec 18. Pending the outcome of UK and Welsh Government independent review and SBOD internal review in January 2019 the forward work programmes for SBOD committees may need to be reviewed including timescales for approving business plans. The region will work closely to support both reviews in order to ensure timely approval of project business cases can still be obtained.	3	3	3
Delay in approval of project business plans - Welsh & UK Goves	C11	Goves	Delay in project start. Depending on critical timescale could impact projects ability to deliver proposed outcomes. Potential knock on affect for other projects ability to deliver and achieve outcomes.	3	4	4	Iterative process with governments to enable them to review early drafts to minimise the amount of review required for final version. Develop and agreed process and timescale for final business case review with Governments.	2	4	3	1.Oct.18	Iterative process with governments for review of draft business cases in place which aids speedier decision. Agreement of submission process and timescales for review of final business plans with both governments.	2	3	3	01.Jan.18	UK and WG independent review of the City Deal programme announced in December 2018 to be completed by end of January 2019. Although work will continue to develop business cases through the duration of the review formal approvals will not be awarded until review is complete and further delays may be a result of the review findings. The region will work closely to support both reviews in order to ensure timely approval of project business cases can still be obtained.	3	3	3
Business case is not approved / project falls	C3 C11	RPAL / Delivery Lead	Project unable to proceed	3	5	4	Ensure regional project authority lead is fully involved in the development of the business case and has early sight of relevant business cases. Provide Councils with project briefings where appropriate.	2	5	3	1.Oct.18	Iterative business case review process. Open and regular dialogue between Accountable Body, RO, Project Delivery Lead and Project Lead. Early identification of potential trigger points and any potential mitigating/rectifying actions. If irreconcilable, Joint Committee Agreement in place which sets out agreed processes for identifying new project(s) to achieve the outcomes of the City Deal.	2	3	3	01.Jan.18	As previous update	2	3	3
Companies of required calibre are not based within the region	C13 C6	JC / Delivery Leads	City Deal does not achieve the anticipated long term change / outcomes and projects do not secure long term sustainability. Potential for negative media and social media coverage, undermining the City Deal brand and objectives	3	4	4	Employ dedicated business engagement officer to work with projects and industry. Host several industry targeted events / engagement opportunities to ensure business community are clear of the opportunities to engage in the City Deal and its legacy. Ensure clear and consistent communications with industry / business forums about City Deal opportunities and potential for industry. This should include phonecalls, e-marketing, face-to-face meetings, newsletters and social media. Engage with organisations that are representative of the business community and have extensive contact networks that can be used to raise awareness. Tailored communications targeted at specialist business/property media	3	3	3	1.Oct.18	Dedicated business engagement officer in place. Business engagement and communication strategy under development to target key industries and businesses within and outside of the region. Engaged with industry representatives at a regional, welsh and UK level. Economic Strategy Board established to represent the voice of industry and the private sector at a strategic level. All of which will help to support attraction of companies of relevant calibre from both within and outside of the region	3	2	3	01.Jan.18	As previous update	3	2	3
Change in project scope pre-business case approval	C11 C6	Delivery lead	Project no longer requires same amount of funding. Project no longer achieves the necessary outcomes required for City Deal funding. Project is not approved and therefore unable to proceed / proceed as planned.	4	4	4	Continuous dialogue with delivery leads and RO during business case development to ensure consistency with original scope in terms of alignment to overarching aims and objectives of the deal. Iterative process of business case review by governments enabling early identification of concerns to be raised and rectified. Where changes in scope are identified close working with RO, regional project authority lead and delivery lead to ensure that changes do not compromise the proposed outcomes / outputs of the original project and that revised project scope still achieves overall programme aims and objectives	4	3	3	1.Oct.18	As previous update.	4	3	3	01.Jan.19	As previous update	4	3	3

Swansea Bay City Deal Programme Risk Register

Operational Risks

Original Assessment: March 2018 Latest Assessment: 1st January 2019

Risk Description	Category	Owner	Potential Consequence	Inherent Probability	Inherent Impact	Inherent Rank	Control Actions	Revised Probability	Revised Impact	Revised Rank	Review Date	Review update	Revised Probability	Revised Impact	Revised Rank	Review Date	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank
Withdrawal of Local Authority Partner	C3 C6 C11	JC	Potential for projects to fail as lack of funding / borrowing available from the project lead authority. Loss of funding for regional projects and regional support structures. Potential need to reduce scale of regional projects and / or withdraw scheme from local authority area. Unable to achieve outcomes of City Deal.	3	5		Ensure JCA is agreed by all local authority partners and includes provisions for such a scenario.	2	5		1.Oct.18	JCA signed by each LA which clearly sets out agreed provisions for such a scenario.	1	2		01.Jan.19	As previous update	1	2	
Withdrawal of other partner	C3 C6 C11	JC	Reduction in funding for regional support structures, potential impact on ability to achieve broader outcomes of City Deal re: improving public service delivery and other strategic regional functions	3	4		Develop arrangements with other partners who are not subject to the JCA to reflect provisions for withdrawal	2	4		1.Oct.18	As per previous update. Co-opted members signed code of conduct and declaration of interest.	2	4		01.Jan.19	As previous update	2	4	
Decisions made by Programme Board (or other relevant City Deal group) have implications for financial management.	C3	PB	Potential delays in funding release / payments, potential conflicting messages and unclear process. Delay in progress.	3	5		Lead Section 151 Officer to attend Programme Board (and other City Deal groups as necessary) to advise and assist in financial management discussions as appropriate and feedback relevant decisions to Section 151 Officer Working Group. Regular briefings on financial management to programme board and Joint Committee. Regional Office to provide feedback to Section 151 Officer Working Group via the Lead Section 151 Officer on relevant decisions by other City Deal groups where Lead Section 151 Officer is not in attendance.	1	2		1.Oct.18	As previous update	1	2		01.Jan.19	As previous update	1	2	
Slippage in delivery of programme against key milestones		JC	City Deal doesn't achieve the outcomes intended within the timescales agreed. Borrowing and recuperation does not accurately reflect spend	3	4		Establish robust monitoring and evaluation framework to ensure programme and project delivery remains within agreed timescales and to ensure that all targeted project outputs and outcomes will be achieved. Regional Team in place to undertake monitoring role. Accountable Body/Section 151 officers will undertake programme level financial profiling to ensure borrowing and distribution of City Deal funding is reflective of programme delivery.	2	4		1.Oct.18	Ongoing monitoring of programme and project delivery and of programme level financial profiling	2	3		01.Jan.19	UK and WG independent review of the City Deal programme announced in December 2018 to be completed by end of January 2019. Corresponding internal review also to take place in January 2019 to provide assurance of the robustness of the Deal. It is improve that these reviews are timely in order to prevent further delays in programme delivery and the region will work closely to support both reviews in order to ensure the City Deal achieves outcomes in a timely manner.	3	3	
Failure to engage relevant stakeholders including industry and private sector	C13 C6	RO / Delivery Leads	City deal does not achieve the anticipated long term change / outcomes. Lack of support / engagement with City Deal and related projects.	3	4		Employed dedicated communication and marketing officer. Establish dedicated communication group of key partners and project leads. Utilise different mediums and methods of communication to reach a range of audiences / stakeholders. Hold a variety of events appealing to a range of audiences. Work with project leads to identify targeted stakeholders and develop specific marketing tools for engagement with identified groups. Targeting of specific stakeholders on social media. Promotion and regular update of a cutting-edge City Deal website. Number of key partners already engaged. Ensure early and ongoing involvement through public events, procurement and supply events for example.	2	3		1.Oct.18	Economic Strategy Board in place providing private sector involvement. Key stakeholders already engaged. SBCE Business Engagement Officer and Communications Officer employed in the RO to ensure early and ongoing involvement through SBCE Business Engagement & Communication Plan.	2	1		01.Jan.19	SBCE Business Engagement Officer in post. SBCE Business Engagement Plan and Procurement Strategy currently being drafted outlining opportunities, plans and indicative timescales for engagement with businesses. SBCE Communications Officer in post. Draft SBCE Communication Plan developed for consideration by governance structures including key messages, key stakeholder groups, opportunities, plans and timescales for engagement. Response to media, public and partner queries. Representation at a number of public and business engagement events to raise awareness and spread consistent messages about the SBCE. Series of dedicated business engagement sessions during Nov 2018 to be replicated in 2019. In addition a private sector / local industry focused event in early December 2019.	2	1	
Initial Procurement exercises fail to benefit the local supply chain. Projects fail to implement Programme Procurement Principles.	C6 C7 C13	All	City Deal does not achieve the anticipated long term change / outcomes. Lack of support / engagement with City Deal and related projects. Potential for negative publicity and loss of credibility.	3	5		Procurement Action Plan developed. Programme Procurement Principles drafted. Procurement Principles aligned to the WbFG Act. Industry engagement has identified key concerns/issues to be addressed in the Principles. Project Lead meetings planned with speakers on key topics of concern. Industry B2B events to be held. ESB/IC to endorse principles	3	4		01-Oct-18	Economic Strategy Board in place providing private sector involvement. Key stakeholders already engaged. SBCE Business Engagement Officer and Communications Officer employed in the RO to ensure early and ongoing involvement through SBCE Business Engagement & Communication Plan.	3	4		01.Jan.19	Procurement principles to be discussed by ESB in February 2019. Register of City Deal procurement opportunities to be developed to ensure local supply chain are aware of and prepared for forthcoming opportunities.	3	4	
Negative media coverage	C13	RO	Negative image of City Deal portrayed to all stakeholders and consequently the opportunities afforded by the City Deal are not realised at all levels. Disengagement of industry, business and social stakeholders alike. Potential for further negative coverage from other media, given damage to City Deal reputation and the opportunity for follow-up questions / diary markers to scrutinise City Deal progress / previous statements.	3	4		Dedicated communications officer in place to manage media enquiries, monitor all press releases, posts etc relating to City Deal and develop appropriate response where necessary. Ensure regular press releases on positive news and progress. Further develop relationships with key journalists across the region. Develop contacts with specialist publications and websites. Regular, pro-active comms (press releases and social media) on City Deal milestones/updates/facts and good news stories. Inclusion of video and audio content to accompany press releases and social media posts, when appropriate. Regular proactive comms updates to key identified stakeholders across the region. Approved statements to be sent in response to media queries on deadline, accompanied by discussions with the reporter asking the question(s). Discussions with news editors/editors to try to influence the tone of coverage. Approved press releases and statements to be sent to identified stakeholders in advance of online or offline publication. City Deal news/updates to be regularly added to the City Deal website	2	3		1.Oct.18	As previous update	2	3		01.Jan.19	In addition to the previous update following the announcement of independent and internal reviews, the City Deal's communications officer is responding to media queries, when approached, and monitoring media coverage/social media mentions relating to the reviews. The communications officer will also work with both governments to ensure inclusion of key City Deal messages, if possible, in any communications related to the outcome of the independent review. If appropriate, pro-active social media activities and liaison with the media will continue to take place while the reviews are ongoing. Communications will also be prepared for potential release to partners, the media and other stakeholders once the outcome of the reviews has been announced. These communications - aimed at both residents and businesses - will highlight key messages aimed at maintaining confidence in the delivery of the City Deal.	3	3	
Silo mentality / working	C13 C6	All	Projects do not make the cross connections and the whole system opportunity for change is not realised. Ambitions of the City Deal are not embedded into organisational aims and the transformational potential of the deal is therefore not realised. City Deal is viewed and delivered via status quo rather than challenging and positively transforming the delivery of industry and public services in the region	4	3		Regular project leads meetings to identify opportunities for cross project working. Digital Infrastructure and Skills and Talent projects to meet with other project leads on a 121 basis to ensure the cross cutting themes of skills and digital are incorporated into all project plans.	2	3		1.Oct.18	As previous update	2	3		01.Jan.19	As previous update	2	3	
Lack of alignment of communications between partners	C13 C6	RO	Confused / inconsistent / unclear messages given out. Disengagement of stakeholders due to confusion or incorrect understanding. Potential for negative media and social media coverage, undermining the City Deal brand and objectives	4	5		Employed dedicated communication and engagement officer to act as central point of contact for all City Deal related communications. Establish a communications group of key comms officers within all City Deal partner and project lead organisations to ensure consistency and up to date information. Provide regular updates to all partners or programme and project progress. Monitor tweets, press releases, articles etc relating to City Deal and ensure, where appropriate, a response is issued promptly. Develop and maintain a protocol which requires partners to send press releases and statements to the City Deal Communications officer for consistency and awareness. Develop online portal for partners to access shared logos, statements, quotations etc for use in all City Deal comms.	1	3		1.Oct.18	As previous update	1	3		01.Jan.19	As per previous update in relation to regional partners. In addition, strong communication with UK and Welsh Government during review period is critical to ensuring clear and consistent messages are relayed to the public, business community and other partners. Communications with City Deal partner organisations will continue to be made regularly available via a fortnightly, bilingual e-newsletter to help maintain consistency of messages. The communications officer will also continue to liaise with communications teams at City Deal partner organisations to ensure communications protocols are adhered to.	1	3	
Change in project scope post-business case approval	C11 C6	Delivery lead	Project no longer requires same amount of funding. Project no longer achieves the necessary outcomes required for City Deal funding. Project is not approved and therefore unable to proceed / proceed as planned.	4	4		Establish robust project monitoring and evaluation to ensure project remains on track to deliver scope outlined in approved business case and overarching aims of the City Deal in terms of growth and jobs.	4	2		1.Oct.18	Process for monitoring of projects against business case outlined in JCA which was endorsed by all four regional councils in summer 2018. Need to develop detailed monitoring plan for each project as business cases are approved.	3	2		01.Jan.19	As per previous update	3	2	
Failure to establish a robust baseline	C6	Delivery leads / RO	Inaccurate measuring of impacts of city deal.	3	4		Initial impact assessment undertaken to identify headline impacts of the city deal. Need to further develop this to capture the full range baseline indicators that will demonstrate the impact of the city deal	3	3		1.Oct.18	Work underway to develop monitoring and evaluation framework in line with key outcomes as set out in heads of terms.	3	3		01.Jan.19	Approval of monitoring and evaluation framework to governance structure prior to appointment of consultants to undertake baseline assessment. Include review of this baseline at key intervals of the monitoring and evaluation plan to ensure it reflects any major changes in the external environment.	3	3	

Swansea Bay City Deal Programme Risk Register

Financial Risks

Original Assessment: March 2018 Latest Assessment: 1st October, 2018

Risk Description	Category	Owner	Potential Consequence	Inherent Probability	Inherent Impact	Inherent Rank	Control Actions	Revised Probability	Revised Impact	Revised Rank	Review Date	Review update	Revised Probability	Revised Impact	Revised Rank	Review Date	Review Update/Control Actions	Revised Probability	Revised Impact	Revised Rank
Failure to identify / secure revenue funding	C3 C6 C11 C14	Accountable Body	Four projects, including one regional project, unable to proceed.	5	5		Ongoing dialogue with governments to identify potential solutions including discussions on Capitalisation Direction. Projects with revenue element encouraged to explore alternative funding streams to support revenue elements.	3	5		1.Oct.18	Ongoing dialogue with governments underway to identify potential solutions. Received confirmation of the ability to utilise Capital Receipts to maximise flexibility and make most effective use of resources. LA Section 151 Officers working to determine revenue practical requirements.	3	5		01.Jan.18	Dialogue with governments have identified a potential solution. Received confirmation of that LAs may utilise Capital Receipts or Reserves to maximise flexibility of funding and make most effective use of resources. LA Section 151 Officers will work this solution through on each of the relevant projects.	3	5	
Failure to agree NNDR (rates retention) flexibility	C3	Accountable Body	Local authorities unable to borrow required for projects	4	5		Ongoing dialogue with government to explore opportunities for rate retention	4	5		1.Oct.18	In-principle letter received from Cabinet Secretary stating intention to initiate arrangements to allow the region to retain 50% of the additional net yield in non-domestic rates generated by the 11 projects. Officers of the four local authorities currently looking at obtaining relevant information. Clause 14.3 of JCA, endorsed in Summer 2018, reiterates agreement in principle.	2	5		01.Jan.18	In-principle letter received from Cabinet Secretary stating intention to initiate arrangements to allow the region to retain 50% of the additional net yield in non-domestic rates generated by the 11 projects. Meeting with WG taken place and officers need to work up a proposal, so the mechanics and allocation is acceptable to all.	2	5	
Private sector funding contribution/s not in line with initial business case projections	C3	Delivery Lead	Overall impact of the City Deal not realised. Project cannot deliver full scheme. Project is unsustainable	5	5		Projects required to complete full five case business model including robust financial detail and commercial case identifying and confirming sources of income.	3	4		1.Oct.18	For all projects, in addition to the 5 case model assessment, the Accountable Body will undertake an assessment of the Project's financial profile to check that the private sector contribution is in line with the initial business case financial projections. Any implications resulting from variance to be reported to PB, ES8 and JC for action.	3	4		01.Jan.18	As per previous update. Outcomes of UK and Welsh Government review and SBCD internal review may provide further assurance and/or recommendations for ensuring these processes are robust.	3	4	
EU match funding contributions not in line with initial business case projections	C3	Delivery Lead	Overall impact of the City Deal not realised. Project cannot deliver full scheme. Project is unsustainable	5	5		Projects required to complete full five case business model including robust financial detail and commercial case identifying and confirming sources of income.	3	4		1.Oct.18	For all projects, in addition to the 5 case model assessment, the Accountable Body will undertake an assessment of the Project's financial profile to check that the private sector contribution is in line with the initial business case financial projections. Any implications resulting from variance to be reported to PB, ES8 and JC for action. RD in dialogue with WEFO.	3	4		01.Jan.18	As per previous update. Outcomes of UK and Welsh Government review and SBCD internal review may provide further assurance and/or recommendations for ensuring these processes are robust. EU funding will only impact on some schemes.	3	4	
Timeframe for end of current EU funding programmes	C3	All	Unable to deliver full funding package at both project and programme level.	3	3		Early dialogue with all funders including Governments and WEFO. Project lead to accelerate business case development	3	3		1.Oct.18	As per previous update	3	3		01.Jan.18	Completion date for EU funded projects mid 2023 at the latest with all expenditure to be paid out by this date. This increases pressure to begin delivery of EU funded projects including those under the City Deal. Without City Deal sign off this may not be possible. Therefore timely completion of UK and Welsh Government reviews and implementation of any recommendations is essential to mitigating this risk.	4	4	
Failure to achieve full funding package	C3	All	Project potentially unable to delivery or to deliver full scale of anticipated project outcomes	3	5		Early engagement with all funders to develop strong relationships. Robust financial planning and clear outline of interdependencies of funding in the business case, ensuring that fundamental aspects of the project are funded through most secure funding sources. Timely review and approval of five case business plan. Effective and timely procurement activity. Establishment of robust contracts. Ongoing dialogue to resolve issues relating to revenue funding.	2	5		1.Oct.18	Credible and robust financial profiles need to be in place for each City Deal Project from the outset. All Letters Confirmation Match Funding to be in place for the project before City Deal funding is approved, confirming amount and timing as set out in the project's financial profile. Timely monitoring and review following approval of five case business plan. Robust and timely procurement activity must be planned, executed and monitored. All Project Authority Leads to put in place effective monitoring and evaluation processes. Funding agreements signed between Project Authority Lead and Project Lead.	2	5		01.Jan.18	As per previous update. Outcomes of UK and Welsh Government review and SBCD internal review may provide further assurance and/or recommendations for ensuring these processes are robust.	3	4	
Project authority lead unable to borrow amount required to frontload project	C3 C6	LA's	Projects unable to go ahead	3	5		Project lead authority's to factor anticipated CD borrowing and repayment costs into financial profiling. Regular dialogue between delivery lead and project lead authority to develop expenditure forecast as accurately as possible. Delivery lead to inform project lead authority of any changes to financial profile. Section 151 officer group to look at schedule of repayment of City Deal funding for consideration and agreement by Joint Committee.	2	5		1.Oct.18	Clause 13.1 of the Joint Committee Agreement commits Project Authority Leads to borrowing or securing alternative funding to support projects. JCA was unanimously agreed by all four regional councils in summer 2018.	2	3		01.Jan.18	As per previous update	2	3	
Regional project authority lead unable to borrow amount required to frontload regional project funding	C3 C6	LA's	Project potentially unable to delivery or unable to deliver across the whole region.	3	5		Regional project lead authority's to factor anticipated CD borrowing and repayment costs into financial profiling. Regular dialogue between delivery lead and regional project lead authority to develop expenditure forecast as accurately as possible. Delivery lead to inform regional project delivery lead of any changes in financial profile. Section 151 officer group to look at proportional borrowing, repayment and benefit / impact of regional projects for each local authority area.	2	4		1.Oct.18	Joint Working Agreement signed by all four Councils in July 2018. First formal meeting of the Joint Committee ratifying commitments took place on 31st August 2018. Clause 12.3b of the Joint Committee Agreement outlines due process to be undertaken should a Council not approve funding for a regional project	2	3		01.Jan.18	As per previous update	2	3	

Swansea Bay City Deal Programme Risk Register - Categories

The Swansea Bay City Deal programme risk register captures and monitors key programme level risks to the delivery of the City Deal and achievement of its aims and objectives. It will be monitored by Joint Committee and Programme Board via circulation prior to each meeting and issues tabled for discussion as necessary.

Category	Ref. No	Description
Contractual	C1	Ineffective use or management of contacts leads to increased costs
Environmental	C2	Environmental incidents
Financial	C3	Financial risks facing the Councils
Health & Safety	C4	Harm to employees / public
IT	C5	Failure of systems / cyber attack
Objectives	C6	Threat to achieving programme objectives
People / Social	C7	Threat to / from society / groups / public
Physical / Assets	C8	Damage to organisational property
Political	C9	Adverse actions caused by changes in local, regional or national governments
Professional	C10	Lack or loss of qualified employees
Projects	C11	Threat to / from individual projects
Regulatory / Legal	C12	Changes to regulations / law
Reputation	C13	Negative publicity
Schedule / Timescales	C14	Threats to timelines / critical path(s)

Swansea Bay City Deal Programme Risk Register - Scoring

Risk Assessment Matrix		Impact				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Fundamental (5)
Probability	Almost Certain (5)					
	Likely (4)					
	Possible (3)					
	Unlikely (2)					
	Extremely Unlikely (1)					

		Percentage	Description
Probability	Almost Certain (5)	> 80%	Will occur in most circumstances
	Likely (4)	51 - 80%	Strong possibility
	Possible (3)	26 - 50%	Reasonable chance of occurring - has occurred before on occasion
	Unlikely (2)	10 - 25%	Unlikely to occur but potential definitely exists
	Extremely Unlikely (1)	<10%	Will only occur in exceptional circumstances

Impact	Insignificant (1)	No impact on programme success - minimal delay or interruption. No adverse interest from the media / stakeholder groups
	Minor (2)	Little impact on ability to deliver. Adverse comments confined to local media / stakeholder groups
	Moderate (3)	Moderate impact on the success of programme.
	Major (4)	Potential to damage success of programme and prevent achievement of key outputs / outcomes. Significant delays or changes to programme occur as a result of risk being realised. Adverse comments
	Fundamental (5)	Potential to prevent programme from delivering at all. Prevent outputs / outcomes from being achieved. Adverse comments from national press / stakeholder groups.

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Swansea Bay City Deal

Internal Review

Terms of Reference and Programme

Review Team:

Jo Hendy – Pembrokeshire County Council (Lead)

Anne-Marie O'Donnell – Neath-Port Talbot County Borough Council

Caroline Powell – Carmarthenshire County Council

Nick Davies – City & County of Swansea Council

Introduction& Background

At the request of the Joint Committee an Internal Audit team, which includes representatives from the four partner Local Authorities, was requested to undertake an internal review of the Governance arrangements for the Swansea Bay City Deal. The request arose out of concerns around the suspensions of senior staff at Swansea University and the concerns in relation to the Life Science and Well Being Project (Delta Lakes project) which forms part of the Swansea Bay City Region Deal.

Carmarthenshire County Council as the Accountable Body for the Swansea Bay City Deal are responsible for the provision of Internal Audit for the Programme. To avoid any perceived conflict of interest, the Joint Committee agreed that Pembrokeshire County Council would lead the internal review. This Section 151 Officer for Carmarthenshire County Council agreed with this approach and will be engaged and updated regularly updated throughout the review.

Interdependencies between Reviews

Following concerns about the Life Science and Well Being Project, a number of reviews have been commissioned.

UK Government and Welsh Government have commissioned an independent review into the arrangements in place for the Swansea Bay City Region Deal which will cover all the projects. All parties agreed the Terms of Reference for this review in December 2018.

Wales Audit Office will be undertaking a review specifically into the Life Science and Well Being Project.

Carmarthenshire County Council have commissioned a Legal Review of the procurement process followed in respect of the Life Science and Well Being Project .

The Joint Scrutiny Committee has also requested a review.

A meeting will be held between representatives of the UK Government, Welsh Government and the Lead Officer for the Internal Review with a view to synchronising both reviews and avoiding duplication of effort.

Purpose and Scope of the Internal Review

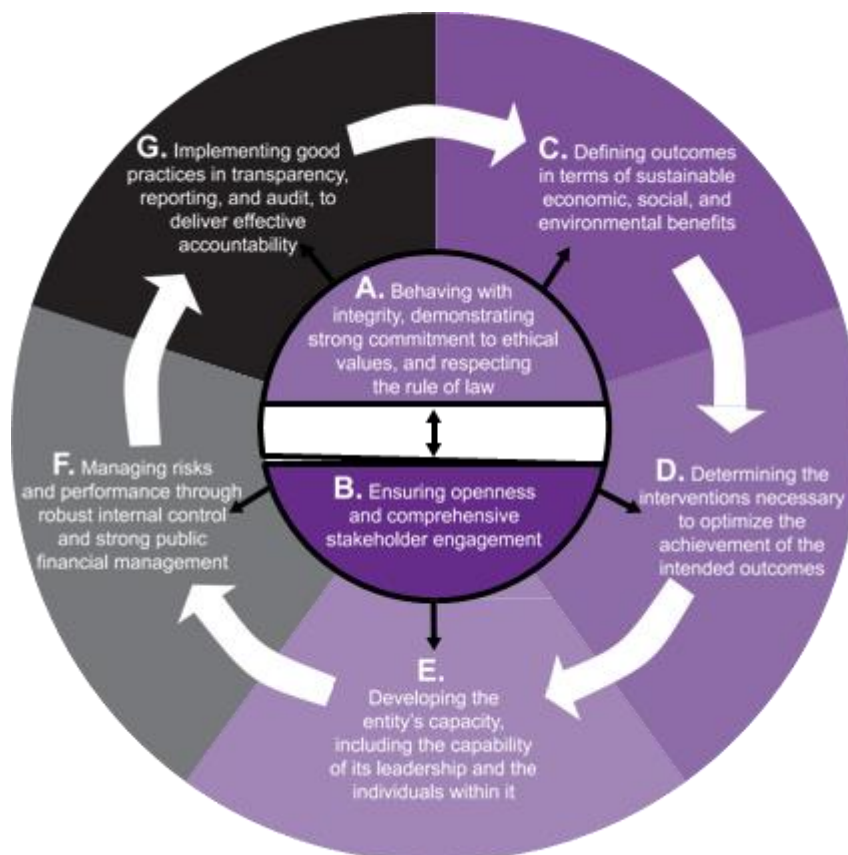
The purpose of the internal review is to provide independent assurance to the Joint Committee that the governance arrangement in place for the Swansea Bay City Region Deal are robust and follows best practice to ensure the confidence of all stakeholders and the delivery of the Programme while acting in the public interest at all times.

In order to provide structure to the review, the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 will be used as the basis for evaluating the governance arrangements for the Swansea Bay City Deal. The CIPFA/SOLACE Framework was updated in 2016 to align with the 'International Framework: Good Governance in the Public Sector' and to reflect the changing environment in which Local Authorities operate. CIPFA/SOLACE guidance notes for Welsh Authorities published in November 2016, assist

Local Authorities and associated organisations such as Joint Boards, Partnerships and other vehicles through with Local Authorities in Wales now operate, to review the effectiveness of their own governance arrangements by reference to best practice.

The diagram below taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) and incorporated into the 'CIPFA/SOLACE Delivering Good Governance in Local Government Framework, illustrates the various principles of good governance in the public sector and how they relate to each other.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



The attached Internal Audit Programme defines how the Internal Review will assess the effectiveness of the governance arrangements of the Swansea Bay City Deal against the principles of good governance. The Audit Programme identifies the behaviours and actions that demonstrate good governance, as defined within the core and sub-principles within the Delivering Good Governance in Local Government Framework, and what will be considered and reviewed to evaluate the effectiveness of arrangements in place.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.	
Sub Principle: Behaving with Integrity	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Ensuring members (including co-opted) and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Swansea Bay City Deal (SBCD).	Review codes of conduct, including sign-off of compliance with the code. Review declarations of interest, how they are recorded, verified and monitored.
Ensuring members take the lead in establishing specific standard operating principles or values for the SBCD and its staff and that they are understood. These should build on the Seven Principles of Public Life (Nolan Principles).	Do standards reflect the Welsh Government public service values? Are the requirements of the Heads of Terms incorporated? Is decision-making criteria defined?
Leading by example and using the above standard operating principles or values as a framework for decision-making and other actions.	Review agenda's, minutes, and outcomes of meeting. Are declarations made, if required? Are agenda items supported by a detailed written report available for consideration in advance? Is decision-making criteria followed? Are decisions taken with due regard for the Welsh Government public service values? Where a decision is taken in contrary to any of the set criteria is there evidence to support the rationale and outcome which has been agreed by all parties?
Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.	What policies and procedures are in place? E.g. register of interests, gifts and hospitality; Anti-fraud and corruption policy; whistleblowing; codes of conduct, minutes of meetings, etc. Are these available and where appropriate, complied with by all parties representing the SBCD.
Sub Principle: Demonstrating strong commitment to ethical values.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Seeking to establish, monitor and maintain the Joint Committee's ethical standards and performance.	Review minutes of the JC, Programme Board, ESB and the Joint Scrutiny Committee: Is there evidence of ethical decision-making? At JC level is there evidence of ethical compliance being championed? Does the Joint Scrutiny Committee challenge ethical decision-making?
Developing and maintaining robust policies and procedures, which place emphasis on agreed ethical values.	Review procurement policy/process Review co-opted Member appointment process Review staff appointment process

Ensuring that external providers of services on behalf of SBCD are required to act with integrity and in compliance with the ethical standards expected by the SBCD.	Review contracts with service providers. Review Co-opted Member protocol.
Sub Principle: Respecting the rule of law	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations.	Is the Joint Working Agreement adhered to? Is the Constitution adhered to? Compliance with other relevant statutory provisions?
Creating the conditions to ensure that the statutory officers, other key post holders, and members are allowed to fulfil their responsibilities in accordance with legislative and regulatory requirements.	Review of the Joint Working Agreement: What was the sign off process? Does it comply with regulatory and legislative requirements? Have all Statutory Roles been assigned? Are Terms of Reference sufficient and approved? Are they adhered to?
Dealing with breaches of legal and regulatory provisions effectively.	Review Monitoring Officer provisions and records of legal advice provided for the SBCD.
Ensuring corruption and misuse of power are dealt with effectively.	Is there adequate separation of duties between key roles to ensure a balance of power? Is there a robust anti-fraud and corruption policy in place, has it been communicated to all relevant parties and is there evidence of monitoring? Does the Joint Working Agreement clearly state the processes to be followed in the event of suspected corruption and or misuse of powers?

Core Principle B: Ensuring openness and comprehensive stakeholder engagement	
Sub Principle: Openness	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Ensuring an open culture through demonstrating, documenting and communicating SBCD commitment to openness.	Review information publicly available.
Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for keeping a decision confidential should be provided.	Review Board agenda's and minutes. Records of decision-making and supporting documentation.

Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	Review decision-making criteria; business case and report pro-formas; records of professional advice; minutes of Programme Board and ESB with recommendations to Joint Committee; distribution of information between UK Government, Welsh Government, the Regional Office and the Joint Committee; Programme updates and timescales; publication of information.
Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.	Review Programme guidance on consultation and engagement – is there a strategy in place?
Sub Principle: Engaging comprehensively with institutional stakeholders	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.	Review Programme guidance on communication and engagement – is there a strategy in place? How will each stakeholder within individual projects be identified, their expectations and requirements managed/adhered to, has the long-term implications and needs of all stakeholders been identified and can they be effectively managed?
Ensuring that partnerships are based on: <ul style="list-style-type: none"> • Trust • A shared commitment to change • A culture that promotes and accepts challenge among partners And the added-value of partnership working is explicit.	Review communication between the UK Government, Welsh Government and SBCD. Records and minutes of meetings.
Sub Principle: Engaging stakeholders effectively, including individual citizens and service users.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Establishing a clear policy on the types of issues that SBCD will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that the SBCD Programme is achieving its intended outcomes.	Joint Working Agreement and Implementation Plan. Individual project records to test compliance.
Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	Programme Documentation. Is there a Communication Strategy in place?

Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	Programme Documentation. Individual project records to test compliance.
Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.	Programme Documentation. Individual project records to test compliance. Review outcomes of any consultations undertaken Communication Strategy
Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	Review Programme/Project methodology for stakeholder identification and engagement, e.g. stakeholder analysis.
Taking account of the interests of future generations of taxpayers and service users.	Review links with the relevant PSB Well-being Plans. Report templates and evidence of decision-making criteria.

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance in local government also requires effective arrangements for:

Core Principle C: Defining outcomes in terms of sustainable economic, societal, and environmental benefits.	
Sub Principle: Defining outcomes	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Having a clear vision which is an agreed formal statement of the SBCD purpose and intended outcomes containing appropriate performance indicators, which provides the bases for the SBCD overall strategy, planning and other decisions.	Review Joint Working Agreement, Heads of Terms and key governance documents referenced, Implementation Plan and any other associated documents.
Specifying the intended impact on, or changes for, stakeholders including citizens and service users. Both short-medium term and longer term.	As above.
Delivering defined outcomes on a sustainable basis within the resources available.	Review implementation plan and progress to date. Review monitoring reports and communication to Joint Committee. <i>As no Business Cases have been approved, local authorities are proceeding at risk currently – is this sustainable? Wider risk for SBCD?</i>

Identifying and managing risks to the achievement of outcomes.	Is there agreed and established risk management protocols in place? Is there an approved risk appetite agreed by the Joint Committee that commits all partners? Is this acceptable to other stakeholder such as UK Government and Welsh Government? Is there is Programme Risk Register in place?
Sub Principle: Sustainable economic, social and environmental benefits.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Considering and balancing the combined economic, social and environmental impact of projects and decisions.	Review of Implementation Plan, Business Cases, links with individual PSB Well-being Plans.
Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the SBCD intended outcomes and short-term factors such as political cycle or financial constraints.	Longer-term financial viability of the Programme and commitment from partners. Availability and funding expectations. How private sector funding will be sourced and progress to date. Impact of political cycles. Programme risk register.
Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.	Review of Programme Documentation, e.g. Risk management strategy, stakeholder analysis, engagement plan and implementation plan.

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.	
Sub Principle: Determining interventions	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Ensuring decision-makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved in Programme and project delivery.	Review Board and Committee agendas, reports and supporting documentation, business cases, options appraisals, etc. Discussion with members. Implementation plan and monitoring reports.

Sub Principle: Planning interventions	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	Review of JC planning timetable for reporting. Implementation plan. Programme and project methodology.
Considering and monitoring risks facing each partner when working collaboratively including shared risks.	Programme Risk Management Strategy/Methodology. Programme and Project risk registers. <i>Wider impact on the SBCD where authorities are currently proceeding at risk and in doing so perceive to be taking the full risk themselves – financial risk only.</i>
Establishing appropriate performance indicators as part of the Programme and Project planning process in order to identify how the performance of the Programme/Projects is to be measured.	Expectations of UK Government & Welsh Government Heads of Terms Joint Working Agreement Project Management Methodology.
Ensuring capacity exists to generate the information required to review delivery of the Programme regularly.	Reports to the JC include detailed information on project progress and highlight where corrective action or a decision is required (or if decision taken, a report to inform the JC of the rationale).
Preparing budgets in accordance with the Programme and Project objectives, the wider SBCD strategy and individual partner MTFP's.	Review of overall budget preparation and planning, including financial plan for the 15 year Programme.
Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	Programme and Project Funding plans.
Sub Principle: Optimising achievement of intended outcomes	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Ensuring the Programme and Project plans balance priorities, affordability and other resource constraints.	Programme and project funding plans. Risk management guidance.
Ensuring that medium to longer-term financial plans set the context of ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	Financial Strategy Risk Management

Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community....over and above the direct purchasing of goods, services and outcomes".	Procurement Strategy for the Programme.
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Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.	
Sub Principle: Developing the entity's capacity.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Reviewing operations, performance and use of assets on a regular basis to ensure their continued effectiveness.	Regular review of progress of the Programme. Review of effectiveness of roles and appointments in adhering to governance arrangements and delivering planned outcomes of the Programme.
Sub Principle: Developing the capability of the entity's leadership and other individuals.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Developing the protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	Joint Working Agreement. Communication.
Publishing a statement that specifies the types of decisions that are delegated and those reserved for the Joint Committee.	Joint Working Agreement. Public accessibility of JWA and minutes.
Ensuring that the Leaders and the Chief Executives have clearly defined and distinctive roles within a structure, whereby the Lead Chief Executive leads the SBCD in implementing the strategy and managing delivery of the Programme and any other outputs set by the Leaders and each provides a check and a balance for each other's authority.	Clear statement of respective roles and responsibilities and how they will be put into practice. Discussion with the Chair of the Joint Committee and Lead Chief Executive.

Core Principle F: Managing risks and performance through robust internal control and

strong public financial management.	
Sub Principle: Managing risk.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision-making.	Risk Management protocol.
Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	Review Risk Management arrangements – policy adopted; agreed risk appetite and tolerances; Programme risk register; project risk registers; escalation.
Ensuring that responsibilities for managing individual risks are clearly allocated.	Review risk registers.
Sub Principle: Managing performance.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Monitoring Programme delivery effectively including planning, specification, execution and independent post-implementation review.	Programme and project management methodology. Monitoring reports and constructive scrutiny and challenge.
Making decisions on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the SBCD financial, social and environmental position and outlook.	Agreed format of information needs for decision-making. Publication/accessibility of agenda's, reports, supporting documentation and minutes of meetings.
Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on projects before, during and after decisions are made, thereby enhancing the SBCD's performance for which it is responsible.	Membership and Terms of Reference for the Joint Scrutiny Committee. Agenda, reports, supporting documentation, and minutes. Review of outcomes. Review outcomes of any consultations undertaken Communication Strategy
Providing members and senior management with regular report on the Programme and stages of implementation of individual projects.	Calendar of dates for submitting, publishing and distributing timely reports, which are adhered to.
Ensuring there is consistency between specification stages, e.g. project initiation stage and post-implementation reporting.	Review project management methodology.
Sub Principle G: Robust Internal Control.	

Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Aligning the risk management strategy and policies on internal control with achieving objectives.	Establish the Policy Framework that determines the internal controls for the Programme and review. Consider any Internal Audit work undertaken to date.
Evaluating and monitoring risk management and internal control on a regular basis.	Confirm regular review of risk management arrangements. Identification of Internal Audit remit and requirements. <i>Need to consider wider stakeholder needs for IA assurance, e.g. grant funding, private sector investment.</i>
Ensuring effective counter fraud and anti-corruption arrangements are in place.	Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption.
Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Internal Auditor.	Joint Working Agreement – Carmarthenshire Internal Audit Service. How will this be reported annually? SBCD AGS or through individual Partner Authority AGS.
Ensuring an Audit Committee or equivalent group or function which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; That its recommendations are listened to and acted upon. 	Joint Working Agreement and Committee Terms of Reference Minutes of Meetings.
Sub Principle: Managing Data.	
Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.	Joint Working Agreement – data management requirements and responsibilities. Data sharing protocols. GDPR/DPA Compliance.
Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	As above – review what shared, etc.
Reviewing and auditing regularly the quality and accuracy of data used in decision-making and performance monitoring.	Review verification and monitoring of project data quality.
Sub Principle: Strong public financial management.	

Behaviours and actions that demonstrate good governance.	Review Requirements/Considerations
Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.	Programme and project budgets.
Ensuring well-developed financial management is integrated at all levels of the Programme, including management of financial risks and controls.	Project budget-monitoring reports.

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Swansea Bay City Deal Independent Review

Terms of Reference

Context

1. Swansea Bay City Region Board published its vision document 'An Internet Coast' in February 2016; shortly afterwards the Welsh and UK Governments opened negotiations on a City Deal for the region in March 2016.
2. On 20 March 2017 the Heads of Terms for the £1.3bn City Deal were signed. This document provides the foundations for the City Deal, confirms the joint commitment among the four local authorities and the Welsh and UK Governments to ensure full implementation of the Swansea Bay City Region City Deal, subject to funding conditions set by Government being met. The Heads of Terms document also referenced a wider suite of control and governance documents, laying the foundations for the City Deal.
3. Over the next 15 years, the City Deal aims to boost the local economy by £1.8bn and generate almost 10,000 new jobs. It will be underpinned by £125.4m Welsh Government funding, £115.6m of UK Government funding, £396m from the four local authorities and other public sector bodies in the region together with £637m from the private sector.
4. The City Deal is structured around eleven project proposals, set against four themes, with major investment in the region's digital infrastructure and workforce skills and talent underpinning each.
5. In July 2018 all four local authorities approved their Joint Committee Agreement. This legal agreement establishes the key governance structures such as the Joint Committee, the Economic Strategy Board and Scrutiny Committee and commits the four local authorities to work together over the 15 years of the Deal.
6. The provision of Government funding is subject to the submission and approval of full business cases in relation to the eleven identified projects and the agreement of governance arrangements for the Deal, as was set out in the Heads of Terms.

The Joint Government Review

7. There is a requirement for a rapid, independently led joint Government review of the arrangements for the delivery of the £1.3bn Swansea Bay City Deal. The main focus of the review is to provide Ministers with an assessment of whether:
 - the projects which make up the Deal and the strategic level economic ambitions of the Heads of Terms can be delivered;
 - the governance arrangements provide a sufficiently robust framework for delivery of the aims and objectives of the City Deal; and
 - governance processes and the control mechanisms currently in place are being complied with and are operating effectively or advise whether amendments are appropriate to ensure the realisation of the outcomes envisaged in the City Deal;
 - the investment plans are robust and realistic.

8. The review will deliver a joint report to both Governments within the timeframes specified in paragraph 13, recognising a balance between urgency and comprehensive assessment which is essential to ensure both confidence and credibility of the Review. The review will provide an assessment of:
 - The capacity and capability of the Regional Office to support delivery of the City Deal and to provide the interface between the Region and Governments.
 - The appropriateness of regional governance structures, including associated processes of both Governments and the region, linked to the City Deal to provide robust assurance.
 - The confidence that the wider City Deal outcomes can be achieved by the portfolio of projects.
 - The feasibility of the proposed timescales for delivery of the 11 projects within the overall City Deal and investment package.
 - The due diligence processes and activities established in relation to the three first tranche projects.
 - The key risks to delivery.
 - Any recommendations that will improve the deliverability of the outcomes of the Deal.

9. Whilst the review should provide specific recommendations for action, all final decisions will rest with Ministers or the Joint Committee as appropriate.

Specific questions

10. The report should seek to address the following specific questions:
 - i. Are the processes, as set out under the Heads of Terms and the Joint Committee Agreement, operating effectively or are there barriers in place that are/ could impede the smooth and timely delivery of the Deal?

- ii. Are the current internal assurance processes within the region delivering an appropriate level of assurance for both Welsh and UK Ministers and Leaders of the four Local Authorities?
- iii. Are the individual projects on track to deliver the anticipated programme level economic outcomes and to evaluate any variance since the original Deal was signed to ensure the overall city deal outputs are maintained or enhanced?
- iv. Has sufficient due diligence been undertaken in relation to all aspects of the financial proposals, particularly regarding the capital and revenue affordability of all projects, including the sourcing of non-Government funding, the undertaking of an appropriate level of financial probity and investigation into the track record of key participants and promoters of the projects?
- v. Has sufficient regard been given to managing the overall City Deal risk?

Out of Scope

- 11. The development of the business cases, recommendation of any individual business case approval for release of funding or consideration of alternative projects is out of scope.

Engagement

- 12. In addition to all relevant documentation the review should engage with relevant individuals and other work in both Governments and the region.

Delivery

- 13. The Review should conclude within one month of commencement. It will primarily take the form of a written report prepared for Ministers of both Governments. The report will also be shared with the Leaders of the four City Deal Local Authorities in advance of publication.

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SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

FORWARD WORK PROGRAMME 2019 – 2020

Date Of Meeting	Items for Report
1 st March, 2019	<p>1. To receive presentations on the 3 Regional Projects, as follows:-</p> <p>Skills and Talent – Jane Lewis, Regional Partnership Manager, Carmarthenshire County Council</p> <p>Homes as Power Stations - Gareth Nutt, NPT</p> <p>Digital Infrastructure – tbc</p>
16 th May,2019	

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