

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

(Council Chamber, County Hall, Freeman's Way, Haverfordwest,
SA61 1TP)

Members Present:

18 June 2019

Chairman: Councillor R.James

Councillors: J.Adams, T.Baron, J.Curtice, P.Downing,
M.Evans, A.Llewelyn and D.Price

Officers In Attendance K.Jones, M.Shaw, S.Curran, C.L.Davies and
A.Manchipp

Programme Office: H.Morgan, D.G.Jones and R.Llewhellin

1. **APPOINTMENT OF CHAIR**

It was agreed that this item be deferred for discussion at the next meeting.

2. **MINUTES OF PREVIOUS MEETING HELD ON 30TH APRIL 2019**

The Minutes of the previous meeting held on 30 April 2019, were agreed as an accurate record, subject to the following updates:-

- In relation to the servicing of the Joint Committee this had now changed to the City and County of Swansea and discussions would be held in order for the Joint Scrutiny Committee to gain access to the Joint Committee's private reports, in order to allow for robust scrutiny.
- The Joint Scrutiny Committee expressed its disappointment that representatives of both the UK Government and Welsh Government were not present at today's meeting. The invitation for a technical briefing with the Chair of the Joint Scrutiny Committee would however be arranged.
- In relation to the decision to webcast meetings, a further report in relation to the options available would be presented to the next meeting.

It was agreed that:-

The Chair send a letter expressing Committee's disappointment that the Welsh and UK governments had declined the invitation to attend the scrutiny meeting but requesting that the technical briefing that was offered by Welsh Government be arranged with the Chair.

3. **PROGRESSING THE RECOMMENDATIONS ARISEN BY VARIOUS REVIEWS**

Leader and Chief Executive of Neath Port Talbot County Borough Council

The Joint Scrutiny Committee welcomed the Leader, Councillor R.G.Jones, and Chief Executive, S.Phillips, of Neath Port Talbot County Borough Council, to give an overview of the report recently considered by their Council on the future collaboration on City Deal.

The Committee received reassurances that Neath Port Talbot was committed to productive collaborative working on the City Deal Programme but that this was subject to good governance and acceptable financial risk.

Concern was expressed, by the Leader of Neath Port Talbot that more than two years after the signing of the Deal no monies had been received. It was accepted that this was due, in part, to the events at Swansea University however, projects needed to be delivered in order to bring the jobs and growth in GVA.

- The current position in relation to the appointment of a Managing Director was raised. Members were advised that this vacancy would be advertised as soon as possible but that the Joint Working Agreement (JWA) would require amendment in order to allow for this post. The two processes could, however, be carried out simultaneously. It was expected that the changes to the JWA would be signed off at the end of July.
- The recent press report which said that a Council would be pulling out of the City Deal was raised. The Leader of NPT advised that NPT wanted the City Deal to deliver but outlined NPT's frustration at the Programme's lack of momentum. He confirmed that the Authority would be reviewing its projects, in line with the flexibilities provision in the JWA, in order to ensure projects/programmes remained fit for purpose projects.

It was pointed out that three of the four projects that NPT had initially put forward involved Swansea University. The Council did not wish to be associated with any reputational damage that might arise by association.

- Examples of NPT's commitment to collaboration were provided - the Joint Venture Agreement recently entered into with Powys for a rail testing track and the joint working of the Public Services Boards of Swansea and Neath Port Talbot to tackle drug related deaths and to disrupt County Lines.
- NPT's approach to ERW was also raised. It was suggested that this demonstrated a culture of not wanting to collaborate. In response the Leader of NPT advised that NPT felt that its schools were not receiving the services expected and there were also concerns at the substantial increase in contributions being sought by the managing director. The Council was actively seeking to resolve these concerns but is not prepared to tolerate a continuation of the status quo.
- S.Phillips confirmed that the report considered by NPT Council had been factually accurate and that, if there was no progress, there was a case for abandoning the City Deal.
- Concern was again expressed by the NPT representatives that no monies had been received for either the Homes as Power Stations (HAPs), the Swansea Waterfront or the Yr Egin projects. In relation to the Steel Science Factory NPT was still awaiting the release of the parcel of land owned by Welsh Government. On the latter, until this matter is resolved, the business case could not be finalised.
- S.Phillips advised that he had recently asked that a robust budget be presented to the next meeting.
- It was noted that Rhodri Griffiths was the first point of contact at Welsh Government for all 11 projects, however he had no staff or budget to undertake the work. Welsh Government needed to commit resources to City Deal in order for it to deliver. It was suggested that delays in delivering City Deal activities was not confined to the Swansea Bay City Deal but was also a situation that persisted across Wales.
- Going forward Cllr.Rob Jones felt that initial meetings with the new Chief Executive at Carmarthen suggested that relationships would be strengthened and this would assist in implementing the recommendations of the reviews.
- When asked what he saw as the way forward, Steve Phillips advised that the sign off of the current projects, robust budget monitoring and completed business cases being submitted by the autumn.

- Cllr. Rob Jones expressed frustration at the slow pace of the programme together with his concerns around the financial risks. He advised that NPT had taken a prudent approach having only spent £22k to date. The pilot project within the HAPs project had been delivered using private investment. He stressed that he was not prepared to put NPT into a financially exposed position.

Following the above discussion Cllr. Rob Jones and Steve Phillips reiterated NPT's commitment to City Deal and thanked the Committee for the invitation to today's meeting.

Chair of the Economic Strategy Board – E.Tomp

The Scrutiny Committee welcomed Mr. Ed. Tomp, the Chair of the Economic Strategy Board (ESB), to the meeting to discuss the implications of the suspensions at Swansea University on the commitment of the members of the Economic Strategy Board to the City Deal Programme.

Mr. Tomp confirmed that the ESB had met with all the constituent local authorities and was equally frustrated at the lack of progress being made. He emphasised that the ESB also supported the changes required as a result of the reviews, but highlighted that Government structures were causing some of the delays.

It was of concern however that the meetings of the ESB had never been quorate. The governance around this and other issues would therefore need to be reviewed as they were seen as unworkable.

The ESB felt that both the UK and Welsh Governments needed to approve the first tranche of projects as soon as possible to restore the confidence of local authorities, the public and those associated with the Programme. In addition the ESB was of the view that the distribution of the money should be spread over a five year period and not 15 as it stands at present in order to accelerate the projects.

The ESB had asked that government officers provide support in order to improve the quality of the five case business models and that these be completed and submitted as soon as practical. The response to the request had been positive and there had been an offer for someone to attend the ESB.

Mr.Tomp confirmed the commitment of the members of the ESB in relation to the City Deal Programme, and that business confidence had improved.

The Committee then thanked Mr.Tomp for his attendance at today's meeting.

4. **OVERVIEW FROM C.MOORE, SECTION 151 OFFICER FOR THE SBCD INCLUDING FINANCIAL AND RISK ARRANGEMENTS OF THE CITY DEAL**

The Joint Scrutiny Committee welcomed Chris Moore, the 151 Officer for the Swansea Bay City Deal accompanied by R.Arnold. Mr.Moore presented his report in relation to both the financial and governance arrangements that were in place.

Members received an overview of the actions taken to date and in particular that no monies had yet been received from either the UK or the WG in relation to any of the projects.

All partners involved had committed £50k per annum as a contribution towards the Regional Office. However 1 Health Board had not paid last year's contribution, this was being chased. In relation to NNDR, the Joint Scrutiny Committee noted the agreement reached that 50% of the yield over the 15 year period would be paid back or retained (the method had not yet been agreed).

The 2019/20 budget had been agreed in August 2018. It was noted that the support provided, by the partner authorities, for example the 151 Officer and the democratic services provision would be 'in kind'.

It was hoped that £16.1m would be released shortly and thereafter a mechanism for the allocation of the money would be developed. Any monies not allocated would be retained by the accountable body.

In relation to the budget papers for 2019/20, it was noted that there was no allocation for either Swansea or Neath Port Talbot – this would change when claims had been received.

The 151 Officer confirmed that he was confident that that the two years' funding of £16.1m x 2 was available, however he was unsure when these would be released.

It was agreed that:

- A progress report would be submitted to the next meeting of the Joint Scrutiny Committee in relation to the release of funds;
- A draft statement be prepared outlining the current position in relation to the hold up of business cases being approved and the subsequent release of funds and that an invitation had been issued to both the UK and WG to meet to discuss the issues. This statement to be agreed by the Committee and issued prior to the next meeting of this Joint Scrutiny Committee.

5. **FUTURE WORK PROGRAMME**

It was agreed that the following be added to the Forward Work Programme:-

September 2019

Appointment of Chair
Update and Site Visit to the Homes as Powerstations
Internal Review Update
Transportation
Webcasting
Survey on Officer Support to the Joint Scrutiny Committee
Assistance from Welsh Government on Developing a Business Case
Action Plan and Proposed Outcomes for the Internal Audit Review

October 2019

Tidal Lagoon Update - Leader of Swansea
Swansea University's Ongoing Involvement in the Programme –
Chancellor Elect of the University
Update on the Regional Projects – relevant to the area to host the
meeting

January 2020

Update on the Regional Projects – relevant to the area to host the
meeting

March 2020

Update on the Regional Projects – relevant to the area to host the
meeting

May 2020

Update on the Regional Projects – relevant to the area to host the meeting.

CHAIRMAN