

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

(Committee Rooms A/B - Neath Civic Centre)

Members Present:

2 September 2019

Chairman: Councillor R.James

Vice Chairman: Councillor M.Harvey

Councillors: P.Downing, J.Curtice, J.Adams, G.Morgan,
D.Price and J.Jones

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

1. **DECLARATION OF INTEREST**

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

Councillor M.Harvey

Re Agenda item 4 on Homes as Power Stations as he is employed as a Designing Out Crime Officer with the South Wales Police and had given designing out crime advice on the social housing development, and confirmed his dispensation to both speak and vote thereon.

2. **ELECTION OF CHAIRPERSON (AND VICE CHAIRPERSON, IF APPROPRIATE)**

RESOLVED: That the Chairperson and Vice Chairperson of the Joint Scrutiny Committee be Councillors R.James and M.Harvey respectively, for a two year period, to be effective from the date of this meeting.

3. **MINUTES OF THE MEETING HELD ON 18 JUNE 2019**

The Minutes of the previous meeting held on 18 June, 2019 were approved as an accurate record.

4. **HOMES AS POWER STATIONS STATUS AND NEXT STEPS**

The Joint Scrutiny Committee received a presentation from Gareth Nutt, the Director of Environment at Neath Port Talbot County Borough Council (NPTCBC), on the regional Homes as Power Stations (HAPs) project, which was led by NPTCBC. He advised Members that it had not been possible to arrange a site visit today to view the project as the site was not safe to access. He confirmed however that a site visit would be arranged as soon as construction had been completed.

The project aimed to deliver smart, low carbon, energy efficient homes through a co-ordinated approach across the City Region through a combination of new builds (3,300) and retrofit (7,000). It was hoped that the project would stimulate the local supply chain and sustain a skilled workforce. The project would be monitored and evaluated going forward to evidence its energy efficiency, effects on health and its 'livability'. The project aligned itself with the decarbonisation agenda and aimed to reduce fuel poverty.

The Director advised that there were schemes under development in all four of the counties. It was hoped that approval would be received from both the UK and Welsh Governments following the workshop scheduled to take place in September which would then enable a programme team to be established to deliver on the wider programme ambitions.

Following the presentation Members raised the following points and the Director provided the associated responses:

- During the five year delivery programme, how realistic were the target numbers of new build and retrofit properties? In response, the Director advised that there were affordable housing targets which were not being achieved across the region and it was envisaged that HAPs would help to address this.
- How would HAPs work in a local authority without housing stock? The Authority would work through the Registered Social Landlords.

- Members queried the cost-effectiveness of the various models that could be used to deliver homes as power stations. In response, the Director advised that the aim was to deliver properties that would be energy positive, although an analysis of the various models of HAPs would need to be carried out in order to identify the cost-benefits of different approaches. This would help to identify models that could be adopted, standardised and scaled up.
- In relation to the scheme in Pontardawe, Members were interested to note that this was a private sector development and noted that NPT Council had been able to facilitate this through a land deal with the investor. Members were disappointed to note the limited private sector involvement more broadly.
- In relation to the various models of HAPs being developed across the City Deal Region, Members asked whether all of these would be progressed and were advised that the Director wanted to keep all types of HAPs within the project to allow for evaluation of the different approaches so as to identify the best value options.
- Members noted that the project in Neath would become occupied over September and that the site visit would be convened as soon as practical.
- It was acknowledged that the involvement and scale of the private sector investment was planned to be significant and would be a challenge to achieve particularly in the medium to long term.
- Members asked for a breakdown of the HAPs targets by local authority and the Director advised that this would be circulated to Members of the Committee with the Minutes.
- Members asked at what stage would the different models being trialled be coalesced as one project and noted that once the Business Case was approved, a Programme Team would be established which would bring together the different strands. Once these were up and running they would then be evaluated for the best options. The Director advised that some house builders and mortgage lenders were already on board.
- In relation to the additional costs to new build properties this would be in the region of a 40% increase, although it was hoped to reduce this to 10%.
- Members asked how robust was the equipment and were advised that occupiers would receive induction training on the use of the equipment.

- Members asked whether the generation of the anticipated 4,500 jobs was deliverable in the time frame and were assured that, once approval had been given, there were 900 retro fit properties ready for work to begin. There was a small risk however the four local authorities involved were on board with the project.

5. **FEEDBACK FROM THE MEETING WITH THE UK AND WELSH GOVERNMENTS' OFFICIALS**

Members received feedback on the recent meeting the Chairman had had with both UK and Welsh Governments.

It was hoped that there would be improved dialogue with not only the UK and Welsh Governments but also the health boards and other partners going forward.

6. **UPDATE ON JOINT WORKING AGREEMENT**

The scrutiny committee considered the amendments to the Joint Working Agreement (JWA) which had been approved by the Joint Committee on 30 July 2019. The amended version, which was attached to the circulated report, would be sent to the UK and Welsh Governments for information and would be subject to the approval by each partner local authority.

The scrutiny committee requested that the Joint Committee consider the following:

- Reducing the quorum for the joint scrutiny committee to 6;
- Point 9.3 be re written to make it clearer;
- That the caveat written into the JWA which gives the joint scrutiny committee powers to scrutinise all projects be removed – ie the requirement to seek the permission of local relevant scrutiny committees.

7. **UPDATE ON THE PROGRESS MADE BY THE JOINT COMMITTEE ON THE ACTION PLAN DEVELOPED IN RESPONSE TO THE VARIOUS REVIEWS**

The Joint Scrutiny Committee received a presentation from the Chair of the Joint Committee, Councillor Rob Stewart, on the progress of the action plan developed in response to the various reviews.

He advised that the changes to the JWA, as discussed in the previous report, had been agreed by the Joint Committee and would shortly be sent to both UK and Welsh Governments. He advised that he did not expect a further round of negotiations in this regard.

In relation to the Programme Director – the advertisement was now live and it was expected that a suitable candidate would be appointed.

In relation to the Swansea Digital Project and Yr Egin, the final terms and conditions were expected shortly which would enable the Joint Committee to draw down £18m.

A further £18m was available before Christmas but was subject to various conditions being satisfied.

It was noted that Neath Port Talbot had amended its projects and that these would be considered by the Joint Committee in September. In addition, it was noted that the Wellness Centre was being revised by Carmarthenshire County Council.

The first phase of the HAPs project in Swansea was now occupied and the programme was working towards energy positive homes. It was hoped that this would address fuel poverty and that new builds would adopt this method going forward.

Members were pleased that the money would be forthcoming, however, asked why this sum exceed the original amount expected? Cllr Stewart advised that both Swansea and Carmarthen had already spent money on the 2 projects and this would therefore be allocated to those authorities. In addition, the UK and Welsh Governments wished to give the City Deal more flexibility locally. This meant that the Joint Committee would agree where the monies would be allocated. The initial £18m would have the standard terms and conditions attached to it. The second tranche of £18m would probably have terms and conditions attached in relation to the action

plan developed as a result of the reviews undertaken including the appointment of a managing director.

The Joint Scrutiny Committee asked for an update on the implementation plan and was advised that it was in the process of being developed and would evolve throughout the life of the programme.

There was concern about the standard of business cases submitted to both the UK and Welsh Governments, particularly the economic cases, and Members asked what was being done to address this? In response, Members were advised that there had been changes in both the UK and Welsh Governments which had resulted in changes to their expectations and repetition of queries. The five case business model methodology was an issue, which would now be based on a portfolio approach, together with the risk analysis. There would be improved training for the staff involved, in order for them to have the correct skill set to successfully complete the business cases. The regional office would be reviewed by the managing director once appointed. The new process seemed to be working better.

The Chairperson then thanked Cllr. Stewart for his attendance at today's meeting.

8. TRANSPORT INFRASTRUCTURE - ALIGNMENT OF TRANSPORT PLANNING WITH SWANSEA BAY CITY DEAL PROGRAMME.

The Chairperson welcomed Ben George from the City and County of Swansea who gave members a presentation on the transport infrastructure. Members were advised that there had not been any transport projects included in the City Deal programme as at that time rail electrification had been promised. Should transport be added to the programme this would require additional funding. Members then received a presentation on the South West Wales Metro project which was in the process of being developed which included alternative rail routes, etc.

Members asked for details of how the bus network would align itself with the rail network. In addition, the proposed changes to the provision of the bus network generally. They were advised that the authorities involved would need to exercise the 'General Power of Competency' expected in the forthcoming local government legislation and that the services would improve through collaborative

working. It was noted that the UK Government had offered £20m for the Metro however this would not be sufficient. Therefore, representation would be made to both Governments in addition to regionally. Members agreed that prices must be set at an appropriate level and that Neath railway station should remain on the main line.

9. **SCRUTINY SUPPORT**

It was agreed that future meetings of the Joint Scrutiny Committee be webcast and that the local authorities concerned be contacted with a view to keeping the costs as low as possible. This would then be reviewed in 12 months.

In relation to the survey undertaken, Members were satisfied with the scrutiny support being provided by officers and were invited to provide regular feedback to ensure support remained fit for purpose.

10. **FORWARD WORK PROGRAMME**

It was agreed that the following additions be made to the forward work programme:

- An additional meeting be convened to visit the Homes as Power Stations site in Neath and, at that meeting, training be arranged for the joint committee on programme management;
- A report by the s151 officer on the terms and conditions required by UK and Welsh Governments be added to the agenda in October;
- A further report in relation to procurement and the local supply chain be added to the October agenda (risk register refers); and
- An update on the regional digital infrastructure programme be added to the January agenda.

CHAIRMAN