

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 13th January 2025

Portfolio Objectives Definitions

RECOMMENDATIONS/KEY DECISIONS

To inform Joint Scrutiny Committee of the 3 Portfolio level objective definitions as at Appendix A,B & C.

1. Introduction

- 1.1 Following the completion of the SBCD Evaluation Framework via the Task and Finish Group, the PoMO were actioned by the SBCD Project Leads to develop standardised definitions for the three Portfolio level objectives: investment, jobs and economic impact.
- 1.2 These definitions were created in collaboration with the SBCD Project Teams and from several sources including SBCD funding offer and award letter, sector best practice, government definitions e.g. WEFO, SPF and ONS, and input from SBCD project teams.
- 1.3 The Portfolio level objective targets are as follows:

Objective	Details
Investment (£m)	The SBCD Portfolio estimates to deliver up to £1.3bn investment into the SBCR by 2033. This includes direct and indirect investment and covers three primary sources of funding, namely City Deal, other public sector and private sector.
Jobs created (FTE)	There is a SBCD Portfolio estimated target of 9,000 jobs created. Jobs include direct, indirect and construction related jobs. Contributions are provided as Full Time Equivalent (FTE). The quarterly report captures the jobs created within the quarter being reported and an accumulation at project/programme level since commencement of the SBCD in 2017/18 until 2033. Further details for the Jobs Created definition can be found here:

Economic Impact (£m)	The SBCD Portfolio is estimated to contribute £1.8-2.4bn of economic impact to the region through direct and indirect activity, such as the build, operation and wider benefits of infrastructure and skills delivery.
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1.4 The project teams are required to report progress made against these and other benefits that are specified within their business cases on a quarterly basis.

2. Investment Objective

2.1 Investment consists of the total financial investment (£GBP) in a project from all sources. The SBCD portfolio estimates a £1.3 bn investment from the following three primary sources:

- City Deal funding from UKG/WG (£241m)
- Other public sector funding e.g. local authorities, local health boards, universities (£395m)
- Private sector funding e.g. (£637m)

2.2 The investment is made up from direct and indirect investment, where:

- Direct: investment provided or leveraged through City Deal funding, the lead delivery organisation or private sector contributions during the delivery phase of a project to achieve its defined outputs e.g. construction of a building, delivery of a skills pilot project, installation of equipment
- Indirect: investment generated because of the delivery of a project. This investment will support the realisation of outcomes and impact through attributable leveraged investment or revenue generation e.g. tenancy income.

3. Jobs Created Objective

3.1 The number of permanent, paid, full-time equivalent (FTE) jobs created following SBCD related support or intervention. This includes both part-time and full-time jobs, which should be recorded relative to full-time equivalent (FTE). FTE should be based on the standard full-time hours of the employer.

3.2 Apprenticeships can be included in FTE calculations provided the apprentice is likely to remain employed in the role following the apprenticeship.

3.3 During the delivery phase, construction jobs can be included and should be calculated in the form of 'FTE person years' of the hours that persons are employed at the site during the contract.

3.4 The following needs to be considered in assessing jobs created:

- A job created is defined by the contract or position not having existed with that employer before the intervention within the region.
- A job created should have an intended life expectancy of at least 12 months from the point at which it is created.
- A job created can be prorated by:
 - Duration less than 12 months
 - Employment hours less than the employer's standard full-time hours

- Only count each individual FTE or job once through the lifetime of a project (i.e. it should not be counted every year). Noting this would not apply to construction related jobs.
- The methodology of how jobs created are calculated needs to be documented by the Project delivery teams.
- A casual / seasonal job may also be counted, so long as the job is expected to re-occur over a period.

4. Economic Impact Objective

4.1 Economic impact is the additional contribution that is made to the regional economy because of the delivery and operation of a project.

4.2 The following categories are included:

- Direct Economic Impact (£) - The impact to the regional economy as a result of the construction and operational phases of a project directly related to the project's spending on goods, services and wages.
- Indirect Economic Impact (£) - The wider impact to the regional economy as a result of the construction and operational phases of a project indirectly related to spending on goods, services and wages across supply chains and the region.

4.3 The demonstration and attribution of economic impact is crucial in evidencing the success of SBCD. For the purposes of demonstrating business case viability and value for money, an assessment of Gross Value Added (GVA) impact was made through business case economic appraisals.

4.4 Whilst GVA remains a valid estimate, the SBCD projects and programmes are unable to evidence and attribute GVA to its delivery and operations. All projects are required to attain and evidence an equivalent economic impact during the timescale of the SBCD portfolio. Economic impact outside the region and at a local authority level should also be captured, although this is not to be included in the regional Investment Objective target.

Appendices:

A: Portfolio Objectives Definitions - Investment

B: Portfolio Objectives Definitions - Jobs Created

C: Portfolio Objectives Definitions - Economic Impact

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