

This statement was given by the Leader of Council and was published with the Council papers on 19th December following the conclusion of the meeting

STATEMENT TO COUNCIL: 19 DECEMBER

CITY DEAL

Mr Mayor,

Members will be well aware of the recent adverse publicity surrounding the suspension of certain individuals at Swansea University and the alleged links to the Delta Lakes project in Llanelli (which is one of the 11 City Deal projects).

The purpose of this statement is to update the Council on the current position in relation to the City Deal.

I am not going to stand here this afternoon and pretend that the last fortnight or so has been good for the City Deal. It has not.

I want to make three points at the outset.

First, the investigation at the University is internal to them essentially, although this authority is monitoring developments very closely. The Deputy Leader and the Chief Executive, together with the other local authorities and others attended a meeting with the University on 10

December. However, there is a limit to what can be said about this matter given the ongoing investigation and related processes.

Second, the Delta Lakes project has been a project led by Carmarthenshire County Council – as opposed to a regional City Deal project. The latest position was reported to a meeting of that authority's full Council last week, 12 December and was discussed at a meeting of the City Deal Joint Committee on 14 December. I return to that second meeting in a moment; but it is a matter for Carmarthenshire to determine how this project will now be taken forward with a different delivery model. They have also invited the Wales Audit Office to conduct a review of the project.

Third, the Leader of the City and County of Swansea, as chair of the City Deal Joint Committee, has sought assurances in relation to the governance arrangements surrounding the Delta Lakes project and more generally. These matters were discussed at a meeting of the City Deal Joint Committee on Friday last, the 14th.

The Joint Committee resolved to withdraw – at least temporarily - the earlier approval for the Delta Lakes project. In addition the Joint Committee is to conduct its own review to run in parallel with that previously announced by the Welsh and UK Governments on 6 December. More of that later. It was also made clear that although the Joint Committee review will encompass all 11 projects to provide

maximum reassurance, the events at the University are only linked to Delta Lakes, not any of the other ten projects.

I am also aware that Councillor Arwyn Woolcock, as Chair of the Regional Joint Scrutiny Committee on the City Deal, has quite properly written to the Chair of the Joint Committee expressing his Committee's concern and seeking assurances as well. At the Joint Committee meeting on Friday last, the Chair made clear (with my full support) that the Scrutiny Committee will have the full cooperation of all parties to the City Deal.

As I said earlier, Members will also be aware that the UK and Welsh Governments announced a "rapid" independent review of the City Deal earlier this month.

The Chief Executive attended a meeting with UK and Welsh Government officials yesterday with the objective of considering draft Terms of Reference for this review.

We will engage fully with both reviews as it is clear that the current arrangements are hindering progress for various reasons, many unconnected to recent events and nearly two years after the Deal was signed.

However, following prior consultation with myself, the Chief Executive made three specific requests.

First, that the review is completed as quickly as possible - certainly no later than the middle of February next year.

Second, that it is published in full with no redactions.

Third, that the review identifies specific recommendations – not general or abstract principles – for remedying any identified defects in the governance arrangements.

Other comments were made and revised Terms of Reference have been circulated by the two governments for consideration at a further meeting of the four local authority Leaders tomorrow (20 December), where we will also seek close alignment of both reviews and other actions to ensure clarity going forward. In my view, this is all essential as a means of restoring public confidence in the City Deal.

Meanwhile, Members here may be absolutely assured that, notwithstanding the assurances already received, all projects will continue to be the subject of rigorous scrutiny by Councillors and officers. We have not and will not compromise on that.

On that theme, I reiterate this Council's consistent approach to the City Deal – from Day 1. All we have ever sought is a robust process to deliver the outcomes and in doing so safeguard public money; the financial position of the Council and achieve value for money for the taxpayer.

In this regard we have openly reported our concerns and issues at various points in the process and in the interests of complete transparency.

In this regard, Members will recall reports that the Chief Executive tabled at Cabinet: specifically on 4 October 2017; 25 April 2018 and 27 June 2018. On all occasions, the reports were either remitted to this full Council meeting or the opportunity to do so was provided. The same applied to the Council's scrutiny committees.

I turn now to the position in respect of the Neath Port Talbot projects and/or those where NPT is the lead authority. I shall not dwell upon the details of the projects themselves – they are well documented in the reports to which I referred a moment ago.

Suffice to say, however, that no commitments (I will repeat that – no commitments) have been made on any projects and nothing signed with third parties. No business cases for individual projects have yet been put to the Joint Committee by NPT officers for approval or to this Council, Cabinet or a Cabinet Board.

Moreover, the Chief Executive has advised me that none will be brought forward until he and the other senior officers of the Council are 100% completely satisfied with all aspects of any individual business case. This will include appropriate

assurances from all partners and parties, including the two governments if necessary. It is non-negotiable.

Finally, in terms of preparatory costs to the Council so far, there is obviously a cost in terms of officer time; but the expenditure on total external support costs incurred, mainly on one project, currently stands at £20,287.50 in addition to our contribution to the central running costs of the Regional Office as set out in previous reports.

This is being funded from within existing budgets (as approved by the Council for the current financial year) and will continue to be reported to Members in the normal way.

Thus the Council has neither spent nor committed any money on the individual City Deal projects themselves. The “homes” project at the former Hafod care home site in Neath is essentially an arrangement between the Council and the Pobl Group which has not yet received any City Deal funding; but is progressing well nonetheless.

I conclude, Mr Mayor, by repeating that we remain committed to delivering the outcomes on City Deal at present; but all along we have been clear that we will not compromise on good governance and properly managing the financial implications for this authority. That will not change – regardless of the outcome of the Governments review or anything else.

I will make a further statement or request that the Chief Executive bring forward another full report as soon as is practicably possible. It is also my intention to consult fully with the Leaders of both Opposition groups on the Council once the reviews I have described become available.