

Lee Waters AC/AM
Dirprwy Weinidog yr Economi a Thrafnidiaeth
Deputy Minister for Economy and Transport



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref LW/05252/19

Councillor Arwyn Woolcock
Chair
Swansea Bay City Deal Joint Scrutiny Committee

j.j.davies@npt.gov.uk

29 March 2019

Dear Cllr Woolcock,

Thank you for your letter of 11 March to the Minister for Economy and Transport regarding Swansea Bay City Deal. I am responding in view of my portfolio responsibilities.

I would like to say at the outset that we remain committed to working with partners to deliver the Swansea Bay City Region City Deal.

Like you and your committee, I am keen to see rapid progress to enable the delivery of this deal and the long-term transformation and economic growth it will bring and we remain committed in principle to the projects in the heads of terms.

As you will be aware, the UK and Welsh Government's jointly commissioned an Independent Review into the City Deal in December last year. This was in response to our concerns about the progress of the deal. This review has now been published and we will be working with the region to implement its recommendations. We believe that these recommendations will help drive forward the City Deal, although a number of these are for the region to take decisions on.

The pace of business case development has been slower than many of us would have liked. We want to complete the approvals process as quickly as possible, but it is the responsibility of region to deliver robust evidenced business cases that government can appraise to ensure value for money in the use of public funds. We have committed to expedite the remaining due diligence work for Yr Egin and the Swansea City Waterfront & Digital District as both projects are well advanced and look likely to be the first to be approved by government. I understand that the Joint Committee will now reconsider these two business cases on 28 March 2019, after which both the UK and Welsh Governments have committed to considering these as quickly as possible

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Gohebiaeth.Lee.Waters@llyw.cymru
Correspondence.Lee.Waters@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The review makes clear that it is not unusual for a portfolio of this size and complexity to take time to establish appropriate governance and compliance arrangements and the review was intended to make sure that we have the best processes in place to assure us that public funds are protected, whilst allowing the region to innovate. There is little in the 'process' that differs from accepted Best Practice.

The review makes 7 recommendations all of which represent a clear way forward in delivering on the vision and aspirations of the City Deal and it provides a strong foundation upon which to move forward with delivery. The recommendations focus on improving the process and make several key suggestions as to how the challenging task of managing a complex City Deal can be improved to ensure the public money is invested wisely. Both governments are satisfied that these recommendations represent a sound and credible way forward and both recognise the value of encouraging regional working and the importance of clear roles and responsibilities.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lee', written in a cursive style.

Lee Waters AC/AM

Dirprwy Weinidog yr Economi a Thrafnidiaeth
Deputy Minister for Economy and Transport