

Councillor A N Woolcock
Chair
Joint Scrutiny Committee Swansea Bay
Region City Deal
Neath Port Talbot Council

Please ask for: Councillor Rob Stewart
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Our Ref: RS/CM
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Date: 29th April 2019

BY EMAIL

Dear Councillor Woolcock

RESPONSE TO RECOMMENDATIONS OF THE JOINT SCRUTINY COMMITTEE – FEBRUARY 2019.

Recommendation 1

The Joint Scrutiny Committee was very concerned to learn of the considerable delays being experienced in securing agreement from the Welsh and UK governments to the full business cases of the projects that make up the City Deal. The Joint Scrutiny Committee notes that these delays mean that almost two years since the Heads of Terms were signed, no business cases have yet reached a point where they have been approved for implementation. Members of the Joint Scrutiny Committee wish to underline the importance of the City Deal to bringing about long term, sustainable improvements to the well-being of people across the region and would like to understand what action the Joint Committee, Welsh Government and the UK Government intend to take to address the causes of the delays inherent in the existing processes.

The Joint Committee at its meeting held on the 24th January also raised concerns regarding delays in Government approval for the City Deal projects which in turn delayed project delivery and exposed each partner to an element of financial risk. The Accountable Officer had, at that time, advised that such delays were frustrating, however he had recently raised this matter at a meeting with officials and it was hoped that ongoing delays would be resolved.

We understand two business cases have now cleared the final Government Board and are awaiting Ministerial approval

Recommendation 2

In considering the status of the three regional projects contained within the Deal – Homes as Power Stations; Skills and Talent; and Digital Infrastructure – the Joint Scrutiny Committee noted that none of these projects would be delivered within the timetable initially envisaged. Accordingly, the Joint Scrutiny Committee recommends that priority should be given to bringing all three projects to a point where they can be formally initiated and that the programme plan be revised to reflect a new delivery period of five years which commences on the dates when the business cases are approved. The programme plan should also take account of the inter-dependencies between these three projects and other projects within the City Deal programme.

Following discussion at Joint Committee on 28th March an options paper on the commencement date for the five year delivery period for each project will be brought to a future meeting of the Joint Committee for decision. Options will include the recommendation by Joint Scrutiny that the five year delivery period of projects commences from the date of business case approval by UK and Welsh Government.

It was also agreed at Joint Committee on 28th March that the Homes as Power Stations, Skills and Talent and the Digital Infrastructure projects were to form the next tranche of priority projects for business case sign off along with the Pembroke Dock Marine project.

However other projects can come forward as soon as the lead Authority and project sponsor submit them for consideration. In addition following the review amended or additional projects may be submitted for consideration.

Recommendation 3

The Joint Scrutiny Committee considers that there is insufficient information about financial risk across the programme and requests that the Joint Committee provides it with a detailed report on the financial assumptions and risk that attach to each of the projects and the programme as a whole.

The Joint Committee receives project issue logs and a programme risk register as a standing agenda item for all meetings which are updated on a monthly and quarterly basis respectively. Members of the Joint Scrutiny Committee receive copies of the JC agendas as a matter of course and can ask for any issues of concern, arising from those reports, to be added to the agenda for consideration at a Joint Scrutiny meeting.

However as part of the review of governance we are seeking to ensure a strengthening of the governance at all boards and ensure relevant, timely and complete information is provided to assist decision making

Recommendation 4

The Joint Scrutiny Committee noted in scrutinising the Homes as Power Stations project that there is an assumption within the emerging business case that Local Authorities will use their collective leverage to deliver the project benefits. The Joint Scrutiny Committee wishes to underline the importance of all four Local Authorities working together to achieve this, including making representations to Welsh Government to adopt measures for example, through building regulations, that would secure greater private sector engagement in the work.

By signing up to the Joint Committee Agreement, all Councils have agreed to work together to discharge their obligations to each other, the Welsh Government and UK Government to promote and facilitate projects funded under the Swansea Bay City Deal. The JCA clearly stipulates the respective rights and obligations of the four Authorities, see in particular, Clause 3 "The Council's Obligations'. As a regionally delivered project Homes as Power Stations will require collective working across the Authorities at both an operational and strategic level which offers an important opportunity to influence collective issues at a local, regional and national government level.

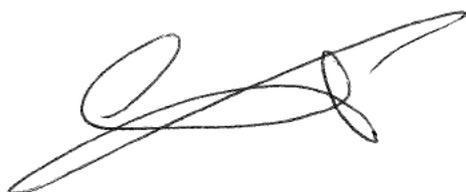
Recommendation 5

The Joint Scrutiny Committee recommends that the Joint Committee considers how a new approach to economic development can be developed for the period beyond the existing City Deal so that the legacy created by this programme can be sustained and further developed over the longer term.

The Heads of Terms Agreement between both Governments and the four Local Authorities stipulated that the City Region, in partnership with Welsh Government, would commit to delivering a number of key strategic functions at a regional level. These functions will include strategic land-use planning and economic development. This is reiterated in the Joint Committee Agreement between the four Local Authorities.

The Joint Committee will address this Regional Function as part of its Forward Work Programme and will develop a timetable for implementation.

Yours sincerely



**COUNCILLOR ROB STEWART
LEADER & CABINET MEMBER FOR ECONOMY & STRATEGY**

