

## SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

(Council Chamber, County Hall, Carmarthenshire)

**Members Present:**

**30 April 2019**

**Chairperson:** Councillor R.James

**Councillors:** A.Llewelyn, P.Downing, J.Curtice, J.Adams,  
T.Baron, G.Morgan, D.Price and J.Jones

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

---

1. **MINUTES OF THE MEETING HELD ON 1 MARCH 2019**

The Minutes of the previous meeting, held on 1 March 2019, were agreed as an accurate record.

2. **UPDATE FROM THE CHAIR OF THE JOINT COMMITTEE FOLLOWING THE CONCLUSION OF THE REVIEWS ON THE SWANSEA BAY CITY DEAL**

Councillor R.Stewart as Lead Member and M.James as Lead Chief Executive attended for this item. In addition J.Hendy (Auditor for Pembrokeshire), Chis Moore (151 Officer), L.Rees-Jones (Head of Administration and Law at Carmarthenshire) were also present.

The Joint Scrutiny Committee noted the outcomes of the reviews which were included in today's papers.

Members were advised that the reviews undertaken had been accepted by the Joint Committee and that the Programme Board had been commissioned to develop an action plan to be considered at the next Joint Committee.

In addition, it was noted that a new Managing Director post had been agreed and the process to appoint had commenced.

Cllr Stewart referred to informal meetings held with the four constituent leaders and chief executives and advised that Neath Port

Talbot County Borough Council would be taking the opportunity to amend some of its projects in line with the Flexibilities clause of the Joint Agreement. Cllr Stewart expressed surprise at the report recently considered by Neath Port Talbot Council and he confirmed that the Joint Committee had no wish to frustrate the proposals of Neath Port Talbot Council. The Joint Committee had agreed a six month deadline for Neath Port Talbot's proposed changes to be considered by the Joint Committee.

In relation to the current position, it was noted that the Swansea Waterfront project was ongoing and that Yr Egin had been completed. UK and Welsh Government sign off of these two projects was yet to be received but was believed to be imminent. In relation to the Pembroke Dock project, the business case was progressing. The Neath Port Talbot HAPS (Homes as Power Stations) pilot project was also up and running and other local authorities had also started innovative housing projects. Sign off of the projects had not held up progress.

Members then raised the following:-

- Some Members expressed a view that Neath Port Talbot Council's concerns could be seen as cultural as similar concerns had been expressed around regional working in relation to ERW (Education Regional Working). In this connection it was agreed that the Chief Executive and Leader of Neath Port Talbot Council be invited to discuss the concerns.
- Members asked whether it was possible to move to a unified approach with the Cardiff Metro? In relation to the inclusion of transport in the Programme, it was noted that this had not been seen as appropriate at the time as electrification of the railway was being considered.
- Concern was expressed at the implications for the City Deal Programme should Neath Port Talbot Council withdraw. In relation to the withdrawal by one authority, it was noted that this would result in further opportunities for the remaining partner authorities. The Lead Chief Executive advised that if Neath Port Talbot Council withdrew then four projects and £68m would be available for redistribution. It was hoped, however, that no authority would withdraw as all had a responsibility to deliver for their communities.
- Members asked whether the structure and process adhered to the regional vision and were advised that the original Deal, which included 24 projects had been submitted to and rejected

by Government. Thereafter, 11 of the projects had been developed into 4 digital themes, which had been supported by all partners and approved by Government.

- Committee was reminded of the successful negotiations with Welsh Government in relation to NNDR .
- Members asked that the Chief Executive and Leader of Neath Port Talbot be invited to the next meeting of the Joint Scrutiny Committee to discuss the Authority's position going forward.
- Concern was expressed at the length of time taken to sign off the projects and asked who was responsible for this? Would the Deal collapse if one constituent authority withdrew? Members were advised that the Lead Chief Executive was responsible for moving projects forward. Those projects completed or in progress were seen as acceptable risks by the responsible authorities and were therefore progressing without formal sign off or funds being released. The purdah period around the European Election may cause the release of monies to be further delayed.
- In relation to the availability of private reports to the Joint Scrutiny Committee, Cllr Stewart advised that, to date, the projects had been at the iterative stage and that once they were ready to be submitted for approval, there were no issues preventing the Joint Scrutiny Committee scrutinising them. There could however be commercially sensitive information contained in the reports.
- In relation to the Actica Review Paragraph 3.3, this referred to the improvement of governance and assurance arrangements, which if not undertaken may halt payments. There was difficulty in delivering all the projects within the 5 year period, particularly as 2 years had already elapsed.
- Members felt that there was a need to give confidence to both the public and private sectors and that both governments needed to confirm that the funding was available. The mechanism for the release of monies needed to be looked at as £31m of last year's allocation was still outstanding. Some of this money would fund changes to the Regional Office including the recruitment of a Managing Director.
- Concern that two of the five years had passed was again expressed, together with the need to ensure that momentum was maintained. Engagement with the electorate and potential investors to improve confidence in the programme was needed. Transport particularly in rural areas remained an issue as the Metro would not be of benefit to the valleys. Cllr.Stewart agreed that there had been a two year 'vacuum', however the

regional office had taken time to establish itself and now projects were coming to fruition. Members reiterated concern at this point as the governance arrangements that had been put in place had been shown to be inadequate by the reviews undertaken. In addition, it was noted, that there had been a reshuffle in Welsh Government which had resulted in a change of Ministers responsible for City Deal and a resultant change in process. This, it was hoped would speed up the process. To address the communication issues a communication/social media capacity was in place, however it had proved difficult in communicating the digital agenda. It would be necessary that the Economic Strategy Board attends a future meeting of the Joint Scrutiny Committee to discuss investor confidence, etc. In relation to transport, both Welsh and UK Governments needed to look at the issues.

- Members asked when the Managing Director vacancy would be filled and were advised that Steve Thomas had been appointed to develop the job specification and thereafter the post would be advertised at Director level.
- In relation to the transatlantic cable, the Joint Scrutiny Committee had been advised, at its last meeting, that this was no longer seen to be a unique selling point for the region. Members asked for clarification and were advised that the cable was initially to improve communications between London and New York which the region hoped would attract investors that would benefit from that arrangement. Fifth Generation communication was also included and this area remained the 5G test bed. This would be a strategic advantage to the region with a potential for clustering of digital companies and economic regeneration.
- Members asked whether there would be a requirement to renegotiate the Joint Working Agreement (JWA) in light of the changes to be introduced as a result of the reviews, and if so, what were the financial and resource implications? It was confirmed that changes to the JWA could be agreed at the Joint Committee and would not need the approval of the constituent local authorities as these were seen to be minor issues. The Legal Officer advised that more definitive legal advice on this point could be given when the specific changes proposed were available for review.
- Members asked whether there had been a meeting of the Joint Committee since the publication of Neath Port Talbot Council's report and were advised that the first meeting after the publication would be held on 28 May.

- Members stressed the importance of the Joint Committee being confident that the processes were robust. Cllr Stewart advised that the Joint Committee had only been in existence since 2018 and that the Governance Framework had taken some time to develop, at the same time as work was ongoing. The review recommendations had been accepted by the Joint Committee and a report was being developed to address the issues highlighted. This report could then be issued to the constituent authorities for information, subject to legal advice.
- Members raised the role of the Joint Scrutiny Committee – does this include looking at all 11 projects or just the 4 regional projects? This would require a change to the JWA to allow the Joint Scrutiny Committee the flexibility to extend its current remit. It would however be necessary to avoid duplication. It was agreed that the Chairs of the Joint Committee and the Joint Scrutiny Committee meet to discuss the scrutiny process to be adopted going forward.
- Members noted that two projects were awaiting sign off by the Welsh and UK Governments, and asked about projects three and four? Cllr Stewart advised that the Implementation Plan identified the order that projects would be considered. The Joint Scrutiny Committee was advised that, at the request of the Ministers, incomplete business case were forwarded for their consideration and that this had resulted in prolonged dialogue. As a result of the reviews the iterative stage would no longer be in place. It was therefore hoped that the approval process would become more streamlined.
- Members received assurances, from Cllr Stewart that the Swansea Waterfront project was viable and that should there be no City Deal approval the project could still be delivered.

It was agreed:

- That a copy of the report considered by Neath Port Talbot Council be forward to the Members of the Joint Scrutiny Committee for information and that the Chief Executive and Leader of Neath Port Talbot County Borough Council be invited to attend the next meeting to discuss Neath Port Talbot's concerns in relation to the future of the City Deal;
- That the Chair of the Economic Strategy Board be invited to a future meeting of the Joint Scrutiny Committee;
- That the Chair of the Scrutiny Committee and the Chair of the Joint Committee discuss whether the JWA could be amended

to allow the Joint Scrutiny Committee the flexibility to scrutinise all 11 of the City Deal projects;

- That Rhodri Griffiths, Welsh Government and his equivalent in the UK Government, be invited to attend a future meeting of the Joint Scrutiny Committee to discuss the process of approval.

### 3. **RESPONSE TO RECOMMENDATIONS MADE BY THE JOINT SCRUTINY COMMITTEE**

Committee received, circulated at the meeting, a copy of Cllr Stewart's response to the Chairman's letter of 15 February and dated 29 April, 2019.

It was agreed that offices would chase responses to the correspondence from the previous Joint Scrutiny Committee Chair to the Chair of the Joint Committee.

### 4. **FORWARD WORK PROGRAMME AND THE FREQUENCY OF MEETINGS FOR 2019/20**

Members considered the Forward Work Programme, as contained in the circulated report, and agreed that the meeting scheduled for 16 May be rescheduled to June and that meetings be convened every two months thereafter.

In relation to the next meeting, the items contained in Minute No 2 above be placed on the agenda. In addition, it was agreed that the 151 Officer be invited to the next meeting to give an overview of the risk register and the financial arrangements of the City Deal. In addition it was agreed that the Chair of the Economic Strategy Board be also invited.

It was agreed that J.Hendy, the internal auditor for Pembroke be invited to discuss how progress in delivering the recommendations might be best assessed.

Members also asked that details of any events that relate to the City Deal be forwarded to Members for information.

5. **WEBCASTING**

Members supported the introduction of webcasting meetings and asked that a report on the logistics and costs of undertaking this at the various locations, be submitted for consideration.

**CHAIRPERSON**

This page is intentionally left blank