

LEADER'S STATEMENT: SWANSEA BAY CITY DEAL – 27 NOVEMBER

Mr Mayor,

On 24 April, I gave a statement to Council about progress on the City Deal. On that occasion I undertook to make a further statement before the end of this calendar year and this statement discharges that undertaking.

Members will also recall that on 31 July, the Cabinet approved a new business case entitled "Innovation and Low Carbon Growth" which incorporated other projects such as Steel Science.

Officers have been progressing this during the autumn in tandem with a separate regional business case on Homes as Power Stations, where good progress is being made with developments here and elsewhere in the region. The HAPS business case is therefore a vital catalyst for further progress.

In terms of the process prescribed by Ministers, the City Deal Programme Board agreed on 15 November that both business cases should be forwarded to the Economic Strategy Board for consideration and that Board yesterday (26 November) indicated that it would be in a position to formally recommend the "Low Carbon" business case to the next meeting of the Joint Committee in January. It is possible that Homes as Power stations may also be recommended in a similar timeframe – if not the following meeting in February. It was originally intended that the Joint Committee would take the final decision

before Christmas; but with the General Election and other business intervening, there will not be a December meeting of the Joint Committee – not that it matters greatly.

There was also an announcement in the summer of two initial tranches of £18m of City Deal funding from the Welsh and UK Governments. Officers in the region have been finalising with Government the terms and conditions attached to those grants. The Joint Committee signed off those terms and conditions at its meeting yesterday and each of the local authorities is now required to do so. In our case, the Chief Executive will be doing so in consultation with myself - and in line with an earlier delegation granted by Cabinet.

Accordingly, we are providing certainty on funding and minimise borrowing costs to the local authorities. As things stand, potential borrowing costs remain within the affordability envelope previously outlined by the Chief Executive in his earlier reports to Cabinet and Council. If anything, those costs are likely to reduce over time.

Here in Neath Port Talbot, we have sanctioned some preparatory work (e.g. design tenders have been issued for the technology centre) with the objective of making early and overdue progress on delivery. In parallel, other projects across the region have been making progress through the system – for example, the Pembroke Dock Marine Project.

All in all, Mr Mayor, I am optimistic today that we can now move into the delivery phase in short order in early 2020. Assuming that the Joint Committee

approves both our business cases – and I have no reason to suspect it will not happen – they will then be formally submitted to the Welsh and UK Governments for approval.

I do not believe that this should be a lengthy approval process as officers have already engaged in detailed discussions on both business cases in a series of workshops with both governments over the autumn. Moreover, what is proposed is entirely consistent with the Economic Action Plan for Wales and the collaborative regional model of Economic Development.

On a separate note and reflecting several debates in this chamber, we are in the process of finalising a new strand of City Deal activity on transport based upon the ongoing work on rail being led by Professor Mark Barry; but also potentially including other modes of transport. Whilst transport was not one of the original 11 City Deal projects, there is a regional consensus that it is a vital adjunct to the City Deal and achieving the core objectives of job creation and growth.

To conclude, I am particularly keen to make progress on the “Low Carbon” business case as it is underpinned by the Council’s own Decarbonisation strategy upon which we have been consulting this autumn. The component parts covering issues such as Electric Vehicle charging points; Hydrogen and air quality represent a substantive response from this Council to the climate change emergency. There is no time to lose in terms of getting started.

Similarly, the recent announcement from Tata of some 3,000 job losses across Europe illustrates once more that we must do everything possible to anchor

the steel industry in the County Borough and South Wales. David Rees AM has been very active in supporting this campaign and the steel science centre remains an essential component of the “Low Carbon” business case.

As previously, Mr Mayor, I am quite content to provide further briefings for our scrutiny committee or the joint regional version as those Committees see fit.