

Swansea Bay City Region Joint Scrutiny Committee

(Via Microsoft Teams)

Members Present:

2 February 2021

Chairperson: Councillor R.James

Councillors: A.Llewelyn, S.E.Freeguard, P.Downing,
T.Baron, G.Morgan, D.Price and J.Jones

Officers In Attendance S.Curran, C.Moore, R.Arnold, S.Burford,
J.Burnes, P.Ryder and A.Thomas

1. **Chairs Announcements**

The Chair welcomed everyone to the meeting.

Prior to the meeting a document was circulated to members which outlined a current project overview. The document was not intended for discussion but was to enable members to ensure they are aware of the latest updates. Members were asked to read the document if they had not done so already.

The Chair stressed Members' disappointment that no written documentation had been received to accompany the Pentre Awel project update. Further, in consideration of the project being local and not regional, it falls outside the scope of the committee. Members deferred the item to a future meeting with a written update to accompany it.

The Chair emphasised the overall concern about the lack of written updates being provided to the committee. The expectations of the committee moving forward are that written information must accompany all agenda items. This will ensure that the committee can fully carry out its scrutiny function appropriately.

2. **Declarations of Interest**

None received.

3. **Minutes of Previous Meeting**

The minutes of the last meeting held on 12 October 2020 were approved as a true and accurate record.

4. **Verbal Update from the Vice Chancellor of Swansea University on the Life Science & Well-being Campuses**

The Chair welcomed Provost Professor Steve Wilks to the meeting.

Professor Wilks proceeded to provide the committee with an update on the current involvement of Swansea University in the Swansea Bay City Deal. The University is involved in a few of the projects at varying levels of complexity.

Professor Wilks discussed the Life Sciences & Well Being project, which has a City Deal value of £15m, is projected to create 1100 jobs and add £150m to the GVA by 2031. It encompasses two phases.

Phase one is fundamentally the City Deal funding which will provide support to invest at Morriston Hospital and Sketty Lane sites. Phase one will essentially unlock phase two.

Phase one is concerned with improving treatments and recovery so that people are able to return to their home environments at a much faster pace. The first phase will encompass a refurbishment of the management centre at Morrison Hospital, essentially linking clinical innovation and unlocking access to the Morriston site. The Sketty Lane site will include the development of a Sports Science & Well-Being Technology Centre. The University are currently looking to identify potential partners to work in collaboration.

Members queried the effect of COVID-19 on the University's financial position. Professor Wilks advised that the University are in a fair and strong position from a financial perspective. The University are still fully committed and are able to deliver the projects they are committed to. There has been no change or impact on the University's commitment to the deal, in light of the pandemic.

From a university perspective, members queried the current relevance of the nine projects within the City Deal. Specifically, members referred to the Digital Infrastructure project and if there would be a requirement for future funding requirements to amplify the project. With the digital age currently moving at a rapid pace due to the pressures posed by the pandemic, members queried if the project would still be relevant. Professor Wilks was confident that the project would respond and meet its relevant aims.

The Committee asked that a written update on the University's involvement with City Deal projects be provided to members.

Members thanked Professor Wilks for attending the meeting.

5. **Update on the Pentre Awel Project**

Deferred in line with Chairs Announcement.

6. **Verbal Update on the Swansea Bay City Deal Funding**

Officers provided a verbal update on funding.

The funding award letter for the second tranche of funding for £18m has been received and presented to Joint Committee. It included an opportunity to draw down a further £18m subject to conditions outlined in the award letter. This has now been approved by all relevant persons and the acceptance has been returned to Welsh Government. A third payment is also due before the end of the financial year, which relates to cash that should be received in 2021.

It was confirmed that no funding from the first tranche has yet been allocated to individual projects. Funding agreements were currently being drafted and are subject to legal review. It was confirmed that no funding can be released until the relevant funding agreements have been signed off.

The funding is held in Carmarthenhire CC. Any interest accrued is distributed between the four county authorities on an agreed formula basis. Officers confirmed that they are in constant dialogue with Welsh Government and there is no risk to the funding due to any time constraints in place.

Officers confirmed that once a project is approved and the relevant funding agreement has been approved, the money will then be released to the project. There will then be an automatic annual release of funds to the project, subject to Welsh Government releasing their portion of the funding.

It was acknowledged that the number of projects within the deal has changed from eleven to nine. However, officers confirmed that the original £241m allocated to the deal had not decreased, it was being readjusted to incorporate the changes.

Officers confirmed that the funding agreements have been drafted to have an element of accountability in them, so that the outputs from each project are not lost over the 15 years. The project leads are responsible for ensuring that the outputs match the business plan, unless a change has been agreed by Welsh Government. There is a clawback mechanism in place on the project portfolio as a whole but this is a last resort option.

Members thanked the officers for the update.

7. **Programme Monitoring**

Jonathan Burnes, PoMO Director presented an overview and update of the projects. In brief, three projects have been approved and are in delivery, three projects are awaiting ministerial approval, one project has been regionally approved and is awaiting to be submitted for ministerial approval and two projects are in development.

Members were provided with an outline of all the projects within the City Deal and where investment is being obtained. Members were advised that there was

£241m from City Deal, however at this time £4.3m remains unallocated. This is subject to change as the overall business case requires.

Currently total investment is estimated at £1.157billion. This is within 10% of the original investment projected in 2017. GVA and jobs have increased on the current estimates from the original projection.

Members queried when tangible figures are likely to be reported, with regards to GVA and jobs created. It was advised that reporting of actual output deliverables would be a key focus moving forward, and the templates and mechanism to report them are currently being drafted. It would be a key focus of the PoMO moving forward when providing quarterly reports. Members will receive the figures at the next quarterly report and they will also be fed into the business case.

Members stipulated that, in addition to knowing the number of jobs created, members would also like to know what type of jobs are being created. Further, information would be required on contracts undertaken i.e. are local companies being given the necessary opportunities to partake in the developments.

Each of the nine projects will all have their own business plan and affordability monitoring will be maintained for each project.

Members were provided with some information relating to governance and assurance reporting systems that are currently in place. There is a process of monitoring and evaluation being developed. This includes an Annual Report. There have also been various Gateway Reviews whereby business cases are challenged by external teams. The PoMO Team now has eight members of staff and is successfully working together to ensure that arrangements are in place as appropriate.

The PoMO briefly went through the IAAP and Risk Register. There are currently two red risks identified. Details were provided with regards to how these risks are being mitigated. The COVID-19 risk assessment remains relatively static since its last presentation before the committee.

Members queried procurement arrangements and expressed their concern that local business should be paid as appropriate without any unnecessary delay. Further, that this should be monitored. It was confirmed that this can be added to each project's risk register and the mitigation of the risk should be reported through this process. This can then be monitored by the PoMO.

Members were provided with a brief update of each project. A concern was expressed about the Homes as Power Stations Project. It was noted that the risk register portrays all yellow risks, yet the business case has still not had any formal approval. Members wished to receive concrete assurances that it can be delivered. The PoMO confirmed that the business case for the project has been through a Gateway Review and that the business case is currently sitting with Welsh and UK Government for approval.

Members queried why Skills & Talent had not been progressed as a priority, when it was previously indicated it was important to create and develop skills

across the region to assist with fulfilling the requirements of the other projects. External consultants had recently engaged with project leads to determine what skills are required for each project. The PoMO confirmed that they are currently putting resources into the project to accelerate it. The PoMO estimate that during May 2021 the regional approval process will be able to begin on the project.

8. **Forward Work Programme 2020/21**

Resolved: To consider and review regional projects one per meeting:

1. Homes as Power Stations
2. Skills & Talent
3. Digital Infrastructure

Resolved: To incorporate GVA/Deliverables (terminology to be agreed with PMO) as part of the quarterly programme monitoring

9. **Urgent Items**

None received.

CHAIRPERSON

This page is intentionally left blank