

Swansea Bay City Region Joint Scrutiny Committee

(Remotely via Teams)

Members Present:

9 November 2021

Vice Chairperson: Councillor S.Rahaman

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

Officers In Attendance M.Shaw, J.Burnes G.Jones and A.Thomas

1. **Welcome and Roll Call**

The Chair welcomed everyone to the meeting.

2. **Declarations of Interest**

There were no declarations of interest received.

3. **Chairs Announcements**

There were no announcements.

4. **Minutes of Previous Meeting**

Item 8: Members advised that they asked at the meeting if the 102 jobs relating to Yr Egin were new jobs or if they were transferred from another region? Members also asked for clarification on this item also.

The minutes of the previous meeting held on 20th July 2021 were approved as a true and accurate record with above amendment.

5. **Digital Infrastructure**

Gareth Jones, the Project Lead for Digital Infrastructure provided a brief presentation to Members. The programme is about investing in the connectivity of the region. Connectivity underpins large aspects of a person's life including social, well-being and business. It is anticipated that there will be £55million investment in the programme over the next 5 years. This is made up by £25million City Deal grant, £13.5million public sector funding and £16.5million private sector investment.

The aim of the project is to achieve 100% gigabit coverage for all residential and business premises within the region. The high level objectives include that the project should act as a catalyst for regional digital infrastructure investment and stimulate and facilitate private sector investment.

The £55millions is broken down over five years across three project work streams: rural, connected places and next gen wireless. The project spend for each of the three work streams £25.5million, £20million and £9million respectively.

The rural work stream is about addressing gaps in connectivity. Connected places is about world class connectivity in economic growth zones and next gen wireless includes a number of interventions around the early adoption of 5G.

Mr Jones provided further details on the individual work streams. The rural stream includes the procurement of gigabit capable fibre infrastructure. It was noted that this is a strategy that has been successfully used across some of the best connected regions in the UK. It involves investing in the various assets owned across the region. This will then encourage investment in neighbouring buildings, areas etc. This will potentially attract private investment.

There is a community support and engagement programme which is working with local businesses to assist with developing technology in the worst served parts of the region and the most rural areas. They will assist them to access funding streams

There a number of interventions within rural. There is no one single project spend. The largest item is to procure gigabit capable fibre infrastructure to public sector hub sites. This a method which has been used successfully across the best connected parts of the

country. The procurement will be aimed at assets that the public sector own. To obtain full state aid compliance to procure broadband for residential properties can take years. The UK Government recommend utilising public sector assets. Through the investment of fibre build across assets across the region, this increases the potential for further investment to neighbouring building sites, commercial buildings etc. This could potentially attract private sector investment on top. Hub sites are considered any site that is publicly owned which needs connectivity.

The rural element will incorporate a community support and engagement programme which will help improve connectivity in the worst served part of the region in the most rural areas, helping them exploit future and existing funding streams.

Project Gigabit involves working with the UK and Welsh Governments for outside investment. The City Deal aims to accelerate its investment as soon as possible into the region.

The last element of the rural element is related to Superfast Cymru 2 which is ending in June 2022. It involves an investment of £9.2m across the region connecting 8,000 premises.

Connected Places is all about the urban parts of the region in terms of gigabit fibre coverage. This will operate in the same procurement process as the rural and will utilise existing hub sites. Existing public sector duct will be re-used. The project will aim to commercialise the duct network.

There is also investment being made in the trunk road fibre network which aims to utilise existing trunk roads from the old Severn Bridge into West Wales.

Next Gen Wireless is the smallest of the three work streams. One element involves creating conditions, policies and procedures for next gen wireless infrastructure deployment.

The second element is creating a digital asset register. This involves exploiting the assets that are publicly owned and offering them up to the telecoms market to assist with the development and delivery of 5G and 4G across the region.

The Digital Infrastructure project has several programme targets: £318m GVA over 15 years, additional resilience to priority public sector hub sites, build gigabit capable spine across the region,

accelerate deployment of fast, reliable gigabit connectivity across the region. There are several benefits to the programme. However it is recognised that infrastructure and connectivity is meaningless on its own, it is important to consider how it is used within the community also.

Members were provided with an outline of the progress of the project to date, which was also outlined in the written report circulated with the agenda.

Figures relating to gigabit connectivity within the region were provided: Pembrokeshire 8%, Carmarthenshire 32%, Neath Port Talbot 63%, Swansea 72%. However, gigabit connectivity are not the strategic figures in terms of the spending. The strategic objectives in terms of spend are related to full fibre. This relates to future proof full fibre broad band infrastructure. This will see the region through for at least the next 20-30 years. Full fibre can be compared to a road network which will underpin the economy of the region.

Mr Jones briefly outlined the governance arrangements for the project.

There is a detailed risks log for the project. Three of the highest scoring risks were highlighted to Members. The first one is around subsidy control. An investment approach has been agreed which is subsidy control compliant. This dramatically reduces the risk for investing for the region and public sector. External experts have been appointed to guide the project through procurements.

The second risk is PSBA – the public sector network for Wales. It is essentially a Welsh Government led broadband network relating to how the public sector partners in Wales talk to each other and share data. It is critical that any hub sites purchased by the deal can carry and host PSBA traffic. PSBA technical managers are working with the team on interventions to reduce this risk.

The third risk is public sector resource. External experts needed to be recruited to procure and deliver some of the activities. It also relates to COVID-19 and generally the pressure on public sector resources which could hinder their ability to assist the deal.

There are currently 23 live risks associated with the project.

Mr Jones outlined the next steps for the project.

Members queried why the Swansea Bay City Deal was behind other areas of the UK and Wales in getting this project running? Most of it is associated with physical location and population density. Progress was being made to move this forward.

It was confirmed that the Digital Infrastructure Programme is a 5 year programme. The overall deal portfolio is a 15 year portfolio. The UK government have accelerated the funding over 10 years, but Welsh Government have continued with their 15 year funding programme.

It was noted that good connectivity is essential for many of the other schemes within the portfolio. Members sought reassurance that the project could be successfully delivered within the timescales set out. Mr Jones reassured Members that they are working to known tried and tested methods with regards to the portfolio management methodology and within agreed timescales outlined within the business case approved by Government. All the various programme project planning is in place. Further the project was awarded an amber/green status as part of the external review in terms of confidence of delivery.

It was acknowledged that whilst the project does not deliver directly to residents and families, the project will drive fibre to the hub sites which will get it as close to residents and families as possible. In addition the project will use some of its funding to enable communities to access other sources of funding to get the fibre connected to their residential premises.

Members queried how understanding of the project will be promoted? Officers confirmed that they are working closely with telecoms companies who are very well aware of the project and its aims. PR promotion is a large part of the plan to ensure that people are aware of the upcoming developments in the region. The project also works closely with the other projects of the City Deal.

Members stressed the importance of each authorities own economic teams having a full understanding of the project. Members were made aware that officers would be embedded into each of the four authorities within the economic/regeneration departments to ensure that connectivity is adequately promoted within the region. The importance of engagement with communities was stressed by officers. The importance of local knowledge within the four regions is also paramount to the success of this project.

With regards to the gigabit element of the project, discussions are still ongoing with central Government in relation to who will lead the project within each of the devolved nations. Officers stressed their commitment to working with whoever is identified to take this item forward as they wish to ensure that investment is made as soon as possible.

Members queried the number of hub sites across the four regions and if this would be equally split. Sites will likely be equitable in terms of split. When comparing the four regions there are areas which are better connected however when this is compared with the best connected cities across the UK, the connectivity is not great. It is important that good connectivity is achieved across all regions.

Members noted previous ambition to be on a global stage with regards to connectivity. Whilst officers were positive in identifying that Swansea and surrounding urban areas could perhaps become one of the best connected cities in Wales and considered within handful of best connected cities in the UK, it was noted that the funding from the City Deal alone would not achieve this. It is important that this funding is leveraged to ensure that there is continued investment within the region in order to keep improving connectivity.

The anomalies with regards to the voucher scheme was raised and the definition of what constitutes a 'business' was recognised.

Members queried the governance arrangements for the project. It was confirmed that the necessary requirements are in place. This includes a Senior Responsible Officer, Digital Infrastructure Board, the required Terms of Reference and minutes and actions recorded. Officers confirmed that they were assessed on governance arrangements as part of the external review last year. Officers confirmed the arrangements at portfolio level.

It was confirmed the £16.5 from the private sector is what the project will seek to leverage in as part of the procurements that will be run. Officers advised that this funding had not yet been secured to date.

Members thanked Mr Jones for his presentation and attending the meeting.

6. **Urgent Items**

There were no urgent items.

CHAIRPERSON

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