

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 2nd May 2023

SBCD Portfolio Business Case Update

RECOMMENDATIONS/KEY DECISIONS

To provide Joint Scrutiny Committee with an updated City Deal Portfolio Business Case required for submission to Welsh and UK

REASONS

1. Introduction

- 1.1. In line with best practice for portfolio management and in order to meet the requirements of the Welsh and UK Governments, the Portfolio Business Case is updated on an annual basis and submitted to Governments. The acceptance of the Business Case triggers the release of the annual tranche of City Deal funding.
- 1.2. An updated version of the Portfolio Business Case (attached at Appendix A) has been approved by Joint Committee on 6th April 2023
- 1.3. The Portfolio Management Office have now submitted the updated Business Case to Governments following approval at Joint Committee.

2. Background

- 2.1. The Portfolio Business Case follows the structure of the Treasury Green Book and Better Business Case guidance.
- 2.2. This Portfolio Business Case includes an executive summary, along with a strategic case, an economic case, a commercial case, a financial case and a management case. Relevant appendices are also included. The Portfolio Business Case remains valid and impactful and in line with original heads of terms of the city deal with all partners committed to delivering the headline business cases and realising benefits. The Portfolio is experiencing delivery slippage. However, delivery is progressing despite challenging economic conditions notably increased construction costs and inflationary pressures.
- 2.3. The main changes in this version are highlighted in the Executive Summary and at the beginning of each of the individual cases. Significant changes include:

- Updated information on the strategic alignment of the portfolio with UK, Wales and Regional policy / strategy and current public sector initiatives including the Levelling Up White Paper, UK Growth Plan, UKG Net Zero Strategy, Wales Innovates Strategy, Draft South West Wales CJC Corporate Plan and Regional Energy Strategy
- Case for Change section supplemented with information relating to a carbon reduction assessment undertaken on SBCD Portfolio activities
- Existing arrangements section updated with acknowledgement of the challenging economic conditions including the increase of inflationary pressures, construction cost increases, the surge in energy costs and the impact of the cost of living crisis over the last 12 months.
- Risk section updated with the current red risks and issues to the successful delivery of the Portfolio
- Updated business case approval and economic appraisal status information
- Inclusion of current jobs created to date information
- Update on the procurement undertaken across the SBCD portfolio including procurement values and procurement pipeline
- Evidence on adherence to the SBCD procurement principles particularly in relation to the involvement of local / regional contractors and community benefits
- Updated funding and investment information with the overall SBCD portfolio forecasted investment now at £1.247bn
- Reprofile of portfolio budget to show a current underspend of £72.5m in the current financial year from the previous version with no effect on total outputs, investment or benefits of the Portfolio.
- Adoption of P3M software in the monitoring and reporting of activity
- Updated Monitoring and Evaluation information for the portfolio including an updated Monitoring and Evaluation plan and current information for risks, issues, benefits and financial monitoring
- Approved independent assurance arrangements for the portfolio
- Arrangements for the development and reporting of Full Business Cases
- Current Portfolio delivery roadmap for all programmes and projects

2.4. The draft business case and appendices were circulated to members of all Senior Responsible Owners (SROs), programme / project leads, Programme Board, Joint Committee, and key officers in Welsh and UK Governments on 10th March. Briefing sessions on the content of the business case were also offered to stakeholders. The business case was approved at Programme (Portfolio) Board on 21st March 2023 and Joint Committee 6th April 2023.

2.5. This version of the Business Case will be presented at the next Welsh Cities & Growth Deals Implementation Board (WCGIB) on 21st June 2023.

Appendices:

A: SBCD Portfolio Business Case v4.1

1.1 Programmes & Projects

1.2 Carbon Reduction Assessment Consultation

2.1 Membership of SBR Board and working group

- 2.2 CSF and long list appraisal
- 3.1 SBCD Procurement Principles
- 3.2 SBCD Procurement Pipeline
- 3.3 Construction Cost Assessment
- 3.4 Terms of Reference Construction & CB Group
- 3.5 Community Benefits Register
- 5.1 Gateway 0 Action Plan
- 5.2 Monitoring & Evaluation Plan
- 5.3a Quarterly Monitoring
- 5.3a(2) Dashboard
- 5.3b SBCD Financial Monitoring
- 5.4a Integrated Assurance & Approval Plan
- 5.4b SBCD Gateway Review Summary Schedule
- 5.5 Business Case Guidance
- 5.6 Gateway Assurance Framework
- 5.7 SBCD Risk Management Strategy
- 5.8 Construction Impact Assessment
- 5.9 Communications & Marketing Plan
- 5.10a Change Control Procedure
- 5.10b Change Flowchart
- 5.10c Change Notification
- 5.11 JC Work Plan

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