

Appendix 2.2

SBCR Oversight working group – appraisal of long list options.

The oversight working group met on Friday 14th October 2016 and reviewed the long list projects against the agreed criteria (see section 2.1 above). The aim of the working group was to review the projects and make recommendations for which projects should proceed.

The CSFs agreed by the SBCR oversight working group were not defined as per the Green Book. The group used the following six criteria to prioritise City Deal projects:

- Regional spread
- Job creation & skills readiness
- GVA impact
- Private sector engagement and investment
- Impact on UK plc - exportability of commercial ideas
- Readiness, albeit in the context of a 5-year deal

Retrospectively, the regional criteria have been aligned to the HM Treasury's guidance as shown in the table below

No.	Critical Success Factor	Requirements	Chosen CSF's for Portfolio
1	Strategic Fit And business needs	<ul style="list-style-type: none"> • meets the agreed spending objectives, related business needs and service requirements, and • provides holistic fit and synergy with other strategies, programmes and projects 	Regional Spread GVA impact Impact on UK plc Job Creation
2	Potential Value for money	<ul style="list-style-type: none"> • optimises social value (social, economic and environmental), in terms of the potential costs, benefits and risks. 	Consideration that the overall benefits are greater than the individual parts
3	Potential achievability	<ul style="list-style-type: none"> • is likely to be delivered, given the organisation's ability to respond to the changes required, and • matches the level of available skills required for successful delivery. 	Skills readiness Readiness in 5yr context
4	Supply side capacity and capability	<ul style="list-style-type: none"> • matches the ability of potential suppliers to deliver the required services, • is likely to be attractive to the supply side. 	Private sector engagement Readiness in 5yr context
5	Potential affordability	<ul style="list-style-type: none"> • can be funded from available sources of finance, • aligns with sourcing constraints. 	Private sector investment Readiness inc affordability within programme

The oversight working group agreed to categorise the projects under the following three headings:

- 1) Supported
- 2) Supported for either second phase City Deal or alternative funding sources
- 3) Not supported

The oversight working group made the following recommendations

H&WB Villages Phase 1 (ARCH / CC Carmarthenshire)

Following a discussion about the 3 H&WB Villages Phase 1: Llanelli, Neath and Swansea, it was considered that the Machynys Village proposal was well developed and had secured private sector match funding, and therefore fitted the criteria to be included in the Phase 1 City Deal proposal and that the Neath and Swansea village developments would be included in the Phase 2 City Deal proposal once they were further developed.

Recommendation: The working group agreed to recommend support for the Machynys development proposal with a £40m City Deal ask (reduced from £85m), and for the Neath and Swansea village developments to be included in the next phase of the City Deal.

Yr Egin (UWTSD)

The working group agreed that phase 2 would be supported on condition that phase 1 is delivered, which requires clarity regarding the Welsh Government's position in relation to phase 1. The group also advised UWTSD to enter into discussion and real dialogue with key individuals and organisations with an interest in the creative industries sector in the region.

Recommendation: The working group agreed to recommend support for Yr Egin subject to the successful delivery of phase 1 and real dialogue with the creative industries sector across the region with a £5m City Deal ask.

Skills and Talent (RLSP)

The working group agreed that the business case needed significant additional work in light of an agreed City Deal project prioritisation exercise to identify those skills needed to deliver the City Deal projects. The group discussed presenting skills as an overarching theme rather than a project.

Recommendation: The working group agreed to recommend support in principle for the Skills and Talent proposal subject to the above, with a maximum £10m City Deal ask and further development of specific skills interventions.

ARCH Campuses (Phase 1) (ARCH)

The working group discussed deliverability and possible sequencing of Murrison and Singleton campuses, and it was recognised that these are linked developments to deliver full benefit. There was a discussion about alternative funding for Singleton through European funding, for example.

Recommendation: The working group agreed to recommend support for Murrison campus with a £15m City Deal ask initially, and to support Singleton when funding is available in a future phase.

CENGS and SBCR CENGS Technology Centre (City Deal Team)

The working group requested clarity on areas of the business case including ownership / governance, IP, licences and State Aid. The group discussed complementarity with the Swansea Waterfront development and the Factory of the Future project.

Recommendation: The working group agreed to recommend support for the CENGS proposal subject to clarity on the above with a £20m City Deal ask and £3m City Deal ask for the building.

Factory of the Future (SU)

The working group concluded that this project would need to complement the CENGS proposal and should focus on engineering and manufacturing products that are not software driven, as opposed to software driven applications and services. This is to ensure complementarity.

Recommendation: The working group agreed to recommend support for the Factory of the Future project subject to the above with a £10m City Deal ask.

Swansea City Digital District (CC Swansea) / Swansea Waterfront (UWTSD)

The working group considered the two proposals together, and it was agreed that the projects would be revised into a combined bid. The working group advised the projects to review the funding profile.

Recommendation: The working group agreed to recommend support for the combined Swansea Digital District project subject to re-profiling with a combined £50m City Deal ask.

Pembroke Marine (MHPA)

The working group agreed on the strengths of this proposal but did consider the financial ask.

Recommendation: The working group agreed to recommend support for the Pembroke Marine project with a £25m City Deal ask.

Dulais Distributed Generation Cluster Hub (NPTCBC) / Milford Haven Smart Grid

The working group recognised these to be strong business cases with significant private sector leverage, however the group considered alternative funding sources to support this proposal such as EU funding opportunities under ERDF Priority 1 or Priority 3.

Recommendation: The working group agreed to recommend support for the Distributed Generation Cluster Hubs, but to seek alternative funding, such as European funding and not City Deal funding in the first instance.

Delivering Innovative Smart Low Carbon Homes (Local Authorities) / Buildings as Power Stations (SU)

The working group agreed to discuss the two proposals at the same time because the same bid was presented twice with two different lead organisations. The working group agreed that one business case should be progressed, linked to low carbon homes rather than buildings as power stations per se in order to address fuel poverty. The working group agreed that the 4 local authorities and Swansea University would meet again to develop a joint proposal and also explore ERDF Priority 3 funding to support the funding package.

Recommendation: The working group agreed to recommend support for a local authority consortium-led new build and retrofit housing proposal supported by Swansea University and SPECIFIC with a £15m ask.

The Internet Coast - Digital Infrastructure and Test Beds (City Deal Team)

The working group discussed the need for digital infrastructure as an enabling mechanism and core element to deliver the internet coast vision. The group agreed that the proposal needs to be developed and defined further with a focus on rural and urban areas.

Recommendation: The working group agreed to recommend support for the Digital Infrastructure and Test Beds proposal. The proposal should focus on rural as well as urban areas and prioritise links to all City Deal projects. It was agreed to recommend a £25m first phase City Deal ask.

Establishment of a Steel Science Centre for UK Primary Steelmaking and Strip Steel Production (Excalibur Steel UK Ltd) / Sustain (SU)+

The working group agreed to discuss the two business cases at the same time and agreed on the need for a project linked to steel.

Recommendation: The working group agreed to recommend support for the Excalibur-led proposal supported by Swansea University and all regional partners (without nominating a private sector lead) with a £20m City Deal ask.

Innovation System (CC Swansea)

The working group did not initially fully understand the nature of the proposal. The group discussed the potential synergy with CENGs and the need for a City Deal core team. The group agreed that this proposal would need to be discussed as part of the City Deal governance arrangements.

Recommendation: The working group agreed to recommend that this proposal is discussed as part of the City Deal governance arrangements.

Energy Conversion and Storage Innovation Platform ECSIP (SU)

The working group agreed that this needed further work and agreed to consider support for this project in a future phase.

Not supported.