

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 4th July 2023

Private Sector Investment / Contribution Report

RECOMMENDATIONS/KEY DECISIONS

To update Joint Scrutiny Committee on the current situation with SBCD portfolio private sector investment and contributions as at Appendix A.

REASONS

1. Introduction

- 1.1. This report provides Joint Scrutiny Committee with an appraisal of the status of private sector investment/contribution across the SBCD Portfolio.
- 1.2. The Swansea Bay City Deal (SBCD) portfolio is a £1.3bn investment across nine headline business cases delivering 35 projects, with an estimated £625m contribution from the Private Sector by 2033.
- 1.3. The private sector contribution was a red risk to the portfolio, as most investments and contributions are expected to be realised further along the delivery timeline.

2. Background

- 2.1. This report addresses the SBCD Portfolio red risk against the achievement of private sector contribution across the portfolio. It seeks to detail what type of contribution is expected for each programme/project and when it is expected to be achieved.
- 2.2. The term contribution is being used across this report as it best describes the variety of ways the private sector may part-fund City Deal programmes and projects.
- 2.3. There is a wide acceptance and recognition that projects and programmes are experiencing slippage in business case development and delivery due to a number of macro-economic factors, including COVID, availability of resources and recruitment, energy prices, construction costs and inflationary

pressures. This is being closely monitored and reported through SBCD governance frameworks..

2.4. An initial review of private sector contributions was undertaken in September 2022 which highlighted slippage that has occurred within the delivery phase of the Portfolio. That review also found most programmes and projects remained reasonably confident that they could achieve the level of private sector contribution outlined in the individual business cases. The process was repeated in January 2023 which found that although there were some delays, significant progress had been made in the final quarter FY 2022/23.

2.5. Progress of note includes:

- The Digital Infrastructure programme reporting a £14.5m return on investment.
- The PDM project has secured £13.9m from Milford Haven Port Authority.
- The Skills and Talent Initiative has secured £0.96m private sector contribution from 77 Apprenticeships, with a minimum value of £536,764 and 9 approved pilot projects with a projected £390,300 of in-kind and £35,000.00 of financial contributions.
- Swansea Waterfront demonstrating a £1m contribution from ATG for the Swansea Arena.
- HAPS: circa £1.4m private sector costs for 187 new build homes and 6 retrofits.

2.6. The private sector investment is critical to the realisation of Portfolio benefits and remains largely on track throughout the 10 years remaining of the SBCD realisation period.

2.7. Over the life span of the Portfolio the achievement of private sector contribution is expected to increase as projects establish themselves and move into delivery and operation. This is expected to be realised from 2025 onwards.

2.8. The level and nature of contributions achieved and expected are now included as part of the PoMO Quarterly monitoring process from Q1 FY 2023/24. A template has been cascaded to all projects and programmes to capture specific information on private sector investment.

2.9. The SBCD Programme and Project teams remain confident that the private sector contribution to the SBCD remains viable and achievable over the portfolio duration..

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