

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 16th April 2024

Pembroke Dock Marine Update

RECOMMENDATIONS/KEY DECISIONS

To present to Joint Scrutiny Committee for information the following:

1. Progress update on the PDM project
2. Outcome of the Pembroke Dock Marine Gateway Review including recommendations and mitigating actions
3. PDM business case addendum
4. Change notifications received from the PDM project

REASONS

1. Introduction

This report contains a summary of progress and the main achievements to date and the next steps involved to achieve successful delivery of the project.

As part of the assurance arrangements across the SBCD Portfolio, an independent Project Assessment Review (PAR) has been undertaken for the Pembroke Dock Marine (PDM) project. This report summarises the outcome of the review with the full review report attached in Appendix A.

In preparation for the Gateway Review, a business case addendum was prepared to update the original business case to reflect the substantial progress made on the project since approval in 2020. The addendum is attached at Appendix C.

Change notifications have been received relating to the PDM and are presented for information in Appendix D.

2. Progress Update

All ERDF Phase deliverables across the four PDM elements are either complete or nearing completion and will be complete before the end of the ERDF Funding Period which ends at the end of 2023.

We are delighted to note the significant interest PDM has generated for the Swansea Bay City Region. There is no doubt that PDM has been the focal point for a number of high-profile Wales and UK Government visits – EG: First Minister visits, Secretary Of State

visits, international investor visits. In addition, PDM has been a focal point to help grow Wales and Ireland collaborations with the Irish sea being seen as a bridge.

Each of the Partners has also been very active within Sectoral, National and International Conferences where PDM progress and outcome within the Swansea Bay City region has been of high interest. With regard to specific partner deliverables notable inclusions include:

- Full consent of the Marine Energy Testing Area, which is open for business supporting the deployment, de-risking and development of a range of marine energy and environmental applications.
- Fully established Offshore Renewable Energy Catapult presence in the region, delivering the Marine Energy Engineering Centre of Excellence project and a number of parallel activities aligned with regional energy related initiatives and aspirations.
- Completion of technical, commercial and environmental studies relating to the ongoing development of the Pembrokeshire Demonstration Zone as a commercial scale test centre and critical evidence supporting the requirement for the scope the lease to be broadened to include Floating Wind and Power to X (Hydrogen) applications.
- Completion of the Slipway, laydown areas, Pickling Pond infill, Hangar Annex renovations and workboat berthing at Pembroke Port.
- Pan regional collaboration targeting enhanced transformational activities driving UK and global focus on the SBCR opportunity that Celtic Sea FLOW, Hydrogen and Marine Energy present, examples being Celtic Freeport, OFGEM's Strategic Innovation Fund, Innovate UK's Launchpad funding to name a few.

3. PAR Review

In accordance with the PDM project Integrated Assurance and Approval Plan (IAAP), a PAR Gateway Review was scheduled and undertaken from the 25th-27th September. The review was undertaken by an independent team led by David Wilkin who undertook fourteen 'conversations' with stakeholders. The review was framed by a Terms of Reference provided by the project team.

The project received an Amber-Green Delivery Confidence Assessment (DCA) rating. The summary findings of the Review were:

1. Pembroke Dock Marine (PDM) has made significant progress and is now entering the stage where it can be considered as largely complete.
2. The four component Projects have energetic and committed investment by all delivery partners and there is a real sense of vision pervading all communications. Innovation and sustainable energy, supported by skills and talent growth and commercial inward investment all appear to be placing PDM in a strong position for success.
3. Each of the component projects is tracking well and could be assessed as **GREEN** in terms of delivering their outputs.

4. The programme has some time to run during which it will be subject to an uncertain operating environment and emergent risks that will need to be managed. As a programme, Pembroke Dock Marine is in a strong position and can be assessed as **AMBER/GREEN** in its quest to deliver its outcomes, from which the long term benefits will flow.

The Review Team made three recommendations to the SRO to ensure that the project is positioned for effective management and delivery. The recommendations cover the realisation of long term benefits, development of a 'burn down' plan for the remaining funding and delivery of the project elements, and continuing risk, dependencies and opportunity management across the project.

The full Review report is attached as Appendix A. It is anticipated that the next Gateway Review will be undertaken towards the end of the project.

The action plan attached at Appendix B provides detail on the specific actions required to fulfil the three recommendations of the review together with the timing, ownership, status and dependencies for each action. The action plan will be regularly reviewed, updated and reported to the PDM Board.

4. PDM Business Case Addendum

An addendum to the PDM business case has been prepared by the PDM partners and overseen by the Senior Responsible Owner (SRO) The addendum updates the original business case with the significant progress made on the PDM project since approval and is attached at Appendix C for information.

The PDM partners have utilised the SBCD Business Case Update guidance in the preparation of this addendum with guidance from the Swansea Bay City Deal Portfolio Management Office (PoMO).

The purpose of the addendum is to:

- update the approved OBC with any significant changes to the project eg: scope, benefits, financing, governance
- demonstrate the continued strategic alignment, the validity for the intervention, value for money, commercial viability, affordability and deliverability of each of the project elements
- reflect progress on the project particularly in terms of procurements undertaken
- provide an update to the status of the project in readiness for the Gateway Review held in September 2023

This addendum has been approved by the SRO and signed off by the PDM Board.

The PDM project retains its original scope and purpose, with some changes to the context and emphasis relating to the specific project elements. The benefits listed in the original business case all remain relevant and achievable and the project is being managed and financed effectively. The project remains value money and over £40m of services and supplies have been procured across 38 procurements.

5. Change Notifications

In accordance with the SBCD Change Control process, PDM has submitted two Change Notifications to SBCD PoMO relating to changes in delivery timescales for specific project elements as follows:

PDM_CIN_3 – involves a change in the timescale for the delivery of the ORE Catapult project extending the completion date 7 months from December 2025 to June 2026. This extension of timescales will allow Swansea University to employ a PhD student to contribute to fatigue testing activities and to align better with securing additional funding.

PDM_CIN_4 – involves an extension in the timescale for the delivery of the Pembroke Demonstration Zone project by 72 months from end of 2023-24 to end 2026-27 to allow more time for delivery of the activities and to achieve the specified outputs, outcomes and impacts.

The changes do not have implications for either project or portfolio level benefits and objectives and have been reviewed by the PoMO.

The Change Notifications are attached at Appendix D for information.

Appendices:

- A: PAR Gateway Review Report September 2023
- B: PDM Business Case Addendum
- C: Change Notification - Spending end date extension
- D: Change Notification - PDZ

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