

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 16th April 2024

SBCD Portfolio Business Case

RECOMMENDATIONS/KEY DECISIONS

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

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. The Portfolio Management Office have agreed to submit the updated Business Case to Governments in April 2024.
- 1.3. An updated version of the Portfolio Business Case (attached at Appendix A) has now been produced for consideration by Joint Committee on 11th April 2024.

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.
- 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:

Strategic Case

- Updated and rationalised information on the strategic alignment of the portfolio, programmes and projects with the inclusion of the WG Strategic Equality Plan and updated information on regional Levelling Up / SPF funding initiatives and South West Wales CJC Corporate Plan. Programme and project level alignment updated in Appendix 1.1
- Case for Change section includes the updated position in relation to GVA. GVA will continue to be used as an investment objective for the portfolio although the SBCD will not be required to monitor and attribute GVA to the portfolio interventions. Alternative SMART economic impact metrics will be agreed and utilised through the Evaluation Framework.
- Existing arrangements section updated with the recent TATA Steel announcement of pending job losses during 2024.
- Risk section updated with the current red risks and issues to the successful delivery of the Portfolio

Economic Case

- Inclusion of the National Net Zero Skills Centre of Excellence as part of the Supporting Innovation and Low Carbon Growth programme
- Inclusion of business case updates to Pembroke Dock Marine and Digital Infrastructure programme
- Updated position on the measurement of GVA and the proposed arrangements for the measurement of economic impact in the evaluation of project interventions
- Inclusion of current jobs created information in Section 2.7

Commercial Case

- Updated procurement policy alignment section
- Procurement Update section detailing key procurements to date and forthcoming procurements with accompanying Appendix 3.1 showing the procurement pipeline
- Case study on community benefits being delivered through the Pentre Awel
- Current register of programme and project community benefits

Financial Case

- Updated funding and investment information including breakdown of private and public sector investment and breakdown of funding per theme and project of the SBCD. Investment is now demonstrated at £1.282bn from £1.253bn in previous business case (original heads of terms £1.274bn)
- Updated income, expenditure and cashflow forecasts
- Inclusion of the previously unallocated £5.3m City Deal funding to the National Net Zero Skills Centre of Excellence
- Updated information on grant drawdown and dissemination with £123m City Deal funds receipted to date. To date £54.7m has been dispersed from the city deal to programmes and projects
- Reprofile of portfolio budget to show a current forecast slippage of £19.1m in the 2023-24 financial year from the previous approved budget with no reported effect on total outputs, investment or benefits of the Portfolio
- Information on the financial variances for Pentre Awel, Swansea Waterfront, Digital Infrastructure and Pembroke Dock Marine projects

Management Case

- Updated monitoring and evaluation information including dashboard presentation and current information for risks, issues, benefits and financial monitoring for Q3 2023/24
- Current project status and associated investment
- Governance section updated with chair for Joint Scrutiny Committee and political lead for the Accountable Body
- Current position regarding Project Management tooling for the portfolio
- Summary of emerging SBCD Evaluation Framework incorporated and details on benefits realisation development
- Current status of Gateway Reviews for the portfolio and its constituent programmes and projects
- Updated information relating to internal audit and Wales Audit Office processes
- Updated Communications, Marketing and Engagement Implementation Plan
- Proposed Change thresholds to manage and approve significant changes to current or approved business cases
- Current Business Case status and project stage summary across programmes and projects
- Current information relating to SROs and project leads
- Updated Portfolio delivery roadmap for all programmes and projects

Appendices

Appendices have been reviewed and rationalised with only updated or new documentation included. A list of archived Appendices has been provided and documents are available on request.

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 15th March. Briefing sessions on the content of the business case have also been offered to stakeholders.

2.5. This version of the Business Case, subject to approval by Joint Committee (April 11th), will be the final version to be sent to the Welsh and UK Governments.

Appendices:

- A: SBCD Portfolio Business Case v5.1
- B (1.1a) Strategic alignment Portfolio, Programmes and Projects
- C (1.1b) Portfolio Strategic alignment
- D (3.1) SBCD Procurement Pipeline
- E (3.3) Community Benefits Register
- F (5.1) Gateway 0 Action Plan
- G (5.2a) Dashboard
- H (5.2a(2)) Quarterly Monitoring
- I (5.2b) SBCD Financial Monitoring
- J (5.3a) Integrated Assurance & Approval Plan
- K (5.3b) SBCD Gateway Review Summary Schedule
- L (5.5a) Communications, Marketing and Engagement Implementation Plan
- M (5.5b) Communication Protocols and Guidance
- N (5.6) Joint Committee Work Plan

OFFICER CONTACT

Name:
Ian Williams

Email:
icwilliams@carmarthenshire.gov.uk