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BAE ABERTAWE

SWANSEA BAY

City Deal

Swansea Bay City Deal
Portfolio Annual Report
2020 - 2021

Executive Summary

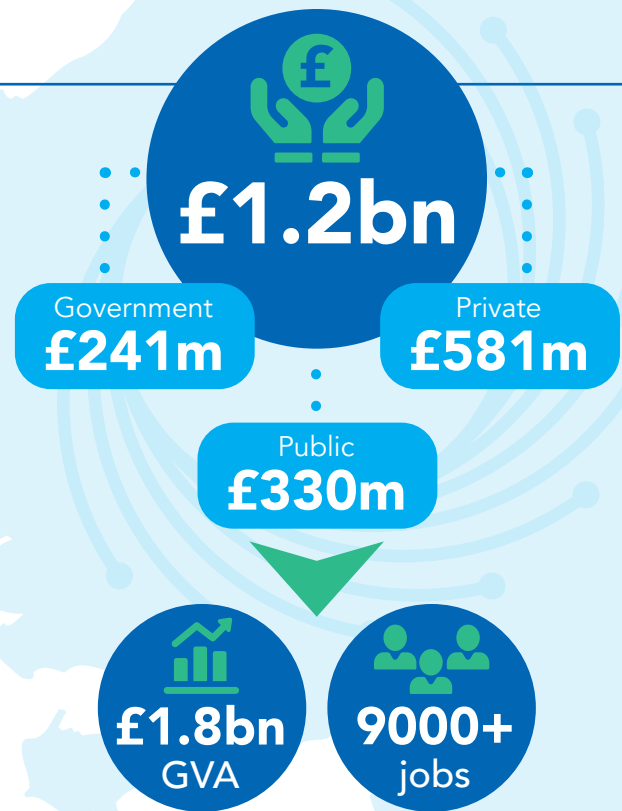
The Swansea Bay City Deal (SBCD) is an investment currently estimated to be worth £1.2bn across a portfolio of 9 major programmes and projects throughout the Swansea Bay City Region.

This investment is based on £241m from Welsh Government and UK Government, £330m other public investment and £581m from the private sector. The impact of the portfolio is based on generating at least £1.8 billion Gross Value Added (GVA) and providing at least 9,000 jobs to the region.

The SBCD inaugural Portfolio Annual Report provides an overview of the key achievements completed within the last 12 months and a summary overview of the anticipated next steps and key milestones that are anticipated to be achieved in the coming year.

Many of the key achievements of the past 12 months have strengthened the potential of the SBCD by providing more robust structure and governance procedures to ensure, as far as reasonably possible, that the programmes and projects have the support required to successfully delivery their outcomes and benefits. As well as the overview of key achievements, the annual report provides a project specific update which aims to articulate clearly where each of the City Deal programmes and projects is with regards to their respective development and delivery.

Key marketing and communication aspects relating to the holistic SBCD approach have also been included in order to demonstrate the approach which is taken on a regular basis



in order to provide information on City Deal developments and how the SBCD is striving to create a once in a generation opportunity for the region and its residents.

Information for the business community also includes an update on procurement and community benefits, along with business and stakeholder engagement as a tool to ensure the benefits delivered are maximised as far and wide as possible to leave a sustainable legacy for future generations.

An initial financial statement is included within the report to outline the anticipated investment for the totality of the portfolio, along with a case study focusing on the success of Yr Egin Phase 1 as a milestone achievement for the creative industry within South West Wales and the first City Deal project to move into operation.





Welcome to our inaugural Swansea Bay City Deal (SBCD) Portfolio Annual Report - a year where we have seen our communities, businesses and economy face the most significant and unpredictable challenges in decades.

When the COVID-19 crisis struck in March 2020, the immediate priority was the health and safety of our people. At the same time, we worked with the Welsh Government to protect jobs and the long-term stability of our economy.

Now, as we respond to and recover from the pandemic, our focus is on the consequences of the pandemic and how it impacts all aspects of our region alongside the impact on society itself.

In support of our response, the SBCD will be instrumental to our regional and national economic recovery, with the programmes and projects generating an estimated regional economic boost of between £1.8 billion and £2.3 billion in coming years, as well as over 9,000 jobs.

Often challenges present opportunities, and I'm proud to share with you the significant progress that has been made during the past 12 months, demonstrating stakeholder commitment to drive towards delivery of our SBCD portfolio, which is starting to make a difference to our region. Furthermore, as we look towards 2021/22,

we will witness progress being made on the construction and operation of the SBCD programmes and projects that enable business growth and job creation.

These developments include the operation of the Yr Egin creative and digital hub in Carmarthen, the Swansea Arena, and the construction of the Technology Centre in Neath Port Talbot. They also include the Marine Energy Test Area feature of the Pembroke Dock Marine project, alongside faster and more reliable digital connectivity through our Digital Infrastructure programme.

These are exciting times for the Swansea Bay City Region, with the City Deal also acting as a catalyst to attract further investment, jobs and economic growth to communities throughout Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.



Cllr Rob Stewart
*Swansea Council
Leader and Swansea
Bay City Deal Joint
Committee Chairman*



The Swansea Bay City Deal has long been viewed as a once in a generation opportunity to change the trajectory of our region's economy. The challenges of Covid-19, Brexit and climate change have only enhanced the strategic importance of City Deal projects as a stimulus for our economic recovery as we move forward into uncharted territory.

2020 has been a very busy year for the Economic Strategy Board, and while working remotely for most of our time together we've been able to evaluate and advise on many of the exciting programmes and projects that will form the cornerstones of further investment into our region.

We've seen approvals for five of our projects to date - namely Pentre Awel, Digital Infrastructure, Pembroke Dock Marine, Yr Egin and the Swansea City and Waterfront Digital District, with funding of £54 million released from the UK and Welsh Governments. We were also pleased to see the creation of procurement principles that make opportunities more accessible for local businesses, and we will continue to work to ensure the impact of project spend is felt across the whole of the region.

We recognise that the City Deal is only the start of what our businesses and citizens need for a thriving and sustainable future, so the ESB is committed to helping advise on future opportunities in the coming year that can build on the City Deal investments.

Having been appointed Senior Responsible Owner (SRO) for the Swansea Bay City Deal in June 2020, I am especially pleased with the progress being made which will provide significant opportunities and benefit for our communities and businesses. This progress is testament to building on the strength of the regional partnership working, with senior representatives and officers from four local authorities, two universities, two health boards and both the UK Government and Welsh Government working closely together for the benefit of the Swansea Bay City Region as a whole.

The commitment and willingness to work in partnership has seen a series of major improvements to the City Deal, which was reflected in a very positive external review into the City Deal last summer.

We now have a fully functioning Portfolio Management Office, led by the Portfolio Director, offering portfolio, programme, and project management support to all stakeholders with a focus on engagement and delivery. We have worked closely with the Welsh Government and UK Government to ensure clear lines of communication on ensuring that the portfolio is robust in terms of strategic alignment, economic viability, affordability, and appropriate governance, while ensuring assurance and reporting are in place. These efforts have resulted in further draw-down of City Deal funding following the progress of an Accounting Officer Review (AOR) process.



Chris Foxall
Chair of the Swansea Bay City Deal's Economic Strategy Board (ESB)



Wendy Walters
Carmarthenshire County Council Chief Executive and Swansea Bay City Deal Senior Responsible Owner (SRO)

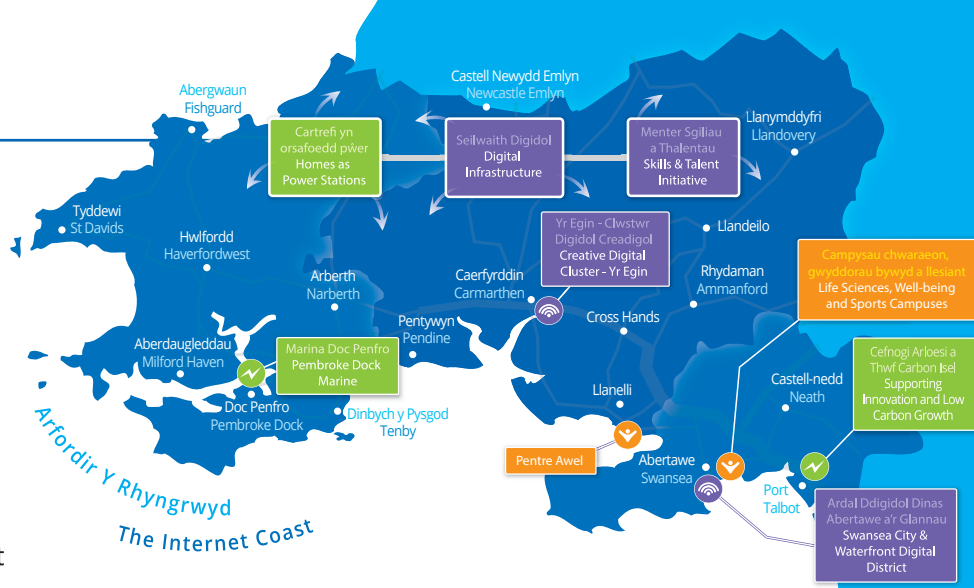
Introduction

Since being appointed in March 2020, my primary focus has been to accelerate the Swansea Bay City Deal portfolio developments into delivery, and this is an ambition that is now coming to fruition. Five of the nine projects and programmes have been approved, two are in the UK Government and Welsh Government approval process, and the remaining two are finalising their business cases and will be progressing to regional approval within coming months.

The recently established Portfolio Management Office and wider delivery teams across the region are the engine room for delivery that ensures progress, robust governance, assurance, reporting and stakeholder engagement for the City Deal Portfolio. This is important not just to facilitate the draw-down of City Deal funds from both governments, but also to enable our programmes and projects to start delivering as soon as possible for visible and tangible benefits for our regional residents and businesses.

Considerable progress has also been made on the progression of each City Deal programme and project. We now have UK Government and Welsh Government approval for five projects and programmes: Pentre Awel, Digital Infrastructure, Yr Egin, Pembroke Dock Marine and the Swansea City and Waterfront Digital District – with a further two pending submission to both governments for final approval. These are Supporting Innovation and Low Carbon Growth programme and Homes as Power Stations.

Detailed business case planning work is coming close to being finalised for the regional Skills and Talent initiative, and the Life Science, Well-being and Sport Campuses project in Swansea – with both of these business cases due for regional consideration in coming months. These programmes and projects – combined with other regeneration in South West Wales – have the power to transform the City Region's economic prosperity and aspirations, while also



retaining young talent in the region through the generation of high-value jobs and opportunities. This will help raise the City Region's profile across the UK and beyond for further investment in future.

Supporting high value sectors and addressing long-term barriers to growth is at the heart of the Swansea Bay City Deal. Key business needs have been identified across these high value sectors. Thematically, the SBCR will prioritise three broad strategic themes to help tackle its structural challenges and reduce the economic performance gap between the SBCR and the rest of the UK. These themes are:

- **Economic Acceleration**
- **Life Science & Well-Being**
- **Energy & Smart Manufacturing**

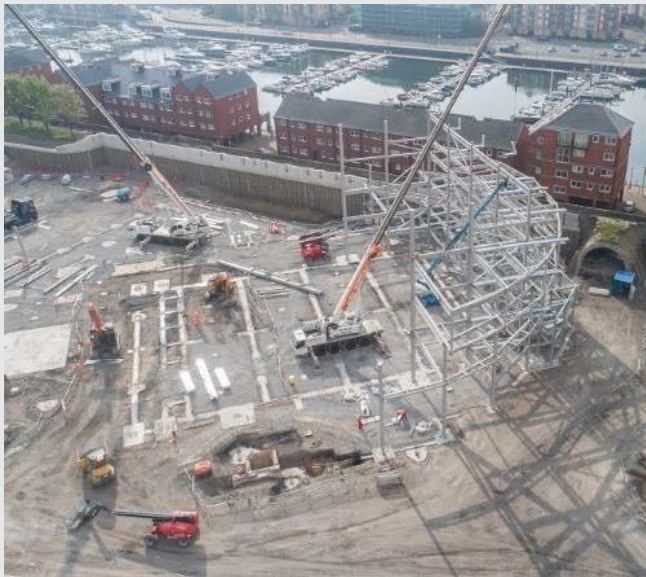
These areas have productivity and GVA potential for growth and are aligned to creating high technology jobs through start-ups and the attraction of inward investment from larger businesses. They are also areas of focus whereby the region has begun to build foundations to advance through R&D, infrastructure, natural resources, skills and complementary investments.



Jonathan Burnes
Swansea Bay City Deal
Portfolio Director

Timeline: April 2020 – March 2021

May 2020



- Construction work continues on erecting the steel frame of the indoor arena in Swansea
- Pentre Awel Heat Network Feasibility study completed.
- Leaders in South West Wales say the £1.3 billion Swansea Bay City Deal has a key role to play at the heart of the region's economic recovery from Covid-19
- RIBA Stage 3 design for Pentre Awel completed.
- Despite Covid-19, work safely restarts on Kingsway in Swansea to set the scene for a new development part-funded by the Swansea Bay City Deal

June 2020



- Micro-business expert Lucy Cohen joins SBCD Economic Strategy Board
- UKG & WG approval for Pembroke Dock Marine
- Joint Committee approval for Homes as Power Stations
- Approval of Business Case and Tender documents issued for 71/72 The Kingsway development in Swansea city centre

July 2020

- Tender documents issued for 71/72 The Kingsway development in Swansea city centre
- SBCD starts recruitment for a strengthened Portfolio Management Office
- Gateway Review conducted for SBCD Portfolio
- Gateway Reviews for Homes As Power Stations and Supporting Innovation & Low Carbon Growth

“ The Swansea Bay City Deal will be a real boost for the region and I am pleased with the significant progress that has been achieved over the past year despite the huge impact of coronavirus. This is testament to the commitment and hard work of all partners involved and this will continue to be key as more projects are delivered for the benefit of people in the region. Initiatives such as this are key in returning us to the economic growth we were seeing before the virus, and I look forward to seeing further progress being made over the coming year. ”

Lee Waters - Deputy Minister for Economy and Transport, Welsh Government



August 2020



- Planning permission awarded for technology centre, Baglan Energy Park forming part of the Supporting Innovation & Low Carbon Growth programme of projects

September 2020



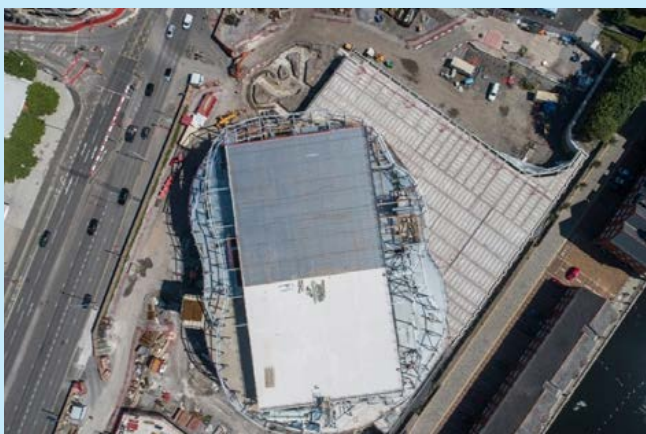
- Hollie Thomas joins the City Deal's Portfolio Management Office as PoMO Assistant
- Work starts on an iconic bridge to link Swansea city centre with the indoor arena site and plans announced for café pavilion to form part of the indoor arena site in Swansea
- Pentre Awel Gateway Review

October 2020

- Pentre Awel – all academic MoU's in place.
- Pentre Awel secures unanimous approval at CCC Full Council.
- Digital Infrastructure Gateway Review

- Amanda Burns joins the City Deal's PoMO as Senior Portfolio Support Officer
- Ian Williams joins the City Deal's PoMO as Portfolio Development Manager

November 2020



- Meet the Buyer event for Swansea Arena
- Construction work starts on the Technology Centre in Neath Port Talbot
- Procurement Principles for the City Deal approved by Joint Committee
- Phil Ryder joins the City Deal's PoMO as PoMO Manager
- Joint Committee approval for the Pentre Awel project in Llanelli and pre-tender engagement event held for Pentre Awel Lot 6 with South West Wales Regional Contractors Framework

December 2020

- Joint Committee approval for the Digital Infrastructure programme
- Pentre Awel early market engagement for zone1 construction

- Planning application submitted for the Pembroke Dock Infrastructure element of Pembroke Dock Marine

January 2021



- Joint Committee approves the release of a further £18 million to the City Deal portfolio from the UK Government and Welsh Government
- Call for regional food & beverage and building services sector businesses to register interest in providing services to the Swansea Arena
- Marine licence secured for META (Marine Energy Test Area) Phase 2 forming part of Pembroke Dock Marine
- Homes as Power Stations business case submitted for WG/UKG approval

February 2021



- On-going engagement and appointments of staff to facilitate the Swansea Arena opening and operation
- Funding agreement between accountable body and lead authority signed for PDM
- Steel frame complete for the Low Carbon programme's Technology Centre
- Pentre Awel progressed through first stage DIT – Invest in Great programme

March 2021



- UK and Welsh Government approval for Pentre Awel
- UK and Welsh Government approval for Digital Infrastructure
- Commence procurement activities for Digital Infrastructure
- Pentre Awel Zone 1 Tender placed with associated tender of client side services.
- Award of contract for 71/72 The Kingsway construction in Swansea
- Installation Swansea Waterfront Copr Bay Bridge
- Portfolio Business Case updated and submitted to Welsh and UK Governments
- SBCD Procurement Pipeline Event

Timeline: (April 2021 – March 2022)

Q1 (April – June)

- Supporting Innovation and Low Carbon Growth business base submission to Welsh Government and UK Government for final approval
- Commence construction on 71/72 The Kingsway in Swansea
- Planning application submission for Innovation Matrix and Innovation Precinct in Swansea
- Award construction contract and commence construction for Pentre Awel
- Award of planning consent for Pembroke Dock Infrastructure element of Pembroke Dock Marine
- Installation of air quality sensors as part of the Low Carbon programme
- UK and Welsh Government approval for Homes as Power Stations
- Digital Infrastructure will fully establish the delivery team for the programme and commence delivery of the specified projects
- Work begins for the Homes as Power Stations project, with a project team appointed and projects to commence delivery
- Yr Egin will continue to develop their business case for Phase 2, incorporating the lessons learned from Phase 1 and ensuring that the proposed outputs reflect the demand survey currently on-going
- PoMO to undertake equality impact assessment activity for the SBCD portfolio

“ The Swansea Bay City Deal is making fantastic progress. With several major projects already well underway, and several more in the pipeline, the forward trajectory of these projects during these unprecedented times has been a testament to the continued hard work of everyone involved. Growth deals like the one in Swansea Bay will help us build back better and stronger from the devastating impact of Covid-19, creating and sustaining jobs in every part of the country and revitalising local economies. I look forward to seeing the continued progress and completion of the Swansea Bay City Deal projects, and continued growth and prosperity in the Swansea Bay City Region in the coming years.

Simon Hart - UK Government Secretary of State for Wales ”



Q2 (July – September)

- Pentre Awel has commenced with groundworks on-going. It is anticipated that further contract awards for tier 2 and 3 sub-contractors will continue throughout the quarter and the possibility of a 'meet the buyer' event will be assessed
- UK and Welsh Government approval for Supporting Innovation and Low Carbon Growth
- Skills and talent programme will complete business case and submit to WG/UKG for approval
- Campuses Business case regionally approved and submitted to Welsh and UK government followed by subsequent approval
- Approval of final designs for the Innovation Matrix feature of the Swansea project, as the Swansea Arena development moves into commissioning ready for completion in Q3 2021
- Design and build procurement process for the SWITCH project
- Establishment of the Homes as Power Stations regional financial incentives fund and supply chain fund

April



May



June

July



- Award of infrastructure contracts for Campuses projects at Singleton and Morriston and commence delivery of construction phases
- Welsh and UK Government sign-off of Skills and Talent business case
- Start of Pembroke Dock Infrastructure works forming part of the PDM Project
- Yr Egin Phase 2 Strategic Outline Case completed, incorporating any changes from the originally approved business case with submission for regional scrutiny and approval of changes
- Digital Infrastructure will commence activity for procurement of specific Projects within the Programme and begin implementation of Regional policy and strategy initiatives designed to facilitate and encourage investment.
- All portfolio projects and programmes now have agreed outline business cases with the required decision to invest from W/UKG to progress into procurement and delivery
- SBCD regional engagement event
- Completion of the Swansea Arena, part of the Swansea City & Waterfront Digital District
- Release of £18m funding to the SBCD Portfolio

Aug



Sept

Q3 (October – December)

- Work begins on the Innovation Matrix, part of the Swansea City & Waterfront Digital District
- Start of delivery for the Digital Infrastructure programme
- PDM's Pembrokeshire Demonstration Zone Phase 1 will have completed.
- Yr Egin Phase 2 Strategic Outline Case approved
- Initial event held to celebrate completion of the Arena
- Campuses Phase 1a Morriston hospital refurb will undertake all procurement activity for this Phase.
- Pentre Awel will work towards confirmation of whole project operational model
- Procurement of specific Projects within the Digital Infrastructure Programme and ongoing delivery of all non-procurement related activity across the three Projects.
- Skills and Talent delivery commences with full skills audit and development of projects

Oct

Nov

Dec

Q4 (January – March)

- Low Carbon - Technology Centre official opening
- Official opening of Swansea Arena
- Portfolio Business Case revised for 2022 update
- PDM ongoing delivery focused activity across all project elements.
- Construction work commences on the Innovation Matrix, forming part of the Swansea City & Waterfront Digital District
- Yr Egin Phase 2 Outline Business Case submitted
- Campuses Phase 1a to commence delivery on site
- Pentre Awel will embed its operational model & pathways within tenant structures
- Digital Infrastructure build to commence on various Projects and initiatives within the Programme and ongoing delivery of all non-procurement related activity across the three Projects.
- Following the development of the skills and talent programme roll out begins of initial skills courses to commence the upskilling of the existing workforce to meet demand created by the wider portfolio

Jan



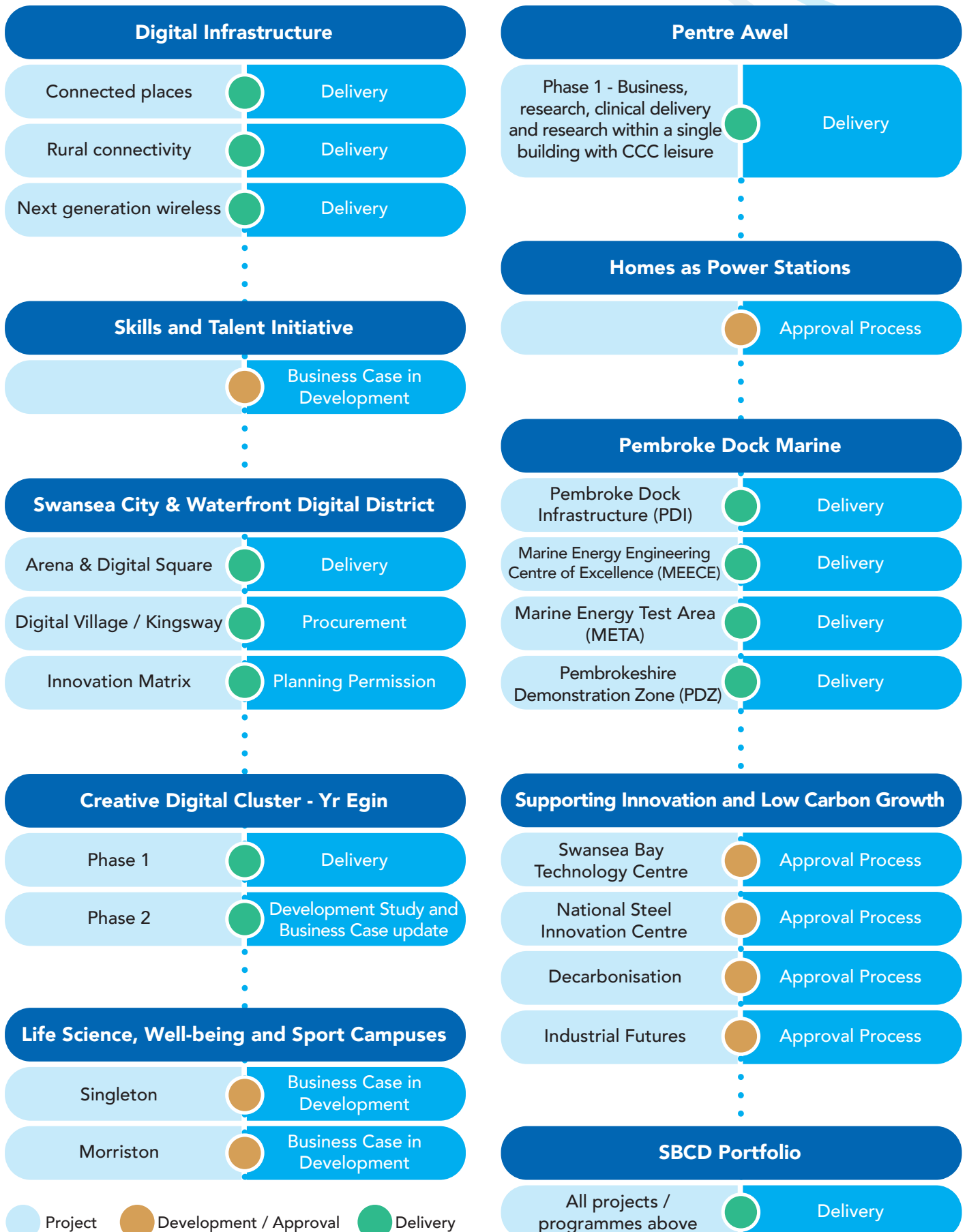
Feb



March

Business Case Status Update

The current status of business case development and approval for each of the SBCD programmes and projects is shown below:



Portfolio Thematic Benefits and Impact

Economic acceleration

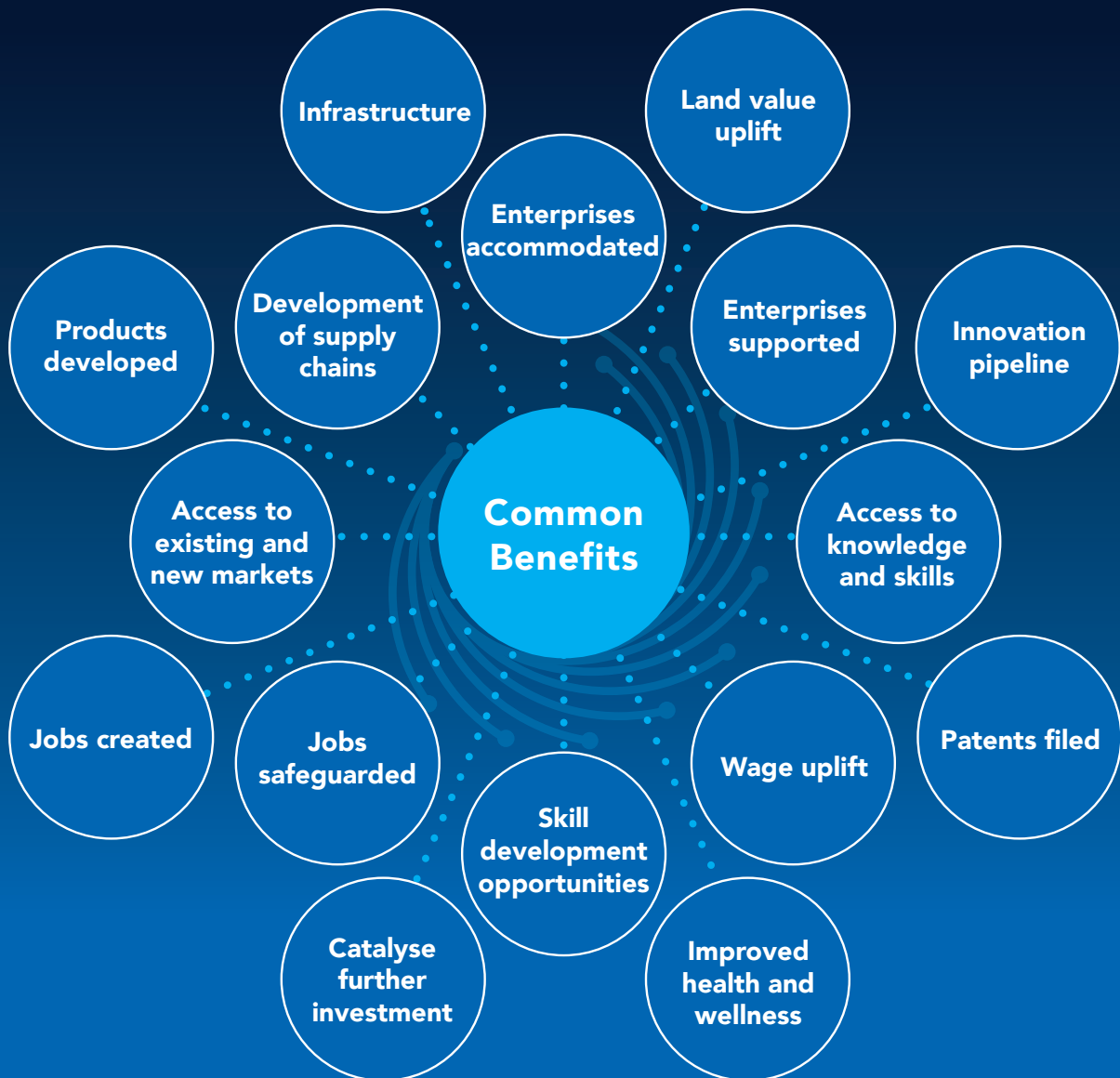
Providing the space, skills and connectivity to drive forward the regional economy to provide new opportunities for our businesses and communities to thrive.

Life sciences & well being

Providing integrated developments that will combine cutting edge innovation, research and learning facilities with the growth of new business and the transformational delivery of services within areas of life sciences, health, well-being and sport.

Energy and smart manufacturing

Placing the region at the forefront of energy and manufacturing innovation as part of the drive towards a low carbon economy and the strengthening of the existing manufacturing base.





Economic acceleration

£285m
Investment

£1.08bn
Additional
Gross Value
Added

1,708
New Jobs



26,000 m2 new
floorspace for
technology, start up
and small businesses



75 business start up
opportunities



Connectivity
improvements for up to
17,000 more properties
across the region



14,000 people trained
in new skills

Creative and digital centre

Landmark 3,500 capacity
indoor arena

Improved digital inclusion

New opportunities for people
and businesses



**Life sciences &
well being**

£237m
Investment

£617m
Additional
Gross Value
Added

Over
£42m
Health Value
Added

2,973
New Jobs



27,000m2 of new life
sciences and well-being
innovation, incubation,
learning and business
floorspace



80 life sciences businesses
created or grown



**Community Health and
Wellness Hubs at Llanelli**



**Innovation and research
centres at Singleton and
Morrison**

Improved personal health and
wellness

Improved delivery of health and
wellness services

Building upon the recognised
excellence in Life Science, Sport
and Health research in the region



**Energy and smart
manufacturing**

£630m
Investment

£620m
Additional
Gross Value
Added

5,005
New Jobs



35,000 m2 of new energy
related innovation
/ R&D business and
manufacturing floorspace



Renewable technologies
fitted into over **10,000**
homes



140 enterprises supported



Significant CO2 reduction
and energy saving

Growth and modernisation of the
renewable technology supply chain

Help safeguard the regional steel
industry and manufacturing jobs

Proof of concept and
commercialisation of energy and
manufacturing products and services

Tackle fuel poverty

Multiplication of benefits through
future expansion of innovative
technologies

Digital Infrastructure



Description:

To significantly improve digital connectivity throughout the City Region for the benefit of businesses and residents, also helping to attract inward investment. The programme is made up of three themes:

- Connected Places
- Rural connectivity
- Next generation wireless (5G and IOT networks)



Key Updates:

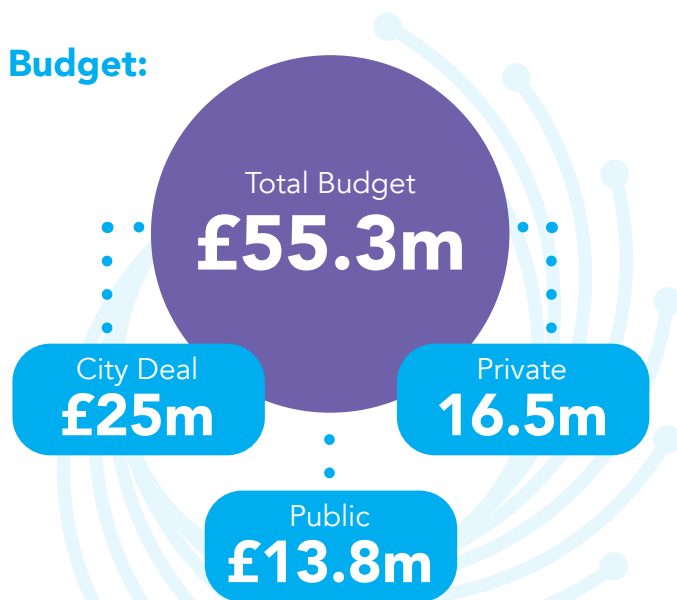
Significant progress has been made on the Digital Infrastructure programme in 2020/2021, following on from the appointment of a Programme Manager in February 2020.

Key progress has included the re-establishment and expansion of the Digital Infrastructure Programme Board. An external Stage Gate 0 peer review of the programme was also carried out by independent experts in October 2020, which led to an Amber/Green status.

The Digital Infrastructure Programme Business Case was approved by the City Deal's Joint Committee in December 2020, following on from approvals at all four regional local authorities, along with endorsements from Programme (Portfolio) Board and the Economic Strategy Board. Following these approvals, the programme's Business Case was submitted to both governments and approved in March 2021.

Regional agreement has also been secured to partially recruit programme resource at risk, with detailed supplier engagement and risk mitigation on-going. Preparations are advanced for the programme's transition from planning to delivery.

Budget:



Skills and Talent Programme



Description:

To develop a sustainable pipeline of regional talent to benefit from the high-value jobs City Deal projects will generate in growth sectors for the region. This includes the potential to develop skills through courses and training and apprenticeship opportunities aligned to City Deal projects and regional priorities, as well as a partnership approach involving schools, universities, businesses and training providers across the region to identify need and resolve skills development gaps.



Key Updates:

A workshop was held with a Welsh Government Business Case adviser on the Skills and Talent programme in August 2020, prior to a workshop on a long-list options appraisal in September 2020.

Business Case development is on-going, with feedback sought from a Welsh Government adviser in January 2021 to strengthen the business plan's economic case. The programme's Strategic Case has been reviewed by the Portfolio Management Office.

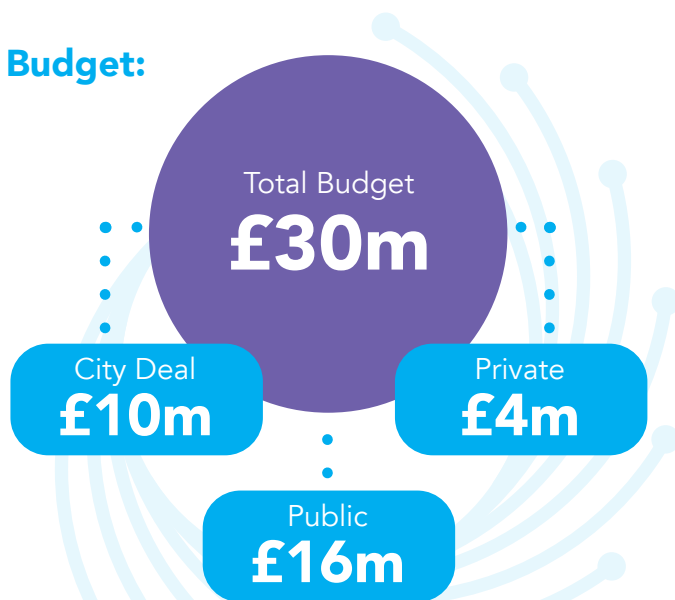
Several activities are planned, including an external Stage Gate review of the programme's business case and the submission of the business case to the City Deal's Economic Strategy Board and Programme (Portfolio) Board for consideration, prior to its submission to all four regional local authorities for approval.



Regional Learning and Skills Partnership
Partneriaeth Dysgu a Sgiliau Rhanbarthol

South West & Mid Wales
De-Orllewin a Canolbarth Cymru

Budget:



Swansea City & Waterfront Digital District



Description:

To boost Swansea city centre's economic well-being at the heart of the City Region's economy, while retaining local tech, digital and entrepreneurial talent.

This programme includes:

- A digital indoor arena in the city centre for concerts, exhibitions, conferences and other events
- A 'digital village' to accommodate the city's growing tech and digital business sectors
- An 'innovation matrix' and precinct development to enable start-up support and growth



Key Updates:

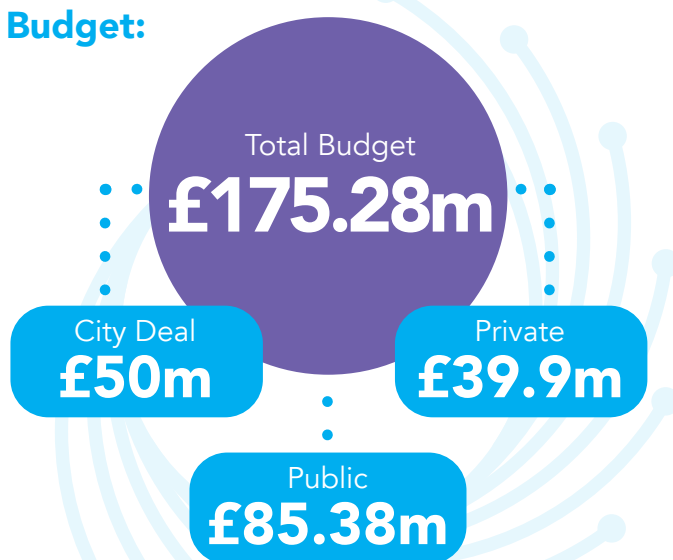
- Aspects of the Programme moved from planning into delivery in 2020/2021.
- Plans in place for completion of the arena development - both external and internal - autumn 2021.
- January 2021, continued employment and supply opportunities advertised for the operation of arena.
- February 2021, work started on installing an iconic bridge linking the arena site with Swansea city centre. The bridge was secured in place early March 2021.
- In June 2020, planning permission secured for 71/72 The Kingsway development for tech and digital businesses. Discussions with potential tenants are on-going, with work expected to start early 2021.

The Box Village element of the programme has been renamed the Innovation Matrix. A planning application is expected to be submitted in coming months.

Construction jobs Created - Digital Arena:

- Construction jobs created to date for the Digital Arena: Average of 120 per week over 52 weeks (Note: This is currently an estimate as the information is not fully collated. It is based on 1,600 operatives having received induction and an average of at least four weeks employment per operative).

Budget:



Yr Egin



Description:

To support and further develop the region's creative industry sector and Welsh language culture. The two-phased programme, led by University of Wales Trinity Saint David campus in Carmarthen, features:

- National creative sector anchor tenants
- World class office space for local and regional creative sector SMEs, with opportunities for expansion
- Facilities for the community and business networking
- Facilitation of engagement between businesses and students



Key Updates:

In November 2020, phase one of Canolfan S4C Yr Egin celebrated two years since its official opening.

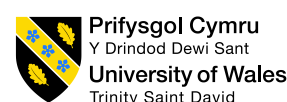
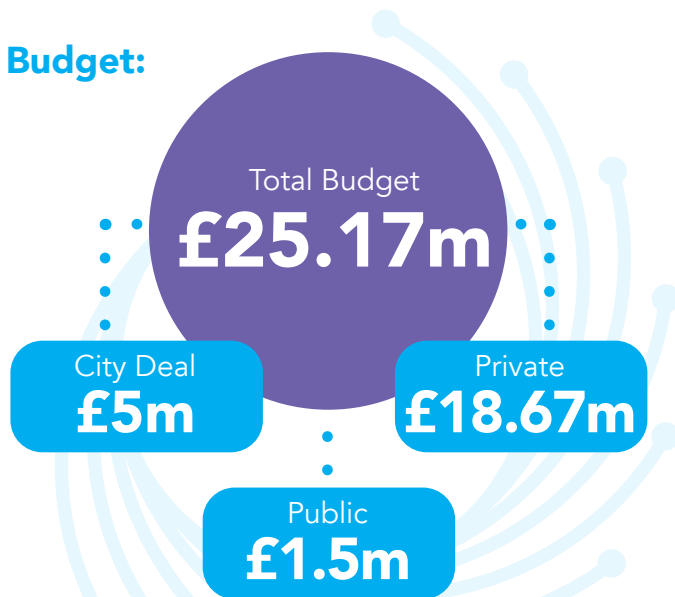
The development is now home to S4C's headquarters and a range of other creative sector businesses, including Big Learning Company, Boom Cymru, Captain Jac, Gorilla, Optimum and Lens 360.

An updated Yr Egin Business Case was presented at and endorsed by Programme (Portfolio) Board in July 2020. A lessons learned exercise was completed in October 2020.

Phase two planning is on-going, with a sector demand study commissioned in January 2021. This is aimed at undertaking a review of industry infrastructure and business support requirements, in light of Covid-19 and economic threats.



Budget:



Life Science, Well-being and Sport Campuses



Description:

The project harnesses unique capabilities and the thriving life science ecosystem in the Swansea Bay City Region to establish an international centre for innovation in life science, wellbeing and sport, supporting preventative interventions in healthcare and medicine and driving the growth of a globally significant Sports Tech industry. The project will deliver R&D, trials and testing facilities, enabling co-location of research and industry alongside clinical infrastructure and investment opportunities.

An emphasis on digital and data-driven innovation at the intersection of life sciences, health, wellbeing and sport is a key differentiator for this project within the South Wales health and life sciences sector. The project is being jointly progressed with Swansea Bay University Health Board, this project will be located at Morriston Hospital and Swansea University's Singleton Campus.

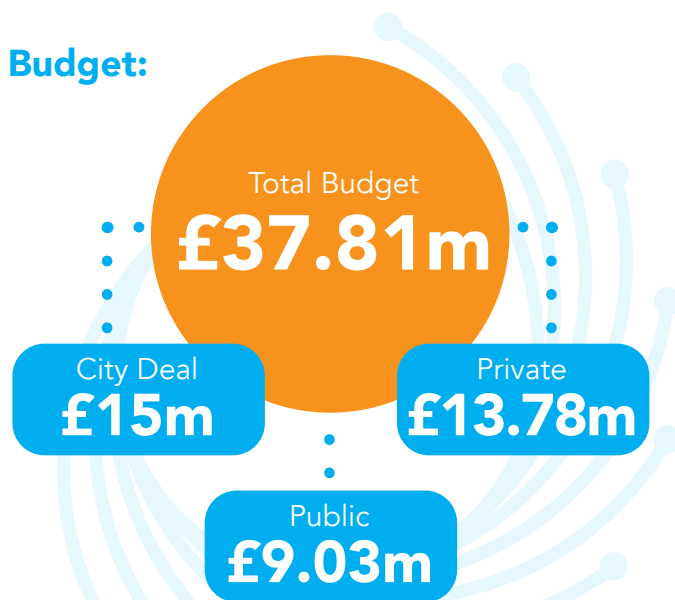
Key Updates:

The Campuses Project was rescoped in 2020/21 to take advantage of the opportunity to position the Swansea Bay City Region as a centre of excellence for sport and well-being, as well as for innovation in healthcare and medicine to help prevent ill-health, develop better treatments and improve patient care. A masterplan for the Singleton site was completed in Q3 2020/21, along with initial costings for phase one of the project.

Synergies and differentiation between the Campuses project and Pentre Awel have also been explored. Key letters of support have been received from partners to evidence commitment, as well as the development of an initial video to engage the private sector.

A positive initial meeting with officials from the UK Government and Welsh Government to introduce the rescoped project took place in Q4 2020/21. The project's redeveloped Business Case has also been presented to the City Deal's Economic Strategy Board, along with a presentation to the City Deal's Programme (Portfolio) Board. An outline Business Case was submitted to the City Deal's PoMO for review and feedback provided to further enhance and align the Business Case to Better Business Cases guidance.

Budget:



Pentre Awel



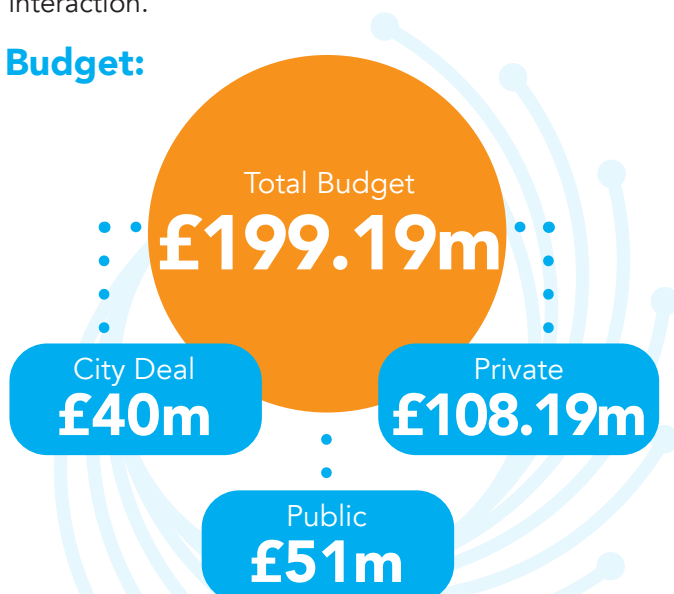
Description:

Pentre Awel will be the first development of its scope and size in Wales. The project will include the co-location of academic, public, business and health facilities to boost employment, education, leisure provision and assisted living facilities. It will also feature a hotel, expansion space for local businesses, health research and delivery, open market and social and affordable housing, and skills and training opportunities.

The City Deal will provide investment for business incubation and acceleration facilities, laboratory space, testbed capabilities, a well-being skills centre, clinical research centre and a clinical delivery centre to deliver multi-disciplinary care closer to home.

The clinical care to be delivered on site will be focused on those elements of care which are evidenced to give improved outcomes when delivered in the community. The City Deal elements will form part of the Zone 1 build of Pentre Awel. Zone 1 will also include a state-of-the-art leisure and aquatics centre funded by Carmarthenshire County Council all the elements of Zone 1 will be contained within a single structure with the functions linked through a central 'street' to maximise the opportunities for interaction.

Budget:



Key Updates:

The award of outline planning permission in April 2020, as well as ecology work on site from July to September 2020 to ensure timely discharge of pre-commencement planning conditions. An external Stage Gate 2 review into the Pentre Awel project was carried out in September 2020, resulting in an Amber status. Recommendations were subsequently implemented, with a workstream to develop a whole site operating model also established in September 2020. The Pentre Awel Business Case was approved by Joint Committee on November 12 2020, following approval at Carmarthenshire County Council, Full Council in October 2020 and endorsements at both Programme (Portfolio) Board and Economic Strategy Board. The project business case was subsequently approved by Welsh Government and UK Government in March 2021.

Memoranda of Understanding with tenants were signed in quarter 3/ 4 2020, with heads of terms discussions on-going. Through Q4 2020 tender preparation was undertaken to secure a main contractor for Zone 1. This included significant work to ensure that maximum local impact could be achieved through procurement with emphasis on the quality component of the assessment process. Early market engagement with contractors has been undertaken and the tender will be issued through the South West Wales Regional Contractors Framework. Work has been undertaken through multidisciplinary, subject specific work streams to ensure opportunities are maximised for tenants to work across traditional boundaries. Specifically that business development and clinical research opportunities are maximised through development of appropriate facilities, support and links to wider health and care. That education skills and training can be delivered alongside clinical care and that appropriate physical rehabilitation can be delivered in the community facilities. Institutional Investors have been engaged to deliver the elements of Pentre Awel outside the specific scope of City Deal, these will however enable further opportunities for business and research and therefore for benefits to be maximised.

Homes as Power Stations



Description:

Homes as Power Stations is a regional project across the City Region to facilitate the take up of energy efficient design and renewable technologies in thousands of homes and will support the development of a regional skilled supply chain to support the transition to energy efficient new build and retrofit homes.

The programme will:

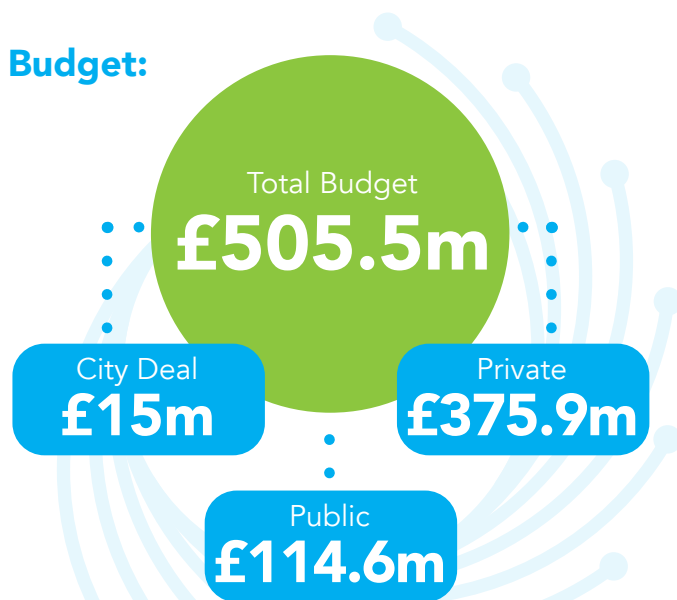
- Support regional supply chain development
- Tackle fuel poverty
- Further decarbonise the regional economy
- Improve residents' health and well-being
- Potentially develop a UK-wide industry in the City Region, with global export opportunities

Key Updates:

Formal governance for Homes as Power Stations was established in Q2 2020/21, along with a formalised stakeholder engagement plan and a formalised programme delivery and implementation plan. Following its approval at all four regional local authorities, the Homes as Power Stations project Business Case was approved at Joint Committee on June 11, 2020. Delegated authority was granted to the programme's Senior Responsible Owner to make any minor changes necessary to the Business Case to secure UK Government and Welsh Government approval. An external Programme Assessment Review (PAR) was then commissioned into the Homes as Power Stations project for extra assurance.

An action plan was produced to meet the recommendations of the PAR - which delivered an Amber status - prior to the submission of an updated outline business case to the Portfolio Management Office for review in early 2021. A Technical Advisory Group for the Homes as Power Stations project was set up in Q4 2020/2021. The programme is awaiting final approval from Welsh Government and UK Government.

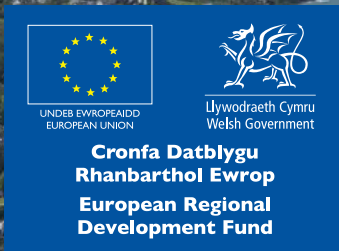
Budget:



Pembroke Dock Marine



Energy and smart manufacturing



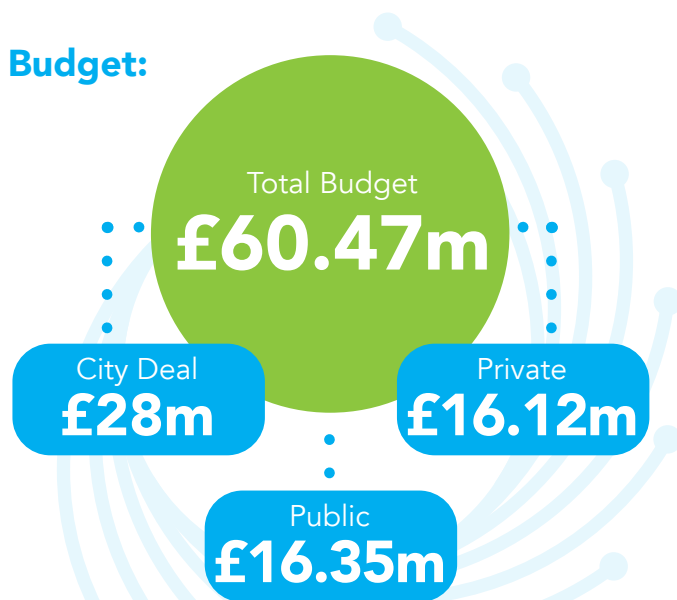
Description:

This programme will place Pembrokeshire at the heart of UK and global zero carbon, marine and offshore energy innovation, building on the expertise of a marine energy cluster in Pembroke Dock. Facilities will be provided for marine energy innovators to build, test and commercialise their technologies. Programme features include:

- Pembroke Dock Infrastructure (PDI) improvements
- A Marine Energy Engineering Centre of Excellence (MEECE)
- Marine Energy Test Area (META) developments
- The Pembrokeshire Demonstration Zone (PDZ)



Budget:



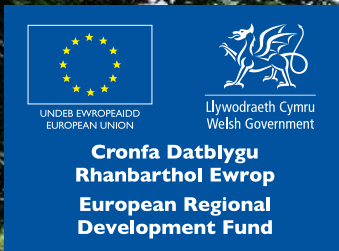
Key Updates:

The Pembroke Dock Marine programme was approved by the UK Government and Welsh Government in June 2020. The programme has been moving into the delivery phase whilst the funding agreements between all parties have been finalised. The planning application for the Pembroke Dock Infrastructure element of the programme was submitted in December 2020, with the procurement of a construction contract progressing in parallel. The planning consents and marine licences for all the Marine Energy Test Area (META) element of the programme have now been secured. All third-party approvals and funding are in place for all Pembroke Dock Marine elements. Pembrokeshire Council approved an update to the funded outputs of the Pembrokeshire Demonstration Zone (PDZ) to reflect the increasing interest in Floating Offshore Wind and Co-location (Wave & FLOW) in the Celtic Sea in Q4. The project is actively supporting site and technology developers deliver their investment plans (in excess of £100m) and has unlocked £14.4m of additional funded activity (SELKIE, TIGER and Milford Haven: Energy Kingdom) and also provided partner and non-funded collaborator support to the South Wales Industrial Cluster for their £2m Roadmap 2 and £37m Deployment projects. Formal project governance will be established in Q1 2021/22. Approval of the main funding agreement has been completed, pending approval of the funding agreements between the project delivery lead and project partners.



Part funded by the European Regional Development Fund through the Welsh Government.

Supporting Innovation and Low Carbon Growth (SILCG)



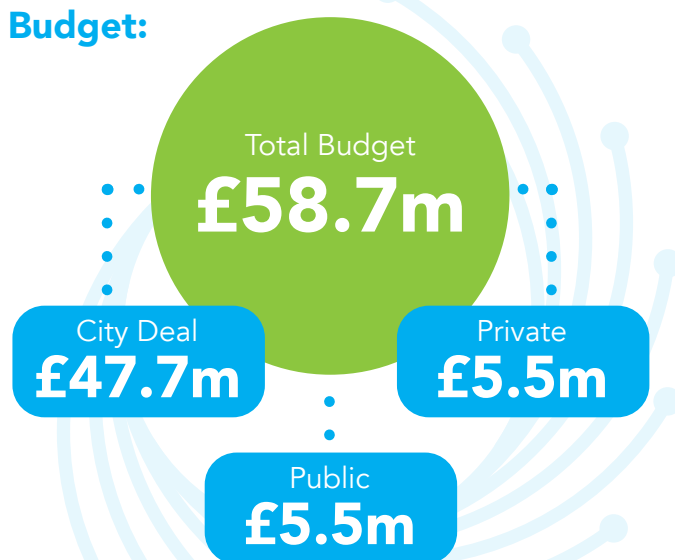
Description:

The Supporting Innovation and Low Carbon Growth (SILCG) programme has been developed to deliver sustainable growth and job creation in the Swansea Bay City Region, with a targeted focus on the Port Talbot Waterfront Enterprise Zone area. The programme will support the green industrial revolution and will be delivered in partnership with industry, academia and government.

The Programme of interlinked projects comprises:

- Technology Centre
- South Wales Industrial Transition from Carbon Hub (SWITCH) with Swansea University
- Hydrogen Stimulus Project with University of South Wales
- Air Quality Monitoring Project
- Low Emission Vehicle Charging Infrastructure
- Advanced Manufacturing Production Facility
- Property Development Fund

Budget:



Key Updates:

A Project Assessment Review (PAR) was commissioned into the SILCG programme of projects. This took place in June 2020, delivering an Amber status.

A Critical Friend Review also took place in October 2020, with action plans developed to meet recommendations arising from both reviews.

A Programme Board has been established for SILCG and a project/delivery plan is in place. The programme team is working with industry, academia and government to develop and deliver the programme of projects.

The SILCG Business Case is being finalised for submission to the UK and Welsh Governments for final approval. Air quality monitors as part of the programme are due for imminent installation. The SILCG Business Case is being finalised for submission to the UK and Welsh Governments for final approval.

Air quality monitors as part of the programme are due for imminent installation.



Part funded by the European Regional Development Fund through the Welsh Government.

Governance Structure



Key Governance Activities

Welsh Cities and Growth Implementation Board

The Welsh Cities and Growth Implementation Board is a joint UK Government and Welsh Government Board with responsibility for:

- Providing assurance and advice to the Board's Joint Chairs and ultimately Ministers regarding strategic and operational issues and the release of funding to Welsh City and Growth Deal Portfolio Programmes.
- The oversight, challenge and monitoring of strategic, cross cutting and operational issues and risks of Welsh City and Growth Deals Programmes and on individual projects where required.
- The oversight of the effectiveness of the governance, assurance, and Programme/Project Management arrangements in place for each City and Growth Deal.

Joint Committee

The Joint Committee has overall responsibility for scrutiny and regional business case approvals for submission to the UK Government and Welsh Government for final sign-off. It holds the Programme (Portfolio) Board and PoMO to account. The Joint Committee comprises of the four regional Local Authority Leaders of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea, as well as senior officers/representatives from all eight regional primary partner organisations. Joint Committee is chaired by Cllr Rob Stewart, Swansea Council Leader, who was re-elected as Chair at a Joint Committee meeting on September 10, 2020.

Economic Strategy Board (ESB)

This is a private sector advisory body which acts as the voice of business. The ESB provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region.

Programme (Portfolio) Board

This board oversees the operations of the SBCD. It is responsible for reviewing business case developments and portfolio progress. Programme (Portfolio) Board consists of the head of paid service of each of the eight primary partners for the SBCD – or senior representatives in their places - and is chaired by the SBCD Senior Responsible Owner (Wendy Walters, Carmarthenshire Council's Chief Executive).

Joint Scrutiny Committee

The Joint Scrutiny Committee provides advice, challenge and support to the Joint Committee, and is made up of two elected members from each of the four regional local authorities. This Committee is chaired by Cllr Rob James, an elected Member in Carmarthenshire.

Section 151 Officer - Chris Moore

The Director of Corporate Services of Carmarthenshire County Council is the responsible officer for the administration of the Joint Committees affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the Swansea Bay City Deal.

SBCD Monitoring Officer - Tracey Meredith

The Monitoring Officer of City and County of Swansea is responsible for ensuring good governance and maintaining the highest ethical standards, ensuring the legality of arrangements as well as ensuring that the Joint Committee Agreement is adhered to. The Monitoring Officer has access to all meetings of the Joint Committee including the Economic Strategy Board and the Portfolio Board. The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the Joint Committee's own procedures.

Local Authority Main Governance Responsibilities



Carmarthenshire –

Carmarthen County Council has the responsibility as the accountable body for the entire portfolio ensuring outcomes are delivered.



Swansea –

City and County of Swansea is responsible for hosting the Joint Committee and all Legal and Democratic services.



Pembrokeshire –

Pembrokeshire County Council has responsibility for all audit activity for the holistic portfolio.



Neath Port Talbot –

Neath Port Talbot County Borough Council has regional responsibility for scrutiny of the portfolio and its constituent programmes and projects.



City Deal Portfolio Management Office (PoMO)

The PoMO is responsible for the day-to-day management of matters relating to the Swansea Bay City Deal the PoMO structure is set out below.



Portfolio Director – Jonathan Burnes

As Portfolio Director, Jonathan is tasked with ensuring the successful delivery of the City Deal portfolio. This includes the successful securing of funding and the effective delivery and governance of all City Deal programmes and projects.

Accountable to the City Deal’s Joint Committee and reporting to the City Deal’s SRO (Senior Responsible Owner), Jonathan also develops and maintains effective relationships with all the City Deal’s public and private partners throughout the region, while ensuring collective commitment to the City Deal’s vision.

Other responsibilities include the co-ordination and implementation of portfolio management principles underpinning the City Deal to assist with the successful delivery of programme and project outcomes.



Portfolio Management Office Manager – Phil Ryder

Phil manages the day-to-day operations and assurance functions of the PoMO and team.

Reporting to the Portfolio Director, the PoMO Manager is responsible for leading the delivery of the regional Swansea Bay City Deal portfolio to ensure that the objectives are clearly defined and achieved within the agreed time, cost and quality constraints.

Phil has a key role in programme and project governance and working with stakeholders, to ensure the agreed project outputs are delivered to enable benefits to be realised.



Portfolio Development Manager – Ian Williams



Ian takes the lead on the preparation and updating of the City Deal's Portfolio Business Case, which is a key document in terms of annual funding draw-down from the UK Government and Welsh Government.

Reporting to the Portfolio Director, Ian also supports programme and project managers through the process of developing business cases that meet HM Treasury Green Book five-case business model standards. As Portfolio Development Manager, Ian also oversees robust business case governance and presenting rationales to senior managers and project governance committees.

Senior Portfolio Support Officer – Amanda Burns



As Senior Portfolio Support Officer, Amanda covers a diverse range of activities to support the delivery of the Swansea Bay City Deal's portfolio objectives.

Amanda helps to enable the smooth running of the portfolio by supporting the Portfolio Director, the wider PoMO team, the project and programme leads and governance committees through the operation of project management processes and the co-ordination of business management activities on their behalf.

This includes the compilation and updating of governance documentation such as reports for consideration and approval, risk registers, issue logs and an Integrated Assurance and Approval Plan (IAAP).

Finance Manager – Richard Arnold



Reporting to the City Deal's Section 151 Officer, Richard is responsible for the financial management of the City Deal portfolio.

His duties include regular portfolio, programme and project financial updates and analysis for consideration at City Deal governance groups including Joint Committee, Programme (Portfolio) Board and Joint Scrutiny Committee. Richard also works closely alongside senior financial officers at both governments to help secure the draw-down of portfolio funding.

Richard's other duties include the financial case of the Portfolio Business Case, as well as working closely alongside programme/project lead local authorities on funding agreements. Richard is also pivotal in the financial sign-off process for City Deal governance documentation.

Business Engagement Manager – Peter Austin



Peter is responsible for business engagement, networking and acting as a conduit between businesses and project leads/senior representatives of organisations. Peter is also responsible for developing the City Deal's procurement principles and helping projects to achieve the maximum of community benefits and social value via procurement. This includes supply chain development and support. He works closely with the City Deal's Economic Strategy Board, which is made up of key regional private sector leaders. Peter reports to the Portfolio Director and has helped contribute to the updating of the Portfolio Business Case.

Portfolio Management Office Assistant – Hollie Thomas



As Portfolio Management Office Assistant, Hollie is the central point of contact for the PoMO, and ensures it is highly effective in supporting the delivery of the portfolio.

Hollie supports project management teams with the operation of the regional PoMO by controlling documents, facilitating communication, and collecting data to meet reporting requirements. Hollie also undertakes many critical co-ordination activities ensuring governance requirements are met, and that accurate records and reports are derived and disseminated to ensure a consistent and collaborative approach is adopted by the PoMO and the wider portfolio stakeholders.

Communications & Marketing Officer – Greg Jones



As Communications and Marketing Officer, Greg is responsible for awareness-raising of the City Deal in the digital and print media throughout the City Region and beyond.

This includes the specialist media. Greg also acts as the PoMO central point of contact for media queries, and works closely alongside project/programme teams, the Portfolio Director, the City Deal's SRO and the Chair of Joint Committee to prepare pro-active content and reactive statements. Leading on content for the City Deal's website and social media accounts, Greg also produces marketing content for the City Deal and works to engage stakeholders throughout the region.



Portfolio Risk Management

A new SBCD Portfolio Risk Management Strategy was implemented in Qtr 3, 2020. Aligned to the HMT Green Book supplementary guidance: The Orange Book, the strategy defines the risk appetite and tolerance of the SBCD and principles of the strategy, along with a documented process for identifying, assessing, addressing and measuring risk and issues.

Risk management is led from the top of the SBCD and is embedded in the standard practices and processes of the SBCD governance arrangements.

The SBCD has a Portfolio Risk Register and Issues Log, and regularly reports on prioritised risks through the governance structures.

The SBCD Portfolio Risk Management Strategy is based on five principles. These principles aim to assist with increasing confidence in achieving the programme outcomes and making better decisions by utilising forward-looking and proactive tools that enable the SBCD to build a better chance for successful socio-economic outputs and outcomes for the region.

They are:

- **Dialogue** - with and amongst key stakeholders to identify risks
- **Debate and challenge** - collective debate and constructive feedback to challenge organisational and traditional thinking to ensure the decisions are the right ones to make
- **Culture** - that cultivates creativity, diversity and open ways of thinking. This includes staff engagement and empowerment to both contribute and to be listened to
- **Risk appetite** - clear on conduct, behaviour and the level of risk that the SBCD is willing to accept or tolerate in order to operate safely
- **Independent thinking** - obtaining views from someone who can independently challenge the Risk Management Strategy, practices and ways of thinking to overcome the issues associated with "groupthink"

Risk Management Policy Statement

The SBCD faces numerous risks (opportunities and threats), which have the potential to disrupt achievement of the investment objectives of the SBCD, for better or worse. The SBCD will use risk management to make better-informed decisions and improve its ability to achieve or exceed its strategic and operational objectives.

The SBCD considers risk management to be fundamental to good P3M practice and a significant aspect of governance. Accordingly, risk management must be an integral part of the SBCD routine decision-making and must be incorporated within strategic and operational planning processes at all levels. The SBCD's Risk Management Strategy (RMS) supports this policy statement and contains details of the processes by which risk management will be carried out, reported and managed, including the tools and systems to be used.

The RMS will be led from the top of the SBCD and embedded in standard practices and processes of the SBCD governance arrangements. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives.

The SBCD PoMO will regularly review and monitor the risk management process and the development of an appropriate risk management culture across the SBCD.

On 23.02.2021 there were two risks on the Portfolio risk register which were designated by the Portfolio Management office as being significant (red) in nature. This has dramatically reduced over the last 12 months and has reduced the key risks to the following:

External Risks: Although not within the control of the portfolio the following external risks are significant to portfolio delivery and are therefore monitored accordingly.

- **Covid-19:** The COVID-19 pandemic still poses a risk to the delivery of the portfolio. The economic impact of lockdown restrictions has still yet to be fully realised which could impact local businesses, local authorities, and education providers alike. Future lockdown restrictions could also delay the delivery of the constituent programmes and projects. The long-term effects of Covid-19 are still largely unknown, and this uncertainty needs to be managed throughout the portfolio. The portfolio will contribute to the Covid-19 recovery plans at a UK and Wales level and its consequences will continue to be monitored and mitigated for through the portfolio risk register and risk management arrangements.
- **Brexit:** The UK officially left the EU on 31st January 2020, with the terms of leaving to be agreed during a transition period ending on December 31st, 2020. On December 24, 2020, the UK and EU agreed a provisional free-trade agreement that ensures the two sides can trade goods without tariffs or quotas. However, key details of the future relationship remain uncertain and the impact on the economy at national, regional and local level is as yet unknown.

Key risks captured in a SBCD Portfolio Risk Register and Covid-19 impact assessments include SBCD partner withdrawal, delays to programme and project approval, funding draw-down and portfolio delivery delays, achievement of targets, reputational effect and change to scope and objectives.

In order to further support the management of risks and potential associated issues the Portfolio Management office have devised a change control procedure which was approved for use by Joint Committee in February 2021. The main benefit of this procedure is that it provides the PoMO with a process by which all relevant change is reported and recorded and, as such, allows any change to be approved at the appropriate level of governance within the structure of the City Deal.

Covid-19 Response

As an immediate reaction to the development of COVID-19 and the realisation of the potential impacts worldwide in early 2021, the SBCD devised and implemented a COVID-19 impact assessment.

The COVID-19 impact assessment is the method used by the Swansea Bay City Deal to assess the potential impact that the COVID-19 pandemic has on each of nine programmes / projects and the overarching City Deal portfolio. This has been developed because of recognition that the national and regional economic recovery will rely upon City Deal programmes / projects to support and stimulate national and regional economic growth and attract inward investment during these times of uncertainty.

The assessment will assure the viability and successful delivery of the City Deal programmes / projects during the crisis and recovery stages of the COVID-19 pandemic. This assessment will complement existing City Deal governance procedures and documentation and any COVID-19 recovery plans for all primary stakeholders. It is envisaged that risks impacting the programmes / project and mitigations

to overcome them will be dealt with at a programme / project level.

Any risks deemed to place significant pressures on the programme / project or overarching portfolio - such as significantly changing the programme / project scope, significant variance in the defined programme / project outputs, significant stage gate delays or continued commitment from key stakeholders - will be assessed by the SBCD Portfolio Management Office and escalated to Joint Committee for appropriate intervention and decision.

In the event that a programme / project is exposed to have significant risk and impact, a task and finish group will be established to gather evidence, identify mitigations and determine an appropriate course of action.

To date there is no evidence that COVID-19 will have a lasting impact on any of the programmes and projects to be delivered within the scope of the Portfolio. The SBCD is committed to review and update the COVID-19 impact assessments on a quarterly basis until the pandemic no longer poses a risk to delivery.

“ Covid-19 has had a devastating impact on economies throughout the world, but the Swansea Bay City Deal is well-placed to act as a key accelerator of economic recovery from the pandemic in the Swansea Bay City Region. With many of the City Deal’s programmes and projects soon moving from planning into delivery – building on the Yr Egin phase one development and on-going construction of the Swansea Arena – this gives South West Wales a major opportunity. Combined, these programmes and projects are worth over 9,000 jobs to region, while also helping attract further investment in regional growth sectors like zero carbon energy, which meets the green recovery ambitions of both the UK Government and Welsh Government. ”

Lucy Cohen - Economic Strategy Board Member



| ASSESSMENT CRITERIA | Scoring Guide | | | | Impact Score January | | | | | | | | |
|--|------------------------|---|---|---|----------------------|---------|----------|---------|------|-------|-------------|--------------------|--------|
| | 0 | 5 | 10 | 20 | PDM | Yr Egin | Campuses | Digital | HaPS | SILCG | Pentre Awel | Swansea Waterfront | Skills |
| Scope and key objectives | No change to project | Limited and minor changes to project | Widespread and major changes to project | Significant change to project | 5 | 20 | 5 | 0 | 5 | 5 | 0 | 0 | 10 |
| Targets | No risk to achievement | Short-term, limited impact to achievement | Widespread, but relatively short term impact on achievement | Significant, long-lasting impact on achievement | 10 | 10 | 5 | 5 | 5 | 5 | 5 | 20 | 5 |
| Timescales | No foreseeable delays | Potentially minor delays (0-6 months) | Potentially major delays (6-12 months) | Potentially significant delays (1 year+) | 5 | 0 | 5 | 0 | 5 | 5 | 5 | 5 | 5 |
| Reputation if project fails to deliver | No negative impact | Local and limited negative impact | Regional and limited negative impact | Significant impact | 5 | 5 | 10 | 10 | 10 | 10 | 20 | 20 | 5 |
| Stakeholders/partnerships commitment | No issues | Limited and minor issues | Widespread and major issues | Significant issues | 10 | 0 | 5 | 5 | 0 | 0 | 0 | 10 | 0 |
| Project costs | No variance | 0-10% variance | 10-20% variance | 20%+ variance | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 0 |
| Procurement | No impact | Minor impact | Major impact | Significant impact | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Staff resourcing | No impact | Limited impact | Widespread and major impact | Significant impact | 0 | 0 | 5 | 5 | 5 | 5 | 5 | 10 | 5 |

| | | | | | | | | | |
|---------------------|----|----|----|----|----|----|----|----|----|
| Total | 45 | 45 | 45 | 40 | 40 | 40 | 45 | 75 | 35 |
| Intervention | C | C | C | C | C | C | C | B | C |
| Movement | - | ▲ | - | ▼ | - | - | - | - | - |

“ The significant progress at the Swansea Arena site over the last year or so, despite the unprecedented challenges of Covid-19, is testament to the dedication of all the Buckingham Group Contracting staff, sub-contractors and project partners, including Swansea Council and the Swansea Bay City Deal, to deliver an outstanding facility for the benefit of local people.

The health and safety of all staff involved will always be Buckingham’s top priority, but innovative solutions have been found to realise that priority while also ensuring the arena has remained on track for completion in the autumn of 2021. Enormous credit should go to all involved. ”

Tim Wood - Buckingham Group Contracting’s Project Director at the Swansea Arena

Monitoring and Evaluation



Monitoring

The SBCD has a robust Monitoring and Evaluation (M&E) Plan which was approved in June 2020 to provide structure and set out the expectations for the SBCD when undertaking and reporting the progress and performance of the SBCD Portfolio. Project teams contribute to monthly highlight and quarterly monitoring reports, this annual report and planned milestone evaluations. These reports will capture the planned and completed activity, key deliverables, risks, issues and finances at project, programme and portfolio levels with an aim to demonstrate progress, benefits realisation and impact. The M&E Plan aligns to the revised HM Treasury Green and Magenta books and UK Government Project Delivery Guidance.

The content of this annual report is based on these monitoring reports.

Assurance

Integrated Assurance and Approval Plans

Working closely with the Welsh Government's Office for Project Development, the SBCD PoMO has established an Integrated Assurance and Approval Plan (IAAP) to ensure that the planning, coordination and provision of assurance activities and approval points throughout the City Deal portfolio are proportionate to levels of cost and risk.

The IAAP timelines activities such as governance meetings, document approvals and updates, gateway reviews and audits.

All nine SBCD projects and programmes have also established IAAPs, which are regularly updated and shared with the SBCD governance boards and committees.

Gateway and Audit reviews

The SBCD Portfolio and projects are subject to OGC (Office of Government Commerce) Gateway Reviews to assure successful progression and overall delivery of the portfolio and associated projects and programmes. Gateway reviews are instigated and led by the Portfolio or Project/Programmes.

All Welsh Government sponsored Programmes and Projects are mandated by the Welsh Government Permanent Secretary to complete an RPA form for review/appraisal by the Office of Project Delivery.

The SBCD has undertaken a portfolio and six project/programme Gateway reviews since November 2019, with Gateway Review Delivery Confidence Assessment (DCA) Ratings as follows:

| Portfolio / Programme / Project | Stage | Date | DCA Rating |
|---|-----------|--------------|---------------|
| Portfolio | Zero | July 2020 | Amber |
| Homes as Power Stations | PAR (2/3) | June 2020 | Amber |
| Supporting Innovation and Low Carbon Growth | PAR (2/3) | June 2020 | Amber |
| Pentre Awel | Gateway 2 | Sept 2020 | Amber |
| Digital Infrastructure | PAR (2/3) | Oct 2020 | Amber / Green |
| Pembroke Dock Marine | PAR (2/3) | Nov 2019 | Amber |
| Yr Egin Phase 1 | 5 | Apr – Jun 21 | Expected |
| Swansea Waterfront and Digital district | 4/5 | Jan – Mar 22 | Expected |
| Skills and Talent | PAR (2/3) | Apr – Jun 21 | Expected |
| Life Science and Well-being campuses | PAR (2/3) | Apr – Jun 21 | Expected |

Additional Assurances and Reviews

Internal and independent external reviews were commissioned in December 2018 for the SBCD. The findings of both the external review, carried out by Actica consulting, and the internal review, carried out by Pembrokeshire Council, were published in March 2019. The City Deal's Joint Committee agreed to implement all recommendations arising from the reviews, which the Welsh Government documented in an Award of Funding letter with specific terms and conditions in October 2019. All conditions were satisfactorily completed and signed off by both governments in 2020. These include:

- The appointment of a new City Deal Portfolio Director
- The establishment of a new City Deal Portfolio Management Office, led by the new Portfolio Director
- The management of the City Deal as a portfolio, as opposed to as a set of pre-determined and immutable projects
- A redistribution of roles and functions to ensure an equitable balance across the City Deal partnership, with each acting as a check and balance for the other
- Governance and assurance arrangements such as the production of an Integrated Assurance and Approval Plan, a Monitoring and Evaluation Plan and an updated Portfolio Business Case.

The Welsh Government and UK Government conducted an Accounting Officer Review process in July to September 2020 to assure and review the SBCD Portfolio Business Case. The AOR process set out a series of 15 recommendations which the SBCD PoMO are implementing. The AOR mechanism is the process to approve the business case, which supports the annual release of the City Deal funds. The SBCD drew down £36m in the last 12 month, taking to total draw down to date of £54m of the £240m.

Procurement and Community Benefits



Procurement

Following concerns in some quarters over the transparency of public sector procurement and its lack of benefit to regionally based suppliers it was agreed that the SBCD would make a public statement of intent regarding its procurement activities. To address this issue a set of procurement principles for SBCD projects was formally agreed by the Joint Committee in November 2020.

The SBCD principles ask programme and project leads to engage with their procurement colleagues to explore alternative approaches to business as usual so that the maximum of regional benefit can be achieved from the initial procurement stage of the City Deal.

Community Benefits

Community Benefits and Social Value outcomes are achieved via the procurement process in addition to the benefits of delivering each programme and project.

The Accounting Officer Review undertaken by Welsh Government and UK Government recommended that the next iteration of the Portfolio Business Case is updated to include the identification of project level community benefits across the portfolio. A written procedure has been introduced to document the process used by the SBCD Portfolio Management Office (PoMO) to capture and record those Community Benefits on the Community Benefits Register.

The topic of public sector procurement and community benefits / social value is under continuous review. At the time of writing the Welsh Government is developing a new Wales Procurement Policy Statement to replace the Statement published in 2015. The revised statement, currently out for comment, is due for publication in the Spring of 2021.

The launch of the Welsh TOMs (Themes, Outcomes and Measures) at the National Social Value conference held in November 2020 has introduced a new model for identifying and reporting the financial value of social value within procurements. This system is currently being used in England and is being piloted by three Welsh Local Authorities. The PoMO will hold discussions with the other City and Growth Deals across Wales to see if a collaborative approach to using the TOMs could be piloted within these initiatives.

The PoMO will monitor progress with the revised WPPS - along with any revisions of the other key reference documents and the Welsh TOMs - and will update the SBCD Procurement Principles accordingly to remain compliant with the latest legislation.

Financial Summary

The 2020/2021 financial year has seen a period of significant political and economic uncertainty at a national level. Partners and Governments are still fully committed to the City Deal, recognising it as an important driver in the economic recovery of the region and country. Despite the unprecedented challenges of COVID-19, the City Deal's continued progress should reassure regional businesses and residents that partners remain focused on delivering the City Deal as soon as possible.

Three draw downs of funding have been received. The UK and Welsh Governments continue to be fully committed to meeting the full grant award, despite the current financial pressures the economy is now facing. The overall estimated investment position is demonstrated at £1.152bn over the 15-year life cycle of the portfolio. There is currently an estimated revenue requirement of £73m (6%) to deliver the City Deal projects, which will be supported through the use of the Local Authorities' flexible capital receipts directive, as well as by alternative public and private sector commitment.

The Swansea Bay City Deal Joint Committee Statement of Accounts 2021 will be presented and published in line with appropriate regulations by the 30th September 2021.

Annual Expenditure Profile Forecast

| Investment Component | Year 1 2018/19 | Year 2 2019/20 | Year 3 2020/21 | Year 4 2021/22 | Year 5 2022/23 | Year 6 2023/24 | Year 7 2024/25 | Year 8 2025/26 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital / Revenue | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| Capital Expenditure | 19.36 | 30.44 | 45.46 | 133.30 | 193.11 | 203.86 | 213.44 | 229.60 |
| Revenue Expenditure | 4.26 | 0.58 | 0.94 | 7.79 | 9.41 | 12.87 | 11.42 | 9.93 |
| Total | 23.62 | 31.02 | 46.40 | 141.09 | 202.52 | 216.73 | 224.86 | 239.53 |
| Component Expenditure | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| City Deal Expenditure | 7.73 | 6.58 | 7.35 | 57.54 | 60.75 | 59.79 | 27.13 | 14.13 |
| Public Sector Expenditure | 15.33 | 23.52 | 36.93 | 52.45 | 55.98 | 47.17 | 41.68 | 50.76 |
| Private Sector Expenditure | 0.55 | 0.92 | 2.12 | 31.10 | 85.80 | 109.78 | 156.05 | 174.64 |
| Total | 23.62 | 31.02 | 46.40 | 141.09 | 202.52 | 216.73 | 224.86 | 239.53 |

| Investment Component | Year 9 2026/27 | Year 10 2027/28 | Year 11 2028/29 | Year 12 2029/30 | Year 13 2030/31 | Year 14 2031/32 | Year 15 2032/33 | TOTAL |
|------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|
| Capital / Revenue | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| Capital Expenditure | 9.59 | 1.00 | - | - | - | - | - | 1,079.16 |
| Revenue Expenditure | 2.29 | 2.31 | 2.33 | 2.34 | 2.35 | 2.36 | 2.38 | 73.56 |
| Total | 11.87 | 3.31 | 2.33 | 2.34 | 2.35 | 2.36 | 2.38 | 1,152.72 |
| Component Expenditure | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) | (£m) |
| City Deal Expenditure | - | - | - | - | - | - | - | 241.00 |
| Public Sector Expenditure | 0.92 | 0.93 | 0.93 | 0.93 | 0.93 | 0.93 | 0.93 | 330.34 |
| Private Sector Expenditure | 10.95 | 2.38 | 1.39 | 1.40 | 1.42 | 1.43 | 1.44 | 581.38 |
| Total | 11.87 | 3.31 | 2.33 | 2.34 | 2.35 | 2.36 | 2.38 | 1,152.72 |

Marketing and Communications

A dedicated Communications and Marketing Officer forms part of the Swansea Bay City Deal's Portfolio Management Office. Guided by a Communications & Marketing Plan, the Communications and Marketing Officer oversees all media and social media activity in relation to the City Deal, as well as internal communications and the City Deal's website. The Communications & Marketing Officer also works closely alongside the Business Engagement Manager to engage and inform regional businesses about the City Deal.

Communications and Marketing Plan

A Communications & Marketing Plan has been developed, refined and updated since the SBCD Communications and Marketing Officer started in post in February 2018.

Including a power and influence matrix of City Deal stakeholders, the plan informs the detail of communications and marketing activities. A live and evolving document, the Communications & Marketing Plan also includes:

- Key messaging that's referenced, where possible, in all communications
- This includes revised key messaging now reflecting the City Deal's role as a key accelerator of regional economic recovery from Covid-19
- Media protocols for project-led communications, communications led by the Portfolio Management Office, and communications relating to business case approvals

The latest version of the Communications & Marketing Plan was presented to and endorsed by the City Deal's Programme Board on November 26, 2020. In an independent review carried out into the City Deal portfolio in July 2020, the review team commented that City Deal communications has been well thought-out. The external review team also commented on the City Deal's strong virtual presence.

Digital and Print Media Coverage

From April 2020 to March 2021, 204 positive media mentions were secured for the Swansea Bay City Deal in the digital and print media.

Topics covered included:

- The City Deal being recognised as key to the City Region's economic recovery from Covid-19
- The UK Government and Welsh Government approval for the Pembroke Dock Marine project
- The UK Government and Welsh Government approval for the Pentre Awel project in Carmarthenshire
- Regional approval at Joint Committee for the Pentre Awel project in Carmarthenshire
- Regional approval at Joint Committee for the pan-region Digital Infrastructure programme
- Endorsement from regional business leaders for the Digital Infrastructure programme
- The start of work on the technology centre forming part of the Supporting Innovation & Low Carbon Growth programme in Neath Port Talbot
- A major project in Swansea that could help inform the detail of the Homes as Power Stations regional project
- Regional approval for the City Deal's procurement principles

- An exclusive Wales Online interview with the City Deal's Portfolio Director
- Invitation to tender for the 71/72 Kingsway element of the Swansea City & Waterfront Digital District
- Progress for the Swansea Arena's construction
- Phase two marine licence for the Marine Energy Test Area (META) forming part of Pembroke Dock Marine
- Recruitment for and subsequent appointments to the City Deal's PoMO

Coverage was secured in the local, regional, Wales-wide and specialist media.

Publications/websites/broadcasters which have featured positive Swansea Bay City Deal articles include BBC Online, the Western Mail, ITV Wales, the South Wales Evening Post, Business News Wales, Wales Business Insider, Business Live, Wales 247, the Wave, Heart FM, Nation Radio, the Llanelli Star, the Carmarthen Journal, the Western Telegraph, the South Wales Guardian, the Milford Mercury, the Tenby Observer and the West Wales Chronicle.

Specialist media which have featured positive Swansea Bay City Deal articles include Invest Monitor, RE (Renewable Energy) News, World Cargo News, Water Power Magazine, the Architects Journal, Government Computing, Telecom Paper, UK Authority, Construction Index and Commercial News Media.

Social Media Impact

The City Deal's Communications and Marketing Officer runs bilingual Swansea Bay City Deal social media accounts on both Facebook and Twitter, where content is regularly posted and monitored. The vast majority of these posts link to articles on either the City Deal website or the websites of partner organisations. Partner organisations are also tagged in social media posts, wherever possible.

The impact of these social media accounts from April 2020 to March 2021 is outlined below. (Note Figures as of March 15, 2021):



Communications with Regional Businesses

The City Deal's Communications and Marketing Officer works closely with the City Deal's Business Engagement Manager.

E-newsletters are distributed to a database of regional businesses – as well as business representative groups – on a quarterly basis, or more often if the priority of the communications dictates so. City Deal communications are also regularly sent to key business leaders/organisations throughout the region and beyond. This includes groups such as regional business improvement districts, business clubs and chambers of commerce, as well as organisations including 4 The Region and regional engagement teams.

Endorsement for key City Deal announcements are sourced from the business community, wherever possible. City Deal content is featured in regional business representative group e-newsletters for further amplification of priority announcements and key messaging.

City Deal announcements also feature on e-news bulletins sent out by Business News Wales and Wales Business Insider, which reach many thousands of businesses throughout the Swansea Bay City Region and beyond.

City Deal Website

The bilingual Swansea Bay City Deal website was updated in Q4 2020/2021 to reflect changes in the City Deal's portfolio of programmes and projects. Featuring video content for each programme and project, the website also includes:

- Descriptions and supporting images for each programme and project
- An overview of the City Deal, with an updated regional map of programmes and projects
- Links to the City Deal's social media accounts
- Links to documentation for City Deal governance groups, including Joint Committee and Joint Scrutiny Committee
- A timeline of key City Deal announcements and achievements since 2018
- An overall City Deal video including key messaging and sections on all programmes/projects
- Contact details for the City Deal's Portfolio Management Office



www.swanseabaycitydeal.wales

Marketing Assets

The City Deal has a broad range of digital marketing assets in place. These now include an animated logo, an e-map of City Deal programmes and projects, and individual video files for key City Deal messaging and individual programmes and projects.

A City Deal stand and programme/project pop-up banners are also available. Given the impact of Covid-19, an e-marketing brochure of City Deal programmes and projects representing the current composition of the portfolio is being finalised in Q1 2021/2022 for download and distribution upon request.



Branding

Branding guidelines are in place for the Swansea Bay City Deal. The City Deal's Communications & Marketing Officer has also worked closely alongside both governments – and representatives of partner organisations – to ensure approved branding and placement of logos on live sites. This includes the Swansea Arena and Technology Centre sites, where construction work is on-going.

Partnership Working

The City Deal's Communications and Marketing Officer has continued to work closely alongside communications teams at all partner organisations throughout 2020/2021. This includes communications teams at the Welsh Government and the Secretary of State for Wales' Office at the UK Government. This work has helped considerably boost positive City Deal media and social media mentions, while also ensuring the inclusion of Ministerial quotes in priority communications including business case approvals and the release of portfolio funding, for example.

The City Deal's Communications and Marketing Officer attends a fortnightly meeting between the Portfolio Management Office and Programme/Project Managers, along with board meetings for many programmes and projects, including Homes as Power Stations, Supporting Innovation & Low Carbon Growth, and the Life Science, Well-being and Sport Campuses. These groups were inceptioned in the 2020/2021 financial year. Bi-monthly communications meetings with government communications officers also commenced in Q4 2020/2021.

All these meetings – aligned to the Communications & Marketing Plan – help determine timelines for communications activities.

Internal Communications

The City Deal's Communications and Marketing Officer developed enhanced internal communications in Q4 2020/2021 for immediate roll-out. This includes regular communications with the City Deal's primary stakeholders, including members of Joint Committee, Programme (Portfolio) Board, Joint Scrutiny Committee and Economic Strategy Board, along with a group of regional local authority regeneration directors, and staff at partner organisations including both regional universities and health boards. Internal communications tools employed include articles for intranet use, monthly communications highlight reports and internal e-newsletters.

Business and Stakeholder Engagement



The SBCD is working closely with businesses in the region and external companies to develop business cases and procure and deliver the SBCD programmes / projects. The inward investment target is in the region of £600m for the 15-year portfolio and will require many aspects of business and service delivery throughout its lifecycle such as construction, R&D, manufacturing, supply chain development, networking, and infrastructure operations. A revised SBCD business engagement and inward investment framework is being developed to support the ambitions of the SBCD portfolio and provide clear direction in how the attraction, retention and growth of businesses will advance our regional GVA and opportunities for employment.

Q1 2020 saw a continuation of traditional engagement activities such as face-to-face discussions with businesses interested in City Deal (responding to media or general interest) and developing relationships with interested support parties including the Welsh Government, Business Wales, Sell2Wales, Construction Industry Training Board (CITB) and the Engineering Construction Industry Training Board (ECITB).

The City Deal's Business Engagement Manager coordinated several introductory stakeholder engagement events for the newly appointed Portfolio Director, with key business organisations such as the Swansea Bay Business Club and the South West Wales Chamber of Commerce (now Chambers Wales). The City Deal's Business Engagement Manager attended key events to represent the SBCD:

- Supporting the Swansea Waterfront and Digital District project at "Meet the Buyer" events with Swansea CC, Buckingham Group Ltd and partners. These and a subsequent digital meet the buyer event attracted circa 80% new suppliers and has led to 19% of contracts being awarded to suppliers in the SA Postcode area with a further 37% being awarded to suppliers with a Welsh Post Code.
- Supporting the Pembroke Dock Marine project at the Floating Offshore Wind conference, Milford Haven, during which a presentation by the ORE Catapult estimated that offshore renewables could potentially attract an additional £561 million in capital investment over the next 10 years if the regional supply chain was developed to its maximum.
- Supporting the Life Science, Well-being and Sport Campuses project with attendance at the Collaborate2020 conference at Swansea University giving the City Deal good exposure along with other key stakeholders in the life science and wellbeing sector.
- Attendance at Business club events, 4theRegion, SA1Business Club, Chambers Wales etc

The City Deal's Business Engagement Manager also attended the Construction Connects event held in Swansea and the WG supported Circular economy event - TATA steel, Port Talbot.

Case Study - Yr Egin



To support and further develop the region’s creative industry sector and Welsh language culture, the two-phased Yr Egin programme, located at the University of Wales Trinity Saint David campus in Carmarthen, features:

- National creative sector anchor tenants
- World class office space for local and regional creative sector SMEs, with opportunities for expansion
- Facilities for the community and business networking
- The facilitation of engagement between businesses and students

The Yr Egin Phase 1 project has delivered more than just direct benefits such as jobs created and GVA. It has actively gone beyond delivering the targeted quantifiable metrics and is now embedded in facilitating and improving the success of the creative and digital industry across the region and beyond.

The success of the cluster has become apparent through the interactions between organisations within the hub, which has created innumerable opportunities for partnership, knowledge transfer and commercial gain, making the outcomes of Yr Egin Phase 1 greater than the sum of its parts.

| Operational Target | Achieved July 2020 |
|--------------------------------|--------------------|
| Egin Phase 1 project completed | July 2018 |
| BREEAM Rating | Excellent |
| Start-ups Incubated | 9 |
| Student Engagement | 443 |
| Training/ Apprenticeships | 5+ |
| Rental Income | £408k+ |

Awards

To highlight the early success of the project, Yr Egin Phase 1 has been nominated for several awards since its completion and has been recognised by numerous professional bodies as deserving significant merit for outstanding achievement. These include:

| Award | Result |
|----------------------------------|-------------|
| RICS 2019 (Wales) | Won |
| RICS Social Imp. 2020 | Shortlisted |
| CEW Awards 2020 | Shortlisted |
| Nat. Eisteddfod 2019 | Shortlisted |
| RSAA (RIBA) 2019 | Shortlisted |
| Wales Property 2019 | Shortlisted |
| BCO Award 2019 | Shortlisted |
| Architectural Journal Award 2019 | Shortlisted |



In winning the commercial category at the RICS (Wales) 2019 Awards on 1st May 2019, the RICS judges said the team behind the project – including Mott McDonald, BDP, Rural Office for Architecture, and the University of Wales Trinity Saint David – had succeeded in designing a scheme that encouraged occupiers to collaborate, network and exchange information and ideas, to innovate and create jobs.

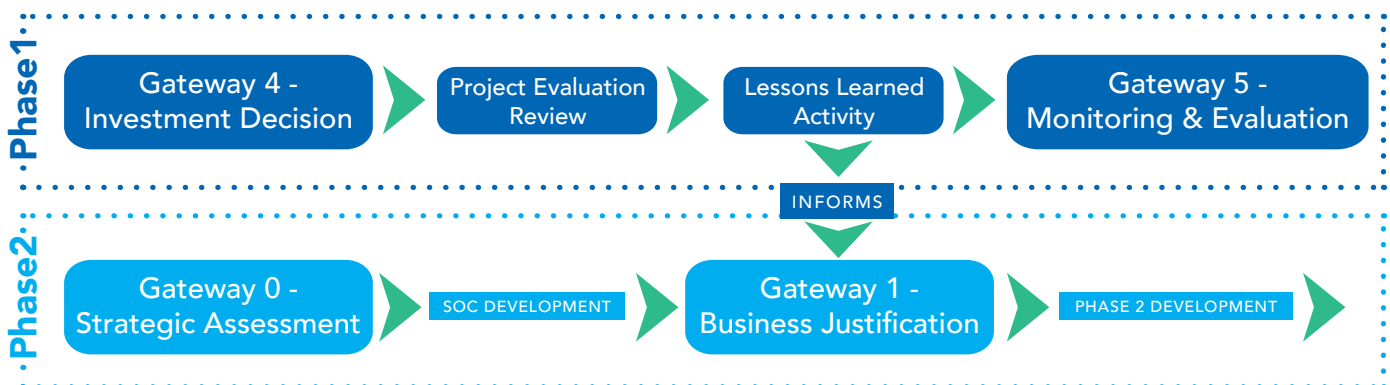
| Implementation Phase Objective | Target | Outcome |
|--|---|--------------------------------|
| To establish an internationally renowned vibrant and connected creative cluster in two phases with S4C, the national broadcaster, as the key anchor tenant by 2018 | 3,912 sqm. by September 2018 (Phase 1) | Completed |
| Private Sector Funding leveraged in for the Egin Project (Note: this objective is for both Phase 1 and Phase 2) | £1.5m (or equivalent University Capital Substitution) | On-going |
| Construction Phase GVA (Note: this objective is for both Phase 1 and Phase 2) | £6.75m for both Phase 1 and Phase 2 | £4m (Phase 1) |
| Construction Phase Additional Employment | 65 FTEs (defined for Phase 1 only) | Estimated at 99.4 person years |
| Construction Phase Additional Training Weeks (Note: this objective is for both Phase 1 and 2) | 1,127 for both Phase 1 and Phase 2 | 391 recorded |

“ Yr Egin provides top quality digital connectivity and the opportunity to network with other creative sector businesses. The look and feel of the Yr Egin building also very much works for us. We do a lot of big-branded content, so having a facility of its quality on our doorstep creates more credibility in terms of commissioning meetings and meetings with clients. A decade on from when I graduated from the University of Wales Trinity Saint David in Carmarthen, the creative industries now have a base here in Carmarthenshire and the university is structuring new creative sector courses to meet need. This will combine with Yr Egin to inspire more people to enter the sector. ”

Carys Owens - Managing Director of Whisper Cymru



Development of Phase 2



As part of the on-going Gateway review and lessons learned activities undertaken there are some general principles which will be followed in the forthcoming delivery of Phase 2. These include the feeding in of lessons learned at the business justification stage and to:

- Approach the development and implementation of Egin Phase 2 with the same ethos and approach as Egin Phase 1.
- Work with Swansea Bay City Deal to develop a methodology for assessing regional benefits delivered by the Egin scheme and maximise these benefits for all stakeholders.
- Conduct a comprehensive impact assessment of COVID-19 and other market factors to inform the development of further activity and delivery at Egin to ensure the most advantageous project is delivered.

Swansea Bay City Deal - www.swanseabaycitydeal.wales

Carmarthenshire County Council - www.carmarthenshire.gov.wales

City and County of Swansea - www.swansea.gov.uk

Neath Port Talbot County Borough Council - www.npt.gov.uk

Pembrokeshire County Council - www.pembrokeshire.gov.uk

Swansea University - www.swansea.ac.uk

University of Wales Trinity Saint David - www.uwtsd.ac.uk

Hywel Dda University Health Board - hduhb.nhs.wales

Swansea Bay University Health Board - sbuhb.nhs.wales

UK Government Secretary of State for Wales
www.gov.uk/government/organisations/office-of-the-secretary-of-state-for-wales

Welsh Government - gov.wales

Milford Haven Port Authority - www.mhpa.co.uk

Swansea Waterfront and Digital District - coprbayswansea.com

Regional Learning and Skills Partnership - www.rlp.org.uk

S4C Yr Egin - yregion.cymru

Wales National Test Facility - www.meta.wales

Chambers Wales (formerly SWW Chamber of Commerce) - chamberswales.com

Federation of small businesses - www.fsb.org.uk/fsb-regions-and-nations/fsb-wales.html

Institute of Directors - www.iod.com/events-community/regions/wales

Confederation of British Industry CBI - www.cbi.org.uk

Business Wales - businesswales.gov.wales

Sell2Wales - www.sell2wales.gov.wales

Wales Co-op - wales.coop

Office of Commissioner for future generations - www.futuregenerations.wales

WG public sector procurement guidance - gov.wales/public-sector-procurement

Swansea Bay Business Club - www.swanseabaybusinessclub.com

SA1 Business Club - www.sa1wbc.com

4theRegion - www.4theregion.org.uk

Haven Waterway & Port Talbot Waterfront enterprise zones
businesswales.gov.wales/enterprisezones/zones



www.swanseabaycitydeal.wales