



Swansea Bay City Deal **January 2020 update**

1. Programme summary

The Swansea Bay City Deal covers the four local authority areas of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

Based on the Swansea Bay City Region's Economic Regeneration Strategy for 2013 to 2030, the City Deal sets out an integrated, transformational approach to delivering the scale and nature of investment needed to support plans for growth in the Swansea Bay City Region.

The strategic vision is to create a super smart innovation region which will inform and advance solutions to some of the most pressing challenges of modern times in the areas of economic acceleration, energy, life sciences and well-being, for example.

The Swansea Bay City Deal is a total investment of £1.3 billion over a period of 15 years.

This consists of £241 million from the UK Government and Welsh Government, £396 million from other public sector funding, and £637 million from the private sector.

The City Deal provides a once in a generation opportunity to further consolidate the region's role in technological innovation through the creation of interconnected testbeds and living laboratories, designed not only for proof of concept but also for proof of business.

Using the transformational powers of next generation digital technologies, and supported by a programme of tailored skills development, the City Deal will accelerate the region's innovation, technological and commercialisation capabilities to support the establishment and growth of local innovation businesses.

The strands of innovation, skills and digital infrastructure create synergies across the themes and projects of the Swansea Bay City Deal programme.

The City Deal is projected to be worth £1.8 billion and more than 9,000 well-paid, high-quality jobs to the City Region in coming years.

It consists of transformational, innovative projects in each regional local authority area covered by the City Deal, as well as a number of pan-regional projects. The City Deal will also act as a catalyst for further investment, job creation and economic prosperity.

The City Deal is being led by the four regional councils, in partnership with the two regional universities and two regional health boards.

2. City Deal governance and transparency

Governance in place includes monthly meetings of the City Deal's Joint Committee, which is chaired by the Leader of Swansea Council. All Joint Committee meetings are open to the public and papers are available online

Bi-monthly meetings of the City Deal's Joint Scrutiny Committee are also held. These are open to the public, with papers available online.

Led by the private sector, an Economic Strategy Board (ESB) has been established to represent the interests and voice of the regional business community in relation to both the City Deal and wider investment and economic development opportunities. The Chair of the ESB sits on Joint Committee to ensure clear lines of communication and feedback between elements of the governance structure

A regional tidal lagoon task force in place, and a regional transport sub-committee is in the process of being established

3. Reviews into the City Deal

Two reviews into the Swansea Bay City Deal were undertaken in late 2018/early 2019. Actica Consulting was appointed to carry out an independent review through the Welsh Government and UK Government. Commissioned by the City Deal's Joint Committee, Pembrokeshire County Council carried out an internal review with support from the other three regional local authority audit teams.

Independent review

This review was completed in March, 2019. All review recommendations have been accepted by the City Deal's Joint Committee and are in process of being implemented. These include the appointment of a new City Deal Programme Director, and the establishment of a new City Deal Portfolio Management Office

Internal review

This review was completed in March, 2019. All review recommendations have been accepted by the City Deal's Joint Committee and are in the process of being implemented.

Post-review progress

Following the reviews, new processes and assurances have already been put in place. This has contributed to an improved business case approval process.

4. Key Swansea Bay City Deal achievements

The first £18 million of City Deal funding was released in December 2019, based on the approval of two projects – Yr Egin in Carmarthen, and the Swansea City and Waterfront Digital District

A second £18 million of City Deal funding will be released by the end of March 2020, subject to further project approvals by that time. Further funding releases are also scheduled for the next financial year, subject to progress on delivery.

As per the recommendations of reviews into the City Deal carried out in early 2019, a City Deal Programme Director was appointed on December 6, 2019.

Specialist advisors in key sectors will also be imminently appointed to assist the City Deal's Economic Strategy Board.

Other recent City Deal progress includes:

- Joint Committee formally authorising the submission of the Pembroke Dock Marine project in October, 2019, to the UK Government and Welsh Government for final approval.
- A revised Neath Port Talbot programme of projects (Supporting Innovation and Low Carbon Growth) being approved by Neath Port Talbot Council's Cabinet in July, 2019. Subject to Joint Committee's authorisation, this programme of projects will be submitted later this month (January, 2020) to the UK Government and Welsh Government for final approval.

This recent progress builds on other significant achievements since the City Deal's inception. These include a unanimous approval of the Joint Committee Agreement by all four regional Councils in summer of 2018, which resulted in the formal establishment of Joint Committee and its supporting governance structure

The Economic Strategy Board was formally established in September, 2018, to represent the voice of the private sector in developing and delivering the portfolio of projects and wider ambitions of the City Deal.

A City Deal Business Engagement Manager and Communications & Marketing Officer are also in post.

5. Update on the development of City Deal projects

Progress includes:

- The completion of Yr Egin phase one in Carmarthen, which is operational and close to full occupation. S4C now has its headquarters at the creative and digital hub, which also accommodates many other creative sector businesses. The recent City Deal funds released will unlock a second phase of the development.
- The start of main construction works on site for Swansea's digital indoor arena, with Ambassador Theatre Group (ATG) on board as venue operator once the facility is complete. Due to open in 2021, the arena will be complemented by a digital square.
- A planning application is also expected to be submitted for the digital village on Kingsway in Swansea city centre in coming months. This development will cater for tech and digitally focussed businesses.
- The completion of a Homes as Power Stations pathfinder scheme in Neath
- The opening of Marine Energy Test Area (META) phase one in Pembrokeshire. This forms part of the Pembroke Dock Marine project.
- Outline planning consent granted for Llanelli's Life Science & Well-being development in August, 2019. Ground investigation preparatory works at the proposed site for the development have also been undertaken.

6. Monitoring and evaluation

Priority has been placed on developing a City Deal implementation plan, which was approved in principle by Joint Committee in August, 2018. A revised implementation plan will be considered by Joint Committee for approval in January, 2020

A monitoring and evaluation framework is also currently under development which will set out the proposed approach to evaluating the impact of the City Deal. This work is being developed in parallel with the project business cases

All projects are required to develop their own monitoring framework, which will feed in to programme level monitoring and evaluation. All projects must as a minimum demonstrate and measure impact on job creation, GVA uplift, skills development, well-being objectives and sector specific benefits in areas including health and poverty

Other work includes an integrated assurance and approval plan for the City Deal, which is now under development.

Discussions have been held with the Office of the Future Generations Commissioner to ensure that arrangements embed well-being principles, with City Deal project progress reported to the Economic Strategy Board and Joint Committee on a monthly basis.

7. Communications and business engagement

Regular communications and business engagement activities are carried out across the City Region and beyond to raise the profile of the City Deal.

Activities include a City Deal website and social media accounts which are regularly updated to provide updates on activities and developments

E-newsletters with City Deal updates are also sent directly to the regional business community, complementing regular City Deal updates featuring in the local, regional, national and specialist media

A number of business engagement events have been held throughout the region, with regular City Deal representation at exhibitions and business events.

Further, similar events throughout the region planned for early 2020 and beyond.

A series of procurement principles for the City Deal are also currently under development to ensure regional impact and growth

8. Anticipated next steps

Building on recent progress, anticipated next steps include the formal submission of a number of further projects to the UK Government and Welsh Government for approval in coming months. These will include:

- The revised Neath Port Talbot programme of projects (Supporting Innovation and Low Carbon Growth)
- Homes as Power Stations
- Skills and Talent
- Digital Infrastructure
- The Life Science and Well-being development

A Programme Management Office under the leadership of the new Programme Director will also be established, along with the implementation of all review recommendations not yet in place.

Further releases of City Deal funding are soon anticipated, based on further project approvals.