

BWRDD GWEITHREDOL

4 Mehefin, 2018

Bargen Ddinesig Bae Abertawe

Y Pwrpas:

I gymeradwyo sefydlu'r Cyd-bwyllgor Bargen Dinesig Bae Abertawe a'r ffynonellau ariannol cysylltiedig

Yr Argymhellion / Penderfyniadau Allweddol sydd eu hangen:

- I Aelodau i gymeradwyo sefydlu'r Cyd-bwyllgor Bargen Dinesig Bae Abertawe (BDBA) a'r strwythur llywodraethu cysylltiedig
- I Aelodau i gymeradwyo'r Cytundeb drafft ar gyfer y Cyd-Bwyllgor a rhoi awdurdod dirprwyedig i'r Prif Weithredwr, mewn ymgynghoriad gyda'r Arweinydd, i wneud mân ddiwygiadau i'r Cytundeb fel sy'n ofynnol ac y cytunir rhwng yr Awdurdodau a Llywodraethau'r DU a Chymru er mwyn derfynu'r cytundeb.
- I Aelodau i gymeradwyo sefydlu'r Cyd Bwyllgor Craffu ar gyfer Bargen Ddinesig Bae Abertawe
- I Aelodau i gymeradwyo'r cynnig bod Cyngor Sir Gaerfyrddin yn cyfrannu £50 mil y flwyddyn dros y 5 mlynedd i gyd-dalu costau gweithredu ar y cyd ar gyfer y Cydbwyllgor, y Bwrdd Strategaeth Economaidd, y Bwrdd Rhaglen, Cyd Bwyllgor Craffu, y Corff Atebol a'r Swyddfa Ranbarthol ac yn cymeradwyo'r egwyddor i ddarparu arian sy'n gyfwerth â 1.5% o ddyraniad cyllid y Fargen Ddinesig. Bydd y cytundeb ar sail ddarparu'r cyllid hwn yn cael ei ddirprwyo i'r Cyfarwyddwr Gwasanaethau Corfforaethol mewn ymgynghoriad a'r Aelod o'r Bwrdd Gweithredol dros Adnoddau
- I Aelodau awdurdodi'r Cyfarwyddwr Gwasanaethau Corfforaethol (swyddog Adran 151) i archwilio a gweithredu'r benthycu cymesur mwyaf priodol i ariannu prosiectau rhanbarthol a ddarperir yn ardaloedd perthnasol y Cyngor.
- I Aelodau awdurdodi'r Cyfarwyddwr Gwasanaethau Corfforaethol i drafod gyda'r chydweithwyr Cyfarwyddwyr y dyraniad mwyaf priodol ar gyfer cadw cyfraddau annomestig rhanbarthol mewn perthynas â'r 11 prosiect.

Y Rhesymau:

I sefydlu strwythurau llywodraethu er mwyn symud ymlaen gyda Bargen Dinesig Bae Abertawe. Dylid nodi bod y tri awdurdod lleol arall, sef Cyngor Sir Penfro, Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot a Chyngor Abertawe, yn cyflwyno adroddiadau tebyg i'w Cabinet a'u Cyngorau ar yr un pryd.

Ymgynghorwyd â'r pwyllgor craffu perthnasol

AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad OES
Angen i'r Cyngor wneud penderfyniad OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:-

Arweinydd y Cyngor, y Cynghorydd Emlyn Dole

Y Gyfarwyddiaeth:

Enw Pennaeth y

Gwasanaeth:

Mark James

Awdur yr Adroddiad:

Swyddfa Ranbarthol BDBA

Swyddi:

Prif Weithredwr

Rhifau ffôn:

01267 224110

Cyfeiriadau E-bost:

mjames@sirgar.gov.uk

EXECUTIVE SUMMARY

Executive Board

4th June, 2018

Swansea Bay City Deal

1. BRIEF SUMMARY OF PURPOSE OF REPORT

Council approval was received from each of the four local authorities of Swansea, Neath Port Talbot, Carmarthenshire and Pembrokeshire to sign a City Deal agreement (Heads of Terms), worth a total value of £1.3bn. This was subsequently signed with UK and Welsh Governments on the 20th March, 2017. The signing of the document confirmed joint commitment by all four local authorities to implement the Swansea Bay City Deal proposals along with other specific areas namely wider economic development matters including planning and transport.

Since the signing, the Swansea Bay City Deal has been operating in Shadow form in order to maintain momentum and develop the necessary governance arrangements that will enable the region to deliver the Swansea Bay City Deal programme. This has involved the development of the Joint Committee Agreement (JCA) which provides the legal framework within which the Swansea Bay City Deal will operate

Detailed discussions with the WG have also taken place and it has been agreed that:

- SBCD Local Authorities are able to retain 50% of the additional net yield in the non-domestic rates generated by the 11 projects which are to be delivered by the Deal.
- That the SBCD Local Authorities are able to utilise funding flexibilities in respect of the revenue based project expenditure, details of which are now included with the Joint Agreement.

The attached report sets out governance proposals and related financial requirements as well as key functions that need to be formally established.

2. OTHER OPTIONS AVAILABLE AND THEIR PROS AND CONS

There are currently no alternative options of the scale of the City Deal, particularly with the current situation around Brexit and EU funds.

The £1.3 billion City Deal investment programme provides a once in a generation opportunity to increase prosperity and opportunity in the urban and rural areas across Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

Through an innovative private and public partnership, the Swansea Bay City Deal will considerably boost growth in sectors including digital enterprise, life science and well-being, smart manufacturing and sustainable energy production. The Deal will also work to ensure that our current and future workforces are equipped with the skills, knowledge and experience to take advantage of opportunities created through the City Deal. This will help build the region for local people and local businesses as the major projects unfold.

With the Swansea Bay City Deal Heads of Terms firmly signed, there is a need set in place robust governance arrangements and to continue the momentum and excellent progress already made to ensure that the Region is in a position to begin delivering against its ambitious and extremely exciting transformational plans.

DETAILED REPORT ATTACHED?	YES Draft Joint Committee Agreement WG Capital Funding Guidance document

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Mark James

Chief Executive

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	YES	YES	YES	YES

1. Policy, Crime & Disorder and Equalities

The Swansea Bay City Deal is an excellent example of working in partnership with other councils, universities and education providers, health boards, UK and Welsh Governments, and the business community. It demonstrates what collaboration and joined-up thinking can achieve for our citizens.

The Well-being of Future Generations (Wales) Act 2015 - the City Deal is a good example of the 5 Ways of Working promoted by the Act and will make a significant contribution to the 7 well-being goals.

The City Deal is a 15 year programme which provides an opportunity to address persistent challenges such as climate change, poverty, inequality, jobs and skills and rurality in a transformational and preventative way.

It is also an opportunity for the 4 authorities to demonstrate how they are using the 5 Ways of Working to maximize their contribution to the well-being goals required under the Act, through a major public and private investment programme.

2. Legal

The Swansea Bay City Deal Joint Committee shall be governed by the provisions of the Joint Committee Agreement.

The terms of the Joint Committee Agreement commits Carmarthenshire County Council to discharge its responsibilities to meet the requirements of the Heads of Terms document signed on 20th March, 2017.

3. Finance

The structure of the deal in terms of financing will be based on a 15 year programme. The four local authorities will be asked to borrow the required sum (each Local Authority will fund its relevant projects) and the funding will be drawn down as projects develop over a period of 5 years.

The capital borrowing (in respect of the Government funded element) for the SBCD projects will be re-paid by Government funds (UK & Welsh government) over the 15 year period. The exact level of borrowing and the structure and terms of the borrowing is yet to be confirmed, however it will be calculated based on the amount required per relevant local authority and will be agreed based on the principles of the Prudential Code and the Treasury Management Strategy and Policy for each Authority. When further details of the investments required for each project are known, a full business case appraisal for each individual project will be completed and submitted to the relevant local authority for approval before submission to the Joint Committee. These full business cases will include the detailed funding proposals and requirements of the local authority.

To support the interest costs for each Authority, Welsh Government have agreed that SBCD Local Authorities are able to retain 50% of the additional net yield in the non-domestic rates generated by the 11 projects. The basis of the allocation of the rates generated within the SBCD is yet to be agreed.

The Accountable Body has set-up a Swansea Bay City Deal Financial & Legal Group which comprises representatives from each of the four local authorities. The group is tasked at looking at the accounting and reporting implications that will arise from the implementation of the City Deal Programme as well as the borrowing requirements of the City Deal proposal.

There will be a requirement for each Local Authority to contribute £50k per annum over 5 years plus equivalent to 1.5% top slice of the City Deal allocation (Government funding) to cover the operating costs of the Accountable Body and Regional Office functions.

4. ICT

There will be implications on ICT requirements in relation to governance although it is not envisaged that this will be of a significant nature.

The Digital Infrastructure project will present significant opportunities for the Region and each local authority's ICT departments will be engaged in the developments.

5. Risk Management Issues

Each Swansea Bay City Deal project will carry its associated risks which will be mitigated throughout the application and delivery process. A detailed risk analysis will be undertaken for all projects by the Project Delivery Lead as part of the development of the 5 base business model process, and a project specific Risk Register established to assist in the management and mitigation of all risks.

6. Physical Assets

Project Delivery Leads will take full responsibility and ownership of all physical assets funded through the Swansea Bay City Deal.

Associated revenue costs and sustainability will be fully addressed in the respective 5 case business models for each project. Ongoing maintenance and insurance of all such assets will be the responsibility of the respective Project Delivery Lead.

7. Staffing Implications

Each Swansea Bay City Deal project will establish their own project delivery team.

Carmarthenshire County Council, as Accountable Body for the Swansea Bay City Deal, will recruit and host staff responsible for fulfilling the functions of the Accountable Body and Regional Office.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Mark James

Chief Executive

1. Scrutiny Committee

A report on the SBCD City Deal proposals went through the political process in February 2017 with Full Council Approval received in March 2017.

2. Local Member(s)

A member's seminar on the City Deal was held on the 27th July 2016.

A report on the SBCD City Deal proposals went through the political process in February 2017 with Full Council Approval received in March 2017.

The Region has also consulted with Assembly Members last year and recently on 7th February 2018 as well as Members of Parliament through specific briefing sessions held on the 3rd and 10th February 2017.

3. Community / Town Council

4. Relevant Partners

Reports outlining the proposals of the SBCD were submitted and subsequently approved by each of the four local authorities in March 2017.

5. Staff Side Representatives and other Organisations

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Swansea Bay City Deal Heads of Terms Agreement	N/A	Available from Swansea Bay City Deal Regional Office: citydeal@carmarthenshire.gov.uk