

(NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE JOINT COMMITTEE AT ITS NEXT MEETING)

SWANSEA BAY CITY REGION JOINT COMMITTEE

Thursday, 28 March 2019

PRESENT: Councillor R. Stewart (Chair)

Councillors:

E. Dole, D. Simpson and A. Taylor (Reserve Member).

Co-optees:

Dr J. Davidson, University of Wales Trinity St David (Reserve Member)

Prof I. Davies, Swansea University

E. Tomp, Chair of the Economic Strategy Board

Also in attendance from the Welsh Audit Office:

Mr. J. Evans, Performance Audit Manager

Also in attendance as an observer:

Councillor R. James (Carmarthenshire County Council)

The following Officers were in attendance:

S. Phillips, Chief Executive, Neath Port Talbot County Council

I. Westley, Chief Executive, Pembrokeshire County Council

W. Walters, Director of Regeneration & Policy, Carmarthenshire County Council

M. Nicholls, Director of Place, Swansea Council

C. Moore, Joint Committee S.151 Officer

L.R. Jones, Joint Committee Monitoring Officer

H. Morgan, Economic Development Manager

R. Phillips, Funding Manager

J. Hendy, Governance, Assurance & Information Manager, Pembrokeshire C.C.

M. Evans Thomas, Principal Democratic Services Officer

G. Jones, Communications & Marketing Officer (City Deal)

R. Llewellyn, Performance, Governance & Policy Officer

J. Laimann, Assistant Democratic Services Officer

Democratic Services Committee Room, County Hall, Carmarthen. 11.00 - 11.40 am.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rob Jones (Neath Port Talbot Council), Professor Medwin Hughes (University of Wales Trinity St David), Judith Hardisty (Hywel Dda University Health Board) and Mark James (Carmarthenshire County Council). Councillor Anthony Taylor (Neath Port Talbot Council) and Dr Jane Davidson (University of Wales Trinity St David) attended the meeting as substitutes. Wendy Walters attended the meeting on Mark James' behalf.



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The Chair welcomed Professor Iwan Davies (Swansea University) to the meeting.

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest made at the meeting.

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE JOINT COMMITTEE MEETING HELD ON THE 24TH JANUARY 2019

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Swansea Bay City Region Joint Committee held on the 24th January 2019 be signed as a correct record.

4. NOTIFICATION OF CHANGE OF CO-OPTED REPRESENTATION ON THE JOINT COMMITTEE

The Joint Committee considered the following formal notifications of change of co-opted representation on the Joint Committee:

1. Formal notification from Swansea University that its representative on the Joint Committee going forward will be Professor Iwan Davies, with Professor Steve Wilks acting as the Reserve Member.
2. Formal notification from Hywel Dda University Health Board that Judith Hardisty will be its representative on the Joint Committee going forward, replacing Bernadine Rees.

The Chair thanked Bernadine Rees for her contribution to the Joint Committee.

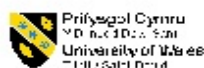
UNANIMOUSLY RESOLVED that the change of co-opted representation on the Joint Committee be formally endorsed.

5. SWANSEA BAY CITY DEAL INDEPENDENT REVIEW: UK AND WELSH GOVERNMENT

The Joint Committee considered a report on the Swansea Bay City Deal Independent Review carried out by the UK and Welsh Governments.

The Chair suggested that all seven recommendations made in the report should be accepted and implemented as soon as possible. For this purpose, an implementation and action plan could be drafted by the Programme Board and brought back to the next Joint Committee meeting.

The Joint Committee noted that both Independent and Internal Review recommended the appointment of an independent Managing Director for the City Deal Regional Office. The Chair suggested that the recommendation should be



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accepted and funding arrangements discussed at a separate meeting in order to move the subject forward quickly. A job profile and outline of resources required for the role would be drafted for consideration at the next Joint Committee meeting.

A comment was made expressing support for the appointment of an independent Regional Office Director but suggesting that the current £50k Local Authority contribution toward the Swansea Bay City Deal should not be increased to fund the post. Each Authority made a significant financial contribution to the Deal and there was a need to look at whether there was scope within existing budgets initially.

The Chair advised that criticisms of processes in the reviews should not be confused with criticism of people and thanked City Deal Officers for their work. Members and Officers clarified that, while some projects were in the process of remodelling, no City Deal projects had been put on hold. It was suggested that the portfolio management approach recommended in the review provided useful flexibility and the opportunity to introduce new project elements.

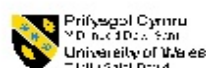
UNANIMOUSLY RESOLVED that

- 5.1. the report on the UK and Welsh Government Independent Review into the Swansea Bay City Deal be received;**
- 5.2. all seven recommendations made in the Independent Review report be accepted and referred to the Programme Board for the drafting of an implementation and action plan to be considered at the next Joint Committee meeting;**
- 5.3. a draft job profile and outline of funding options for the City Deal Office Managing Director be prepared for consideration at the next Joint Committee meeting;**
- 5.4. funding arrangements for the City Deal Management Director be left in abeyance and discussed at a separate meeting;**
- 5.5. the current LA contribution of £50k not be increased to fund the Managing Director post.**

6. SWANSEA BAY CITY DEAL INTERNAL REVIEW OF GOVERNANCE ARRANGEMENTS REPORT MARCH 2019

The Joint Committee considered the Swansea Bay City Deal Internal Review of Governance Arrangements Report.

The Chair suggested that all recommendations made in the report should be accepted and implemented as soon as possible. Recommendations from both Independent and Internal Review could be included in the implementation and action plan (Minute Item 5 refers).



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The Chair thanked Jo Hendy and the other auditors for their work on the review and recommendations.

UNANIMOUSLY RESOVLED that

6.1. the Internal Review be received;

6.2. all recommendations made in the Internal Review be accepted and referred to the Programme Board to be included in the implementation and action plan (Minute Item 5.2. refers).

7. CARMARTHENSHIRE COUNTY COUNCIL - LLANELLI WELLNESS AND LIFE SCIENCE VILLAGE REVIEWS

The Joint Committee considered reports on the Carmarthenshire County Council Llanelli Wellness and Life Science Village Reviews, consisting of an Independent Legal Review and a Wales Audit Office (WAO) Review. The Joint Committee noted that the Independent Legal Review focussed on procurement and governance pre and post Collaboration Agreement and the WAO review assessed Carmarthenshire County Council's management of process, risk, and governance and the protection of public money in relation to the project.

The Joint Committee was advised that findings from both reviews had been unanimously accepted by Carmarthenshire County Council's Executive Board on the 4th March 2019. The Executive Board had welcomed the findings, which concluded that due process had been followed and the Council had acted properly. The Executive Board would continue to monitor progress and the Authority was pleased that the project was not on hold and would continue to be considered within the first tranche of projects. The Joint Committee was informed that the reviews had concluded that the Council was not precluded from further collaboration with Swansea University.

The Joint Committee was informed that WAO had provided a letter rather than a full report and that a representative of WAO, Mr Jeremy Evans, was attending the meeting to answer questions. A question was raised asking whether it was normal practice for WAO to issue letters rather than full review reports. Mr Evans advised that the letter and full report both had equal weight. WAO had found that the issuing of a letter was most appropriate to convey key findings in a timely and succinct manner without repeating details from other reviews.

In response to a query as to how the WAO review related to the findings of the Independent and Internal Reviews into the City Deal, Mr Evans advised that the reviews had a different focus, with the Internal and Independent City Deal reviews looking at the broader City Deal governance arrangements. To avoid unnecessary repetition, WAO had decided that it was appropriate to focus specifically on Carmarthenshire County Council's processes in relation to the Llanelli Wellness and Life Science Village project and the findings were detailed in the report.



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UNANIMOUSLY RESOLVED to note the findings of the Carmarthenshire County Council Independent Legal Review and the WAO Review of the Llanelli Wellness and Life Science Village.

8. PEMBROKE DOCK MARINE PROJECT

The Joint Committee was advised that several key issues in relation to the Pembroke Dock Marine Project had to be addressed in order for the project to be progressed. The case for a Joint Committee decision was set out in a memorandum from Milford Haven Port Authority (on behalf of the Pembroke Dock Marine Project partners) attached to the report.

The Joint Committee was asked to consider three key recommendations. It was informed that Pembrokeshire County Council had received advice from the Joint Committee Monitoring and S.151 Officers in relation to recommendations 2 and 3.

With regard to recommendation 2, Officers had advised that project delivery periods had always been five years from the commencement of the City Deal.

With regard to recommendation 3, Officers had advised that the Joint Committee could not be expected to agree the principle of shared NNDR uplift allocation as the issue would require a separate report and additional information from the Welsh Government was awaited.

It was suggested that Leaders and Chief Executives could convene an urgent meeting to discuss key decisions 2 and 3. The Joint Committee was advised that Welsh Government had to be further engaged in relation to NNDR uplift allocation.

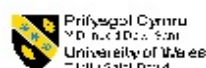
The Project Lead thanked the Joint Committee Monitoring and S.151 Officers for their advice.

UNANIMOUSLY RESOLVED that

- 8.1. the change in the Pembroke Dock Marine project scope be approved, subject to any comments from the Economic Strategy Board;**
- 8.2. an urgent meeting of Leaders and Chief Executives be convened to discuss NNDR uplift allocation and the delivery period for City Deal projects;**
- 8.3. the outstanding decisions in relation to NNDR uplift allocation and the start date for the project delivery period be added to the issue log.**

9. DEVELOPMENT OF HOMES AS POWER STATIONS, DIGITAL, SKILLS AND TALENT AND PEMBROKE DOCK MARINE

The Joint Committee considered a report on the development of the Homes as Power Stations, Digital Infrastructure, Pembroke Dock Marine and Skills and Talents projects. The four projects had been recommended as part of the second



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tranche of projects to be progressed from draft to formal business plan submission and approval stage.

It was suggested that flexibility regarding the tranching of projects should be agreed.

UNANIMOUSLY RESOLVED that

9.1. the prioritisation of the following business cases be approved:

- i. Digital Infrastructure**
- ii. Homes as Power Stations**
- iii. Pembroke Dock Marine**
- iv. Skills and Talents**

9.2. the tranching of projects be flexible so as to enable projects to come forward.

10. PROJECTS ISSUE LOG AND RISK REGISTER

The Joint Committee received the Swansea Bay City Deal Programme Risk Register and Projects Issue Log. It was suggested that the two documents were in draft stage and would have to be updated to reflect the recommendations from the City Deal reviews (Minute Items 5 and 6 refer).

With regard to the Projects Issue Log, Project Leads were asked to ensure that the log was up to date. The Joint Committee was advised that updated versions of both documents would be circulated prior to its next meeting.

UNANIMOUSLY RESOLVED that

10.1. the SBCD Projects Issue Log and Programme Risk Register be noted;

10.2. both documents be updated to reflect the recommendations from the City Deal Independent and Internal Reviews.

11. RETROSPECTIVE CLAIMS - DEFRAID EXPENDITURE

The Joint Committee considered a report on retrospective claims of defrayed expenditure back to the 20th March 2017. The Shadow Joint Committee had approved retrospective claiming of defrayed expenditure on the 13th July 2017 and the decision would now require formal approval by the Joint Committee.

The Joint Committee was advised that Project Leads had incurred preliminary expenditure to develop the projects and business plans and that these costs would be eligible for funding. It was also advised that defrayed expenditure was referring to preliminary and delivery costs. Updated reports to be provided to the next meeting detailing expenditure to date.

UNANIMOUSLY RESOLVED that the report on defrayed expenditure be noted.



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12. CORRESPONDENCE:-

12.1. LETTER FROM THE CHAIR OF THE SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE (15th February 2019)

The Joint Committee received a letter from the Chair of the Swansea Bay City Deal Joint Scrutiny Committee, dated 15th February 2019, which outlined findings and recommendations of the Joint Scrutiny Committee meeting held on the 31st January 2019.

The Chair thanked the Joint Scrutiny Committee for its work and advised that a draft response to the letter would be issues shortly.

UNANIMOUSLY RESOLVED that the letter be noted.

12.2. LETTER FROM THE CHAIR OF THE SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE (5th March 2019)

The Joint Committee received a letter from the Chair of the Swansea Bay City Deal Joint Scrutiny Committee, dated 5th March 2019, which included recommendations of the Joint Scrutiny Committee meeting held on the 1st March 2019.

The Chair thanked the Joint Scrutiny Committee for its work and advised that a draft response to the letter would be issues shortly.

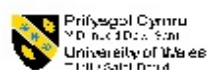
UNANIMOUSLY RESOLVED that the letter be noted.

13. EXCLUSION OF THE PUBLIC

UNANIMOUSLY RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following items as the reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

14. YR EGIN RESUBMISSION

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 13 above, to consider this matter in private, with the public excluded from the meeting, as the report included the business case to be submitted to the UK and Welsh Governments for approval and contained indicative cost estimates, and disclosing those indicative cost estimates in advance of procuring a works contractor could prejudice the procurer's position.



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The Committee noted that the suggestion to resubmit the business plan was a response to the Independent Review's recommendation to move forward those projects closest to final approval (Minute Item 5 refers).

The S.151 Officer advised the Joint Committee that, given the recommendations of the City Deal Internal Review (Minute Item 6 refers), Items 14 and 15 should be considered on the understanding that Project Lead Authorities were taking full financial responsibility for their projects, including management of financial risks. The Chair confirmed that it would be a matter of each Local Authority to identify and manage its own financial risks.

UNANIMOUSLY RESOLVED that

- 14.1. the formal submission of the Yr Egin full five case business plan, submitted to the UK and Welsh Governments on 26th November 2018, be withdrawn;**
- 14.2. the Yr Egin full five case business plan be resubmitted to the UK and Welsh Government for approval.**

15. SWANSEA CITY AND WATERFRONT DIGITAL DISTRICT RESUBMISSION

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 13 above, to consider this matter in private, with the public excluded from the meeting, as the report included the business case to be submitted to the UK and Welsh Governments for approval and contained indicative cost estimates, and disclosing those indicative cost estimates in advance of procuring a works contractor could prejudice the procurer's position.

The Committee noted that the suggestion to resubmit the business plan was a response to the Independent Review's recommendation to move forward those projects closest to final approval (Minute Item 5 refers).

The Chair confirmed that the previous commitment in respect of Project Lead Authorities taking full financial responsibility for managing the risks and consequential liability would apply, and this was acknowledged by the City and County of Swansea.

UNANIMOUSLY RESOLVED that

- 15.1. the formal submission of the Swansea City & Waterfront Digital District full five case business plan, submitted to the UK and Welsh Governments on 26th November 2018, be withdrawn;**
- 15.2. the Swansea City & Waterfront Digital full five case business plan be resubmitted to the UK and Welsh Government for approval.**

CHAIR

DATE

