

# Assurance and Risk Assessment – Swansea Bay City Deal Region Joint Committee

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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# Summary report

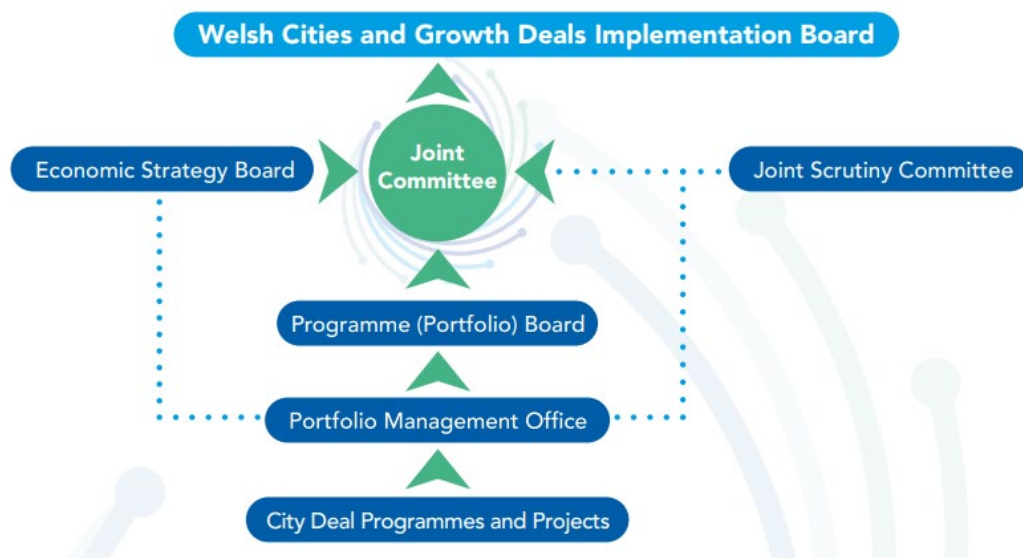
## Summary

### What we reviewed and why

- 1 The Auditor General has a duty under the Public Audit (Wales) Act to assure himself each year that audited bodies, including the Swansea Bay City Deal Region Joint Committee ('the Joint Committee'), have put in place proper arrangements to secure value for money in the use of their resources.
- 2 The Swansea Bay City Deal (the City Deal) involves eight key partner organisations in the Swansea Bay region. The City Deal is led by the four local authorities in the region - Carmarthenshire County Council, Swansea Council, Neath Port Talbot Council and Pembrokeshire County Council - together with four other partners in the region which are the Swansea Bay and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David.
- 3 The City Deal is a 15-year investment programme with funding being provided through a number of organisations including the UK and Welsh Governments, the eight partner organisations and private sector investment.
- 4 There are nine City Deal programmes and projects that make up the portfolio<sup>1</sup>. Through the delivery of that series of projects, the City Deal aims to boost the regional economy by at least £1.8 billion, while generating more than 9,000 jobs.
- 5 Exhibit 1 below sets out the Swansea Bay City Deal Region's governance structure.

<sup>1</sup> [Source: Swansea Bay City Deal](#)

**Exhibit 1 Swansea Bay City Deal Region Governance Structure<sup>2</sup>**



6 The table below sets the membership of each of the groups and their role in the governance structure.

**Exhibit 2 Swansea Bay City Deal Region Governance framework membership and roles<sup>3</sup>**

Group	Members	Summary of role
Joint Committee	<p>Elected leaders of the four local authorities along with senior executive leaders from Swansea Bay and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David.</p> <p>The Chair of the Economic Strategy Board is also a Joint Committee member.</p>	<p>Holds the City Deal Programme (Portfolio) Board and City Deal Portfolio Management Office to account and has overall responsibility for delivery of the City Deal.</p>

<sup>2</sup> Source: Swansea Bay City Deal Portfolio Annual Report 2022-23

<sup>3</sup> Source: Swansea Bay City Deal Portfolio Annual Report 2022-23

Group	Members	Summary of role
Programme (Portfolio) Board	<p>Four local authority Chief Executives and senior representative from the four other partner organisations.</p> <p>Both the UK and Welsh Government are represented on the Programme Board.</p>	<p>Responsible for overseeing the operations of the City Deal.</p> <p>The Programme (Portfolio) Board will review changes to business cases and developments to the portfolio as it progresses. It consists of the head or senior representative of each of the eight partner organisations</p>
Joint Scrutiny Committee	<p>Three elected members from each of the four local authorities.</p>	<p>Provides advice, challenge and support to the Joint Committee</p>
Economic Strategy Board	<p>Six private sector individuals who are appointed through an open recruitment and nomination process</p>	<p>Private sector advisory body which provides strategic direction for the City Deal through advice to the Joint Committee on matters relating to the City Region.</p>

- 7 The Swansea Bay City Deal Portfolio Management Office is responsible for the day-to-day running of the City Deal Portfolio supporting the nine programmes and projects. As part of that support, it implements the programme (portfolio) management approach across the portfolio and coordinates the collation of relevant data.
- 8 The Swansea Bay City Deal Joint Committee is supported by Carmarthenshire Council's Section 151 Officer and Swansea Council's Monitoring Officer as part of the statutory functions of the portfolio.

- 9 In this audit review, we assessed the effectiveness of the City Deal's existing programme (portfolio) management arrangements in supporting the effective and efficient delivery of the Swansea Bay City Deal programme (portfolio) going forward.
- 10 That assessment informs our assessment of risks and assurances to inform our work planning for our future performance audit work of the Swansea Bay City Deal Region Joint Committee in future years.
- 11 We undertook this review between October 2023 to March 2024.

## How we undertook the review

- 12 We undertook the review by:
  - Reviewing a sample of the Programme (Portfolio) Board and Joint Committee documentation.
  - Reviewing a sample of Portfolio Management Office documentation.
  - Interviewing the:
    - Chair of Programme (Portfolio) Board
    - City Deal Section 151 Officer
    - Portfolio Office Director
    - Chair of the Economic Strategy Board
    - City Deal Deputy Monitoring Officer
  - Holding focus groups with the:
    - Leaders of the four local authorities
    - Chief Executives of the four local authorities
    - Regeneration Directors of the four local authorities
    - Senior Managers from the two Health Board and two University City Deal partner organisations
    - Senior Responsible Officers for the projects/programmes
- 13 We developed the audit questions shown in appendix one. To aid our analysis of the information we gathered during the audit we used the audit criteria which are also shown in appendix one. We developed those audit criteria based on the **National Audit Office's Framework to review programmes**.

## What we found

- 14 Our review sought to answer the question: **Do the programme (portfolio) management arrangements support the effective and efficient delivery of the City Deal programme?**
- 15 Overall, we found that: **Swansea Bay City Deal's current programme (portfolio) management arrangements support clear insight into the portfolio's progress. There is now an opportunity for the Swansea Bay City Deal Joint Committee to formally review those arrangements to ensure they are the right fit for future needs and reflecting any changes in its operating environment.**
- 16 We reached this conclusion because:
- Partners across the City Deal share a clear understanding of the purpose and intended benefits, whilst recognising the current challenges in delivering the intended outcomes.
  - Partners across the City Deal have provided sufficient resources to support effective programme (portfolio) management to date. The Joint Committee has yet to formally review those resources in light of wider funding pressures and an undecided approach to future regional structures.
  - Swansea Bay City Deal's governance arrangements are currently thorough.
  - Swansea Bay City Deal's programme (portfolio) management arrangements are consistently and effectively applied. The Joint Committee needs to assure itself that those arrangements are efficient and maximise the shared learning across all projects.

## Recommendations

- 17 We have not developed any specific recommendations as a result of our findings. This report, however, sets out a series of areas which at the time of our fieldwork the City Deal Joint Committee had yet to resolve. Those areas represent areas where the Joint Committee's arrangements did not fully reflect the audit criteria.
- 18 We invite the Joint Committee to respond to those areas it had yet to resolve.
- 19 We will then monitor progress against the Joint Committee's response as part of our assurance and risk assessment performance audit work for 2023-24, and future audit years.



# Main report

Swansea Bay City Deal's current programme (portfolio) management arrangements support clear insight into the portfolio's progress. There is now an opportunity for the Swansea Bay City Deal Joint Committee to formally review those arrangements to ensure they are the right fit for future needs and reflect any changes in its operating environment.

**Partners across the City Deal share a clear understanding of the purpose and intended benefits, whilst recognising the current challenges in delivering the intended outcomes.**

- 20 We asked the question, do partners ensure that the City Deal has the resources required to support efficient and effective programme (portfolio) management?
- 21 We found that partners across the City Deal share a clear understanding of the purpose and intended benefits, whilst recognising the current challenges in delivering the intended outcomes
- 22 In reaching this conclusion we found:
- Strong alignment between partner organisations' strategic priorities and those of the City Deal.
  - All partners clearly understand the City Deal's purpose and can articulate the intended benefits and outcomes.
  - City Deal outcomes are well-defined.
- 23 At the time of our evidence gathering we found that the City Deal partners had the following areas to resolve:
- Ensuring the alignment between the City Deal, Corporate Joint Committee (CJC) and wider economic strategies and partnerships.
  - Developing a replacement measure for Gross Value Added (GVA) as required by HM Treasury.
  - Achieving the intended outcomes within the constraints of the changing delivery environment.

**City Deal partners have provided sufficient resources to support effective programme (portfolio) management to date. The Joint Committee has yet to formally review those resources in light of wider funding pressures and an undecided approach to future regional structures.**

24 We asked the question, do partners ensure that the City Deal has the resources required to support efficient and effective portfolio management?

25 We found that City Deal partners have provided sufficient resources to support effective programme (portfolio) management to date. The Joint Committee has yet to formally review those resources in light of wider funding pressures and an undecided approach to future regional structures.

26 In reaching this conclusion we found that:

- Sufficient resources have been provided to establish and implement effective portfolio management arrangements.
- Swansea Bay City Deal's portfolio management arrangements provide clear insight into progress and effectively manage change.
- The Portfolio Management Office team has access to the necessary support services.
- The Portfolio Management Office team has the right skills to support and coordinate the projects across the portfolio.
- Swansea Bay City Deal partners shared a clear view that the Portfolio management arrangements should change when the delivery of the portfolio moves into a different phase.

27 At the time of our evidence gathering, we found that the City Deal partners had the following areas to resolve:

- There were differing views across the eight City Deal partners around whether the portfolio has already entered a different phase of delivery across all programmes and projects and the criteria the Joint Committee will use to identify that milestone.
- Partners had not yet formally reviewed the portfolio management capacity and funding. However, ongoing budget review processes may provide the partners with the opportunity to review the required scale of portfolio management.
- Managing the potential risk of losing portfolio management staff whose skills may be applied across the region whilst future funding arrangements are resolved.

## Swansea Bay City Deal's governance arrangements are currently thorough.

- 28 We asked the question, does the City Deal have effective governance arrangements?
- 29 We found that Swansea Bay City Deal's governance arrangements are currently thorough.
- 30 In reaching this conclusion we found that:
- The Joint Committee and Programme (Portfolio) Board receive timely and accurate reports to aid decision making and challenge.
  - There are regular updates on outcomes, but those outcomes are in the early stages of realisation across the programme (portfolio).
  - The Portfolio Management Office has provided the Joint Committee and Programme Board with a clear understanding of the impact of increasing construction costs.
  - The Joint Committee and Programme (Portfolio) Board engage positively with relevant oversight bodies and respond effectively to their recommendations.
  - The City Deal's risk management arrangements allow it to identify, mitigate and monitor risks effectively at all levels from project to portfolio level.
- 31 At the time of our evidence gathering we found that the City Deal partners had the following areas to resolve:
- There were differing views among the City Deal partners of the need to retain the thoroughness of the governance arrangements which have been used to establish the City Deal programme (portfolio) and bring projects into delivery. City Deal partners had not agreed the extent to which they will retain the same level of governance arrangements as the programme (portfolio) progresses into a different phase.
  - Clarifying the line management of the Portfolio Office Director to ensure that both strategic and operational accountabilities and responsibilities are clear.
  - Whilst City Deal partners recognise the benefits of aligning the City Deal and Corporate Joint Committee, however, due to differing legal structures, there was no clear approach as to how and when that might be achieved.
  - Clarifying the benefits and purpose of the City Deal's Economic Strategy Board.
  - Resolving the varying views over the effectiveness, value and duplication of regional scrutiny.

- Finalising the new evaluation framework in response to the City Deal's 2023 Gateway review<sup>4</sup> through a Task and Finish group established by the Joint Committee to respond to the review's findings.
- Ensuring greater consistency of the reporting of community and regional benefits from each of the portfolio's individual projects.

**Swansea Bay City Deal's programme (portfolio) portfolio management arrangements are consistently and effectively applied. The Joint Committee needs to assure itself that those arrangements are efficient and maximise the shared learning across all projects.**

32 We asked the question, is the City Deal implementing its programme (portfolio) management arrangements effectively?

33 We found that Swansea Bay City Deal's programme (portfolio) management arrangements are consistently and effectively applied.

34 In reaching this conclusion we found that:

- The Portfolio Management Office has significantly improved the City Deal's governance arrangements at all levels.
- Portfolio Management Office staff have recognised qualifications.
- The Portfolio Management Office consistently implements recognised programme and project management approaches to ensure a standardised approach.
- The City Deal partners recognise the Portfolio Management Office's communication to them as comprehensive and a strength.

35 At the time of our evidence gathering we found that the City Deal partners had the following areas to resolve:

- Maximising the shared lessons learning across the City Deal portfolio.
- Reflecting whether there are greater opportunities to raise the profile of the City Deal's impact with the public.
- Clarifying whether there is duplication within the arrangements, whereby data is collected and reported locally and then also collected and reported at a regional level leading to potential inefficiencies.

<sup>4</sup> A gateway review is part of the City Deal's assurance framework at key decision points in line with the Cabinet Office Gateway Process.

# Appendix 1

## Audit questions and criteria

### Exhibit 3: key questions and what we looked for.

The table below sets out the question we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Main audit question: **Do the programme (portfolio) management arrangements support the effective and efficient delivery of the City Deal programme?**

### Exhibit 3: audit questions and criteria<sup>5</sup>

Level 2 questions	Criteria
	<ul style="list-style-type: none"><li>• The City Deal's purpose aligns effectively with partners' strategic priorities.</li></ul>

<sup>5</sup> These criteria are based on the [National Audit Office's Framework to review programmes](#)

Level 2 questions	Criteria
<p>1. Do partners have a shared understanding of the City Deal's purpose?</p>	<ul style="list-style-type: none"> <li>• All partners have a consistent understanding of the City Deal's purpose.</li> <li>• All partners have a consistent understanding of the benefits and outcomes the City Deal will deliver.</li> <li>• The City Deal has set specific, measurable, achievable, realistic and timebound outcomes.</li> </ul>
<p>2. Do partners ensure that the City Deal has the resources required to support the efficient and effective programme management?</p>	<ul style="list-style-type: none"> <li>• The City Deal has identified the number of staff it requires to deliver its outcomes.</li> <li>• City Deal partners provides sufficient funding to manage the programme effectively.</li> <li>• City Deal staff have the right skill mix to support and coordinate programme delivery.</li> <li>• The programme team has access to support services, for example, legal, commercial, evaluation and analysis.</li> <li>• City Deal partners review its resource requirements periodically and makes necessary changes.</li> </ul>

Level 2 questions	Criteria
3. Does the City Deal have effective governance arrangements?	<ul style="list-style-type: none"><li>• Those charged with governance receive timely and accurate reports on progress to help provide effective challenge.</li><li>• Governance arrangements engage all relevant oversight bodies internal and external audit.</li><li>• Governance arrangements provide strong and effective oversight of the achievement of the intended benefits and costs.</li><li>• Governance arrangements enable the City Deal to respond to changes in its operating context effectively.</li><li>• Governance arrangements ensure that the City Deal identifies, mitigates and monitors risks at a programme and project level.</li><li>• Management responds effectively to independent assurance reviews.</li><li>• The City Deal manages interdependencies between different policies, teams and organisations across the City Deal.</li></ul>

Level 2 questions	Criteria
4. Is the City Deal implementing its programme management effectively?	<ul style="list-style-type: none"><li>• The City Deal has adopted recognised programme and project management approaches.</li><li>• The City Deal consistently applies its programme and project management approaches.</li><li>• The City Deal collects the information it needs to evaluate progress.</li><li>• Outcomes are monitored against the planned time and cost and can identify unintended consequences.</li><li>• The City Deal demonstrates learning from previous projects to current and future projects.</li><li>• There is effective communication with all stakeholders.</li></ul>







Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

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