

Senedd Cymru

Pwyllgor yr Economi, Masnach a Materion Gwledig

Ymchwiliad: Bargeinion Dinesig a Thwf

Cyf: CGD05

Ymateb gan: Cyngor Sir Gâr

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Welsh Parliament

Economy, Trade, and Rural Affairs Committee

Inquiry: City and Growth Deals

Ref: CGD05

Evidence from: Carmarthenshire County Council



Senedd Consultation City and Growth Deals

Context

This consultation response concentrates upon the 4 Swansea Bay City Deal (SBCD) projects that Carmarthenshire County Council is responsible for, namely:

- Pentre Awel
- Digital Infrastructure
- Skills & Talent
- Yr Egin

Progress to date and pace of delivery – including progress made against targets, and any pressures or challenges affecting delivery

The SBCD has made significant progress, with ongoing growth and investment across the region. The delivery of the portfolio has seen continued economic recovery and the achievement of key milestones. However, there are challenges affecting delivery, such as the complex and wide-ranging impacts of Brexit, the Covid-19 pandemic, and the war in Ukraine. These factors have put significant pressure on the construction industry supply chain, resulting in increased costs and longer lead times for the delivery of required services. This is especially true for Pentre Awel, despite this the £96m project will be open for business in summer 2025.

In the Skills and Talent project, progress has been swift, it has delivered 25 pilot projects, 35,246 individuals will have received increased skills; 3,342 apprenticeships and 119 new courses have been developed. Likewise with the Digital Infrastructure project, all capital projects are now in delivery; total inward investment across the region to date is £107.7m and increasing; digital Champions in place across all four local authorities; £1.55m awarded to the Campuses Project to fund a world-first research and innovation environment that harnesses 5G infrastructure to improve population health and wellbeing; shortlisted as finalists for the Barrier Removal Awards at Connected Britain 2024.

Finally, Yr Egin has delivered 8,162m² of lettable space and created 427 jobs since it opened in 2018.

Consideration of some of the most significant projects and investments – including any key successes or potential risks

Pentre Awel is one of the major projects of the Swansea Bay City Deal Programme, receiving £40m of capital investment to create a life sciences and health ecosystem in Llanelli. The City Deal investment was necessary to realise the full scale of this life sciences ambition and catalyse the development of future phases. Together with funding from Carmarthenshire County Council's capital programme to build a new leisure centre, City Deal funding has paved the way for the co-location of health, research, business and

education; creating a development where the whole is greater than the sum of its individual parts. This would not have been feasible without City Deal intervention.

Understanding the impact of the deals - including the regional spread of activity

From a construction perspective, Pentre Awel has brought significant economic benefit to the Swansea Bay Region and broader Welsh supply chains. Over three quarters (76%) of construction spend has been with Welsh subcontractors, to the value of c. £47m. Of this, subcontractors within a SA postcode have been awarded works totalling £6m, with Shufflebottoms in Cross Hands awarded the largest package for the structural steel frame at £3.4m. Dyfed Steels, Owens Group and Dyfed Recycling are among other Carmarthenshire based suppliers to work on Canolfan (Zone 1).

This is a positive way of delivery skills cannot be restricted to county programmes and having a regional activity benefits individuals living on the borders of counties to access different types of training. The 25 pilot project that have been supported have been region wide and where they may have been restricted to a county level for the pilot many have now been replicated and are being delivered in other counties in the region and one has replicated the project in colleges in Canada, four areas in England and discussions are currently in hand for a college in Morocco.

Yr Egin generated an economic impact of £21.6m in the Welsh economy in 2022-23. This included induced impacts of £9.9m generated through expenditure stimulated by the above in Wales.

The Full Fibre to Public Sector sites project will drive full fibre connectivity to 69 public sector sites in need of improved infrastructure, providing a fast, reliable, future-proofed network to meet increasing digital demands and support the wider digital transformation agendas of the public sector. The project is being delivered in collaboration with BT via Welsh Government's Public Sector Broadband Aggregation (PSBA). The PSBA connects public sector organisations across Wales to a private and secure Wide Area Network, offering a fully managed service that enhances business-critical connectivity, and allows organisations to benefit from innovative, cost-effective, and resilient network services that drive productivity. Beneficiaries of the project include all four local authorities across the Swansea Bay City Region, Hywel Dda University Health Board and Swansea Bay University Health Board. Approximately 425 residential and business premises will benefit from improved broadband as a result of this project, stimulating further commercial investment and accelerating the rollout of full fibre networks across the region.

Governance and democratic accountability - including the role of Corporate Joint Committees

A review and evaluation of the PoMO function has been commissioned by the SBCD Joint committee since there is no agreement to ongoing funding of the PoMO beyond 2025-26. The review is currently being undertaken by a representative officer group from the constituent authorities and a comprehensive consultation has taken place with key stakeholders.

A report will be produced with a series of considered options, together with a comprehensive impact evaluation of those options for the Joint Committee to consider in

July 2025. The governance of the South West Corporate Joint Committee will also be considered.

Availability of private sector investment

The Skills & Talent project has attracted significantly more private sector investment as opposed to public sector investment, with the current private sector value being £26,894,000 against a target of £4,000,000.

The Digital Infrastructure Programme undertakes an annual benefits investment exercise to quantify both public and private sector investment across the region as part of its benefits realisation. This is done in collaboration with industry leading consultants FarrPoint Ltd. From 2021 - 2024, the region has benefitted from a total inward investment of £107.7 million, £91.3 million of which being private sector investment. This demonstrates the significant investment throughout the region from the private sector, primarily driven by commercial rollout of incumbent providers such as Openreach and Virgin Media O2, but also investment from a number of alt nets in the latter years, notably Netomnia and Ogi. A mid-term economic assessment was also undertaken in 2024 which signalled the programme is likely to exceed its original target of increasing GVA by £318m, with this now predicated to increase regional GVA by £341.7m over the 15 years and duration of the City Deal, driven large in part by the work of the digital champions embedded within each local authority in removing barriers to deployment and maximising investment.

How the activities of the City and Growth Deals fit within the wider business support landscape - including the Welsh Government's review of business support, and whether there are any opportunities for greater collaboration or coordination with Welsh Government activity

The Digital Infrastructure Programme directly complements and enables wider business support objectives by addressing a foundational enabler for growth through the deployment of high-quality digital connectivity. The focus on rolling out gigabit capable connectivity, supporting with improvements in mobile across both rural and urban areas, combined with the provision of a grant fund to support the rollout of advanced wireless technology helps improve the competitiveness of the region, reduce digital exclusion, and create the conditions for innovation, productivity, and business resilience. This aligns strongly with the aims of the Welsh Government's ongoing review of business support, particularly around the transition to a stronger, regionally driven, innovation-led economy.

Likewise Pentre Awel has established good working relationships with the life sciences and regional investment teams within Welsh Government. We have recently contributed to the 'This is Capital Investment - This is Wales' prospectus in order to market to investors worldwide.