

# Public Document Pack

## Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

### Bridgend County Borough Council



Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB / Civic Offices, Angel Street, Bridgend, CF31 4WB

*Rydym yn croesawu gohebiaeth yn Gymraeg.  
Rhowch wybod i ni os mai Cymraeg yw eich  
dewis iaith.*

*We welcome correspondence in Welsh. Please  
let us know if your language choice is Welsh.*



#### **Gwasanaethau Gweithredol a Phartneriaethol / Operational and Partnership Services**

Deialu uniongyrchol / Direct line /: 01656 643148  
Gofynnwch am / Ask for: Mr Mark Anthony Galvin

Ein cyf / Our ref:  
Eich cyf / Your ref:

**Dyddiad/Date:** Thursday, 26 January 2017

Dear Councillor,

#### **COUNCIL**

A meeting of the Council will be held in the Council Chamber, Civic Offices, Angel Street, Bridgend, CF31 4WB on **Wednesday, 1 February 2017 at 3.00 pm.**

#### **AGENDA**

1. Apologies for absence  
To receive apologies for absence from Members.
2. Declarations of Interest  
To receive declarations of personal and prejudicial interest from Members/Officers in accordance with the Members' Code of Conduct adopted by Council from 1 September 2008.
3. Approval of Minutes 3 - 18  
To receive for approval the minutes of a meeting of Council dated 11 January 2017.
4. To receive announcements from:  
(i) Mayor (or person presiding)  
(ii) Members of the Cabinet  
(iii) Chief Executive
5. To receive the report of the Leader
6. Cardiff Capital Region - City Deal 19 - 218
7. Departure from Development Plan - Planning Application P/16/939/FUL -  
Construct a Single Storey Cafe Building with Ancillary spaces for use by South  
Wales Police 219 - 232
8. Local Government Act 1972 - Vacation of Office 233 - 234
9. Review of Political Balance - Changes to Committee Membership 235 - 244
10. Local Election Fees - 2017 to 2022 County Borough and Town & Community 245 - 248

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## Councils

11. To receive the following Question for the Leader/Members of the Executive  
**Question from Councillor RC Jones to the Cabinet Member for Wellbeing and Future Generations**

“Many Members here will have an empty property in their ward and so will be aware of the frustration and distress endured by their constituents who find themselves living near an empty home. In this borough there are around 2,080 homes, many of them having been empty for over 5 years. It must be heart breaking to find yourself living near and empty property and to watch it deteriorate year after year – along with the value of your own property.

What schemes do BCBC have in place to bring long term empty properties back into domestic use and end this nightmare for local residents?”

12. Urgent Items

To consider any item(s) of business in respect of which notice has been given in accordance with Part 4 (paragraph 4) of the Council Procedure Rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency.

Yours faithfully

**P A Jolley**

Corporate Director Operational and Partnership Services

### Councillors:

S Aspey  
M Butcher  
N Clarke  
HJ David  
G Davies  
GW Davies MBE  
PA Davies  
E Dodd  
DK Edwards  
L Ellis  
N Farr  
EP Foley  
CA Green  
M Gregory  
EM Hughes  
CJ James  
P James  
RM James

### Councillors

RD Jenkins  
PN John  
B Jones  
CL Jones  
M Jones  
RC Jones  
DRW Lewis  
JE Lewis  
JR McCarthy  
HE Morgan  
LC Morgan  
MEJ Nott OBE  
AD Owen  
DG Owen  
D Patel  
G Phillips  
DR Pugh  
CL Reeves

### Councillors

M Reeves  
D Sage  
CE Smith  
JC Spanswick  
G Thomas  
M Thomas  
RL Thomas  
JH Tildesley MBE  
HJ Townsend  
E Venables  
KJ Watts  
C Westwood  
DBF White  
PJ White  
HM Williams  
R Williams  
M Winter  
RE Young

COUNCIL - WEDNESDAY, 11 JANUARY 2017

MINUTES OF A MEETING OF THE COUNCIL HELD IN COUNCIL CHAMBER, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON WEDNESDAY, 11 JANUARY 2017 AT 3.00 PM

## Present

Councillor RD Jenkins – Chairperson

S Aspey	N Clarke	HJ David	G Davies
GW Davies MBE	PA Davies	E Dodd	DK Edwards
EP Foley	CA Green	M Gregory	EM Hughes
CJ James	RM James	PN John	B Jones
CL Jones	M Jones	RC Jones	DRW Lewis
JE Lewis	JR McCarthy	HE Morgan	MEJ Nott OBE
AD Owen	DG Owen	D Patel	G Phillips
DR Pugh	CL Reeves	M Reeves	CE Smith
JC Spanswick	G Thomas	M Thomas	RL Thomas
JH Tildesley MBE	E Venables	KJ Watts	C Westwood
DBF White	PJ White	HM Williams	R Williams
M Winter			

## Apologies for Absence

M Butcher, N Farr, P James, LC Morgan, D Sage, HJ Townsend and RE Young

## Officers:

Susan Cooper	Corporate Director - Social Services & Wellbeing
Julie Ellams	Democratic Services Officer - Committees
Randal Hemingway	Head of Finance & Section 151 Officer
Andrew Jolley	Corporate Director Operational & Partnership Services
Darren Mepham	Chief Executive
Andrew Rees	Senior Democratic Services Officer - Committees
Mark Shephard	Corporate Director – Communities

## 692. DECLARATIONS OF INTEREST

The following declarations of interest were made:-

Councillors RM James - Prejudicial interest in Agenda item 6 due to having close relatives in receipt of Council Tax Reduction and Prejudicial interest in Agenda item 7 due to the individual nominated for appointment being a close personal friend.

Councillors DBF White, PJ White and CL Jones – Prejudicial interest in Agenda item 6 due to having close relatives in receipt of a Council Tax Reduction.

## 693. APPROVAL OF MINUTES

### RESOLVED

That the Minutes of a meeting of Council dated 30 November 2016, be approved as a true and accurate record subject to the addition of the announcement from the Corporate Director – Communities, as circulated at the meeting.

## 694. TO RECEIVE ANNOUNCEMENTS FROM:

Mayor

The Mayor hoped that all had a lovely Christmas and New Year and were rested and ready for the months ahead.

The Mayor and his Consort, Teresa were busy over the festive period and had the pleasure of visiting a number of care establishments to wish residents and users a happy Christmas. They were also invited to a number of schools to share in their celebrations and witnessed all the hard work that teachers and children put into their concerts and carol services.

They were made extremely welcome by everyone and said a big thank you to all involved. The Mayor also took the opportunity to thank the Deputy Mayor, Councillor Cherie Jones and her consort Marjorie who ably shared the workload.

To ease Members and Officers into the New Year, the Mayor's Charity Committee would be hosting a post-Christmas dinner on Sunday 15<sup>th</sup> January in the Hi-Tide, the guest speaker would be Mr. Chris Elmore, MP and tickets could be purchased via Mari Major. There would be a warm welcome and it would be a nice way to spend a cold January afternoon.

To conclude, the closing date for the Mayor's Citizenship Awards was fast approaching, the deadline for nominations was Friday 27 January. This was a wonderful chance to tell the rest of the county borough about the amazing things that local people do and he asked for nominations to be submitted, or for others within the communities to do so.

Nominations could be for an individual, a group or a local business and there was a downloadable form and further details on the BCBC website or via the Mayoral office.

Deputy Leader (Announcement made on behalf of Cabinet Member – Wellbeing & Future Generations)

The Deputy Leader announced that the Cabinet Member Wellbeing & Future Generations was pleased to inform members that ongoing efforts to champion inclusive sports opportunities had been recognised by Disability Sport Wales. Having presented BCBC with Bronze level accreditation back in 2014, the organisation had now increased this to Silver as a result of work supporting local sports clubs and organisations to become more inclusive.

The legacy of Team GB's Paralympic success, along with support from local authorities and organisations such as Disability Sport Wales, was seeing more people with disabilities across Wales taking part in physical activities.

As well as nurturing disabled elite athletes, it was important to make sure that people of all levels of ability had the opportunity to be active in some way. A dedicated Disability Sport Wales Officer operated the National Disability Sport programme and worked with schools and local organisations to identify opportunities for people with disabilities.

A range of targeted services and programmes were also in place to support all groups of people to be more active including those with disabilities, older people, women and girls and people living in disadvantaged areas. This was excellent news and meant that Gold level accreditation was within sight and he congratulated staff for their hard work and dedication.

Deputy Leader

Pre-Council briefings for the first part of 2017 would include updates from Sustrans on 1 February, the Welsh Community Care Information System on 1 March and Dark Skies on 29 March.

Topics under development for future pre-Council briefings included updates on Domestic Violence, the Motivational Preparation College for Training, National Autistic Society Cymru, Lessons from Fu-ku-shima, the Community Health Council and the City Deal. Further details would be circulated when they had been confirmed.

Cabinet Member – Communities

Llynfi Valley residents were being invited to come and find out more about an exciting project which could use heat taken from underground mine water to provide energy for nearly 1,000 homes. Two public exhibitions on the project would be held next month. The first would take place between 3pm – 8pm on Monday 13 February at Noddfa Chapel Community Centre in Caerau Road. The second would be held between 11am-4pm on Wednesday 15 February at the Caerau Development Trust, Woodland Terrace. Heat networks were believed to have the potential to supply between 14 and 43 per cent of UK buildings by 2050. The Department of Energy and Climate Change had been providing grant funding and expert guidance to support 190 network projects since 2013. They worked by pumping water from old disused mine workings and transporting it through a network of pipes to residents' properties where heat was extracted and passed through a pump, which then provided heat for the property using existing radiator systems. The Cabinet Member was pleased to see this innovative project making progress, and hoped that as many people as possible would come and take part in the public exhibitions.

A member asked if this scheme to use heat taken from underground mine water to provide energy for nearly 1,000 homes applied to all Llynfi Valley residents or just residents in Caerau. The member was advised that further information would be available at the information day and this project was still progressing and could be extended.

Elsewhere in the county borough, the first of two drop-in sessions had taken place as part of a study into coastal erosion and flood risk at Beach Road in Newton. Local residents were informed and invited and members of the public, who were able to drop in to find out more and share information about past experiences with flooding in the area. A second drop-in session was being planned for March. The study was assessing whether improvements to manage coastal flood risk at Beach Road were possible, and if so, how they might be delivered. It included a topographical survey of the area and further information would be given once the second drop-in event had been confirmed.

Cabinet Member – Social Services & Early Help

The Cabinet Member – Social Services & Early Help reminded Members about several events that took place shortly before Christmas which had helped to raise awareness about a number of important issues.

Young people in care recorded a song called 'Now Is The Time' which was released to great acclaim. It was designed to encourage more people to become foster carers, and drew support from the likes of interior design expert Anna Ryder Richardson, Olympic

athlete Jamie Baulch, chef Lorraine Pascale, author Kathy Glass and BBC presenter Ashley John-Baptiste.

In Cefn Cribwr, more than 200 older people took part in the OlympAge Games at the Bethlehem Centre – a Rio inspired wellbeing event which featured sporting events such as new-age kurling, basketball, target throwing and bounce-ball.

Maesteg's Cwm Calon Day Centre was the highest scoring elderly team, the Bridgend SHOUT forum were crowned community team winners, and the top spot in the disability category was taken by the Sarn Valleys Gateway Day Centre.

Thanks to the overwhelming generosity of local people, hundreds of Christmas presents were distributed to vulnerable and under-privileged children across the county borough to make sure that nobody missed out on a visit from Santa. Bridge FM, Brynteg Comprehensive School and Hafod Y Wennol all dropped off Christmas presents to the council after organising separate toy appeals, and staff arranged for the presents to be handed out.

In particular, he mentioned the staff and pupils of Brynteg as they raised £3,200 to buy gifts for 109 local children by holding a range of charity events throughout the year. He asked members to join him in congratulating everyone who played a part in each of these very worthwhile events.

#### Cabinet Member – Education & Regeneration

The Cabinet Member Education & Regeneration was delighted to be able to inform members that the Welsh Government had provided the Council with funding of £600,000 as part of a Food Supply Chain project.

The funding would be used to support small food businesses within the county borough and create strong supply chains that would help them to access new markets and offer locally produced goods to meet the demands of retail and tourism businesses.

Bridgend County Borough Council would lead on the three-year project in partnership with seven other Rural Development Plan Local Action Groups. It recognised that the majority of food and drink businesses in Wales were independent producers, and that just eight per cent were part of a larger organisation.

Strong supply chains and consistent quality were essential for them to thrive and prosper, and the project aimed to help local businesses overcome barriers and maximise economies of scale through things like collaboration, co-operatives and networks.

Bridgend would play a very prominent role in this new initiative, and he was looking forward to seeing it develop and grow.

On another note, there were a large number of festive events in the county borough during the run-up to Christmas and the New Year, and they involved a wide number of organisations, businesses, local groups, council departments, staff and town and community councils.

He asked members to join him in acknowledging the efforts of everyone who played a part in making them such a success.

Chief Executive

Members were already aware that Deborah McMillan, `Director of Education and Family Support, would shortly begin a two-year secondment with Welsh Government advising the Cabinet Secretary on education matters.

A robust recruitment process had been undertaken for an interim director and he was pleased to confirm that Lindsay Harvey had been appointed as Interim Director on a temporary basis, and would be in post soon.

Lindsay would be joining the authority from Swansea Council where he is the Chief Education Officer. He had been in local and central government for over 25 years working with young people in a wide range of posts, and he brought outstanding energy and experience to the role.

Lindsay was a former pupil of Maesteg Comprehensive School, captain of Maesteg RFC, and a former Deputy Head Teacher at Maes Yr Haul Primary School in Broadlands. The arrangements and dates of the handover between Deborah and Lindsay were being finalised and would be confirmed soon.

The Chief Executive also advised members that the Care and Social Services Inspectorate of Wales would be carrying out a full core inspection of Children's social services and early help between 30th January and 13th February. The inspectors would be interviewing front line staff, managers, senior managers, Cabinet Members, partners, children and families. They would track and review individual case files, staff supervision files, complaints records and observing practice, so it would be an intense and comprehensive process.

Finally, there were reports that Wales was set to experience a phenomenon known as 'Thundersnow' later in the week. The met Office had issued a yellow warning of snow for areas that included Bridgend County Borough, but hopefully it would escape the worst of the weather. In the event that snow did fall and cause disruption, members could remind their constituents that the Council website offered a one-stop-shop of information relating to severe weather. This included details of school closures, what happened with waste and recycling collections, information about gritting routes, explanations about how and when roads were treated, links to other useful websites and more. This could be accessed by going to the 'weather the winter' page at [www.bridgend.gov.uk](http://www.bridgend.gov.uk)

Corporate Director – Operational & Partnership Services

The Corporate Director – Operational & Partnership Services announced changes to dates of forthcoming Committee meetings agreed following discussion with the appropriate Chairpersons and relevant members:-

Licensing Sub-Committee A – changed from Tuesday 28 February to Monday 27 February at 10 am and Community Environment & Leisure O&SC – changed from Thursday 30 March to Thursday 6 April 2017 at 2 pm. Members and Officers electronic calendars would be updated accordingly to reflect the changes as would the Council's website.

695. TO RECEIVE THE REPORT OF THE LEADER

The Leader advised that National Holocaust Memorial Day would be marked in Bridgend County Borough on Friday 20 January with the annual event at Bridgend College's Sony Theatre. This year, it would focus on the Holocaust and genocides in Cambodia, Rwanda, Bosnia and Darfur and would ask "How Can Life Go On?" To help answer that

question would be Antoinette Mushimi-yim-ana, a survivor of the 1994 Rwandan genocide where approximately one million Tutsus and Hutus were murdered in just 100 days. Antoinette was now an active advocate of reconciliation and justice, and worked to create peaceful environments in every society. For the first time Members of the public were being invited to attend the event and could pre-book a space, contact details were available from the Democratic Services team.

Members will have seen the rare “double excellent” judgement made by Estyn in its inspection report on Bryntirion Comprehensive shortly before Christmas. This was in recognition of both the school’s current performance, and its prospects for improvement which were deemed to be of the highest possible standard. No pupil had left the school without a qualification in the last two years, and the inspectors found that the school’s motto of “We learn how to live” was very well embedded among pupils and staff alike. The double excellent report had been achieved thanks to a combination of strong leadership, good teaching and exceptional care, support and guidance and he was certain that members would join him in congratulating the school for its inspirational success.

Demolition work recently began as part of the plans to construct a modern new Pencoed Primary School on a single site. Redundant buildings across the road from the main school comprising of the former kitchen and canteen, classroom block and gymnasium would be demolished by the works, which were expected to last approximately eight weeks. A letter had been issued to residents living near the school explaining the timescales and advising where they could get additional information.

696. COUNCIL TAX REDUCTION SCHEME

The Head of Finance and S151 Officer presented a report, the purpose of which was to provide Council with information regarding the implementation of the 2017-18 Council Tax Reduction Scheme (CTR) (to be adopted by 31 January 2017), together with the funding implications.

He confirmed that on 20 January 2016, the Council adopted the CTR for 2016-17 in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013, with this scheme ending on 31 March 2017.

There were currently 14,251 households receiving CTR, 8,616 of these were working age and 5,635 were of pensionable age. Of the 14,251 households receiving CRE, 10,848 were entitled to a full CTR reduction.

The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2017 had now been laid. These regulations uprated the financial figures used in the CTR schemes and made amendments to:

- Explicate how a local authority should calculate an applicant’s weekly income (i.e. to consider income that the person expects to receive as well as income that has been received).
- Ensure consistency with other inter-related social security legislation by taking tax reliefs into account when determining net earnings, and with regards the treatment of the Universal Credit carer’s element in determining the applicable amount.
- Correct inconsistencies between the Welsh and English language versions of the 2016 Regulations.



The new regulations did not contain any significant changes from the claimants' perspective to the current scheme, and the maximum level of support that eligible claimants could receive remained at 100%.

The Head of Finance and S151 Officer explained the limited discretion given to the Council, to apply discretionary elements that were more generous than the national scheme. These discretionary elements were contained in the report.

The last consultation on the three discretionary elements was undertaken in 2013, and therefore a new consultation exercise was undertaken between 31 October 2016 and 18 December 2015 for the 2017-18 scheme. A total of 681 responses were received, with the minority of respondents (16.6%) indicating that they were currently in the receipt of CTR.

The total estimated cost to the Council for the most supported options was £22k, and it was therefore proposed, that the discretionary elements be as follows:-

- The extended payment period is maintained at the minimum standard of 4 weeks.
- War Disablement Pensions and War Widows Pensions are fully disregarded when calculating entitlement to CTR. The estimated cost of this proposal is £22,000.
- Backdating was reduced to the minimum standard of 3 months.

Members raised concerns that on occasions there were extenuating circumstances for late applications and 6 months rather than 3 months should be allowed.

The Corporate Director Operational and Partnership Services confirmed that there was already discretion to backdate claims in extreme circumstances.

**RESOLVED:**

That Council:

- (a) Noted the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013, and the 2014, 2015, 2016 and 2017 amendment regulations.
- (b) Noted the outcome of the consultation exercise undertaken by the Council on the discretionary elements of the Council Tax Reduction Scheme.
- (c) Adopted the scheme, details of which were given in paragraphs 4.24 to 4.29 of the report.

697. **APPOINTMENT OF REGISTERED REPRESENTATIVE TO THE CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE**

**RESOLVED:**

That the report be noted and Council approve the appointment of Mr Tim Thomas as the Primary School Parent Governor Representative to the Children and Young People Overview and Scrutiny Committee, for a term of four years.

**698. AMENDMENT TO THE SCHEME OF DELEGATIONS**

The Corporate Director Operational and Partnership Services presented a report to seek approval for a series of amendments which had been made to the Scheme of Delegation of Functions.

The titles and portfolios of the Cabinet Members had been revised, and the functions allocated to each Cabinet Member required some amendments to be made in particular to Scheme A, to reflect the changes to their responsibilities accordingly.

A desktop review had been undertaken, to ensure that the Scheme was up-to-date and fit for purpose. Some revisions were also required and these together with the other changes were summarised in paragraph(s) 4.2 and Appendix A to the report.

To meet operational requirements it was proposed that a new paragraph be added to Scheme B1 for the Chief Executive. An amendment was made to the list of Consultee(s) where additional expenditure from within the capital programme for new or existing schemes, subject to a maximum limit of £100,000 and funding availability, which for reasons of urgency could not await the next meeting of Council. The Leader or in his absence, the Deputy Leader were added to the list of consultees.

**RESOLVED:**

That Council:

- (1) Approved the Scheme of Delegations in relation to its functions as attached at Appendix A to the report, subject to the addition of the Leader and Deputy Leader as consultees to Scheme B1 in the absence of the Chief Executive.
- (2) Authorised the Corporate Director Operational and Partnership Services and Monitoring Officer to make minor textual changes and amendments to the Scheme of Delegations to take account of changes in legislation and changes to Officer and Member titles and responsibilities.

**699. REVIEW OF POLITICAL BALANCE - CHANGES TO COMMITTEE MEMBERSHIP**

The Corporate Director Operational and Partnership Services presented a report advising Council of the outcome of a review of the political balance of the Authority resulting from changes to the membership of the Labour Group. The report also sought approval of the revised political balance, listed nominations and appointed the necessary members to Committees to reflect the changes in the political balance.

Following the review the membership of the committees had been updated to reflect the composition of the Council accordingly and was shown at Appendix 1 to the report. 3 committee seats had been allocated to each of the Independent Members to ensure that all members were able to engage in the Council's decision making process.

**RESOLVED**

That Council

- (a) Noted the change to the political composition of the Council
- (b) Approved the allocation of seats to political groups in accordance with the political balance rules as set out in Appendix 1 of the report.

- (c) Sought nominations as shown in paragraph 4.3 to be removed from or to be appointed to serve on each of the Committees, Panels and other bodies.
- (d) Appointed the nominations named at the meeting to their respective committees (attached to the Minutes).

700. INFORMATION REPORTS FOR NOTING

RESOLVED:

That the report of the Monitoring Officer advising of the Information Report considered since the last ordinary meeting of Council, as detailed in Paragraph 4.1 of the report, be noted.

701. URGENT ITEMS

None.

The meeting closed at 4.00 pm

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## **COMMITTEE MEMBERSHIP**

### **Appeals Panel**

Labour to relinquish 1 seat Councillor DBF White to be replaced by Cllr EM Hughes

	Member	Group	Role
1.	PA Davies	Labour	
2.	C Westwood	Labour	
3.	N Clarke	Independent Alliance	
4.	CA Green	Independent Alliance	
5.	P James	Labour	
6.	DRW Lewis	Labour	
7.	JE Lewis	Labour	
8.	JR McCarthy	Labour	Chairperson
9.	<del>DBF White</del>	Labour	
10.	RM James	Plaid Cymru	
11.	D Patel	Labour	
12.	RE Young	Labour	

### **Appointments Committee**

Labour to replace Cllr GW Davies MBE with Cllr HJ Townsend

	Member	Group	Role
1.	HJ David	Labour	Chairperson /Leader
2.	HM Williams	Labour	Deputy Leader
3.	Cabinet Member	Labour	Portfolio holder
4.	CA Green	Independent Alliance	
5.	JH Tildesley MBE	Independent Annibynwr	
6.	<del>GW Davies MBE</del> HJ Townsend	Labour Labour	

### **Audit Committee**

Labour to relinquish 1 seat to be replaced by Cllr DK Edwards

Labour to replace Cllr GW Davies MBE with Cllr R Williams

	Member	Group	Role
1.	G Davies	Independent Alliance	
2.	<del>GW Davies MBE</del> R Williams	Labour Labour	
3.	E Dodd	Independent Annibynwr	Chairperson
4.	<del>DK Edwards</del> DK Edwards	Labour Independent	
5.	CA Green	Independent Alliance	
6.	M Gregory	Labour	
7.	CL Jones	Labour	
8.	JE Lewis	Labour	
9.	JR McCarthy	Labour	
10.	D Sage	Labour	

	Member	Group	Role
11.	C Westwood	Labour	
12.	RE Young	Labour	
	J Williams		Lay-Member

### Democratic Services Committee

Labour to replace Cllr DK Edwards with Cllr MEJ Nott OBE

	Member	Group	Role
1.	DK Edwards MEJ Nott OBE	Labour Labour	
2.	L Ellis	Independent	
3.	N Farr	Labour	
4.	CA Green	Independent Alliance	
5.	M Gregory	Labour	
6.	P James	Labour	
7.	M Reeves	Labour	
8.	G Thomas	Labour	
9.	JH Tildesley MBE	Independent Annibynwr	Chairperson
10.	RC Jones	Labour	
11.	E Venables	Independent Alliance	

### Development Control Committee

Labour to relinquish 2 seats to be replaced by Cllr GW Davies MBE and Cllr HE Morgan

	Member	Group	Role
1.	N Clarke	Independent Alliance	
2.	GW Davies MBE GW Davies MBE	Labour Independent	
3.	PA Davies	Labour	
4.	L Ellis	Independent	
5.	CA Green	Independent Alliance	
6.	DRW Lewis	Labour	
7.	JE Lewis	Labour	
8.	HE Morgan HE Morgan	Labour Independent	
9.	LC Morgan	Labour	
10.	D Patel	Labour	
11.	JC Spanswick	Labour	
12.	G Thomas	Labour	
13.	M Thomas	Labour	Chairperson
14.	JH Tildesley MBE	Independent Annibynwr	
15.	C Westwood	Labour	
16.	R Williams	Labour	
17.	M Winter	Independent Alliance	
18.	RE Young	Labour	

## Licensing Act 2003 Committee

Labour to relinquish 2 seats to be replaced by Cllr GW Davies MBE and Cllr P John

Labour to replace Cllr HE Morgan with Cllr MEJ Nott OBE

Labour to replace Cllr D Patel with Cllr M Jones

	Member	Group	Role
1.	<del>GW Davies MBE</del> GW Davies MBE	<del>Labour</del> Independent	
2.	PA Davies	Labour	
3.	E Dodd	Independent Annibynwr	
4.	CJ James	Labour	
5.	P James	Labour	
6.	RM James	Plaid Cymru	
7.	<del>P John</del> P John	<del>Labour</del> Independent	
8.	DRW Lewis	Labour	
9.	JE Lewis	Labour	
10.	<del>HE Morgan</del> MEJ Nott OBE	<del>Labour</del> Labour	
11.	DG Owen	Independent Alliance	
12.	<del>D Patel</del> M Jones	Labour	
13.	E Venables	Independent Alliance	
14.	R Williams	Labour	Chairperson

## Licensing Committee

Labour to relinquish 2 seats to be replaced by Cllr GW Davies MBE and Cllr P John

Labour to replace Cllr HE Morgan with Cllr MEJ Nott OBE

Labour to replace Cllr D Patel with Cllr M Jones

	Member	Group	Role
1.	<del>GW Davies MBE</del> GW Davies MBE	<del>Labour</del> Independent	
2.	PA Davies	Labour	
3.	E Dodd	Independent Annibynwr	
4.	CJ James	Labour	
5.	P James	Labour	
6.	RM James	Plaid Cymru	
7.	<del>P John</del> P John	<del>Labour</del> Independent	
8.	DRW Lewis	Labour	
9.	JE Lewis	Labour	
10.	<del>HE Morgan</del> MEJ Nott OBE	<del>Labour</del> Labour	
11.	DG Owen	Independent Alliance	

12.	<del>D Patel</del> M Jones	Labour	
13.	E Venables	Independent Alliance	
14.	R Williams	Labour	Chairperson

### Town & Community Council Forum

Labour to relinquish 3 seats to be replaced by Cllr EM Hughes, Cllr R Thomas and Cllr HE Morgan.

	Member	Group	Role
1.	S Aspey	Independent Alliance	
2.	M Butcher	Independent Annibynwr	
3.	HJ David	Labour	Chairperson
4.	CA Green	Independent Alliance	
5.	<del>EM Hughes</del> EM Hughes	<del>Labour</del> Independent	
6.	CL Jones	Labour	
7.	<del>HE Morgan</del> HE Morgan	<del>Labour</del> Independent	
8.	<del>MEJ Nott OBE</del>	Labour	
9.	DG Owen	Independent Alliance	
10.	G Phillips	Labour	
11.	DR Pugh	Labour	
12.	C Reeves	Labour	
13.	M Reeves	Labour	
14.	D Sage	Labour	
15.	CE Smith	Labour	
16.	<del>R Thomas</del> R Thomas	<del>Labour</del> Independent	
17.	H Townsend	Labour	
18.	R Williams	Labour	
19.	RE Young	Labour	

### Adult Social Care Overview and Scrutiny Committee

Labour to relinquish 1 seat to be replaced by Cllr EM Hughes

Labour to replace Cllr P John with Cllr R Williams

	Member	Group	Role
1.	M Butcher	Independent Annibynwr	
2.	N Clarke	Independent Alliance	
3.	PA Davies	Labour	
4.	N Farr	Labour	
5.	<del>EM Hughes</del> EM Hughes	<del>Labour</del> Independent	
6.	<del>P John</del> R Williams	<del>Labour</del> Labour	
7.	RC Jones	Labour	
8.	JE Lewis	Labour	



9.	LC Morgan	Labour	
10.	D Sage	Labour	Chairperson
11.	M Thomas	Labour	
12.	E Venables	Independent Alliance	

### Children & Young People Overview & Scrutiny Committee

Labour to relinquish 2 seats to be replaced by Cllr DK Edwards and Cllr P John

Labour to replace Cllr R Thomas with Cllr AD Owen

	Member	Group	Role
1.	PA Davies	Labour	
2.	<del>DK Edwards</del> DK Edwards	<del>Labour</del> Independent	
3.	N Farr	Labour	
4.	EP Foley	Independent Annibynwr	Chairperson
5.	CA Green	Independent Alliance	
6.	<del>P John</del> P John	<del>Labour</del> Independent	
7.	M Jones	Labour	
8.	G Phillips	Labour	
9.	<del>R Thomas</del> AD Owen	<del>Labour</del> Labour	
10.	C Westwood	Labour	
11.	DBF White	Labour	
12.	K Watts	Independent Alliance	

### Community, Environment and Leisure Overview and Scrutiny Committee

Labour to relinquish 1 seat to be replaced by Cllr HE Morgan

Labour to replace Cllr DK Edwards with Cllr M Thomas

	Member	Group	Role
1.	<del>DK Edwards</del> M Thomas	<del>Labour</del> Labour	
2.	L Ellis	Independent	
3.	CA Green	Independent Alliance	
4.	CJ James	Labour	
5.	CL Jones	Labour	
6.	JR McCarthy	Labour	
7.	<del>HE Morgan</del> HE Morgan	<del>Labour</del> Independent	
8.	G Phillips	Labour	
9.	JC Spanswick	Labour	Chairperson
10.	JH Tildesley MBE	Independent Annibynwr	
11.	K Watts	Independent Alliance	
12.	R Williams	Labour	

## Corporate Resources & Improvement Overview & Scrutiny Committee

Labour to relinquish 1 seat to be replaced by Cllr R Thomas

Labour to replace Cllr EM Hughes with Cllr AD Owen

	Member	Group	Role
1.	G Davies	Independent Alliance	
2.	<del>GW Davies</del> Cllr R Thomas	<del>Labour</del> Independent	
3.	E Dodd	Independent Annibynwr	
4.	CA Green	Independent Alliance	
5.	<del>EM Hughes</del> AD Owen	<del>Labour</del> Labour	
6.	DRW Lewis	Labour	
7.	JR McCarthy	Labour	
8.	D Patel	Labour	
9.	M Reeves	Labour	Chairperson
10.	JC Spanswick	Labour	
11.	G Thomas	Labour	
12.	RE Young	Labour	

## Partnerships and Governance Overview and Scrutiny Committee

Labour to relinquish 2 seats to be replaced by Cllr DK Edwards and Cllr R Thomas

Labour to replace Cllr HE Morgan with Cllr CL Jones

	Member	Group	Role
1.	N Clarke	Independent Alliance	Chairperson
2.	E Dodd	Independent Annibynwr	
3.	<del>EM Hughes</del> DK Edwards	<del>Labour</del> Independent	
4.	M Jones	Labour	
5.	JR McCarthy	Labour	
6.	<del>HE Morgan</del> CL Jones	<del>Labour</del> Labour	
7.	AD Owen	Labour	
8.	D Patel	Labour	
9.	M Thomas	Labour	
10.	<del>R Thomas</del> R Thomas	<del>Labour</del> Independent	
11.	K Watts	Independent Alliance	
12.	C Westwood	Labour	

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

1 FEBRUARY 2017

### REPORT OF THE CHIEF EXECUTIVE

#### CARDIFF CAPITAL REGION - CITY DEAL

#### 1. Purpose of Report

- 1.1 To outline the next steps for the Cardiff Capital Region City Deal.
- 1.2 To seek approval for the formal establishment of the Cardiff Capital Region Joint Committee, which will oversee the region's economic growth agenda and delivery of the 20 year Cardiff Capital Region City Deal.
- 1.3 To seek approval of the Joint Working Agreement (JWA), Assurance Framework, Implementation Plan and Cardiff's role as the Accountable Body that will enable the establishment of the Cardiff Capital Region City Deal.

#### 2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The City Deal is identified as a key element in delivering the Council's corporate priority of supporting a successful economy. The corporate plan identifies the Council's aims to help local people develop skills and take advantage of opportunities to succeed, to create conditions for growth and enterprise; and to create successful town centres. The plan identifies the development of the City Deal as the main mechanism for achieving these aims over the medium to long term.

#### 3. Background

- 3.1 On 15<sup>th</sup> March 2016 each of the ten local authority leaders, the First Minister of Wales, the Welsh Government Minister for Finance, the Secretary of State for Wales and the Chief Secretary to HM Treasury signed the Cardiff Capital Region (CCR) City Deal Heads of Terms Agreement.
- 3.2 The 'Heads of Terms' agreement attached as Appendix A outlines the parameters for the detailed development of the City Deal and sets out how the ten local authorities will work in partnership with the Welsh Government and UK Government to support economic growth.
- 3.3 In order to progress enhanced regional working, and the establishment of the Investment Fund, the Heads of Terms outline proposals to establish a Cardiff Capital Region governance model that:
  - Complies with the existing statutory framework that exists in Wales to deliver the City Deal proposals;
  - Strengthens and streamlines the existing governance and partnership arrangements across the Capital Region;
  - Improves business involvement in local decision making;

- Provides confidence and assurance to both the UK and Welsh Governments that local authority leaders are making collective decisions which will serve to drive economic growth across the Capital Region; and
- Enables local authorities to explore with Welsh Government arrangements for local government reform in the medium term.

- 3.4 In particular, the development of the City Deal is reliant on the establishment of a Joint Committee comprising the participating local authorities. This Joint Committee in the first instance will have collective responsibility for decisions relating to the agreed investment programme. However, it will also be the lead body for any local authority regional collaboration on issues highlighted within the City Deal Heads of Terms.
- 3.5 Securing a final City Deal agreement is also reliant on the establishment of an Investment Fund Assurance Framework. By adopting the Assurance Framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes taken forward represent good value for money and are underpinned by a robust business case. (An exception is the South East Wales Metro which will be subject to a separate Welsh Government assessment)
- 3.6 This report updates Members on the position and seeks approval for the Council to commit to a Joint Working Agreement that represents a fundamental and long-term shift in the way in which local government in the city-region functions, bringing about a step change in collaboration in the areas of economic development, skills and training, regeneration, strategic planning, housing and transport.

## Progress in delivering the City Deal

### Heads of Terms

- 3.7 The Cardiff Capital Region City Deal Heads of Terms signed in March 2016 is attached to this report as Appendix A. It outlines the joint commitments made by the ten local authorities of the Cardiff Capital Region, the UK Government and the Welsh Government to unlock £1.2 billion of investment to increase the performance of the city-region economy. Over its lifetime of 20 years, partners envisaged that the City Deal would deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.
- 3.8 The Heads of Terms sets out how the City Deal provides funding to support investment in projects to stimulate economic growth: £734m is allocated to Metro; £495m covers an Investment Fund to support additional economic development activities. The latter provides the focus of the local government contribution to the deal and consists of a local government capital contribution of £120m with the remaining £375m provided by the UK Government over a 20 year period. Any expenditure incurred in advance of receipt of the flow of UK Government monies would require borrowing by local authorities. In addition the City Deal is also subject to five year 'Gateway Reviews'.
- 3.9 The Heads of Terms made clear that further work was needed to conclude the City Deal, particularly in relation to the development of governance arrangements. This has been prioritised since the experience of every city-deal partnership to date has

tended to highlight the importance of laying sound foundations in terms of good governance. Recent work has encompassed the establishment of:

- Cardiff Capital Region Joint Cabinet;
- A Programme Management Office;
- Growth and Competitiveness Commission;
- Employment and Skills Board;
- Regional Transport Authority;
- Cardiff Capital Region Economic Growth Partnership
- A Regional Business Organisation.

3.10 In addition, in order to discharge the Cardiff Capital Region's City Deal commitments and implement an ambitious economic strategy in the longer term, the ten local authorities requested that greater financial autonomy and flexibility should be granted by government in order to accelerate the delivery of critical infrastructure across the region at a time of local authority funding constraints.

#### Cardiff Capital Region Shadow Cabinet

3.11 Following the signing of the Cardiff Capital Region City Deal Heads of Terms the Cardiff Capital Region Shadow Cabinet was established in the summer of 2016, comprising the ten leaders of the participating local authorities. The Shadow Cabinet has provided the interim governance arrangements as a pre-cursor to the development of the proposed Joint Committee and has met on a monthly basis, with more regular fortnightly meetings taking place in recent months.

#### Programme Management Office

3.12 In order to progress the development of the City Deal, a Programme Management Office has been established comprising a Programme Director and Project Manager. The Programme Management Office is responsible for supporting the activities of the Cardiff Capital Region Shadow Cabinet and has also been responsible for progressing key elements of the City Deal; in particular, the development of an Assurance Framework (see Appendix C, Schedule 8) that will assess the programme of projects that will be taken forward by the City Deal partners, as well as the Cardiff Capital Region City Deal Implementation Plan (see Appendix C, Schedule 9), which outlines how the commitments of the City Deal Heads of Terms will be delivered.

3.13 In addition, external legal support was appointed to develop a Joint Working Agreement (see Appendix C) that will provide the legal framework for the establishment of a Joint Committee for the Cardiff Capital Region.

#### Growth and Competitiveness Commission

3.14 In accordance with the Heads of Terms - and reflecting broadly the approach taken by Greater Manchester to draw on academic and professional expertise to explore the case for city-region collaboration - an independent Growth and Competitiveness Commission was established under the chairmanship of Professor Greg Clark with a remit to examine the challenges and opportunities for economic growth and competitiveness in the city-region, and to make recommendations on how the

Cardiff Capital Region can achieve its full growth potential. The Commission produced a final report on the 16th December 2016, attached as Appendix B.

- 3.15 The Growth and Competitiveness Commission's core assertion is that: "The Cardiff Capital Region's potential to develop into a prosperous capital city-region for Wales, requires an integrated economic strategy."
- 3.16 The Growth and Competitiveness Commission report provides a number of key recommendations for the development of the city-region. In particular: "The Cardiff Capital Region Cabinet should quickly establish itself as the primary strategic decision making body for the city-region and build a strong partnership with WG to ensure that Local and Welsh Government act in tandem, as the City Deal requires. This means that the CCR Cabinet should integrate appropriate strategic activities in Economic Development, Spatial Development, Transport, and Skills and Employment within a single framework of authority and reporting, and avoid fragmented initiatives."

#### Cardiff Capital Region Employment and Skills Board

- 3.17 The Cardiff Capital Region committed to strengthening the existing Learning, Skills and Innovation Partnership, to be re-launched as the Cardiff Capital Region Skills and Employment Board. The Board will represent a wide range of stakeholders, including: business organisations; higher and further education; local authorities and the Welsh Government. It will be responsible for:
- Cardiff Capital Region's skills and worklessness strategy;
  - Pooled local authority skills resources including any devolved Welsh Government budget;
  - Producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed;
  - Influencing and monitoring the delivery and impact of employment and skills programmes across the region;
  - Ensuring an industry-led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
  - Supporting the Welsh Government's "Curriculum for Wales, Curriculum for Life" plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
  - Ensuring European Union funding investments in skills and employment add value and align with other programmes.

#### Regional Transport Authority

- 3.18 The City Deal Heads of Terms also committed to establish a new non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. The Cardiff Capital Region Transport Authority will be responsible for:
- Pooled local transport resources;

- Regional planning for the local transport network;
- Working with Transport for Wales to ensure objectives for transport investment are aligned;
- Exploring the creation of a single integrated ticketing platform for public transport across the Cardiff Capital Region;
- Working in partnership with the Welsh Government to define the priorities of the South East Wales Metro concept and to support its delivery; and
- Working in partnership with the Welsh Government to promote the development of integrated aviation routes from Cardiff Airport and St Athan Enterprise Zone, to deliver economic benefit.

3.19 A shadow regional transport authority involving relevant Cabinet portfolio holders has met to initiate work to establish formal arrangements once the Joint Working Agreement is approved.

#### Regional Economic Growth Partnership

3.20 The Heads of Terms included a commitment for local government to initiate the establishment of a Cardiff Capital Regional Economic Growth Partnership – in effect, a multi-agency advisory board to shape the development of the wider city-region economic development agenda. The remit of the partnership has been agreed to include: recommending a regional economic vision to the Cardiff Capital Region Cabinet; providing recommendations relating to City Deal Investment Fund decisions; and providing a broader advocacy role for the Cardiff Capital Region. The overall membership will cover local government, business and employee bodies, higher education and skills, community development, the third sector and social enterprise.

3.21 An independent person will be appointed in early 2017 to lead the process of formation of the Regional Economic Growth Partnership and the appointment of an independent Chair. Again, this broadly reflects the approach taken by city-region partnerships across the UK to ensure wider public, private and voluntary sector buy-in to city-region governance and strategy.

#### Regional Business Organisation

3.22 Finally, in terms of Heads of Terms commitments, the development of a Regional Business Organisation consisting of key business stakeholder groups across the city-region was viewed by all signatories to the deal as an important step towards effective city-region governance. The creation of a single voice for business in the city-region will serve to strengthen the ability of businesses to design and deliver economic development and regeneration activities across the region, and influence the implementation of city deal projects and initiatives.

3.23 A joint Confederation of British Industry, Federation of Small Businesses, Institute of Directors and South Wales Chamber of Commerce statement outlined the underlying principles for the Business Organisation. The final structure is being designed by the Cardiff Capital Region business community with the launch anticipated in the spring of 2017.

#### 4. Current Situation/Proposal

4.1 The next step is to formally establish the Regional Cabinet and agree the terms and conditions of the City Deal Investment Fund. There are three specific requirements to be met, set by UK and Welsh Governments, namely:-

- The transition of the Regional Cabinet out of the “Shadow” arrangements;
- Formal approval of the Assurance Framework for the Investment Fund; and
- Formal approval of the Implementation Plan.

4.2 Details of these are as follows:-

- **The Joint Working Agreement (JWA)** – attached as Appendix C to the report.

The JWA is the legal document that formally establishes the ‘Regional Cabinet’ as a Joint Committee, with delegated functions, with a Commencement Date of the 1<sup>st</sup> March 2017.

Clause 9 and Schedule 1 of the JWA set out the decision making and delegations policy for dealing with matters and decisions relating to the CCR City Deal. There are three categories of delegations being (i) matters delegated to the Programme Director; (ii) matters delegated to the Joint Committee and (iii) matters reserved to the Councils.

A matter reserved to the Councils means it is a matter which will have to be referred to each Council for a decision rather than being taken by the Regional Cabinet and a matter requiring unanimous approval of all ten constituent councils before being able to be implemented. The matters which are to be reserved to the constituent councils and thus this Council would be required to take a subsequent decision on are;

1. Approval and adoption of the JWA Business Plan means the strategy which defines the regional objectives (*including the high level programme, which shall include amongst other matters, the indicative investment programme for the “Programme Themes” (as such Programme Themes are defined under the Implementation Plan) and any agreed strategic projects together with the indicative spend profile for the wider investment fund) and as more particularly defined in the JWA.*
2. Agreeing any increase to the Affordability Envelope (which means the overall costs and investment by each Council under the JWA over the 25 year evaluation period, which shall not exceed in aggregate £210.8 million and shall include, without limitation, all interest and UK Government cost to carry and shall be updated to reflect the terms of the JWA Business Plan including the high level programme (once approved by the constituent councils) to include, amongst other matters, the annual spend profile for each council);
3. Approval of any increase to the Councils’ Contribution above the £120M.

The JWA does allow the Regional Cabinet to commit and/or spend up to £50m before the reserved matter 1 above has been considered by the 10 constituent councils. The £50m is approximately 10% of the £495m Investment Fund, and



would be funded by the first five years of UK Government funding, which is £50m. If the Regional Cabinet does commit or spend a sum up to £50m before the reserved matter 1 above is considered by the 10 councils, and not all 10 councils approve reserved matter 1, there is a risk that the UK Government funding would have to be returned and the 10 constituent councils would have to cover this cost from within their existing budgets.

- **The Assurance Framework** - The Assurance Framework – set out in Schedule 8 to the JWA - is the document that outlines the set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of CCR City Deal Investment Fund.
- **The Implementation Plan** - The Implementation Plan – set out in Schedule 9 to the JWA - details the work to be undertaken over the next three to five years, setting out the key milestones and activities, against which the Gateway Review (as defined in the JWA) will assess performance of the City Deal activities at the first 5 year stage.

4.3 Over the course of the next few weeks, all ten constituent councils will be asked to agree to the recommendations set out in section 9 of this report, which have been presented in a consistent manner to all ten councils. Once all ten constituent councils agree to the Assurance Framework and the Implementation Plan they need to be submitted to the Welsh and UK Governments by the end of February 2017 and finalised at the latest by 31<sup>st</sup> March 2017, in order to release this financial year's funding contribution from UK Government.

4.4 It is proposed that the Chief Executive in consultation with the Leader of the Council, the Director of Operational and Partnership Services and s151 Officer be granted delegated authority to decide whether the Council should continue to explore the continued opportunity to participate in the CCR City Deal in the event that one or more of the ten constituent councils fail to agree any of recommendations below.

## **5. Effect upon Policy Framework & Procedure Rules**

5.1 The report details changes to governance procedure through the operation of the joint Committee. The report also enables the development of policy through the reserved matters that link directly to the Corporate Objectives.

5.2 A key element of the City Deal will be consulting and engaging businesses, higher and further education, all local authority members and the wider community. Over the past ten months a number of information sharing meetings have already been undertaken to brief elected members, business and higher and further education providers in the Region in order to seek their views and ideas on how we maximise the benefits of a City Deal. The recently completed Growth and Competitiveness Commission review undertook a wide range of events and interviews with a range of interest parties across the Region in gathering evidence and stakeholders' views.

## **6. Equality Impact Assessment**

- 6.1 An Equality Impact Assessment screening form has been prepared for the purpose of this report. As a result of the screening, and the fact that the City Deal is currently in its infancy and no decisions have yet been taken on areas of policy and/or investment, a full Equality Impact Assessment report is not required. If deemed necessary individual Equality Impact Assessments would be undertaken on a regional basis as City Deal decisions are considered in the future.

## **7. Financial Implications**

- 7.1 The CCR City Deal Investment Fund for the ten partner Local Authorities is based on the following indicative modelling:

- UK Government Grant Contribution of £375 million
- Local Authority Capital Contribution of £120 million
- Borrowing Repayment Term of 25 years
- Borrowing Interest Rate at 3%

- 7.2 The total CCR City Deal 'Affordability Envelope' for the ten constituent councils is £210.8 million based on the following indicative calculations:

- Central Government (UK/WG) 'Cost of Carry', that is the interest costs associated with up-front borrowing of the UK Government funding ahead of receipt, totaling an estimated £44.0 million across all ten authorities
- Local Authority £120 million 'Cost of Capital', that is the principal and interest cost associated with borrowing the capital contribution to be made by the Local Authorities, totaling an estimated £166.8 million

- 7.3 Based on proportion of total population for the City Deal area, Bridgend County Borough Council's share of financial contributions is 9.4% resulting in the following indicative financial commitments:

- Capital contribution of £11.28 million over ten years
- Proposed 'Affordability Envelope' of £19.9 million, including cost of carry

- 7.4 The 2017-18 Medium Term Financial Strategy (MTFS) will include both the revenue and capital implications of the City Deal. Bridgend will fund its share as follows, based on the indicative expenditure profile:

- £11.28 million contribution as a revenue contribution to capital:
  - 2017-18 Recurrent budget pressure of £598,000
  - 2021-22 Recurrent budget pressure of £427,000
  - 2023-24 Recurrent budget pressure of £684,000
- Cost of carry will be financed through interest only borrowing from Public Works Loan Board (or internal borrowing if possible), and drawn down on an annual basis, as required by approved projects' cashflow requirements.. Interest costs over the 2017-18 to 2020-21 MTFS period are forecast at £87,000. The peak borrowing requirement is forecast in 2026-7, with Bridgend's share at £17.9 million, with associated interest costs of £515,000 in that year.

- 7.5 The ten constituent councils established a Memorandum of Understanding (MOU) during 2015 to enable work to be progressed on the City Deal. The MOU set out a Partnership Contribution to fund the required work based on an annual sum of £500,000. An underspend against the Partnership contribution was reported for 2015/16 and is expected for 2016/17.
- 7.6 The council's proposed revenue budget for 2017/18 includes a recurrent budget pressure of £94,000 to fund BCBC's share of Joint Committee costs. Recommendation 9.2 of this report seeks approval to utilise BCBC's share of the Partnership Contribution Budget underspend towards meeting its share of the future Regional Cabinet costs. The Regional Cabinet will be responsible for setting its annual Budget, but if this is proposed to increase by more than 5% of the preceding year's budget, under the Joint Working Agreement this will become a reserved matter for constituent council's approval.
- 7.7 Ahead of the JWA Business Plan being agreed the Regional Cabinet is given the discretion to commit up to £50 million of the UK Government funding subject to funding Terms and Conditions. This 'discretionary spend' would be subject to the Assurance Framework processes with any commitments made incorporated into the JWA Business Plan once agreed. In the event that a Business Plan cannot be agreed, BCBC would still be liable for its share of any commitment to the extent that such commitments sit outside the UK Government funding.
- 7.8 Approval of the JWA Business Plan is a Reserved Matter and will be brought back to constituent councils for final consideration and approval. Central to this will be the development of the proposed programme of investment that will be undertaken as part of the City Deal initiative. The business plan will provide the council with confirmation of its affordability exposure over the life of the City Deal. Whilst the overall Financial Envelope is being agreed now, any changes to BCBC's annual profile will be reflected in the business plan along with the implications of any financial matters unresolved at this time.
- 7.9 It is understood that the continuation of UK/Welsh Government funding is subject to securing satisfactory 'Gateway Reviews' as part of the Investment Fund Assurance Framework adopted. Reviews are likely to be structured to occur at Years 5, 10 and 15. Funding from Year 6 onwards will therefore be subject to the agreed performance objectives being achieved at each of the gateway stages.
- 7.10 An Investment Fund structured on this basis introduces a level of uncertainty, as there will be a requirement to borrow in advance of receipt of UK/Welsh Government grant and meet the associated interest costs. Therefore, in the event that the agreed performance targets are not fully achieved, there is a risk that UK Government funding may be reduced or even cease. Under these circumstances any reduction will represent a further cost to the City Deal in the event that there are projects that have committed that are reliant on the full level of future grant. Furthermore, this position assumes that there is no 'clawback' provision within the UK Government Terms & Conditions, which is yet to be confirmed. In order to mitigate this risk, the projects selected will go through a detailed economic modelling assessment to inform the key discussions that will take place around

performance measures. The final performance targets agreed will include a 'margin of safety', which will further reduce the risk of targets not being achieved.

- 7.11 The Investment Fund Assurance Framework has been developed by the project and will need to be approved by UK and Welsh Government as mentioned above. An independent panel is to be established to monitor compliance with the agreed framework and it is understood that a representative from the CCR City Deal will be invited to key meetings as the work of that panel is developed.
- 7.12 The Welsh Government and Wales Audit Office have been engaged in respect of a number of technical and accounting matters including the finalisation of grant Terms and Conditions. These matters need to be resolved with the Wales Audit Office and be confirmed with the external auditors responsible for the audit of the ten partnership councils. The Glasgow & Clyde Valley City Deal also faced these challenges, successfully resolved these matters with their auditors, and therefore the affordability modelling assumes this approach. However, it should be recognised that until such time as written agreement is in place with Wales Audit Office on these matters, these remain as key project risks and any changes that result in an increase to the Affordability Envelope is a matter reserved back to each Council.
- 7.13 Once the JWA is approved, councils will be 'locked-in' for a minimum period of five years. As with other Joint Committee's the legal implications set out that the cost of withdrawing are likely to be substantial and are effectively designed to keep councils locked in for the duration of the City Deal.

## **8. Recommendations**

It is recommended that the Cabinet and Council agree the following in so far as it applies to each of their functions:

- 8.1 Approve the Joint Working Agreement (appendix C ) as the legal document that formally establishes the Cardiff Capital Region Joint Committee (the 'Regional Cabinet') as a Joint Committee, with delegated functions, with a Commencement Date of the 1<sup>st</sup> March 2017. The elected member representative to the Regional Cabinet shall be the Leader of the Council, or his/her nominated Deputy;
- 8.2 Approve the financial contributions from each constituent council towards the collective £120m total, (together with such associated costs e.g. carry costs), as detailed in the body of this report;
- 8.3 Approve the carry forward of any remaining revenue funds from 2016/2017, contributed by each constituent council, into 2017/2018 in order that the support structure for the Regional Cabinet continues;
- 8.4 Approve the collective revenue contributions of up to £1m (inclusive of Recommendation 2.3 above, on a proportional basis as set out in the JWA) to the 2017/2018 budget, in order that the support structure for the Regional Cabinet continues;
- 8.5 Approve that the City of Cardiff Council acts as the Accountable Body with the responsibilities as set out in the JWA;

- 8.6 Approve the Assurance Framework as the open and transparent, robust decision making process for considering all proposals requiring support from the CCR City Deal Wider Investment Fund;
- 8.7 Approve the Implementation Plan in the form attached to the JWA, subject to each constituent council approving the JWA Business Plan;
- 8.8 Approve the Chief Executive in consultation with the Leader of the Council, the Corporate Director Operational and Partnership Services and s151 Officer be granted delegated authority to agree such amendments as are necessary to the JWA, Assurance Framework and Implementation Plan (as are appropriate) from the date of acceptance of these recommendations to the Commencement Date of the 1<sup>st</sup> March 2017;
- 8.9 Approve the Chief Executive in consultation with the Leader of the Council, the Corporate Director Operational and Partnership Services and s151 Officer be granted delegated authority to agree whether the Council should continue to explore the opportunity to continue to participate in the CCR City Deal in the event that one or more of the ten constituent councils fail to agree any of recommendations 8.1 - 8.8 above; and
- 8.10 Approve the Leader of the Council or his nominated Deputy be granted delegated authority to sign the JWA on behalf of the Council.

**Darren Mepham**  
**Chief Executive**  
**25 January 2017**

**Contact Officer:** Darren Mepham

**Telephone:** (01656) 642616

**E-mail:** [Darren.Mepham@bridgend.gov.uk](mailto:Darren.Mepham@bridgend.gov.uk)

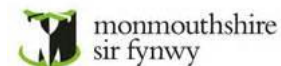
**Postal Address** Civic Offices, Angel Street, Bridgend, CF31 4WB

### **Background documents**

None

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# Cardiff Capital Region City Deal



## Executive Summary

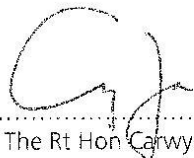
1. Cardiff Capital Region has secured a deal worth £1.2 billion. Over its lifetime, local partners expect the City Deal to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.
2. This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that builds on the region's sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow.
3. This deal will also develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses.
4. The Cardiff Capital Region City Deal includes:
  - **£1.2 billion investment in the Cardiff Capital Region's infrastructure.** A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme.
  - **Connecting the region.** The Cardiff Capital Region will establish a new non-statutory **Regional Transport Authority** to co-ordinate transport planning and investment, in partnership with the Welsh Government.
  - **Support for innovation and improving the digital network.** To develop capabilities in Compound Semiconductor Applications the UK Government will invest £50 million to establish a new Catapult Centre in Wales. The Cardiff Capital region will also prioritise investment in research and development and provide support for high value innovative businesses.
  - **Developing a skilled workforce and tackling unemployment.** The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed.
  - **Supporting enterprise and business growth.** A Cardiff Capital Region Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders.
  - **Housing development and regeneration.** The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.



Our signing of this document, subject to relevant council approvals, confirms our joint commitment to ensure full implementation of the Cardiff Capital Region City Deal proposed by: City of Cardiff Council; Blaenau Gwent County Borough Council; Bridgend County Borough Council; Caerphilly County Borough Council; Merthyr Tydfil County Borough Council; Monmouthshire County Council; Newport City Council; Rhondda Cynon Taff County Borough Council; Torfaen County Borough Council; and Vale of Glamorgan Council.



The Rt Hon Stephen Crabb  
Secretary of State for Wales



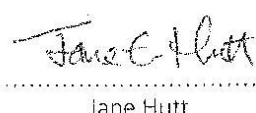
The Rt Hon Carwyn Jones  
First Minister of Wales



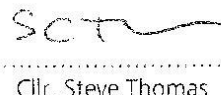
Cllr. Phil Bale  
Leader of City of Cardiff  
Council



The Rt Hon Greg Hands  
Chief Secretary to the  
Treasury



Jane Hutt  
Minister for Finance and  
Government Business  
Welsh Government



Cllr. Steve Thomas  
Leader of Blaenau Gwent  
County Borough Council



Cllr. M E J Nott OBE  
Leader of Bridgend County  
Borough Council



Cllr. Keith Reynolds  
Leader of Caerphilly County  
Borough Council



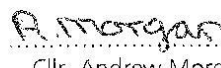
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Leader of Merthyr Tydfil  
County Borough Council



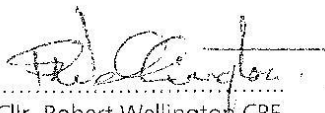
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Leader of Monmouthshire  
County Council



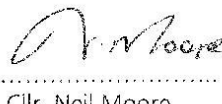
Cllr Bob Bright  
Leader of Newport City  
Council



Cllr. Andrew Morgan  
Leader of Rhondda Cynon  
Taff County Borough  
Council



Cllr. Robert Wellington CBE  
Leader of Torfaen County  
Borough Council



Cllr. Neil Moore  
Leader of Vale of  
Glamorgan Council

## Introduction

5. The Cardiff Capital Region is comprised of ten local authorities: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taff; Torfaen; and Vale of Glamorgan. It is the largest city-region in Wales and accounts for approximately 50% of the total economic output of the Welsh economy, 49% of total employment and has over 38,000 active businesses.
6. The Cardiff Capital Region is an area where people want to live and work. With two cities (Cardiff and Newport) at its core, the region has seen significant regeneration and investment over recent decades. Cardiff, as the capital city, is now dynamic, fast growing and forecast to have a higher population growth rate over the next 20 years than any other city in the UK.
7. The area is home to a range of competitive business clusters with significant international and indigenous businesses across sectors such as: financial services; creative and digital industries; advanced manufacturing; life sciences; energy; and energy supply. These business clusters are serviced through a wide and supportive ecosystem. This ecosystem contains a thriving higher education sector which includes Cardiff University, Cardiff Metropolitan University and the University of South Wales..
8. However, despite these strengths, numerous challenges remain. Gross Value Added, which is a measure of goods and services produced in an area, is lower than all but one of the English Core City Regions. There are also connectivity issues across the region which makes it more difficult for people in Valley's communities to access economic opportunities.
9. Recognising these opportunities and challenges all the signatories to this deal are working together to realise the vision for the Cardiff Capital Region, which is to: *“work together to improve the lives of people in all our communities. We will maximise opportunity for all and ensure we secure sustainable economic growth for future generations”*. This City Deal provides local partners with further powers and tools to realise this vision.

## Key Elements of the Deal

### Cardiff Capital Region Investment Fund

10. This City Deal sets out a transformative approach in how the Cardiff Capital Region will deliver the scale and nature of investment needed to support the area's growth plans. Central to this will be the development of a 20 year £1.2 billion Investment Fund, which the Cardiff Capital Region will use to invest in a wide range of projects.
11. Both the UK and Welsh Government are contributing £500 million to this fund respectively. The Welsh Government funding will be provided over the first seven years of the Investment Fund, from 2016/17 to 2022/23. The ten local authorities in the Cardiff Capital Region will contribute a minimum of £120 million over the 20 year period of the Fund. In addition, over £100m from the European Regional Development Fund has been committed to delivering the City Deal.
12. The Cardiff Capital Region believes investments in these areas will deliver up to 25,000 new jobs and bring forward at least £4 billion of additional investment from local partners and the private sector by 2036.

### South East Wales Metro

13. A key priority, which the City Deal Investment Fund will support, is the delivery of the South East Wales Metro. The scheme has the potential to provide a significantly improved public transport system that will transform the way people travel around the region.
14. Given the importance of the Metro to the UK Government, Welsh Government and Cardiff Capital Region, a proportion of the Investment Fund will be pre-allocated to the delivery of this scheme. This pre-allocation focuses on both phases of the wider Metro scheme. These are:
  - The delivery of the Valley Lines Electrification programme. This City Deal re-confirms the continued shared ambition of both Government's and the Cardiff Capital Region to deliver this element of the wider Metro scheme. £325 million of the £1.2 billion Investment Fund has already been committed to the delivery of this scheme (£125 million from the UK Government, £94 million from the Welsh Government and £106 million from the European Regional Development Fund).
  - The delivery of the wider South East Wales Metro scheme. The Welsh Government will pre-allocate over £400m further funding from the Investment Fund to deliver the wider ambitions around the Metro scheme, which is the subject of ongoing design work. As part of this City Deal the Welsh Government commits to involving the Cardiff Capital Region in the co-design of the wider Metro scheme and in the procurement of a delivery organisation.

15. The Department for Transport will agree the arrangements for making the agreed contribution to the Valley Lines Electrification project with the Welsh Government. The Welsh Government will agree with the local authorities the arrangements for managing the funding of the Metro scheme, and how it interacts with funding for additional Metro investments delivered through this City Deal.

### **Wider Investment Priorities**

16. The remaining element of the Investment Fund will be used to take forward a wide range of projects and schemes that support economic growth across the Cardiff Capital Region. Decisions on the prioritisation of these schemes will be taken by the Cardiff Capital Region Cabinet. Schemes taken forward could include: further transport schemes; investment to unlock housing and employment sites; and development of research and innovation facilities.

### **Investment Fund Assurance Framework**

17. The ten local authorities across the Cardiff Capital Region commit to writing and adopting an assurance framework for this Investment Fund. This will be agreed by the UK and Welsh Government. By adopting the assurance framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes that are taken forward (outside of the South East Wales Metro which will be subject to a separate assessment against an assurance framework) represent good value for money and are underpinned by a robust business case.
18. This assurance framework will be based on existing best practice from the UK Government and Welsh Government. In addition the framework will also draw upon any local best practice for managing investment decisions across the Capital Region. Key elements that the assurance framework will include are:
  - purpose, structure and operating principles of the framework;
  - arrangements to ensure value for money and effective delivery through strong project development, project and options appraisal, prioritisation, and business case development;
  - a description of the arrangements for supporting the effective delivery and implementation of projects and schemes, including relationships with delivery bodies; and
  - arrangements which enable effective and meaningful engagement of local partners and the public in the investment decisions taken and subsequent scrutiny of these decisions.

### **Investment Fund Gateway Assessments**

19. Cardiff Capital Region will be required to evaluate the impact of the Investment Fund in order to unlock funding that has not been pre-allocated to the South East Wales Metro programme. This will be comprised of gateway assessments every five years. To underpin these gateway assessments, an independent review will be commissioned to evaluate the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Cardiff Capital Region, but agreed at the outset with the UK Government. The next five

year tranche of funding will be unlocked if the UK and Welsh Governments are satisfied that the independent assessment shows the investments to have met key objectives and contributed to national growth.

### **Local Authority Borrowing**

20. Throughout the course of the City Deal programme the ten Cardiff Capital Region local authorities will be responsible for financing the capital investment programme. The difference in the profile between the proposed investment and the capital grant funding may require a local authority or authorities to borrow to fund any difference in expenditure and grant. The cost of any external borrowing is the responsibility of the relevant local authority or local authorities and is to be managed in accordance with prudential principles – it must be prudent, affordable and sustainable.
21. In a scenario where a future Investment Fund Gateway is not achieved, leading to any reduction or cessation of City Deal grant, then it will be the responsibility of individual local authorities within the Cardiff Capital Region to manage the financial impact of this within their local authority budget, utilising reserves or surpluses as required.

### **Additional Flexibilities**

22. In order to deliver the Cardiff Capital Region's City Deal commitments and a longer-term economic strategy, the ten local authorities have requested greater financial autonomy and flexibility. As part of this City Deal the Welsh Government will explore with the Cardiff Capital Region:
  - the devolution of business rate income above an agreed growth baseline to provide funding for the City Deal programme;
  - providing the ability to levy an infrastructure supplement;
  - creating the option for the local authorities to use alternative finance sources; and
  - removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty.

## Connecting the Cardiff Capital Region

23. Transport has a key role in delivering economic growth and improving outcomes for people by connecting communities, business, jobs, facilities and services. However across the Capital Region there are significant congestion and transport capacity issues that need to be addressed. The City Deal Investment Fund and South East Wales Metro will make a significant contribution to improving transport connectivity.
24. In addition to this investment the Cardiff Capital Region will establish a new non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. The Cardiff Capital Region Transport Authority will be responsible for:
  - pooled local transport resources;
  - regional planning for the local transport network;
  - working with Transport for Wales to ensure objectives for transport investment are aligned;
  - exploring the creation of a single integrated ticketing platform for public transport across the Cardiff Capital Region;
  - working in partnership with the Welsh Government to define the priorities of the South East Wales Metro concept and to support its delivery; and
  - working in partnership with the Welsh Government to promote the development of integrated aviation routes from Cardiff Airport and St Athan Enterprise Zone, to deliver economic benefit.

## **Investing in Innovation and the Digital Network**

25. The Cardiff Capital Region has an aspiration to extend the “arc of innovation” that runs along the M4 corridor into the Cardiff Capital Region. Capitalising on the research strengths of the Region’s three universities, the Cardiff Capital Region will designate an “Innovation District” that helps to: create and nurture new high growth businesses; increases investment in research and development; and provides the skills that businesses need now and in the future.

## **Developing the Compound Semiconductor Sector**

26. To transform the UK’s capability, and help position Cardiff as the European leader in Compound Semiconductor applications, the UK Government will invest £50 million to establish a new Catapult in Wales. This new Catapult will complement the work of other organisations in Wales who are already working in this important area, including the Compound Semiconductor Institute at Cardiff University and the Compound Semiconductor Centre, a joint venture between Cardiff University and IQE.
27. Recognising this opportunity, the Cardiff Capital Region will prioritise interventions that support the development of an internationally-competitive Compound Semiconductor cluster. Local partners believe that this will put the UK at the heart of an emerging global growth technology.

## **Innovation Investment**

28. To accelerate the growth of innovation and facilitate investment in research and development, the Cardiff Capital Region will seek to prioritise:
  - mechanisms to support high growth sectors;
  - the development of new facilities and employment sites;
  - new approaches to public service delivery;
  - the Software Academy in Newport and related programmes across the Capital Region;
  - investment in intellectual property creation and commercialisation;
  - adding value and complimenting existing innovation support; and
  - developing a cyber-security academy with the University of South Wales.

## **Innovate UK**

29. Innovate UK is now planning to increase its footprint and presence in Wales, in order to: raise the awareness and engagement in Innovate UK programmes and activities; to strengthen its links with business, universities and other key partners; and to work with the Welsh Government to promote and support innovation.

## **Data**

30. Cardiff Capital Region commits to developing proposals for how better and more flexible use of data could be used to drive innovation across the public sector and

within the wider economy. The Cardiff Capital Region will present a clear case to the UK Government for how a different approach to the use of specific data would improve service delivery and would benefit particular groups.

## **The Digital Network**

31. Innovation will also be a central theme within the Cardiff Capital Region's ambition to deliver an outstanding digital infrastructure and wider ecosystem to support economic growth. To continue to build on investments in next generation broadband, and the Region's reputation as one of the fastest growing tech hubs in the UK, the Cardiff Capital Region will prioritise:

- exploring the case for direct international connectivity;
- the mobile infrastructure across 4G and 5G technologies that add value to existing provision;
- increasing Wi-Fi services across public transport;
- digital solutions to solve the big problems, such as smart housing, citizen payments and open data challenges; and
- facilitating collaboration between stakeholders to identify and exploit opportunities.



## **Developing a Skilled Workforce and Tackling Unemployment**

32. This City Deal will improve the co-ordination and delivery of skills and employment support across the Capital Region. It will help to increase the number of people moving into work (including those that have been out of work for a long time), increase the number of people undertaking an apprenticeship or other relevant skills provision and give people the skills they need to compete in a global employment market.

### **The Cardiff Capital Region Skills and Employment Board**

33. To ensure skills provision is adapted to local economic and social needs and provides the best value for money, the Cardiff Capital Region will strengthen the existing Learning, Skills and Innovation Partnership. This will be re-launched in 2016 as the Cardiff Capital Region Skills and Employment Board.
34. The Partnership will represent a wide range of stakeholders, including: business bodies; higher and further education; local authorities and the Welsh Government. It will be responsible for:
- Cardiff Capital Region's skills and worklessness strategy;
  - pooled local authority skills resource;
  - producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed;
  - influencing and monitoring the delivery and impact of employment and skills programmes across the Region;
  - ensuring an industry led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
  - supporting the Welsh Government's "Curriculum for Wales, Curriculum for Life" plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
  - ensuring European Union funding investments in skills and employment add value and align with other programmes.

### **Work and Health Programme**

35. Cardiff Capital Region and the Welsh Government will work with Department for Work and Pensions to co-design future employment support from 2017, for people with a health condition or disability and/or long term unemployed<sup>1</sup>, many of whom are currently referred to the Work Programme and Work Choice.
36. The respective roles of the Department for Work and Pensions and Cardiff Capital Region in the co-design include:
- Department for Work and Pensions setting the funding envelope; however Cardiff Capital Region and the Welsh Government can top up this if they wish, but are not required to.

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<sup>1</sup> Long term unemployed is defined as claiming benefits for 24 months.

- Cardiff Capital Region and the Welsh Government setting out how they will join up local public services in order to improve outcomes for this group.
  - Department for Work and Pensions setting the high level performance framework, ensuring support appropriately reflects labour market issues. The primary aim will be to reduce unemployment and move people into sustained employment.
  - Cardiff Capital Region (working with the Welsh Government) will have input into determining specific local outcomes that reflect their labour market priorities, however these outcomes should be complementary to the ultimate employment outcome. In determining any local outcome(s) Cardiff Capital Region and the Welsh Government will work with the Department for Work and Pensions to take account of the labour market evidence base and articulate how these will both fit within the wider strategic and economic context and deliver value for money.
37. Before delivery commences the Department for Work and Pensions, Cardiff Capital Region and the Welsh Government will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support. This will include a mechanism by which each party can raise and resolve any concerns that arise.
38. The Department for Work and Pensions sets the contracting arrangements, including contract package areas, but should consider any proposals from Cardiff Capital Region on contract package area geography.
39. Providers will be solely accountable to the Department for Work and Pensions, although Cardiff Capital Region and the Welsh Government will be involved in the tender evaluation.
40. The Department for Work and Pensions and Cardiff Capital Region will develop a mechanism by which Cardiff Capital Region (working with the Welsh Government) can escalate to the Department for Work and Pensions any concerns about provider performance/reaching local agreements and require the Department for Work and Pensions to take formal contract action where appropriate.

## **Supporting Enterprise and Business Growth**

41. The Cardiff Capital Region is committed to improving the co-ordination of local and national business support arrangements. This includes working in partnership with the Welsh Government to address identified barriers to growth, support spatial and sectoral priorities and to target emerging opportunities for driving economic performance.

### **The Cardiff Capital Region Business Organisation**

42. Local partners recognise that ensuring there is a strong business voice to guide both the design and delivery of business support across the region will be critical.
43. Therefore working with public sector partners, the business community, and representative bodies, Cardiff Capital Region will establish a Cardiff Capital Regional Business Organisation. This organisation will provide a clear business voice that will influence and shape business support programmes. In creating the Board, a mapping and consultation process will be undertaken with existing advisory Boards operating within the Region. This will ensure roles and remits are complimentary and add value. The Board will be responsible for:
  - articulating the regional needs of business;
  - identifying regional priorities for existing business support services; and
  - designing future business support programmes.
44. Membership will be drawn from across a range of sectors and interests, including social enterprises and mutuals. A joint Confederation of British Industry, Federation of Small Business, Institute of Directors and South Wales Chamber of Commerce statement outlined the underlying principles for the Business Organisation. The final structure will be designed by the Cardiff Capital Region business community.

### **Integration of Local Business Support Services and Resources**

45. To ensure that relevant business support and promotional activities are delivered at the Capital Region level, local resources will be aligned to create an Integrated Delivery Unit. This unit will deliver regionally significant aspects of economic development. This includes: business development; marketing; tourism; and inward investment.
46. The Integrated Delivery Unit, working in collaboration with the Welsh Government and the proposed Regional Business Organisation, will ensure that any new business support provision complements existing national initiatives. In addition, through this collaborative approach, the Welsh Government is committed to working with the Cardiff Capital Region to explore where existing business support provision can be built on or expanded, whilst avoiding duplication. A number of existing programmes (for example Business Wales, which offers a one stop shop advice and referral service to SMEs and Entrepreneurs) have already been designed through consultation with industry and have the potential to be aligned with identified regional needs and priorities.

47. Further to this, the Welsh Government is also committed to working in partnership with the Cardiff Capital Region to promote the area at a global level. As part of this, the Welsh Government will ensure greater levels of visibility with the Welsh Government's own overseas offices. In addition the Welsh Government will continue to work closely with UK Trade and Investment to ensure that its propositions are promoted and co-ordinated across the UK Trade and Investment overseas post network.

## Housing Development and Regeneration

48. Delivering an increase in house building across the Cardiff Capital Region will help to address critical housing shortages especially for first time buyers and those unable to join the 'housing ladder'. House building is also a critical element of the economy as it: stimulates demand within the supply chain during construction and through purchases by the eventual occupiers; contributes to a more balanced regional planning framework; and is a major employer in its own right.
49. The City Deal presents a unique opportunity for the ten local authority areas to come together to develop and deliver a strategic approach to housing, regeneration and economic growth which will create an accessible, liveable, 'work-life integrated' and highly connected Capital Region. To support this ambition the Cardiff Capital Region will:
  - Commit to the development of a partnership between the Cardiff Capital Region and the Welsh Government to take a strategic and balanced approach to housing and regeneration, focussing development on where it is most needed – in a regional and coordinated way.
  - Ensure that new housing is linked to the delivery of sustainable and balanced communities, through the re-use of property and sites. Further, both the Welsh Government and Cardiff Capital Region will ensure that proposals to improve the efficiency and quality of the housing stock are aligned with other regeneration outcomes.
  - Establish a collective way of working, for example, through an asset development vehicle to progress speculative opportunities for potential Cardiff Capital Region regeneration ventures.
  - Develop an integrated public-private housing offer, with clarity over tenure, mix type, design and affordability with prototyping for 'settlements of the future'.
  - Utilise innovation in local procurement to secure supply chain benefits, local labour and other social clauses to maximise value.
  - Establish the delivery of renewable energy-led regeneration and housing programmes and ensure the principles of 'clean-tech' are anchored within physical development initiatives. This will contribute to ensuring 'future-proofing' and creation of new supply chain networks.
  - Engage the affordable housing sector providers in the region as one network. Working with Cardiff Capital Region this network will develop a regional "Housing Plus" strategy in which added value benefits such as training construction apprenticeships, energy resilience and job creation are clearly set out and adopted. This will provide a framework against which site regeneration schemes can be prioritised for investment.
50. In both the planning and delivery of new housing and regeneration projects, the Cardiff Capital Region will ensure that there is alignment to current Welsh Government programmes including Creating Vibrant and Viable Places – the Welsh Government's regeneration framework and increasing the supply and standards of housing.

## **Cardiff Capital Region Governance**

51. The ten local authority partners of the Cardiff Capital Region City Deal have agreed to establish a governance model that:
- complies with the existing statutory framework that exists in Wales to deliver this City Deal;
  - strengthens and streamlines the existing governance and partnership arrangements across the Capital Region;
  - improves business involvement in local decision making;
  - provides confidence and assurance to both the UK and Welsh Government that the local authority leaders are making decisions which will drive economic growth across the Capital Region; and
  - enables local authorities to explore with the Welsh Government alternative governance arrangements in the medium term.

### **Cardiff Capital Region Cabinet**

52. Utilising the existing statutory framework, the ten local authorities will establish a Cardiff Capital Region Cabinet. The Cabinet will have the status of a Joint Committee and will be the ultimate decision making body in the governance structure.
53. The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region. The Cabinet, which will comprise the ten participating local authorities, will provide the basis for initial decision making regarding the Investment Fund. In addition the Cardiff Capital Region Cabinet will be responsible for:
- management of the Cardiff Capital Region Investment Fund;
  - additional devolved funding provided to the Capital Region;
  - the Cardiff Capital Region Transport Authority;
  - contracting with Transport for Wales on prioritised Metro projects;
  - control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;
  - strategic planning including housing, transport planning and land use;
  - influencing skills and worklessness programmes;
  - an Inward investment and marketing strategy; and
  - considering the scope for strengthening Capital Region governance further.
54. A comprehensive agreement will be drawn up between the participating authorities which will bind and commit each individual local authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal. The agreement will also allow for the possibility of additional functions and powers to be devolved to the Cabinet in the future.
55. The Cardiff Capital Region commit to reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding. The review will include consulting the Welsh Government

and the UK Government to identify actions needed to take forward future governance options.

### **Strategic Regional Planning**

56. The Cardiff Capital Region, in partnership with the Welsh Government, will commit to the creation of an integrated strategic development plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region.

### **Cardiff Capital Region Economic Growth Partnership**

57. A Cardiff Capital Region Economic Growth Partnership will be established to bring together business, higher education and local government. The partnership would be responsible for setting the overarching city-region economic development strategy, as well as monitoring and making recommendations to the Cabinet with regard to City Deal implementation. The partnership will have a specific role to provide advice on investment decisions. This will ensure the City Deal and other interventions make an impact on economic growth and increase employment.
58. The Partnership's membership and terms of reference will be established using the best international practice such as the Danish Growth Forums, as well as the Local Enterprise Partnership model in England and the Economic Leadership Board established in Glasgow.

### **Independent Growth and Competitiveness Commission**

59. The Cardiff Capital Region will establish an independent Growth and Competitiveness Commission to support the city region's economic and investment strategy. It will review activities related to the City Deal as well as wider economic and growth interventions.
60. The Commission's first task will be to review the evidence about the functional economic area and advise how best to generate Gross Value Added growth and support the ambitions of a dynamic capital region.
61. The Commission will be jointly established by the ten local authorities that comprise the Cardiff Capital Region in consultation with the Welsh and UK Governments.
62. The Commission will examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential.

### **Delivery, Monitoring and Evaluation**

63. Cardiff Capital region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation

plan in advance of implementation, which sets out the proposed approach delivery and evaluating the impact of delivery.

64. The Cardiff Capital Region City Deal will be monitored by the Joint Cabinet. The joint programme management team will provide the Cabinet, the UK Government and the Welsh Government with quarterly performance report that will:
  - highlight City Deal successes;
  - provide a performance narrative for each element of the City Deal against agreed implementation plan timescales;
  - provide information on outputs and outcomes agreed;
  - identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.
65. The UK Government and Welsh Government will work with the Cardiff Capital Region to agree a timetable for the production of these reports and will convene regular progress meetings.
66. The Cardiff Capital Region commit to recognising the “City Deal” in promoting and branding investments made as a result of this Deal. This includes acknowledging the UK Government equally alongside other funding partners. The Cardiff Capital Region may wish to explore a single unique brand identity that represents the whole Capital Region area and all the partners involved in delivering the City Deal.



# Report and Recommendations



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Cardiff  
Capital  
Region  
**City Deal**

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**Growth &  
Competitiveness  
Commission**

# CONTENTS

	Page
Chair's Foreword	4
Setting the Scene	5
PART 1 - The Commission and The Evidence	6
Summary and Core Proposition	6
Context and Methodology	7
The Evidence Gathering Process	9
PART 2 - The Cardiff Capital Region: The Case for the Region	10
<b>2.1</b> Introduction and Summary	10
<b>2.2</b> Previous Studies and Reports: The Case for the Cardiff Capital Region	12
<b>2.3</b> International Evidence: How City-Regions Work	18
PART 3 - Review and Recommendations	22
<b>3.1</b> Prospects for the Capital City Region	22
<b>3.2</b> Economy	23
<b>3.3</b> Inclusion	32
<b>3.4</b> Sustainable Development	37
<b>3.5</b> Investment	44
<b>3.6</b> Organisation: Governance and Leadership	48

# CHAIR'S FOREWORD

The signing of the Cardiff Capital Region City Deal signalled an intention by the UK Government, Welsh Government, and the ten Local Authorities to increasingly work together, through joint enterprise, on issues of long term development, infrastructure, land use, economic development and employment. This important agreement provides a fresh start for the city-region and offers the possibility of an integrated, singular, and long term approach to the region, rather than the multiple and fragmented initiatives of the previous cycles.

We set out to do an evidence based review. This involved:

- A public survey.
- An open invitation for submission of evidence.
- Literature and data assessment.
- A review of previous city-region studies and interviews with their authors and chairs.
- International case studies.
- Multiple workshops with local stakeholders and decision makers.

The Commissioners have been able to benefit from extensive work that has already been undertaken and we are very grateful to all those who submitted evidence, provided us with briefing, and shared their data. We are especially grateful to the chairs and members of previous commissions, task forces, and working groups who have covered some of the same ground that we have sought to review. They have been generous with their time and insights.

International evidence shows us that city-regions are functional units in sub-national economies and the degree to which they are well organised and cohesive impacts upon their long term performance. City-regions that have joint strategies, shared institutions, and common investment programmes do better than those that do not. City-regions do much better if the higher tiers of government are aligned with the local level in a common strategy.

It is tempting to suggest that the Cardiff Capital Region will succeed best in the long term if we focus solely on one or two priorities such as growth sectors, education, enterprise, connectivity, promotion, or tourism. But our commission has found that a long term strategy for the region needs to combine and sequence multiple interventions that are not in tension with one another but require careful integration. As this report explains, we believe the long term strategy for the region will include at least:

- Investment in education to improve employability and productivity.
- Fostering of employment growth across distinct skills and income spectrums.
- Infrastructure investment to integrate the region better and provide more opportunities.
- Development in the spatial economy that will see multiple locations of growth.

- Improvements in the quality of place and the range of institutions investing in improving the city and town centres.
- Fostering of emerging sectors of employment and new/young companies.
- Increasing governance integration in the city-region to combine efforts and leverage investment.
- Effective working relationships that support economic flows and opportunities with areas outside the city-region including South Wales, Wales, the Severn Valley, The Midlands of England and the Greater South East around London.

Our report develops this multi-strand approach and argues for increasing levels of collaborative co-investment. We stress the need to move to rapid implementation and avoid further reviews.

I would like to sincerely thank my fellow Commissioners for their important work and to thank the teams from Cardiff University, the Centre for Cities and the Office for National Statistics who supported the work of the Commission.

**Prof Greg Clark CBE,  
Commission Chair**

# SETTING THE SCENE

The idea of the city as a “growth engine” is a compelling but partial picture of the world today: compelling because the global economy is becoming ever more urbanised, but partial because it is not so much cities as city-regions that are the real engines of economic growth. In other words, cities are not self-sufficient entities no matter how much they aspire to be, and this is especially true of Cardiff.

Indeed, few cities have been as dependent on their regional hinterland as the Welsh capital. Without the dramatic growth of the coalfields in the South Wales valleys, there would have been no commercial logic for the Bute family to build a port; and without export facilities, Cardiff would never have become the Coal Metropolis of the early 20th century. So the city and the region were mutually dependent from the outset and, though the form clearly changed, this inter-dependence remains the overriding feature of the region, so much so that the greatest political challenge today is to tap the potential of this shared destiny.

The inter-dependence of Cardiff and its regional neighbours has been recognised in planning and policy circles for many years. The Wales Spatial Plan captured the problem and the solution back in 2004 when it described the area as an “inter-dependent but unplanned urban network” where the challenge was to become “a single networked city-region on a scale to realise its international potential”.

Realising this potential will require one thing above all others, namely a political commitment to collaborate for mutually beneficial ends. In the past a zero-sum political mind-set has stymied the growth potential of the city-region, a mind-set in which the gains of the city were perceived as losses for the region.

Political leaders have put that parochial mind-set behind them in recent years, evidenced by the creation of the Cardiff Capital Region and the City Deal. Realising the potential of the City Deal will require all parties – in the public, private and third sectors of the city-region – to prove that what they have in common is so much greater than what divides them. The projects that will flow from the City Deal, particularly the Metro, will need collaboration on a scale never before witnessed in the region because no single party has the resources or the imagination to realise these projects on its own, hence the significance of the shared destiny.

**Professor Kevin Morgan**  
**Cardiff University**



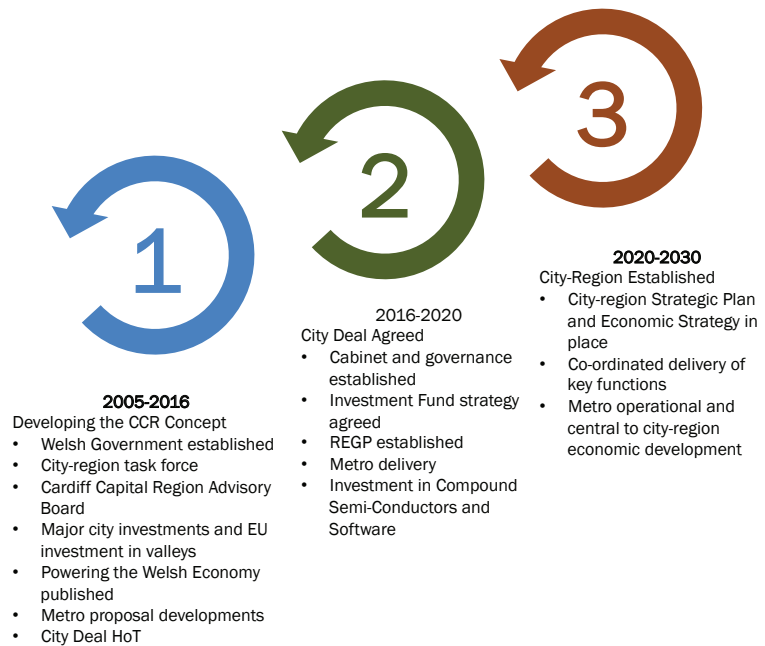
# PART 1 - THE COMMISSION AND THE SUMMARY AND CORE PROPOSITION

This evidence based review by the Independent Commission sought to understand how best to generate growth and support the ambitions of the Cardiff Capital Region, and has resulted in a core proposition that drives our report.

Our assessment is that the Cardiff Capital Region can be more prosperous, more inclusive and more sustainable. We do not see inevitable or unresolvable tensions between these priorities, but we recognise that they can only be achieved if the region becomes much better connected and inter-dependent, and if investment in connectivity is used to drive changes in transport modes, new land uses, the fostering of a multi-centred economy, and improved liveability for people at all levels of income. Improvements in rail connections must act as drivers and enablers of broader placemaking, business clustering, higher skills and bolder aspirations for the city-region.

The international evidence shows us that those city-regions that adopt strategies that combine together economic development with spatial development, infrastructure development, improved sustainability and more effective human services can find a path to increased prosperity and inclusion. This evidence also shows us that such progress is achieved over 5-10 year cycles and through integrated strategies supported by combined efforts between different governments. It will not be achieved in the short term, or solely by individual projects, and one-off or fragmented, actions. We encourage the leaders of the 10 Authorities, the Welsh Government and the UK Government to act in concert now, and for the long term, to create unified governance, an increased rate of investment and deeper delivery capability that can be sustained for the two to three cycles necessary to achieve success. We see an urgent need to make progress and achieve a rapid mobilisation of efforts.

## Cardiff Capital Region Three Potential Cycles of Development



The Cardiff Capital Region's potential to develop into a prosperous capital city-region for Wales, requires an **integrated economic strategy** that is sequenced with increased investment in infrastructure, placemaking and renewal. This strategy should use **connectivity to play to the strengths of multiple locations of growth**, underpinned by measures to enhance long term productivity and innovation readiness. It should be complemented by more **integrated governance, confident story-telling, and adjustments to meet the requirements of external investors.**

The Cardiff Capital Region City Deal was signed in Cardiff on 15 March 2016 by the ten local authority Leaders, the First Minister of Wales, the Minister for Finance, the Secretary of State for Wales and the Chief Secretary to HM Treasury. The 'Heads of Terms' document outlines the parameters for the detailed development of the City Deal. The document also outlines how the ten local authorities will work in partnership with the Welsh Government and UK Government to support economic growth.

The Cardiff Capital Region City Deal will invest **approximately £1.2bn in the city-region economy between now and 2036**. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2bn to leverage wider economic benefits. The City Deal has a small number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, the leveraging of £4bn of private sector investment and securing economic growth.

The City Deal document Heads of Terms identified that an **Independent Growth and Competitiveness Commission** be established with the remit to:

- Review the evidence about the functional economic area and advise how best to generate Gross Value Added growth and support the ambitions of a dynamic capital region in a successful Welsh economy.
- Examine the challenges and opportunities for economic growth and competitiveness, and make recommendations for how the Cardiff Capital Region can achieve its full growth potential and contribute most to the Welsh economy.

In order for the City Deal to fully realise its ambitions there is a consensus that a **robust and long term strategic plan is required**.

This document cannot provide that strategic plan or strategy, but we hope that it can set the framework for it. A proper strategy will need more detailed consideration than has been the remit, timescale and resources of this Commission. It must also consider more inputs than just the City Deal. However, we can set out some clear principles, based on the materials provided to the Commission, as well as some suggestions for where action should be targeted.

At the heart of this report is the need to prioritise and make informed choices. The City Deal represents a significant investment into the Cardiff Capital Region, but it cannot finance everything that is required, particularly given that much of the funding is already committed. The available funds are also limited in that they are phased over a twenty year timeframe. Not everything that would have a positive impact on the long term development of the economy and, more particularly, the communities of the Cardiff Capital Region, will be able to be funded. Choices will need to be made, which we hope will be informed by the principles and recommendations provided by the Commission.

Rather than seeing the City Deal as a broad programme of investment, we suggest that it may be better to regard it as the **foundation to increase joint working and co-investment**. Resources should focus on key themes intended to signal a direction of travel and leverage wider investments, enhance the performance of existing assets, accelerate the process of change, and guide future policy options.

# THE COMMISSION

In June 2016, the Cardiff Capital Region Programme Board agreed to establish the Growth and Competitiveness Commission to be chaired by Prof Greg Clark CBE, an international city-region development expert. The Commission was established as a 'task and finish' group aiming to report in late autumn 2016, within 6 months. A launch event was held for the Commission on the 28 June in Merthyr Tydfil where the appointment of additional Commissioners, Alexandra Jones (Chief Executive of Centre for Cities), Kevin Gardiner (Global Investment Strategist at Rothschild), Helen Molyneux (Chief Executive Officer of New Law) and Julie-Ann Haines (Customer Director for Principality Building Society) was also announced. Details on the Commissioners are provided below:

## **Prof Greg Clark CBE - Chair**

Greg Clark is an international advisor to city-regions including Auckland, Bilbao, Hong Kong, London, Malmö, New York, Oslo, Santiago, São Paulo, Singapore, Sydney, Turin and Vienna. He is Senior Fellow at the Urban Land Institute (Europe). He is Strategic Advisor to the OECD's Local Economy programme, a Global Fellow of the Brookings Institution in Washington, and a Global Fellow LSE Cities. He is author of more than 10 books and 100 major reports on city-regional development. He is a former Chief City and Regional Development Advisor to the UK Government. He is a Fellow of the Academy of Social Sciences and received a CBE for City and Regional Economic development in 2015.

## **Kevin Gardiner - Global Investment Strategist at Rothschild & Co**

Kevin joined Rothschild Wealth Management in August 2014. He was previously chief investment officer (Europe) at Barclays Wealth and Investment Management. He has also worked at several investment banks and the Bank of England in career covering roughly thirty years. He is a member of the Welsh Government's Financial and Professional Services advisory panel, chair of Wales Public Services 2025, and a governor at Atlantic College. He was educated at Hywel Dda School and Glan Ely Comprehensive (Cardiff); Atlantic College (Llantwit Major); the London School of Economics; and Cambridge University. In 1994, at Morgan Stanley, he wrote the "Celtic Tiger" report on the Irish economy.

## **Alexandra Jones - Chief Executive of Centre for Cities**

Alexandra is Chief Executive of Centre for Cities. She is an influential voice in the cities debate, providing advice for senior policymakers in national and local government on a regular basis. Alexandra has worked on strategic projects with organisations ranging from Leeds City Region and the Solent Local Enterprise Partnership to the business-led West End Partnership. She has been a member of the City Finance Commission chaired by Sir Stuart Lipton and both London Finance Commissions chaired by Tony Travers, as well as being a senior adviser to the City Growth Commission, chaired by (now Lord) Jim O'Neill. She is currently Chair of the London Stansted Cambridge Consortium and on the Board of the Heseltine Institute at Liverpool University.

## **Helen Molyneux - former Chief Executive, NewLaw Solicitors**

Helen established NewLaw Solicitors in 2004 to provide outsourced legal services facilities to organisations seeking to deliver legal services to their customers and members. From a standing start, NewLaw now employs over 450 people in Cardiff, Bristol and Glasgow and manages 7 law firms for its corporate partners. In 2014, NewLaw was sold to the Redde Group PLC. In 2013 Helen was named Legal Business Woman of the Year at The Law Society Excellence Awards. In 2015 she was awarded an Honorary Doctorate for her contribution to legal services in Wales, by the University of South Wales. Helen was a member of the Silk Commission on the devolution of powers to Wales and is Chair of the Institute of Welsh Affairs. She is also a non-executive director of Hodge Bank and Confused.com.

## **Julie-Ann Haines - Customer Director at Principality Building Society**

Julie-Ann Haines joined the Principality Building Society in 2007, building and developing its e-commerce offering. In 2010, she was appointed Director of IT & e-channels and at the end of 2012, promoted to Customer Director, responsible for ensuring that the Society stays well ahead of the rapidly-changing nature of its customer base. Julie-Ann's new role saw her appointment to the Group Board. As Customer Director, Julie-Ann has accountability for the operation of the Building Society encompassing all customer facing areas across 70 locations across Wales and the Borders, and 600 colleagues. Julie-Ann is also Chair of the Council of Mortgage Lending Cymru and is a member of the Welsh Government's Expert Panel on Housing for an Ageing population.

## **Research Support**

To support the Commissioners assistance was provided from Cardiff University, the Centre for Cities and the Office for National Statistics. Cardiff University also helped to co-ordinate local consultation exercises, whilst the Centre for Cities provided analytical support. Note that this report represents the findings and views of the Commission and not Cardiff University or the Centre for Cities.



# THE EVIDENCE GATHERING PROCESS

In August the Chair of the Commission wrote to key stakeholders inviting them to submit evidence to the Commission. This call was also extended to the public and was promoted through local media and social media. All MPs, MEPs and AMs received written communication from the Commission Chair, in addition to the Leaders of all ten Cardiff Capital Region local authorities and the Secretary of State for Wales. Relevant scrutiny chairs were also contacted. The Commission sought specific evidence on:

- Challenges and opportunities for economic growth and competitiveness.
- Data and analysis on economic and social issues affecting the city-region.
- How to maximise economic links between the ten local authorities, and thereby make a greater contribution to the Welsh economy.

In total over 40 organisations or individuals responded to the call for evidence. In addition a number of sessions were hosted by **Commissioners and Cardiff University across South East Wales over the four months of research**. A separate in-depth **desk research exercise was also undertaken by Cardiff University and the Centre for Cities**. This focussed on reviewing the currently available evidence as well as a review of previous and existing policy relating to the Cardiff Capital Region.

**Leaders of previous commissions** and other major enquiries and interim boards were contacted and interviewed by the Commission Chair. These included:

- Dr Elizabeth Haywood, Chair of the Commission on City Regions in Wales.
- Roger Lewis, former Chair of the Cardiff Capital Region Board.
- Ann Beynon, Chair of the Cardiff Capital Region Interim Board.
- Simon Gibson, Chair of the Newport Task Force.
- Prof Gerry Holtham, Hodge Professor of Regional Economy at Cardiff Met.

Two conversations took place with Sophie Howe, the **Wellbeing and Future Generations Commissioner**, one with the chairman and one with the whole commission. In December 2016, as the Commission concluded its findings, discussions with the Commission chair were held with **Ministers for Economic Development and Local Government in the Welsh Government, The Secretary of State for Wales and The Permanent Secretary for Wales Government**.

A survey of over 1,500 city-region residents was also undertaken to gauge views on the city-region and their local communities.

The Cardiff Capital Region is widely recognised as a region with **major strengths, an attractive environment, a strong heritage, a growing economy and emerging opportunities. However, it is also a region where there are intense concentrations of poverty**, where many people suffer from poor health and where not all have access to the opportunities available. In recent reports about both the **Cardiff and the Welsh city regions**<sup>1</sup>, these twin priorities of realising great potential and tackling stubbornly high levels of disadvantage are recognised.

Evidence presented to the Commission demonstrates how the Cardiff Capital Region functions as a **substantially self-contained space, but that the connectivity between places within its borders is lacking**. Strengthening this connectivity underpins much of the City Deal agreement, most notably through the proposals for the South-East Wales Metro<sup>2</sup>. Submissions to the Commission stressed the importance of this connectivity, particularly in the operation of labour market, supply chains, housing markets and training / employability opportunities. Connectivity is also seen as key to enabling the evolution of a more polycentric city-region where multiple locations can thrive and flourish. In addition, better connectivity - digitally and physically - between this city-region and the neighbouring regional economies was emphasised.

The Cardiff Capital Region City Deal provides an opportunity to build on **existing assets to develop a vibrant and interconnected city-region**, which enhances prosperity and well-being for all through economic growth. In doing so, we heard how the City Deal must ensure that growth not only brings benefits to all currently in the Cardiff Capital Region, but that it also needs to consider how this will enhance the well-being of our future populations and tackle population decline. Inter-connectedness is the means

to enable shared prosperity and should shape the current cycle of city-regional development, hence the prioritisation of the Metro project. If implemented successfully, the Metro will address the issues of sustainability and future generations directly through several mechanisms:

- It can increase labour market participation by building one labour market system.
- It can increase locational options for firms, institutions and public bodies, and foster multiple locations for growth, employment, innovation and co-working.
- It can herald a major modal shift towards lower carbon public transport through system integration and expansion.
- It can drive enhanced quality of place, multiple locations of jobs and growth, and community wellbeing.
- It can promote a much more resilient city-region with enhanced capacity in housing and job markets.
- It can enable residents and visitors to enjoy more of the diverse services and opportunities the region can provide.

Implementation of the Cardiff Capital Region City Deal will involve making choices. Some will be difficult, as there are short term limits to the public funds available. A City Deal which strengthens aggregate growth without reducing overall levels of inequality, or raising standards of living in the poorest communities of the city-region, will not be regarded as a success. The aim of this City Deal must be to build on the proposed infrastructure investments in order to help residents to improve their quality of life and to ensure that all citizens can participate in the benefits of economic growth.

The city-region has a strong grounding for improvement. The Cardiff Capital Region is a dynamic economy where GVA has increased by between 28% and 30% over the 10 years depending on the measure used (GVA per job filled or GVA per hour worked). This is broadly comparable to the average rate of growth across the UK as a whole. However, GVA per job filled and per hour remains less than 90% of the UK average<sup>3</sup>.

**New employment opportunities** are being created across the city-region. During the five years from 2009-2014 the number of jobs within the Cardiff Capital Region increased by 7,000, a trend which, if continued, would see the City Deal target easily met. This was wholly due to an increase in private sector jobs (by 5% to 455,000) as the number of public sector jobs declined by almost 11% to 155,000<sup>4</sup>. This highlights the importance of a workforce that is able to adapt to changing requirements.

**The population of the Cardiff Capital Region is also ageing** and it is likely that a quarter of the population will be aged over 65 years old by 2039<sup>5</sup>. As such, the available workforce is shrinking and the city of Cardiff is projected to be the only local authority in the region with a growing population aged 16-64 between now and 2039. Compared to many other city-regions in the UK, **the Cardiff Capital Region has proven less attractive to inward migration**<sup>6</sup>. Increasing population growth over time, and attracting working age populations, will be an important measure of how successful the city-region is becoming.

# THE CARDIFF CAPITAL REGION: FOR THE REGION

## ON AND SUMMARY

There is a pressing need to raise productivity levels in the Cardiff Capital Region, where many indicators suggest significant structural challenges to raising incomes and employment rates. Improved investment in skills, infrastructure and innovation, combined with enterprise and sustained business expansion, are vital to raising productivity and so generating economic growth<sup>7</sup>.

Recognising future risks and tackling them is crucial for good economic management. **These risks include the impacts of meeting greenhouse emissions targets<sup>8</sup>, the threat of closure or reduced operations of major employers<sup>9</sup>, the cuts to public sector budgets, an ageing population and the outcomes and uncertainties of the Brexit negotiations.** A future strategy will need to build the capacity for individuals, households and firms to meet these challenges and opportunities, rather than trying to predict the future and provide an answer.



### City Regional Economy

In 2012 a report by the **City-region's Task and Finish Group** (chaired by Dr Elizabeth Haywood) marked an important intervention in promoting city-regionalism as a policy priority in Wales. **The City Regions Final Report** considered whether a “city-region approach” would deliver “more jobs and greater prosperity” for Wales and identified South East Wales and Swansea Bay as areas exhibiting city-region dynamics that could be enhanced to promote growth. It observed the potential for a city-regional framework to achieve larger markets, labour market depth and knowledge sharing. The report noted that city regionalism “will certainly involve ceding power, funding and decision making to a more regional level” and required a long term perspective from the Welsh Government alongside local governance adaptations. Following the report, **the Cardiff Capital Region Advisory Board** was appointed in late 2013, spanning private, public, third and education sectors.

The first output of the Cardiff Capital Region Advisory Board was **Powering the Welsh Economy**, released in February 2015. It identified “connectivity”, “skills”, “innovation”, and “identity” as critical in order to transform south-east Wales from an under-performing region into: “[a] globally-connected, great place to live and work”. The report highlighted the central role of the Metro project in triggering interest in city-regionalism. The report set out a series of credible propositions on the growth of the city-region economy.

Emerging in parallel with these studies, the South East Wales Directors of Environment and Regeneration’s (SEWDER) report **Delivering a Future with Prosperity** identified “place”, “business support and development”, and “people and skills” as “strategic priorities” for South East Wales. The report also considered a range of funding

options – from structural funds to lottery funds – and points to roles for the Welsh Government in alleviating revenue pressures faced by local authorities and committing to support key infrastructure (such as the development of Cardiff airport).

In addition to work on the city-region, there is a long history of work looking at the Valleys, with a key report covering an area spanning five local authorities in South East Wales. The strategy for the **Heads of the Valleys (2006), Turning Heads**, set out a vision for “a culturally rich, dynamic network of vibrant and safe communities; a place where people want to live, work and play with a sustainable, high quality of life and a thriving population”. It identified concerns around “economic inactivity”, “quality of jobs”, “health” and “image” and set out to support “balanced communities” across the area. Sustainability and environmental criteria were stated as key principles that should guide future development. Subsequently, in 2016, a Welsh Government led task force has been established to address the priorities in the Valleys following the EU referendum. This work is in train in December 2016.

Building on the momentum gained by the Northern Powerhouse proposal, **Britain's Western Powerhouse**, prepared by Metro Dynamics, examines the opportunities for Cardiff, Newport, and Bristol to pursue a deliberate strategy of connectivity, complementarity, and concentration. The report suggests agglomeration economies may be activated across the three cities and points to the role of transport in forming deeper linkages. It suggests a potential lobbying and marketing basis for the three cities and highlights renewable energy opportunities. Though independent of the City Deal, the tri-city arrangement is posed as complementary to the evolution of the Cardiff Capital Region.

### Spatial planning

The **Wales Spatial Plan** set out in 2004, then revised in 2008, points to the role of Cardiff and its connections to proximate towns such as Barry and Pontypridd. The plan contains a vision to: **“spread prosperity from the two major centres of Cardiff and Newport to valleys across the region”**. South-east Wales is split into three areas in the strategy: “city coastal zone”; “heads of the Valleys plus”; and “connections corridor”. The report acknowledges the interdependence of Cardiff and the wider Capital Region and Cardiff’s distinctive role at the centre of an internationally competitive region. Meanwhile local development plans have emerged intermittently across the city-region, but typically express individual, local authority-level thinking on key areas such as housing and transport.

The introduction of the **Planning (Wales) Act** will bring about a new planning framework, introducing the possibility of a new strategic/sub-national layer. According to the Welsh Government, such strategic development plans: “will allow [for] larger than local issues such as housing demand, search areas for strategic employment sites and supporting transport infrastructure, which cut across a number of local planning authorities”. The precise geographies of the strategic plan areas are to be determined but are likely to closely align with the city-region geography. The introduction of a national development framework will effectively replace or take over from the Wales Spatial Plan.



## Transport








Transport infrastructure has been a core concern in South East Wales and a driving priority behind the nascent city-region agenda. **SEWTA's strategic positions** set out in 2010 and in 2013, for rail, identified the most urgent cross-regional infrastructure projects. The 2013 rail strategy points to the necessity for linking areas of "need" with areas of "opportunity", including through additional rolling stock, and station and frequency enhancements.

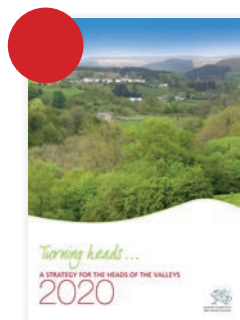
Proposals for a **Metro in South East Wales** are premised on developing an integrated transport system which reduces travel times and introduces simplified ticketing and timetabling across multiple modes. Mark Barry, a key advocate for the scheme, suggests that it has the "potential to transform the economy of south east Wales". The Metro benefits from cross-regional political support, and funding commitments have been made by the Welsh Government. A procurement exercise is currently (December 2016) underway which will, amongst other things, shape preferred transport modes. Whilst project phasing will no doubt be of concern to individual local authorities, other questions relate to who and where within South East Wales will benefit, as some feel that Metro risks hollowing out Valleys communities by bringing more people into Cardiff as the dominant employment centre.

**Valleys Line Electrification** and the renewal of the rail franchise agreement further shapes the transport context in South East Wales. The St David's Day agreement also approved additional powers over aspects of transport, port and related infrastructure.



# Timeline of Cardiff City-Region studies and related strategies

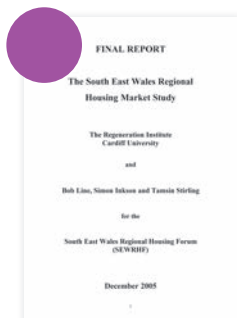
-  City-region
-  Sectors and Innovation
-  Planning
-  Housing
-  Transport
-  Skills
-  Green Infrastructure



Strategy for the Heads of the Valleys (WG)



Wales spatial plan (WG, revision)



The South East Wales Regional Housing Market Study (SEWRHF)



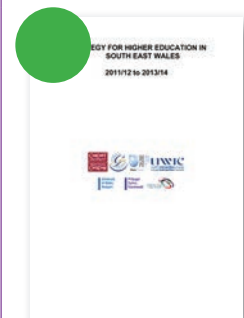
Transport (Wales) Act



Essex review - affordable housing (for WG)



Regional Transport Plan (SEWTA)



South East Wales Higher Education Strategy

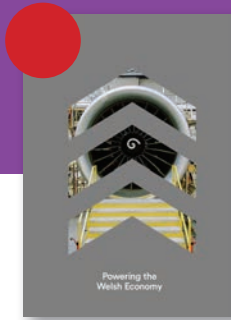
2005

2006

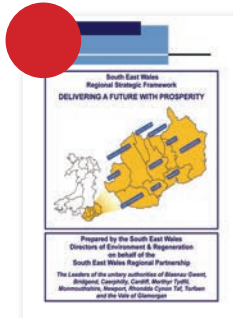
2008

2010

2011



Powering the Welsh Economy (CCRB)



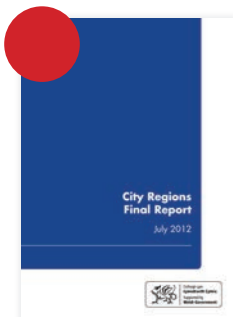
Delivering a future with prosperity (SEWDER)



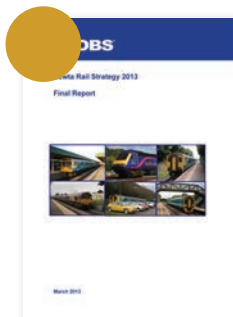
Baseline Economic Analysis for South East Wales (AECOM)



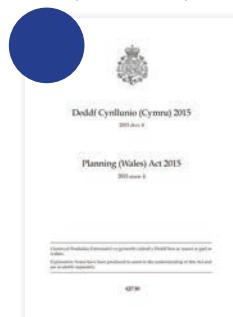
Britain's Western Powerhouse (Metro Dynamics)



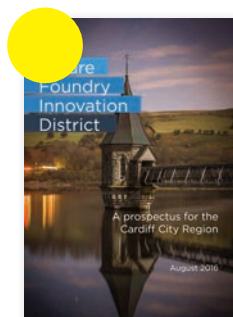
City Regions Report (task and finish group for WG)



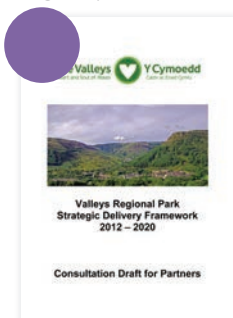
Rail strategy (SEWTA)



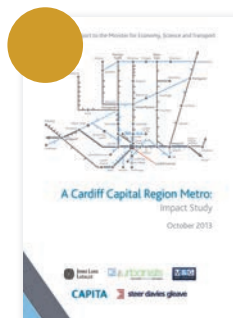
Planning (Wales) Act



Future Foundry (NESTA/city deal working group)



Valleys Regional Park Strategic Delivery Framework



Metro Impact Study (MBCG)



Future Need and Demand for Housing in Wales (Holmans for PPIW)



South east Wales employment and skills plan (LSkip)

2012

2013

2015

2016



## Sectors and Innovation

**AECOM's Baseline Economic Analysis**, prepared for SEWDER, outlines the structure and composition of the South East Wales economy. The report notes that Cardiff will be the "key driver of growth for [South East Wales]. Tapping into the growth opportunities to benefit the wider [South East Wales] city region will be critical...". The report also points to the importance of financial and professional services, and identifies the need for up-skilling amongst residents in the region to meet this demand.

The analysis identified Insurance, **ICT Software, ICT Hardware, Medical Equipment and Energy Related Manufacturing** as the sub-sectors that have the most promise for economic development in the region, based on their "growth potential ... economic importance and geographical spread across [South East Wales]". A set of actions that could strengthen such areas are noted, including **supply chain development for insurance and medical equipment, and university connections for ICT hardware and energy related manufacturing**.

**The Future Foundry** report was prepared to support thinking for the innovation work stream of the City Deal. The report argues that innovation will be critical to improve the region's lagging performance and proposes two innovation districts – a **"central innovation district"** in the centre of Cardiff and a **"Western Innovation Corridor"** reflecting a broader geography from Newport to Bridgend. The districts would be underpinned by three themes: **"wellness" (life sciences), "public test bed" (public sector innovation) and "atoms to apps" (big data, semiconductors)**. The report points to the potential for an Innovation Investment Fund which, whilst owned by the 10 local authorities, would serve the function of funnelling private "risk" capital into innovation initiatives.

## Summary of AECOM SWOT analysis of South East Wales region, 2015<sup>10</sup>

Strengths (build upon)	Opportunities (pursue)
Manufacturing specialisms	Businesses with competitive niche
Diverse economic base with key clusters	Marketing and exploitation of key clusters
Valued local authority business support	Tailored business support to meet skills gaps
Three Enterprise Zones	Access to £127m funding to grow skilled jobs
Strong tourism offer	Develop tourism with stronger regional identity
Growing knowledge economy in Cardiff	Cardiff City Deal funding control
Strong employment rate and start-up rate	Help disadvantaged areas via social enterprise
Some strong R&D activity	Strategic cross-boundary collaboration
Existing and planned infrastructure investment	Greater regional access to job opportunities

Weaknesses (address)	Threats (minimise)
High share of low value added manufacturing	Skills mismatches lead to business relocations
Low skill levels, employers with skill gaps	Limited public resource for business support
Poor regional transport links and to London	Over-reliance on Cardiff – jobs hard to access
Slow economic recovery and rising disparities	Lack of access to finance for start-ups
Over-dependence on public sector jobs	Widening earnings disparity with rest of UK
Low competitiveness, entrepreneurship, wages	Three year business survival rates lagging UK
Low investment in strategic development sites	Enterprise Zones displacing jobs, not creating
Lack of business export activity	Lack of regional governance or strategy
Talent drain of graduates out of the region	Lack of critical mass of firms to build ecosystem
Business support duplication across region	M4 congestion restricts growth potential



## Skills

**The South East Wales Employment and Skills Plan (2016)** identifies five key regional sectors and proposes strategic actions to address skills. These include working with **city deal partners, seeking to support the development of a Mittelstand of medium-sized firms, encouraging entrepreneurship and working with schools.** The skills plan also seeks to match learning and training with employer requirements and seeks to ready supply chains for the labour market possibilities that might emerge through infrastructure investments.

A **strategy for higher education in South East Wales** was set out for the period 2011/12 to 2013/14. The vision seeks to, amongst other things: respond to learners and employers; widen access to higher education; and expand national/international links to the region.

## Green Infrastructure

Stemming in part from the **Turning Heads** strategy, the Valleys Regional Park (VRP) Strategic Delivery Framework (2012) supports the development of green infrastructure in the city-region. Its objectives include the **effective management of green space; town centre and rural community regeneration; improved social cohesion; improved health outcomes; and supporting community based food production.** European Regional Development Fund and Welsh Government match funding underpinned the initiative, which is an important part of the region's approach to natural resource management.

## Housing

Housing is critical to the functionality of city-region systems and the operation of labour markets in particular. The last report on the South East Wales housing system dates back to late 2005. Produced for the **South East Wales Regional Housing Forum (SEWHRF)** - which is now disbanded - the report identified 5 distinct housing market areas (HMAs): **“Heads of the Valleys; Mid Valleys; North of M4 corridor; three urban based areas - Bridgend/Porthcawl, Cardiff and Newport; and Rural Monmouthshire”.**

The authors, in defining the HMAs, show that such markets typically run east to west in the city-region as opposed to the administrative areas which are broadly configured north to south (particularly in the Valleys). The report noted that transport investments may change the nature of the HMAs, linking to the possible impact of Metro on regional housing markets.

A recent report for the Public Policy Institute for Wales - **Future Need and Demand for Housing in Wales** - draws attention to the large increases in households projected for Cardiff itself (over the period 2011-31, nearly 30% of all household growth in Wales, and an increase of 37% over the period). These contrast with small household increases outside the cities and even declining market demand projected for Blaenau Gwent (see Table).

Stock transfer to social landlords is a further institutional feature of the housing landscape, and local authority ballots have shown mixed results across the city-region. The Essex Review on affordable housing pointed to regulation and funding issues as concerns for the improvement of affordable housing provision.

### Future demand and need for housing in Welsh districts in 2011-2031<sup>11</sup>

District	Market sector		Social Sector		Total requirement/000s
	Requirement	Share	Requirement	Share	
Cardiff	33.7	72%	12.9	28%	46.6
Newport	7	65%	3.7	35%	10.7
Rhondda Cynon Taff	4.3	48%	4.6	52%	8.9
Bridgend	5.1	64%	2.9	36%	8.0
Vale of Glamorgan	6.1	85%	1.1	15%	7.2
Caerphilly	2.2	40%	3.3	60%	5.5
Torfaen	0.9	41%	1.5	68%	2.2
Monmouthshire	1.1	52%	1	48%	2.1
Merthyr Tydfil	0.9	47%	1	53%	1.9
Blaenau Gwent	-1.1	-58%	2	105%	1.9

The Commission has undertaken an international review of evidence from other city regions with similarities to Cardiff Capital Region, in order to answer certain key questions:

- What have been the core elements of successful city-regional development strategies?
- How have they addressed competitiveness and growth, and inclusion/poverty reduction?
- What role has transport infrastructure played in their development?
- What have been the effective forms of inter-municipal collaboration?
- What are the cycles and lengths of time over which successful city-regional economic development has occurred in other regions?

To address these questions, we have reviewed the experience of 5 international city-regions selected for their relevance to the Cardiff Capital Region:

	Population /million	Municipalities	Key Infrastructure Projects	Regional structures	Key regional strategies
Bilbao	0.95	35	Metro Sanitation	Bizkaia Province Bilbao Metropolis 30	Culture and Identity Polycentric development Entrepreneurship and re-skilling Smart city
Gothenburg	1.1	13	Rail and Road Tunnel Bridge over River Gota River City Project	Association of Local Authorities (GR) Business Region (non- profit association)	Sustainable development Planning Public transport corridors
Portland	1.5	25	MAX Light Rail	Metro Portland regional government	Land Use Planning Housing + Densification Nodal strategy - 2 <sup>nd</sup> centre
Greater Halifax	0.4	1 (amalgamated from 4)	Trade and Logistics (terminals, runways, parks)	Regional municipality Greater Halifax Partnership between business + 3 tiers of Gov	Economic Development Brand and profile Talent retention
Malmö	0.7	12	Øresund Bridge City Tunnel (rail)	Øresund Committee Øresund University	Innovation and Green Technology Cluster development Labour market integration
Cardiff Capital Region	1.5	10	Metro 2017	City Region Cabinet City Deal Transport Authority Growth Partnership Regional Business Council	New: Economic Development, Transport, Labour Market

The international examples of city-regions reviewed highlighted different ways that city-regional collaboration has been fostered through **multiple cycles**. In each case, regional collaboration has coincided with a **rise in population**, upgraded attempts to **reduce long term structural unemployment**, increased **job growth in internationally traded sectors**, increased **rate of entrepreneurship**, and **improved economic performance relative to the rest of the nation**. This cyclical character of development is exemplified by Bilbao as the chart below illustrates.

#### Why do other regions begin city-regional collaboration?

- A change of (or worsening) circumstances that breeds collective recognition of shared regional problems (whether economic, budgetary, infrastructural, social, environmental).
- Charismatic leadership from one or more regional politicians to highlight the inefficiencies of fragmentation and competition.
- An institutional reform or a policy shift from a higher tier of government that demands regional joint working and increases receptivity to new ideas.
- Sustained advocacy from business and civic groups on one or more key issues.
- The desire to implement regionally significant projects.

## Bilbao's three cycles of city-regional development



## Core elements of successful city-regional development strategies

The five cases point to 10 factors that contribute to the success of city-regional development strategies:

1. Shared commitment to population growth and an enhanced infrastructure and housing supply to manage this growth.
2. Agreed transport corridors and growth nodes that connect to the core city and each other.
3. Expansion and densification of the urban core, including significant new housing provision to meet the needs of different age groups, reduced car use and pollution, and increased vibrancy and quality of life.
4. Regional strategies that provide a rationale and a prospectus for targeted intensification and improved urban design in other key locations outside the urban core.
5. A clear assessment and understanding of firm networks and cluster activities.
6. Robust long-term scenario planning and strategic choices.
7. Clear accounting and visualisation of the benefits for the most remote or rural municipalities.
8. The mobilisation of citizen enthusiasm and consciousness of the regional dimension.
9. Municipalities have a strong incentive or obligation to comply with wider regional plans and targets.
10. A pipeline or sequence of projects that provide confidence both to investors and to municipalities that may benefit less from the first cycle of projects.

## The role of transport infrastructure in city-regional development

Large-scale infrastructure has played a transformative and integrative role in many regions that were previously quite fragmented. Metro rail projects, tram systems, bus rapid transit corridors, or regional airport and port upgrades, have been powerful in their ability to:

- Bring regional partners to the table and spur collaborative decision-making and awareness that each part of the region will benefit in time.
- Expand labour market access and reduce the mismatch between jobs and homes.
- Provide visible benefits and create confidence in the possibility of change.
- Become a source of pride and shared regional identity.
- Connect areas that are socially and politically disconnected.
- Unlock new land for strategic densification.
- Shape spatial development and the creation of complementary and secondary centres.

Cities that have been through one cycle of regional infrastructure-building usually **develop the appetite for subsequent cycles**. After 15-20 years, they often have built up the range of transport options that serve a wide range of household types, ages and incomes. Examples may include Gothenburg and Malmö (see charts).

## Gothenburg's three cycles of city-regional development



## Malmö's three cycles of city-regional development



### Competitiveness with inclusion

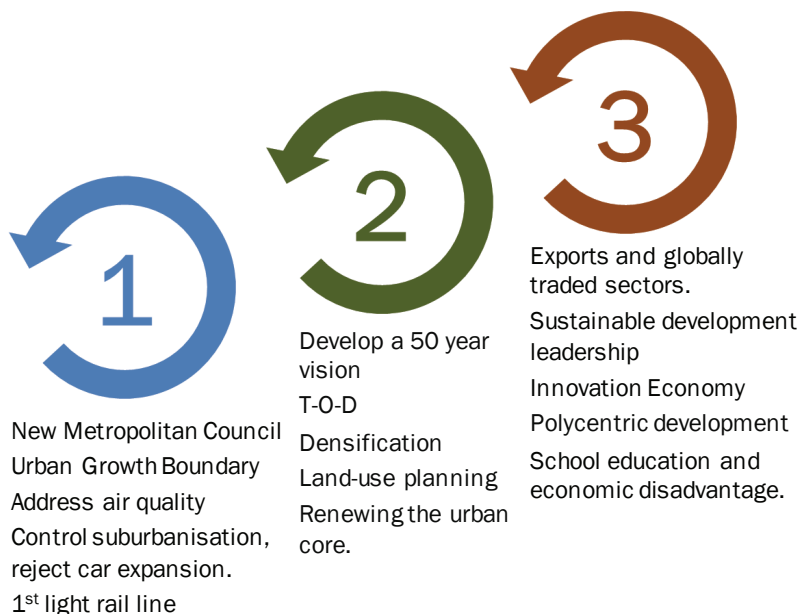
The international examples all highlight the challenge that many regions face to **overcome segregation and inequality in housing, labour market and education outcomes**. The international examples reviewed here highlight how regional co-ordination may enhance the focus on regional competitiveness as well as regional inclusion and cohesion. In terms of creating a **more inclusive development model**, regional co-ordination mechanisms in these five examples have made it more possible to:

- Pursue more mixed-use development in the better connected urban areas, as part of a general focus on an inclusive built environment that appeals to both local authorities and to developers.
- Focus on skills mismatches and disparities that result from labour market restructuring.
- Establish new technology or innovation locations that leverage the skills and specialisations of the former industrial economy.
- Engage and incentivise large regional employers to become inclusive in their recruitment and internship practices.
- Provide substantial affordable housing in the major regeneration areas.
- Work collaboratively to expand social entrepreneurship, inclusive start-up funding and SME technology utilisation.
- Bid jointly to attract funding for lifelong learning projects.
- Join up approaches to school education and skills at key points in student development.
- Adopt a clear measurable framework for equity and inclusion.

### Effective forms of inter-municipal collaboration

Each of the reviewed regions have pursued **different models of regional governance**. Some (e.g. Portland, Halifax) have created a new regional authority, whether as an additional tier or via amalgamation, while others have built co-operation informally and created specialised delivery vehicles. For regions that cannot or choose not to reform the governance system, co-operation is often effectively built through regular 'rounds' of consultation and deliberation about the future, and scenario planning exercises. Though these coalitions lack binding authority, they become influential by **setting a regional agenda and partnering with other non-governmental actors and allies**. It is not uncommon for these voluntary associations to evolve into more statutory units of government over time and to create **capable shared delivery vehicles**.

## Portland's three cycles of city-regional development



- o To foster entrepreneurship and skills development;
- o To increase the investment rate in key infrastructure;
- o To initiate cross-border or multi-region collaboration and integration;
- Utilising the expertise of regional universities, in order to build a robust evidence base, address skills gaps and support a transition towards a higher value economy (green economy, advanced business services, design, technology).

### The cycles and timeframes for regional collaboration to succeed

Although there is no uniform cause or correlation, international experience suggests that many regions begin to experience a step change in economic development after **two cycles of collaboration, over 5-15 years of building stable regional frameworks and partnerships.**

The **time frame has been more accelerated in regions where an agenda for municipal co-operation coincides with wider government reform and with an injection of transport and other infrastructure investment.** The length of time has been slower and more incremental in regions where the initial governance reform has not fully overcome scepticism about the distribution of benefits, and where agreement about spatial development and growth locations has been slow to emerge.

## Halifax's three cycles of city-regional development



The examples illustrate that effective regional governance models appear to benefit from:

- Clear powers over transport, planning, land-use and economic development;
- Pooled assets and inventories of public land;
- The engagement and support of multiple tiers of government. Often it has been intermediate tiers of government with some fiscal independence and devolved responsibilities that can take ownership of certain regional projects and can help ensure returns are re-invested;
- Vehicles that bring together public and private sectors. Public-private agencies such as Bilbao Metropoli-30 and Greater Halifax Partnership have been critical for regions:
  - o To look beyond political timescales and provide oversight over the long term;
  - o To deliver a strategic plan;
  - o To convene a diverse leadership function;
  - o To create alignment between different stakeholders around common objectives;
  - o To gather intelligence about the regional economy;
  - o To lobby and advocate for necessary reform and investment projects;
  - o To build a regional story and promote the region internationally;
  - o To assemble and optimise the use of public land;
  - o To adopt a less siloed regional perspective;



# PART 3 - REVIEW AND RECOMMENDATIONS

## 3.1 PROSPECTS FOR THE CARDIFF CAPITAL REGION

The Cardiff Capital Region has the potential to **develop into a prosperous capital city-region for Wales**, with multiple benefits for the Welsh economy and all the people of Wales. The Capital Region can be a decision making centre, a global gateway for capital, trade, and visitors, a knowledge hub, and a major population centre and business cluster for Wales, providing opportunities and resources for other regions to develop. There are many points of progress in the capital region over the past 20 years but more is needed in the next cycle to take it forward. In particular, an integrated economic strategy that is sequenced with increased investment in infrastructure and place renewal is now required. This should focus on:

- Improving inter-connectivity within the region to increase opportunities, choices, and mobility of people, jobs and investment, to foster a region with multiple locations of growth that play to those area's strengths.
- Investment in education, skills and employability to improve productivity and participation the economy.
- Enhancing the business climate for emerging sectors, enterprises and innovation that can spawn new sources of jobs and incomes into the longer-term future.

Such a strategy should be complemented by enhanced governance integration, confident promotion and story-telling, and leveraging of private sector and institutional investment.

**The Cardiff Capital Region City Deal provides a unique opportunity to develop a co-ordinated and integrated approach to the development of the region to the benefit of the current, and the coming, generations.** The Commission notes the commitment of all parties to work together towards a common goal. Much of the investment through the City Deal will be focused on improving internal connectivity within the region. Our report focuses on how to further strengthen the impact of that investment through actions that will help improve the prosperity of residents across the Cardiff Capital Region.

This will involve making coherent investment choices. It will also involve a targeted programme of investment that is designed to draw in additional resources from the public or private sector, as well as other possible investors. Experience elsewhere in the UK and internationally suggests that a **programme of activities focused on a common theme with a long term ambition** is more likely to be successful than a series of desirable but unconnected investments intended to meet some immediate demand.

The Cardiff Capital Region City Deal will need to take into account the **trends that are already visible across the region: an ageing population, a declining workforce and net out-migration of those aged 22-45.** As the review of previous studies in Part 2 observes, the issue of **population loss and demographic change is more prevalent in some parts of the city-region than others.** Equally, automation, digitisation and productivity improvements will reduce labour demand in several key employment sectors, including those in the public sector. This can be offset by working to improve the quality of the jobs that remain and encouraging new businesses to service emerging market segments. Across Wales, progressive carbon-reduction targets provide new opportunities for innovation and economic activity, but will also challenge many firms. In Part 3, we now review the evidence across different dimensions of the Cardiff Capital Region: Economy, Inclusion, Land and Spatial Development, Sustainability, Investment and Organisation. The core findings from this evidence inform our 10 recommendations.

## 3.2 ECONOMY

### GROWTH AND PRODUCTIVITY

A key determinant of GVA growth is job growth and increases in productivity. It is therefore important to understand the growth and productivity strengths and weaknesses of the Cardiff Capital Region and identify where and what interventions may be appropriate in response.

A number of key questions that have therefore been considered:

- To what extent is productivity or job growth a key determinant of the GVA gap between the Cardiff Capital Region and the UK average?
- What are the factors that would support a more productive economy and where does the Cardiff Capital Region need to improve?
- How can the Cardiff Capital Region most effectively and efficiently support job growth?

#### Evidence Review

GVA per capita for the Cardiff Capital Region lags both the UK average as well as the majority of city-regions across the UK, as previous studies have also attested (see Part 2). Much of the gap in performance can be attributed to productivity. If productivity were to be raised to the UK average<sup>12</sup> this would add approximately £7bn to the total economic output of the Cardiff Capital Region, equivalent to an increase in GVA per capita of almost £4,700 per person. Labour participation also has an impact, albeit on a smaller scale and if employment rates were to be equalised with the UK average this would mean an additional 35,000 in employment and £1.5bn added to the total economic output of the Cardiff Capital region, equivalent to around £1,000 per person.

#### Gross Value Added (Income Approach) at current basic prices 2014

	GVA PER CAPITA (£)	GVA TOTAL (£)
London	42,666	364,310
Gloucestershire, Wiltshire and Bristol/Bath area	25,720	62,099
United Kingdom	24,958	1,618,346
Greater Manchester	21,002	57,395
West Yorkshire	20,808	47,117
Tyneside	20,693	17,420
West Midlands	19,778	55,544
Merseyside	18,621	28,257
<b>Cardiff Capital Region</b>	<b>18,063</b>	<b>27,085</b>
Wales	17,573	54,336
South Yorkshire	17,462	23,850

Source: ONS

Within sector productivity is much more important than sector mix and a lack of 'high level' graduate skills in determining Cardiff's below average productivity<sup>13</sup>. In addressing this there is an imperative to **address skills deficiencies across the skills spectrum**, particularly in those with the lowest levels of skill. In addition, the lack of effective "economic mass" within Wales, in combination with relatively long travel times to the largest centre of economic mass in England, reduces the scope to exploit agglomeration economies<sup>14</sup>.

#### Qualification of those aged 16-64- Jan 2015-Dec 2015

	% with degree or equivalent		% with no qualifications
Greater Manchester	26.3	West Midlands	16.8
<b>Cardiff Capital Region</b>	<b>25.7</b>	Merseyside	11.9
West Yorkshire	24.0	West Yorkshire	11.0
Tyne and Wear	23.1	<b>Cardiff Capital Region</b>	<b>11.0</b>
Merseyside	22.6	Greater Manchester	10.3
West Midlands	22.4	South Yorkshire	10.3
South Yorkshire	21.9	Tyne and Wear	9.6

Whilst sector differentials do not explain productivity differentials, there is scope for the city-region to support employment growth in a range of sectors. Based on analysis of proportional employment in other city-regions in England (outside of London), if the Cardiff Capital Region were to employ proportionally the same level of workers across sectors this would lead to a significant uplift in employment in business and finance, professional services and ICT. There would also be a significant uplift in employment in wholesale activities.

### Cardiff Capital Region Job Gap vs Core City-Regions – 2015 BRES Data

Sector	Job Gap vs Core City-Region average
Business administration & support services	11,000
Wholesale	10,000
Transport & storage (inc. postal)	9,000
Professional, scientific & technical	9,000
Information & communication	5,500
Financial & insurance	900
Property	500

Source: BRES

This is further emphasised by the significant under-representation in Knowledge Intensive Business Services Employment in the Cardiff Capital Region, at just 11% of total jobs. This can have a negative impact on productivity and the competitiveness of the city-region economy.

### KIBS jobs share of total 2015

	KIBS jobs share of total
West of England LEP	19%
Greater Manchester CA	16%
West Yorkshire CA	15%
West Midlands CA	14%
Liverpool City Region CA	12%
Cardiff Capital Region	11%
Sheffield City Region CA	11%
North East CA	10%

Source: Centre for Cities

### Core Findings

In comparison with other city-regions, the Cardiff Capital Region lags behind the overall average level of economic output per head. This is mostly a result of relatively low levels of productivity, but is also partly determined by employment rates. **Increasing the region's productivity performance relative to the rest of the UK is a priority to achieve economic growth.**

Productivity differentials are attributed to differences in within-sector productivity rather than sector mix, the skills mix of the workforce (primarily those at the lower end of the skills spectrum) and a lack of exploitation of agglomeration effects. In terms of jobs growth there is an under-representation for the Cardiff Capital Region in Knowledge Intensive Business Services, where there remains opportunity for future growth, including through up skilling those further down the skills spectrum.

Addressing low productivity in low wage sectors that are also likely to continue to provide large numbers of jobs due to the demand and requirement for their services will also have a large impact on productivity. These cover areas such as social care, retail, hospitality and arts and entertainment<sup>15</sup>.



## Key Questions

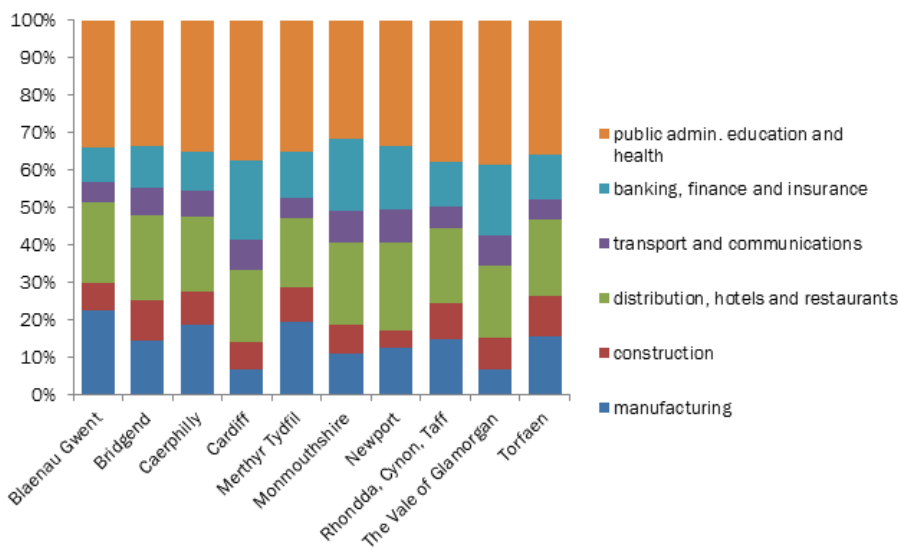
All city-regions possess particular sector strengths and weaknesses. Identifying opportunities for growth and sector support is one way of delivering more and better employment opportunities across the Cardiff Capital Region. There are, however, conflicting views as to whether ‘picking winners’ by sector is an efficient strategy and it is important to understand how a sector strategy may best be adopted in the Cardiff Capital Region.

- Which sectors are important for the future growth of the city-region?
- What is the best way to support sector growth?
- Should city deal prioritise single sectors, several, or all?

## Evidence Review

Across the city-region as a whole, there is a strong dependence on employment in the health, manufacturing and public service sectors, including education. Each can be a source of growth. However, for a variety of reasons, employment within these sectors will likely remain under pressure in coming years.

% employed in key industries (Jan 2015-Dec 2015)



Source: ONS

Recent analysis suggests a need to **develop more diversified economies** across most of the Cardiff Capital Region<sup>16</sup>. This is particularly so in areas with more urban economies (rather than rural areas where less complex economies are the norm). Across the Cardiff Capital Region there is just one sector<sup>17</sup> where employment levels markedly exceed the Welsh average (Financial and Professional Services).

It is notable that the city-region is home to a **higher proportion of large companies** than in many other city-regions, and that ‘anchor companies’ - large institutions tied to their location by their invested capital and/or their mission and relationships with employees - are found across the whole of the Cardiff Capital Region (with around half in Cardiff). Almost one third of these anchor companies are in Advanced Manufacturing, reflecting the region’s strong heritage in this area. A number of strong (and emergent) clusters of activity can be identified offering opportunities to develop regional value added through value-chain and supply-chain development.

There will also necessarily be **jobs that link to the ageing population** and despite public sector financial constraints there will continue to be demand for jobs in sectors such as care. This demand may become more pronounced in those areas where migration has augmented the workforce, meaning that it is possible there will be shortages in terms of available workers in many of these sectors in future.

In contrast, it is also important to note that within Wales as a whole, **the main source of quality employment for non-migrant graduates has been the public sector** (which employs approximately half of post-1992 young graduates who were born and live in Wales<sup>18</sup>). In the light of the reduced employment in the public sector, there is a need to encourage an **increase in demand for higher-skilled employment across the private sector**.

In terms of sector specialisms, as referred to in Part 2, AECOM’s Baseline Economic Analysis, prepared for SEWDER, points to Cardiff’s strong performance within the city-region, **the importance of financial and professional services**, and the need for up-skilling amongst residents in the region to meet this demand. There remains, however, a reliance on the public sector for graduate employment in the city-region. Recent work undertaken by the University of South Wales suggested that there are ten areas of specialism within the city-region where focussed action could support growth and deliver more jobs and increased activity. These sectors are listed above.

Sector Specialisms Summary

Automotive	Aerospace
Non Traditional Finance	Insurance
Pharmaceuticals	Medical Equipment
Energy Related Manufacturing	Recycling
ICT Hardware	ICT Software

Source: University of South Wales

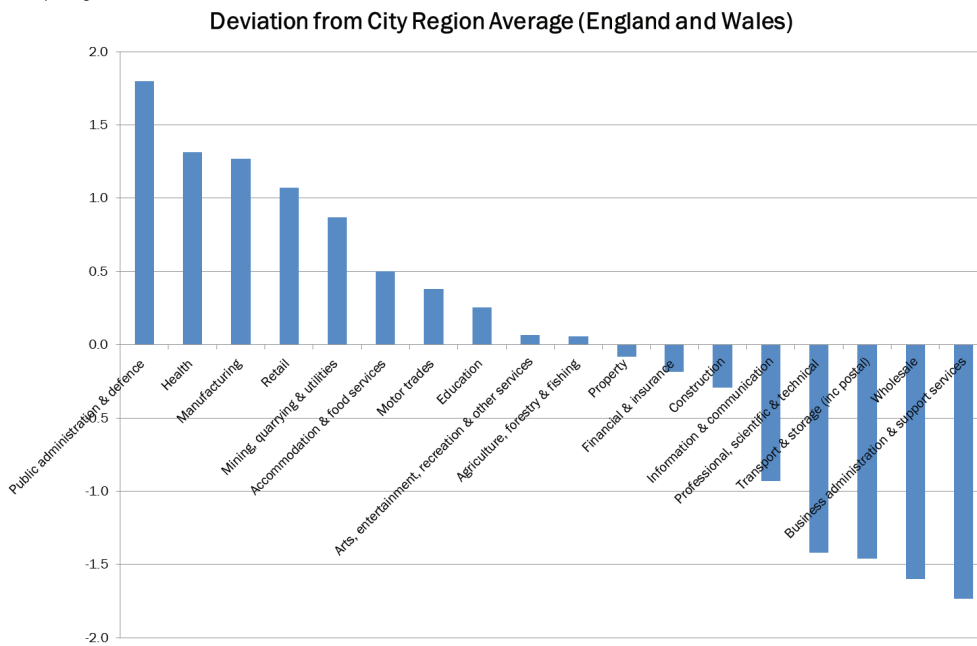
Significant investment and expertise in **Compound Semi-Conductors**, building on current industry strengths, expertise in higher education, and UK Government investment means that there is potential to build competitive strength in an export led industry cluster that would be anchored in Wales.

Another example where higher education strengths are linked with industries with growth potential is the **Software Academy in Newport**. Building on these strengths would again build a **competitive cluster for the Cardiff Capital Region with significant export potential**.

This is an example of an area where demand for skills could be augmented by retraining those currently in employment to support growth in the **software sector**, building on skills acquired elsewhere to provide graduate opportunities to those with technical expertise and experience but not necessarily the required qualifications. In doing so there is the opportunity to upskill those at the lower end of the skills spectrum in the workforce.

As highlighted above, there is also an under-representation of employment in some growing sectors, namely within **business administration, transport and ICT**.

Proportional Employment Comparisons with City-Region Average 2015 (Percentage Point Difference in Employment)



Source: Business Register and Employment Survey

### Core Findings

Overall, analysis of the Cardiff Capital Region sectors shows a reliance on public sector and low value employment, as well as an employment gap in some key sectors compared with other city-regions. Raising the employment rates in low employment areas of the region is a priority to achieve overall job growth for the city-region.

There are opportunities to support growth in sectors such as **Semi-Conductors, Software, Energy, Finance and Professional Services, Higher Education, Life Sciences, Aerospace (including MRO), Digital and Screen Industries, Tourism and Hospitality**. However evidence from other city-regions suggests that addressing fundamental demand drivers and business climate conditions should take precedence over concentrating support in specific sectors.

## Key Questions

**Increasing entrepreneurial activity and innovation** will help to support a more productive economy in the Cardiff Capital Region. It is important therefore to consider the strengths and weaknesses within these areas and the opportunities available. In particular it is important to understand:

- What are the key issues in the generation of new firms and enterprises in the city-region?
- What areas of entrepreneurial activity can best support a more productive economy and drive employment growth?
- How could the City Deal support a more innovative economy?

## Evidence Review

The Cardiff Capital Region contains **a highly regarded science base**. It is the home to three universities, including one of the most research-active in the UK. This provides a strong foundation for developing new technologies and potential new development paths.

There have been **three exercises in recent years designed to identify the strengths and opportunities to grow the innovation economy in the city-region**. Each identifies different but overlapping areas of future specialisation.

## Innovation themes in different policy documents

Future Foundry (Cardiff Capital Region)	Science and Innovation Audit (South West England and South East Wales)	Innovation Wales (pan-Wales)
<ul style="list-style-type: none"> <li>• Life-sciences, medtech, healthcare and clinical</li> <li>• Digital, big data, cyber and semiconductors</li> <li>• Urban, civic, government and social innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Aerospace and Advanced Engineering</li> <li>• New energy systems</li> <li>• Digital Living</li> <li>• Next Generation Micro-electronics</li> <li>• Environmental and sustainability resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Life Sciences and Health</li> <li>• Low Carbon Energy and Environment</li> <li>• Advanced Engineering and Materials</li> <li>• ICT and the Digital Economy</li> </ul>

Despite a skilled workforce and high performing universities, investment in **innovation has however remained low in the Cardiff Capital Region**. Innovate UK expenditure in Wales is less than a third of the average UK per head figure and government expenditure on R&D in Wales also stands at just 1% - a third of the expected pro-rata spend. Welsh businesses spent approximately £369 million on R&D activity which is lower than every part of the UK with the exception of the North East (£309 million).

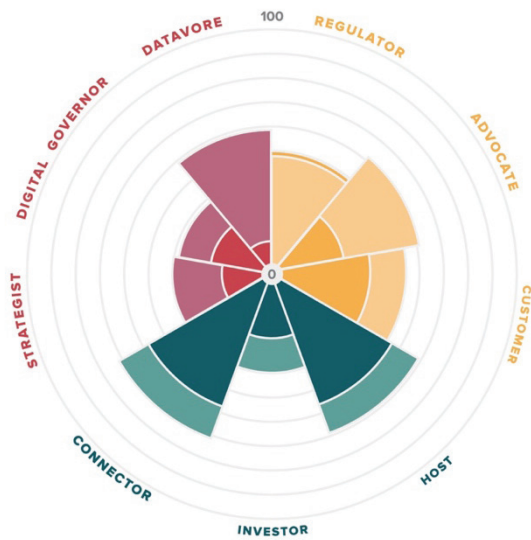
Alongside large companies, there is emerging a **thriving micro-business sector** in the Cardiff Capital Region. An ecology of micro-businesses is good for creativity, but can struggle to undertake R&D and innovation (owing to limited resources), provide opportunities for those just graduating to get initial experience, or bid for larger contracts (owing to scale constraints). Small companies also need opportunities to build their track record on bigger projects. Across the Cardiff Capital Region **there is a disproportionately low number of medium sized businesses, especially in the range of firms with around 30-100 employees**.

There are also **only seven publicly listed businesses headquartered in the Cardiff Capital Region**<sup>19</sup>, just 0.4% of the UK total according to the London Stock Exchange's Landmark website. Addressing the under representation of these business could help to develop a more competitive and productive business base for the Cardiff Capital Region.

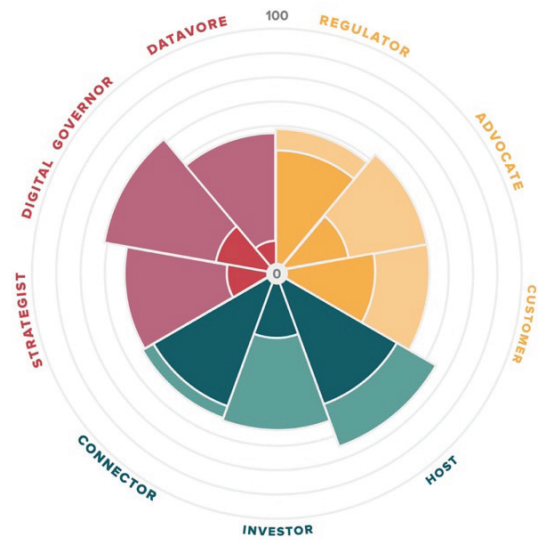
In terms of business finance, substantial evidence from our public events suggests some shortage of capital for investments in the sub-£1m category. It is suggested that it may be a bigger problem in Wales than elsewhere, partly because the potential sources of such funds are relatively small in number to begin with. In addition, banks have tightened their lending standards since the crisis. Anecdotal information also suggested that local business owners are keener on grant finance and may be less willing to offer equity stakes in their ventures. Generally however there is mixed evidence relating to the cause and effect of finance for businesses, with some **potential investors citing a lack of viable propositions, whilst businesses cite lack of available funds**. Improving the scale, quality, and consistency of business investment opportunities is a key priority.

Analysis of the wider policy context for supporting innovation in the Cardiff Capital Region, compared to selected other European and North American cities, suggests that the region performs poorly against most categories. The areas where it is stronger is that of 'regulator', 'connector' and 'host'. The categories of weaker performance suggests policy areas that might be strengthened as part of the City Deal and a wider economic strategy for the Cardiff Capital Region.

CCR vs European cities



CCR vs N. American cities



source: Future Foundry, p.20. CITIE Framework, developed with NESTA

The darker shaded areas represent the performance of the Cardiff Capital Region, whereas the lighter shaded areas are the comparator cities.

### Core Findings

The Cardiff Capital Region has clear science, **innovation and human capital assets** that may form the core of a more dynamic, higher value innovation economy. However the region experiences under-investment in R&D and innovation, and the governance of the innovation system is currently less co-ordinated than other peer city-regions. There is evidence to suggest that the city-region economy is reliant on micro-businesses, which whilst providing a significant contribution to the local economy, can also constrain levels of investment in innovative activity.

There is some evidence for a lack of available finance for business in the sub £1m category, though attributing causes is difficult. Support for businesses in established and emerging innovation sectors appears to **require longer term strategies** to ensure the availability of finance, enhance the business climate and simplify city-region governance.

## Key Questions

Tourism can support the city-region in terms of jobs and GVA, but also by regenerating and reinvigorating places, as well as improving quality of life by providing a range of recreational activities for city-region residents. It is important, therefore, to explore the potential of tourism to contribute to growth within the Cardiff Capital Region.

- How can tourism contribute to the future growth of the city-region?
- What can tourism contribute to spreading growth throughout the region?
- What other contributions can tourism make?

## Evidence Review

Data from statistics model STEAM highlights that tourism is worth £2.5bn to the Cardiff Capital Region economy, which attracts around 38 million visitors annually. 52% of the visitors and 45% of the economic impact is attributable to Cardiff.

Cardiff accounts for 64% of the city-region's total business visitors and 68% of international business visitors<sup>20</sup>. It is clear however that in a UK context there is significant room for **Cardiff to improve as a visitor and conference destination**. According to National Statistics data Cardiff lags behind the cities of Edinburgh, Manchester, Birmingham, Glasgow, Liverpool, Oxford, Bristol, Brighton and Cambridge in terms of visitors. Given that these cities often serve as the gateway to surrounding areas this clearly has a knock-on effect for Cardiff's neighbouring local authorities in terms of their ability to attract visitors.

There are a plethora of tourism opportunities across the entire Cardiff Capital Region, ranging from heritage attractions to cycling and mountain biking locations. To grow the visitor economy, the offer needs to be considered at the **city-region level, where accommodation, food and drink and attractions work together to maximise visitor numbers and economic impact**. Local or same day tourism is also a source of considerable employment opportunities within local communities, as well as providing services for people within the city-region.

**Green and blue infrastructures** (including upland areas, forests, parks, rivers and coastlines) play an important role, both as drivers of economic opportunities and in supporting more inclusive economic growth. Evidence suggests that green infrastructure can support urban tourism, **improve a region's image, help to attract and retain higher value industries and employees, as well as generate positive effects on health, wellbeing, climate mitigation and property values**<sup>21</sup>.

The region overall employs slightly less of its workforce in tourism related industries than both the Welsh and UK averages, though comparing favourably with other city-regions in the UK.

## Employment in Tourism Industries 2015

	Tourism Industries	%
Blaenau Gwent	2,000	10.6
Bridgend	5,000	8.4
Caerphilly	4,000	7.3
Cardiff	22,000	10.6
Merthyr Tydfil	2,000	9.4
Monmouthshire	4,500	12.7
Newport	5,000	7.1
Rhondda, Cynon, Taff	6,000	8.1
The Vale of Glamorgan	5,000	12.6
Torfaen	3,000	8.5

Source: STEAM

## Core Findings

There is an opportunity to develop more diversified tourism employment opportunities in the Cardiff Capital Region. This requires a co-ordinated approach that links the city in its role as a capital with the wider city-region.

The opportunities for the city-region are broad, ranging from the 'green and blue' infrastructure, to major events requiring a spatially differentiated focus that provides a coherent offer across the city-region.

Much of the demand for the tourism sector comes from within the city-region itself. Responding to this is not just an economic imperative, but also supports quality of life.



# ECONOMY - RECOMMENDATIONS

## RECOMMENDATION 1 – CARDIFF CAPITAL REGION ECONOMIC OBJECTIVES

The Economic Strategy should set clear objectives. These objectives proposed here are intentionally ambitious. There will be a need to balance the different aims.

### POPULATION

- **Successful city-regions attract population, and population growth provides increased revenues that underpin amenities and services, and reduce risks of high average dependency rates.** But attracting population is the result of getting other things right. Depth and range of job market, affordability of housing, range of liveability choices. Whilst the Commission does not advocate setting any specific targets, the Capital Region should aim to become an attractive place to live, and in the context of average increases in the UK population over the next 20 years **it should seek to keep pace with average population growth in the UK core cities.** To grow, the Cardiff Capital Region will need to focus on retaining people in the region as they develop their skills, keeping students after they graduate and matching them to job and enterprise opportunities, attracting more experienced workers later in their career and developing a more flexible housing market.

### PRODUCTIVITY

- **The Cardiff Capital Region should increase productivity to at least 90% of the UK average, as measured by output per hour worked.** Cardiff Capital Region is amongst the worst performing UK city-regions in terms of productivity and GVA per capita.
- **The Cardiff Capital Region should raise average hourly median earnings to 95% of the UK figure, with no local authority having average hourly median earnings of less than 90% of the UK average.** Earnings represent only one element of household income but are the component that can be most affected by City Deal investments.

### JOBS

- **The Cardiff Capital Region City Deal outlines that over its lifetime, local partners expect the City Deal to deliver up to 25,000 net new jobs.** Given Welsh Government population projections, this would increase the city-region employment rate from 70.5% to 73.8% - slightly above the current UK average. This will require a strong focus on improving access to opportunities and support for skills development in the areas with the lowest levels of employment rates.
- **The Cardiff Capital Region should seek to raise employment rates in all constituency areas to the current Cardiff Capital Region average of 70.5%** (excluding Central Cardiff where student numbers skew the data). This will require an additional 9,500 people moving out of unemployment or inactivity into employment.

### SKILLS

- **The Cardiff Capital Region should increase the percentage of adults with qualifications at all levels of the National Qualifications Framework.** Supporting skills development at all levels will increase opportunities for all residents in the city-region and contribute to improved productivity and support the delivery of the LSkiP Employment and Skills Plan.

### SUSTAINABILITY

- **The Cardiff Capital Region City Deal investment programme should be at least neutral in terms of CO2 emissions impact,** as part of a wider strategy to ensure that the City Deal investment is undertaken on an economically, socially and environmentally sustainable basis.

### POVERTY

- **The Cardiff Capital Region should reduce the percentage of people living in households in material deprivation across the city-region.** In addressing poverty, the City Deal will not only have a strong impact on individual well-being but also support a more sustainable economy.

## RECOMMENDATION 2 – ECONOMIC STRATEGY

The city-region should agree a long term economic strategy that supports a competitive, economically inclusive Cardiff Capital Region, playing to the strengths of many different locations within the region to increase overall opportunities, mobility, jobs and investment. The strategy should:

- Make the most of the Metro for fostering labour market participation and increasing integration of the city-region economy, and multiple points of growth. Identify other opportunities to improve connectivity within the region for people and businesses.
- Invest in education (from early years to university), skills and employability as the primary way in which individuals can access opportunities and firms can improve productivity; This will involve deploying resources flexibly in programmes of skills that are customised to the needs of employment sectors and different parts of the community.
- Leverage private sector and institutional investment to support the development of the city-region.
- Support all businesses – emerging and existing – to thrive over the long term through strategies to support innovation, ensuring the availability of finance, promoting the area more effectively and simplifying city-region governance.
- Develop a spatial economic strategy that recognises the diverse contributions of different locations within the city-region and the potential for complementary specialisation between them.
- Include a series of short, medium and long term targets on which the city-region should focus.

The strategy should build upon and integrate effective strategy formulation work that has gone before; including

- The Cardiff Capital Region Powering the Welsh Economy
- The City Regions Report
- The LSkiP Employment and Skills Plan
- Work undertaken on the spatial economy by SEWDER
- Work developed by the Metro Project

### RECOMMENDATION 3 – CITY DEAL INVESTMENT PRINCIPLES

Potential investment projects exceed the public funds available, and it is essential that public investment leverages significant private investment to support the city-region economy. With that in mind, City Deal projects need to demonstrate:

- Significant scale;
- A positive impact on GVA;
- A positive impact on jobs;
- An impact beyond the local boundary area of where the investment takes place and does not displace activity within the city-region
- Alignment with the proposed Metro investment, including investment that can unlock benefits of the Metro and address access constraints.

In addition, projects need to demonstrate a quantifiable impact on at least two of the following:

- Increasing employment rates (by constituency) in areas where employment rates are below the Cardiff Capital Region average.
- Increasing earnings in areas with below average earnings for the Cardiff Capital Region
- Supporting enterprise growth and productivity gains
- Supporting people out of employment into employment

**The Cardiff Capital Region should find ways to ‘bundle’ projects across the city-region to provide attractive investment opportunities at sufficient scale to be attractive to institutional investors.** Such investments are most likely to include transport and energy infrastructure, and housing projects, as discussed under the “Investment” section below.

Engagement with institutional investors at an early stage is an important element of using public funding in ways which are more likely to attract co-investment rather than substitute for it. It is recommended that a liaison mechanism be established with private investors to consider how to optimise co-investment in city-region priorities.

### RECOMMENDATION 4 – GROWTH SECTORS AND SPECIALISATION

The economic strategy should seek to build upon existing strengths and opportunities and to encourage emerging high value added and high employment sectors. There are multiple sectors with growth potential in the Cardiff Capital Region, including:

- Semi-Conductors
- Software
- Energy
- Finance and Professional Services
- Higher Education
- Life Sciences
- Aerospace (including MRO)
- Digital and Screen Industries
- Tourism and Hospitality.

Strategic sector specific investment opportunities will arise from time to time and should be considered on their merits.

We do not recommend taking a narrow sectoral approach to economic development in the city-region but rather to work harder to **improve the fundamentals of business climate** in terms of population attraction, skills, enterprise, and innovation capacity, business and investor friendliness, rate of investment in growth firms and infrastructure, and speed/clarity of decision making on major projects, land uses and external investment.

We recommend a strategy of improving the business and investment climate overall, coupled with **taking specific opportunities to back sectors at key moments of their development.** The City Deal should also look to how it can improve the environment for the provision of business support and advice, including the provision of commercial support.

### RECOMMENDATION 5 – SUPPORTING BUSINESS INVESTMENT

The Cardiff Capital Region should seek to co-ordinate the plethora of business support functions across the city-region to ensure that the region is investment ready. This would require a **strategic focus on working with the market** to lever additional support that will enable:

- Increased worker productivity
- Increased market penetration / market share
- Additional investment in R&D;
- No displacement of activity within the city-region;
- Alignment with Metro investment

City-region partners should also work in conjunction with Finance Wales and seek to optimise leverage from Finance Wales resources.

## 3.3 INCLUSION

### POVERTY

#### Key Questions

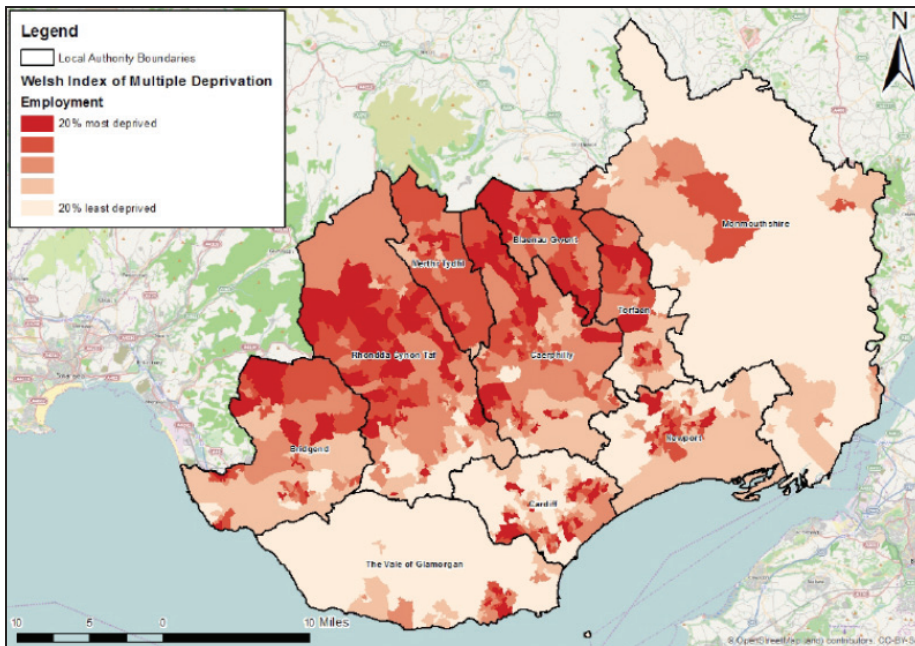
Addressing jobs and productivity will not automatically lead to better outcomes for all if we have not invested in removing barriers such as lack of skills, poor health or restricted travel. Improving accessibility to opportunities and increasing labour market participation is critical if the Cardiff Capital Region is to support an improved quality of life for all of its residents. A number of key questions that have therefore been considered are:

- How does the Cardiff Capital Region compare with other city-regions in terms of poverty, inclusion and participation?
- What are the factors that would support a more inclusive economy and where does the Cardiff Capital Region need to improve?
- How can the Cardiff Capital Region most effectively and efficiently improve labour market participation?

#### Evidence Review

Wards within the Cardiff Capital Region are amongst the most economically deprived in the UK. Addressing the needs of the residents of these wards will be crucial if the City Deal is to be judged a success over time.

#### WIMD (Wales Index of Multiple Deprivation) Employment Domain



Source: Welsh Government

There are clear patterns of poverty and deprivation across the Cardiff Capital Region as demonstrated by the Welsh Index of Multiple Deprivation (WIMD). Areas classified as amongst the most deprived areas are concentrated in the northern areas of the city-region, with pockets of deprivation also to be found in the dense urban areas.

**Labour market participation also varies significantly** across the Cardiff Capital Region. Inactivity in the area with the lowest labour market participation is more than double that of the area with the highest (Cardiff Central data is influenced by high student numbers).

Whilst physical accessibility has been documented as a key determinant of deprivation, skills are considered more significant in determining individual outcomes than geography. Analysis has shown that qualification level is a bigger influence on the employment rate than location - both within Wales and across England and Wales as a whole<sup>22</sup>.

Health is also a determinant of disengagement with the labour market, with a higher proportion of those inactive in the Cardiff Capital Region due to long term sickness than in all but one of the English Core City-regions.

#### Economic Inactivity by Constituency Jul 2015-Jun 2016

	% who are economically inactive - aged 16-64
Cardiff Central	36.1
Islwyn	29.1
Blaenau Gwent	28.3
Merthyr Tydfil and Rhymer	28.2
Newport East	27.6
Cardiff South and Penarth	27.1
Rhondda	26.4
Newport West	26.3
Cynon Valley	26.0
Cardiff West	25.4
Torfaen	24.7
Ogmore	24.6
Pontypridd	23.9
Vale of Glamorgan	22.9
Caerphilly	20.7
Monmouth	20.5
Bridgend	19.7
Cardiff North	17.7

Source: Annual Population Survey



## Economic Inactivity Jul 2015-Jun 2016 – Working Age

	% who are economically inactive	% of economically inactive looking after family/home	% of economically inactive long-term sick
Liverpool City Region CA	28.0	20.2	31.5
Cardiff Capital Region	25.2	19.0	30.3
Tees Valley CA	25.0	23.5	24.7
Sheffield City Region CA	24.8	26.6	26.7
North East CA	24.6	21.4	28.1
Greater Manchester CA	24.5	24.8	26.1
West Yorkshire CA	24.5	26.4	23.1
West of England LEP	19.4	22.1	19.7

Source: Annual Population Survey

Underemployment, low pay, low-skilled jobs (with limited training) all contribute to a rising incidence of in-work poverty<sup>23</sup>. The Joseph Rowntree Foundation estimates that poverty costs the Cardiff Capital Region at least £2.2 billion a year<sup>24</sup>.

The response from the Bevan Foundation noted that “although there is a childcare strategy for Wales, provision in Cardiff Capital Region is fragmented (geographically and across the age-range), information is patchy, and costs and the quality of provision vary”. A lack of affordable and available childcare in rural areas is also a barrier to employment<sup>25</sup>.

Roughly a quarter of employees in Cardiff Capital Region are not paid enough to enjoy a basic but acceptable standard of living, even after the inclusion of any in-work benefits to which they may be entitled<sup>26</sup>. Low pay is a key factor (along with short working hours and the work status of other household members) in low household incomes<sup>27</sup>. It should also be noted that increases in aggregate incomes have a greater economic impact if they are at the lower end of the income distribution scale<sup>28</sup>.

Over many decades the Valleys have experienced a cumulative loss of over 200,000 jobs<sup>29</sup>. While Cardiff can provide a focus for some employment activity, it cannot address all unemployment and inactivity across all of South East Wales. The evidence reviewed has highlighted the need to improve access to and the quality of careers advice, and to **improve the range and quality of apprenticeships**, which could have a significant impact on employability<sup>30</sup>.

### Core Findings

In comparison with other city-regions, the Cardiff Capital Region lags behind the overall average in terms of labour market participation. There are also clear disparities in outcomes for residents across the Cardiff Capital Region in terms of the Welsh Index of Multiple Deprivation, earnings and economic inactivity.

Whilst geography and physical access to opportunities are a factor in determining levels of deprivation, skills levels are a much clearer indicator at the individual level.

Addressing levels of inequality and raising income at the lower end of the earnings spectrum would have a significant impact in raising GVA per capita and productivity.

Promoting more inclusive growth to provide opportunities for greater inclusion and social cohesion will require concerted actions, aligned to wider development strategies, that<sup>31</sup>:

- **Improve connectivity and access to services for people in the poorest parts of the region.**
- **Raise living standards and conditions: tackle fuel and other forms of poverty, address inequalities in work-related income, and promote financial inclusion.**
- **Promote skills and employment: addressing inequities in the distribution of skills and promoting participation, job quality, security and progression.**

## Key Questions

Improving skills is fundamental to increasing productivity, raising income levels and supporting increased labour market participation. Inextricably linked to the skills of the city-region, job creation is also a fundamental element of delivering better opportunities for everyone and improving the city-region economy.

Some of the key questions to consider for the Cardiff Capital Region are:

- How does the city-region compare with others in terms of overall levels of workforce skills, and how are skills spread across the city-region?
- How do skills impact on productivity and participation?
- What opportunities are there for job creation and what are the potential interventions that could take place to support a more skilled workforce and greater levels of labour market participation?

## Evidence Review

As noted above, overall the Cardiff Capital Region performs comparatively well against other UK city-regions in terms of the proportion of its workforce with a degree or equivalent. However, the region performs around the average when compared to other city-regions in terms of the proportion of residents who hold no qualifications.

### Qualification of those aged 16-64- Jan 2015-Dec 2015

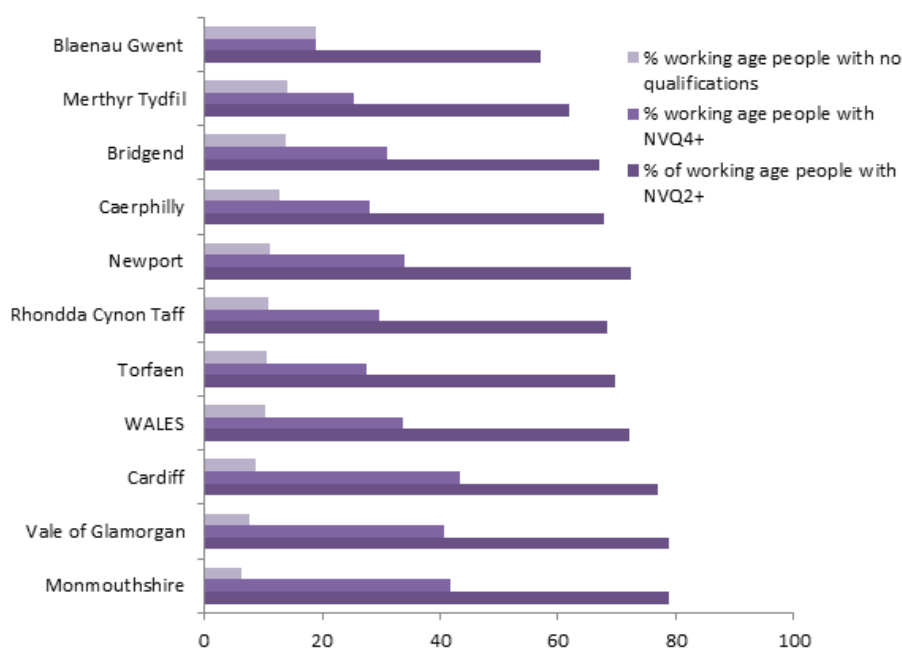
	% with degree or equivalent		% with no qualifications
Greater Manchester	26.3	West Midlands	16.8
<b>Cardiff Capital Region</b>	<b>25.7</b>	Merseyside	11.9
West Yorkshire	24.0	West Yorkshire	11.0
Tyne and Wear	23.1	<b>Cardiff Capital Region</b>	<b>11.0</b>
Merseyside	22.6	Greater Manchester	10.3
West Midlands	22.4	South Yorkshire	10.3
South Yorkshire	21.9	Tyne and Wear	9.6

Source: Annual Population Survey

The picture at the sub-region level however is very uneven. For example, the proportion of the working age population with no qualifications in Blaenau Gwent stands at 19%, compared with 6% in Monmouthshire. Similarly the proportion of those with qualifications of level 4 or higher in Blaenau Gwent is significantly less than the city-region average at 19% - less than half the figure for Cardiff, which stands at over 43%.

Furthermore, there are also differences in terms of qualification rates by age, and whilst educational results for school leavers (e.g. Key Stage 4) are improving, workforce qualifications are still low in many parts of the city-region. This illustrates the significance of maintaining provision of skills training for the adult population, who will remain a significant part of the workforce over the coming 20 years.

### Skills by local authority Area 2015



Source: Annual Population Survey

Cardiff Capital Region contains a very strong educational capacity, with internationally competitive higher education institutions and further education colleges. These provide courses to local residents and attract students from across the world. However the region struggles to retain much of its graduate labour, particularly in STEM (is Science, Technology, Engineering and Maths) subjects, and is not considered attractive to qualified labour educated outside of the region.

Research and stakeholder engagement by organisations such as LSkiP, has identified that, in recent years, skills and training delivery has been driven by learner demand, rather than strategic need, leading to a mismatch with employment opportunity. Improved links with employer demand would therefore help to improve overall competitiveness, and ensure that the skills profile of the Cardiff Capital Region is aligned with business needs.

Ensuring access to training and skills development is generally a key concern for many in the Cardiff Capital Region and the Commission endorses the need for locally-based approaches to build relationships between providers and people. In doing so the City Deal should also use the opportunity of the South East Wales Metro to promote the mobility of trainees around the Cardiff Capital Region. This could include the joining up of provision by providers across different sites, such as a greater use of the University of the Heads of the Valley.

The Joseph Rowntree Foundation recommends that services should reflect more effectively circumstances and opportunities in the local labour market and provide a more tailored, personal approach for those furthest from the labour market, including disabled people and those with long term health conditions. Such an approach can be delivered through correctly co-commissioning the new Work and Health Programme. As part of this, the Joseph Rowntree Foundation also recommends that all basic skills needs should be met by 2030, which would require a doubling of participation in programmes for digital skills, literacy, numeracy and language<sup>32</sup>.

Work Based Learning (WBL) and apprenticeships will continue to be important in ensuring learning and training is accessible in work. Provision for the over 40s will be required with the significant numbers of replacement jobs forecast<sup>33</sup>.

The City Deal itself should also be viewed as an opportunity to create employment given that the £1.2bn fund, with expected further private sector leverage, will result in significant capital investment. Linking job opportunities with skills provision is an integral element of ensuring the City Deal has the greatest impact on the local labour market. It is also recognised that there is a significant role for further education to play in upskilling those towards the lower end of the skills spectrum as well as providing opportunities for continued adult learning and education.

### Core Findings

Concentrations of low workforce skills in the city-region, and a high reliance on a narrow set of sectors, requires that skills development respond to strategic need and current and future demand by:

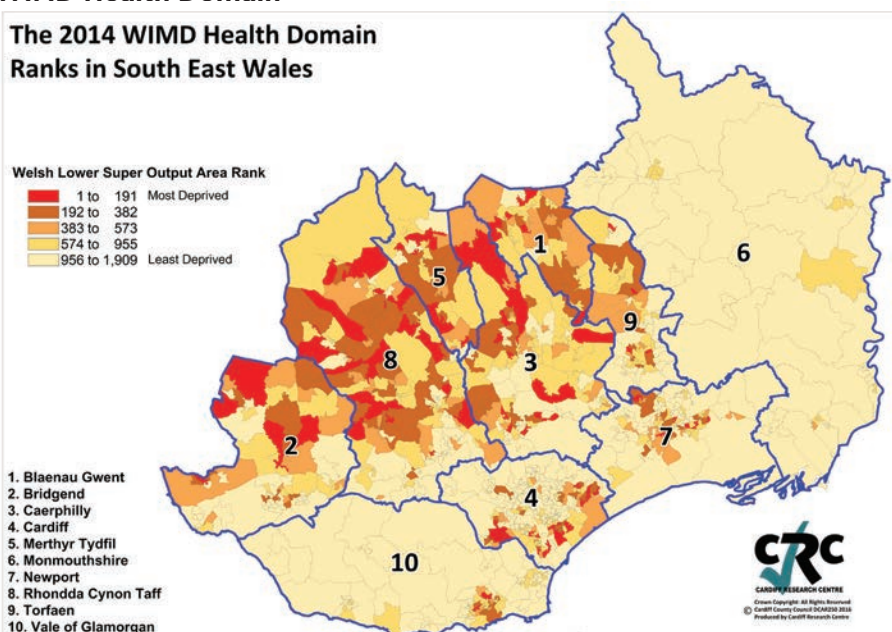
- Providing skills that meet the needs of opportunity sectors and the potential arising from infrastructure investment;
- Meeting the skills needs of the foundational economy;
- Improving skills utilisation amongst employers and tackling under-utilisation, both to realise the benefits of available skills but also to promote retention of a skilled labour force;
- Promoting STEM (Science, Technology, Engineering and Mathematics) skills;
- Building and strengthening employer engagement;

Improving the careers advice available across the Cardiff Capital Region is necessary to support more informed choices relating to employment opportunities and ensuring employer needs are understood by learners.

### HEALTH AND GEOGRAPHY

Other issues that influence economic outcomes in the city-region include health outcomes, and access to services. There are clear differences in health outcomes performance across South East Wales that are not determined by local authority area. Poor health outcomes are concentrated heavily in the northern areas of the city-region, with some pockets in inner-city areas.

#### WIMD Health Domain



Many of these issues are also related to quality of place. WIMD analysis also shows significant differences in performance in terms of access to services and physical environment. Whilst employment and income are a key element of the WIMD other quality of life determinants cannot also be ignored.

Further consideration of spatial issues is addressed in the following section.

Source: WIMD

# INCLUSION - RECOMMENDATIONS

## RECOMMENDATION 6 - SKILLS & EMPLOYABILITY

Investment in developing the skills of the current and future workforce of the Capital Region is a priority for the Cardiff Capital Region City Deal and vital to improve both competitiveness and inclusion. The Cardiff Capital Region should therefore:

- Task the proposed Employment and Skills Board with working with employers and education providers to ensure that provision is aligned amongst all relevant skills provision outside schools and higher education and that skills investment is complementary to the economic strategy of the city-region.
- Task the Learning and Skills Partnership and then the Employment and Skills Board to coordinate current funding streams to invest in skills and support people from all ages into work and improve outcomes for those in work.
- Focus on provision of education and training for adults, including parents of school age children who play a major part in reducing inter-generational poverty.
- Require all Capital Region funded capital projects to support a minimum number of apprenticeships, dependent on the size and scale of the project.
- Invest in good quality careers advice in schools from year 8 onwards, linking careers advice to the strategic need of the region

## RECOMMENDATION 7 - POVERTY

In seeking to increase employment rates and participation the Cardiff Capital Region City Deal should also seek to ensure that investment helps to address social and physical exclusion. Primarily this should be through improving accessibility to employment opportunities, but it should also reflect the fact that many people will be some way from entering the labour market and require more appropriate support. In doing this the Cardiff Capital Region should seek to:

- Improve transport links between areas of high deprivation and areas of opportunity.
- Ensure that those living in areas of high deprivation are able to access opportunities to upskill and access relevant public services that will support their transition to employment.

## 3.4 SUSTAINABLE DEVELOPMENT

### POPULATION AND FUTURE GENERATIONS

#### Key Questions

Sustainability and the consideration of future generations underpin all elements of the Cardiff Capital Region strategy and City Deal and should therefore not be considered in isolation. Yet there are some specific considerations that should be addressed in considering future economic strategy, namely:

- How sustainable is population growth across the Cardiff Capital Region?
- What are the specific demographic challenges that will be faced by the Capital region?
- What are the environmental considerations of the City Deal?

#### Evidence Review

A key consideration is the impact future population growth, or lack of it, could have on a variety of issues within communities. According to Welsh Government projections, the Cardiff Capital Region population is expected to grow by around 7% between 2016 and 2036, equivalent to just under 100,000 additional people living within the city-region. As highlighted in Parts 1 and 2, there are **considerable spatial variations across the city-region**, with the majority of population growth focussed in Cardiff. Many of the local authorities across the region are expected to show negligible (or in some cases negative) population growth.

#### Welsh Government Population Projections

	2016	2036	2016-2036
Cardiff	360,491	433,371	20%
Newport	147,749	157,391	7%
Cardiff Capital Region	1,509,496	1,606,090	7%
Bridgend	142,038	148,005	4%
Rhondda Cynon Taf	237,626	245,812	3%
Caerphilly	180,481	182,485	1%
Vale of Glamorgan	127,985	128,715	1%
Monmouthshire	92,639	93,166	1%
Torfaen	91,799	91,709	0%
Merthyr Tydfil	59,139	58,476	-1%
Blaenau Gwent	69,549	66,960	-4%

Source: Welsh Government

Population growth is divided by age as well as geography. By 2036 projections suggest that almost a quarter of the city-region's population will be of retirement age or older, up from 18% in 2016. All areas will see a substantial increase and this will result in different demands for services as well as infrastructure.

#### Welsh Government Population Projections – those aged 65+

	2016	2036
Bridgend	20%	28%
Vale of Glamorgan	21%	29%
Cardiff	14%	18%
Rhondda Cynon Taf	19%	24%
Merthyr Tydfil	19%	26%
Caerphilly	19%	26%
Blaenau Gwent	20%	27%
Torfaen	20%	28%
Monmouthshire	24%	36%
Newport	18%	23%
Cardiff Capital Region	18%	24%

Source: Welsh Government



# SPATIAL DEVELOPMENT

## Key Questions

The Cardiff Capital Region is not homogeneous; it consists of **diverse places each with distinctive histories, strengths, challenges and opportunities**. The Commission has heard much on this point. We are also aware that future development trends will place different pressures on different places. The region's economic history and its current economic circumstances have been shaped very directly by its physical geography. Transport and trading links are important influences on economic development. The coastal plain in the south – from Bridgend through to Newport – is well linked by land, sea and air. The rural communities around Monmouth historically were also easily accessible by road and partly navigable by river.

**The Valleys are relatively less accessible.** Populations were originally attracted by the development of local deposits of iron ore, and then coal, during the industrial revolution. These natural resources have however long since been either exhausted or have become uneconomic to extract, leaving the relatively isolated local communities more difficult to sustain. Digital connectivity – even when more complete – can only partially address these real challenges. In responding to these issues, some of the key questions to consider are:

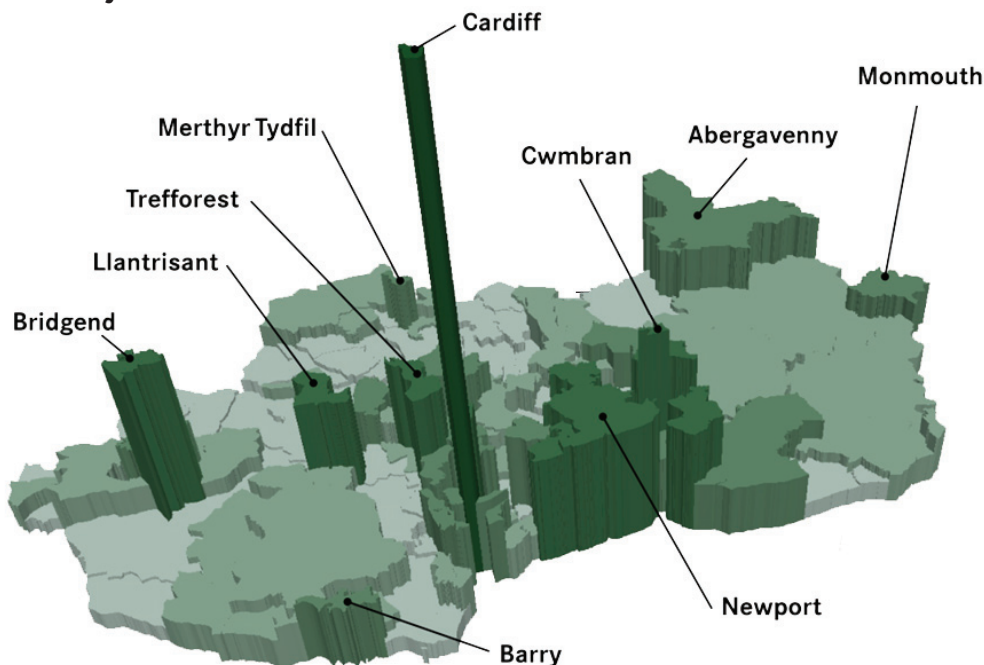
- What is the emerging character of the city-region's spatial economy?
- How can the spatial economy develop so that there are more points of growth without undermining existing centres?
- What is needed in addition to the Metro project to aid spatial development?

## Evidence Review

As observed in in Part 1's review of recent evidence, in the coming 20 years the number of households (note this is different to population) in the Cardiff Capital Region is projected to increase by around 13%<sup>34</sup>. By far the greatest increase is projected for the cities of Cardiff (31%) and Newport (16%). Blaenau Gwent is the only local authority area where a decline in the number of households is forecast (-1%). Job creation across the region has not been evenly distributed in recent years, having been heavily concentrated in Cardiff in terms of the number of jobs created. Notably the city has also been the focus of the knowledge intensive business services sector. Many of the spatial employment patterns illustrate the importance of agglomeration or clustering to specific sectors<sup>35</sup>, namely:

- Media services
- Hotels and restaurants
- Transport services
- Finance and insurance
- Business and management consultancy

## Total Jobs by MSOA area



Source: Centre for Cities

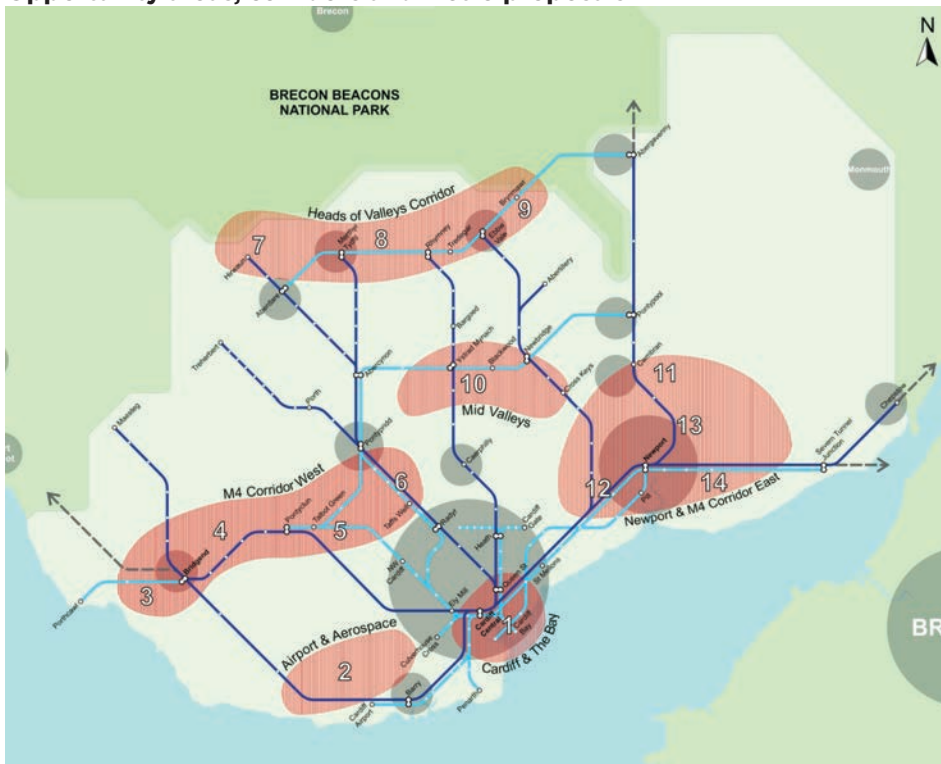
This is not to say, however, that opportunities can only be created in city centre areas. The greatest level of proportional employment growth across the region in recent years has been experienced in Merthyr Tydfil. There are also significant clusters of employment across the city-region in sectors such as advanced manufacturing that are driving productivity growth and supporting **wider supply chain development for the Cardiff Capital Region**. This is reflected in the fact that over a quarter of a million working residents in the city-region commute out of their local authority area for work. Whilst Cardiff is the biggest draw it only accounts for just over a third of outward commuting. Commuting distances and costs are important – especially for those on low incomes. We should recognise that while jobs cannot all be developed in the immediate area of populations, neither can we expect all workers to commute significant distances. Conversely, there is also a clear need to build on and develop agglomeration effects for the region.

## Commuting Statistics by Local Authority

	Total number of working residents	Total number of people working in the authority	Number of people working in home authority	Number of people commuting out of the authority	Number of people commuting into the authority
Bridgend	63,500	61,500	43,700	19,900	17,800
Vale of Glamorgan	58,800	42,800	28,500	30,300	14,300
Cardiff	164,800	214,700	130,900	33,900	83,800
Rhondda Cynon Taf	105,200	79,100	61,000	44,200	18,100
Merthyr Tydfil	24,900	24,500	14,700	10,200	9,800
Caerphilly	76,300	56,200	37,300	39,000	18,900
Blaenau Gwent	28,600	20,100	14,600	14,000	5,500
Torfaen	40,400	36,800	22,700	17,600	14,100
Monmouthshire	44,800	43,900	26,100	18,700	17,800
Newport	64,100	72,800	39,700	24,400	33,100
Cardiff Capital Region (SUM)	671,400	652,400	419,200	252,200	233,200

Source: StatsWales

## Opportunity areas, corridors and Metro proposals



Source: Findings of a workshop of local authority economic development officers from the ten local authorities.

Work has already been undertaken in identifying key centres and corridors as core locations for growth, several of which have been proposed in evidence received. The approach taken in the Manchester City Region offers a model against which to benchmark action in the Cardiff Capital Region<sup>36</sup>. The Strategic Development Plan will, wherever possible, focus activities on or around the transport hubs developed through the South East Wales Metro and other key connectivity corridors. The Commission notes that a basis for this exists in the collective work of officers from the ten local authorities, who identify broad corridors and areas of opportunity across the Cardiff Capital Region<sup>37</sup>.

### Core Findings

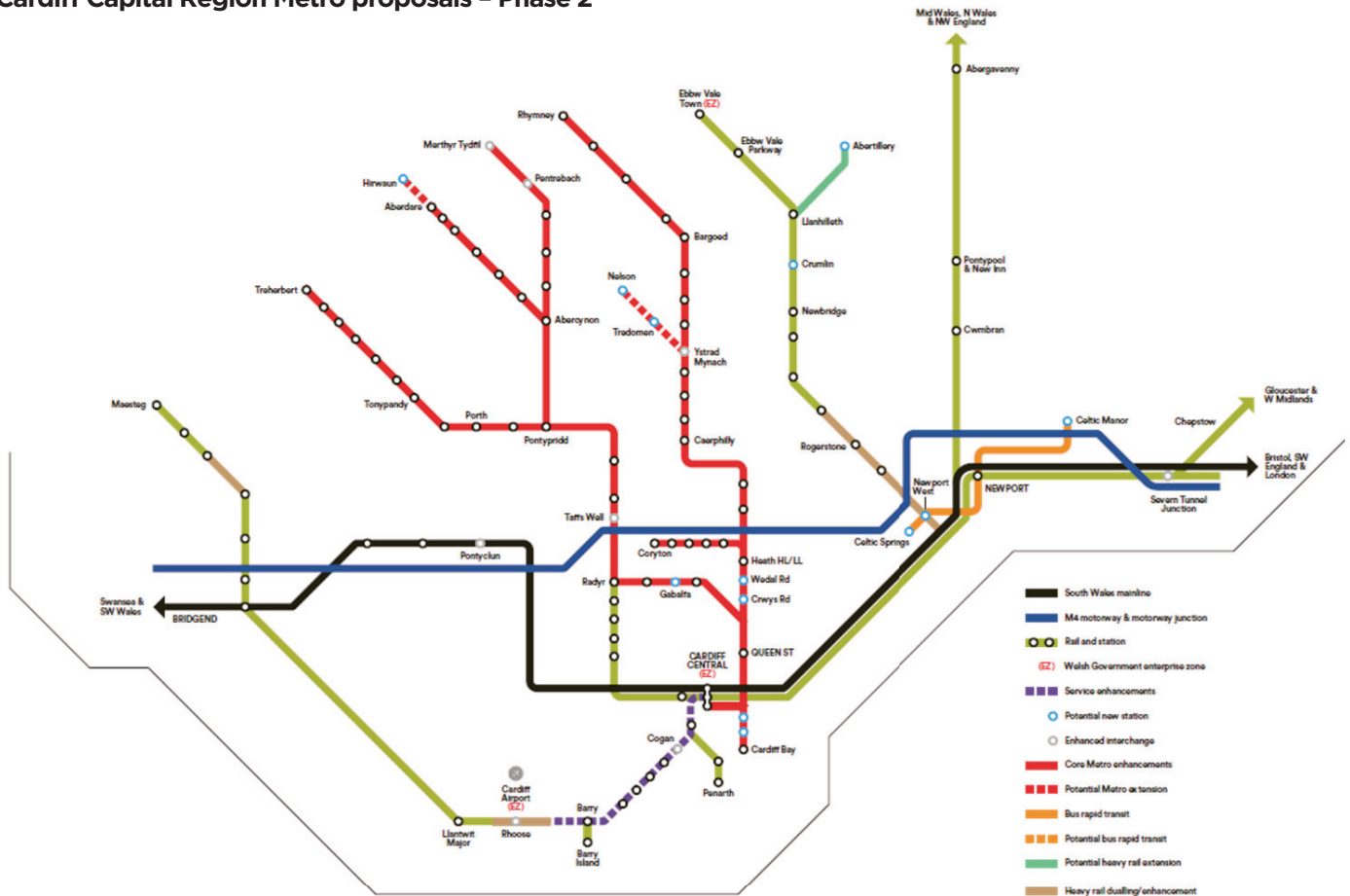
With differences in economic performance and outcomes across the city-region there is a clear need to ensure that the region is organised spatially in a way that maximises the benefits for residents. This approach, however, must be rooted in the need to reflect strengths and opportunities of areas, as well as transport investment. It is also important to dispel the commonly-held “zero sum” attitude across much of the region, a tendency to believe that one area’s gain has to be another’s loss.

Acknowledging the nature of the real physical challenges faced by these communities also underlines the potential importance of better transport links within the region as a means of linking and unifying it, whilst also recognising that transport improvements by themselves will not solve all of the city-region’s economic issues.

# TRANSPORT

The South East Wales Metro will make a significant contribution to improving transport connectivity in the Cardiff Capital Region. All parties recognise that it is **crucial that this acts as more than simply a transport project**. It has the opportunity to unlock potential development sites, provide training and employment, improve access to employment and training opportunities, access to leisure and tourism uses and support wider cultural and housing benefits. It also provides a significant opportunity to deliver a substantial contribution to carbon reduction targets in the Cardiff Capital Region, and improving quality of life for residents. It is important, therefore to understand how transport (both Metro and non-Metro) can act as a catalyst for the city-region.

## Cardiff Capital Region Metro proposals - Phase 2



Source: Metro Information Brochure

### Evidence Review

Reducing journey times and increasing the accessibility and availability of different choices of transport will help to increase economic mass, bringing the benefits of agglomeration in terms of productivity and also effectively delivering a larger market for both business and labour. Road improvements alone would not necessarily help those distant from the labour market in accessing job opportunities, as there is a clear correlation between long term unemployment and access to a car.

The role of **airports and ports** and the impact they can have in supporting growth industries needs to be considered as part of the future transport infrastructure. Evidence suggests that Cardiff International Airport's connectivity in particular is a constraint on growth and should be a priority for any economic development strategy for the region.



**Cardiff Airport** also has the potential to drive wider economic development and quality of life improvements, as part of the **Cardiff Airport and St. Athan Enterprise Zone**. For example, over 20% of the UK's maintenance, repair and overhaul (MRO) of commercial aircraft is carried out within 20 miles of Cardiff Airport. **Aston Martin** has chosen the Enterprise Zone as the site of its new Centre of Excellence, manufacturing its new DBX crossover vehicle in Wales.

Many people will continue to want and seek job opportunities relatively close to home, notwithstanding the benefits of improved public transport, for reasons of time, cost and managing other commitments<sup>38</sup>. In the survey undertaken for the Commission, 35% of residents in the region stated that proximity to friends and family was one of the three main factors influencing their choice to live in their current neighbourhood, compared to just 14% who highlighted availability of public transport<sup>39</sup>. Even with reduced journey times there will remain areas of the South Wales Valleys where travel times and associated cost to centres of population remain excessive for anyone considering a long commute for low paid employment. It was also highlighted that many of the most disadvantaged areas in the South Wales Valleys are those that are some distance from rail/Metro stations.

There is also a need to appreciate that public transport will not be the panacea to resolving all transport issues. The (comparatively) low population density of the city-region and in its multi-directional commuting flows, means that road based (and largely private) transport will still be important in the near future.

There is a clear need for transport to be integrated, especially across bus and rail services, if it is to have an impact. In many cases commuting to Cardiff from northern valley areas proves difficult as bus services do not necessarily operate late in the evening, meaning that the commuting 'window' is limited for those travelling exclusively by public transport<sup>40</sup>. In order to operate new routes and enhanced frequencies on existing routes, around 1,000 new jobs could be created both in public facing roles such as drivers, but also in the vital administrative and maintenance functions<sup>41</sup>.

**Investment in tourism needs to dovetail with transport investment.** Where tourism propositions are based on scale they must be located in appropriate locations. Furthermore, tourism also needs to adopt a complementary and not competitive approach within the city-region if it is to maximise its impact. This approach also needs to be cognisant of the fact that public transport use within the city region is highest amongst residents for leisure uses.

What do you use public transport for?	%
Leisure	57%
Shopping	46%
Visiting family & friends	19%
Travelling to work	18%
Other	15%
Travelling whilst at work	11%
Travelling to education	3%
Don't use	8%
*RESPONDENTS COULD SELECT MORE THAN ONE ANSWER	

Source: Growth and Competitiveness Commission Resident Survey

A substantial programme of investment in addition to the Metro is currently underway, or proposed, affecting transport routes serving the Cardiff Capital Region. These include:

- Underway
  - A465 (Heads of the Valley) dualling and improvements
  - Electrification of GWR mainline services from Cardiff to London
- Proposed
  - M4 relief road (under review and subject to inquiry)
  - Reduction in Severn Bridge Tolls (proposed halving from 2018)
  - Improvements to 'Five Mile Lane' to improve access to Cardiff International Airport

### Core Findings

Increased connectivity and multi-modality in the Cardiff Capital Region transport system will create recognised benefits for productivity and employment. Aside from expanding opportunities to commute to Cardiff, it is also a priority to support other locations of economic activity, including Cardiff International Airport.

Much is demanded of the South East Wales Metro and many hopes are attached to it. The Metro system should form the basis for the strategic plan for new investments in land and property development. Transport nodes should form the focus of investment in hubs to promote innovation, co-working spaces and the development of new enterprises and employment opportunities. Housing investments should be related to accessibility through the Metro system.

Ensuring that investment is focussed on the Metro development will help to increase the overall investment rate, providing for a greater impact in terms of GVA.

# ENERGY

Environmental considerations and opportunities are also important if the Welsh Government is to meet its emissions targets. In terms of CO2 emissions, the Cardiff Capital Region performs better than the UK and Welsh averages, which generally reflects differences in industry emissions rather than domestic and transport emissions. There are currently a range of opportunities relating to energy infrastructure being considered by a number of parties across the city-region. These build on the resources afforded by the city-region. Potential opportunities identified during the evidence gathering exercise include:

- Delivery of smart energy research and innovation.
- Investment in storage to harmonise generation from renewables and sell at peak prices.
- Building new low carbon energy generation capacity.
- Retrofit of current building stock.
- Connection of locally generated power to local need to give fuel security and avoid national grid charges.
- Creating a regional energy company.

## CO2 Emissions per Capita

	Per Capita Emissions	Industry per Capita	Domestic Total	Transport Total
Vale of Glamorgan	10.1	6.2	2.0	1.7
Newport	9.7	4.8	2.0	2.9
Wales	9.6	5.7	2.2	1.9
Monmouthshire	8.6	2.5	2.3	3.7
UK	7.0	3.1	2.1	1.9
Bridgend	6.9	3.0	2.0	2.0
Cardiff Capital Region	6.7	2.8	2.0	1.9
Cardiff	6.1	2.5	1.8	1.8
Torfaen	6.0	2.6	1.9	1.4
Rhondda Cynon Taf	5.5	1.7	2.1	1.8
Caerphilly	5.3	1.9	2.1	1.3
Merthyr Tydfil	5.2	1.7	2.1	1.5
Blaenau Gwent	5.1	2.0	2.2	1.1

Source: National Statistics

## Core Findings

The Cardiff Capital Region is predicted to see only limited population growth, but the expected growth is anticipated to be focussed on the city areas, with some areas likely to experience population decline. The needs of an ageing population have to be fully considered in terms of service delivery and infrastructure investment.

Carbon emissions are not higher in the Cardiff Capital Region than the Wales and UK average. However, the imperative to focus on continually reducing carbon emissions is unambiguous. The development of improved public transport, through investment such as the Metro, should support the reduction of carbon emissions, whilst also addressing issues of congestion.

# SPATIAL DEVELOPMENT - RECOMMENDATIONS

## RECOMMENDATION 8 – STRATEGIC SPATIAL DEVELOPMENT

**The Cardiff Capital Region should develop a spatial perspective to complement its economic strategy.** This will require a clear timetable for the introduction of a longer term Strategic Development Plan that complements the Economic Development Plan, helps to realise objectives around improving transport, future spatial character of the region, housing and land use, and sets out how the public will be fully involved and consulted. In the interim, a Strategic Vision should be developed as a short-term step.

This spatial development perspective should act as a future growth map for the Capital Region and define the key roles of potential of:

- Cardiff and Newport as established hubs of business, commerce and institutions, each playing to their particular strengths
- Cardiff Airport and the associated Enterprise Zones.
- The re-emerging towns such as Bridgend, Barry, Caerphilly and Pontypridd that are in transition to accommodating high value added activity, renewed resident populations and university expansions.
- The Valleys and rural towns which are becoming increasing important centres for local services, amenities and the foundational economy, and are developing their roles in tourism and leisure.

It should also address the important potential that anchor institutions, strategic assets and key infrastructures can play in the development of the region. These should include but not be limited to:

- Ports
- Universities
- Hospitals
- Major cultural institutions
- Major railway stations
- Natural parks and coastline
- Energy infrastructure

This should also seek to inform City Deal investment. Any capital investment in site regeneration for employment purposes should be prioritised on the major locations across the city-region identified above.

## RECOMMENDATION 9 – INVESTING IN ENERGY

**The Cardiff Capital Region should consider the opportunities afforded by its energy assets,** as well as seek to reduce the leakage of income from the area linked to its natural assets. This will require co-ordinated activity amongst the key stakeholders across the city-region, including business and higher education. In doing so a strategy should be developed and agreed amongst all key stakeholders to both maximise the return on investment and impact on city-region residents in terms of quality of life. To do this the Cardiff Capital Region should:

- Develop a Cardiff Capital Region Smart Energy strategy that looks at demand and supply issues across the city-region. This should look to build upon both innovation in appropriate sectors, as well as co-ordinate investment opportunities in infrastructure
- Explore with city-region partners the potential for the development of a local energy company that could ensure security of supply within the city-region for the future, as well as preventing leakage of income from investment. This would require further detailed work to understand the full implications and means of governance.

## RECOMMENDATION 10 – METRO AND PLACEMAKING

The Cardiff Capital Region should build upon the opportunities emerging from the development of the Metro to improve the quality of places to live, work and visit.

This should take the form of detailed planning of station and terminus areas and consider the scope to use better connectivity to create better places, which provide services and amenities to citizens and are able to support renewal and tourism.

## 3.5 INVESTMENT INFRASTRUCTURE

### Key Questions

Increasing the levels of private sector investment has been identified in the City Deal document as a key objective. The Deal's success in mobilising private institutional investment – life assurance and pension funds, unit trusts, venture capital and private equity groups, hedge funds – will depend on the level, predictability and longevity of prospective returns, and on the scale of the available investment opportunities. The key questions are:

- What approach to investment is required to raise growth levels?
- What criteria should be used to assess investment choices?
- How can public investment best leverage private sector co-investment?

### Evidence Review

Infrastructure investment across the Cardiff Capital Region has lagged behind much of the rest of the UK. Whilst the Metro and other transport schemes are integral to this there are other areas such as commercial and residential property and digital infrastructure that are also critical to the future of the city-region.

Digital infrastructure is also a key component of a competitive economy. However, evidence suggests that in South East Wales whilst there is still a need for continued investment in digital connectivity, there is a tendency not to capitalise on the benefits of the current infrastructure. Data provided by BT highlights that just over 23% of those with access to superfast broadband actually use it. There also remains a gap in terms of the provision of superfast broadband across the region.

It was highlighted during Commission sessions that the speed of decision-making can be a real issue in leveraging private investment. In particular there was a fear that the Cardiff Capital Region was losing out on investment to other areas as a result of slow decision making processes and the involvement of a wide range of decision makers in the decision making process.

The potential impact of the CCR Deal will be amplified materially if private sector institutional investment is forthcoming, whether on a stand-alone commercial basis or in partnership with public sector funding. Not all private sector investors are necessarily risk-takers. Managers of defined benefit pension funds, and of some life assurance schemes, need predictable returns to match explicit long term liabilities. Meanwhile, the public sector is not necessarily always risk averse. Many new developments in technology – including much of the initial impetus for the internet and for much research into aerospace and life sciences – can be traced back to government.

### Core Findings

If the region's public sector partners are able to bear some of the uncertainty, then, prospective risk-adjusted returns can be made more attractive for potential institutional investors. Individual institutional investors are quite capable of investing substantial amounts in specific projects if those projects seem likely to meet their investment aims.

In addition to the increased importance of liability-driven investing, the current investment climate is one in which nominal interest rates and bond yields are historically low, there is a limited supply of predictable, explicitly long term investments, and there is a pronounced general risk aversion even among less constrained investors.

It would be expected, therefore, that there would be substantial private sector interest in the long term, relatively stable income generated by the Deal's infrastructure projects, for example, particularly if construction and/or operating risk can be muted by public sector involvement. Components of the Deal that could satisfy these requirements might include:

- Transport infrastructure: investment in and around the Metro project and airport.
- Large-scale energy projects.
- Real estate linked to housing associations, higher education, public sector bodies and/or development zones.

## Key Questions

Housing plays a significant role in place shaping, determining quality of life and the local economy. Housebuilding and improvement can also be an important source of employment generation. It is important therefore to understand the impact and potential of housing as a driver of these benefits in the Cardiff Capital Region. A number of key questions have therefore been considered:

- How significant is the gap between demand and supply across the region?
- What are the barriers to development of housing within the region?
- How can we ensure that “place making” and a focus on people is achieved in the Housebuilding plan?

## Evidence Review

The rising number of households in the Cardiff Capital Region, and changes in its spatial distribution, will require the provision of a substantial number of new homes. Equally, there is a need for the modification and improvement of the existing housing stock. Welsh Government policies set a strong context for this<sup>42</sup>, with a role for public authorities, private developers, investment and lending institutions and Registered Social Landlords. The carbon reduction targets established by Welsh Government alongside the ageing trends of the population provide additional impetus to investments in the development of the existing housing stock.

In recent years there has been a significant variation in the growth of housing stock across the Cardiff Capital Region, with around a third of the total new provision of housing since 2000 located in Cardiff.

## Dwelling stock estimates by local authority

	2000-01	2014-15	Change '00/01 to '14/15
Wales	1,274,500	1,405,959	131,459
Bridgend	55,255	62,924	7,669
Vale of Glamorgan	50,979	56,194	5,215
Cardiff	127,270	149,962	22,692
Rhondda Cynon Taf	99,190	106,791	7,601
Merthyr Tydfil	24,567	26,593	2,026
Caerphilly	72,011	78,503	6,492
Blaenau Gwent	31,385	32,367	982
Torfaen	38,726	40,963	2,237
Monmouthshire	36,737	41,019	4,282
Newport	58,543	65,192	6,649
Cardiff Capital Region	594,663	660,508	65,845

Source: Welsh Government

More recently new builds have been focussed on the coastal local authorities in the Cardiff Capital Region leaving the Valleys region with a growing issue of lack of supply.

## New Housing Completions

	2013-14 Annual	2014-15 Annual	2015-16 Annual
Coastal area	1854	2549	2791
Valleys area	1034	1238	753
Cardiff Capital Region	2888	3787	3544

Source: Welsh Government

These trends also reflect the fact that the average price of housing varies significantly across the Cardiff Capital Region with some areas experiencing stronger house price growth than others in recent years. This affects the ability of homeowners to benefit from asset growth, affects mobility and potentially impedes the ability of entrants to the market to purchase homes near to where they wish to live. It can also reflect variations in the desirability of locations, as well as the quantity and quality of the housing stock available. There is also considerable evidence relating to market conditions inhibiting housing development in northern areas of the South Wales valleys.

A number of stakeholders in the city-region have stressed the importance of linking new housing development to the South East Wales Metro, overcoming the fragmentation of decision-making within the Cardiff Capital Region and promoting the development of the Cardiff Capital Region as an integrated live-work space. This is further exacerbated by the lack of co-ordination in the Local Development Plan process. Throughout the evidence gathering process, there was an overwhelming call for the development of a Cardiff Capital Region Strategic Development Plan. This would provide the strategic framework for housing development across the region, integrated with the necessary infrastructure and service provision and would result in the region having more success in attracting greater diversity in housebuilding across tenure types and locations.

### Local Authority LDP Summary

Local Authority	Date of Adoption	Period since 2005
Vale of Glamorgan	2017*not yet adopted.	12 years
Cardiff	2016	11 years
Bridgend	2013	8 years
RCT	2011 Plan review started	6 years
Merthyr Tydfil	2011 Plan review started	6 years
Neath Port Talbot	2016	11 years
Caerphilly	2010 Plan review started/ stopped	5 years
Blaenau Gwent	2012 Plan review	7 years
Monmouthshire	2014	9 years
Torfaen	2013 Plan Review	8 years
Newport	2015	10 years
Blaenau Gwent	2012 Plan Review	7 years
	Average time	8 years

Source: Home Builders Federation

The evidence suggests that the planning process is currently viewed as overbearing and disincentivising to housebuilders. This results in a fragmented approach to housebuilding, with smaller scale developments being the norm and scale developments seen as difficult to deliver. This in turn is limiting the flow of investment-funding into housebuilding in Wales, an approach that has proven successful in other UK city-regions.

There was recognition that housing associations and local authorities, some of whom have restarted their own housebuilding programmes, are playing a pivotal role in the delivery of housing within the Cardiff Capital Region to date with some innovative models being tested across the region. The evidence also suggests that investment funding would be available to deliver a housing agenda across the Cardiff Capital Region, in areas where scale and long term yield could be delivered. This could be encouraged through the region taking a proactive stance in its Housing plan.

### Core Findings

There is a requirement to ensure that housing development is not concentrated too narrowly in specific parts of the Cardiff Capital Region, so that the benefits of housebuilding are not solely focussed on the coastal areas.

There is a clear need for acceleration in the volume of housebuilding right across the region. The introduction of a Strategic Development Plan will help ensure that proposed housebuilding is integrated with other physical infrastructure such as the Metro to ensure that placemaking is achieved. Local authorities need to continue to maintain appropriate LDPs in order that development continues at pace.

Delivery of scale housing projects could facilitate institutional investment in the city-region and this could be achieved through the use of innovative finance bonds or joint ventures. Any development needs to consider how different housing tenures can be delivered, to ensure that, where there is demand, different income groups can access affordable housing in desirable places for each stage of their lives.

There is an opportunity to consider how energy efficiency and the needs of older people are planned in from the outset whether that is to changes in existing housing stock or new builds.



# INVESTMENT - RECOMMENDATIONS

## RECOMMENDATION 11 – HOUSING AND ECONOMIC REGENERATION

The housing market is a key element of how the labour market functions and makes an important contribution to the social mix within the city-region. Labour productivity is underpinned by affordable and well connected housing and mixed income communities can support the drive to bring jobs closer to people and tackle concentrated poverty and disadvantage.

A step change in housing investment and development is required across all parts of the region and across the different tenures of housing. A Cardiff Capital Region Housing Plan must integrate into the Strategic Spatial Development Plan. The housing objectives are to build enough homes to keep up with the population growth of the region and, critically, to ensure that those new homes are built with appropriate infrastructure links and community/placemaking objectives delivered.

For this to be achieved, the following are required:

- In the development of a Strategic Vision and, in time, a Strategic Development Plan for the area, the city-region should seek support for the Welsh Government to build a clearer vision or the evolution of the national housing market that supports new forms and quality of supply and tenure.
- To have effective decision making on housing development now, the Cardiff Capital Region should refresh where possible Local Development Plans in line with the Strategic Vision and, in time, the Strategic Development Plan, to foster a region-focussed approach rather than local approaches to home building.
- Welsh Government should speed up the release of land and investment in remediation of land, to ensure housing land is available and “ready to build.”
- Ensure housing development and planning are prioritised near Metro locations and is of sufficient scale, density and appeal to encourage investment from private institutions in well planned new districts around stations.
- Cardiff Capital Region should simplify the planning process and utilise incentives rather than penalties to encourage house builders to build in areas where the geography/quality of land poses challenges to build.
- Cardiff Capital Region should develop a plan for redundant housing stock to regenerate communities and provide a mix of tenures available to residents.
- Cardiff Capital Region should consider the creation of a Housing Bond to encourage investment finance into housebuilding within the region.
- LAs should consider developing a joint stock housing company to drive additional supply.

## 3.6 ORGANISATION: GOVERNANCE AND LEADERSHIP

The City Deal will involve a wide-ranging governance arrangement involving the public and private sectors. The following bodies are mooted:

- **Cardiff Capital Region Cabinet**, comprised of the 10 Local Authorities - this will form the ultimate decision-making body in the governance structure. It has the status of a Joint Committee and will monitor the performance of the City Deal.
- **Cardiff Capital Region Economic Growth Partnership**, established to bring together business, higher education and local government. It will be responsible for setting the overarching city-region economic development strategy.
- **Independent Growth and Competitiveness Commission**, to review activities related to the City Deal, examine the challenges and opportunities for economic growth and make recommendations as to how the Cardiff Capital Region can achieve its full growth potential.
- **Cardiff Capital Region Business Organisation**, to provide a clear voice to influence and shape business support programmes.
- **Cardiff Capital Region Skills and Employment Board**, to strengthen the existing Learning, Skills and Innovation Partnership.
- An **Integrated Delivery Unit** for regionally significant aspects of economic development.
- **Cardiff Capital Region Transport Authority**, a non-statutory body to co-ordinate transport planning and investment in partnership with Welsh Government.
- **A Joint Programme Management Team** is referenced in the City Deal, the

role and function of which is not specified.

In addition, Local Authority partners have suggested a **Cardiff Innovation Capital Regional Development Corporation**<sup>43</sup>, whilst, in a separate development, the Welsh Government has also announced a **Ministerial Task Force for the South Wales Valleys**, which will consider the needs of the Valley areas in both the Cardiff Capital Region and Swansea Bay City Region.

Submissions to the Commission highlight the strength of the governance arrangements proposed for the Cardiff Capital Region City Deal. Evidence received by the Commission also stresses that the City Deal provides an important opportunity to translate this governance into action. Implementation of actions on the ground is now seen to be critical to the future of the Cardiff Capital Region.



# GOVERNANCE AND LEADERSHIP RECCOMENDATIONS

## RECOMMENDATION 12 – PROMOTING THE CAPITAL REGION

**The identity of the region is not yet well established** or communicated. Currently only 33% of surveyed residents are confident that they know what the Capital Region is<sup>44</sup>. The region has many assets and attributes that should be better understood and known to citizens, external investors and mobile sources of jobs and skilled people.

City-regions must work hard to forge a clear identity and a strong reputation as a good place to visit, live, invest, locate and trade with. The Capital Region needs a **single point of leadership and coordination on city-region promotion** in contested markets such as tourism, FDI, trade development, airline routes, hosting of events, festivals, film shoots, TV production, international and UK students, institutional investment and congresses.

This activity should be organised to benefit from partnership between the Welsh Government, regional business organisations, and local government through the proposed **Regional Economic Growth Partnership**.

## RECOMMENDATION 13 – ORGANISING THE CAPITAL REGION

**The Cardiff Capital Region Cabinet should quickly establish itself as the primary strategic decision making body for the city-region and build a strong partnership with WAG to ensure that Local and Welsh Government act in tandem, as the City Deal requires.**

**This means that the CCR Cabinet should integrate appropriate strategic activities in Economic Development, Spatial Development, Transport, and Skills and Employment within a single framework of authority and reporting, and avoid fragmented initiatives.**

The CCR Cabinet should agree how to use existing capabilities to deliver city-region priorities and charge an efficient delivery unit with supporting the delivery of the City Deal process. The Cabinet should consult the Minister for Economic Development on the preferred arrangements for participation of the Welsh Government in these efforts immediately.

It should also agree a communications strategy to communicate the City Deal, economic strategy, the City Deal plans and to clarify governance arrangements for everyone across the city-region, which continues to be somewhat confusing for the uninitiated.

**The agreed Regional Economic Growth Partnership should be rapidly established.** It should have staff sufficient to deliver operations that build on current capacity of partners in the city-region. It should lead on promotion and branding of the city-region and work closely with other business organisations to coordinate local, regional and national efforts.

- <sup>1</sup> <http://gov.wales/topics/businessandconomy/growing-the-economy/city-regions/?lang=en>;  
[http://www.lskip.wales/downloads/160731\\_LSkip\\_EandS\\_Plan\\_with\\_cover\\_English.pdf](http://www.lskip.wales/downloads/160731_LSkip_EandS_Plan_with_cover_English.pdf);  
<http://gov.wales/docs/det/publications/150306cardiffcapitalregionen.pdf>;  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508268/Cardiff\\_Capital\\_Region\\_City\\_Deal.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508268/Cardiff_Capital_Region_City_Deal.pdf)
- <sup>2</sup> <http://gov.wales/topics/transport/public/metro/?lang=en>
- <sup>3</sup> ONS data provided for CCR
- <sup>4</sup> ONS data provided for CCR
- <sup>5</sup> ONS data
- <sup>6</sup> ONS 12th October 2016
- <sup>7</sup> LSE Growth Commission (full ref?)
- <sup>8</sup> Welsh Government (2016) Taking Wales Forward.
- <sup>9</sup> Such as the Aberthaw power station in the Vale of Glamorgan, or Ford's engine-plant in Bridgend
- <sup>10</sup> <http://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/Meetings/Cabinet/2015/12/15/Reports/AgendaItem2BaselineEconomicAnalysis.pdf>
- <sup>11</sup> <https://sites.cardiff.ac.uk/ppiw/files/2015/10/Future-Need-and-Demand-for-Housing-in-Wales.pdf>
- <sup>12</sup> Based on APS employment data
- <sup>13</sup> Understanding Core Cities' Productivity Gaps
- <sup>14</sup> Understanding productivity variations between Wales and the rest of the UK. Report to the Economic Research Advisory Panel, Welsh Assembly Government. University of the West of England, Bristol and the University of Bath. Update in progress.
- <sup>15</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>16</sup> <http://www.nesta.org.uk/blog/complex-places-complex-times-analysis-complexity-uk-local-economies-and-their-future-evolution>
- <sup>17</sup> Welsh Government identifies 9 priority sectors which together account for 43% of employment in Cardiff Capital Region.
- <sup>18</sup> WISERD Report (Wales Institute of Social & Economic Research, Data & Methods, 2011)
- <sup>19</sup> <http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/landmark/wales.html?landmark=WAL&nameCode=&initial=&page=1>
- <sup>20</sup> GB Tourism Survey, International Passenger Survey
- <sup>21</sup> See e.g. Mayor of London, Natural Capital: investing in a Green Infrastructure for a Future London, 2015
- <sup>22</sup> Welsh Economic Performance: A Challenge, not a Mystery - Jonathan Price
- <sup>23</sup> Joseph Rowntree Foundation (2014) <https://www.jrf.org.uk/sites/default/files/jrf/files-research/poverty-jobs-worklessness-summary.pdf>
- <sup>24</sup> Based on the Wales' 'Barnett share' of the UK cost being £4.4 billion and Cardiff Capital Region's being 50% of the Wales total; Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>25</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by Monmouthshire County Borough Council
- <sup>26</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>27</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>28</sup> For example the Office for Budget Responsibility estimates the multiplier effect of increases in benefit spending (which mostly goes to low income households) to be twice that of the cuts in personal taxes and National Insurance (which mostly goes to median and high income households).
- <sup>29</sup> Evidence provided by Professor Steve Fothergill, CRESR, Sheffield Hallam University and National Director, Industrial Communities Alliance
- <sup>30</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>31</sup> See RSA Inclusive Growth Commission
- <sup>32</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>33</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by Monmouthshire County Borough Council
- <sup>34</sup> StatsWales (2016) Population Projections
- <sup>35</sup> Investigating the link between productivity and agglomeration for UK industries, Dr Daniel J. Graham, Centre for Transport Studies, Imperial College London
- <sup>36</sup> <http://ontheplatform.org.uk/article/making-places-greater-manchesters-spatial-framework>
- <sup>37</sup> Slidepack provided by SEWDER
- <sup>38</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>39</sup> Based on survey undertaken for the Commission
- <sup>40</sup> Submission to Cardiff Capital Region Commission on Growth and Competitiveness by the Bevan Foundation and Joseph Rowntree Foundation
- <sup>41</sup> LTA
- <sup>42</sup> Vibrant and Viable Places
- <sup>43</sup> Future Foundry Innovation District: A prospectus for the Cardiff City Region. April 2016
- <sup>44</sup> Based on a survey undertaken for the Commission



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Cardiff  
Capital  
Region  
**City Deal**

**Growth &  
Competitiveness  
Commission**

DATED

2017

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- (1) BLAENAU GWENT COUNTY BOROUGH COUNCIL
- (2) BRIDGEND COUNTY BOROUGH COUNCIL
- (3) CAERPHILLY COUNTY BOROUGH COUNCIL
- (4) THE COUNTY COUNCIL OF THE CITY AND COUNTY OF  
CARDIFF
- (5) MERTHYR TYDFIL COUNTY BOROUGH COUNCIL
- (6) MONMOUTHSHIRE COUNTY COUNCIL
- (7) NEWPORT CITY COUNCIL
- (8) RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL
- (9) TORFAEN COUNTY BOROUGH COUNCIL
- (10) THE VALE OF GLAMORGAN COUNCIL

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**JOINT WORKING AGREEMENT**  
in relation to the delivery of the Cardiff Capital Region City Deal

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Pinsent Masons

## CONTENTS

### Clause

1	DEFINITIONS AND INTERPRETATION	5
2	COMMENCEMENT, DURATION AND TERMINATION	10
3	PRINCIPLES AND KEY OBJECTIVES	11
4	THE CITY OF CARDIFF COUNCIL AS THE ACCOUNTABLE BODY	13
5	DUTIES OF THE ACCOUNTABLE BODY	13
6	DUTIES OF THE OTHER COUNCILS	13
7	BUSINES PLANS AND PROGRESS MONITORING	14
8	CARDIFF CAPITAL REGION WIDER INVESTMENT FUND(S)	16
9	DECISION MAKING	16
10	JOINT COMMITTEE	17
11	PROGRAMME BOARD AND REGIONAL PROGRAMME DIRECTOR	20
12	COMMITMENT OF THE COUNCILS AND CONTRIBUTIONS	20
13	MITIGATION	25
14	LIABILITY OF THE COUNCILS	25
15	WITHDRAWAL	26
16	CONSEQUENCES OF TERMINATION	28
17	INTELLECTUAL PROPERTY	29
18	CONFIDENTIALITY AND ANNOUNCEMENTS	30
19	CONTRACTS (THIRD PARTY RIGHTS)	30
20	DISPUTE RESOLUTION	30
21	DATA PROTECTION	31
22	FREEDOM OF INFORMATION AND ENVIRONMENT INFORMATION	33
23	NOTICES	34
24	GOVERNING LAW	34
25	ASSIGNMENTS	34

26	WAIVER	35
27	ENTIRE AGREEMENT	35
28	COUNTERPARTS	35
29	RELATIONSHIP OF COUNCILS	35
30	STATUTORY RESPONSIBILITIES	35
	SCHEDULE 1 - DELEGATIONS POLICY	36
	Schedule 2- TERMS OF REFERENCE	39
	PART 1 - JOINT COMMITTEE TERMS OF REFERENCE	39
	PART 2 - PROGRAMME BOARD TERMS OF REFERENCE	41
	SCHEDULE 3 - COUNCILS' AND REGIONAL PROGRAMME DIRECTOR'S DETAILS	42
	SCHEDULE 4 – HEADS OF EXPENDITURE	43
	SCHEDULE 5 – ACCOUNTING PERIODS	44
	SCHEDULE 6 – LIABILITY REPORT	45
	SCHEDULE 7 - CITY DEAL	46
	SCHEDULE 8 - ASSURANCE FRAMEWORK	60
	SCHEDULE 9 - IMPLEMENTATION PLAN	92
	SCHEDULE 10 - IMPLEMENTATION PLAN	92

**BETWEEN**

- (1) **BLAENAU GWENT COUNTY BOROUGH COUNCIL** of Municipal Offices, Civic Centre, Ebbw Vale, Gwent, NP23 6XB ("**Blaenau Gwent Council**");
- (2) **BRIDGEND COUNTY BOROUGH COUNCIL** of Civic Offices, Angel Street, Bridgend, CF31 4WB ("**Bridgend Council**");
- (3) **CAERPHILLY COUNTY BOROUGH COUNCIL** of Penallta House, Tredomen Park, Ystrad Mynach, Hengoed, CF82 7PG ("**Caerphilly Council**");
- (4) **THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF** of County Hall, Atlantic Wharf, Cardiff, CF10 4UW (the "**City of Cardiff Council**");
- (5) **MERTHYR TYDFIL COUNTY BOROUGH COUNCIL** of Civic Centre, Castle Street, Merthyr Tydfil, CF47 8AN ("**Merthyr Tydfil Council**");
- (6) **MONMOUTHSHIRE COUNTY COUNCIL** of County Hall, The Rhadyr, Usk, NP15 1GA ("**Monmouthshire Council**");
- (7) **NEWPORT CITY COUNCIL** of Civic Centre, Newport, NP20 4UR ("**Newport Council**");
- (8) **RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL** of The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX ("**Rhondda Cynon Taff Council**");
- (9) **TORFAEN COUNTY BOROUGH COUNCIL** of Civic Centre, Pontypool, NP4 6YB ("**Torfaen Council**"); and
- (10) **THE VALE OF GLAMORGAN COUNCIL** of Civic Offices, Holton Road, Barry, CF63 4RU ("**Vale of Glamorgan**"),

(together referred to as "**the Councils**" and individually as a "**Council**")

**BACKGROUND**

- (A) The Councils have agreed to work together and enter into this Agreement to formalise their respective roles and responsibilities in order to discharge the Councils' obligations in relation to the Cardiff Capital Region City Deal. For the avoidance of doubt, the South East Wales Metro Scheme is being financed and procured directly by the Welsh Government outside of this Agreement and the Councils are not assuming any obligations or liabilities whatsoever in respect of the South East Wales Metro Scheme.
- (B) The Councils have agreed to create a Joint Committee with a robust governance arrangement that will be responsible for overseeing and co-ordinating the discharge of the Councils' obligations in relation to the City Deal. The Joint Committee shall, amongst other matters, be responsible for the establishment of and management of the Cardiff Capital Region Wider Investment Fund(s) and delivery of key projects, in each case, as determined by the Joint Committee from time to time.
- (C) The Councils have agreed to appoint the City of Cardiff Council to act as the Accountable Body for and on behalf of the Councils and to discharge the Councils' obligations in relation to the City Deal pursuant to and in accordance with this Agreement.



- (D) The Councils wish to enter into this Agreement and deliver the City Deal pursuant to the powers conferred on them by Sections 101, 102, 111 and 113 of the Local Government Act 1972, Section 1 of the Local Authority (Goods & Services) Act 1970, Section 25 of the Local Government (Wales) Act 1994, Section 2, 19 and 20 of the Local Government Act 2000, Section 9 of the Local Government Wales Measure 2009 and all other enabling powers now vested in the Councils.

## 1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement and the Recitals, unless, the context otherwise requires the following terms shall have the meaning given to them below:-

<b>"Accountable Body"</b>	means the Council appointed under Clause 4 (Accountable Body) who shall be responsible for receiving and spending funds for and on behalf of the Councils in relation to the City Deal in accordance with the funding condition relating thereto and whose duties are set out under Clause 5 (Duties of the Accountable Body)
<b>"Accounting Period"</b>	means those periods set out in Schedule 6 (Accounting Periods) as may be amended from time to time in accordance with the terms of this Agreement
<b>"Affordability Envelope"</b>	means the overall costs and investment by each Council pursuant to their proportion of the Councils' Contribution under this Agreement over the 25 (twenty five) year evaluation period, which shall not exceed in aggregate £210,800,000 (two hundred and ten million eight hundred thousand pounds) and shall include, without limitation, all interest, inflation and UK Government cost to carry and shall be updated and will be reflected within the terms of the JWA Business Plan (as part of its approval by the Councils) to include, amongst other matters, the annual spend profile for each Council
<b>"Annual Budget"</b>	means the approved annual budget of the Accountable Body held for and on behalf of the Councils and as set out in Clause 12.4 (Annual Budget) in relation to the payment of any Joint Committee Costs in accordance with this Agreement
<b>"Annual Business Plan"</b>	means each business plan referred to in Clause 7.3 (Annual Business Plans) in relation to the annual spend for approved project(s) to be implemented in that Accounting Period in relation to the City Deal (and the manner and form of such implementation), as the same may be prepared, varied or updated from time to time in accordance with the provisions of this Agreement
<b>"Assurance Framework"</b>	means the Councils' systems, processes and protocols to assess the governance, risk management and control processes of the Councils for the discharge of their obligations in relation to the City Deal attached at 0 (Assurance Framework) of this Agreement

<b>"Business Day"</b>	means any day other than a Saturday or Sunday or a public or bank holiday in England and/or Wales
<b>"Cardiff Capital Region"</b>	comprises of the ten administrative areas of Blaenau Gwent Council, Bridgend Council, Caerphilly Council, the City of Cardiff Council, Merthyr Tydfil Council, Monmouthshire Council, Newport Council, Rhondda Cynon Taff Council, Torfaen Council and the Vale of Glamorgan Council
<b>"Cardiff Capital Region Wider Investment Fund"</b>	means the fund or funds to be established by the Councils from time to time in accordance with the terms of this Agreement in pursuance of the City Deal objectives
<b>"CDEL"</b>	means capital departmental expenditure limits
<b>"CEDR"</b>	means the Centre for Dispute Resolution
<b>"City Deal"</b>	means the agreement between the Welsh Government, the UK Government and the Councils dated 15 March 2016 and appended at Schedule 7 (City Deal) to this Agreement
<b>"Commencement Date"</b>	means the date of this Agreement
<b>"Conditions Longstop Date"</b>	means as defined in Clause 2.3 (Conditions Subsequent)
<b>"Confidential Information"</b>	all know-how and other information whether commercial, financial, technical or otherwise relating to the business, affairs or methods of all or any Council, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure
<b>"Council Contribution"</b>	means the funding provided by the Councils as set out in Clause 12.5.1(b) (Council Contribution)
<b>"Decision Period"</b>	means the period of twenty (20) Business Days from the date of the Liability Report or such other time as is unanimously agreed by all the Councils
<b>"DPA"</b>	means the Data Protection Act 1998
<b>"Gateway Review"</b>	means the five (5) yearly examination of programmes and projects by HMT to assess the progress and likelihood of the Councils' successful delivery of the City Deal (excluding the South East Wales Metro Scheme)
<b>"HMT"</b>	means Her Majesty's Treasury, a ministerial department of the UK Government

<b>"HMT Contribution"</b>	means the funding provided by HMT as set out in Clause 12.5.2 (HMT Contribution)
<b>"HMT Funding Conditions"</b>	means as defined in Clause 12.5.2 (HMT Contribution)
<b>"Implementation Plan"</b>	means the agreed implementation plan setting out, amongst other things, the process for agreeing and prioritising projects to be procured pursuant to the City Deal and as attached at 0 (Implementation Plan) to this Agreement
<b>"Intellectual Property"</b>	any and all patents, trade marks, trade names, copyright, moral rights, rights in design, rights in databases, know-how and all or other intellectual property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating to them and the right to apply for registration of them
<b>"Internal Costs"</b>	means as defined in paragraph 1.1 of Schedule 4 (Heads of Expenditure) (and shall, for the avoidance of doubt, not include any revenue costs or capital investment relating to the implementation of any project pursuant to an Annual Business Plan) and excluding Joint Committee Costs
<b>"IP Material"</b>	the Intellectual Property in the Material
<b>"Joint Committee"</b>	means the joint committee set up by the Councils pursuant to Clause 10 (Joint Committee) of this Agreement
<b>"Joint Committee Costs"</b>	means as defined in paragraph 1.2 of Schedule 4 (Heads of Expenditure) (and shall, for the avoidance of doubt, not include any revenue costs or capital investment relating to the implementation of any project pursuant to an Annual Business Plan) and excluding any Internal Costs (save for the Internal Costs of the Accountable Body which shall be accounted for as Joint Committee Costs)
<b>"Joint Committee Meeting"</b>	means a meeting of the Joint Committee duly convened in accordance with Clause 10 (Joint Committee)

<b>"JWA Business Plan"</b>	means the strategy which defines the regional objectives including the high level programme to be agreed as a "Matter Reserved To The Councils" which shall include, amongst other matters, (i) the indicative investment programme for the "Programme Themes" (as such Programme Themes are defined under the Implementation Plan) and any agreed strategic projects together with the indicative spend profile for the wider investment fund (comprising of the HMT Contribution and the Council Contribution in the aggregate sum of £495,000,000 (four hundred and ninety-five million) in relation thereto and (ii) the matters set out in Clause 7.1.4 (JWA Business Plan), in order to discharge the Councils' obligations in relation to the City Deal
<b>"Liability Report"</b>	means a report prepared by the Accountable Body (or such other Council nominated under Clause 15.3 (Withdrawal)) acting reasonably setting out the financial and resource commitments of the relevant Council under Clause 15 (Withdrawal) or 16 (Consequences of Termination) including the items set out in Schedule 6 (Liability Report)
<b>"Local Authority"</b>	a principal council (as defined in Section 270 of the Local Government Act 1972) or any body of government in Wales established as a successor of a principal councils
<b>"Lock In Period"</b>	means the period expiring on the later of: <ul style="list-style-type: none"> <li>(a) five (5) years from the Commencement Date; and</li> <li>(b) the completion of HMT's first five (5) year Gateway Review</li> </ul>
<b>"Material"</b>	all data, text, graphics, images and other materials or documents created, used or supplied by a Council in connection with this Agreement unless before the first use or supply, the Council notifies the other Councils that the data, text supplied is not to be covered by this definition
<b>"Personal Data"</b>	means the personal data as defined in the DPA
<b>"Programme Board"</b>	means as defined in Clause 11.1.1 (Programme Board and Regional Programme Director)
<b>"Programme Themes"</b>	shall have the meaning given to it under the Implementation Plan
<b>"Proportionate Basis"</b>	means the relevant proportion for each Council by reference to their respective percentage contribution as set out in Clause 12.5.3 (Councils' Contribution)
<b>"RDEL"</b>	means resource departmental expenditure limits

<b>"Regional Programme Director"</b>	means the person so appointed from time to time by the Joint Committee to represent the interests of all the Councils in respect of their operational requirements for the City Deal and who shall be called the "Regional Programme Director" working under the direction of the Joint Committee and within the scope of delegation set out in Schedule 1 (Delegations Policy) (provided that any interim arrangements for the recruitment and/or employment of such Regional Programme Director agreed prior to the date of this Agreement shall continue until such time as the Accountable Body is able to effect such appointment)
<b>"South East Wales Metro Scheme"</b>	means:- <ul style="list-style-type: none"> <li>(a) the delivery of the Valley Lines Electrification Programme; and</li> <li>(b) the wider Metro Scheme,</li> </ul> both of which are more particularly defined in Section 4 (South East Wales Metro) of the City Deal
<b>"Spending Review"</b>	means the announcement of the Spring Budget 2017 by HMT scheduled to be on Wednesday 8 March 2017
<b>"Translation Costs"</b>	means costs incurred by the Accountable Body in complying with any applicable legislation relating to its obligations under this Agreement

## 1.2 Interpretation

In this Agreement, except where the context otherwise requires:-

- 1.2.1 the singular includes the plural and vice versa;
- 1.2.2 a reference to any clause, sub-clause, paragraph, Schedule, recital or annex is, except where expressly stated to the contrary, a reference to such clause, sub-clause, paragraph, schedule, recital or annex of and to this Agreement;
- 1.2.3 any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;
- 1.2.4 any reference to legislation shall be construed as a reference to any legislation as amended, replaced, consolidated or re-enacted;
- 1.2.5 a reference to a public organisation (to include, for the avoidance of doubt, any Council) shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over either or both functions and responsibilities of such public organisation;
- 1.2.6 a reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees;
- 1.2.7 the schedule, clause, sub-clause and (where provided) paragraph headings and captions in the body of this Agreement do not form part of this Agreement and shall not be taken into account in its construction or interpretation;

- 1.2.8 words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words; and
- 1.2.9 any reference to the title of an officer or any of the Councils shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Council as that Council may from time to time appoint to carry out the duties of the officer referred to.

### 1.3 **Schedules**

The Schedules to this Agreement form part of this Agreement.

## 2. **COMMENCEMENT, DURATION AND TERMINATION**

### 2.1 **Duration of the Agreement**

This Agreement shall continue in full force and effect from the Commencement Date until the earlier of the following dates:-

- 2.1.1 the condition subsequent set out in Clause 2.3 (Condition Subsequent) are not satisfied or otherwise waived in writing by the Councils as a "Joint Committee Matter" with the prior agreement of the Accountable Body (in consultation with the other Councils) prior to the Conditions Longstop Date;
- 2.1.2 all the Councils agree in writing to its termination; or
- 2.1.3 there is only one (1) remaining Council who has not withdrawn from this Agreement in accordance with Clause 15 (Withdrawal).

### 2.2 **Termination**

Without prejudice to any other rights or remedies, this Agreement may be terminated in relation to any Council ("**Defaulter**") by the other Councils ("**Non-Defaulting Councils**") acting unanimously in giving written notice to the Defaulter effective on receipt where the Defaulter materially breaches any of the provisions of this Agreement and in the case of a breach capable of remedy fails to remedy the same within thirty (30) Business Days (or such other period as agreed by the Non-Defaulting Councils) of being notified of each breach in writing by the Non-Defaulting Councils and being required to remedy the same.

### 2.3 **Conditions Subsequent**

The Councils shall approve the terms of any Welsh Government funding conditions relating to the HMT Contribution as a "Joint Committee Matter" within six (6) months of the Commencement Date or by such other date as agreed by the Councils (with any such extension to be approved as a "Joint Committee Matter") with the prior agreement of the Accountable Body (in consultation with the other Councils) ("**Conditions Longstop Date**").

### 2.4 **Initial Project Investments**

The Parties agree and acknowledge that, notwithstanding Clause 2.3 (Conditions Subsequent) and the requirement for the Councils to agree and adopt the JWA Business Plan, the Joint Committee shall with effect from the date of this Agreement be authorised to commit up to £50,000,000 (fifty million pounds) of the HMT Contribution during the 12 month period following the date of this Agreement (or such additional period as agreed by the Councils as a Joint Committee Matter) for and on behalf of the Councils on projects approved pursuant to the terms of the Assurance Framework and the Annual Business Plan.

### 3. **PRINCIPLES AND KEY OBJECTIVES**

3.1 The Councils intend this Agreement to be legally binding.

3.2 The Councils agree to work together to discharge the Councils' obligations in relation to the City Deal pursuant to and in accordance with this Agreement.

3.3 Without prejudice to the terms of this Agreement, the Councils agree that they shall conduct their relationship in accordance with the objectives and principles set out below and shall agree the number and scope of projects to be developed in order to provide an **overall regional benefit to the Cardiff Capital Region**.

#### 3.4 **Objectives**

Without prejudice to the terms of this Agreement, the Councils agree that they will conduct their relationship in accordance with the following objectives:-

3.4.1 **Connecting the Cardiff Capital Region**, its communities, businesses, jobs, facilities and services;

3.4.2 **Investing in innovation and the digital network**, creating and nurturing new high growth businesses, increasing investment in research and development, and providing the skills that businesses need now and in the future;

3.4.3 **Developing a skilled workforce and tackling unemployment**, improving the co-ordination of skills and employment support, increasing the number of people moving into work, increasing the number of people undertaking an apprenticeship or other relevant skills provision, and giving people the skills they need;

3.4.4 **Supporting enterprise and business growth**, improving the co-ordination of local and national business support arrangements, identifying barriers to growth, supporting spatial and sectoral priorities and targeting emerging opportunities for driving economic performance;

3.4.5 **Housing development and regeneration**, delivering a strategic approach to housing, regeneration, and economic growth to create an accessible, liveable, 'work-life integrated' and highly connected Cardiff Capital Region; and

3.4.6 **Developing greater city-region governance across the Cardiff Capital Region**, exploring future options for moving to even stronger and effective governance.

#### 3.5 **Principles**

Without prejudice to the terms of this Agreement, the Councils agree that they will conduct their relationship in accordance with the following principles:-

##### 3.5.1 **Openness and Trust**

In relation to this Agreement the Councils will be open and trusting in their dealings with each other, make information and analysis available to each other, discuss and develop ideas openly and contribute fully to all aspects of making the joint working successful. Whilst respecting the mutual need for commercial confidentiality, the Councils will willingly embrace a commitment to transparency in their dealings and in particular a need to comply with statutory access to information requirements including the Environmental Information Regulations 2004 and the Freedom of Information Act 2000 and

supporting codes of practice. The Councils will be aware of the need for and respect matters of commercial confidentiality and potential sensitivity;

#### **3.5.2 Commitment and Drive**

The Councils will be fully committed to working jointly, will seek to fully motivate employees and will address the challenges of delivering the City Deal with enthusiasm and a determination to succeed;

#### **3.5.3 Skills and Creativity**

The Councils recognise that each brings complimentary skills and knowledge which they will apply creatively to achieving the Councils' objectives, continuity, resolution of difficulties and the development of the joint working relationship and the personnel working within it. It is recognised that this will involve the appreciation and adoption of common values;

#### **3.5.4 Effective Relationships**

The roles and responsibilities of each Council will be clear with relationships developed at the appropriate levels within each organisation with direct and easy access to each other's representatives;

#### **3.5.5 Developing and Adaptive**

The Councils recognise that they are engaged in what could be a long term business relationship which needs to develop and adapt and will use reasonable endeavours to develop and maintain an effective joint process to ensure that the relationship develops appropriately and in line with these principles and objectives;

#### **3.5.6 Reputation and Standing**

The Councils agree that, in relation to this Agreement and the City Deal generally, they shall pay the utmost regard to the standing and reputation of one another, and act with regard to each Council's own employer and member codes of conduct and shall not do or fail to do anything which may bring the standing or reputation of any other Council into disrepute or attract adverse publicity to any other Council;

#### **3.5.7 Reasonableness of Decision Making**

The Councils agree that all decisions made in relation to this Agreement and the City Deal generally shall be made by them acting reasonably and in good faith;

#### **3.5.8 Necessary Consents**

Each Council hereby represents to the other Councils that it has obtained all necessary consents sufficient to ensure the delegation of functions and responsibilities provided for by this Agreement; and

#### **3.5.9 Members and Officers Commitments**

Each Council shall use its reasonable endeavours to procure that their respective members and officers who are involved in the City Deal shall at all times act in the best interests of the City Deal, and act with regard to each Council's own employer and member codes of conduct, devote sufficient



resources to deliver the City Deal and respond in a timely manner to all relevant requests from the other Councils.

#### **4. THE CITY OF CARDIFF COUNCIL AS THE ACCOUNTABLE BODY**

- 4.1 The Councils (acting severally) have agreed, with effect from the Commencement Date, the City of Cardiff Council will act as the Accountable Body responsible for discharging the Councils' obligations in relation to the City Deal pursuant to and in accordance with this Agreement for and on behalf of the Councils and the City of Cardiff Council agrees to act in that capacity subject to and in accordance with the terms and conditions of this Agreement.
- 4.2 If the Accountable Body defaults and the Agreement is terminated in respect of it pursuant to Clause 2.2 (Commencement, Duration and Termination) or the Accountable Body withdraws pursuant to Clause 15 (Withdrawal), then the replacement Accountable Body will be appointed by the Joint Committee and the withdrawing or, as applicable, defaulting Accountable Body will not have the right to vote in regard to any such appointment.
- 4.3 Where a replacement Accountable Body is appointed pursuant to Clause 4.2 above, any reference to the City of Cardiff Council (in its capacity as the initial Accountable Body) shall be read with reference to the replacement Accountable Body.
- 4.4 The Accountable Body shall act as the Accountable Body and shall receive any HMT Contribution from the Welsh Government for and on behalf of the Councils and shall hold and manage such HMT Contribution in accordance with the terms of this Agreement.

#### **5. DUTIES OF THE ACCOUNTABLE BODY**

- 5.1 For the duration of this Agreement, the Accountable Body shall:
- 5.1.1 act diligently and in good faith in all its dealings with the other Councils and it shall use its reasonable endeavours to discharge the Councils' obligations in relation to the City Deal pursuant to and in accordance with this Agreement and all applicable legislation including but not limited to:-
- (a) the Well-being of Future Generations (Wales) Act 2015;
  - (b) Welsh Language (Wales) Measure 2011; and
  - (c) the Welsh Language Standards;
- 5.1.2 act as the primary interface (on behalf of itself and the other Councils) with the Welsh Government, the UK Government and the European Regional Development Fund and any other body necessary to discharge the Councils' obligations in relation to the City Deal; and
- 5.1.3 act as the Accountable Body to hold any funds received directly from the Welsh Government, the UK Government (if any), the European Regional Development Fund (if any), the Councils and/or any other sources (if any) in relation to the City Deal and only to use and release such funds as agreed in accordance with the terms of such funding and this Agreement.

#### **6. DUTIES OF THE OTHER COUNCILS**

- 6.1 For the duration of this Agreement, the other Councils shall act diligently and in good faith in all their dealings with the Accountable Body and shall use their respective reasonable endeavours to assist the Accountable Body to discharge the Councils'

obligations in relation to the City Deal pursuant to and in accordance with this Agreement and all applicable legislation.

- 6.2 It is acknowledged and agreed that the obligations and liabilities of each Council shall bind any successor authority in the event of any local government re-organisation.

## **7. BUSINESS PLANS AND PROGRESS MONITORING**

### **7.1 JWA Business Plan**

- 7.1.1 The Joint Committee shall, no later than twelve (12) months after the Commencement Date, prepare (or procure the preparation of), finalise (acting in the best interests of the Joint Committee) and recommend for agreement and adoption by the Councils the draft JWA Business Plan which shall comply with the provisions of Clause 7.1.4 below. The intention is to create an overarching five (5) year JWA Business Plan that, amongst other matters, shall set out the Councils objectives and priorities for the delivery of the City Deal that is updated annually.
- 7.1.2 The decision to approve and adopt the JWA Business Plan shall be a "Matter Reserved To The Councils".
- 7.1.3 The Councils shall use their respective reasonable endeavours to seek to agree such draft JWA Business Plan (making any amendments they may unanimously agree) and to adopt it as the formal JWA Business Plan within 60 (sixty) Business Days of the date it is first circulated to the Councils or such other date as agreed between the Councils.
- 7.1.4 The JWA Business Plan shall, amongst other matters, address the following:
- (a) the updated Affordability Envelope;
  - (b) the methodology for agreeing the nature, scope and prioritisation of projects to be developed for the overall benefit of the Cardiff Capital Region (in accordance with the terms of the Implementation Plan);
  - (c) the methodology and responsibility for any external audits in relation to this Agreement;
  - (d) the methodology and responsibility of any performance monitoring along with any performance indicators to enable the Joint Committee to measure progress against the JWA Business Plan; and
  - (e) any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports.

### **7.2 Updated JWA Business Plan**

- 7.2.1 The Joint Committee shall, no earlier than three (3) months and no later than one (1) month before the end of the relevant Accounting Period, prepare (or procure the preparation of), finalise, agree (acting in the best interests of the Joint Committee) and recommend for adoption to the Joint Committee a draft updated JWA Business Plan for the proceeding five years which shall comply with the provisions of Clause 7.1.4 above.
- 7.2.2 The decision to approve and adopt any updated JWA Business Plan shall be a "Joint Committee Matter" save to the extent that any such update amounts

to a material change to the prevailing JWA Business Plan and, in which case, the decision to approve and adopt such updated JWA Business Plan shall be a "Matter Reserved To The Councils".

- 7.2.3 The Joint Committee or the Councils (as applicable) shall use its reasonable endeavours to seek to agree such draft JWA Business Plan (making any amendments they may agree by majority) and to adopt it as the formal JWA Business Plan within 60 (sixty) Business Days of the date it is first circulated to the Joint Committee or such other date as agreed by the Councils.
- 7.2.4 The updated JWA Business Plan agreed pursuant to Clause 7.2.3 (with such amendments thereto as may be agreed by the Joint Committee or as a "Matter Reserved To The Councils" (as applicable)) shall replace the then current JWA Business Plan as the formal JWA Business Plan upon the later of:
- (a) the expiry of the then current JWA Business Plan; and
  - (b) the date of the Joint Committee' approval to it in accordance with Clause 10 (Joint Committee) or, as applicable, the date the updated JWA Business Plan is approved by the Councils as a "Matter Reserved To The Councils".
- 7.2.5 Subject to Clause 7.5, until such time as it is replaced in accordance with Clause 7.2.3, the JWA Business Plan that has most recently been adopted as the formal JWA Business Plan shall continue to be the formal binding JWA Business Plan.
- 7.2.6 Where the draft JWA Business Plan circulated under Clause 7.2.1 has not been approved by the Joint Committee or the Councils (as applicable) by the date six (6) calendar months following the date it is first circulated to the Joint Committee, the matter shall be deemed to be a JC Unresolved Matter and Clause 10.13 (Joint Committee) shall apply or where such approval is to be granted as a "Matter Reserved To The Councils", the JWA Business Plan shall be deemed not to have been approved following such six (6) calendar month period.

### 7.3 **Annual Business Plans**

- 7.3.1 The Joint Committee anticipates discharging the obligations of the Councils in relation to the City Deal through a number of projects and in respect of each Accounting Period the Regional Programme Director shall procure the preparation of, and (no later than 90 (ninety) Business Days prior to the envisaged commencement of the relevant Accounting Period) procure the circulation to the Joint Committee of a draft Annual Business Plan in relation to the annual spend for approved project(s) to be implemented in that Accounting Period in relation to the City Deal.
- 7.3.2 Within 30 (thirty) Business Days of the date of circulation of a draft Annual Business Plan in relation to an Accounting Period a Joint Committee Meeting shall be convened in accordance with Clause 10 (Joint Committee) for the consideration of and (if the Joint Committee so agrees) approval of the draft Annual Business Plan.
- 7.3.3 The Regional Programme Director shall convene a Joint Committee Meeting in accordance with Clause 10 (Joint Committee) to discuss the continued suitability of an Annual Business Plan and any required amendments thereto on or around the date 30 (thirty) Business Days prior to the envisaged date of commencement of the relevant Accounting Period. Any such

amendments must be approved by the Joint Committee pursuant to Clause 7.3.2 in order to become effective.

- 7.3.4 Where the draft Annual Business Plan circulated under Clause 7.3.1 has not been approved by the Joint Committee by the date six (6) calendar months following the date it is first circulated to the Joint Committee, the matter shall be deemed to be a JC Unresolved Matter and Clause 10.13 (Joint Committee) shall apply.

#### 7.4 **Progress Monitoring**

- 7.4.1 Progress against each JWA Business Plan and Annual Business Plan shall be regularly reviewed at the Joint Committee Meetings.
- 7.4.2 If, at any Joint Committee Meeting, any of the elected members or deputy (as applicable) in their reasonable opinion, believe that there has been a material failure of the Councils to comply with a relevant JWA Business Plan and/or Annual Business Plan, the Joint Committee shall discuss appropriate action to immediately rectify the relevant failure and/or mitigate the effects of such failure as far as possible.
- 7.4.3 Subject to Clause 7.4.3, any variations to the JWA Business Plan or an Annual Business Plan shall be effective only if approved by the Joint Committee in accordance with Clause 10 (Joint Committee).

#### 7.5 **Incorporation of Annual Business Plans into the JWA Business Plan**

Upon a draft Annual Business Plan being approved in accordance with this Clause 7, or an approved Annual Business Plan being validly varied or updated in accordance with this Clause 7, the JWA Business Plan shall be deemed to have been amended on and with effect from the date of the same insofar as such amendments to the JWA Business Plan are necessary in order to ensure that the JWA Business Plan is fully consistent, and does not conflict, with the Annual Business Plan. The contents of the Annual Business Plan shall be deemed to have been consolidated into the JWA Business Plan automatically from time to time in accordance with this Clause 7.4.3.

### 8. **CARDIFF CAPITAL REGION WIDER INVESTMENT FUND(S)**

- 8.1 The Councils agree that one of the key initial projects to be developed in relation to the City Deal is the establishment and management of the Cardiff Capital Region Wider Investment Fund(s).
- 8.2 The Regional Programme Director shall procure the preparation of an Annual Business Plan for the development of the Cardiff Capital Region Wider Investment Fund(s), in accordance with Clause 7 (Business Plans and Progress Monitoring), to determine, amongst other matters, the following:-
- 8.2.1 the legal structure of the Cardiff Capital Region Wider Investment Fund and whether it shall comprise of a single or series of funds;
- 8.2.2 the investment criteria and investment policy;
- 8.2.3 the governance structure for the investment board;
- 8.2.4 the approach to performance reporting and the interplay with the Gateway Review; and
- 8.2.5 the procedure for the appointment of a fund manager.

### 9. **DECISION MAKING**

- 9.1 In terms of the need for decisions and other actions to be taken and carried out during the term of this Agreement, the Councils have identified the following three categories together with the means by which they will be taken:-
- 9.1.1 **"Regional Programme Director Matter"** - being a matter which it is expected that the Regional Programme Director will be able to make a decision upon and have the power to bind the Joint Committee in doing so;
  - 9.1.2 **"Joint Committee Matter"** – being a matter which it is expected the elected member (or appropriate deputy) of each Council appointed pursuant to Clause 10.4 (Joint Committee) will be able to make a decision upon and have the power to bind the Council it represents in doing so;
  - 9.1.3 **"Matter Reserved To The Councils"** – being a matter which will have to be referred to each Council for and, for the avoidance of doubt, that matter requiring a decision would not be dealt with by the elected members appointed to the Joint Committee until the unanimous decision shall have been agreed by all of the Councils,

and in each case, such matters are identified in Schedule 1 (Delegations Policy).

## 10. **JOINT COMMITTEE**

- 10.1 The Councils shall form the joint committee ("**Joint Committee**") for the purpose of overseeing and co-ordinating the discharge of the Councils' obligations in relation to the City Deal and to carry out the functions set out in Schedule 2 (Joint Committee Terms of Reference) and the Joint Committee shall be known as the "Cardiff Capital Region Joint Cabinet", "Joint Cabinet" or "Regional Cabinet" (as the context requires).
- 10.2 The Joint Committee may carry out such other functions as the Councils determine from time to time and approve as a "Matter Reserved To The Councils".
- 10.3 The Joint Committee shall not have power to approve any "Matter Reserved To The Councils" pursuant of Clause 9.1.3 ("**Matter Reserved To The Councils**").
- 10.4 Each Council shall appoint one (1) elected member representative to the Joint Committee. The Chairperson of the Joint Committee shall be an elected member representative of a Council appointed to the Joint Committee and shall rotate amongst the Councils on an annual basis.
- 10.5 Each Council shall be entitled from time to time to appoint a deputy for its representative but such deputy (in each case) shall only be entitled to attend meetings of the Joint Committee in the absence of his or her corresponding principal.
- 10.6 Each Council shall be entitled to invite appropriate third parties to observe Joint Committee Meetings and such third parties shall be entitled to take part in such Joint Committee Meetings at the discretion of the Chairperson of the Joint Committee. Such observers shall not have a vote.
- 10.7 The Regional Programme Director shall attend the Joint Committee meetings but shall not have the right to vote on any Joint Committee Matters.
- 10.8 Each Council may, at their discretion, replace their representatives (and their respective deputies) appointed to the Joint Committee, provided that:-
- 10.8.1 at all times, they have representatives appointed to the Joint Committee in accordance with the roles identified in Schedule 2 (Joint Committee Terms of Reference); and

- 10.8.2 any such replacement shall have no lesser status or authority than that set out in Schedule 2 (Joint Committee Terms of Reference) unless otherwise agreed by the Councils.
- 10.9 The Joint Committee shall meet on at least a quarterly basis during the second Accounting Period and thereafter as and when required in accordance with the timetable for the City Deal and, in any event, at appropriate times and on reasonable notice (to be issued through the Regional Programme Director) to carry out the Joint Committee Matters referred to in Schedule 1 (Delegations Policy) and in carrying out such activities.
- 10.10 The Regional Programme Director shall circulate a meeting agenda and any relevant information wherever possible at least five (5) Business Days prior to the Joint Committee meeting and any representative may add to the meeting agenda (i) prior to the Joint Committee meeting by written request to the Regional Programme Director and/or (ii) by request to the Chairperson at the start of the Joint Committee meeting.
- 10.11 The quorum necessary for a Joint Committee meeting shall be an elected member or appropriate deputy appointed pursuant to Clause 10.5 (Joint Committee) from at least seven (7) of the Councils at the relevant time.
- 10.12 At meetings of the Joint Committee each elected member or appropriate deputy appointed pursuant to Clause 10.5 (Joint Committee) above from each Council shall have one vote. The Chairperson shall be granted a casting vote provided always that the Councils agree and acknowledge that the Chairperson shall not under any circumstances exercise such casting vote. Decisions at meetings of the Joint Committee will be taken by a majority vote of a quorate meeting. The Regional Programme Director shall not have a vote.
- 10.13 If, at a meeting of the Joint Committee, a matter is not determined pursuant to Clause 10.12 above, that matter ("**JC Unresolved Matter**") shall be deferred for consideration at the next Joint Committee meeting which shall be convened within ten (10) Business Days of that meeting. If at the reconvened Joint Committee meeting the JC Unresolved Matter is not determined, the JC Unresolved Matter shall become a "Matter Reserved To The Councils" and shall be deferred for consideration by each Council. Each Council shall each use its reasonable endeavours to convene a full Council meeting of its councillors as soon as reasonably practicable and in any event within three (3) weeks of the Joint Committee Meeting. Where a JC Unresolved Matter is referred to each Council as a "Matter Reserved to each Council" and is not approved unanimously by each Council, the JC Unresolved Matter shall not be agreed and shall not be implemented by the Joint Committee.
- 10.14 Each Council shall provide all information reasonably required upon request by the Joint Committee to the Regional Programme Director and shall comply with any decisions of the Joint Committee to request such information.
- 10.15 Each Council shall consult with the other Councils to ensure the diligent progress of the day to day matters relating to the discharge of the Councils' obligations in relation to the City Deal.
- 10.16 Where a Council wishes to provide any information and/or serve a notice or demand on the Joint Committee, this should be served on the Regional Programme Director in accordance with Clause 23.3 (Notices). The Regional Programme Director shall keep a record of all information, notices and demands received and shall update each representative promptly.
- 10.17 The Councils agree and acknowledge that the Joint Committee shall adopt the Accountable Body's prevailing contract standing orders, financial procedure rules, codes of conduct and such other applicable policies and procedures for and behalf of the Councils in the discharge of its obligations under this Agreement.

## 10.18 **Joint Committee May Delegate**

10.18.1 The Joint Committee may delegate any of the powers which are conferred on them under this Agreement:

- (a) to such person, sub-committee or group;
- (b) to such an extent;
- (c) in relation to such matters; and
- (d) on such terms and conditions,

as they think fit from time to time.

10.18.2 The Joint Committee may allow that such delegation shall automatically authorise further delegation of the Joint Committee's powers by any person to whom they are delegated provided that the Joint Committee specifically states this within such delegation authority.

10.18.3 The Joint Committee may revoke any delegation in whole or part, or alter its terms and conditions at any time.

## 10.19 **Sub-Committees**

10.19.1 The Joint Committee shall establish as soon as reasonably practicable the following sub-committees or groups:

- (a) Programme Management Office;
- (b) Programme Board;
- (c) Regional Transport Authority;
- (d) Regional Business Organisation;
- (e) Regional Skills and Employment Board; and
- (f) Regional Economic Growth Partnership.

10.19.2 The Councils shall work together to create and agree terms of reference for, to the extent permissible by law, a Joint Audit Committee and a Joint Scrutiny Committee.

10.19.3 It is acknowledged and agreed by the Councils that the sub-committees or groups referred to in Clauses 10.19.1 and 10.19.2:

- (a) shall undertake a number of functions including but not limited to audit, scrutiny and/or consultation services pursuant to their terms of reference; and
- (b) shall not have any delegated decision making powers (unless otherwise expressly granted by the Joint Committee).

10.19.4 Sub-committees or groups to which the Joint Committee delegates any of its powers must follow procedures which are based as far as they are applicable on those provisions of this Agreement which govern the taking of decisions by the Joint Committee.

10.19.5 The Joint Committee shall establish the membership, rules of procedure or terms of reference for all or any such sub-committees or groups to, amongst other matters, clarify their respective role and scope of delegation which shall be approved by the Joint Committee.

10.19.6 The Joint Committee may create additional sub-committees or sub-groups as it sees fit from time to time.

## 11. **PROGRAMME BOARD AND REGIONAL PROGRAMME DIRECTOR**

### 11.1 **Constitution and Authority of the Programme Board**

11.1.1 The Councils shall form the programme board ("**Programme Board**") for the purpose of implementing the City Deal and the day-to-day management of the Councils' obligations in relation to the City Deal and to carry out the functions set out in Schedule 3 (Programme Board Terms of Reference).

11.1.2 The Programme Board shall not have any decision making powers pursuant to this Agreement.

11.1.3 Each Council shall appoint one senior officer representative (which may include the chief executive or equivalent) to the Programme Board and such other representatives as the Joint Committee may determine from time to time. The chairperson shall be the Regional Programme Director or such other representatives as the Joint Committee may determine from time to time.

11.1.4 Each Council shall be entitled from time to time to appoint a deputy for its senior officer and such deputy (in each case) shall be entitled to attend meetings of the Programme Board in place of its senior officer.

11.1.5 The Councils shall, at their discretion, replace their representatives (and their respective deputies) appointed to the Programme Board provided that such replacement shall be on the same basis as the original appointed and provided further that no senior officer of the Programme Board shall be removed or replaced by any Council without that Council giving prior written notice as soon as reasonably practicable and in any event within ten (10) Business Days of its intention to remove or replace that representative.

11.1.6 The Programme Board shall meet as and when required in accordance with the timetable for the City Deal and, in any event, at appropriate times and on reasonable notice (to be issued through the Regional Programme Director).

### 11.2 **Regional Programme Director**

11.2.1 The Regional Programme Director shall attend the Joint Committee meetings but shall not have the right to vote on any Joint Committee Matters.

11.2.2 The Regional Programme Director shall have decision making powers delegated to them personally (and not the Programme Board) pursuant to Schedule 1 (Delegations Policy).

11.2.3 Where the Regional Programme Director exercises any decision making powers, the Regional Programme Director shall first consult with the Chairperson of the Joint Committee and the relevant Joint Committee portfolio lead.

## 12. **COMMITMENT OF THE COUNCILS AND CONTRIBUTIONS**



## 12.1 General

Subject to Clause 15.11.3 (Withdrawal), the Councils agree and undertake to commit to the City Deal in accordance with the terms of this Agreement and not to commission and/or undertake any procurement and/or project that seeks or would procure the delivery of all or any part of the City Deal outside the terms of this Agreement.

## 12.2 Internal Costs

12.2.1 Subject to Clauses 12.2.2 and 12.2.3 (Internal Costs), the Internal Costs incurred by each Council shall be borne by the Council providing that internal resource.

12.2.2 The Councils hereby agree that if one of the Councils believes it is likely to incur disproportionate Internal Costs that matter shall be referred to the Joint Committee for a decision as to whether such costs will be disproportionate and whether any contributions should be made to this cost by the other Councils.

12.2.3 The Parties agree and acknowledge that Internal Costs incurred by the Accountable Body in relation to the City Deal shall be accounted for as Joint Committee Costs and shall be allocated amongst the Councils in accordance with Clause 12.3.1 (Joint Committee Costs).

## 12.3 Joint Committee Costs

12.3.1 Any Joint Committee Costs incurred by the Joint Committee shall be shared on a Proportionate Basis between the Councils pursuant to this Agreement.

12.3.2 Each Council shall be required to prepare accounts including details of any Joint Committee Costs incurred pursuant to Schedule 4 (Heads of Expenditure) ("**the Accounts**") in respect of each Accounting Period and for such further and/or other accounting periods as the Joint Committee shall determine and which shall be incorporated into Schedule 5 (Accounting Periods). For the avoidance of doubt, such Accounts shall not include any revenue costs or capital investment requirements in relation to the implementation of any project pursuant to an Annual Business Plan and shall solely relate to the operational and management costs of the Joint Committee.

12.3.3 Each Council shall:-

- (a) in the Accounts make true and complete entries of all relevant payments made by it during the previous Accounting Period;
- (b) within one (1) month of the end of each Accounting Period, each Council shall provide to the Accountable Body unaudited Accounts for such Accounting Period together with certification that such Accounts comply with this Clause 12 (Commitment of the Councils and Contributions);
- (c) nominate an individual to be responsible for ensuring that Council's own compliance with this Clause 12 (Commitment of the Councils and Contributions) and the name, address and telephone number of each individual nominated pursuant to this Clause 12.3.3(c) (Commitment of the Councils and Contributions) shall be notified to the other Councils in accordance with Clause 23 (Notices); and
- (d) if an individual nominated by a Council pursuant to Clause 12.3.3(c) (Commitment of the Councils and Contributions)

changes, that Council shall notify the other Councils forthwith of the replacement nominees.

- 12.3.4 The Accountable Body shall:
- (a) within ten (10) Business Days of receipt of the Accounts submitted by the other Councils in accordance with Clause 12.3.3(b) prepare a reconciliation statement identifying the payments made by each Council and the balance due from or owing to each; and
  - (b) within twenty (20) Business Days of the preparation of the reconciliation statement send out a copy of the reconciliation statement together with either a balancing invoice or, subject to Clause 12.3.4(b), credit payments to each Council.
- 12.3.5 The Accountable Body shall not be obliged to make any payments due under this Agreement until the Accountable Body is in receipt of funds from the Joint Committee pursuant to this Clause 12.3.
- 12.3.6 A Council receiving an invoice for payment shall pay it in full within twenty (20) Business Days. Any error in a balancing invoice must be notified to the Accountable Body within five (5) Business Days of such balancing invoice being sent out. An amended balancing invoice will be issued by the Accountable Body and the Council receiving such an invoice shall pay it in full within twenty (20) Business Days.
- 12.3.7 The Councils hereby agree that if one of the Councils carries out any work or incurs any cost or expenses to carry out any work or to incur any cost or expense that is not within the budget or scope of work set out in the JWA Business Plan, that matter shall be referred by the Regional Programme Director to the Joint Committee for a decision as to whether such work, cost or expense is part of the City Deal or whether such work, cost or expense should be the entire responsibility of the Council so carrying it out or requesting it (as the case may be).

## 12.4 **Annual Budget**

- 12.4.1 The Annual Budget shall be:
- (a) in the initial period (2017-2018) prior to receipt of any HMT Contribution by the Accountable Body, £1,000,000 (one million pounds); and
  - (b) in all other cases, the Annual Budget approved by the Joint Committee for that Accounting Period provided that the Annual Budget shall not exceed the previous Annual Budget by more than 5% (five per cent),

and the Councils shall each contribute towards the Annual Budget on a Proportionate Basis and such contribution shall be in addition to the Councils' Contribution.

- 12.4.2 Where the actual aggregate Joint Committee Costs are likely to exceed the Annual Budget by more than 5% (five per cent) such additional costs shall be met through the wider investment fund (comprising of the HMT Contribution and the Councils Contribution).

## 12.5 **Contributions**

### 12.5.1 Total contribution

It is acknowledged and agreed by the Councils that the discharge of the Councils' obligations in relation to the City Deal pursuant to this Agreement shall be funded as follows:

- (a) up to £375,000,000 (three hundred and seventy five million pounds) from HMT ("**HMT Contribution**");
- (b) up to £120,000,000 (one hundred and twenty million pounds) in aggregate from the Councils ("**Councils' Contribution**") and the Councils agree and acknowledge that such Councils' Contributions shall be subject to additional costs up to the Affordability Envelope (as such costs are defined therein); and
- (c) each Council's contribution towards the Annual Budget, on a Proportionate Basis, pursuant to Clause 12.4 (Annual Budget).

### 12.5.2 HMT Contribution

- (a) Subject to Clause 12.5.2(b), it is acknowledged and agreed by the Councils that HMT's contribution shall be provided to the Welsh Government to transfer to the Accountable Body for and on behalf of the Joint Committee in the following tranches:-
  - (i) years 2016-17 to 2020-21 in the sum of £10,000,000 (ten million pounds) resource (RDEL) funding per year;
  - (ii) years 2021-22 to 2030-31 in the sum of £22,000,000 (twenty two million pounds) capital (CDEL) funding per year;
  - (iii) years 2031-32 to 2035-36 in the sum of £21,000,000 (twenty one million pounds) capital (CDEL) funding per year.
- (b) It is acknowledged and agreed by the Councils that:
  - (i) the South East Wales Metro Scheme is being financed and procured directly by the Welsh Government outside of this Agreement;
  - (ii) the HMT Contribution does not include any contribution towards the South East Wales Metro Scheme;
  - (iii) this Agreement does not include any obligations or liabilities on the Councils in respect of the South East Wales Metro Scheme; and
  - (iv) the Councils shall agree with HMT, as part of the Gateway Reviews, whether it wishes such performance assessment to have regard to wider regional benefit of or disregard the South East Wales Metro Scheme; and
  - (v) the Councils shall agree with HMT before HMT's next Spending Review whether a proportion of the forthcoming HMT Contribution may be provided as resource (RDEL) funding in place of the current capital (CDEL) funding allocation and such agreement shall be

approved by the Councils pursuant to this Agreement as a "Joint Committee Matter".

- (c) It is acknowledged and understood by the Councils that the HMT Contribution is subject to the following funding conditions:-
- (i) approval of the Assurance Framework (which the Councils have approved and attached at Schedule 8 (Assurance Framework) to this Agreement);
  - (ii) approval of and entry into this Agreement;
  - (iii) satisfying the five (5) yearly Gateway Reviews by HMT and it is acknowledged and agreed that the form of the Gateway Reviews including, but not limited to, any sanctions if key targets are not met shall be agreed with HMT and approved by the Councils pursuant to this Agreement as a "Joint Committee Matter";
  - (iv) any Welsh Government funding conditions to be proposed by the Welsh Government and approved pursuant to this Agreement by the Councils as a "Joint Committee Matter" pursuant to Clause 2.3 (Conditions Subsequent); and
  - (v) approval of the Implementation Plan (which the Councils have approved and attached at 0 (Implementation Plan) to this Agreement),

together the "**HMT Funding Conditions**".

- (d) Each Council acknowledges and agrees that:
- (i) it accepts the HMT Funding Conditions and that it shall be bound by those conditions and shall not through any act or omission place any other Council including, but not limited to, the Accountable Body in breach of any of those conditions; and
  - (ii) any Welsh Government funding conditions remain to be agreed and if and when any such conditions are agreed pursuant to Clause 2.3 (Conditions Subsequent), each Council shall be bound by those conditions and shall not through any act or omission place any other Council including, but not limited to the Accountable Body in breach of any of those conditions.

### 12.5.3 Councils' Contribution

- (a) Subject to Clause 12.5.3(b), each Council shall contribute towards the aggregate Councils' Contribution in the following proportion:

<b>Councils</b>	<b>Proportion of Contribution</b>
Blaenau Gwent	4.6%

Bridgend	9.4%
Caerphilly	12.0%
Cardiff	23.7%
Merthyr Tydfil	3.9%
Monmouthshire	6.1%
Newport	9.8%
Rhondda Cynon Taff	15.8%
Torfaen	6.1%
Vale of Glamorgan	8.5%
<b>Total</b>	<b>100%</b>

(b) It is acknowledged and agreed that the Affordability Envelope for the Councils has been approved by the Councils as at the date of this Agreement and that any decision to increase the Affordability Envelope shall be a "Matter Reserved To The Councils".

#### 12.5.4 **Audit**

Each Council shall permit all records referred to in this Agreement to be examined and copied from time to time by the Accountable Body, or any representatives of the Accountable Body or any other representatives who reasonably require access to the same in order to undertake any audit of the funds received and spent pursuant to this Agreement.

#### 12.5.5 **Retention of Records**

The accounts referred to in this Clause 12 (Commitment of the Councils and Contributions) shall be retained for a period of at least ten (10) years after delivery of the City Deal pursuant to this Agreement.

### 13. **MITIGATION**

Each Council shall at all time take all reasonable steps to minimise and mitigate any loss for which the relevant Council is entitled to bring a claim against the other Council(s) pursuant to this Agreement.

### 14. **LIABILITY OF THE COUNCILS**

14.1 The Accountable Body shall indemnify and keep indemnified each of the other Councils to this Agreement against any losses, claims, expenses, actions, demands, costs and liability suffered by that Council to the extent arising from any wilful default or breach by the Accountable Body of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of the Accountable Body or matters arising from any negligent act or omission in relation to such obligations).

14.2 No claim shall be made against the Accountable Body to recover any loss or damage which may be incurred by reason of or arising out of the carrying out by the

Accountable Body of its obligations under this Agreement unless and to the extent such loss or damage arises from a wilful default or breach by the Accountable Body under Clause 14.1 (Liability of Councils).

- 14.3 Each of the other Councils (acting severally) shall indemnify and keep indemnified the Accountable Body against all losses, claims, expenses, actions, demands, costs and liabilities which the Accountable Body may incur by reason of or arising out of the carrying out by the Accountable Body of its obligations under this Agreement for that Council or arising from any wilful default or breach by a Council of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of that Council or matters arising from any negligent act or omission in relation to such obligations) unless and to the extent that the same result from any breach by the Accountable Body of any such obligations.
- 14.4 The Councils agree and acknowledge that the amount to be paid to the Accountable Body by any of the other Councils under Clause 14.3 (Liability of Councils) shall be borne by each of the Councils to the extent of its responsibility, however in the event that the responsibility is a shared one between the Councils (so that it is not reasonably practicable to ascertain the exact responsibility between the Councils) then the amount to be paid shall be divided between the Councils on a Proportionate Basis.
- 14.5 In the event of a claim under this Clause 14 (Liability of Councils) in which it is not reasonably practicable to determine the extent of responsibility as between the Councils (including the Accountable Body), then the amount shall be divided amongst the Councils (including the Accountable Body) on a Proportionate Basis. For the avoidance of doubt, any claim arising otherwise than through the wilful default or breach by the Accountable Body or the other Councils shall be divided amongst the Councils (including the Accountable Body) on a Proportionate Basis.
- 14.6 A Council who receives a claim for losses, expenses, actions, demands, costs and liabilities shall notify and provide details of such claim as soon as is reasonably practicable the other Councils.
- 14.7 No Council shall be indemnified in accordance with this Clause 14 (Liability of Councils) unless it has given notice in accordance with Clause 14.6 (Liability of Councils) to the other Council against whom it will be enforcing its right to an indemnity under this Agreement.
- 14.8 Each Council ("**Indemnifier**") shall not be responsible or be obliged to indemnify the other Councils (including the Accountable Body) ("**Beneficiary**") to the extent that any insurances maintained by the Beneficiary at the relevant time provide an indemnity against the loss giving rise to such claim and to the extent that the Beneficiary recovers under such policy of insurance (save that the Indemnifier shall be responsible for the deductible under any such policy of insurance and any amount over the maximum amount insured under such policy of insurance).
15. **WITHDRAWAL**
- 15.1 Subject to Clause 15.2 (Withdrawal), any Council (including the Accountable Body) may at any time during this Agreement, withdraw from this Agreement in accordance with this Clause 15 (Withdrawal).
- 15.2 No Council may withdraw from this Agreement during the Lock In Period and, following such Lock In Period, the provisions of this Clause 15 shall apply.
- 15.3 Save where Clause 15.6 applies, if an Authority wishes to withdraw from the City Deal and this Agreement, it shall provide at least twelve (12) months written notice of its intention to withdraw to all the other Councils ("**Withdrawal Notice**").

- 15.4 No sooner than nine (9) months after the date of the Withdrawal Notice and no later than ten (10) months after the date of the Withdrawal Notice, the Accountable Body (or such other Council as nominated by the Joint Committee in the event that the Accountable Body issues the Withdrawal Notice) shall provide to all the Councils a Liability Report which shall be discussed by the Joint Committee at its next meeting or a specially convened meeting if the next meeting falls more than two (2) weeks after the issue of the Liability Report.
- 15.5 It is acknowledged and agreed that:
- 15.5.1 the Liability Report shall contain, as a minimum, the withdrawing Councils committed costs and liabilities up to the next Gateway Review and the withdrawing Councils committed costs and liabilities on all current projects which shall include all drawdowns of the Councils Contribution that the withdrawing Council has committed to but not yet withdrawn (whether that drawdown occurs before or after the Council formally withdraws from the City Deal and this Agreement pursuant to this Clause 15 (Withdrawal)); and
- 15.5.2 in relation to row 1 of the Liability Report in Schedule 7 (Liability Report), the withdrawing Council shall be liable to pay the higher of its committed contribution and liabilities;
- (a) up to the next Gateway Review; or
- (b) on all current projects.
- 15.6 Within the Decision Period each Council which has issued a Withdrawal Notice to the Regional Programme Director shall indicate either:-
- 15.6.1 that it withdraws from the City Deal and this Agreement; or
- 15.6.2 that it wishes to continue as a party to the City Deal and this Agreement.
- 15.7 Where further Councils (in addition to the Council issuing the Withdrawal Notice) indicate their wish to withdraw from the City Deal and this Agreement, then the provisions of Clause 15.3 (Withdrawal) shall apply to such Councils and a new Liability Report shall be prepared in respect of each of these Councils that have indicated their intention to withdraw and the provisions of Clause 15.6 (Withdrawal) shall apply.
- 15.8 Where a Council does not indicate its intentions as required by Clause 15.6 (Withdrawal) then it shall at the expiry of the Decision Period be taken to have indicated that they wish to continue as a party to the City Deal and this Agreement.
- 15.9 Any Council serving a Withdrawal Notice pursuant to Clause 15.3 or indicates that it withdraws from the City Deal and this Agreement pursuant to Clause 15.6 shall have the right to retract such Withdrawal Notice or indication that it withdraws at any point prior to the date of its withdrawal.
- 15.10 Where a Council indicates that it wishes to withdraw from the City Deal and this Agreement, then:-
- 15.10.1 the Council who shall have indicated its wish to withdraw shall pay all amounts due to be paid by it in accordance with the Liability Report and comply with its obligations under this Agreement up to the date of its withdrawal including making any payments of any expenditure referred to in Schedule 5 (Heads of Expenditure) as at that date;
- 15.10.2 the Council who shall have indicated its wish to withdraw shall be responsible for a proportion of any third party costs (which have been substantiated by the Joint Committee); and

- 15.10.3 if in the event of such a withdrawal the discharge of the Councils' obligations in relation to the City Deal is delayed then the Council who shall have indicated its wish to withdraw may be responsible for a proportion of the costs of delay to the other Councils or any costs or fines which may directly result. Such proportion will be decided by the Joint Committee and the withdrawing Council shall not be entitled to vote in this decision..
- 15.11 Where a Council withdraws from the City Deal and this Agreement in accordance with this Clause 15 (Withdrawal):
- 15.11.1 any capital asset acquired and/or secured and/or owned and provided by such withdrawing Council for the purposes of the City Deal will remain in the ownership of the withdrawing Council and the withdrawing Council will reimburse the remaining Councils their respective contributions (if any) together with any reasonable costs incurred as a result of the withdrawal or default;
- 15.11.2 the other Councils may elect to continue or discontinue with any procurement and/or project forming part of the City Deal in the administrative area of the withdrawing Council;
- 15.11.3 the withdrawing Council may elect to independently pursue the procurement of any project within its administrative area which was identified as part of the City Deal provided that it does so at its own cost without any access to any of the HMT Contribution or Councils' Contribution pursuant to this Agreement;
- 15.11.4 unless agreed otherwise by the remaining Councils, the Council who shall have indicated its wish to withdraw from the City Deal shall not remove its appointees to the Joint Committee for a period of not less than three (3) months commencing on the date of such Council's withdrawal, provided that the costs associated with those appointees to the Joint Committee shall be borne by the remaining Councils on a Proportionate Basis; and
- 15.11.5 save for the obligations set out in Clause 12 (Commitment of the Councils and Contributions), Clause 14 (Liability of the Councils), this Clause 15 (Withdrawal) and Clause 18 (Confidentiality and Announcements), the withdrawing Council shall be released from its respective obligations described in this Agreement from the date of withdrawal.

## 16. CONSEQUENCES OF TERMINATION

- 16.1 If the Agreement is terminated in accordance with Clause 2.2 (Termination), save for the obligations set out in Clause 12 (Commitment of the Councils and Contributions), Clause 14 (Liability of the Councils), this Clause 16 (Consequences of Termination) and Clause 18 (Confidentiality and Announcements), the Councils shall be released from their respective obligations described in this Agreement.
- 16.2 Where this Agreement is terminated in respect of that Council in accordance with Clause 2.2 (Termination):
- 16.2.1 any capital asset acquired and/or secured and/or owned and provided by such Defaulter for the purposes of the City Deal will remain in the ownership of the Defaulter and the Defaulter will reimburse the remaining Councils their respective contributions (if any) together with any reasonable costs incurred as a result of the withdrawal or default;
- 16.2.2 the other Councils may elect to continue or discontinue with any procurement and/or project forming part of the City Deal; and



- 16.2.3 the Defaulting Council may elect to independently pursue the procurement of any project within its administrative area which was identified as part of the City Deal provided that it does so at its own cost without any access to any of the HMT Contribution or Councils' Contribution pursuant to this Agreement.
- 16.3 The Councils acknowledge and agree that:-
  - 16.3.1 the City Deal has been modelled on the basis of participation by all the Councils and that there are considerable economic benefits to be achieved as a result of such joint working; and
  - 16.3.2 accordingly, in the event that this Agreement is terminated in relation to any Council pursuant to Clause 2.2 (Termination) such Defaulter shall be liable to the Non-Defaulting Council or Councils for their reasonable and properly incurred costs in relation to the City Deal as set out in Clause 15.5 (Withdrawal) and Schedule 6 (Liability Report).

## 17. **INTELLECTUAL PROPERTY**

- 17.1 Each Council will retain all Intellectual Property in its Material.
- 17.2 Each Council will grant all of the other Councils a non exclusive, perpetual, non-transferable and royalty free licence to use, modify, amend and develop its IP Material for the discharge the Councils' obligations in relation to the City Deal and any other purpose resulting from the City Deal whether or not the party granting the licence remains a party to this Agreement.
- 17.3 Without prejudice to Clause 17.1 (Intellectual Property), if more than one Council owns or has a legal or beneficial right or interest in any aspect of the IP Material for any reason (including without limitation that no one Council can demonstrate that it independently supplied or created the relevant IP Material without the help of one or more of the other Councils), each of the Councils who contributed to the relevant IP Material will grant to all other Councils to this Agreement a non-exclusive, perpetual, non-transferable and royalty free licence to use and exploit such IP Material as if all the other Councils were the sole owner under the Copyright Design and Patents Act 1988 or any other relevant statute or rule of law.
- 17.4 For the avoidance of doubt, any entity or person who is at the date of this Agreement a party to this Agreement and who has licensed any Intellectual Property under this Agreement will have a non-exclusive, perpetual right to continue to use the licensed Intellectual Property.
- 17.5 Each Council warrants that it has or will have the necessary rights to grant the licences set out in Clause 17.2 (Intellectual Property) and 17.3 (Intellectual Property) in respect of the IP Material to be licensed.
- 17.6 Each Council agrees to execute such further documents and take such actions or do such things as may be reasonably requested by any other Councils (and at the expense of the Council(s) making the request) to give full effect to the terms of this Agreement.

## 18. **CONFIDENTIALITY AND ANNOUNCEMENTS**

- 18.1 Each Council ("**Covenanter**") shall, both during the currency of this Agreement and at all times following its termination or expiry, keep private and confidential and shall not use or disclose (whether for its own benefit or that of any third party) any Confidential Information about the business of and/or belonging to any other Council or third party which has come to its attention as a result of or in connection with this Agreement.
- 18.2 The obligation set out in Clause 18.1 (Confidentiality and Announcements) shall not relate to information which:-
- 18.2.1 comes into the public domain or is subsequently disclosed to the public (other than through default on the part of the Covenanter or any other person to whom the Covenanter is permitted to disclose such information under this Agreement); or
  - 18.2.2 is required to be disclosed by law; or
  - 18.2.3 was already in the possession of the Covenanter (without restrictions as to its use) on the date of receipt; or
  - 18.2.4 is required or recommended by the rules of any governmental or regulatory authority including any guidance from time to time as to openness and disclosure of information by public bodies; or
  - 18.2.5 is necessary to be disclosed to provide relevant information to any insurer or insurance broker in connection with obtaining any insurance required by this Agreement.
- 18.3 Where disclosure is permitted under Clause 18.2.3 (Confidentiality and Announcements) or 18.2.4 (Confidentiality and Announcements), the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Clause 18 (Confidentiality and Announcements) and the disclosing Council shall make this known to the recipient of the information.
- 18.4 No Council shall make any public statement or issue any press release or publish any other public document relating, connected with or arising out of this Agreement or any other agreement relating to the City Deal without the prior written consent of the other Councils.

## 19. **CONTRACTS (THIRD PARTY RIGHTS)**

The Councils as parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

## 20. **DISPUTE RESOLUTION**

- 20.1 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this Clause 20 (Dispute Resolution). The Councils undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this partnership) to identify a solution which avoids legal proceedings and maintains a strong working relationship between the Councils.
- 20.2 In the event of any dispute or difference between the Councils relating to this Agreement (whether this may be a matter of contractual interpretation or otherwise) then save in relation to disputes or disagreements relating to a Matter Reserved To The Councils, the matter shall be dealt with as follows by referral in the first instance to the Joint Committee who shall meet within ten (10) Business Days of notification of

the occurrence of such dispute and attempt to resolve the disputed matter in good faith.

- 20.3 In relation to a dispute or disagreement relating to a Matter Reserved To The Councils, or if the Joint Committee fails to resolve a dispute or disagreement within five (5) Business Days of meeting pursuant to Clause 20.2 (Dispute Resolution), or fails to meet in accordance with the timescales set out in Clause 20.2 (Dispute Resolution), then the Councils in dispute or the Joint Committee (as the case may be) may refer the matter for resolution to:-
- 20.3.1 the Chief Executive(a) or Council Leader(s) (as appropriate) of the Councils;  
or
  - 20.3.2 mediation by such party as the Councils may agree; or
  - 20.3.3 the exclusive jurisdiction of the Courts of England and Wales otherwise.
- 20.4 Any dispute and/or disagreement to be determined by the Chief Executive(s) or Council Leaders (as appropriate), mediation or the Courts of England and Wales or such other body as agreed by the Councils (as the case may be) under this Agreement shall be promptly referred for determination to them.
- 20.5 The Councils shall on request promptly supply to the Chief Executive(s) or Council Leaders or mediator or the Courts of England and Wales (as the case may be) all such assistance, documents and information as may be required for the purpose of determination and the Councils shall use its reasonable endeavours to procure the prompt determination of such reference.
- 20.6 If a mediator is appointed to determine in dispute pursuant to Clause 20.3 (Dispute Resolution), then the mediator shall be deemed to act as an expert and not as an arbitrator and his determination shall (in the absence of manifest error) be conclusive and binding upon the Councils.
- 20.7 The costs of the resolution of any dispute and/or disagreement between the Councils under this Agreement shall be borne by the Councils on a Proportionate Basis to the dispute in question save as may be otherwise directed by the Chief Executive(s) or Council Leaders (as appropriate), the mediator or the Courts of England and Wales (as the case may be).

## 21. DATA PROTECTION

- 21.1 In relation to all Personal Data, each Council shall at all times comply with the DPA, (as a data controller if necessary) which includes (but is not limited to) maintaining a valid and up to date registration or notification under the DPA covering the data processing activities to be performed in connection with the City Deal.
- 21.2 Each Council:
- 21.2.1 shall process Personal Data belonging to any other Council only on the instructions of that Council (subject to compliance with applicable law);
  - 21.2.2 shall only undertake processing of Personal Data reasonably required in connection with the City Deal and shall not transfer any Personal Data to any country or territory outside the European Economic Area; and
  - 21.2.3 shall use its reasonable endeavours to procure that all relevant sub-contractors and third parties comply with this Clause 21.2 (Data Protection). For the avoidance of doubt a relevant sub-contractor is one which processes Personal Data belonging to the one or any of the Councils.

- 21.3 The Councils shall not disclose Personal Data to any third parties other than:
- 21.3.1 to employees and sub-contractors and third parties to whom such disclosure is reasonably necessary in order for the Councils to discharge the Councils' obligations in relation to the City Deal; or
  - 21.3.2 to the extent required under a court order or to comply with any applicable laws including (but not limited to) any statute, bye law, European Directive or regulation.

provided that any disclosure to any sub-contractor or any third parties under Clause 21.3.1 (Data Protection) shall be made subject to written terms substantially the same as, and no less stringent than, the terms contained in this Clause 21 (Data Protection) and that the Councils shall give notice in writing to all other Councils of any disclosure of Personal Data belonging to them which they or a sub-contractor or third parties are required to make under Clause 21.3.2 (Data Protection) immediately they are aware of such a requirement.

- 21.3.3 The Councils shall bring into effect and maintain and shall use its reasonable endeavours to ensure that all relevant sub-contractors and any third parties have in effect and maintain all reasonable technical and organisational measures necessary to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including but not limited to taking reasonable steps to ensure the reliability and probity of any employee or agent of a relevant sub contractor or any third parties having access to the Personal Data.
  - 21.3.4 Any Council may, at reasonable intervals, request a written description of the technical and organisational methods employed by any other Council and the relevant sub-contractors referred to in Clause 21.2.3 (Data Protection) Within five (5) Business Days of such a request, the Council requested to do so shall supply written particulars of all such measures as it is maintaining detailed to a reasonable level such that the requesting Council can determine whether or not, in connection with the Personal Data, it is compliant with the DPA. All Councils shall use its reasonable endeavours to ensure that the sub-contractors and any third parties also comply with such request from any other Council.
- 21.4 All Councils shall ensure that any Personal Data they obtain and provide to any other Council has been lawfully obtained and complies with the DPA and that the use thereof in accordance with this Agreement shall not breach any of the provisions of the DPA.
- 21.5 If:-
- 21.5.1 under the DPA any Council is required to provide information to a data subject (as defined in the DPA) in relation to Personal Data when such data is in the possession or under control of any other Council; and
  - 21.5.2 the required Council informs the controlling Council in writing that this is the case,
- then the controlling Council shall guarantee reasonable and prompt co-operation to the required Council in meeting its obligations under the DPA including making copies of the relevant Personal Data to the extent the same are in its possession.
- 21.6 Each Council shall provide the other as soon as reasonably practicable, with such information in relation to Personal Data and their processing as the other Council may reasonably request in writing and the party asked to provide the relevant data may reasonably be able to provide in order for the other Council to:-

- 21.6.1 comply with its obligations under this Clause and the DPA; and
- 21.6.2 assess whether the processing of the relevant Personal Data in connection with this Agreement is breaching or may breach the DPA in a manner which is material and not effectively sanctioned by any guidance statement issued by the Information Commissioner.
- 21.7 The Councils shall each take reasonable precautions (having regard to the nature of their respective obligations under this Agreement) to preserve the integrity of any Personal Data.
- 21.8 The Councils shall continually review any existing information sharing protocols being used in relation to the City Deal to ensure they remain relevant to the City Deal and to identify which Personal Data needs to be processed and on what basis to ensure compliance with this Clause 21 (Data Protection).

**22. FREEDOM OF INFORMATION AND ENVIRONMENT INFORMATION**

- 22.1 Each Council acknowledges that the other Councils are subject to the requirements of the Freedom of Information Act 2000 (“**FOIA**”) and the Environmental Information Regulations 2004 (“**EIR**”) and the Councils shall comply with the Accountable Body's policy on FOIA in respect of these information disclosure obligations to the extent they relate to the City Deal.
- 22.2 Where a Council receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of any of the other Councils in relation to the City Deal, it shall:
  - 22.2.1 transfer the request for information to the Accountable Body as soon as practicable after receipt and in any event within two (2) Business Days of receiving a request for information;
  - 22.2.2 provide the Accountable Body with a copy of all information in its possession or power in the form the Accountable Body reasonably requires within ten (10) Business Days (or such longer period as the Accountable Body may specify) of the Accountable Body requesting that information; and
  - 22.2.3 provide all necessary assistance as reasonably requested by the Accountable Body to enable the Accountable Body to respond to a request for information within the time for compliance set out in the FOIA or the EIR.
- 22.3 The Councils agree and acknowledge that the Accountable Body shall be responsible for co-ordinating any response on behalf of the relevant Councils to the extent they relate to the City Deal and all costs incurred shall be accounted for as Joint Committee Costs.
- 22.4 The Accountable Body shall be responsible for determining in their absolute discretion whether any information requested under the FOIA or the EIR:
  - 22.4.1 is exempt from disclosure under the FOIA or the EIR;
  - 22.4.2 is to be disclosed in response to a request for information.
- 22.5 Each Council acknowledges that the Accountable Body may be obliged under the FOIA or the EIR to disclose information:
  - 22.5.1 without consulting with the other Councils where it has not been practicable to achieve such consultation; or

22.5.2 following consultation with the other Councils and having taken their views into account.

## 23. **NOTICES**

23.1 Any notice or demand in connection with this Agreement to any Council shall be in writing and may be delivered by hand, prepaid first class post, special delivery post or email, addressed to the recipient at the address as the case may be set out in Schedule 3 (Councils' and Regional Programme Director's Details) or such other recipient address as may be notified in writing from time to time by any of the parties to this Agreement to all the other Councils to this Agreement.

23.2 Any notice or demand in connection with this Agreement to the Joint Committee shall be in writing and may be delivered by hand, prepaid first class post, special delivery post or email, addressed to the Regional Programme Director at the address as the case may be as set out in Schedule 3 (Councils' and Regional Programme Director's Details) or such other recipient address as may be notified in writing from time to time by the Regional Programme Director to all the Councils to this Agreement.

23.3 The notice or demand shall be deemed to have been duly served:-

23.3.1 if delivered by hand, when left at the proper address for service;

23.3.2 if given or made by prepaid first class post or special delivery post, forty-eight (48) hours after being posted (excluding days other than Business Days);

23.3.3 if given or made by email, at the time of transmission,

provided that, where in the case of delivery by hand or email such delivery or transmission occurs either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.

23.4 For the avoidance of doubt, where proceedings to which the Civil Procedure Rules apply have been issued, the provisions of the Civil Procedure Rules must be complied with in respect of the service of documents in connection with those proceedings.

## 24. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in all respects in accordance with the laws of England and Wales. Subject to Clause 20 (Dispute Resolution), the English and Welsh Courts shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

## 25. **ASSIGNMENTS**

25.1 The rights and obligations of the Councils under this Agreement shall not be assigned, novated or otherwise transferred (whether by virtue of any legislation or any scheme pursuant to any legislation or otherwise) to any person other than to any public body (being a single entity) acquiring the whole of the Agreement and having the legal capacity, power and authority to become a party to and to perform the obligations of the relevant Council under this Agreement being:

25.1.1 a Minister of the Crown pursuant to an Order under the Ministers of the Crown Act 1975; or

25.1.2 any Local Authority which has sufficient financial standing or financial resources to perform the obligations of the relevant Council under this Agreement.

26. **WAIVER**

26.1 No failure or delay by any Council to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same or some other right, power or remedy unless a waiver is given in writing by that Council.

26.2 Each Council shall pay their own costs incurred in connection with the preparation, execution, completion and implementation of this Agreement.

27. **ENTIRE AGREEMENT**

This Agreement contains all the terms which the parties have agreed in relation to the subject of this Agreement and supersedes any prior written or oral agreements, representations or understandings between the Councils relating to such subject matter. No Council has been induced to enter into this Agreement or any of these documents by statement or promise which they do not contain, save that this Clause shall not exclude any liability which one Council would otherwise have to the other in respect of any statements made fraudulently by that Council.

28. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts each of which so executed shall be an original but together shall constitute one and the same instrument.

29. **RELATIONSHIP OF COUNCILS**

Each Council is an independent body and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Councils of partnership or (except as expressly provided in this Agreement) of principal/agent or of employer/employee. No Council shall have the right to act on behalf of another nor to bind the other by contract or otherwise except to the extent expressly permitted by the terms of this Agreement. In particular for the avoidance of doubt, none of the provisions relating to the principles of working in partnership shall be taken to establish any partnership as defined by The Partnership Act 1890.

30. **STATUTORY RESPONSIBILITIES**

Notwithstanding anything apparently to the contrary in this Agreement, in carrying out their statutory duties, the discretion of any Council shall not be fettered or otherwise affected by the terms of this Agreement.

**AS WITNESSED** the duly authorised representatives of the Councils have signed this Agreement as a deed on the date written at the beginning of this Agreement.

**Schedule 1**

**DELEGATIONS POLICY**

<b>DECISION</b>	<b>REGIONAL PROGRAMME DIRECTOR MATTER</b>	<b>JOINT COMMITTEE MATTER</b>	<b>MATTER RESERVED TO THE COUNCILS</b>
<b>KEY THEMES</b>			
1. Approval and adoption of the JWA Business Plan			<b>Yes</b>
2. Approval and adoption of any updated JWA Business Plan save to the extent any such update amount to a material change to the prevailing JWA Business Plan (in which case the decision to approve and adopt such updated JWA Business Plan shall be a "Matter Reserved To The Councils")		Yes	
3. Approval and adoption of the Annual Business Plans and any updated Annual Business Plan		Yes	
4. Taking action outside of the parameters of the JWA Business Plan or any Annual Business Plan(s) for specific Programme Themes or approved projects agreed in the JWA Business Plan which shall include the number and scope of projects to be developed in order to provide an overall regional benefit to the Cardiff Capital Region		Yes	
<b>ESTABLISHMENT OF A FUND</b>			
5. Agreeing the legal structure of the Cardiff Capital Region Wider Investment Fund (e.g. a separate corporate entity established as a company or LLP, a Limited Partnership or a Block of Finance / Accountable Body arrangements)		Yes	
6. Agreeing the number of, size of and scope of any investment fund(s) within the scope of the Annual Budget set out in Clause 12.4 (Annual Budget)		Yes	
7. Agreeing any governance documentation		Yes	
8. Agreeing the investment criteria and investment policy to determine when		Yes	



<b>DECISION</b>	<b>REGIONAL PROGRAMME DIRECTOR MATTER</b>	<b>JOINT COMMITTEE MATTER</b>	<b>MATTER RESERVED TO THE COUNCILS</b>
investments should be made and their prioritisation			
9. Procuring and appointing a fund manager		Yes	
<b>FUNDING AND EXPENDITURE</b>			
10. Agreeing any increase to the Affordability Envelope			<b>Yes</b>
11. Approval of any increase to the Council Contribution above the £120,000,000 (one hundred and twenty million pounds) provided for under Clause 12.5.3 (Councils' Contribution)			<b>Yes</b>
12. Agreeing any extension of time beyond the six (6) month timescale set out under Clause 2.3 (Conditions Subsequent) to allow the Councils further time to approve any Welsh Government Funding conditions		Yes	
13. Waiver of any Condition Subsequent pursuant to Clause 2.3 (Conditions Subsequent)		Yes	
14. Approval of any disproportionate Internal Costs pursuant to Clause 12.2.2 (Commitment of the Councils and Contributions)		Yes	
15. Approval of expenditure within the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 12.4 (Annual Budget)	Yes		
16. Approval of the Annual Budget pursuant to Clause 12.4.1(b) (Annual Budget)		Yes	
17. Approval of additional expenditure up to of 5% (five per cent) of the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 12.4 (Annual Budget)		Yes	
18. Agreeing the form of the Gateway Reviews		Yes	
19. Agreeing any Welsh Government Funding conditions		Yes	
20. Approval of whether some of the HMT Contribution capital funding can be used as revenue pursuant to Clause 12.5.2(b)(v) (HMT		Yes	

DECISION	REGIONAL PROGRAMME DIRECTOR MATTER	JOINT COMMITTEE MATTER	MATTER RESERVED TO THE COUNCILS
Contribution)			
21. Entering into (or agreeing to enter into) any borrowing arrangement on behalf of the Joint Committee and/or giving any security in respect of any such borrowing		Yes	
22. Accepting terms and conditions in relation to any third party funding for the City Deal		Yes	
<b>GENERAL</b>			
23. Replacement of the Accountable Body pursuant to Clause 4.2		Yes	
24. Establishment of a sub-committee pursuant to this Agreement and determining their terms of reference and scope of delegation.		Yes	
25. Making any variations to or waiving any rights to or terminating any contracts signed by Councils / the Accountable Body (other than this Agreement) which are material to the City Deal.		Yes	
26. Amendments to the terms of this Agreement		Yes	
27. The engagement of (and terms of engagement of) any individual person as a consultant where the value of the appointment does not exceed £50,000 per Accounting Period	Yes		
28. Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against the Joint Committee or individual Council in relation to the City Deal, except in relation to debt collection in the ordinary course of business.		Yes	
29. Making any announcements or releases of whatever nature in relation to the Joint Committee and the City Deal		Yes	
30. Appointment of Regional Programme Director		Yes	
31. Any other matters not covered in this Schedule 1 (Delegations Policy)		Yes	

## Schedule 2

### TERMS OF REFERENCE

#### PART 1

#### JOINT COMMITTEE TERMS OF REFERENCE

##### Aims/Purpose

1. To oversee the progress the City Deal and to give strategic direction.
2. The Joint Committee will be the key body to oversee the City Deal and to represent the interests of the Councils and its stakeholders. The Joint Committee will also be responsible for monitoring project progress and managing the political dimensions of the City Deal.
3. It is recommended that the Joint Committee will carry out the following functions:
  - Determine the form of and number of fund(s) to deliver the City Deal.
  - Agree key projects to deliver the City Deal excluding the South East Wales Metro Scheme
  - Provide strategic direction to the Regional Programme Director (to include approval of remit for the Regional Programme Director and approval of any resourcing issues)
  - Act as a representative for each of the Councils to ensure consistency with individual objectives and visions
  - Monitor performance, management and working arrangements (to include the necessary audit and assurance checks)
  - Ensure that sufficient resources are committed to the City Deal
  - Arbitrate on any conflicts within the programme or negotiate a solution to any problems between the programme and external bodies
  - Communicate and provide progress on strategic issues within the City Deal
  - Promote partnership working between the Councils
  - Publish annual governance statement and Annual Accounts in accordance with the Assurance Framework
  - Liaise with other City Deal partners across the United Kingdom to share best practice and ensure a co-ordinated strategic approach

##### Terms

4. At the start of the City Deal, to agree:
  - The project plan to include key themes and funds to be progressed
  - Decision-making process prior to making recommendations to Cabinet
5. During the planning and development stages, to:
  - Review project status against the project plan
  - Monitor the management of project budget, risks and quality
  - Promote and support the project among relevant stakeholders and where appropriate obtain their consent.
  - Seek to resolve disputes where these cannot be resolved satisfactorily through other means
  - Ensure that the proposals are affordable and deliver maximum value for money for the public sector.

## **Procurement of contracts for goods, works or services**

6. Where the Joint Committee is procuring any goods, works or services, at the start of a procurement, the Joint Committee shall agree:
  - Measures against which the benefits realisation should be measured
  - Arrangements for quality assurance and risk management
  - Arrangements for communications
  - Arrangements for procurement launch for specific projects (where appropriate)
  
7. As the procurements progress, to:
  - Review the project status against the project plan
  - Monitor the management of procurement budget, risks and quality
  - Agree progression through key stages (eg including but not limited to issue of the OJEU, pre-qualification stage and preferred bidder stage) and obtain all associated 'sign-offs'.
  - Agree draft procurement documents
  - Agree the process for evaluating bids and the detailed evaluation criteria and scoring
  - Report to the Cabinet on the progress of the procurement
  - Act as the ambassadors for the procurement and the project it facilitates
  
8. At the end of the procurement, to:
  - Ensure that the expected products have been delivered satisfactorily
  - Ensure that the pre contract risk review is completed
  - Agree any financial business cases and recommend it to Cabinet
  - Recommend award of contract to Cabinet and obtain all final 'sign-offs'.

**PART 2**

**PROGRAMME BOARD TERMS OF REFERENCE**

**To be finalised and inserted by agreement of the Councils as a Joint Committee Matter**

**DRAFT**

**Schedule 3**

**COUNCILS' AND REGIONAL PROGRAMME DIRECTOR'S DETAILS**

<b>RECIPIENT'S NAME</b>	<b>ADDRESS</b>	<b>EMAIL</b>
Blaenau Gwent Council: Managing Director	Municipal Offices, Civic Centre, Ebbw Vale, Gwent, NP23 6XB	Stephen.Gillingham@blaenau-gwent.gov.uk
Bridgend Council: Chief Executive	Civic Offices, Angel Street, Bridgend, CF31 4WB	darren.mepham@briegend.gov.uk
Caerphilly Council: Chief Executive	Penallta House, Tredomen Park, Ystrad Mynach, Hengoed, CF82 7PG	chrisburns@carerdphilly.gov.uk
Cardiff Council: Chief Executive	County Hall, Atlantic Wharf, Cardiff, CF10 4UW	paul.orders@cardiff.gov.uk
Merthyr Tydfil Council: Chief Executive	Civic Centre, Castle Street, Merthyr Tydfil, CF47 8AN	chief.executive@merthyr.gov.uk
Monmouthshire Council: Chief Executive	Croesyceilog, Cwmbarn, NP4H	PaulMatthews@monmouthshire.gov.uk
Newport Council: Chief Executive	Civic Centre, Newport, NP20 4UR	will.gogfrey@newport.gov.uk
Rhondda Cynon Taf Council: Chief Executive	The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2X	christopher.d.bradshaw@rctcbc.gov.uk
Torfaen Council: Chief Executive	Civic Centre, Pontypool, NP4 6YB	alison.ward@torfaen.gov.uk
The Vale of Glamorgan County Borough Council: Managing Director	Civic Offices, Holton Road, Barry, CF63 4RU	drthomas@valeofglamorgan.gov.uk
Regional Programme Director	Civic Offices, Angel Street, Bridgend, CF31 4WB	Sheila.Davies@bridgend.gov.uk

## Schedule 4

### HEADS OF EXPENDITURE

1. The following is a non-exhaustive list of the heads of expenditure that may be incurred by the Councils in the City Deal:-
  - 1.1 **"Internal Costs"** means the costs associated with each Council providing internal Council resources in relation to the City Deal which includes but is not limited to:
    - 1.1.1 Staffing costs and associated overheads
    - 1.1.2 Project management / technical & admin support
    - 1.1.3 Communications
    - 1.1.4 costs incurred in respect of managing FOIA requests pursuant to Clause 22 (Freedom of Information and Environmental Information)
  - 1.2 **"Joint Committee Costs"** means the operational and management costs of the Joint Committee which includes but is not limited to
    - 1.2.1 Staffing costs and associated overheads
    - 1.2.2 Project management / technical & admin support
    - 1.2.3 Communications
    - 1.2.4 Translation Costs
  - 1.3 For the avoidance of doubt, Internal Costs and Joint Committee Costs do not include any revenue costs or capital investment relating to the implementation of any project pursuant to an Annual Business Plan.

## Schedule 5

### ACCOUNTING PERIODS

The initial Accounting Period shall be the date of this Agreement until 31st March and thereafter shall be as follows:

<b>Start of Accounting Period</b>	<b>End of Accounting Period</b>
1 April	30 June
1 July	30 September
1 October	31 December
1 January	31 March

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**Schedule 6**

**LIABILITY REPORT**

The Liability Report shall include (but shall not be limited to) irrecoverable expenditure incurred and committed in relation to the following:

	<u>Amount</u> (all figures in round pounds)
Any committed costs including but not limited to those set out in Clause 15.5 (Withdrawal)	
Procurement Costs	
Costs associated with delays and having to revisit any procurements (including but not limited to the cost of legal, financial and technical advice)	
Land costs – costs associated with identifying and procuring land	
Staff costs (and associated overheads) in progressing the scheme:-  a) Consultancy / Advisors fees  b) Internal Project Management and monitoring  c) Internal Professional advice	
All other reasonable and properly incurred costs and losses (to include the cost of preparing the Liability Report)	
Any costs, claims and damages arising from any third parties in respect of any costs relating to any delay or arising from the termination	

Certified Correct \_\_\_\_\_  
 (Signed)

\_\_\_\_\_  
 (Date)

# Cardiff Capital Region City Deal

## Executive Summary

1. Cardiff Capital Region has secured a deal worth £1.2 billion. Over its lifetime, local partners expect the City Deal to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.

2. This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that builds on the region's sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow.

3. This deal will also develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses.

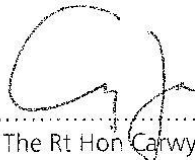
4. The Cardiff Capital Region City Deal includes:

- **£1.2 billion investment in the Cardiff Capital Region's infrastructure.** A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme.
- **Connecting the region.** The Cardiff Capital Region will establish a new non-statutory **Regional Transport Authority** to co-ordinate transport planning and investment, in partnership with the Welsh Government.
- **Support for innovation and improving the digital network.** To develop capabilities in Compound Semiconductor Applications the UK Government will invest £50 million to establish a new Catapult Centre in Wales. The Cardiff Capital region will also prioritise investment in research and development and provide support for high value innovative businesses.
- **Developing a skilled workforce and tackling unemployment.** The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed.
- **Supporting enterprise and business growth.** A Cardiff Capital Region Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders.
- **Housing development and regeneration.** The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

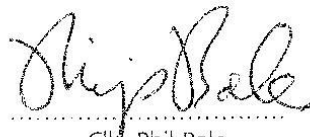
Our signing of this document, subject to relevant council approvals, confirms our joint commitment to ensure full implementation of the Cardiff Capital Region City Deal proposed by: City of Cardiff Council; Blaenau Gwent County Borough Council; Bridgend County Borough Council; Caerphilly County Borough Council; Merthyr Tydfil County Borough Council; Monmouthshire County Council; Newport City Council; Rhondda Cynon Taff County Borough Council; Torfaen County Borough Council; and Vale of Glamorgan Council.



The Rt Hon Stephen Crabb  
Secretary of State for Wales



The Rt Hon Carwyn Jones  
First Minister of Wales



Cllr. Phil Bale  
Leader of City of Cardiff  
Council



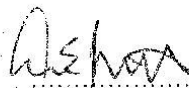
The Rt Hon Greg Hands  
Chief Secretary to the  
Treasury



Jane Hutt  
Minister for Finance and  
Government Business  
Welsh Government



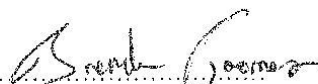
Cllr. Steve Thomas  
Leader of Blaenau Gwent  
County Borough Council



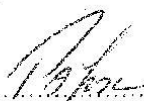
Cllr. M E J Nott OBE  
Leader of Bridgend County  
Borough Council



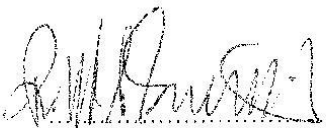
Cllr. Keith Reynolds  
Leader of Caerphilly County  
Borough Council



Cllr. Brendan Toomey  
Leader of Merthyr Tydfil  
County Borough Council



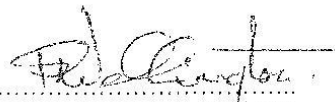
Cllr. Peter Fox  
Leader of Monmouthshire  
County Council



Cllr Bob Bright  
Leader of Newport City  
Council



Cllr. Andrew Morgan  
Leader of Rhondda Cynon  
Taff County Borough  
Council



Cllr. Robert Wellington CBE  
Leader of Torfaen County  
Borough Council



Cllr. Neil Moore  
Leader of Vale of  
Glamorgan Council

## Introduction

5. The Cardiff Capital Region is comprised of ten local authorities: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taff; Torfaen; and Vale of Glamorgan. It is the largest city-region in Wales and accounts for approximately 50% of the total economic output of the Welsh economy, 49% of total employment and has over 38,000 active businesses.

6. The Cardiff Capital Region is an area where people want to live and work. With two cities (Cardiff and Newport) at its core, the region has seen significant regeneration and investment over recent decades. Cardiff, as the capital city, is now dynamic, fast growing and forecast to have a higher population growth rate over the next 20 years than any other city in the UK.

7. The area is home to a range of competitive business clusters with significant international and indigenous businesses across sectors such as: financial services; creative and digital industries; advanced manufacturing; life sciences; energy; and energy supply. These business clusters are serviced through a wide and supportive ecosystem. This ecosystem contains a thriving higher education sector which includes Cardiff University, Cardiff Metropolitan University and the University of South Wales..

8. However, despite these strengths, numerous challenges remain. Gross Value Added, which is a measure of goods and services produced in an area, is lower than all but one of the English Core City Regions. There are also connectivity issues across the region which makes it more difficult for people in Valley's communities to access economic opportunities.

9. Recognising these opportunities and challenges all the signatories to this deal are working together to realise the vision for the Cardiff Capital Region, which is to: *“work together to improve the lives of people in all our communities. We will maximise opportunity for all and ensure we secure sustainable economic growth for future generations”*. This City Deal provides local partners with further powers and tools to realise this vision.

## Key Elements of the Deal

### Cardiff Capital Region Investment Fund

10. This City Deal sets out a transformative approach in how the Cardiff Capital Region will deliver the scale and nature of investment needed to support the area's growth plans. Central to this will be the development of a 20 year £1.2 billion Investment Fund, which the Cardiff Capital Region will use to invest in a wide range of projects.

11. Both the UK and Welsh Government are contributing £500 million to this fund respectively. The Welsh Government funding will be provided over the first seven years of the Investment Fund, from 2016/17 to 2022/23. The ten local authorities in the Cardiff Capital Region will contribute a minimum of £120 million over the 20 year period of the Fund. In addition, over £100m from the European Regional Development Fund has been committed to delivering the City Deal.

12. The Cardiff Capital Region believes investments in these areas will deliver up to 25,000 new jobs and bring forward at least £4 billion of additional investment from local partners and the private sector by 2036.

### South East Wales Metro

13. A key priority, which the City Deal Investment Fund will support, is the delivery of the South East Wales Metro. The scheme has the potential to provide a significantly improved public transport system that will transform the way people travel around the region.

14. Given the importance of the Metro to the UK Government, Welsh Government and Cardiff Capital Region, a proportion of the Investment Fund will be pre-allocated to the delivery of this scheme. This pre-allocation focuses on both phases of the wider Metro scheme. These are:

- The delivery of the Valley Lines Electrification programme. This City Deal reconfirms the continued shared ambition of both Government's and the Cardiff Capital Region to deliver this element of the wider Metro scheme. £325 million of the £1.2 billion Investment Fund has already been committed to the delivery of this scheme (£125 million from the UK Government, £94 million from the Welsh Government and £106 million from the European Regional Development Fund).
- The delivery of the wider South East Wales Metro scheme. The Welsh Government will pre-allocate over £400m further funding from the Investment Fund to deliver the wider ambitions around the Metro scheme, which is the subject of ongoing design work. As part of this City Deal the Welsh Government commits to involving the Cardiff Capital Region in the co-design of the wider Metro scheme and in the procurement of a delivery organisation.

15. The Department for Transport will agree the arrangements for making the agreed contribution to the Valley Lines Electrification project with the Welsh Government.



The Welsh Government will agree with the local authorities the arrangements for managing the funding of the Metro scheme, and how it interacts with funding for additional Metro investments delivered through this City Deal.

### **Wider Investment Priorities**

16. The remaining element of the Investment Fund will be used to take forward a wide range of projects and schemes that support economic growth across the Cardiff Capital Region. Decisions on the prioritisation of these schemes will be taken by the Cardiff Capital Region Cabinet. Schemes taken forward could include: further transport schemes; investment to unlock housing and employment sites; and development of research and innovation facilities.

### **Investment Fund Assurance Framework**

17. The ten local authorities across the Cardiff Capital Region commit to writing and adopting an assurance framework for this Investment Fund. This will be agreed by the UK and Welsh Government. By adopting the assurance framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes that are taken forward (outside of the South East Wales Metro which will be subject to a separate assessment against an assurance framework) represent good value for money and are underpinned by a robust business case.

18. This assurance framework will be based on existing best practice from the UK Government and Welsh Government. In addition the framework will also draw upon any local best practice for managing investment decisions across the Capital Region. Key elements that the assurance framework will include are:

- purpose, structure and operating principles of the framework;
- arrangements to ensure value for money and effective delivery through strong project development, project and options appraisal, prioritisation, and business case development;
- a description of the arrangements for supporting the effective delivery and implementation of projects and schemes, including relationships with delivery bodies; and
- arrangements which enable effective and meaningful engagement of local partners and the public in the investment decisions taken and subsequent scrutiny of these decisions.

### **Investment Fund Gateway Assessments**

19. Cardiff Capital Region will be required to evaluate the impact of the Investment Fund in order to unlock funding that has not been pre-allocated to the South East Wales Metro programme. This will be comprised of gateway assessments every five years. To underpin these gateway assessments, an independent review will be commissioned to evaluate the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Cardiff Capital Region, but agreed at the outset with the UK Government. The next five year tranche of funding will be unlocked if the UK and Welsh Governments are satisfied

that the independent assessment shows the investments to have met key objectives and contributed to national growth.

### **Local Authority Borrowing**

20. Throughout the course of the City Deal programme the ten Cardiff Capital Region local authorities will be responsible for financing the capital investment programme. The difference in the profile between the proposed investment and the capital grant funding may require a local authority or authorities to borrow to fund any difference in expenditure and grant. The cost of any external borrowing is the responsibility of the relevant local authority or local authorities and is to be managed in accordance with prudential principles – it must be prudent, affordable and sustainable.

21. In a scenario where a future Investment Fund Gateway is not achieved, leading to any reduction or cessation of City Deal grant, then it will be the responsibility of individual local authorities within the Cardiff Capital Region to manage the financial impact of this within their local authority budget, utilising reserves or surpluses as required.

### **Additional Flexibilities**

22. In order to deliver the Cardiff Capital Region's City Deal commitments and a longer-term economic strategy, the ten local authorities have requested greater financial autonomy and flexibility. As part of this City Deal the Welsh Government will explore with the Cardiff Capital Region:

- the devolution of business rate income above an agreed growth baseline to provide funding for the City Deal programme;
- providing the ability to levy an infrastructure supplement;
- creating the option for the local authorities to use alternative finance sources; and
- removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty.

### **Connecting the Cardiff Capital Region**

23. Transport has a key role in delivering economic growth and improving outcomes for people by connecting communities, business, jobs, facilities and services. However across the Capital Region there are significant congestion and transport capacity issues that need to be addressed. The City Deal Investment Fund and South East Wales Metro will make a significant contribution to improving transport connectivity.

24. In addition to this investment the Cardiff Capital Region will establish a new non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. The Cardiff Capital Region Transport Authority will be responsible for:

- pooled local transport resources;
- regional planning for the local transport network;

- working with Transport for Wales to ensure objectives for transport investment are aligned;
- exploring the creation of a single integrated ticketing platform for public transport across the Cardiff Capital Region;
- working in partnership with the Welsh Government to define the priorities of the South East Wales Metro concept and to support its delivery; and
- working in partnership with the Welsh Government to promote the development of integrated aviation routes from Cardiff Airport and St Athan Enterprise Zone, to deliver economic benefit.

## **Investing in Innovation and the Digital Network**

25. The Cardiff Capital Region has an aspiration to extend the “arc of innovation” that runs along the M4 corridor into the Cardiff Capital Region. Capitalising on the research strengths of the Region’s three universities, the Cardiff Capital Region will designate an “Innovation District” that helps to: create and nurture new high growth businesses; increases investment in research and development; and provides the skills that businesses need now and in the future.

### **Developing the Compound Semiconductor Sector**

26. To transform the UK’s capability, and help position Cardiff as the European leader in Compound Semiconductor applications, the UK Government will invest £50 million to establish a new Catapult in Wales. This new Catapult will complement the work of other organisations in Wales who are already working in this important area, including the Compound Semiconductor Institute at Cardiff University and the Compound Semiconductor Centre, a joint venture between Cardiff University and IQE.

27. Recognising this opportunity, the Cardiff Capital Region will prioritise interventions that support the development of an internationally-competitive Compound Semi- Conductor cluster. Local partners believe that this will put the UK at the heart of an emerging global growth technology.

### **Innovation Investment**

28. To accelerate the growth of innovation and facilitate investment in research and development, the Cardiff Capital Region will seek to prioritise:

- mechanisms to support high growth sectors;
- the development of new facilities and employment sites;
- new approaches to public service delivery;
- the Software Academy in Newport and related programmes across the Capital Region;
- investment in intellectual property creation and commercialisation;
- adding value and complimenting existing innovation support; and
- developing a cyber-security academy with the University of South Wales.

### **Innovate UK**

29. Innovate UK is now planning to increase its footprint and presence in Wales, in order to: raise the awareness and engagement in Innovate UK programmes and activities; to strengthen its links with business, universities and other key partners; and to work with the Welsh Government to promote and support innovation.



## **Data**

30. Cardiff Capital Region commits to developing proposals for how better and more flexible use of data could be used to drive innovation across the public sector and within the wider economy. The Cardiff Capital Region will present a clear case to the UK Government for how a different approach to the use of specific data would improve service delivery and would benefit particular groups.

## **The Digital Network**

31. Innovation will also be a central theme within the Cardiff Capital Region's ambition to deliver an outstanding digital infrastructure and wider ecosystem to support economic growth. To continue to build on investments in next generation broadband, and the Region's reputation as one of the fastest growing tech hubs in the UK, the Cardiff Capital Region will prioritise:

- exploring the case for direct international connectivity;
- the mobile infrastructure across 4G and 5G technologies that add value to existing provision;
- increasing Wi-Fi services across public transport;
- digital solutions to solve the big problems, such as smart housing, citizen payments and open data challenges; and
- facilitating collaboration between stakeholders to identify and exploit opportunities.

## **Developing a Skilled Workforce and Tackling Unemployment**

32. This City Deal will improve the co-ordination and delivery of skills and employment support across the Capital Region. It will help to increase the number of people moving into work (including those that have been out of work for a long time), increase the number of people undertaking an apprenticeship or other relevant skills provision and give people the skills they need to compete in a global employment market.

### **The Cardiff Capital Region Skills and Employment Board**

33. To ensure skills provision is adapted to local economic and social needs and provides the best value for money, the Cardiff Capital Region will strengthen the existing Learning, Skills and Innovation Partnership. This will be re-launched in 2016 as the Cardiff Capital Region Skills and Employment Board.

34. The Partnership will represent a wide range of stakeholders, including: business bodies; higher and further education; local authorities and the Welsh Government.

It will be responsible for:

- Cardiff Capital Region's skills and worklessness strategy;
- pooled local authority skills resource;
- producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed;

- influencing and monitoring the delivery and impact of employment and skills programmes across the Region;
- ensuring an industry led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
- supporting the Welsh Government’s “Curriculum for Wales, Curriculum for Life” plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
- ensuring European Union funding investments in skills and employment add value and align with other programmes.

## **Work and Health Programme**

35. Cardiff Capital Region and the Welsh Government will work with Department for Work and Pensions to co-design future employment support from 2017, for people with a health condition or disability and/or long term unemployed<sup>1</sup>, many of whom are currently referred to the Work Programme and Work Choice.

36. The respective roles of the Department for Work and Pensions and Cardiff Capital Region in the co-design include:

- Department for Work and Pensions setting the funding envelope; however Cardiff Capital Region and the Welsh Government can top up this if they wish, but are not required to.
- Cardiff Capital Region and the Welsh Government setting out how they will join up local public services in order to improve outcomes for this group.
- Department for Work and Pensions setting the high level performance framework, ensuring support appropriately reflects labour market issues. The primary aim will be to reduce unemployment and move people into sustained employment.
- Cardiff Capital Region (working with the Welsh Government) will have input into determining specific local outcomes that reflect their labour market priorities, however these outcomes should be complementary to the ultimate employment outcome. In determining any local outcome(s) Cardiff Capital Region and the Welsh Government will work with the Department for Work and Pensions to take account of the labour market evidence base and articulate how these will both fit within the wider strategic and economic context and deliver value for money.

37. Before delivery commences the Department for Work and Pensions, Cardiff Capital Region and the Welsh Government will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support. This will include a mechanism by which each party can raise and resolve any concerns that arise.

38. The Department for Work and Pensions sets the contracting arrangements, including contract package areas, but should consider any proposals from Cardiff Capital Region on contract package area geography.

39. Providers will be solely accountable to the Department for Work and Pensions, although Cardiff Capital Region and the Welsh Government will be involved in the tender evaluation.

40. The Department for Work and Pensions and Cardiff Capital Region will develop a mechanism by which Cardiff Capital Region (working with the Welsh Government) can escalate to the Department for Work and Pensions any concerns about provider performance/reaching local agreements and require the Department for Work and Pensions to take formal contract action where appropriate.

## Supporting Enterprise and Business Growth

41. The Cardiff Capital Region is committed to improving the co-ordination of local and national business support arrangements. This includes working in partnership with the Welsh Government to address identified barriers to growth, support spatial and sectoral priorities and to target emerging opportunities for driving economic performance.

### The Cardiff Capital Region Business Organisation

42. Local partners recognise that ensuring there is a strong business voice to guide both the design and delivery of business support across the region will be critical.

43. Therefore working with public sector partners, the business community, and representative bodies, Cardiff Capital Region will establish a Cardiff Capital Regional Business Organisation. This organisation will provide a clear business voice that will influence and shape business support programmes. In creating the Board, a mapping and consultation process will be undertaken with existing advisory Boards operating within the Region. This will ensure roles and remits are complimentary and add value. The Board will be responsible for:

- articulating the regional needs of business;
- identifying regional priorities for existing business support services; and
- designing future business support programmes.

44. Membership will be drawn from across a range of sectors and interests, including social enterprises and mutuals. A joint Confederation of British Industry, Federation of Small Business, Institute of Directors and South Wales Chamber of Commerce statement outlined the underlying principles for the Business Organisation. The final structure will be designed by the Cardiff Capital Region business community.

### Integration of Local Business Support Services and Resources

45. To ensure that relevant business support and promotional activities are delivered at the Capital Region level, local resources will be aligned to create an Integrated Delivery Unit. This unit will deliver regionally significant aspects of economic development. This includes: business development; marketing; tourism; and inward investment.

46. The Integrated Delivery Unit, working in collaboration with the Welsh Government and the proposed Regional Business Organisation, will ensure that any new business support provision complements existing national initiatives. In addition, through this collaborative approach, the Welsh Government is committed to working with the Cardiff Capital Region to explore where existing business support provision can be built on or expanded, whilst avoiding duplication. A number of existing programmes (for example Business Wales, which offers a one stop shop advice and referral service to SMEs and Entrepreneurs) have already been designed through consultation with industry and have the potential to be aligned with identified regional needs and priorities.

47. Further to this, the Welsh Government is also committed to working in partnership with the Cardiff Capital Region to promote the area at a global level. As part of this, the Welsh Government will ensure greater levels of visibility with the Welsh Government's own overseas offices. In addition the Welsh Government will

continue to work closely with UK Trade and Investment to ensure that its propositions are promoted and co-ordinated across the UK Trade and Investment overseas post network.

## Housing Development and Regeneration

48. Delivering an increase in house building across the Cardiff Capital Region will help to address critical housing shortages especially for first time buyers and those unable to join the 'housing ladder'. House building is also a critical element of the economy as it: stimulates demand within the supply chain during construction and through purchases by the eventual occupiers; contributes to a more balanced regional planning framework; and is a major employer in its own right.

49. The City Deal presents a unique opportunity for the ten local authority areas to come together to develop and deliver a strategic approach to housing, regeneration and economic growth which will create an accessible, liveable, 'worklife integrated' and highly connected Capital Region. To support this ambition the Cardiff Capital Region will:

- Commit to the development of a partnership between the Cardiff Capital Region and the Welsh Government to take a strategic and balanced approach to housing and regeneration, focussing development on where it is most needed – in a regional and coordinated way.
- Ensure that new housing is linked to the delivery of sustainable and balanced communities, through the re-use of property and sites. Further, both the Welsh Government and Cardiff Capital Region will ensure that proposals to improve the efficiency and quality of the housing stock are aligned with other regeneration outcomes.
- Establish a collective way of working, for example, through an asset development vehicle to progress speculative opportunities for potential Cardiff Capital Region regeneration ventures.
- Develop an integrated public-private housing offer, with clarity over tenure, mix type, design and affordability with prototyping for 'settlements of the future'.
- Utilise innovation in local procurement to secure supply chain benefits, local labour and other social clauses to maximise value.
- Establish the delivery of renewable energy-led regeneration and housing programmes and ensure the principles of 'clean-tech' are anchored within physical development initiatives. This will contribute to ensuring 'futureproofing' and creation of new supply chain networks.
- Engage the affordable housing sector providers in the region as one network. Working with Cardiff Capital Region this network will develop a regional "Housing Plus" strategy in which added value benefits such as training construction apprenticeships, energy resilience and job creation are clearly set out and adopted. This will provide a framework against which site regeneration schemes can be prioritised for investment.

50. In both the planning and delivery of new housing and regeneration projects, the Cardiff Capital Region will ensure that there is alignment to current Welsh Government programmes including Creating Vibrant and Viable Places – the Welsh Government's regeneration framework and increasing the supply and standards of housing.

## Cardiff Capital Region Governance

51. The ten local authority partners of the Cardiff Capital Region City Deal have agreed to establish governance model that:

- complies with the existing statutory framework that exists in Wales to deliver this City Deal;
- strengthens and streamlines the existing governance and partnership arrangements across the Capital Region;
- improves business involvement in local decision making;
- provides confidence and assurance to both the UK and Welsh Government that the local authority leaders are making decisions which will drive economic growth across the Capital Region; and
- enables local authorities to explore with the Welsh Government alternative governance arrangements in the medium term.

### Cardiff Capital Region Cabinet

52. Utilising the existing statutory framework, the ten local authorities will establish a Cardiff Capital Region Cabinet. The Cabinet will have the status of a Joint Committee and will be the ultimate decision making body in the governance structure.

53. The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region. The Cabinet, which will comprise the ten participating local authorities, will provide the basis for initial decision making regarding the Investment Fund. In addition the Cardiff Capital Region Cabinet will be responsible for:

- management of the Cardiff Capital Region Investment Fund;
- additional devolved funding provided to the Capital Region;
- the Cardiff Capital Region Transport Authority;
- contracting with Transport for Wales on prioritised Metro projects;
- control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;
- strategic planning including housing, transport planning and land use;
- influencing skills and worklessness programmes;
- an Inward investment and marketing strategy; and
- considering the scope for strengthening Capital Region governance further.

54. A comprehensive agreement will be drawn up between the participating authorities which will bind and commit each individual local authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal. The agreement will also allow for the possibility of additional functions and powers to be devolved to the Cabinet in the future.

55. The Cardiff Capital Region commit to reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding. The review will include consulting the Welsh Government and the UK Government to identify actions needed to take forward future governance options.

### Strategic Regional Planning



56. The Cardiff Capital Region, in partnership with the Welsh Government, will commit to the creation of an integrated strategic development plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region.

### **Cardiff Capital Region Economic Growth Partnership**

57. A Cardiff Capital Region Economic Growth Partnership will be established to bring together business, higher education and local government. The partnership would be responsible for setting the overarching city-region economic development strategy, as well as monitoring and making recommendations to the Cabinet with regard to City Deal implementation. The partnership will have a specific role to provide advice on investment decisions. This will ensure the City Deal and other interventions make an impact on economic growth and increase employment.

58. The Partnership's membership and terms of reference will be established using the best international practice such as the Danish Growth Forums, as well as the Local Enterprise Partnership model in England and the Economic Leadership Board established in Glasgow.

### **Independent Growth and Competitiveness Commission**

59. The Cardiff Capital Region will establish an independent Growth and Competitiveness Commission to support the city region's economic and investment strategy. It will review activities related to the City Deal as well as wider economic and growth interventions.

60. The Commission's first task will be to review the evidence about the functional economic area and advise how best to generate Gross Value Added growth and support the ambitions of a dynamic capital region.

61. The Commission will be jointly established by the ten local authorities that comprise the Cardiff Capital Region in consultation with the Welsh and UK Governments.

62. The Commission will examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential.

### **Delivery, Monitoring and Evaluation**

63. Cardiff Capital region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation plan in advance of implementation, which sets out the proposed approach delivery and evaluating the impact of delivery.

64. The Cardiff Capital Region City Deal will be monitored by the Joint Cabinet. The joint programme management team will provide the Cabinet, the UK Government and the Welsh Government with quarterly performance report that will:

- highlight City Deal successes;
- provide a performance narrative for each element of the City Deal against agreed implementation plan timescales;
- provide information on outputs and outcomes agreed;
- identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

65. The UK Government and Welsh Government will work with the Cardiff Capital Region to agree a timetable for the production of these reports and will convene regular progress meetings.

66. The Cardiff Capital Region commit to recognising the “City Deal” in promoting and branding investments made as a result of this Deal. This includes acknowledging the UK Government equally alongside other funding partners. The Cardiff Capital Region may wish to explore a single unique brand identity that represents the whole Capital Region area and all the partners involved in delivering the City Deal.

DRAFT

Cardiff  
Capital  
Region  
**City Deal**

**Cytundeb  
Dinesig**  
Prifddinas  
Ranbarth  
Caerdydd

**Cardiff Capital Region City Deal  
Wider Investment Fund  
Assurance Framework**

**January 2017**

**DRAFT FOR CIRCULATION**



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## Contents

<b>1</b>	<b><u>Introduction</u></b>	<b>64</b>
1.1	<u>What is an Assurance Framework?</u>	64
1.2	<u>Why does the CCRCDC need Assurance Frameworks?</u>	64
1.3	<u>Scope of the CCRCDC Wider Investment Fund Assurance Framework?</u>	64
1.4	<u>Who is the Assurance Framework for?</u>	65
1.5	<u>Approval and Monitoring of the Assurance Framework</u>	65
1.6	<u>What is covered in this Assurance Framework?</u>	65
<b>2</b>	<b><u>Governance and Decision Making</u></b>	<b>66</b>
2.1	<u>Geography of the Cardiff Capital Region</u>	66
2.2	<u>CCR City Deal Wider Investment Fund Governance Structure</u>	66
2.2.1	<u>The Cardiff Capital Regional Cabinet</u>	68
2.2.2	<u>The CCRCDC Regional Assurance Committee</u>	69
2.2.3	<u>The Regional Transport Authority</u>	69
2.2.4	<u>Advisory/Consultation Body – Regional Business Organisation</u>	70
2.2.5	<u>Advisory/Consultation Body – Regional Skills and Employment Board</u>	70
2.2.6	<u>Advisory/Consultation Body - Regional Economic Growth Partnership</u>	71
2.2.7	<u>Advisory/Consultation Body – Welsh Government</u>	71
2.2.8	<u>The Independent Growth and Competitiveness Commission</u>	72
2.2.9	<u>The Regional Office</u>	72
2.2.10	<u>The Cardiff Capital Region Programme Board</u>	73
2.3	<u>Status and Role of the Accountable Body</u>	74
2.4	<u>Stakeholder Engagement and Transparency</u>	74
<b>3</b>	<b><u>Strategy, Programme and Prospectus</u></b>	<b>76</b>
3.1	<u>A Regional Economic Strategy</u>	76
3.2	<u>A Regional Impact Assessment Tool</u>	76
3.3	<u>A Prospectus for Growth and Prosperity</u>	77
3.4	<u>Candidate Schemes</u>	77
3.5	<u>CCR Wider Investment Fund Scheme Appraisal Framework</u>	78
3.6	<u>Appraisal Criteria</u>	80
3.7	<u>Business Case Development</u>	81

3.8	<u>Support for Candidate Scheme Development</u> .....	81
3.9	<u>Value for Money</u> .....	81
3.10	<u>Assessment Process</u> .....	82
3.11	<u>State Aid</u> .....	83
3.12	<u>From Prospectus to Delivery Programme</u> .....	84
3.13	<u>The CCR Wider Investment Fund Delivery Programme</u> .....	84
3.14	<u>Candidate Scheme Offer of Support and Contract Management</u> .....	84
3.15	<u>Interim Transition Plan</u> .....	85
4	<u>Management, Evaluation and Review</u> .....	86
4.1	<u>Separation between Sponsorship, Assessment and Approval</u> .....	86
4.2	<u>Performance Management System</u> .....	86
4.3	<u>Risk Management</u> .....	87
4.4	<u>Contract Management</u> .....	87
4.5	<u>Equality, Diversity and Wellbeing</u> .....	87
4.6	<u>Annual Assurance Framework Review</u> .....	88
4.7	<u>Five Year Gateway Review</u> .....	88
	<u>Appendix 1 – List of Defined Terms</u> .....	89

# 1 Introduction

## 1.1 What is an Assurance Framework?

An Assurance Framework is a set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. The independence inherent to the Assurance Framework is derived from the separation between the sponsorship of projects/programmes and their appraisal and evaluation.

The Assurance Framework demonstrates how organisations will monitor, measure and scrutinise how objectives are being met and risks managed. It also details the processes used to ensure an adequate response to risks or lack of performance.

HM Treasury define Assurance Frameworks as “an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.”

## 1.2 Why does the CCRCDC need Assurance Frameworks?

Adherence to the processes detailed in this Assurance Framework will assist in ensuring that funding and resources utilised for the purposes of the Cardiff Capital Region City Deal Wider Investment Fund (Wider Investment Fund) will be used appropriately to deliver stated outcomes.

## 1.3 Scope of the CCRCDC Wider Investment Fund Assurance Framework?

The Cardiff Capital Region City Deal Investment Fund is a £1.229 billion fund consisting of a pre-allocated sum of £734m to the Metro Project and £495m to the Wider Investment Fund.

This Assurance Framework will apply to the Wider Investment Fund consisting of £375m funding provided by the UK Government and £120m committed by the constituent authorities.

The Assurance Framework will also apply to any:

- additional devolved funding provided to the Cardiff Capital Region;
- additional borrowing by the constituent authorities provided to the Cardiff Capital Region; and
- devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement.

This framework does not extend to the Metro Project funding of £734m (consisting; £125m UK Government; £503m Welsh Government; and £106m ERDF funding) which is covered by a separate Assurance Framework.

## 1.4 Who is the Assurance Framework for?

The commitment to utilise the processes detailed in this Assurance Framework provides surety to the Welsh Government and UK Government related to funding provided for the CCRCW Wider Investment Fund.

The Assurance Framework is also designed to provide Constituent and non-Constituent Authorities, stakeholders, businesses and the public confidence in the activities associated with the Wider Investment Fund.

## 1.5 Approval and Monitoring of the Assurance Framework

Both the Welsh Government and UK Government must formally approve this Assurance Framework and any proposed amendments and may, from time to time, monitor its use.

The Accountable Body, for the Wider Investment Fund is responsible for ensuring adherence to the Assurance Framework. The Cardiff Capital Region Joint Assurance Committee will provide an independent scrutiny and audit function.

## 1.6 What is covered in this Assurance Framework?

This document is split into three further sections:

- **Section 2** details the governance and decision-making systems that underpin the Wider Investment Fund Assurance Framework;
- **Section 3** defines the Regional Economic Strategy and the Regional Impact Assessment tool and outlines how Candidate Schemes will be chosen, assessed and approved; and
- **Section 4** outlines the processes that will be followed to ensure effective management and review of the Framework.

This Assurance Framework document should be read in conjunction with the CCRCW Joint Working Agreement.

## 2 Governance and Decision Making

### 2.1 Geography of the Cardiff Capital Region

The Cardiff Capital Region is geographically defined by the area consisting the “Constituent Authorities” of:

- (1) BLAENAU GWENT COUNTY BOROUGH COUNCIL
- (2) BRIDGEND COUNTY BOROUGH COUNCIL
- (3) CAERPHILLY COUNTY BOROUGH COUNCIL
- (4) THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF
- (5) MERTHYR TYDFIL COUNTY BOROUGH COUNCIL
- (6) MONMOUTHSHIRE COUNTY COUNCIL
- (7) NEWPORT CITY COUNCIL
- (8) RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL
- (9) TORFAEN COUNTY BOROUGH COUNCIL
- (10) THE VALE OF GLAMORGAN COUNCIL

### 2.2 CCR City Deal Wider Investment Fund Governance Structure

The current governance structure associated with the Cardiff Capital Regional Cabinet<sup>1</sup> (Regional Cabinet), including the Wider Investment Fund, is shown in Figure 1. This provides details of the advisory, support and scrutiny arrangements established to underpin the Regional Cabinet and is structured to provide transparency and democratic accountability.

The detail and functioning of the Regional Cabinet and associated governance structure is included in the Joint Working Agreement<sup>2</sup> and associated terms of reference, however, a general description related to roles and responsibility related to the Wider Investment Fund is provided below.

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<sup>1</sup> The Cardiff Capital Region Cabinet has been established as a Joint Committee with delegated powers from the constituent authorities as defined in the Joint Working Agreement. The City of Cardiff Council will act as the Accountable Body for funding flowing through this assurance framework; however the Regional Cabinet will be the ultimate decision-making body.

<sup>2</sup> The Joint Working Agreement is the comprehensive agreement that binds and commits each individual authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal.

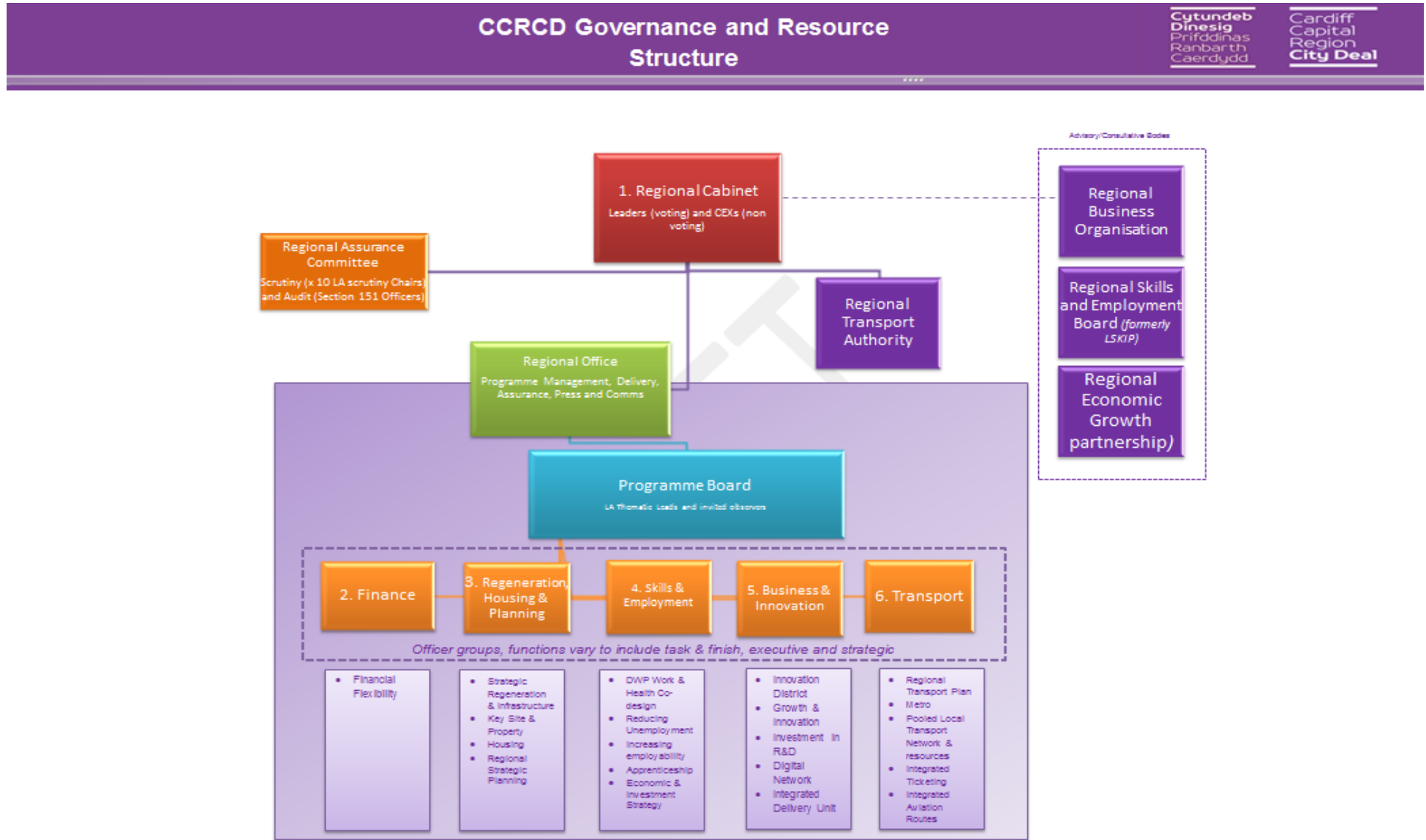


Figure 1: CCRCD Governance Map – [DRAFT]

## 2.2.1 The Cardiff Capital Regional Cabinet

The Regional Cabinet comprises of the ten participating local authorities and has been established to have responsibility for<sup>3</sup>:

- management of the Cardiff Capital Region Wider Investment Fund;
- additional devolved funding provided to the Capital Region;
- the Cardiff Capital Region Transport Authority;
- contracting with Transport for Wales on prioritised Metro projects;
- control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;
- strategic planning including housing, transport planning and land use;
- influencing skills and worklessness programmes;
- an Inward investment and marketing strategy; and
- considering the scope for strengthening Capital Region governance further.

The membership of the Regional Cabinet is made up of the Leaders of the Constituent Councils and it will be the ultimate decision making body related to the Wider Investment Fund.

To focus activity and capacity and promote delivery the Regional Cabinet is developing a Regional Economic Strategy and introducing a portfolio arrangement at both political and officer level. Each portfolio is led by two of the Leaders, from the constituent authorities, who are supported by portfolio officers made up of the Chief Executive officers of the local authorities. The portfolios are:

- Regeneration, Housing and Planning
- Work, Skills and Economy
- Business and Innovation
- Transport
- Finance & Governance

In addition, a portfolio of 'Chair of Regional Cabinet' has been established with responsibility for liaison, engagement and promotion.

The key responsibilities of the portfolio holders are:

- providing strategic direction for the portfolio area of responsibility and the development of a portfolio work programme to drive forward delivery;
- communicating a clear understanding of portfolio priorities;
- oversight of performance and delivery of the portfolio including those commitments contained in the Cardiff Capital Region City Deal Heads of Terms (Heads of Terms); and

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<sup>3</sup> Cardiff Capital Region City Deal Heads of Terms Item 53



- developing effective regional collaboration for the portfolio area of responsibility.

The Regional Cabinet is able to establish sub-committees for any matters which they feel would be better dealt with in this way. These sub-committees may be advisory and report to the Regional Cabinet with recommendation or be provided with delegated powers, from the Regional Cabinet, which will provide them with a defined level of decision making powers. The Regional Cabinet shall be advised by a Lead Head of Paid Service (nominated and agreed by the Heads of Paid Service of the ten constituent councils) who shall meet on an informal basis from time to time.

### **2.2.2 The CCRCD Regional Assurance Committee**

The Regional Cabinet will establish a Regional Assurance Committee to provide an independent scrutiny function to ensure greater public accountability over decisions made by the Regional Cabinet and any of its sub-committees and related entities.

The role of the Assurance Committee is to provide advice, challenge and support to the Regional Cabinet. The detail, functioning and membership of the Assurance Committee will be included in the Joint Working Agreement and will be such that they do not conflict with the role and responsibilities of the Accountable Body.

The Assurance Committee will be required to:

- review and scrutinise the Regional Cabinet's financial affairs;
- receiving the Regional Cabinet's accounts and advising on their approval;
- review and assess the Regional Cabinet's risk management, internal control and corporate governance arrangements;
- review and assess the economy, efficiency and effectiveness with which resources have been used in relation to the Wider Investment Fund; and
- make reports and recommendations to the Regional Cabinet in relation to the above points.

### **2.2.3 The Regional Transport Authority**

The Regional Cabinet will establish a Cardiff Capital Region Transport Authority to co-ordinate regional transport planning and investment, in partnership with the Welsh Government, and will be responsible for:

- Pooled local transport resources;
- Regional planning for the local transport network;
- Working with Transport for Wales to ensure objectives for transport investment are aligned;
- Supporting Welsh Government led work on integrated ticketing across the Cardiff Capital Region;
- Working in partnership with the Welsh Government and Transport for Wales to define the priorities of the South East Wales Metro and to support its delivery;

- Working in partnership with the Welsh Government, airlines and Cardiff International Airport Limited and aerospace partners to promote the development of integrated aviation routes aerospace activity at St Athan Enterprise Zone, to deliver economic benefit.

The detail, functioning and membership of the Regional Transport Authority will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop transport Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations related to transport Candidate Schemes submitted by other bodies.

#### **2.2.4 Advisory/Consultation Body – Regional Business Organisation**

The Regional Business Organisation will be responsible for<sup>4</sup>:

- articulating the regional needs of business;
- identifying regional priorities for existing business support services; and
- advising on the design of future business support programmes.

The detail, functioning and membership of the Regional Business Organisation will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop and submit relevant Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations on relevant Candidate Schemes submitted by other bodies.

#### **2.2.5 Advisory/Consultation Body – Regional Skills and Employment Board**

The Regional Skills and Employment Board (previously known as the LSKiP Employment and Skills Board) is a partnership which represents a wide range of stakeholders, including: business; education providers; local authorities and the Welsh Government. It will be responsible for<sup>5</sup>:

- Cardiff Capital Region's skills and worklessness strategy;
- Pooled local authority skills resource;
- Producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed;
- Influencing and monitoring the delivery and impact of employment and skills programmes across the Region;

<sup>4</sup> Cardiff Capital Region City Deal Heads of Terms Item 43

<sup>5</sup> Cardiff Capital Region City Deal Heads of Terms Item 34

- Ensuring an industry led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
- Supporting the Welsh Government’s “Curriculum for Wales, Curriculum for Life” plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
- Ensuring European Union funding investments in skills and employment add value and align with other programmes.

The detail, functioning and membership of the Regional Skills and Employment Board will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop and submit relevant Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations on relevant Candidate Schemes submitted by other bodies.

### **2.2.6 Advisory/Consultation Body - Regional Economic Growth Partnership**

The Regional Economic Growth Partnership will be responsible for:

- Advising on the overarching city-region economic development strategy;
- Monitoring and making recommendations to the Regional Cabinet with regard to City Deal implementation; and
- Providing advice on investment decisions.

The detail, functioning and membership of the Regional Economic Growth Partnership will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop and submit relevant Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations on relevant Candidate Schemes submitted by other bodies.

### **2.2.7 Advisory/Consultation Body – Welsh Government**

The Welsh Government, although not indicated as an advisory/consultation body on the CCRCW Wider Investment Fund governance chart, have statutory responsibilities and investment programmes covering many areas encompassed by the Wider Investment Fund.

It is therefore critical that any proposed investments are additional, complementary and support actions or proposals being implemented or developed by the Welsh Government. This can only be ensured by a close working relationship and effective information sharing.

Related to the Wider Investment Fund the Welsh Government will be:

- invited to actively participate in the work being undertaken in each portfolio area; and
- consulted on all Candidate Schemes.

## 2.2.8 The Independent Growth and Competitiveness Commission

The Regional Cabinet established a ‘task and finish’ Commission to:

- Review the evidence about the functional economic area and advise how best to generate Gross Value Added growth and support the ambitions of a dynamic capital region in a successful Welsh Economy; and
- Examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential, and contribute most to the Welsh Economy.

The membership of the Commission consisted of Greg Clark, Helen Molyneux, Alexandra Jones, Julie-Ann Haines and Kevin Gardiner and they were supported by Cardiff University.

The Commission was established in August 2016 and completed its task on 16<sup>th</sup> December 2016 by publishing its recommendations. A number of the Commission’s recommendations are referenced in this Assurance Framework.

## 2.2.9 The Regional Office

The Regional Office will provide the Regional Cabinet, the UK Government and the Welsh Government with quarterly performance reports<sup>6</sup> that will<sup>7</sup>:

- Highlight City Deal success;
- Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales;
- Provide information on agreed outputs and outcomes;
- Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

The Regional Office will be responsible for ensuring that this Assurance Framework is adhered to by developing, implementing, maintaining and monitoring a comprehensive performance management system and evaluation framework that will operate at both the corporate level and at the scheme level.

The Regional Office will ensure that all submitted schemes are eligible and that details of Candidate Schemes are issued to the appropriate Advisory/Consultation Bodies for their observation and those observations are used as part of the Assessment Framework.

The Regional Office will be responsible for the management of the programme contained in the Regional Economic Strategy, gateway reviews, and the annual Business Plans including performance and financial management of the delivery programme, undertaking due diligence as required.

The Regional Office will provide support to the Regional Cabinet including administration, engagement, and communication including events and press. The Regional Office will act

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<sup>6</sup> The UK Government and Welsh Government will work with the Regional Cabinet to agree a timetable for the production of these reports and will convene regular progress meetings.

<sup>7</sup> Cardiff Capital Region City Deal Heads of Terms Item 64

as the delivery mechanism to enable the Accountable Body to discharge its duties in respect of the City Deal Wider Investment Fund.

The Regional Office will remain functionally independent of the Accountable Body and will be responsible for discharging those functions set out above; it will not discharge those statutory requirements which are the responsibility of the Accountable Body as the Legal entity.

### **2.2.10 The Cardiff Capital Region Programme Board**

The Cardiff Capital Region Programme Board (Programme Board) membership will consist of the City Deal Programme Director, CEX/Managing Director and/or nominated Director, Programme Manager, Strategic Directors, or equivalent, from each constituent authority, specialist officers, and legal and financial representatives from the Accountable Body.

Related to the Wider Investment Fund the Programme Board will have three distinct roles:

- Providing Portfolio support by:
  - appointing Theme Leads, from their membership, to support the Portfolio Leads and Portfolio Officers established by the Regional Cabinet;
  - under each Theme establish a Strategic Regional Group and, as required, Task & Finish Groups to develop Wider Investment Fund proposals;
  - under each Theme develop a series of Candidate Schemes for assessment under the Candidate Scheme Appraisal Framework;
  - advise on the strategic direction for the portfolio area and assist in the development of a portfolio work programme to drive forward delivery.
- Monitor Portfolio development by:
  - providing support and collective challenge to the Portfolios and Themes including the Strategic Regional Groups and Task & Finish Groups, to ensure their work progresses the development of proposals in line with the Regional Economic Strategy including objectives and targets;
  - oversight of performance and delivery of the portfolios
- Prepare recommendations on individual Candidate Schemes and the overall programme of the Wider Implementation Fund by:
  - ensuring that all Candidate Schemes are assessed in accordance with the Wider Investment Fund Candidate Scheme Appraisal Framework;
  - preparing recommendations on Candidate Schemes whilst ensuring due regard is given to the observations provided by the Advisory/Consultation Bodies and the independent assessment;
  - providing recommendations to the Regional Cabinet on all Candidate Schemes;
  - considering the Wider Investment Fund programme of schemes as a whole to ensure they work effectively together to maximise outcomes by assessing 'total impact' and not just economic considerations;
  - providing recommendations to the Regional Cabinet on Wider Investment Fund delivery programme as a whole.

To allow the Programme Board to undertake all three functions a clear distinction will be drawn between those involved in specific Candidate Scheme development and those preparing recommendations on those schemes to the Regional Cabinet. A robust system of declaration of conflict of interest will be put in place.

## **2.3 Status and Role of the Accountable Body**

One of the constituent authorities will be defined as the Accountable Body for the Regional Cabinet and the Wider Investment Fund and will be responsible for ensuring that funding decisions made by the Regional Cabinet are lawful and appropriate.

As the Accountable Body, overall financial arrangements are managed and accounted for through its financial systems and subject to the Standing Orders and Governance systems of that body. Funding allocated to the Regional Cabinet as part of the Cardiff Capital Region City Deal will be paid to the Accountable Body who shall ensure that those funds remain identifiable from the Accountable Body's own funds.

The Accountable Body shall, subject to the statutory role of each constituent Council's monitoring officer in relation to their Council, provide for the purposes of the Wider Investment Fund the services of its monitoring officer and employ any staff appointed by the Regional Cabinet. Subject to the statutory role of each constituent Council's s151 officer in relation to their Council, the Accountable Body shall provide for the purposes of the Regional Cabinet services of its Chief Financial Officer as Treasurer to the Regional Cabinet.

The Accountable Body shall supply the Regional Office with such support services as may reasonably be required, these may include services such as financial, legal, audit and other professional and/or technical services.

The full details and responsibilities related to the Accountable Body will be included in the Joint Working Agreement and will include; ensuring that the decisions and activities of the Regional Cabinet conform with the legal requirements regarding equalities, environmental, legislation, ensuring that funds are used legally and appropriately; and administrative functions such as payroll, preparing statement of accounts, VAT returns and liaising with external audit etc.

In performing this role, the Accountable Body as the Legal Entity therefore has responsibility to discharge all the statutory requirements in respect of the City Deal Wider Investment Fund, and is ultimately accountable for the actions of the Regional Office. The Accountable Body will ensure that it acts in a manner that is transparent, evidence based, consistent and proportionate.

## **2.4 Stakeholder Engagement and Transparency**

Engagement with and feedback from constituent and neighbouring local authorities, stakeholders and the public has been, and will continue to be, key in shaping and defining the Regional Cabinets' actions.

Monthly newsletters will be distributed to stakeholders throughout the City Region informing them of current and planned activities and how to get involved.

Regular social media updates concerning relevant activity will be provided via the CCRCD Twitter handle @CCRCityDeal.

A calendar of events will be developed and made available on the CCRCD website [www.cardiffcapitalregioncitydeal.wales](http://www.cardiffcapitalregioncitydeal.wales), and on-going PR campaign will inform stakeholders of CCRCD activity.



Stakeholders will be able to contact the CCRCDC via the CCRCDC website's contact form [www.cardiffcapitalregioncitydeal.wales](http://www.cardiffcapitalregioncitydeal.wales) or through social media @CCRCityDeal.

The public and stakeholders will be able to provide input via the contact form on the CCRCDC website [<https://cardiffcapitalregioncitydeal.wales>]. Stakeholders will be made aware of how to provide input by being informed via the CCRCDC newsletter which is available online.

Communications, engagement and marketing strategies will be developed and implemented to maximise participation and involvement and will be designed to promote and facilitate the use of the Welsh language and comply with the standards imposed by the regulations approved under the Welsh Language (Wales) Measure 2011.

The Regional Cabinet is committed to transparency in its decision-making and activities, but also recognises that for it to operate effectively there are some circumstances in which it must maintain confidentiality, particularly where commercial sensitivities are involved.

The Regional Cabinet is subject to the same accountability and transparency legislative provisions for decision making as Local Government, including public notice of meetings and the business to be conducted at those meetings, Access to Information Rules and Freedom of Information Act 2000.

The use of resources by the Regional Cabinet is subject to standard local authority checks and balances. In particular, this includes the financial duties and rules which require councils to act prudently in spending, and publish annual accounts. The development of these checks and balances will be overseen and managed by the Accountable Body.

# 3 Strategy, Programme and Prospectus

## 3.1 A Regional Economic Strategy

The Regional Cabinet, using the research and recommendations from the Growth and Competitiveness Commission, are preparing a Regional Economic Strategy that will support a competitive inclusive Cardiff Capital Region, playing to the strengths of the areas within the region to increase overall opportunity, mobility, jobs and investment<sup>8</sup>.

The Regional Economic Strategy will clearly define the regional objectives and include a programme detailing the targets expected from the City Deal during its lifetime and beyond<sup>9</sup>; together with the indicative spend profile for the wider investment fund (comprising of the HMT Contribution and the Council Contribution in the aggregate sum of £586,000,000). Although focussed on the economy the Regional Economic Strategy will also playing a role in improving the social, environment and cultural well-being of the region and may include additional targets to reflect this.

Although the procedures for the use of the Wider Investment Fund are necessarily detailed the principles are straightforward:

- The Regional Economic Strategy will contain a programme which details the expected targets to be achieved from the City Deal;
- Candidate schemes for the Wider Investment Fund will be assessed to measure how they will support the delivery of these targets; and
- A balanced programme of delivery will be managed to ensure that the defined targets are achieved.

The Regional Economic Strategy will be developed in accordance with the 'sustainable development principle' and in setting regional objectives and targets will seek to support and promote the seven well-being goals as detailed in the Well-being of Future Generations (Wales) Act.

## 3.2 A Regional Impact Assessment Tool

To assist in the process of assessing Candidate Schemes and measure to what extent they will support the delivery of the targets, detailed in the Regional Economic Strategy, a Regional Impact Assessment Tool is being developed.

The tool will select a broad range of indicators and factors, which are known to have a positive impact on the targets detailed in the Regional Economic Strategy, and be used to measure the level by which Candidate Schemes can contribution to those targets and assess their value for money.

The tool will be designed to consider wider sustainable development objectives and be able to assess and highlight the positive impact proposed Candidate Schemes can have on both

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<sup>8</sup> Growth and Competitiveness Commission Report – Recommendation 2 Economic Strategy

<sup>9</sup> It is likely that the Regional Economic Strategy will include the specific outcomes recommended by the Growth and Competitiveness Commission, for example on productivity, at least 90% of UK average, median earnings to 95% of UK figure, 25,000 new jobs, employment rate of 70.5%.



social and environmental outcomes and other indirect and non-monetised benefits promoted by the City Deal and included in the Regional Economic Strategy.

An important aspect of this assessment tool will be its ability to identify the spread of any potential benefits to ensure geographic balance across the region and the ability of schemes to target need.

### 3.3 A Prospectus for Growth and Prosperity

For the purposes of the Wider Investment Fund schemes can take several forms including projects, programmes, investments, funds, loans, grants and contributions and may seek support in the form of capital and/or revenue funding.

The variation in potential schemes and funding requirements reflects the multi-strand approach advocated by the Growth and Competitiveness Commission<sup>10</sup> and the wider investment priorities of the Regional Cabinet<sup>11</sup> who are committed to invest in those schemes which support regional economic growth and may cover areas as diverse as regeneration & infrastructure, housing, skills, transport, digital, business growth and sector development, research & development and innovation.

Work is being undertaken under each Regional Cabinet portfolio heading to define groupings of schemes. These groupings will be used to produce a prospectus of eligible scheme types. This strategic approach, rather than an open unstructured bidding process, will ensure a comprehensive, balanced programme that is evidence based and targeted to deliver regional economic growth.

Advice and guidance will be sought from the Regional Advisory/Consultative Bodies in the production of this prospectus to ensure that it includes sufficient flexibility to accommodate changing economic priorities, trends and business needs.

The Wider Investment Fund Prospectus (Prospectus) will define the eligible scheme types and detail the full list of Candidate Schemes showing their various stages of development through the Appraisal Framework including those schemes sufficiently developed to be included on the Wider Investment Fund Delivery Programme (Delivery Programme). The Prospectus will therefore be a live document under constant review and update.

To support this strategic approach and ensure a broad range of interventions, based on evidence, the Regional Cabinet may consider introducing initial indicative allocations of funding in relation to each portfolio and theme within the Prospectus. This approach could assist when assessing the affordability of any candidate schemes.

### 3.4 Candidate Schemes

Having created a prospectus of eligible scheme types, to ensure a strategic approach to investment, a process to allow appropriate schemes to be submitted for consideration will be introduced.

Candidate Schemes can be submitted by the following 'Candidate Scheme Sponsors':

- Portfolio Leads;
- The constituent authorities;

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<sup>10</sup> Growth and Competitiveness Report Page 4

<sup>11</sup> CCRCD Heads of Terms Item 16

- Welsh Government;
- UK Government;
- Advisory/Consultative Body; and
- Stipulated Stakeholder.

Portfolio Leads are supported by Portfolio Officers, Theme Leads and associated Strategic Regional Groups ensuring that sufficient suitable Candidate Schemes are being identified and developed for appraisal.

Other Candidate Scheme Sponsors can submit proposals directly for appraisal; however, they are encouraged to actively participate in the appropriate Strategic Regional Group. This will ensure the effective development of proposals which can be submitted jointly with the Portfolio Leads.

In addition, the Regional Cabinet may consider issuing a periodic open call for eligible schemes.

### **3.5 CCR Wider Investment Fund Scheme Appraisal Framework**

Regardless of how the candidate schemes have been submitted they will all be required to follow the same appraisal process which has been developed to be transparent and equitable. This will also apply to Candidate Schemes which are only requesting partial support or a contribution and may be subject to other Appraisal Frameworks or assessment processes. Where this is the case, the Wider Investment Fund portion of the investment will be treated in the same way as a standalone scheme.

The Wider Investment Fund Scheme Appraisal Framework is shown in Figure 2 and illustrates the Gateway system to be used including business case requirements, consultation, assessment process, and the recommendation and decision making protocol.

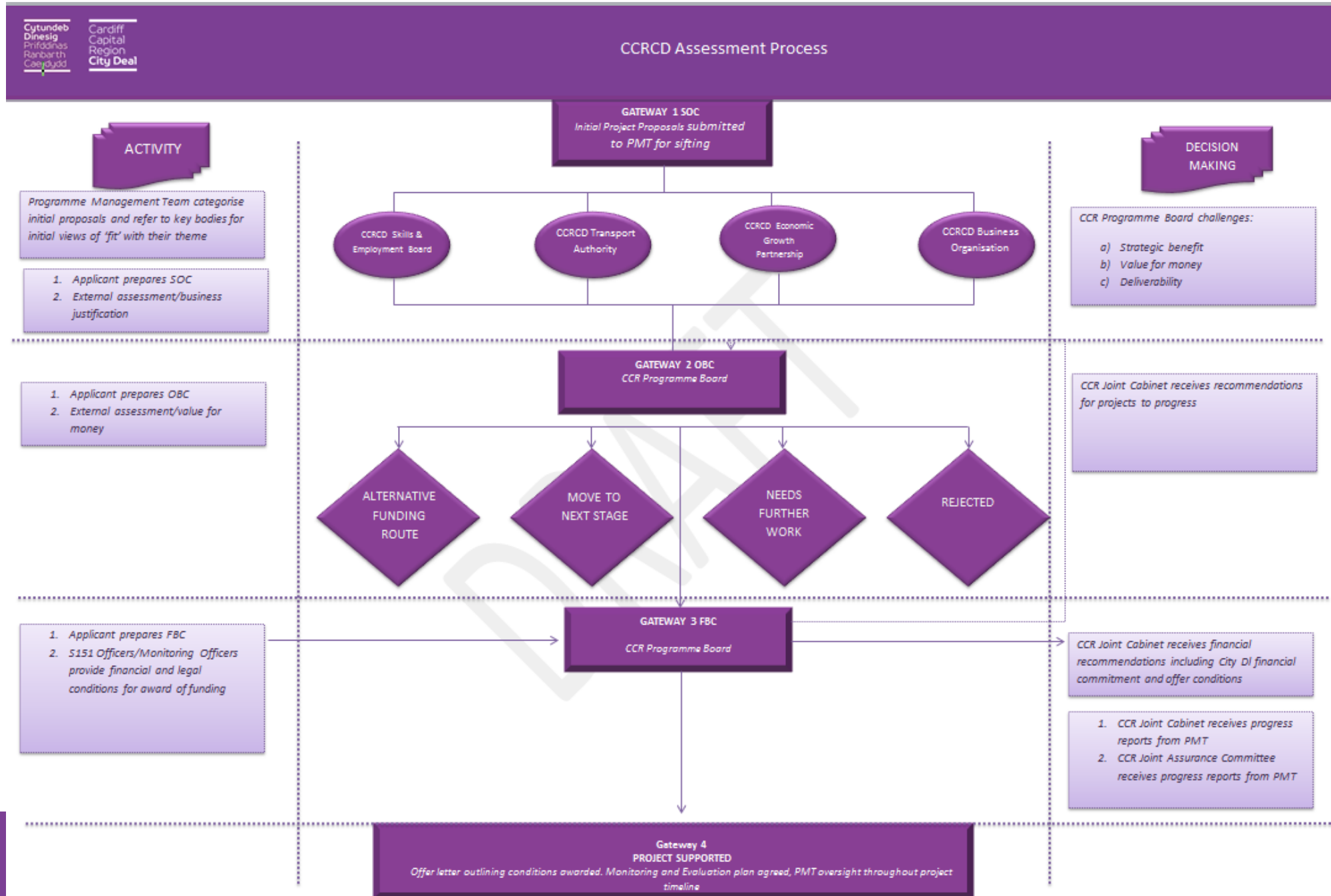
The Assessment Framework will identify those Candidate Schemes in the Prospectus which are eligible to enter the Delivery Programme.

The Regional Office is responsible for co-ordinating and managing the Appraisal Framework including procuring external independent assessments of business cases and for ensuring the separation between the sponsorship of projects/programmes and their appraisal and evaluation.

The Regional Office will produce a set of guidance documentation, including proforma, for Candidate Scheme Sponsors, detailing the various stages of the Appraisal Framework.

The appraisal process is consistent with HM Treasury's Green Book and Business Case Appraisal process and is based on the five cases model; the strategic case; the economic case; the commercial case; the financial case; and the management case.

Figure 2: CCRCW Wider Investment Fund Scheme Assessment Framework



The appraisal process will apply the principle of proportionality, with more detailed information being required for large, complex or contentious schemes. This is important to ensure Candidate Scheme Sponsors are not discouraged from submitting less complex schemes whilst ensuring that large investments are scrutinised and tested appropriately.

### 3.6 Appraisal Criteria

The main factor in assessing candidate schemes will be the extent to which they contribute to the targets detailed in the Regional Economic Strategy and their value for money, however, to make these assessments detailed information on those proposed schemes is required and will be developed by addressing the criteria detailed below.

The City Deal provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow. The City Deal therefore includes<sup>12</sup>:

- Connecting the region;
- Support for innovation and improving the digital network;
- Developing a skilled workforce and tackling unemployment;
- Supporting enterprise and business growth; and
- Housing development and regeneration.

In addition, the City Deal, over its lifetime, is expected to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.

All Candidate Schemes are required to demonstrate how they will contribute to one or more of these objectives, and others contained in the Regional Economic Strategy, and why the scheme is needed.

The Growth and Competitiveness Commission have recommended that all Candidate Scheme should also demonstrate<sup>13</sup>:

- ❖ Significant scale;
- ❖ A positive impact on GVA;
- ❖ A positive impact on jobs;
- ❖ An impact beyond the local boundary area of where the investment takes place and does not displace activity within the city-region;
- ❖ Alignment with the proposed Metro investment, including investment that can unlock benefits of the Metro and address access constraints;

In addition, schemes need to demonstrate a quantifiable impact on at least two of the following:

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<sup>12</sup> Cardiff Capital Region City Deal Heads of Terms – Executive Summary.

<sup>13</sup> Growth and Competitiveness Commission Report – Recommendation 3 City Deal Investment Principles.

- Increasing employment rates (by constituency) in areas where employment rates are below the Cardiff Capital Region average;
- Increasing earnings in areas with below average earnings for the Cardiff Capital Region;
- Supporting enterprise growth and productivity gains;
- Supporting people out of employment into employment.

All Candidate Schemes are required to respond to the Growth and Competitiveness Commission investment principles demonstrating how and to what degree they comply with these recommendations.

All Candidate Schemes are required to quantify their economic impact, employment creation, scale-ability and leverage. Candidate Schemes will also have to demonstrate they are deliverable, represent value for money and that they comply with the necessary regulations including legal and state aid requirements.

### **3.7 Business Case Development**

Three stages of business case development are required in the appraisal process:

- the Initial Proposal (Strategic Outline Case);

This is particularly important as it will focus on establishing the case for the proposal and although at this stage the scheme is not necessarily expected to be fully worked up or immediately deliverable the level of information must be sufficient to gain a clear understanding of the scheme, how it addresses the Appraisal Criteria, estimated costs and benefits.

- the Outline Business Case (OBC);

This will be a substantive business case document and will include a thorough options appraisal to justify the preferred option and an assessment of value for money to underpin the economic case.

- the Full Business Case (FBC).

This will build on the information in the OBC and confirm the scheme has the necessary contractual/procurement and delivery arrangements in place to allow the scheme to proceed.

As indicated previously, the appraisal process will apply the principle of proportionality which may result in the OBC and FBC stages being combined depending on the level and quality of information provided and the complexity of the scheme.

### **3.8 Support for Candidate Scheme Development**

The Regional Cabinet may allocate, on request or application, funding to portfolios to support pre-feasibility and feasibility studies, and development of initial proposals and business cases to ensure that high quality Candidate Schemes are available.

### **3.9 Value for Money**

Each Candidate Scheme must demonstrate value for money i.e. the optimal use of resources to achieve the intended outcomes.

The National Audit Office use three criteria to assess value for money:

- economy – minimising the cost of resources used or required – spending less;
- efficiency – the relationship between the outputs from goods or services and the resources to produce them – spending well; and
- effectiveness – the relationship between the intended and actual results of public spending – spending wisely.

In basic terms value for money is the degree to which benefits exceed costs and the use of HM Treasury's Green Book and Business Case Appraisal process in assessed Candidate Schemes is expected to demonstrate the potential value of any scheme.

The Candidate Scheme business case is also expected to refer, where appropriate, to guidance on value for money and other benefits specific to the nature of the proposed scheme, this will include demonstrating social return on investment and local multiplier benefits. The business case may also highlight how the schemes procurement might improve economic, social and environmental well-being of the region and how such improvements might be secured in its implementation.

The Regional Cabinet when deciding on whether to support a Candidate Scheme will take a wide range of evidence into consideration in addition to the level of value for money. There may be occasions when, although the measure of value for money is low, due to the wider regional economic impacts on the Regional Economic Strategy targets, cost effectiveness, environmental and social impact, and leverage of additional funding the Candidate Scheme will be supported.

### **3.10 Assessment Process**

The role of the Assessment Process is to provide the framework through which a judgement can be made about whether each scheme is robust and has been rigorously assessed against a specific set of criteria to ensure that it achieves value for money.

The Candidate Scheme Sponsors will submit a Candidate Scheme Initial Proposal to the Regional Office who will categorise it against the Scheme Prospectus eligibility groupings and refer it to:

- the appropriate Advisory/Consultation Body with a request to provide observation on the proposed scheme; and
- the external business case assessor requesting that they undertake an independent review with reference to the impact assessment tool.

The Initial Proposal, with the observations and review, will be submitted to the Programme Board who are required to assess all available data and determine if:

- The case is sufficiently strong for the Candidate Scheme to move onto the next stage; or
- The scheme is returned to the Candidate Scheme Sponsor with details of where the Initial Proposal is currently not sufficiently strong to allow it to move forward to the next stage.

If the scheme is supported to go to the next stage the Candidate Scheme Sponsor will be requested to submit an Outline Business Case which, when received, will be sent to



the external business case assessor requesting that they undertake a further review of the additional detail provided.

This review will be submitted to the Programme Board who can make the following recommendations to the Regional Cabinet:

- The scheme does not fall within the Wider Investment Fund scope;
- The scheme does not provide sufficient regional benefit and should be rejected;
- The scheme, although not seeking Wider Investment Funding, is supported and should be promoted as it aligns with the overall objectives of the City Deal;
- The scheme's Outline Business Case is currently not sufficiently strong and should be returned to the Candidate Scheme Sponsor for further work; or
- The scheme should move to the next stage.

The Regional Cabinet will consider the recommendations and resolve either to accept them or based on the available data agree an alternative course of action.

If the Regional Cabinet resolve that the scheme go to the next stage the Candidate Scheme Sponsor will be requested to submit a Full Business Case which, when received, will be sent to the external business case assessor requesting that they undertake a further review of the additional detail provided. The Regional Office, in liaison with the Accountable Body, would also be requested to provide both legal and financial assessments of the proposal.

The review and assessments would be provided to the Programme Board who would submit recommendations to the Regional Cabinet.

The Regional Cabinet, as the decision-making body, would have the responsibility of confirming that the Candidate Scheme is eligible for inclusion in the Delivery Programme.

To ensure that the assessment process is equitable the Regional Office are preparing detailed guidance notes and also proforma for use in the process.

### **3.11 State Aid**

Processes are being established to ensure that schemes supported by the Wider Investment Fund are State Aid compliant.

The business case templates will require Project Sponsors to confirm that their scheme complies with State aid Regulations and does not contravene State Aid Legislation. The templates will also require Project Sponsors to outline what advice (e.g. legal advice) they have had in relation to State Aid, and to confirm their acceptance of the following:

*“All applicants need to take steps to satisfy themselves that any CCR Wider Investment Fund funding approved does not amount to unlawful State Aid. A declaration of compliance with EU State Aid regulations will be required prior to any funding being provided. If your project is awarded funds it will be subject to a condition requiring the repayment of any funding in the event that the European Commission determines that the funding constitutes unlawful State Aid.”*

Where required, the Accountable Body will also conduct legal due diligence to obtain further confidence that State Aid requirements have been met.

### **3.12 From Prospectus to Delivery Programme**

The Wider Investment Fund will be used to invest in a broad range of interventions over its life time to unlock significant economic growth across the region and it can only achieve its objectives through the delivery of an effective Delivery Programme that accounts for and takes advantage of the interdependencies between individual schemes.

Each portfolio will undertake work to develop schemes and produce a potential delivery programme. However, it is recognised that each individual programme will vary related to timescales for development and implementation. In addition, financial profiles and limits, for both the Wider Investment Fund and other funding sources, may dictate when and to what scale proposals can be funded.

The final decision to release Wider Investment Funds rests with the Regional Cabinet and to do this effectively they will be responsible agreeing the Delivery Programme which delivers on their commitments, is affordable, and value for money.

Candidate Schemes which have successfully passed through the Assessment Framework will be eligible to be included on the Delivery Programme.

### **3.13 The CCR Wider Investment Fund Delivery Programme**

The Wider Investment Fund Delivery Programme (Delivery Programme) will be informed by the details on the number, size and timescales of schemes being progressed through the portfolio and ideally once a scheme's Full Business Case has been approved it will move directly to the Delivery Programme via an offer letter/contract.

In some instances, due to existing financial commitments or changes in priority, schemes may not progress immediately to implementation and the Delivery Programme should clearly reflect these changing circumstances and how they will affect the scheme.

The Regional Cabinet will undertake regular reviews of the Delivery Programme to ensure that it is suitable to deliver on the broad range of interventions necessary to achieve the targets detailed in the Regional Economic Strategy by tackling the regions barriers to economic growth and that it reflects the regions current economic needs.

These Delivery Programme Reviews will assess the balance of interventions and ensure those schemes most likely to deliver on the targets detailed in the Regional Economic Strategy, which are affordable and can be delivered within required timescales, are prioritised.

To commence the process of programme development the Regional Cabinet will, in the first instance, agree an Implementation Plan outlining its proposals for the first 5 years.

### **3.14 Candidate Scheme Offer of Support and Contract Management**

Candidate Schemes eligible for inclusion on the Delivery Programme will undergo a due diligence assessment.



Following approval by the Regional Cabinet the Regional Office working in conjunction with the Accountable Body will prepare an offer letter/contract for agreement with the Project Sponsor or other relevant applicant.

The offer letter may vary according to scheme type, size and complexity but is likely to contain the following which will be monitored by the Contract Management Team within the Regional Office:

- A financial profile – including monthly income and expenditure:
- A profile of outputs and outcomes to be achieved – with key milestones for delivery;
- A risk management log – detailing potential risks to the successful delivery of the scheme and how they will be managed;
- A monthly/quarterly schedule for returning monitoring information; and
- Post completion requirements

### **3.15 Interim Transition Plan**

To apply the CCR Appraisal Process in full a number of supporting processes and actions need to be put in place including:

- A Cardiff Capital Region Economic Strategy defining the regional objectives and including a programme detailing the targets expected from the City Deal during its lifetime and beyond, together with the indicative spend profile for the Wider Investment Fund;
- A Cardiff Capital Region Impact Assessment Tool;
- Establishing the Cardiff Capital Region Advisory/Consultative Bodies; and
- Producing detailed guidance notes and proforma

To assist in co-ordinating and programming these events an Interim Transition Plan is being put in place which will set time-lines for development and detail how potential schemes will be dealt with during this interim phase.

## 4 Management, Evaluation and Review

### 4.1 Separation between Sponsorship, Assessment and Approval

For this Assurance Framework to be effective it must establish a clear separation between the sponsorship of schemes and their appraisal, evaluation and approval.

All processes and systems will make a clear distinction between those involved in the development of Candidate Schemes and those responsible for their assessment, submitting recommendations related to their suitability and providing approval.

This division of role will apply across the Appraisal and Assessment Frameworks and will mean that those involved in a portfolio will not take part in the appraisal or approval of any Candidate Schemes within that portfolio. This is especially relevant at both the Programme Board, when preparing recommendations, and at the Regional Cabinet when making decisions.

### 4.2 Performance Management System

The Regional Office, in liaison with the Accountable Body, is developing a comprehensive performance management system and evaluation framework which will encompass the decision-making process and programme and scheme delivery. This system will enable the Regional Cabinet to:

- Assess the effectiveness, efficiency and value for money of schemes and the overall programme;
- Monitor impact and progress towards agreed aims and goals, and to understand whether schemes are on track to deliver projected outputs and outcomes;
- Maintain scrutiny and accountability;
- Inform future investment priorities and resource allocations; and
- Inform future activities and delivery and the sharing of best practice.

Monitoring and evaluation of the Wider Investment Fund will operate at two interconnected levels, at the level of individual scheme, as defined at the FBC stage through the Assurance Framework; and at the level of the overall Delivery Programme. For schemes of significant scale or complexity the Regional Cabinet may resolve to procure external evaluation.

It will be important that monitoring and evaluation exercises are scheduled to ensure a sufficient evidence base for the 5-year Gateway Review; they will therefore cover impact and economic evaluation as well as process evaluation.

When undertaking the evaluation exercise use will be made of the Regional Impact Assessment tool and its broad range of indicators and factors, which are known to have a positive impact on the targets as detailed in the Regional Economic Strategy.

It is essential that all schemes have an effective monitoring and evaluation plan in place to assess the effectiveness of public spending over time, and so that lessons can be learnt. Schemes will monitor against the outcomes described in the economic case.

Responsibility for monitoring at a strategic level will lie with the Regional Office, whilst at the scheme level responsibility will lie with Scheme Sponsors, with the Regional Office setting compliance measures and ensuring they are adhered to and reported as required.

Over time, prioritisation and sequencing will also involve a feedback loop through which the outcomes of the monitoring and evaluation work will be used to shape future investment priorities.

### **4.3 Risk Management**

A key role of the Assurance Framework is to ensure that risk is identified, monitored and managed appropriately, both at a corporate level and at Delivery Programme and scheme level.

To identify, monitor, manage and mitigate risks at the corporate level, a Corporate Risk Register is being developed aligned to the Wider Investment Fund objectives.

The key principle of the Corporate Risk Register is to identify strategic risks, determine where and by whom such risks are borne, to establish controls to prevent the identified risk (such as funding shortfall) from materialising or establish ways to reduce the impact. The Register will not be limited to financial risks.

As part of the business case evaluation process, Candidate Scheme Sponsors are required to develop a Scheme Risk and Issues Log. This will detail all of the schemes specific risks that have been identified during the development phase of the scheme.

Within the business case templates, being developed, the Sponsor will be required, for key risks, to estimate the impact of the risk materialising and probability of the risk occurring, attribute the risk with a Red, Amber, Green (“RAG”) rating, identify the risk owner, and provide a strategy for risk mitigation.

Scheme risks will be aggregated and reviewed at the strategic level by the Regional Office.

### **4.4 Contract Management**

On acceptance of an offer of support the Project Sponsor or other relevant applicant will become responsible for overseeing the successful implementation and delivery of the scheme. The Regional Office, in liaison with the Accountable Body, will establish a system identifying responsibilities for the production and submission of monitoring information.

The Regional Office will be responsible for collating, recording and reporting on the progress of the individual schemes as well as the overall Delivery Programme. Where schemes do not achieve their agreed milestones for delivery the responsible person will be required to provide evidence to demonstrate they are able to get back on programme. Schemes which consistently fail to meet projected performance, both financial and output, may have funding withdrawn.

### **4.5 Equality, Diversity and Wellbeing**

A key requirement for the Wider Investment Fund is to ensure that ‘equality duty’ is considered and programmes contribute to a fairer society and pay due regard to eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations.

The Wider Investment Fund will also support the Well-being of Future Generations (Wales) Act by playing a role in improving the social, economic, environment and cultural well-being of Wales.

During the application for Wider Investment Funds scheme sponsors will be required to provide evidence they are complying with their equality duties and are supporting the 7 Well-being goals. This will be assessed through an evaluation of the business case templates submitted by applicants.

## 4.6 Annual Assurance Framework Review

The Assurance Framework is a 'live' document and will be subject to an annual review to ensure that material is kept up to date and to provide quality assurance on the Assurance Framework itself.

It is anticipated that the Assurance Framework will continue to evolve and develop overtime and will reflect any changes to governance arrangements, aims and objectives, economic and social priorities and Candidate Schemes criteria.

There will be a need for the Regional Cabinet in response to changes and initiatives<sup>14</sup> which take place in the period between annual reviews. The Regional Cabinet will, having sought advice if appropriate, instruct interim changes or amendments to be made which will then be regularised at the next annual review.

The Regional Assurance Committee will have a crucial role in both assessing and recommending changes to the Assurance Framework.

## 4.7 Five Year Gateway Review

Through the CCR City Deal Agreement, the UK Government committed to providing the CCR City Deal with £500m over 20 years, £125m for the Metro Project and £375 for the CCR Wider Investment Fund. The £375 million is proportioned as years 1-5 at £50 million revenue, and years 6-20 at £325 million capital. The full allocation of the funding is subject to the CCRCD's successful completion of the Five Year Gateway Review, which will evaluate the impact of the CCRCD's investment of the funding in the five year period up to the Gateway Review.

Five-yearly Gateway Reviews may be used to assess investments' impact and presently the guidance suggests that economic growth will be the primary metric against which impact is assessed. However, more recent reviews recognise the fact that local and national economic impact of the Investment Fund might not be observable after five years. As a result, the national evaluation panel may use appropriate metrics, such as whether investments are being delivered to time and to budget. Although definitive assessment criteria have not been provided it is anticipated that the Regional Cabinet will have the ability to shape the assessment criteria so that it aligns with the objectives set out in its Regional Economic Strategy.

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<sup>14</sup> Examples of such changes or initiatives would include the Welsh Government's proposal to introduce a National Infrastructure Commission, the National Development Framework and the setting up of a Valleys Task Force.

## Appendix 1 – List of Defined Terms

Accountable Body	<p>The Accountable Body shall, subject to the statutory role of each constituent Council's monitoring officer in relation to their Council, provide for the purposes of the City Deal Wider Investment Fund the services of its monitoring officer and employ any staff appointed by the CCR Regional Cabinet. Subject to the statutory role of each constituent Council's s151 officer in relation to their Council, the Accountable Body shall provide for the purposes of the CCR Regional Cabinet services of its Chief Financial Officer as Treasurer to the CCR Regional Cabinet.</p> <p>The Accountable Body shall supply the Regional Office with such support services as may reasonably be required, these may include services such as financial, legal, audit and other professional and/or technical services; and administrative functions such as payroll, preparing statement of accounts, VAT returns and liaising with external audit etc.</p>
Additionality	The extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.
Advisory/Consultative Body	Identified bodies who work in support of the Regional Cabinet and are able to submit Candidate Schemes
Affordability	Affordability refers to both the absolute availability of funding to defray the costs of a project (i.e. is there a funding gap?) and the relative cost of the project in relation to other interventions that could otherwise be funded instead. A project can represent Value for Money, but not be affordable, and vice versa.
Annual Business Plan	The business plan to be agreed by the Regional Cabinet containing key objectives and delivery priorities and programme.
Appraisal Criteria	The principles and standards by which candidate schemes will be assessed and decided.
Appraisal Framework	A supporting structure underlying appraisal.
Assessment Framework	A supporting structure underlying assessment.
Assessment Process	A series of actions or steps taken in order to assess candidate schemes.
Assurance Framework	A set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation.
Balanced Objectives	A series of objectives designed to ensure that the whole of the City Region (in terms of geography and people) benefits from growth.
Business Case	The justification of an activity (strategic, programme, project, operational) which typically contains costs, benefits, risks and timescales and against which continuing viability is tested.
Capital Expenditure	Expenditure on the acquisition or creation of a tangible fixed asset or expenditure which adds to and not merely maintains the value of an existing tangible fixed asset.
Candidate Scheme	Appropriate schemes submitted by specific bodies for consideration under the Wider Investment Fund.
Cardiff Capital Region	The region encompassing the constituent authorities.
Cardiff Capital Region City Deal	A £1.229 billion fund consisting of a pre-allocated sum of £734m to the Metro Project and £495m to the Wider Investment Fund.
Cardiff Capital Region Programme Board	A group that supports the senior responsible owner to deliver the programme.
Cardiff Capital Region Prospectus	A programme of Candidate Scheme development.

Constituent Authority	The 10 authorities of:  Blaenau Gwent County Borough Council Bridgend County Borough Council; Caerphilly County Borough Council; The City of Cardiff Council; Merthyr Tydfil County Borough Council; Monmouthshire County Council; Newport City Council; Rhondda Cynon Taff County Borough Council; Torfaen County Borough Council; and, Vale of Glamorgan County Borough Council.
Delegated Powers	The powers delegated by authorities to their representative (Leader) on the Regional Cabinet.
Delivery Programme	A flexible structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to strategic objectives.
Impact	Impact is the result of a particular threat or opportunity actually occurring.
Implementation Plan	The process of programme development by the Regional Cabinet in the first instance, outlining its proposals for the first 5 years.
Joint Working Agreement	A legal agreement to delegate and discharge functions.
Objective	Agreed goals.
Outcome	The benefits and other impacts resulting from specific outputs (e.g. reduced journey times, jobs created, reduction in pollution, access to employment etc.)
Output	The tangible or intangible product resulting from a planned activity.
Performance Management System	A system to plan, monitor and review performance i.e. the extent to which objectives have been met in relation to quality, time and cost.
Programme Management	The coordinated organisation, direction and implementation of a prospectus of projects and activities that together achieve outcomes and realise benefits that are of strategic importance.
Project	A temporary grouping that is created for the purpose of delivering one or more products according to a specified business case.
Project Management	The planning, monitoring and control of all aspects of the project and the motivation of all those involved to achieve the project objectives on time and to the specified cost, quality and performance.
Project Manager	The person given authority and responsibility to manage the project on a day-to-day basis to deliver the required products within the constraints agreed with the project board.
Portfolio	All the programmes and stand-alone projects being undertaken.
Regional Assurance Committee	Established to provide an independent scrutiny function over decisions made by the Regional Cabinet.
Regional Cabinet	A Joint Committee established by Agreement comprising the Leaders of the constituent Councils
Regional Economic Strategy	A strategy to clearly define the regional economic objectives and include a high level programme detailing the targets expected from the City Deal during its lifetime and beyond.
Regional Impact Assessment Tool	The tool will select a broad range of indicators and factors which are known to have a positive impact on the targets, detailed in the Regional Economic Strategy, and measure a candidate schemes scale of contribution to those defined targets and value for money.
Regional Office	Established to provide services to the Regional Cabinet, including programme management, financial management of the delivery programme, administration, engagement, and communication.
Regional Transport	Established to co-ordinate regional transport planning and investment.

Authority	
Scheme	Projects, programmes, investments, funds, loans, grants and contributions.
Senior Responsible Owner (SRO)	The single individual with overall responsibility for ensuring that a project or programme meets its objectives and delivers the projected benefit.
Sponsor	The main driving force behind a programme that provide the investment decision and top-level endorsement of the rationale and objectives of the programme.
Stakeholder	Any individual, group or organisation that can affect, be affected by, or perceive itself to be affected by, an initiative (programme, project, activity, risk).
Sub-committee	A committee composed of some members of a larger committee, board, or other body and reporting to it.
Targets	Refers to achieving desired outputs or outcomes at a specific end date, employing a specific amount or resources to achieve a specific objective.
Terms of Reference	The scope and limitations of an activity, group or board.
Transition Plan	A formal, approved document showing major deliverables, activities and resources required in order to transition from implementation to delivery.
Wider Investment Fund	Consisting of £375m of funding provided by the UK Government and £120m of committed borrowing by the constituent authorities.
Value for Money	Value for money assessed using three criteria, economy, efficiency and effectiveness.



Schedule 9  
IMPLEMENTATION PLAN

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# Cardiff Capital Region City Deal Implementation Plan 2016-2020

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SRO	<p><i>HMT Implementation Champion(s) for Cardiff Capital Region: Paul Shand</i>  <i>Cardiff Capital Region Implementation Champion(s): Sheila Davies/Sian Workman</i>  <i>WG Implementation champion for Cardiff Capital Region(s): Tamlyn Rabey/Jo Salway</i></p>
Summary	<ol style="list-style-type: none"> <li>1. Cardiff Capital Region has secured a deal worth £1.2 billion. Over its lifetime, local partners expect the City Deal to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.</li> <li>2. This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that builds on the region's sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow.</li> <li>3. This deal will also develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses.</li> <li>4. The Cardiff Capital Region City Deal includes: <ul style="list-style-type: none"> <li><b>£1.2 billion investment in the Cardiff Capital Region's infrastructure.</b> A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme.</li> <li><b>Connecting the region.</b> The Cardiff Capital Region will establish a new non-statutory <b>Regional Transport Authority</b> to co-ordinate transport planning and investment, in partnership with the Welsh Government.</li> <li><b>Support for innovation and improving the digital network.</b> To develop capabilities in Compound Semiconductor Applications the UK Government will invest £50 million to establish a new Catapult Centre in Wales. The Cardiff Capital region will also prioritise investment in research and development and provide support for high value innovative businesses.</li> <li><b>Developing a skilled workforce and tackling unemployment.</b> The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed.</li> <li><b>Supporting enterprise and business growth.</b> A Cardiff Capital Region Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders.</li> <li><b>Housing development and regeneration.</b> The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.</li> </ul> </li> </ol>

<b>Portfolio Leads</b>	<u>Deal Elements</u>	<u>CCRC D Portfolio &amp; Lead</u>	<u>Independent Growth &amp; Competitiveness Commission Recommendation</u>	<u>HMT Lead</u> [To be added where appropriate]	<u>WG Lead</u>
	<p>1.South East Wales Metro and Connecting the CCR</p> <p>2.Additional Flexibilities</p> <p>3.Investing in Innovation and the Digital Network</p> <p>4.Developing a Skilled Workforce and Tackling Unemployment</p> <p>5.Supporting Enterprise and Business Growth</p> <p>6.Housing Development and Regeneration</p> <p>7.Cardiff Capital</p>	<p>T2.6:Cllr Andrew Morgan and Cllr Huw David</p> <p>T2.2:Cllr Andrew Morgan and Will Godfrey</p> <p>T2.3:Cllr Peter Fox and Cllr Anthony Hunt</p> <p>T2.4:Cllr Debbie Wilcox</p> <p>T2.4:Cllr Phil Bale</p> <p>T2.3:Cllr Neil Moore and Cllr Keith Reynolds</p> <p>T2.1:Cllr Andrew Morgan</p>	<p>1,2,3,6,8,10</p> <p>1,2,3,5,6,8,10,11,12</p> <p>1,2,3,4,9</p> <p>1,2,3,4,5,6,7</p> <p>1,2,3,4,5,6,12,13</p> <p>11</p>		<p>Director of Transport and ICT Infrastructure (SJ)</p> <p>Head of Local Government Finance (DC) Dept.</p> <p>Director ICT Infrastructure (RS)</p> <p>Director Skills, HE and Lifelong Working (HM)</p> <p>Head of Economy, Skills, Transport Strategy Team (TB)</p> <p>Director of Housing &amp; Regen (JH)</p>

	Region Cabinet				Head of Planning (NH)
	8.Strategic Regional Planning	T2.3:Cllr Neil Moore and Cllr Keith Reynolds	13		
	9.Cardiff Capital Region Economic Growth Partnership	T2.4/P2:Cllr Phil Bale	8		
	10.Independent Growth and Competitiveness Commission	T2.4/P3:Cllr Phil Bale	1,2,3,5		
	11.Delivery, Monitoring and Evaluation	Cllr Andrew Morgan and Sheila Davies	13		
<b>Deal Element:</b>	<b>1. South East Wales Metro</b>				
<b>Summary:</b>	<p><i>Given the importance of the Metro to the UK Government, Welsh Government and Cardiff Capital Region, a proportion of city deal funding is pre-allocated to the delivery of this scheme (which, for the avoidance of doubt, such funding shall not include any Council's Contribution or any obligation under the Joint Working Agreement). This pre-allocation focuses on Metro phase 2, the delivery of the Valley Lines Electrification and Modernisation programme. This City Deal reconfirms the continued shared ambition of both Governments and the Cardiff Capital Region to deliver this Metro scheme. £734 million of the £1.2 billion funding has already been committed to the delivery of this scheme. As part of this City Deal the Welsh Government commits to involving the Cardiff Capital Region in the co-design of the wider Metro scheme and in the procurement of a delivery organisation, subject to an agreed MoU."</i></p>				
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>• Cllr Huw David &amp; Cllr Andrew Morgan</li> </ul>				



<p>completion of document by 2020</p> <ol style="list-style-type: none"> <li>2. Determine how regional transport networks can most effectively enable strategic spatial planning aspirations</li> <li>3. Identify transport aims and objectives that support the delivery of a SDP &amp; CCR/City Deal aspirations</li> <li>4. Procure external resource in developing statutory supporting studies</li> <li>5. Establish information baseline and undertake appropriate public and stakeholder engagement</li> </ol>			
<b>T2.6/2 Support and Inform Metro Development</b>			
<ul style="list-style-type: none"> <li>• Work in partnership with Welsh Government to define priorities of the South East Wales Metro concept and support its delivery</li> <li>• LA officer seconded into TfW procurement team to support procurement process and assist definition of Metro to align with and complement other City Region aspirations</li> <li>• Determine emerging mode type, service patterns and standards, scope of Phase 2</li> <li>• Identify opportunities for a programme of additional investment (Phase 3) to deliver wider regional benefits</li> </ul>	<p>Oct 16 – Mar 22</p>		<p>RTA/TfW</p>
<b>T2.6/3 Pooled Local Transport Network and Resources</b>			
<ul style="list-style-type: none"> <li>• Establish CCRTA Joint Transport Committee (as sub-committee to Cardiff Capital Region City Deal Joint Committee)</li> <li>• Establish senior transport officer group</li> <li>• Establish joint working partnerships with Welsh Government and Transport for Wales with clear roles and responsibilities</li> <li>• Establish the CCRTA as the focal point for regional engagement on all LA based transport issues and to respond/influence to third party proposals/services</li> <li>• Identify and develop joint regional initiatives to provide a strategic regional approach to dealing with transport matters</li> <li>• Develop and implement a phased approach to regionalising the</li> </ul>	<p>Oct 16 Jan 16  Jan 17 – Mar 20</p>		<p>RTA</p>

<p>delivery of transport services and functions, including appropriate staff, accommodation and establishment requirements</p>			
<p><b>T2.6/4 Integrated Ticketing</b></p>			
<ul style="list-style-type: none"> <li>• Explore the creation of a single integrated ticketing platform for public transport across the region</li> <li>• The CCRTA will work with Welsh Government, Transport for Wales, bus and rail operators and partners and stakeholders to develop integrated ticketing</li> <li>• In conjunction with Welsh Government; an integration initiative will be developed via an Integration Alliance Board (IAB) which will be established as an alliance to drive forward the integration of public transport to ensure a greater proportion of travel demand is accommodated by sustainable modes</li> <li>• The initiative will be developed in parallel with and complement Phase 2 of Metro</li> <li>• The wider Integration Initiative will include; improving availability of information; simplifying ticketing; making connections between different steps in the journey, and different modes of transport, easier; and providing better interchange facilities</li> <li>• Specific to ticketing, the CCRTA will work within the IAB to;</li> <li>• work with the operators to bring forward commercial ticketing products that will be accepted on all modes of transport by all operators</li> <li>• identify the most practical smart technology which can be introduced quickly to enhance the customer experience</li> <li>• ensure the capture of travel data is used to promote public transport options and provide other business opportunities such as shopping vouchers etc.</li> </ul>			<p>RTA/tfW</p> <p>RTA/tfW/IAB</p>
<p><b>T2.6/5 Integrated Aviation Routes</b></p>			

Working in partnership with the Welsh Government to promote the development of integrated aviation routes from Cardiff airport and St Athan Enterprise Zone, to deliver economic benefit			
1. Review current levels of accessibility and connectivity between the airport / enterprise zone and the wider region	2017-19		
2. Identify options to enhance current levels of accessibility and connectivity	2017-19		
3. Develop a prioritised programme of enhancements and identify appropriate funding opportunities	2017-19		
4. Develop and implement enhancements	2020-25		
<b>Deal Element:</b>	<b>2. Additional Flexibilities</b>		
<b>Summary:</b>	In order to deliver the Cardiff Capital Region's City Deal commitments and a longer-term economic strategy, the ten local authorities have requested greater financial autonomy and flexibility. As part of this City Deal the Welsh Government will explore greater financial autonomy and flexibility with the Cardiff Capital Region Regional Cabinet.		
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>Cllr Steve Thomas</li> </ul>		
<b>Supported by:</b>	<ul style="list-style-type: none"> <li>Will Godfrey/WAO/WGT</li> </ul>		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks	Timescales	Requirements of Government	Owner
<b>T2.2/4 Financial Flexibility</b>			
<ul style="list-style-type: none"> <li>Regional Cabinet to develop a proposal around specifically what they are seeking to explore</li> <li>Meeting to explore the potential of business rate income above an agreed growth baseline to provide funding for the City Deal programme</li> <li>Meeting to explore the ability to levy an infrastructure supplement</li> </ul>	Jan 17 Jan 17 Dec 17		RO  WG/WGT WG/WGT



<ul style="list-style-type: none"> <li>Meeting to explore creating the option for the local authorities to use alternative finance sources</li> <li>Explore removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty</li> </ul>			WG/WGT/WAO
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
<b>Deal Element:</b>	<b>3. Investing in Innovation and the Digital Network</b>		
<b>Summary:</b>	<p>The Cardiff Capital Region has an aspiration to extend the “arc of innovation” that runs along the M4 corridor into the Cardiff Capital Region. Capitalising on the research strengths of the Region’s three universities, the Cardiff Capital Region will designate an “Innovation District” that helps to: create and nurture new high growth businesses; increases investment in research and development; and provides the skills that businesses need now and in the future, significantly improving the commercialisation of IP. Within the context of an Innovation District, there are a set of key and connected interventions that would provide a foundation for investment in innovation growth; grow a cluster of international significance around advanced compound semi-conductors; target and try out new ways of working in public services through a regional ‘testbed’ piloting developments in open and big data and unlocking the economic value of public procurement and building an industrial accommodation strategy for co-working innovation hubs.</p>		
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>Cllr Peter fox and Cllr Anthony Hunt</li> </ul>		
<b>Supported by:</b>	<ul style="list-style-type: none"> <li>Paul Matthews/Kellie Bernie/Alison Ward/Matt Lewis</li> </ul>		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
<b>Key milestones/tasks</b>	<b>Timescales</b>	<b>Requirements of Government</b>	<b>Owner</b>
<b>T2.5 /2 Developing an Internationally Competitive Compound Semiconductor Cluster</b>			
<p>Accelerate growth of innovation by:</p> <ul style="list-style-type: none"> <li>Establishing an anchor space in the region for high end production and manufacturing in 2017/18</li> <li>Link University-supported R&amp;D &amp; IP creation through to production and</li> </ul>	<p>Acquisition of high end factory space March 2017</p>	<p>Co-locate high end production with Catapult Centre</p>	<p>CCRPB/WG</p>

<p>commercialisation – ensuring full TRL presence across 1-3, 3-6 and 6-9</p> <ul style="list-style-type: none"> <li>• Connect Centre for Excellence with Manufacturing and Production and Catapult Centre</li> <li>• Supporting the development of a globally recognised Compound Semi-conductor cluster through an open innovation system, FDI and specialist branding and marketing</li> <li>• Supporting high growth connections through creating ‘collision spaces’ for semi-conductors, defence, automotive and digital sectors</li> </ul>	<p>Catapult location with factory production 2017/18</p> <p>Cluster establishment begins 2019/20</p>	<p>Access to ongoing Innovate UK support and investment</p> <p>UKRI recognises region as honeypot for clustering of CS industries</p>	
<b>T2.5 Innovation District, Innovation Investment and Innovate UK</b>			
<ul style="list-style-type: none"> <li>• Designate an innovation district with a ‘core’ around Cardiff University Innovation System and a ‘corridor’ that links growth poles</li> <li>• Achieve new package of fiscal rewards and incentives through which to target growth and development</li> <li>• Target key emergent and existing growth sectors through enhanced package of measures to invest in growth of IP creation and commercialisation</li> <li>• Develop and match fund an Innovation Investment Fund targeted at the digital growth sector</li> <li>• Improve subscription rate to Innovate UK funds and Investment streams Invest</li> <li>• Inform Innovate UK Industrial Growth Strategy</li> <li>• Site the National Innovation Body for Wales within the Innovation District programmes and activities</li> <li>• Work with WG to support, consolidate and promote innovation through a new National Innovation Body</li> </ul>	<p>2018-33</p> <p>2019/20</p> <p>2020 onwards</p> <p>2019</p> <p>2017/18 onwards</p> <p>January 2017</p> <p>2018</p> <p>2018</p>	<p>Provide powers to designate an Innovation District</p> <p>Agree package of fiscal rewards and incentives</p> <p>Ensure greater engagement in Wales with Innovate’s country Director and direct engagement in the IGS</p> <p>Agreement to</p>	<p>CCRPB/WG</p>

		locate new NIB within the region and designated Innovation District	
<b>T2.5/4 Public Services Testbed, Digital Development and Open Data</b>			
<ul style="list-style-type: none"> <li>• Create testbed to try, test and develop new approaches to public service delivering – inverting notion of a ‘bloated’ and problem public sector into an opportunity. This would focus upon solving the ‘wicked problems’ in public services and will include: <ul style="list-style-type: none"> <li>○ Development of data science campus for big data analytics</li> <li>○ Open data standard for the region. Open data programme and strategy that targets useable apps based development; improves accountability and adds civic value</li> <li>○ Unlock the economic value of public procurement and see councils play a more significant role in market creation</li> <li>○ Drive forward new solutions to problems in social care, education, customer care, energy and asset optimisation and localism and service devolution</li> </ul> </li> <li>• Build upon the success and scale of the Software Academy through creation of a Digital Services Academy – targeting cyber, defence and social media alongside software development</li> <li>• Explore scope for direct international connectivity</li> <li>• Add value to existing 4G and 5G technologies – making the region a zone for uber-fast connectivity and a testbed for new technologies</li> <li>• Increase WIFI capacity across public transport, opening opportunities for data portals and e-citizenship</li> <li>• Implement ‘innovation’ and ‘digital’ as a theme across all areas, impacting the future-proofing of new public transport, smart live-work</li> </ul>	<p>Open data strategy and licence for region 2018</p> <p>Data analytics campus 2020</p> <p>Public services testbed in operation for 2021</p> <p>Digital academy expansion 2019</p> <p>Cyber academy established 2020</p>	<p>Support from all Government agencies in region to sign up to approach – ONS, IPO, and Companies House etc.</p> <p>Innovate UK and H20/20 support for Public Services Testbed</p>	CCRPB/WG

housing, smart region development (urban-rural-valley) and ensuring our young people are equipped and skilled to operate in the economies of the future.			
<b>T2.5/4 Industrial Accommodation Strategy &amp; Entrepreneurship</b>			
<ul style="list-style-type: none"> <li>• Re-invigorate and adapt the National Entrepreneurship Strategy for the region</li> <li>• Engage in and implement the findings and recommendations of REAP Action Plan</li> <li>• Create 'maker/coding/co-working' spaces to enable the development of appropriate business development, scale-up and creative co-working environments.</li> </ul>	<p>2020 2018 onwards for REAP recommendations First co-working space live in 2020</p>	<p>Support for implementation of REAP</p> <p>Development of regional ES supported by WG</p> <p>New arrangements in place for liaison and engagement with UKRI</p>	CCRPB/WG
<b>Deal Element:</b>	<b>4. Developing a Skilled Workforce and Tackling Unemployment</b>		
<b>Summary:</b>	The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed.		
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>• Cllr Debbie Wilcox</li> </ul>		
<b>Supported</b>	<ul style="list-style-type: none"> <li>• Stephen Gillingham/Richard Crook</li> </ul>		

by:			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks	Timescales	Requirements of Government	Owner
<b>T2.4/1 DWP Work &amp; Health</b>			
<ul style="list-style-type: none"> <li>Co-design of future employment support</li> <li>Award of framework contracts</li> <li>Agreement of CCRC D involvement in mini framework awards</li> <li>Agreement of CCRC D involvement in the CPA governance of the contract performance</li> </ul>	Nov 17	Engagement with DWP	RC/DWP
<b>T2.4/2 Reducing Unemployment</b>			
<ul style="list-style-type: none"> <li>Increase number of people moving into work</li> <li>A regional approach for assessment and support using the 5 step Model</li> <li>The integration of the All Age Employability Strategy into delivery</li> <li>Ensuring the provision of skills for support employability</li> <li>The preparation of a CCRC D Employability strategy to provide the context to shape existing provision, to direct new provision and measure performance will cover increasing employability and reducing UE. The strategy will be produced for October 2017 with the delivery being ongoing</li> </ul>	Oct 17		LSKIP
<b>T2.4/3 Increasing Employability</b>			
<ul style="list-style-type: none"> <li>Provide people with skills for employability</li> <li>Increase number of people moving into work</li> <li>A regional approach for assessment and support using the 5 step Model</li> <li>The integration of the All Age Employability Strategy into delivery</li> <li>Ensuring the provision of skills for support employability</li> <li>The preparation of a CCRC D Employability strategy to provide the context to shape existing provision, to direct new provision and</li> </ul>	Oct 17		LSKIP

measure performance will cover increasing employability and reducing UE. The strategy will be produced for October 2017 with the delivery being ongoing			
<b>T2.4/4 Apprenticeship Programme</b>			
<ul style="list-style-type: none"> <li>• Increase the number of people undertaking apprenticeships</li> <li>• The programme will need to include the Programme for Government intention of delivering 100,000 apprenticeships, the current supply and demand, and opportunity to develop a tailored CCRCD response. An initial programme will be developed for March 2017 with full programme finalised for October 2017 in line with the Employability Strategy</li> </ul>	Oct 17		LSKIP
<b>T2.4/P1 Social Clauses Review</b>			
<ul style="list-style-type: none"> <li>• Task and Finish review of best practice to establish a sustainable approach to procurement</li> </ul>	June 17		LSKIP
<b>T2.4/P1 Business Cluster (Skills) Collaboration</b>			
<ul style="list-style-type: none"> <li>• Structural engagement with business clusters to ensure skills needs are met</li> </ul>	June 17		LSKIP
<b>T2.4/P1 Virtual Academies</b>			
<ul style="list-style-type: none"> <li>• Development of the model of how the VA would operate in response to opportunity</li> </ul>	June 17		LSKIP
<b>T2.5/4 Software Academy</b>			
<ul style="list-style-type: none"> <li>• The Digital Network</li> <li>• Support the Software Academy and related programmes</li> <li>• Developing a cyber-security academy</li> <li>• Developing proposals for better use of data</li> <li>• Exploring the case for direct International connectivity</li> <li>• Mobile infrastructure across 4G and 5G technologies that add value to existing provision</li> <li>• Increasing Wi-Fi across public transport</li> </ul>	June 17		LSKIP

<ul style="list-style-type: none"> <li>Digital solutions to big problems</li> </ul>			
<b>Deal Element:</b>	<b>5. Supporting Enterprise and Business Growth</b>		
<b>Summary:</b>	A Cardiff Capital Region Business organisation will be established to ensure that there is a single voice for business to work with local authority leaders.		
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>Cllr Peter Fox &amp; Cllr Anthony Hunt</li> </ul>		
<b>Supported by:</b>	<ul style="list-style-type: none"> <li>Paul Matthews/Kellie Bernie/Alison Ward/Matt Lewis/Helen Davies/Ann Beynon</li> </ul>		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
<b>Key milestones/tasks</b>	<b>Timescales</b>	<b>Requirements of Government</b>	<b>Owner</b>
<b>T2.5/P1 Creating the Regional Business Organisation</b>			
<ul style="list-style-type: none"> <li>Establish the board</li> </ul>			HD/AB
<b>Key milestones/tasks</b>	<b>Timescales</b>	<b>Requirements of Government</b>	<b>Owner</b>
<b>T2.5/5 Integrated Delivery Unit</b>			
<ul style="list-style-type: none"> <li>Create a Regional integrated Delivery unit to provide Business Support</li> <li>Align local resources to create the unit to deliver regionally significant aspects of economic development including business development; marketing; tourism; and inward investment</li> <li>Work with Welsh Government to ensure complementarity</li> <li>Welsh Government to ensure greater levels of visibility with the Welsh Government's own oversees offices</li> </ul>		WG oversees offices/networks	RO RO RO RO

<b>Deal Element:</b>	<b>6. Housing Development and Regeneration</b>		
<b>Summary:</b>	The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.		
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>• Cllr Moore &amp; Cllr Reynolds</li> </ul>		
<b>Supported by:</b>	<ul style="list-style-type: none"> <li>• Chris Burns/Christina Harry/Rob Thomas/Marcus Goldsworthy/Jane Cook</li> </ul>		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
<b>Key milestones/tasks</b>	<b>Timescales</b>	<b>Requirements of Government</b>	<b>Owner</b>
<b>T2.3/3 Development of a CCRC Housing Fund</b>			
<ul style="list-style-type: none"> <li>• Evidence base of reasons why housing sites are stalled in SE Wales</li> <li>• Development of toolkit of interventions to stimulate housing development</li> <li>• Complete decision tree to identify the right tools for particular site circumstances</li> <li>• Establish non-financial mechanisms e.g. facilitating landowners; CPO etc.</li> <li>• Establish fund criteria to ensure sites supported deliver economic benefit</li> <li>• Establish fund administration and management arrangements</li> <li>• Establish evaluation mechanism</li> <li>• Launch fund</li> </ul>	2017-2020		JC
<b>T2.3/3 Work with Welsh Government to ensure that housing programmes and initiatives align</b>			
<ul style="list-style-type: none"> <li>• Scope WG housing activity</li> <li>• Share City Deal Activity</li> <li>• Align work streams</li> </ul>	2017-2020		JC
<b>T2.3/3 Work with public and private housing providers to increase the delivery and quality of housing</b>			



<ul style="list-style-type: none"> <li>Establish regional fora</li> <li>Lead task and finish activity</li> <li>Explore innovative housing delivery partnerships</li> </ul>	2017-2020		JC
<b>T2.3/3 Work with public and private housing providers to increase the delivery and quality of housing</b>			
<ul style="list-style-type: none"> <li>Establish regional fora</li> <li>Lead task and finish activity</li> <li>Explore innovative housing delivery partnerships</li> </ul>	2017-2020		JC
<b>T2.3/3 Strategic Plan for Regional Housing delivery, including Market Assessment</b>			
<b>T2.3/1 Coordinate with transport; skills; planning and other CCRC work streams</b>			
<b>T2.3/1 Strategic approach to regeneration &amp; infrastructure provision</b>			
<ul style="list-style-type: none"> <li>Develop a process to capture review and assess infrastructure and regeneration projects which accord with City Deal principles and ensure all submitted schemes and programmes undergo the assessment process and only those meeting the assessment criteria are progressed.</li> <li>Develop a framework based on supporting information provided by the transport, housing, innovation and business support and skill strand to promote innovative infrastructure, regeneration and economic growth projects in collaboration and/or in partnership in order to maximise leverage from the private and public sectors;</li> <li>Facilitate the development of schemes with partners including Welsh Government which together have the potential to provide region wide benefits;</li> <li>Develop a program of support for the three Enterprise Zones within the region in conjunction with Welsh Government and review the boundaries and roles of the Zones going forward</li> <li>The development of further innovative start-up and co-working space in strategic locations to serve the region along with the follow-on space innovative business need to grow.</li> <li>Targeted investment for town centre regeneration to ensure our</li> </ul>	<p>April 2017</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p>		MG

<p>towns develop and thrive into the 21<sup>st</sup> century</p> <ul style="list-style-type: none"> <li>• The Development of a regeneration and infrastructure fund to support projects which deliver crosscutting regional benefits.</li> <li>• Use the outcomes of the assessment process and City Deal Regional Cabinet resolutions to prepare a regional programme of implementation based on available funding;</li> <li>• Ensure that the regional programme of implementation is monitored and updated based on revised funding and priorities and ensures that project implementation maximises added value benefits and sustainability principles.</li> <li>• Tourism development/investment – Development of a region wide destination investment plan</li> </ul>	<p>April 2017-2020</p>		
	<p>April 2017-2020</p>		
<p><b>Deal Element:</b> <b>Summary:</b></p> <p><b>Portfolio Lead:</b> <b>Supported by:</b></p>	<p><b>7. Cardiff Capital Region Cabinet</b></p> <p>This City Deal will act as a catalyst to develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses.</p> <p>Utilising the existing statutory framework, the ten local authorities will establish a Cardiff Capital Region Cabinet. The Cabinet will have the status of a Joint Committee and will be the ultimate decision making body in the governance structure.</p> <p>The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region.</p> <ul style="list-style-type: none"> <li>• Cllr Toomey</li> <li>• Gareth Chapman/Liz Weale/Pincent Mason</li> </ul> <p><i>N.B. unless specified, timescales to be read as 2016-2020</i></p>		

Key milestones/tasks		Timescales	Requirements of Government	Owner
<b>T2.2/1 Agreement and Governance Structure</b>				
<ul style="list-style-type: none"> <li>A comprehensive agreement will be drawn up between the participating authorities which will a) bind and commit each individual local authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal; and b) allow for the possibility of additional functions and powers to be devolved to the Cabinet in the future</li> </ul>		Jan 17		GC
<b>T2.2/2 Governance Development</b>				
<ul style="list-style-type: none"> <li>The Cardiff Capital Region commit to a) reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding; and b) consulting the Welsh Government and the UK Government to identify actions needed to take forward future governance options</li> </ul>				GC
<b>Deal Element:</b>	<b>8. Strategic Regional Planning</b>			
<b>Summary:</b>	The Cardiff Capital Region, in partnership with the Welsh Government, will commit to the creation of an integrated strategic development plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region.			
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>Cllr Moore &amp; Cllr Reynolds</li> </ul>			
<b>Supported by:</b>	<ul style="list-style-type: none"> <li>Chris Burns/Christina Harray/Rob Thomas</li> </ul>			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>				
Key milestones/tasks		Timescales	Requirements of Government	Owner
<b>T2.4/4 Regional Strategic Planning</b>				

	<ul style="list-style-type: none"> <li>Create an Integrated Strategic Development Plan</li> </ul>			RT/CH
<b>Deal Element:</b>	<b>9. Cardiff Capital Region Economic Growth Partnership</b>			
<b>Summary:</b>	<p>The Cardiff Capital Region Economic Growth Partnership will be established as a key advisory body for the development of the Regional Economic Strategy as well as decisions relating to the City Deal Wider Investment Fund. The Partnership will comprise representatives of the key economic actors and agents of the city-region, including business, higher education, local government, the third sector and employee organisations. In addition to being an advisory body for the Regional Economic Strategy, and providing advice on the Wider Investment Fund, the Partnership will also provide an advocacy role in promoting the city-region, which includes supporting the marketing of the city-region and inward investment activities, as well as making representations on behalf of the city-region. In undertaking these activities the Partnership will also monitor and make recommendations to the Regional Cabinet with regard to City Deal implementation; and will provide advice on investment decisions.</p>			
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>Cllr Bale</li> </ul>			
<b>Supported by:</b>	<ul style="list-style-type: none"> <li>Paul Orders</li> </ul>			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>				
Key milestones/tasks		Timescales	Requirements of Government	Owner
<b>T2.4 Establish the Regional Economic Growth Partnership (REGP)</b>				
<ul style="list-style-type: none"> <li>Develop detailed proposals for the REGP and report back to Joint Cabinet</li> </ul>		2016 Early 2017		PO
<ul style="list-style-type: none"> <li>Finalise proposals to align with legislation and the wider city deal requirements around governance and the wider investment fund assurance framework</li> </ul>		Early 2017 Early 2017		
<ul style="list-style-type: none"> <li>Identify an individual to support the Nolan process in appointing a chair</li> </ul>		Spring 2017		
<ul style="list-style-type: none"> <li>Identify representative groups from the business community and</li> </ul>				

	employee groups, inviting Higher Education institutions to propose a representative and establish interim board			
	<ul style="list-style-type: none"> <li>Establish full REGP</li> </ul>			
<b>Deal Element:</b>	<b>10. Independent Growth and Competitiveness Commission</b>			
<b>Summary:</b>	The Cardiff Capital Region will establish an independent Growth and Competitiveness Commission to support the city region's economic and investment strategy. It will review activities related to the City Deal as well as wider economic and growth interventions.			
<b>Portfolio Lead:</b>	<ul style="list-style-type: none"> <li>Cllr Bale</li> </ul>			
<b>Supported by:</b>	<ul style="list-style-type: none"> <li>Paul Orders</li> </ul>			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>				
<b>Key milestones/tasks</b>		<b>Timescales</b>	<b>Requirements of Government</b>	<b>Owner</b>
<b>T2.4/P3 Review of evidence</b>				
	<ul style="list-style-type: none"> <li>Establish terms of reference and programme June 2016</li> <li>Launch event June 2016</li> <li>Commence programme, beginning with a review of evidence about the functional economy area.</li> <li>Deliver a detailed economic analysis of the city-region</li> <li>Findings launched December 2016</li> </ul>	2015/16		GC
<b>Deal Element:</b>	<b>11. Delivery, Monitoring and Evaluation</b>			
<b>Summary:</b>	Cardiff Capital Region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation plan in advance of implementation, which sets out the proposed approach delivery and evaluating the impact of delivery.			

<b>Portfolio Lead:</b>	• Cllr Morgan		
<b>Supported by:</b>	• Sheila Davies/Sian Workman		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
<b>Key milestones/tasks</b>	<b>Timescales</b>	<b>Requirements of Government</b>	<b>Owner</b>
<b>T2.1 Establish the Regional Office (RO)</b>			
<ul style="list-style-type: none"> <li>Establish the joint programme management team</li> <li>Establish the regional delivery team</li> <li>Develop and deploy over-arching programme monitoring tools and processes</li> <li>Introduce individual evaluation arrangements covering each portfolio area referenced</li> <li>Produce the 2017/18 Business Plan</li> </ul>	Jan 17	Support in the development of the framework	SD/SW SW SW  SD/SW
<b>T2.1 Establish a Comprehensive Transition Programme</b>			
<ul style="list-style-type: none"> <li>A comprehensive programme of work to ensure a seamless transition to city deal arrangements</li> <li>Ensure that appropriate arrangements are put in place to support the CCRCD including accommodation, staff resources, HR support, financial systems and audit arrangements and IT systems</li> <li>Effective 'internal' communication will be required</li> </ul>	Jan 17	Support in the development of the framework	SW SW/WGT/UKG  SW
<b>T2.1 Agree and Implement a Review and Reporting Timetable</b>			
<ul style="list-style-type: none"> <li>A comprehensive timetable to ensure requisite multilateral review and reporting arrangements are met by all partners</li> <li>Establish a clear mechanism for refreshing the city-region implementation plan (it is quite possible that named individuals may change as the result of elections, and we anticipate that some milestones can only be developed or refined following initial exploratory work) and agreeing clear governance over how revisions</li> </ul>	Jan 17	Support in the development of the timetable  Welsh Government City Deal	SW/WGT/UKG  SW

are approved		Overview Board	
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**Consider:** Key Stakeholder list (who is involved in delivery, who is the accountable officer); Coms (who, when, how); Budget / costs (who is paying); Resource implications (how much effort (FTE and time) to complete each action; Interdependencies (which actions can't commence until others have been completed) and Governance (who will sign off the plan, and who will monitor progress and when).

DRAFT

Schedule 10

DRAFT



The Common Seal of **BLAENAU GWENT** )  
**COUNTY BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **BRIDGEND COUNTY** )  
**BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **CAERPHILLY COUNTY** )  
**BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **THE COUNTY** )  
**COUNCIL OF THE CITY & COUNTY OF** )  
**CARDIFF** was hereunto affixed in the )  
presence of:- )

The Common Seal of **MERTHYR TYDFIL** )  
**COUNTY BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **MONMOUTHSHIRE** )  
**COUNTY COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **NEWPORT** )  
**CITY COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **RHONDDA CYNON** )  
**TAFF COUNTY BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **TORFAEN COUNTY** )  
**BOROUGH COUNCIL** was )  
hereunto affixed in the presence of:- )

The Common Seal of **THE VALE OF** )  
**GLAMORGAN COUNCIL** was )  
hereunto affixed in the presence of:- )

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

1 FEBRUARY 2017

#### REPORT OF THE CORPORATE DIRECTOR – COMMUNITIES

##### DEPARTURE FROM DEVELOPMENT PLAN

##### **PLANNING APPLICATION P/16/939/FUL - CONSTRUCT A SINGLE STOREY CAFE BUILDING WITH ANCILLARY SPACES FOR USE BY THE SOUTH WALES POLICE**

#### **1. Purpose of Report**

- 1.1 On 19<sup>th</sup> January, 2017, the Development Control Committee considered planning application reference P/16/939/FUL, which represented a departure from the Local Development Plan. The scheme related to the construction of a single storey cafe building with ancillary spaces for use by the South Wales Police.
- 1.2 The proposed building is to be centrally located within the Police Headquarters site, to the north-west of a new entrance block/headquarters building, to the north of the security lodge and to the south east of the “Ty Coffi” building and police operations and support offices which are due to be demolished.
- 1.3 The application site forms part of a wider residential allocation in the Bridgend Strategic Regeneration Growth Area for approximately 138 units (including 28 Affordable Housing Units) under Policy COM1 (5) of the Local Development Plan (LDP) (2013).
- 1.4 The Development Control Committee resolved not to refuse planning permission as the development forms part of the Police rationalisation strategy to invest in their Headquarters site at Cowbridge Road which will allow the early release of their land at Waterton Cross as part of the wider Bridgend Strategic Regeneration Growth Area. As such the application is referred to Council which is requested to approve the application subject to conditions.
- 1.5 A copy of the Development Control Committee report is attached at Appendix 1.

#### **2. Connection to Corporate Improvement Plan / Other Corporate Priorities**

- 2.1 The delivery of the County Borough Council’s planning functions has direct links to two of the three corporate priorities as outlined in the Corporate Improvement Plan 2016-2020, namely Supporting a Successful Economy and Smarter Use of Resources.

#### **3. Background**

- 3.1 The application relates to the construction of a single storey replacement café facility on previously developed land within the South Wales Police Headquarters (HQ) site.

- 3.2 The proposed building is located within an allocated site in the Bridgend Strategic Regeneration Growth Area for approximately 138 residential units under Policy COM1 (5) of the Local Development Plan. South Wales Police are currently undertaking a large-scale rationalisation programme of their existing facilities and assets and, up until recently, their original rationalisation proposals involved the release of the entire northern part of their existing HQ facilities for alternative development.
- 3.3 South Wales Police (SWP), through their agent, have confirmed that they have re-assessed their assets as part of their ongoing rationalisation programme. They now propose to pursue an alternative strategy which entails carrying on with their programme of refurbishment and improvement works and retaining the whole of their existing HQ site at Cowbridge Road.
- 3.4 On the basis that the SWP rationalisation strategy has evolved since the adoption of the LDP in 2013, the fact that they have invested in the HQ site and their asset plan going forward is now to consolidate their activities and facilities at their existing site at Cowbridge Road, there is now no realistic prospect of the delivery of housing under Policy COM1(5) on this site.
- 3.5 Notwithstanding the loss of the housing allocation, the investment in the site and its comprehensive redevelopment is welcomed as the applicant has made a firm commitment to consolidate and retain its operations within the County Borough. The strategy will ensure that a highly prestigious HQ facility will be retained within Bridgend, thereby retaining and creating highly skilled employment opportunities as well as providing a valuable social and community service to the residents and communities of Bridgend.
- 3.6 Furthermore, the new facilities at the Cowbridge Road site (including the cafeteria) will facilitate an earlier than previously anticipated release of SWP's land holding assets at Waterton Cross, which also forms part of the larger mixed use allocation under Policy PLA3(4) Parc Afon Ewenni - including the delivery of an estimated 650 new dwellings. The concentration of the facilities at SWP's HQ at Cowbridge Road will now allow the entire Waterton Cross site to be released in a timely manner within the LDP plan period (2013-2021).
- 3.7 The development is, therefore, broadly in line with the LDP's Regeneration-Led Spatial Strategy and Strategic Policy SP1 of the LDP which aims to maximise regeneration benefits and particularly focus development within Strategic Regeneration Growth Areas. The current and wider proposals for the HQ site and the Waterton Cross site are inextricably linked and both are located within the Bridgend Strategic Regeneration Growth Area. The current proposal, as part of a wider strategy by SWP, is therefore maximising the regeneration benefits of both sites.
- 3.8 Given the wider regeneration, economic and social and community considerations as outlined above, there are no overriding objections to this proposal from a development planning perspective. Additionally, as the housing allocation under Policy COM1(5) is wholly within the demise of SWP's land holding at their Headquarters site, Cowbridge Road, the proposed rationalisation of their facilities and operations from Waterton Cross will not prejudice any third party land and future developments. In fact, it is expected that this change in direction will allow land in

and around the Waterton Cross site to be brought forward for development sooner than expected.

- 3.9 On this basis BCBC as the Local Planning Authority can grant permission for development which does not accord with the provisions of the development plan in force in the area in which the land to which the application relates is situated under the provisions of Article 20 of the Town and Country Planning (Development Management Procedure) (Wales) Order 2012 subject to ratification by Council.
- 3.10 Therefore, as the application lies within the allocated housing site as defined in the LDP, this application is required to be assessed as a departure to the LDP and, once considered by the Development Control Committee, referred to Council for approval.

#### **4. Current Situation**

- 4.1 The application site is located within an allocated site in the Bridgend Strategic Regeneration Growth Area for approximately 138 residential units under Policy COM1 (5) of the LDP. The LDP was adopted on 18th September 2013 and is a guide for development in the County Borough up to 2021.
- 4.2 Paragraph 3.1.3 of Planning Policy Wales (9<sup>th</sup> Edition November, 2016) states that "... applications for planning permission or for the renewal of planning permission, should be determined in accordance with the approved or adopted development plan for the area, unless material considerations indicate otherwise." Paragraph 3.1.5 goes on to advise that "the local planning authority should have good reasons if it approves a development which is a departure from the approved or adopted development plan or is contrary to the Welsh Government's stated planning policies, the advice of a statutory consultee or the written advice of its officers, and those reasons should be recorded in the Committee's minutes."

#### **5. Effect upon Policy Framework & Procedure Rules**

- 5.1 Whilst the application does not accord with the policies of the Bridgend Local Development Plan, South Wales Police have confirmed that they are not going to pursue the release of this land for residential development and the proposal forms part of the rationalisation strategy to concentrate their facilities and operations at their Headquarters, Cowbridge Road. Furthermore, the development does not represent a precedent and will not compromise the integrity of the development plan.

#### **6. Equality Impact Assessment.**

- 6.1 A screening for Equality Impact has been undertaken and no negative issues have been identified.

#### **7. Financial Implications**

- 7.1 There are no direct financial implications as a result of this report.

#### **8. Recommendation**

- 8.1 That if Council is minded not to refuse the development then the Corporate Director Communities be given delegated powers to issue a decision notice in respect of this

proposal to include the standard 5 year time limit for implementation and the following conditions:

1. The development shall be carried out in accordance with the following approved plans and documents:

0812/91 Rev A  
0812/100 Rev H  
0812/120 Rev G

Reason: To avoid doubt and confusion as to the nature and extent of the approved development.

2. No development shall commence on site until a scheme for the comprehensive and integrated drainage of the site, showing how foul, road and roof/yard water will be dealt with, including future maintenance requirements, has been submitted to and approved in writing by the Local Planning Authority; the approved scheme must be implemented prior to beneficial use.

Reason: To ensure the effective drainage facilities are provided for the proposed development and that flood risk is not increased.

3. The approved use shall not commence until an adequate grease trap has been fitted in accordance with details that have been submitted to and approved in writing by the local planning authority. Thereafter the grease trap shall be maintained so as to prevent grease entering the public sewerage system.

Reason: To protect the integrity of the public sewerage system and ensure the free flow of sewerage.

4. Prior to the development being brought into beneficial use details of the extraction system to be installed, including odour abatement and noise levels generated by the external unit (sound power/pressure levels), a vertical section plan indicating the position and height of final openings of the exhaust ducts and details of an odour management plan shall be submitted to and agreed in writing by the Local Planning Authority. The details as agreed shall be implemented within 1 month of agreement and thereafter the equipment shall be maintained in accordance with the agreed programme and retained for the duration of the use.

Reason: To ensure that the amenities of adjoining and nearby occupiers are not prejudiced.

**Mark Shephard**  
**Corporate Director Communities**  
**1<sup>st</sup> February, 2017**

**Contact Officer**  
Mr. Rhodri Davies  
Development and Building Control Manager  
Telephone Number: 01656 643152 e-mail: [rhodri.davies@bridgend.gov.uk](mailto:rhodri.davies@bridgend.gov.uk)

**Background documents**

**Appendix 1: Development Control Committee Report**

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**REFERENCE:** P/16/939/FUL

**APPLICANT:** Police & Crime Commissioner S. Wales

**LOCATION:** South Wales Police Headquarters, Cowbridge Road, Bridgend CF31 3SU

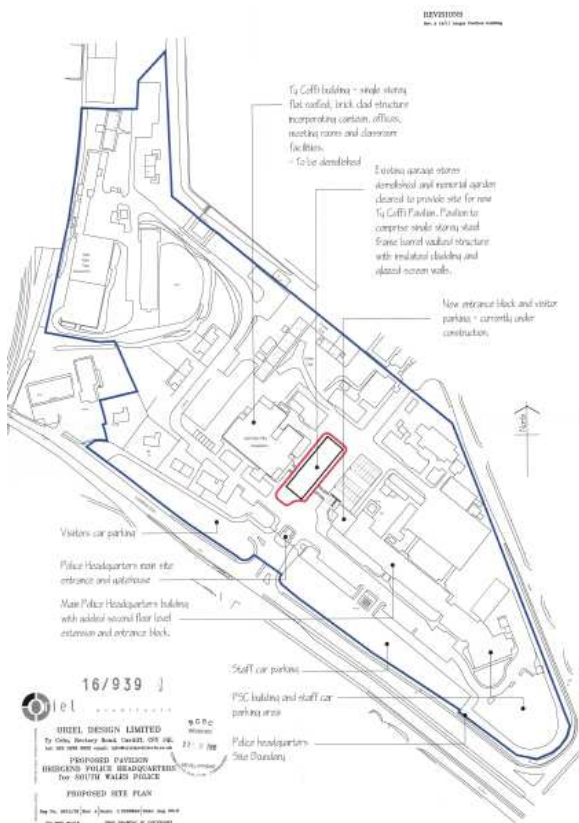
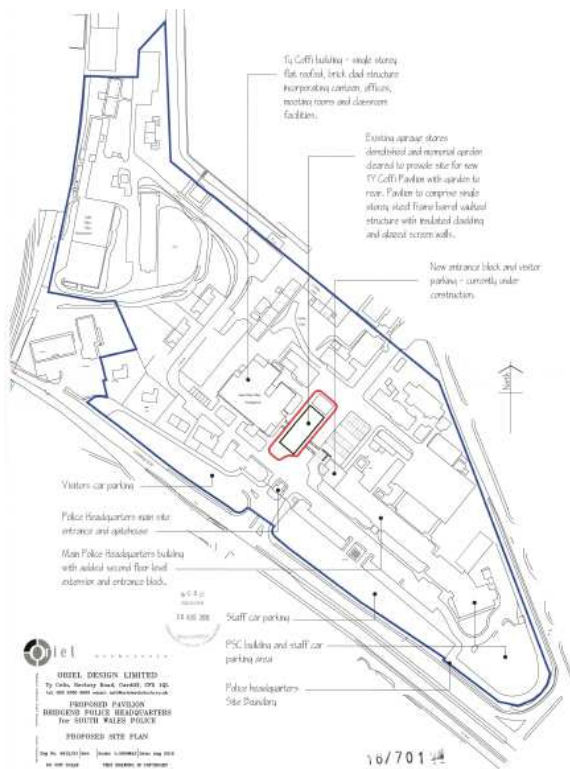
**PROPOSAL:** Construct a single storey cafe building with ancillary spaces for use by the South Wales Police

**RECEIVED:** 22 November 2016

**SITE INSPECTED:** 21 December 2016

**APPLICATION/SITE DESCRIPTION**

The application seeks consent to erect a single storey building on previously developed land within the grounds of South Wales Police Headquarters to provide a modern replacement café building with ancillary spaces. It represents an alternative scheme to a previous application (P/16/701/FUL refers) for a larger facility that is 10m longer and 138 sq. m. larger than the original scheme.



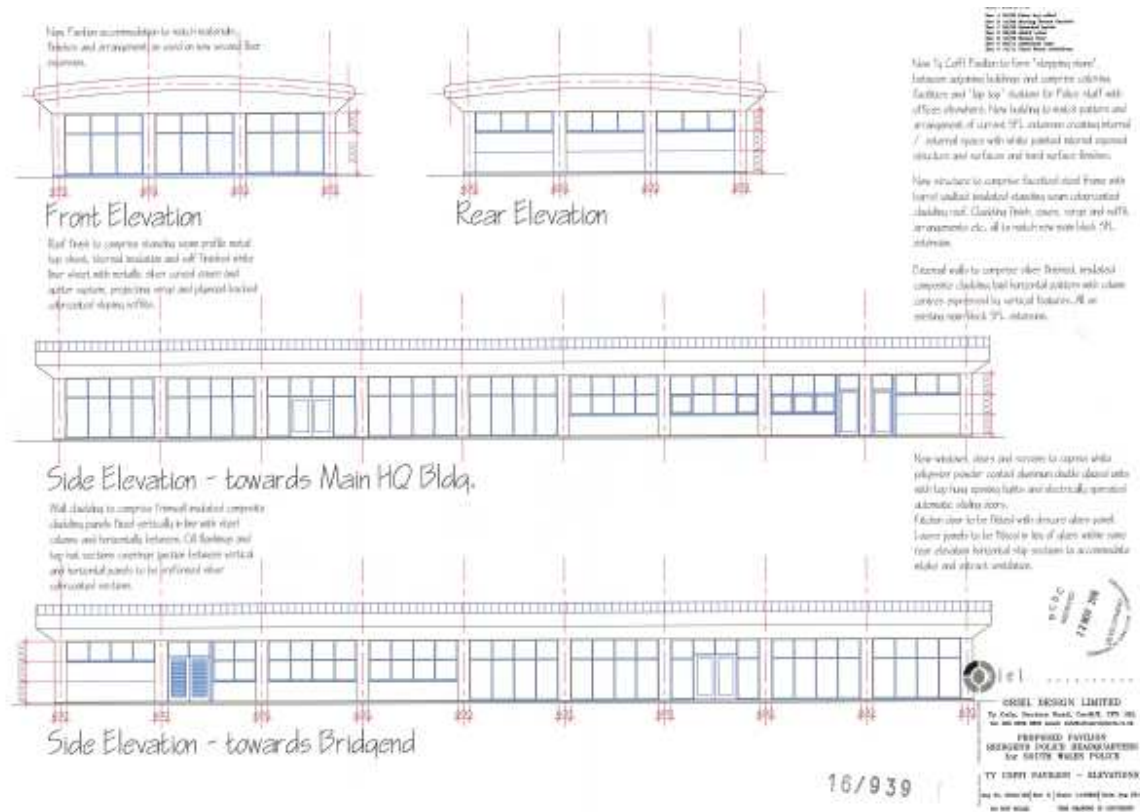
**Proposed Site Plan under P/16/701/FUL**

**Proposed Site Plan**

The proposed building will be centrally located within the Police Headquarters site, to the north-west of a new entrance block/headquarters building, to the north of the security lodge and to the south east of the “Ty Coffi” building and police operations and support offices which are due to be demolished.

The site is designated as part of a wider residential allocation in the Bridgend Strategic Regeneration Growth Area for approximately 138 units (including 28 Affordable Housing Units) under Policy COM1 (5) of the Local Development Plan (2013).

The alternative and re-sited scheme includes a larger single storey building which will accommodate a café with an associated servery and kitchen, a resources room, a communications room, a prayer room, toilets and a plant room.



The resubmitted application has been advertised as a departure to the Local Development Plan (LDP) and is referred to the Development Control Committee on that basis. It will also be referred to the full Council meeting on 1 February 2017 subject to a positive resolution from Members.

The proposed building will have a total gross floor area of approximately 638 sq. m. and will measure 45.6 metres in length x 14 metres in depth with a maximum height of 4.95 metres. The materials, finishes and arrangements will match the new second floor extension to the main headquarters building.

## RELEVANT HISTORY

P/16/789/DPN

Prior notification for demolition of Ty Coffi building and police operations and support offices

P/16/701/FUL

Construction of a single storey cafe building with ancillary spaces for use by South Wales Police

P/16/86/FUL Consent Issued 5<sup>th</sup> April 2016

Construct three storey extension to existing building, 11 space visitor car park and associated works

## **PUBLICITY**

The application has been advertised as a departure to the development plan on site (6<sup>th</sup> December, 2016) and in the press (8<sup>th</sup> December, 2016).  
The period allowed for response to consultations/publicity expired on 28<sup>th</sup> December 2016.

## **CONSULTATION RESPONSES**

### **Dwr Cymru/Welsh Water Developer Services**

has no objections subject to conditions and advisory notes.

### **Head of Street Scene (Highways)**

has no objections to the proposal.

### **Head of Street Scene (Drainage)**

has no objection subject to conditions and advisory notes.

### **Group Manager (Public Protection)**

Has no objections subject to the agreement that the design, construction and maintenance of the extraction and odour abatement system for the café is in accordance with the DEFRA Guidance on Control of Odour & Noise From Commercial Kitchen Exhaust Systems and agreed with the Public Protection Department prior to the commencement of the development .

## **REPRESENTATIONS RECEIVED**

None

## **APPRAISAL**

The application is reported to Committee as a departure from the Local Development Plan (LDP). More specifically, the application is contrary to the wider designation of this part of the Police Headquarters site at Cowbridge Road, Bridgend as a residential allocation in the Bridgend Strategic Regeneration Growth Area under Policy COM1 (5) of the Bridgend County Borough Council Local Development Plan (2013).

South Wales Police are currently undertaking a large-scale rationalisation programme of their existing facilities and assets and, up until recently, their original rationalisation proposals involved the release of the entire northern part of their existing HQ facilities for alternative development.

It was on that basis that the northern part of the existing Police HQ facility was allocated for residential development by Policy COM1(5) of the LDP. At that time, the site was expected to deliver an estimated 138 residential units (including 28 Affordable Housing Units) within the plan period up to 2021.

The proposed replacement cafeteria is located within the boundary of the COM1(5) housing allocation and, as such, the proposal represents a development that is out of accord with the adopted LDP and represents a departure from the development plan in force in the area.

Paragraph 3.1.3 of Planning Policy Wales (9<sup>th</sup> Edition November, 2016) states that "... applications for planning permission or for the renewal of planning permission, should be determined in accordance with the approved or adopted development plan for the area, unless material considerations indicate otherwise." Paragraph 3.1.5 goes on to advise that "the local planning authority should have good reasons if it approves a development which is a departure from the approved or adopted development plan or is contrary to the Welsh Government's stated planning policies, the advice of a statutory consultee or the written advice of its officers, and those reasons should be recorded in the Committee's minutes."

South Wales Police, through their agent, have confirmed that they have re-assessed their assets as part of their ongoing rationalisation programme. They now propose to pursue an alternative strategy which entails carrying on with their programme of refurbishment and improvement works and retaining the whole of their existing HQ site at Cowbridge Road.

The new strategy includes replacing and modernising the current dilapidated buildings within the site with a new Training and Operations building and relocating the Training Centre and firing range at Waterton Cross to the HQ site, all of which are estimated to be operational by 2019.

The new facilities, together with the replacement café, will complement the recently approved facilities and general modernisation of the Headquarters on the southern part of the site, including the new third storey extension to the main HQ offices, a new 3 storey extension and entrance block and the large-scale forensic laboratory block at the southern extremity of the site.

On the basis that the SWP rationalisation strategy has evolved since the adoption of the LDP in 2013, the fact that they have invested in, and committed to, the HQ site and their asset plan is now to consolidate their activities and facilities at their existing site at Cowbridge Road, there is, unfortunately, no realistic prospect of the delivery of housing under Policy COM1(5).

However, the obvious investment in the site and its comprehensive redevelopment should be welcomed as the applicant has made a firm decision to consolidate and retain its operations within the County Borough. The strategy will ensure that a highly prestigious new HQ facility will be retained within Bridgend, thereby retaining and creating highly skilled employment opportunities as well as providing a valuable social and community service to the residents and communities of Bridgend.

Furthermore, the new facilities at the Cowbridge Road site (including the cafeteria) will facilitate an earlier than previously anticipated release of the SWP land holding assets at Waterton Cross, which also forms part of the larger mixed use allocation under Policy PLA3(4) Parc Afon Ewenni - including the delivery of an estimated 650 new dwellings.

The programme of works for consolidating a number of the Police facilities at the existing HQ site, involves the relocation of a number of buildings and operations from their site at Waterton Cross, including the firing range, which was initially going to be retained in situ as part of SWP's earlier plans. The concentration of the facilities at SWP's HQ at Cowbridge Road will now allow the entire Waterton Cross site to be released in a timely manner within the LDP plan period (2013-2021). It will also provide greater certainty that the land at Waterton Cross will be developed to its full potential, especially given that some potentially restrictive and unneighbourly uses are to be entirely relocated to the HQ site and elsewhere.

The development is, therefore, broadly in line with the LDP's Regeneration-Led Spatial Strategy and Strategic Policy SP1 of the LDP which aims to maximise regeneration benefits and particularly focus development within Strategic Regeneration Growth Areas. The current and wider proposals for the HQ site and the Waterton Cross site are inextricably linked and both are located within the Bridgend Strategic Regeneration Growth Area. The current proposal, as part of a wider strategy by SWP, is therefore maximising the regeneration benefits of both sites.

Given the wider regeneration, economic and social and community considerations as outlined above, there are no overriding objections to this proposal from a development planning perspective. Additionally, as the housing allocation under Policy COM1(5) is wholly within the demise of SWP's land holding at their Headquarters site, Cowbridge Road, the proposed rationalisation of their facilities and operations from Waterton Cross will not prejudice any third party land and future developments. In fact, it is expected that this change in direction will allow land in and around the Waterton Cross site to be brought forward for development sooner than expected.

On this basis BCBC as the Local Planning Authority can grant permission for development which does not accord with the provisions of the development plan in force in the area in which the land to which the application relates is situated under the provisions of Article 20 of the Town and Country Planning (Development Management Procedure) (Wales) Order 2012 and subject to ratification by Council.

In terms of design considerations, development proposals are required to create high quality, attractive, sustainable places and Policy SP2 of the Bridgend Local Development Plan identifies 15 separate criteria as a starting point for the assessment of all applications.

Having a design of the highest quality possible, whilst respecting and enhancing local character and distinctiveness and landscape character; being of an appropriate scale, size and prominence; using land efficiently; having good pedestrian, cycling, public transport and road connections within and outside the site; avoiding or minimising noise, soil and water pollution; ensuring equality of access by all; ensuring that the viability and amenity of neighbouring uses and their users/occupiers will not be adversely affected and incorporating appropriate arrangements for the disposal of foul sewage and surface water are considered to be the relevant criteria for the purposes of this application for a replacement café facility at the Police Headquarters.

The building has a modern design with a curved roof and materials and finishes to match recent developments on the wider site. It will be single storey and set centrally within the site between larger buildings and to the rear of the security lodge. Therefore, the building will not be prominent when viewed from public vantage points either from Cowbridge Road to the south or from York Road, and the Industrial Estate, to the east.

Section 3 of the Wellbeing of Future Generations (Wales) Act 2015 imposes a duty on public bodies to carry out sustainable development in accordance with sustainable development principles to act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs (section 5).

The well-being goals identified in the Act are:

- \* A prosperous Wales
- \* A resilient Wales

- \* A healthier Wales
- \* A more equal Wales
- \* A Wales of cohesive communities
- \* A Wales of vibrant culture and thriving Welsh language
- \* A globally responsible Wales

The duty has been considered in the assessment of this application. It is considered that there are no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of the proposed development.

Section 40 of the Natural Environment and Rural Communities Act 2006 states that 'every public authority must, in exercising its function, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity'. This 'duty to conserve biodiversity' has been replaced by a 'biodiversity and resilience of ecosystems duty' under Section 6 of the Environment (Wales) Act 2016 which came into force on 21st March, 2016.

Section 6 (1) states that "a public authority must seek to maintain and enhance biodiversity in the exercise of functions in relation to Wales, and in so doing promote the resilience of ecosystems, so far as consistent with the proper exercise of those functions." Section 6(2) goes on to state that 'In complying with subsection (1), a public authority must take account of the resilience of ecosystems, in particular (a) diversity between and within ecosystems; (b) the connections between and within ecosystems; (c) the scale of ecosystems; (d) the condition of ecosystems (including their structure and functioning); and, (e) the adaptability of ecosystems.'

Regulation 9 of the Conservation of Habitats & Species Regulations 2010 requires LPAs to take account of the presence of European Protected Species at development sites. If they are present and affected by the development proposals, the Local Planning Authority must establish whether "the three tests" have been met, prior to determining the application. The three tests that must be satisfied are:

1. That the development is "in the interests of public health and public safety, or for other imperative reasons of overriding public interest, including those of a social or economic nature and beneficial consequences of primary importance for the environment".
2. That there is "no satisfactory alternative"
3. That the derogation is "not detrimental to the maintenance of the populations of the species concerned at a favourable conservation status in their natural range"

Given the previously developed nature of the application site within the SWP Headquarters, it is considered that there will be no significant adverse residual impacts on biodiversity and ecology.

Therefore, the proposal is considered to comply with the requirements of the Habitats Regulations 1994 (as amended), Section 6 of the Environment (Wales) Act 2016, guidance contained within TAN 5: Nature Conservation and Planning (2009) and relevant LDP policies.

A condition is added to the recommendation to ensure that the extraction system to be installed in the new kitchen conforms to Public Protection standards.

Finally, the Highway Authority has no objections to the proposal for a larger replacement café facility within the Police HQ site on the basis of the restricted access to the secure site, the limited increase in floor area of the proposed café and ancillary spaces and the lack of any increase in vehicle movements or parking requirements associated with the new facility.

## **CONCLUSION**

Whilst the application represents a departure from the Development Plan, it can be recommended for approval as South Wales Police have no intention to release this land for residential development and it is generally compatible with Development Plan policies relating to the Bridgend Strategic Regeneration Growth Area and the wider regeneration, economic, social and community considerations as outlined above.

Due to the overriding benefits of retaining and relocating other facilities at the Headquarters site and the potential to bring forward the comprehensive release of Police land at their Waterton Cross, there are significant material considerations to warrant a recommendation for approval in this instance.

The Local Planning Authority can grant permission for development which does not accord with the provisions of the development plan in force in the area under Article 20 of the Town and Country Planning (Development Management Procedure) (Wales) Order 2012 subject to ratification by Council.

## **RECOMMENDATION**

(R40)

(A) That the application be referred to Council as a proposal that represents a departure from the Development Plan which the Development Control Committee are not disposed to refuse as the development forms part of the Police rationalisation strategy to invest in their Headquarters site which will allow the early release of their land at Waterton Cross as part of the wider Bridgend Strategic Regeneration Growth Area.

(B) That if Council resolve to approve the proposal, the following conditions be attached to the consent:-

1. The development shall be carried out in accordance with the following approved plans and documents:

0812/91 Rev A  
0812/100 Rev H  
0812/120 Rev G

Reason: To avoid doubt and confusion as to the nature and extent of the approved development.

2. No development shall commence on site until a scheme for the comprehensive and integrated drainage of the site, showing how foul, road and roof/yard water will be dealt with, including future maintenance requirements, has been submitted to and approved in writing by the Local Planning Authority; the approved scheme shall be implemented prior to beneficial use.

Reason: To ensure the effective drainage facilities are provided for the proposed development and that flood risk is not increased.

3. The approved use shall not commence until an adequate grease trap has been fitted in accordance with details that have been submitted to and approved in writing by the Local Planning Authority. Thereafter the grease trap shall be maintained so as to prevent grease entering the public sewerage system.

Reason: To protect the integrity of the public sewerage system and ensure the free flow of sewerage.

4. Prior to the development being brought into beneficial use details of the extraction system to be installed, including odour abatement and noise levels generated by the external unit (sound power/pressure levels), a vertical section plan indicating the position and height of final openings of the exhaust ducts and details of an odour management plan shall be submitted to and agreed in writing by the Local Planning Authority. The details as agreed shall be implemented within 1 month of agreement and thereafter the equipment shall be maintained in accordance with the agreed programme and retained for the duration of the use.

Reason: To ensure that the amenities of adjoining and nearby occupiers are not prejudiced.

**\* THE FOLLOWING ARE ADVISORY NOTES NOT CONDITIONS**

a. The application can be recommended for approval despite being out of accord with Development Plan policies due to SWP's commitment to the HQ site and the fact that they are no longer intending to proceed with the release of the land for housing. The proposal represents an investment in Bridgend and the rationalisation strategy will bring forward the release of land at Waterton Cross.

b. The applicant must contact Dwr Cymru/Welsh Water if a sewer connection is required under Section 106 of the Water Industry act 1991 or any alteration to their apparatus is proposed prior to any development being undertaken.

c. No surface water is allowed to discharge to the public highway.

d. No surface water and/or land drainage will be allowed to connect directly or indirectly with the public sewerage network.

e. In order to satisfy condition 2 the following advisory notes should be followed:-

- provide ground floor plan showing both foul and surface water sewers with proposed connection points to the public sewerage system
- provide agreement from DCWW regarding the connection to the public sewerage system.

**MARK SHEPHARD  
CORPORATE DIRECTOR COMMUNITIES**

**Background Papers**

None



## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

1 FEBRUARY 2017

### REPORT OF THE MONITORING OFFICER

#### LOCAL GOVERNMENT ACT 1972 - VACATION OF OFFICE

##### **1. Purpose of Report.**

- 1.1 To advise Council that Councillor Sage has not attended meetings of the Authority for a period approaching six consecutive months, and seek Council's approval of the reason for his absence in accordance with Section 85 of the Local Government Act 1972.

##### **2. Connection to Corporate Improvement Plan / Other Corporate Priority.**

- 2.1 The role and function of a Councillor links to all Corporate Priorities and improvement objectives.

##### **3. Background.**

- 3.1 In accordance with Section 85 of the Local Government Act 1972, if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.

##### **4. Current situation / proposal.**

- 4.1 Councillor Sage is currently suffering ill-health. The last relevant meeting in terms of Section 85 of the Local Government Act 1972 he attended was the Adult Social Care Overview and Scrutiny meeting held on 13 September 2016.
- 4.2 A period of six consecutive months of absence will lapse on 13<sup>th</sup> March 2017 and as a consequence members are requested to approve Councillor Sage's continued absence to the end of the municipal year given his ill-health.

##### **5. Effect upon Policy Framework & Procedure Rules.**

- 5.1 None.

##### **6. Equality Impact Assessment.**

- 6.1 There are no equality implications arising from this report.

##### **7. Financial Implications.**

- 7.1 None.

**8. Recommendations.**

- 8.1 Council is recommended to approve Councillor Sage's absence from attending meetings for the remainder of the municipal year due to his continuing ill-health.

**P A Jolley**  
**Corporate Director – Operational and Partnership Services**

**Telephone:** (01656) 643148

**E-mail:** [Andrew.jolley@bridgend.gov.uk](mailto:Andrew.jolley@bridgend.gov.uk)

**Postal Address** Bridgend County Borough Council,  
Civic Offices,  
Angel Street,  
Bridgend.  
CF31 4WB

**Background documents:**  
Report to Council – 18 March 2015

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

1 FEBRUARY 2017

### REPORT OF THE MONITORING OFFICER

#### REVIEW OF POLITICAL BALANCE – CHANGES TO COMMITTEE MEMBERSHIP

#### 1. Purpose of Report.

1.1 The purpose of this report is to:

- advise Council of the outcome of a review of the political balance of the Authority.
- seek approval of the revised political balance.
- receive nominations and appoint the necessary members to Committees to reflect the changes in the political balance.
- Receive nominations and appoint Chairpersons to the Overview and Scrutiny Committees.

#### 2. Connection to Corporate Improvement Plan / Other Corporate Priority.

2.1 This report supports all of the Corporate Priorities:

1. **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
2. **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
3. **Smarter use of resources** – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

#### 3. Background.

3.1 The Council is required by legislation and the provisions of Part 4 of the Rules of Procedure (Council Procedure Rules) of the Constitution, to undertake arrangements which will continue to facilitate and carry out the decision making processes of the Authority. On 18 May 2016 Council approved the political balance and made appointments to Committees to reflect the political make-up of the Authority.

3.2 Changes to the political balance of the authority were made at the meeting of Council on 11 January 2017

3.3 Since the last meeting of Council a further review of the political balance is required.

#### 4. Current situation / proposal.

4.1 The political composition of Council is now as follows:

Group	No of Cllrs	Percentage
Labour	32	59.26
Independent Alliance	9	16.67
Independent Annibynwr	4	7.41
Plaid Cymru	1	1.85
Independent (LE)	1	1.85
Independent (DKE)	1	1.85
Independent (EMH)	1	1.85
Independent (GWD)	1	1.85
Independent (PJ)	1	1.85
Independent (RT)	1	1.85
Independent (HM)	1	1.85
Independent (CW)	1	1.85
Totals	54	100

4.2 Following the review of political balance the membership of committees has been updated to reflect the composition of Council accordingly. The updated political balance figures are shown at **Appendix 1** of the report. The variation of the political balance is between -0.30 seats and + 0.33 seats.

4.3 The changes required to committee membership to reflect the revised political balance are as follows:

##### 4.3.1 Labour

The Labour Group is required to relinquish 3 seats and will gain 2 seats as shown in Appendix 1, namely on the Audit Committee and Children and Young People Overview and Scrutiny Committee.

##### 4.3.2 Independent Alliance

No change

##### 4.3.3 Independent Annibynwr

No change

##### 4.3.4 Plaid Cymru

No change

##### 4.3.5 Independent Members

3 committee seats have been allocated to Councillor Westwood as an Independent Member to ensure that she is able to continue to engage in the Council's decision making processes on the following Committees:

- Appeals Panel
- Development Control Committee
- Partnerships & Governance Overview and Scrutiny Committee

#### 4.4 Scrutiny Chairperson Allocation

4.4.1 The current political balance will change the allocation of Overview and Scrutiny Committee Chairpersons. In accordance with Statutory Guidance made under the Local Government (Wales) Measure 2011, as the Council has more than 2 political groups and multiple scrutiny committees, political groups represented in the executive can only appoint as many chairs as are proportionate to their combined share of the Council's overall membership, rounding down if this does not equal the whole number of chairs. The rest of the scrutiny chairs are the "property" of those groups not represented in the executive. If there is more than one non-executive group, each gets a share of the chairs in proportion to their membership, rounding to the nearest whole number, including zero.

4.4.2 In accordance with the formula as set out in paragraph 4.4.1 the appointment of Overview and Scrutiny Committee Chairpersons is required to be as follows:

Number of members of council = 54

Number in executive group (Labour) = 32

Number of scrutiny chairs = 5

Number of scrutiny chairs for executive group (Labour) = 2

Number of chairs remaining = 3

Number of non-executive group(s) = 2

Size of non-executive group (Independent Alliance) = 9

Size of non-executive group (Independent Annibynwr) = 4

Entitlement to scrutiny chairs of (Independent Alliance) = 2

Entitlement of scrutiny chairs of (Independent Annibynwr) = 1

This formula is based upon the calculation of the percentage of the number of members comprising the three political groups of the Council as follows:

Labour 59.26%

Independent Alliance 16.67%

Independent Annibynwr 7.41%

Members not aligned to a political group account for 16.65%

4.5 It should be noted that the political groups can interchange their representatives appointed to committees within the limits shown in **Appendix 1**. A list of the current membership of the committees is shown at **Appendix 2**. Should any of the existing Chairpersons be removed from any Committee, Council will be requested to appoint a new Chairperson from the revised Committee membership.

4.6 Group Leaders have been informed of these proposals and have not raised any objections or concerns. Councillor Cheryl Green as Leader of the Independent Alliance Group has notified the Monitoring Officer that Councillor Norah Clarke will be nominated for the Chairperson of the Adult Social Care Overview and Scrutiny Committee that is to be relinquished by the Labour Group.

#### **5. Effect upon Policy Framework & Procedure Rules.**

5.1 The provisions and recommendations of the report accord with the Council's Constitution.

## **6. Equality Impact Assessment.**

6.1 There are no equality implications arising from this report.

## **7. Financial Implications.**

7.1 There are no financial implications.

## **8. Recommendations.**

8.1 Council is recommended to:-

- (1) note the change to the political composition of the Council;
- (2) approve the allocation of seats to political groups in accordance with the political balance rules as set out in **Appendix 1** of the report;
- (3) seek nominations as shown in paragraph 4.3 to be removed from or to be appointed to serve on each of the Committees, Panels and other bodies;
- (4) appoint the nominations identified in Paragraph 4.3 to their respective committees.
- (5) receive nominations and appoint Chairpersons to the Overview and Scrutiny Committees as set out in paragraph 4.4 of the report.

**P A Jolley**

**Corporate Director Operational and Partnership Services & Monitoring Officer**

**16 January 2017**

**Contact Officer:** **PA Jolley**  
Corporate Director Operational and Partnership Services & Monitoring Officer

**Telephone:** (01656) 643136

**E-mail:** [Andrew.jolley@bridgend.gov.uk](mailto:Andrew.jolley@bridgend.gov.uk)

**Postal Address** Bridgend County Borough Council,  
Civic Offices,  
Angel Street,  
Bridgend.  
CF31 4WB

**Background documents:** None.



**COMMITTEE MEMBERSHIP****Appeals Panel**

Labour to relinquish 1 seat TBC to be replaced by Cllr C Westwood

	Member	Group	Role
1.	PA Davies	Labour	
2.	C Westwood	<del>Labour</del> Independent	
3.	N Clarke	Independent Alliance	
4.	CA Green	Independent Alliance	
5.	P James	Labour	
6.	DRW Lewis	Labour	
7.	JE Lewis	Labour	
8.	JR McCarthy	Labour	Chairperson
9.	EM Hughes	Independent	
10.	RM James	Plaid Cymru	
11.	D Patel	Labour	
12.	RE Young	Labour	

**Appointments Committee**

	Member	Group	Role
1.	HJ David	Labour	Chairperson /Leader
2.	HM Williams	Labour	Deputy Leader
3.	Cabinet Member	Labour	Portfolio holder
4.	CA Green	Independent Alliance	
5.	JH Tildesley MBE	Independent Annibynwr	
6.	HJ Townsend	Labour	

**Audit Committee**

Labour to replace Cllr C Westwood

	Member	Group	Role
1.	G Davies	Independent Alliance	
2.	R Williams	Labour	
3.	E Dodd	Independent Annibynwr	Chairperson
4.	DK Edwards	Independent	
5.	CA Green	Independent Alliance	
6.	M Gregory	Labour	
7.	CL Jones	Labour	
8.	JE Lewis	Labour	
9.	JR McCarthy	Labour	
10.	D Sage	Labour	
11.	<del>C Westwood</del>	Labour	
12.	RE Young	Labour	
	J Williams		Lay-Member



### Democratic Services Committee

	Member	Group	Role
1.	MEJ Nott OBE	Labour	
2.	L Ellis	Independent	
3.	N Farr	Labour	
4.	CA Green	Independent Alliance	
5.	M Gregory	Labour	
6.	P James	Labour	
7.	M Reeves	Labour	
8.	G Thomas	Labour	
9.	JH Tildesley MBE	Independent Annibynwr	Chairperson
10.	RC Jones	Labour	
11.	E Venables	Independent Alliance	

### Development Control Committee

Labour to relinquish 1 seat TBC to be replaced by Cllr C Westwood

	Member	Group	Role
1.	N Clarke	Independent Alliance	
2.	GW Davies MBE	Independent	
3.	PA Davies	Labour	
4.	L Ellis	Independent	
5.	CA Green	Independent Alliance	
6.	DRW Lewis	Labour	
7.	JE Lewis	Labour	
8.	HE Morgan	Independent	
9.	LC Morgan	Labour	
10.	D Patel	Labour	
11.	JC Spanswick	Labour	
12.	G Thomas	Labour	
13.	M Thomas	Labour	Chairperson
14.	JH Tildesley MBE	Independent Annibynwr	
15.	C Westwood	Labour Independent	
16.	R Williams	Labour	
17.	M Winter	Independent Alliance	
18.	RE Young	Labour	

### Licensing Act 2003 Committee

	Member	Group	Role
1.	GW Davies MBE	Independent	
2.	PA Davies	Labour	
3.	E Dodd	Independent Annibynwr	
4.	CJ James	Labour	
5.	P James	Labour	
6.	RM James	Plaid Cymru	
7.	P John	Independent	
8.	DRW Lewis	Labour	

9.	JE Lewis	Labour	
10.	MEJ Nott OBE	Labour	
11.	DG Owen	Independent Alliance	
12.	M Jones	Labour	
13.	E Venables	Independent Alliance	
14.	R Williams	Labour	Chairperson

### Licensing Committee

	Member	Group	Role
1.	GW Davies MBE	Independent	
2.	PA Davies	Labour	
3.	E Dodd	Independent Annibynwr	
4.	CJ James	Labour	
5.	P James	Labour	
6.	RM James	Plaid Cymru	
7.	P John	Independent	
8.	DRW Lewis	Labour	
9.	JE Lewis	Labour	
10.	MEJ Nott OBE	Labour	
11.	DG Owen	Independent Alliance	
12.	M Jones	Labour	
13.	E Venables	Independent Alliance	
14.	R Williams	Labour	Chairperson

### Town & Community Council Forum

	Member	Group	Role
1.	S Aspey	Independent Alliance	
2.	M Butcher	Independent Annibynwr	
3.	HJ David	Labour	Chairperson
4.	CA Green	Independent Alliance	
5.	EM Hughes	Independent	
6.	CL Jones	Labour	
7.	HE Morgan	Independent	
8.	DG Owen	Independent Alliance	
9.	G Phillips	Labour	
10.	DR Pugh	Labour	
11.	C Reeves	Labour	
12.	M Reeves	Labour	
13.	D Sage	Labour	
14.	CE Smith	Labour	
15.	R Thomas	Independent	
16.	H Townsend	Labour	
17.	R Williams	Labour	
18.	M Winter	Independent Alliance	
19.	RE Young	Labour	

### Adult Social Care Overview and Scrutiny Committee

	Member	Group	Role
1.	M Butcher	Independent Annibynwr	
2.	N Clarke	Independent Alliance	
3.	PA Davies	Labour	
4.	N Farr	Labour	
5.	EM Hughes	Independent	
6.	R Williams	Labour	
7.	RC Jones	Labour	
8.	JE Lewis	Labour	
9.	LC Morgan	Labour	
10.	D Sage	Labour	Chairperson
11.	M Thomas	Labour	
12.	E Venables	Independent Alliance	

### Children & Young People Overview & Scrutiny Committee

Labour to replace Cllr C Westwood

	Member	Group	Role
1.	PA Davies	Labour	
2.	DK Edwards	Independent	
3.	N Farr	Labour	
4.	EP Foley	Independent Annibynwr	Chairperson
5.	CA Green	Independent Alliance	
6.	P John	Independent	
7.	M Jones	Labour	
8.	G Phillips	Labour	
9.	AD Owen	Labour	
10.	<del>C Westwood</del>	Labour	
11.	DBF White	Labour	
12.	K Watts	Independent Alliance	

### Community, Environment and Leisure Overview and Scrutiny Committee

	Member	Group	Role
1.	M Thomas	Labour	
2.	L Ellis	Independent	
3.	CA Green	Independent Alliance	
4.	CJ James	Labour	
5.	CL Jones	Labour	
6.	JR McCarthy	Labour	
7.	HE Morgan	Independent	
8.	G Phillips	Labour	
9.	JC Spanswick	Labour	Chairperson
10.	JH Tildesley MBE	Independent Annibynwr	
11.	K Watts	Independent Alliance	
12.	R Williams	Labour	

### Corporate Resources & Improvement Overview & Scrutiny Committee

	Member	Group	Role
1.	G Davies	Independent Alliance	
2.	Cllr R Thomas	Independent	
3.	E Dodd	Independent Annibynwr	
4.	CA Green	Independent Alliance	
5.	AD Owen	Labour	
6.	DRW Lewis	Labour	
7.	JR McCarthy	Labour	
8.	D Patel	Labour	
9.	M Reeves	Labour	Chairperson
10.	JC Spanswick	Labour	
11.	G Thomas	Labour	
12.	RE Young	Labour	

### Partnerships and Governance Overview and Scrutiny Committee

Labour to relinquish 1 seat to be replaced by Cllr C Westwood

	Member	Group	Role
1.	N Clarke	Independent Alliance	Chairperson
2.	E Dodd	Independent Annibynwr	
3.	DK Edwards	Independent	
4.	M Jones	Labour	
5.	JR McCarthy	Labour	
6.	CL Jones	Labour	
7.	AD Owen	Labour	
8.	D Patel	Labour	
9.	M Thomas	Labour	
10.	R Thomas	Independent	
11.	K Watts	Independent Alliance	
12.	C Westwood	<del>Labour</del> Independent	

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO COUNCIL

1 FEBRUARY 2017

#### REPORT OF THE CORPORATE DIRECTOR - OPERATIONAL AND PARTNERSHIP SERVICES

#### LOCAL ELECTION FEES - 2017 to 2022 COUNTY BOROUGH AND TOWN & COMMUNITY COUNCILS

##### 1. Purpose of Report

1.1 To seek Council's approval of the election fees proposed to be applied for the County Borough and the Town & Community Councils election in May 2017 and for all by-elections up to the next local elections in 2022.

##### 2. Connection to Corporate Improvement Plan / Other Corporate Priority

2.1 None.

##### 3. Background

3.1 The Representation of the Peoples Act 1983 Section 36, provides that the County Borough Council shall pay all expenditure incurred by the Returning Officer in relation to County Borough and Town & Community Council elections and that expenditure incurred in relation to the Town & Community Council elections shall be recovered from the Town & Community Councils.

3.2 In accordance with established practice, funding has been set aside each year since the local elections were last held in 2012, and an earmarked reserve of up to £200,000 is currently available to meet the costs of the County Borough elections in May 2017.

##### 4. Current situation / proposal

4.1 The level of fees proposed to be applied to the local election in May 2017 and for any by-elections until the next local elections are held in 2022 is detailed in the Table below. The fees for Polling Stations, Verification & Count, and Postal Vote Opening reflect what has been paid at the combined Welsh Assembly and Police & Crime Commissioner elections, Parliamentary by-election and the EU Referendum in 2016.

POST/Responsibility	FEE £
Returning Officer- County Borough	
- uncontested electoral divisions	55
- contested electoral divisions:	
• 1 seat	160
• 2 or more seats	235

- by-election	160
Town and Community Councils	
- uncontested wards	55
- contested wards	160
- by- election	160
Deputy Returning Officer County Borough	
- uncontested electoral divisions	45
- contested electoral divisions	
• 1 seat	80
• 2 or more seats	120
- by-election	80
Town and Community Councils	
- uncontested wards	45
- contested wards	80
- by-election	80
<b>POLLING STATIONS</b>	
Delivery of Poll Cards	20p per card
Presiding Officer - Single Election	210
Presiding Officer - Combined Election (+20%)	252
Presiding Officers -travelling to training, collection of Ballot boxes, travel to and from Polling Station , delivery of Ballot boxes to the count	15
Poll Clerk - Single Election	120
Poll Clerk - Combined Election (+20%)	144
Presiding Officer/Poll Clerk training	45
Polling Station Inspector	210
Polling station inspectors - mileage payable at HMRC rate	45p per mile
<b>VERIFICATION AND COUNT</b>	
Ballot Box Receivers	15
Count Assistants (incl support staff) - overnight count	125
Daytime count	85
Count Supervisors (incl senior support staff) - overnight count	180
Daytime count	120
Control Table Supervisor - overnight count	210
Daytime count	150
<b>POSTAL VOTE OPENING (per session)</b>	
Openers - weekdays	30
Weekends and Bank Holidays	50
Supervisors - weekdays	50
Weekends and Bank Holidays	75

4.2 Additional administration costs are difficult to assess until the extent of contested elections is known, as this significantly impacts on the workload of the Electoral Services team. Additional costs paid to Electoral Staff during the last three elections have ranged from £2,000 to £4,000 depending upon specific roles and responsibilities. It is therefore proposed that the Returning Officer be granted

specific powers to determine the level of pay for additional administrative work once the election is complete.

## **5. Effect upon Policy Framework & Procedure Rules**

5.1 None.

## **6. Equality Impact Assessment**

6.1 There are no equality implications arising from the report.

## **7. Financial Implications**

7.1 As set out in paragraph 3.2, an earmarked reserve has been made within the accounts of the authority for the costs associated with holding the forthcoming Borough Council elections. The costs associated with the Town & Community Council elections will be recovered from those Town & Community Councils.

## **8. Recommendation**

It is recommended that Council:

- 8.1 Approve the schedule of fees set out in paragraph 4.1 of this report;
- 8.2 Delegate authority to the Returning Officer to determine the level of pay for additional administrative work in consultation with the Section 151 Officer.

### **Andrew Jolley**

#### **Corporate Director - Operational and Partnership Services**

Contact Officer: Gary Ennis  
Group Manager Business Support, Communities Directorate  
Telephone: 01656 643609  
Email: Gary.Ennis@Bridgend.gov.uk

Email: Andrew.jolley@bridgend.gov.uk

Postal Address: Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

**Background documents:** - None

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