

*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.*



**Cyfarwyddiaeth y Prif Weithredwr / Chief
Executive's Directorate**

Deialu uniongyrchol / Direct line /:

Gofynnwch am / Ask for: Sarah Daniel 01656
643387

Ein cyf / Our ref:

Eich cyf / Your ref:

Dyddiad/Date: Friday, 22 March 2019

Dear Councillor,

CARDIFF CAPITAL REGION CITY DEAL JOINT SCRUTINY COMMITTEE

A meeting of the Cardiff Capital Region City Deal Joint Scrutiny Committee will be held in the Committee Rooms 2/3, Civic Offices Angel Street Bridgend CF31 4WB on **Thursday, 28 March 2019 at 14:00.**

AGENDA

1. Apologies for Absence
To receive apologies for absence from Members.
2. Declarations of Interest
To receive Declarations of personal and prejudicial interest (if any) from Members / Officers.
3. Approval of Minutes 3 - 8
To receive for approval the Minutes of 05/02/2019
4. Wider Investment Fund - Annual Business Plan 2019/20 9 - 114
Invitees:
Kelly Beirne – CCRCD Programme Director
Cllr Andrew Morgan – Chair CCRCD Cabinet
5. Forward Work Programme, Training and Schedule of Meetings 115 - 122
6. Exclusion of the Public
The Report relating to the following items are not for publication as it contains exempt information as defined in Paragraph 12 of Part 4, and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

If following the application of the public interest test the Committee resolves pursuant to the Act to consider this item in private, the public will be excluded from the meeting during such consideration.

7. CSC Project: The Protection of City Deal Funds

123 - 148

Invitees:

Kelly Beirne – CCRCD Programme Director

Peter Davies – CSC Project Executive, Monmouthshire Council

Cllr Peter Fox – Vice Chair CCRCD Cabinet

Yours faithfully

K Watson

Head of Legal and Regulatory Services

Councillors:

V Bailey

JPD Blundell

P Edwards

P Jones

Councillors

R Patel

P Pavia

M Rahman

J Ridgewell

Councillors

D Roberts

G Thomas

MINUTES OF A MEETING OF THE CARDIFF CAPITAL REGION CITY DEAL JOINT SCRUTINY COMMITTEE HELD IN BEECHWOOD HOUSE, BEECHWOOD PARK, CHRISTCHURCH ROAD, NEWPORT, NP19 8AJ ON TUESDAY, 5 FEBRUARY 2019 AT 14:00

Present

Councillor – Chairperson

V Bailey	JPD Blundell	P Edwards	P Jones
R Patel	M Rahman	J Ridgewell	D Roberts
G Thomas			

Apologies for Absence

P Pavia

Officers:

Kellie Beirne	Programme Director
Sarah Daniel	Democratic Services Officer - Scrutiny
Julie Ellams	Democratic Services Officer – Committees

7. DECLARATIONS OF INTEREST

None.

8. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of Cardiff Capital Region City Deal Joint Scrutiny Committee dated 15 October 2018, be approved as a true and accurate record.

9. CSC FOUNDRY BUILDING REPORT

The Programme Director advised members that further to discussions at the site visit prior to the meeting, IQE was a listed company and subject to a non-disclosure agreement. She advised that members should consider excluding the press and public if they wanted to discuss information contained within the non-disclosure agreement.

Cllr Peter Fox, Vice Chair of the Cardiff Capital Region City Deal Cabinet gave a presentation “An Overview of the Compound Semiconductor (CSC) Project and wider Cluster opportunities”. The presentation gave an overview of the CCR City Deal commitment to Compound Semiconductors, the market opportunity of CSC’s, IQE PLC, the importance of the Technology Readiness Level in all aspects of production, the cluster opportunity and the potential economic impact which could lead to the world’s first Compound Semiconductor Cluster. He added that industries depended on CSC’s and this could turn around the fortune of SE Wales.

A member asked if the property at Celtic Way Enterprise Park was in an assisted area under state aid rules. The Vice Chair explained that the whole deal was state aid compliant. A large part of Wales would comply however, the ratios varied. IQE headed a consortium which approached WG and argued the case based on global importance as a sector. They had partial state aid exemption and this was important for European growth. Following BREXIT they would comply with the British equivalent of state aid rules.

A Member was concerned at the drop in share price of the IQE Foundry and stated that he had seen in a report, yet to be published by the Wales Audit Office that they had been critical of IQE. He stated that he had asked officers at the earlier site visit if they were able to provide some reassurances around this. Officers at the Foundry had earlier confirmed that IQE had made a public statement in relation to their share movement which was publically available on their website. Officers also stated that a commercially sensitive report had been prepared and shared with Regional cabinet to address the concerns around the share price. Officers added that they would need to seek further advice from IQE as to whether this report could be shared with the Joint Scrutiny Committee at a later date which would need to be held in closed session with the press and public excluded. The Scrutiny Officer confirmed that on behalf of the Joint Committee she would approach the CSC Project Manager to request the report and advise members of the decision.

The Programme Director explained that CCRCD were not shareholders, they had a landlord function, and leased the building to IQE as the tenant. If member's required further information regarding share prices, each authority had a representative officer or member elected to the board of CSC Foundry Ltd. Up to date information on share prices and the supply chain had been presented to the last meeting and they should be able to access this information through their representative.

The Programme Director confirmed that the WAO report would be received by CCR City Deal Cabinet on 18th February 2019 and she would be recommending that the report be published following that meeting.

The member stated that as an elected member he should have seen the information presented to the CSC Foundry Board. That information could have answered many of the questions he had. The Programme Director explained that each authority had elected either an officer or a member to the Board, depending on what was appropriate for that authority. Therefore, their nominated representative could have shared this information with the members of the Joint Overview and Scrutiny Members, therefore it was not right to say elected members did not have access to this information. The member replied that this information had not been considered by any scrutiny members.

A member asked for a breakdown on where the potential 2,395 jobs would be created/assisted/safeguarded. The Programme Director explained that the jobs would be spread across the Foundry, IQE, Infinion, Catapult and within the cluster.

A member commented that this was an impressive project and asked why nothing like this had been attempted before. He also asked what was being done to develop the supply chain in the valleys. Also 95% of production was being exported however the Foundry relied on imported material to achieve this. He asked how much more could be achieved through investment in this area. The Vice Chair of CCRCD Cabinet agreed that there had been decades of inactivity and that Wales had been languishing at the bottom of the GDP tables. Wales could be a great nation with a number of well qualified people. In future they would be able to join up the dots and create opportunities in the valleys. The challenge was to create 25,000 jobs which would make the area unrecognisable.

A member asked if the private investment was from one or a wide range of companies. The Programme Director explained that over 5 years there would be £9.89 of private investment for every £1 of CCR investment. KPMG had looked at both commercial and financial contracts to ensure due diligence and they had access to all documents underpinning this. The Vice Chair of CCRCD Cabinet added that they were hoping for £4 billion of additional investment to be anchored in this area.

A member asked if in future the report could separate the figures for new, safeguarded and assisted jobs to improve transparency.

The Programme Director explained that there were issues around skills and labour. There were a number of competitors in the region and a lot of competition for skilled people. It was important to focus on the right training and engagement with young people. She added that there was currently a company looking for sites north of the M4 corridor for a packaging and testing facility. The Vice Chair of CCRCDC Cabinet explained that there was currently a skills deficit and the type of qualification that companies required was not being delivered so they had to train "in house". An interface with schools was required in addition to recondition young people to realign and pull together.

A member believed there were issues with IQE's marketing. He explained that there were large housing estates around that area where residents knew nothing about IQE. The Vice Chair of CCRCDC Cabinet added that this was where the 10 councils needed to step up. They should all promote opportunities and understand the benefits of the right education. The Programme Director explained that they were trying to grow the area as a cluster and that they had submitted an Expression of Interest seeking £40 million to target a certain skill set to make a specific function to bring a cluster together.

Members discussed the importance of the right marketing to attract skilled people from the 10 regions. The Programme Director explained that they had engaged with recruitment companies, schools and colleges and this could be a suitable topic for a future scrutiny meeting. The Vice Chair of CCRCDC Cabinet recognised that there was a problem with communication and they had to convince communities that City Deal was important to them. They had to sell opportunities to the young people and future generations. The Programme Director referred to the Regional Skills Partnership and targeting focus on sectors that needed support.

A Member asked if a Brexit strategy was in place. The Programme Director explained that Welsh Government were working on mitigation and a sustainability plan to manage the departure. They recognised that they were massively affected by exchange rates and dealing with huge instability.

A member referred to the research and development footprint and that Wales was bottom of the league in this area. The Programme Director agreed that Wales had not performed well in the past. Research and Development tax credits were undersubscribed and a huge amount of work was required to make this area sustainable. The Vice Chair CCRCDC Cabinet agreed and stated that Wales was lacking in being proactive in getting funding compared to Scotland.

A member referred to a paragraph in the report relating to WG yet to confirm the exact time for releasing grant monies and the need to identify a temporary bridging loan to meet the cash flow requirements. The Programme Director explained that that was the position as at 2 May 2017 when the original report was considered and the funds had since been received.

RESOLVED:

The Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee noted the report.

Members were concerned at the recent drop in the share price of the IQE and asked officers for assurances around its future. Officers at IQE stated that a confidential briefing note had been prepared by IQE and the project team to provide reassurance in the wake of movement in the share price. This briefing note was circulated via email to

CSC Foundry Ltd's Directors, and to members of Regional Cabinet, late last year. If this information could be released, it would be on agreement that the Committee would have to consider the information with the press and public excluded due to the commercially sensitive information that would be presented to members.

Further Information

Members asked to receive further information including a detailed breakdown of new jobs created and those that would be safeguarded as a result of investment from the CCRCD. Members asked for a timeline for creation of the additional jobs.

10. JOINT WORKING AGREEMENT BUSINESS PLAN

RESOLVED:

The Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee noted the Joint Working Agreement Business Plan.

11. FORWARD WORK PROGRAMME, TRAINING AND SCHEDULE OF MEETINGS

Members discussed adding the following items to their Forward Work Programme:

- Education – Developing a Strategy for young people and how this could be built into the curriculum and ensuring that people had access to these opportunities
- Marketing and advertising of the IQE to customers and the local community. How their work was promoted to the local community so they were aware of local opportunities

Members asked for the item, the South Wales Metro, to be scheduled for a future meeting. The programme director for the CCRCD confirmed that Scrutiny of this item should be undertaken jointly with the Welsh Government and the Transport Authority and that Welsh Government would be expected to lead on this.

Members were concerned at the budget allocated for the Joint Overview and Scrutiny Committee and stated that they were severely restricted in how they could carry out their role as Joint Scrutiny Members as the budget only allowed for up to 4 meetings per year and there was no allocated budget for the training of members. Members therefore recommended that the CCRCD Joint Cabinet revisit and reconsider the budget allocated to allow members greater flexibility to carry out their role and have additional meetings as the need arose.

Training schedule

Members asked to receive training on the role of a Joint Overview and Scrutiny Committee Member.

Joint Scrutiny Chair Training to be arranged for Chair and Vice Chair of JOSCC

The meeting closed at 16.05 pm.



CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW AND SCRUTINY COMMITTEE

SCRUTINY MEETING: 28 MARCH 2019

WIDER INVESTMENT FUND – ANNUAL BUSINESS PLAN 2019/20

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 4

Reason for this Report

1. To update the Joint Overview and Scrutiny Committee on the Cardiff Capital Region City Deal (CCRCD) 2019/20 Annual Business Plan in respect of the effective operation of its Wider Investment Fund.

Background

2. The Joint Working Agreement (JWA) governing the delivery of the Cardiff Capital Region City Deal, requires that an Annual Business Plan be prepared to set out activity relating to the proposed management of the Wider Investment Fund (WIF).
3. At its meeting held on 18 February 2019, the Cardiff Capital Region Cabinet endorsed and approved the Annual Business Plan 2019/20.
4. As approved by the CCRCD Joint Overview and Scrutiny Committee at their meeting on 15 February 2018, part of its function under their Terms of Reference is:
 - To seek reassurance and consider if the CCR City Deal is operating in accordance with the Joint Working Agreement, its Annual Business Plan, timetable and / or is being managed effectively; and
 - To monitor any CCRCD project's progress against its Programme plan.
5. Attached at Appendix A therefore is the report that went to the Regional Cabinet on the 18 February along with the Annual Business Plan 2019/2020 for the Committee's consideration and comment.

Current Situation

6. The Plan set out key targets, goals and anticipated outcomes as well as proposed investment for approved projects to be developed over the course of the year. The Plan enables the distillation of the five year JWA Business Plan approved by Regional Cabinet on 23 February 2018.
7. During its consideration of the CCRCO Annual Business Plan 2019/20, Members may wish to consider the following:
 - a) Suitability of activities illustrated in the Business Plan and how they relate to the Joint Working Agreement;
 - b) Does the document clearly illustrate what success will look like i.e. aims, objectives and outcomes?
 - c) Are there suitable performance measures?
 - d) How projects, timescales and budgets will be monitored;
 - e) Major risks for the CCRCO project for 2019/20 and how these are being mitigated;

Financial Implications

8. The financial implications in respect of the CCRCO Annual Business Plan 2019/20 are set out in Appendix A, para. 18-28.

Legal Implications

9. In considering this matter regard should be had, amongst other matters, to:
 - (i) The Councils' duties under the Well –being of Future Generations (Wales) Act 2015; and
 - (ii) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief.
10. The legal implications in respect of the CCRCO Annual Business Plan 2019/20 are set out in Appendix A, para. 14-17.

Recommendations

11. The Joint Committee is recommended to consider and provide comment and recommendations in relation to CCRCO Annual Business Plan 2019/20.

Kelly Watson
Head of Legal and Regulatory Services

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The following Appendices are attached:-

*Appendix A - The Wider Investment Fund - Annual Business Plan 2019/20
Report Of Cardiff Capital Region Director*

The following background papers have been taken into account:-

CCRCD Joint Working Agreement Business Plan

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18 FEBRUARY 2019 MEETING

THE WIDER INVESTMENT FUND - ANNUAL BUSINESS PLAN 2019/20

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM: 7

Reason for this Report

1. For Regional Cabinet to consider and approve its 2019/20 Annual Business Plan in respect of the effective operation of its Wider Investment Fund.
2. To provide Regional Cabinet with a comprehensive and detailed account of proposed Business Plan activity in 2019/20, related to the use and application of the Wider Investment Fund.

Background

3. The Joint Working Agreement (JWA) governing the delivery of the Cardiff Capital Region City Deal, requires that an Annual Business Plan be prepared to set out activity relating to the proposed management of the Wider Investment Fund (WIF). The Plan should set out key targets, goals and anticipated outcomes as well as proposed investment for approved projects to be developed over the course of the year. The Plan should enable the distillation of the five year JWA Business Plan approved by Cabinet on 23 February 2018.
4. A copy of the Annual Business Plan 2019/20 is attached to this report at Appendix 1. This, the third Annual Business Plan to be considered and recommended for approval by Regional Cabinet, establishes direction of travel for the year ahead, as well as the programmes, activities and projects proposed to be developed and delivered from the WIF. The WIF totals some £495m and comprises HM Treasury grant funding amounting to £375m over 20 years and Council Contributions of £120m.

Key Issues

5. As the third iteration of the Annual Business Plan, changes have been made to the format and structure. This is in keeping with the wider evolution of the City Deal Programme. There are three main reasons for this. First, in the light of changes, disruption and uncertainty in the wider environment and new national strategies, policies and developments – there are now wider critical success factors to inform and focus delivery of City Deal. Second, is the proposed enhancement to how the WIF is effectively delivered through the development of the Investment and Intervention Framework. This aims to convert the WIF into three sub-funds (Innovation Investment Fund, Infrastructure Investment Fund and Challenge

Fund). This framework provides a more targeted and systematic means of achieving the GVA, jobs growth and leverage targets that have been set. Third, the increased reliance placed upon the 'top-slice' component of the WIF that provides investment in delivery capacity, is important to note because it symbolises the ramping up of capability and resources in order to accelerate delivery. It is appropriate and important that all these factors are set out in the Annual Business Plan as symbols of the changing dynamics and imperatives driving optimal delivery of City Deal.

6. The Business Plan is organised around the core themes and pillars that now underpin core Performance Frameworks – aligning the Business Plan with the 'balance scorecard' performance monitoring process introduced in 2018/19. These are:
 - Strategy and Direction
 - Finance, Governance and Assurance
 - Programme Pipeline and Project Delivery
 - Partnerships
 - Communications, Marketing & Reach
 - Influence/ Engagement
 - Culture Capacity and Leadership
7. The Work Programme associated with each of these core pillars, is now contained in full in the Annual Business Plan. A core feature of this, is the consolidation and rationalisation of work strands and projects to be in line with the commitments and priorities set out in the Heads of Terms, the Joint Working Agreement 5 year Business Plan (CCRC City Deal Strategic Business Plan Wider investment fund) and to align with the proposed Regional Industrial and Economic Growth Plan. This sense of focus is key to maintaining core purpose and ensuring efforts and resources are targeted at getting things done.
8. In addition, all core pillars must demonstrate the direct and indirect contribution to realising the high level targets set around GVA and jobs growth and leverage. This will enable Regional Cabinet to keep track of progress in a more dynamic and consistent way.
9. In terms of proposed project development and delivery, the Annual Business Plan now organises these via the three proposed funds – innovation, infrastructure and challenge-led investment. Given the imminent launch of the funds, it is anticipated that the marketing and communication of the funds will drive much of the 'deal-flow' that comes forward, in addition to the emerging pipeline. Rather than list specific projects, this provides the flexibility to assess projects in relation to the criteria set – enabling the most successful outcomes to be achieved.
10. In relation to already 'approved' frameworks – such as Digital, Housing Investment, Metro Central and Skills – work is ongoing and these are referenced in the Annual Business Plan. Onward development of these projects will be assessed in accordance with the criteria of the Investment Framework and Toolkit – as required by the Assurance Framework.
11. The Business Plan further sets out the Funding Strategy and establishes the budget for the Joint Committee for 2019/20.
12. As stated in the key Issues above the ABP proposes that the Cardiff Capital Region Wider investment Fund shall comprise a series of three funds. Namely the Innovation Investment Fund, Infrastructure Investment Fund and Challenge Fund.

Before the funds can be established it will be necessary, amongst other matters, to develop the investment criteria and investment policy that will attach to such funds, determine how decisions will be taken in respect of each fund, the governance structure for any investment board proposed, the procedure to appoint any fund manager, if required and determine the approach to performance reporting. The ABP provides for work on these matters to be carried out in the coming year with reports submitted to Regional Cabinet for formal decision to create the three funds. It further makes provision for all further activities requiring substantive decisions – to come forward as required for all necessary approvals and endorsements.

13. Appended to the Annual Business Plan is the proposed Forward Work Programme for 2019/20 setting out key meetings and decision points.

Legal Implications

14. The body of the report sets out; the requirements as regards the annual business plan, the key issues that will require detailed consideration when developing the proposals for the Cardiff Capital Region Wider investment Fund to comprise a series of three funds and notes the requirement for the activities listed in the plan, which require decision, to be reported to Regional Cabinet, as required for all necessary approvals. Detailed legal advice should be obtained on the various activities listed, as matters progress. In developing the Annual Business Plan and in carrying out the activities listed regard should be had, amongst other matters, to:

- (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
- (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and the Well Being of Future Generations (Wales) Act 2015.

15. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals.

16. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without

compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrated approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them.

17. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 2 (Well-being of Future Generations assessment) for Member's consideration.

Financial Implications

18. This report seeks approval of the 2019/20 Annual Business Plan (Appendix 1) and details the current position in respect of approvals to-date, in-principle commitments and sums available for future revenue and capital projects.
19. In-line with the Assurance Framework and the proposed Investment and Intervention Framework, all investment proposals will be subject to business case development and approval. The business case will provide detailed information on matters such as; expenditure profile (and whether it is revenue and/or capital in nature), and the proposed funding streams. The business case will also need to be clear on the proposed delivery mechanism and how risks will be allocated and managed.
20. The approved affordability envelope has been set at £210.8 million and is based on the indicative modelling that was undertaken in January 2017 and informed the reports approved by each constituent council in January/February 2017.
21. The Joint Working Agreement (JWA) defines the Affordability Envelope as:
- “the overall costs and investment by each Council pursuant to their proportion of the Councils' Contribution under this Agreement over the 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”.*
22. The JWA Business Plan acknowledges that the affordability implications arising from the 'wholelife cost' of the Wider Investment Fund will change over time, as investment decisions are made and projects are implemented. Therefore, the affordability model is updated periodically to reflect the latest known position. In this regard, the affordability model has been updated to capture the following:

- (i) the reported position as at Quarter 3 in respect of the WIF Top-Slice Budget and the Wider Investment Fund allocations for the current year;
 - (ii) the anticipated movements in respect of projects that have In-Principle approval;
 - (iii) allocations in respect of Revenue and Capital sums for new approvals in year, which are largely in-line with the Wider Investment Fund expenditure profiles set-out in the agreed 5 Year JWA Business Plan.
23. On this basis the 2019/20 Council contributions and indicative revenue implications for each partnering authority are set-out in Table 1.

Table 1: Proposed 2019/20 Council Contributions and Indicative Revenue Implications

Local Authority Partner	%	Council Contribution £'000	Indicative Revenue Implications £'000
Blaenau Gwent	4.6%	296.5	51.6
Bridgend	9.4%	605.8	105.5
Caerphilly	12.0%	768.1	133.7
Cardiff	23.7%	1,522.6	265.1
Merthyr Tydfil	3.9%	252.9	44.0
Monmouthshire	6.1%	394.3	68.6
Newport	9.8%	630.0	109.7
Rhondda Cynon Taff	15.8%	1,012.1	176.2
Torfaen	6.1%	391.5	68.2
Vale of Glamorgan	8.5%	544.0	94.7
Total	100.0%	6,417.8	1,117.3

24.

24. Regional Cabinet will receive regular revenue and capital monitoring reports throughout the year advising on matters such as: Approved Budget, Actual Position To-Date, Commitments and Projected Out-turn. These reports will be supplemented by the appropriate Project Performance Reports, advising on all aspects of the Wider Investment Fund.
25. HM Treasury funding is paid to the Accountable Body on behalf of the ten Cardiff Capital Region City Deal (CCRCD) constituent councils. The funding must be used solely to support the objectives of CCRCD through the implementation of projects and schemes agreed by the Regional Cabinet and in accordance with arrangements set out in its Joint Working Agreement, Wider Investment Fund, Assurance Framework, and the JWA Business Plan.
26. In this regard it is important that the provisions of the WIF Assurance Framework are followed, as this is a key requirement of the City Deal Funding Terms & Conditions. This sets out that business cases will be developed in line with HM Treasury Green Book (5 Case Model), although, clauses 3.5 (Appraisal Framework) and 3.7 (Business Case Development), make an important reference the concept of 'proportionality'.

27. Work is being done with external advisors (Local Partnerships) to better understand how the issue of proportionality can be addressed through the development of a variety of approaches linked to project value, complexity and timeliness. These approaches will need to be predicated on the principles (and robustness) delivered through the 5 Case Model, with proposals undergoing the necessary consultation with key stakeholders. This latter point is important to demonstrate good governance, whilst ensuring the risk of non-compliance with Funding Terms & Conditions is minimised.
28. Further financial advice will be provided throughout the year as regular Project Update reports are brought back to Regional Cabinet for detailed consideration and approval.

REASONS FOR RECOMMENDATIONS

29. The reasons for the recommendations are as follows:

- To enable Cabinet to discharge the requirements of the JWA in relation to the production of a comprehensive Annual Business Plan relating to the operation and application of its WIF
- To distil and enact the objectives set out in the five-year JWA Business Plan
- To establish direction of travel for the coming year and provide an overview of activities, objectives and anticipated outcomes
- To ensure consistency across key pillars and strands of the Annual Business Plan and performance reporting and monitoring frameworks

RECOMMENDATIONS

It is recommended that Regional Cabinet endorse and approve the Annual Business Plan 2019/20.

Kellie Beirne
Cardiff Capital Region Director
18 February 2019

Appendices

Appendix 1 – Annual Business Plan 2019/20

Appendix 2 – Wellbeing of Future Generations Assessment

Background Papers

- i. The Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal
- ii. Proposed Regional Industrial and Economic Growth



CARDIFF CAPITAL REGION CITY DEAL – BUSINESS PLAN 2019/20

Beirne, Kellie

CITY OF CARDIFF COUNCIL - CYNGOR DINAS CAERDYDD [Company address]

Foreword

The £1.3bn Cardiff Capital Region City Deal signals a region 'open for business'. The role of the CCR City Deal is to develop, promote and optimise the way in which that business will be delivered – but certainly not in a *business as usual way*. Our mantra is *good growth* and we want to shape an economy that is genuinely inclusive and meaningful to the 1.5m people who live in our spectacular region. The benefits realised through City Deal have to touch all areas of the region – from our large and vibrant towns and cities - to our beautiful valleys and awe-inspiring rural hinterland. City Deal has three major targets to meet – a 5% GVA increase, 25,000 new high skills jobs and leverage of £4bn additional private investment. The challenge, exacerbated by imminent departure from the European Union, is a significant one – but the opportunity, is potentially, unparalleled. We want to get on the front foot; shape our own destiny, and become more self-reliant, resourceful and resilient. We have an aspiration for our Wider Investment Fund to be 'evergreen' – constantly tapping into opportunities for leverage, generating returns on investment and creating the means to pay for the ends. This means developing co-investment mechanisms, exploring fiscal incentives and levers and building a delivery eco-system where programmes connect, are complementary and capable of building a legacy, fit for future generations.

We want our young people to see a future in the region and therefore our approach is invested in thinking local – but acting global – setting out our competitive advantages and leveraging in the kind of investment, networks and opportunities that will see us move the needle. With proposals for a new Investment Framework and three funds which aim to inspire innovation, infrastructure and challenge investment, we want to show we are able to live of our interest and not our capital. City Deal is no silver bullet – but it does provide the opportunity to break with dependency, develop our competitiveness to secure resources and chart a new course to prosperity for all.

This Business Plan for 2019/20 starts us on this journey. Exceptional delivery and good governance still remain key pillars of our approach. However with the significant turbulence and disruption to global systems and economic models and profound changes within domestic and international politics – we start a new chapter in our evolution. With a growing emphasis on future regional economic delivery through the UK Government's Industrial Strategy and Welsh Government's Economic Action Plan, significant targets to meet such as the 2.4% R&D target and new policy levers such as the Shared Prosperity Fund – our job is to adapt and adjust. Drawing ever closer to our first Gateway Review, we have identified the wider critical success factors that we will increasingly need to demonstrate and embody, if City Deal is to succeed on these new terms.

Andrew Morgan

Chair, CCR City Deal Joint Cabinet Committee & Leader RCTCBC

Purpose - and our market and policy context

This business plan marks the third Annual Business Plan of the Regional Cabinet, in respect of the activities it will progress through the Wider Investment Fund (WIF) – the last Plan being approved on 28 March 2018. The WIF totals £495m and consists of HMT grant funding in the order of £375m over 20 years and Council contributions of over £120m. The Annual Business Plan must be prepared in the context of the overarching five-year Joint Working Agreement Business Plan, which was approved by Regional Cabinet in February 2018 and all ten Councils in and around March 2018.

As the third iteration of the Annual Business Plan, changes have been made to the format and structure. This is in keeping with the wider evolution of the Programme. There are three main reasons for this. First, beyond the direct ‘delivery’ activity funded through WIF – in the light of changes, disruption and uncertainty in the wider environment and new policies and imperatives – there are now wider critical success factors key to its effective delivery. Second, is the proposed enhancement to how the WIF is delivered and the proposal for an Investment and Intervention Framework that converts the WIF into three sub-funds (Innovation Investment Fund, Infrastructure Investment Fund and Challenge Fund) in order to provide a delivery framework for reaching targets. Thirdly, in view of changes to the team structures and resourcing, with a greater reliance placed on the top-slice element of the WIF to invest in the capability needed to deliver with pace and momentum - it is important and appropriate that this Annual Business Plan begins to articulate a the evolving approach.

Our challenges

The challenges to which City Deal must respond are well documented and understood. In brief they include:

- Low levels of competitiveness and productivity
- Low levels of R&D investment and intensity
- Important place-based dimensions to the ‘spread’ and sharing of prosperity
- Dependency mind-set has limited our choices and eroded our self-esteem (post Brexit the emphasis will be on winning competitions to secure investment)
- High levels of social exclusion – tide of change leaves too many people behind

Our targets and objectives

It is the job of City Deal to respond to this context and in particular, to work at meeting key targets to increase GVA, job creation and investment leverage. We don’t however want to hit targets in a way that misses the point. Examples exist of growth strategies, which, delivered in isolation, have exacerbated inequality. Our role therefore has to balance a focus on knowledge intensive R&D with more local foundational approaches that work at combining innovation growth with creating the conditions for more generalised prosperity. We also have a part to play in ensuring economic advancements mirror more progressive social policies and taking a place-based approach to value creation - economic and public. We call this ‘good growth’ and favour approaches that will drive more genuinely sustainable and inclusive solutions to the industrial and societal problems needing to be solved.

Adapting design

We are rapidly re-purposing and enhancing design aspects of our operating model. This is in response to the significant shifts, changes and disruption seen both locally and in the world around. From huge shifts in domestic and global politics, with Brexit in particular, impacting the policy and economic landscape – the cessation of European Funds is set to have a

significant impact in Wales. In economic terms, the region remains stubbornly low in competitiveness with areas such as Blaenau Gwent, Caerphilly and Merthyr, remaining at the very bottom of the UK Competitiveness Index. Socially, deprivation and poverty are increasing and again, the same pattern and distribution is reinforced in the former industrial heartlands. Technology continues to have a profound impact on the way business is done, the way in which jobs are created and displaced and replaced and the way in which future public services should work and operate. Locally within Wales, the Economic Action Plan places a fundamental reliance on sustainability, wellbeing and a new Economic Contract and at UK Government level, the Industrial Strategy and Challenge Fund, offers competitively-driven opportunities for investment to solve the grand challenges of our time – Clean Growth, Future of Mobility, Ageing Society and AI and Data.

It is against this backdrop that City Deal must operate, evolve and deliver. Whilst the focus on the Annual Business Plan is delivery against the Wider Investment Fund, as described above, there are wider critical success factors to drive, if delivery of the WIF is to be optimised and capable of leveraging the investment needed to shape a new future.

To set out this new direction, a ten-point plan has been devised to shape the way. In brief this includes:

- A focus on data and evidence (sectors and place) guiding direction and decision-making
- A regional Economic and Industrial Plan – capable of setting out our stall, competitive strengths and interfacing effectively with the WG Economic Action Plan and the UK Industrial Strategy and the Industrial Strategy Challenge Fund
- Building an eco-system of delivery projects so that they connect and intersect, adding maximum value and joining-up the competitive strengths of the region
- Good governance –building a governance network, using skills and assets in the right places and having fit for purpose structures such as Investment Panel to contribute to robust decision-making
- Creating expert panels to influence UK Government – in particular UKRI and Innovate UK – at the highest levels, given the relatively levels of influence, visibility and profile that currently exist
- Building a new Office of the City Deal – creating real and virtual teams with the skills, capable and mind-set to deliver a new future for the region
- Develop industrial and local leadership – grow the voice and influence of business and support the interventionist role of the City Deal cabinet in shaping the future
- Develop the challenge, investment and mission focus – with a new co-investment model and the ‘Three Funds’ approach
- Strategy for Internalisation – sustainable comparative advantage; working with international trade bodies, attendance at MIPIM and Wales in London week to develop the investment credentials of the region
- Building a City Region – seeing City Deal as the first stepping stone in working towards a more economically self-reliant and self-sufficient future for the region

What we will do and deliver in 2019/20

In 2019/20, the WIF will support, directly and indirectly, the following areas of activity, under the headings of:

- Strategy and Direction

- Finance, Governance and Assurance
- Programme Pipeline and Project Delivery
- Partnerships
- Communications, Marketing & Reach
- Influence/ Engagement
- Culture Capacity and Leadership

The activities ('What') listed below are subject to consideration and decision by Regional Cabinet or CCRCD Director, as appropriate and in accordance with the provisions of the Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal

1) Strategy and Direction – informing and shaping direction in order for fitness for future

What	When	Responsible	Accountable	Contribution to GVA/ Jobs/ Leverage
1) Produce final version of 'State of Region' evidence report & Data Dashboard	<ul style="list-style-type: none"> • Q1 2019/20 Sectoral Analysis • Q3 2019/20 for State of Region • Q4 2019/20 for Data Dashboard 	City Deal Office supported by Cardiff University	Director & Regional Economic Growth Partnership (REGP)	<ul style="list-style-type: none"> • Provides 'sectoral strengths' and baseline data for investment decisions • Provides data to underpin approach to delivering jobs & growth
2) Adopt Regional Economic and Industrial Plan/ Convert to 'Local Industrial Plan' Subject to decision of Regional Cabinet	<ul style="list-style-type: none"> • Approve and adopt REGP plan by Q1 2019/20 • Conversion to Local Industrial Plan with key govt partners in Q3 2019/20 	Director supported by REGP	Regional Cabinet	<ul style="list-style-type: none"> • Provides the framework to connect into the UK Industrial Strategy and WG Economic Plan • Demonstrates contribution to Grand Challenges • Link into the Investment Programme of £6.4bn per annum
3) Adopt CENEX 'Electric Vehicle Infrastructure' Strategy and develop wider body of work on low emissions to support Metro Plus programme Subject to decision of	<ul style="list-style-type: none"> • Approve and adopt Plan within Metro Plus proposals – OBC Q3/4 2019/20 	City Deal Office & Executive Lead for Transport	City Deal Director & Regional Cabinet	<ul style="list-style-type: none"> • Aligned to objectives and gains identified in Metro Plus OBC – job creation & leverage

Regional Cabinet				
4) Establish the Investment and Intervention Framework & Toolkit • Develop & launch the Three Funds Subject to decision of Regional Cabinet	<ul style="list-style-type: none"> • Draft in Q1 2019/20 • Launch of Infrastructure Fund Q2 2019/20 • Launch of Challenge Fund Q2 2019/20 • Launch of Innovation Fund in Q3/4 2019/20 	City Deal Office & REGP/ Investment Pane	Director & Regional Cabinet	Positions targeted growth on jobs, growth & leverage per fund (Innovation/ Infrastructure and Challenge)
5) Develop and sign-off a Co-Investment Framework between City Deal, Innovate UK and Welsh Govt	Q2/3 2019/20	City Deal Office, REGP and Innovate UK and WG	Director	Provides ability to be able to leverage greater investment to meet targets
6) Develop & launch CCR City Deal Investment Prospectus	Q3 2019/20 (with earlier draft available in Q1 for MIPIM)	Director and CDO	Regional Cabinet	Provides prospectus to attract investors & investment
7) Brexit mitigation plan	Q2 2019/20	City Deal Office and WG	City Deal Director, WG Brexit lead and Regional Cabinet	Contributes to economic baseline and context forecasts
8) Develop fiscal incentives & levers programme	Q4 2019/20	S151 Group with input from REGP and Regional Business Council	City Deal Director Regional Cabinet	Provides incentives and rewards to develop inputs to grow outputs

2) Finance, Governance and Assurance – good governance to support accountability and effective delivery

What	When	Responsible	Accountable	Contribution to Jobs/ Growth/ Leverage
9) Develop Work Programme and Forward Planner for 2019/20	Approve in Q1 2019/20	City Deal Office	Director	Ensures the alignment of planning, good governance and delivery

10) Develop scheme of delegation Subject to decision of Regional Cabinet	Q3 2019/20	Accountable Body and City Deal Director	Accountable Body	Good governance and appropriate decision making mechanisms
11) Establish the Investment Panel to oversee and administer the Investment and Intervention Framework and Toolkit	Q3 2019/20	City Deal Director and REGP	Regional Cabinet	Right expertise to provide advice to Regional Cabinet
12) Complete Wave 1 of Local Evaluation Framework process and locality review	To be completed at end of Q4 2019/20	City Deal Office	City Deal Director	Formal evaluation of contribution to targets
13) Report and Publish Consolidated Statement of Accounts and AGS	Q2 2019/20	Accountable Body & Monmouthshire Council	Accountable Body	Good and timely governance
14) Enhanced Assurance Framework, including new Investment Framework	Q3 2019/20	Accountable Body and City Deal Office	Director & Cabinet	Good governance
15) Agree with UK Govt and Cabinet principle of front-loading WIF 3% top-slice in order to flex project support and development in line with accelerated delivery needs	Q3/4 2019/20	Accountable Body and Director	Director and Cabinet	Accelerating delivery against targets
16) Identify and act upon any outstanding 'lessons' in the WAO review report on Compound Semiconductors	Q2 2019/20	Director and Accountable Body	Cabinet	Compliance and review
17) Review and revise purpose, volume and frequency of task groups,	Q3 2019/20	City Deal Office	City Deal Director	Compliance and review

sub-groups and working groups littering City Deal frameworks				
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3) Programme Pipeline and Project Delivery – delivery of a deal that moves all areas of the region forward

What	When	Responsible	Accountable	Contribution to Jobs/ Growth/ Leverage
18) Innovation Investment projects: <ul style="list-style-type: none"> • CSC Cluster (subject to SIFP outcome) Cluster 1 innovation investment projects	Q3 2019/20 Q4 2019/20	City Deal Office supported by theme leads and REGP/ Programme Board/ Investment Panel	City Deal Director, Programme Board and Regional Cabinet	Direct contribution to 'evergreen' jobs, growth and leverage
19) Infrastructure Investment Projects Outline approvals in place – subject to assessment and furtherance through Investment Framework: <ul style="list-style-type: none"> • Metro Central • Metro Plus & EV Strategy • Housing Investment Fund (including Sites and Premises assessment) • Digital Infrastructure • Skills for the Future 	Q3/4 2019/20 Q3 2019/20 Q3 2019/20 Q3 2019/20 Q2/3 2019/20	City Deal Office supported by theme leads & REGP	City Deal Director, Programme Board and Regional Cabinet	Direct contribution to jobs, growth and leverage

-Graduate Placement Scheme <ul style="list-style-type: none"> Public Services testbed submission to WEFO institutional capacity 	Q2 2019/20 for commencement of delivery			
20) Challenge Projects 2 challenge prizes: <ul style="list-style-type: none"> Foundational Economy Open data 	Qs 2&4 2019/20	City Deal Office supported by theme leads and REGP	City Deal Director, Programme Board and Regional Cabinet	Direct contribution to jobs, growth and leverage

4) Partnerships – mobilising the wider skills, resources and assets to succeed

What	When	Responsible	Accountable	Contribution to Jobs/ Growth/ Leverage
21) Regional Economic Growth Partnership, support for activities including: <ul style="list-style-type: none"> MIPIM follow-up & ROI Publication of Growth Plan Data dashboard Sectoral analysis and state of the region work Quarterly updates from UKRI Securing KESS studentships Establishment & convening of Investment Panel 	Ongoing programme of work – dates tied in with broader programme milestones & programme monitoring Q1/2 2019/20 Q3 2019/20 Q2 2019/20 Q1,2,3&4 Q1 2019/20 Q2/3 2019/20	Chair of REGP, Leaders of Cardiff and Monmouthshire Councils and City Deal Director	Regional Cabinet	Creating conditions through partnership network and expert advice and support into investment decisions
22) Regional Business Council Support for Council to:	Ongoing programme of work – dates tied in with broader programme	Chair of RBC and Director and Leaders of Monmouthshire and Cardiff	Regional Cabinet	Creating conditions for voice of business to influence decisions and direction

<ul style="list-style-type: none"> • Review progress in 18/19 • Foster alignment structures for greater synergy with REGP • Business Plan 2019/20 • Constitute and become membership body • Plan of activity with Innovate UK • Marketing Plan • Post-MIPIM appraisal 	<p>milestones and quarterly programme monitoring</p> <p>Q1 2019/20</p> <p>Q2 2019/20</p> <p>Q2 2019/20</p> <p>Q2 2019/20</p>			
<p>23) Regional Skills Partnership</p> <p>Support for Partnership to:</p> <ul style="list-style-type: none"> • Influence and shape Skills for Future • Enable effective administration of partnership via support for Newport City Council • Monitor the progress of operational schemes such as Skills for the Future • Input into proposals for TERCW and Innovation and Research Wales • Development of Social Clauses/ Targeted Recruitment and Training programme 	<p>Ongoing programme of work – dates tied in with broader programme milestones and quarterly performance monitoring</p> <p>Q2 2019/20</p> <p>Q3 2019/20</p> <p>Q3 2019/20</p>	<p>Chair of RSP, supported by Leader of Newport City Council and Director</p>	<p>RSP Chair, Leader of Newport and WG</p>	<p>Creation condition for skills and expertise of the sector to shape the direction of travel and evaluate real-time effectiveness</p>

<p>24) Regional Transport Authority Support for programme of work to:</p> <ul style="list-style-type: none"> • Adopt and deliver Regional Transport Plan • Adopt EV Strategy • Develop Metro Plus proposals • Work with WG in regional transport reviews • Partner Transport for Wales in roll-out of Metro • Agree programme monitoring for the above 	<p>Ongoing programme of work – dates tied in with broader programme milestones & quarterly performance monitoring</p> <p>Q3 2019/20 Q3 2019/20</p> <p>Q2 2019/20</p>	<p>Chair of RTA (Cllr Huw David) supported by City Deal Director and Transport Lead</p>	<p>Regional Cabinet</p>	<p>Provides structures in which to guide infrastructure development</p>
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5) Communications, Marketing and Reach – extending our reach and ability to sell the region as an investable space

What	When	Responsible	Accountable	Contribution to Jobs/ Growth/ Leverage
<p>25) Drive a 10% increase in City Deal articles and interest generated; a 10% increase in website engagement; 10% in number of tweets and 'sentiment impact'</p>	<p>Throughout the year with monitoring through quarterly reporting</p>	<p>City Deal Office</p>	<p>City Deal Director</p>	<p>Lays foundations for a positive view of region as an investment destination</p>
<p>26) Formal evaluation of MIPIM impact and future prospects/ ROI</p>	<p>Q2 2019/20</p>	<p>City Deal Office and Cardiff City Council</p>	<p>City Deal Director and Regional Cabinet</p>	<p>Develops networks and contacts to leverage opportunity</p>
<p>27) Develop sites and propositions for the Dept for Internal Trade Prospectus 2019/20 onward</p>	<p>Q3 2019/20</p>	<p>City Deal Office</p>	<p>City Deal Director</p>	<p>Develops profile of investability of region</p>

28) Produce and publish the City Region Investment Prospectus and associated marketing material	Q3 2019/20 (early draft Q1 for MIPIM)	City Deal Office	City Deal Director	Develops visibility of region and its offer to investors
29) Stage the City Deal Investment Summit	Q4 2019/2020	City Deal Office and regional partnerships	City Deal Director and Regional Cabinet	Strengthens the visibility, role and profile of CCR City Deal
30) Develop and deliver the City Deal Communications Plan	Q2 2019/20	City Deal Office and regional partnerships	City Deal Director	Provides constant stream of activity through which to promote City Deal

6) Influence and Engagement – develop strategies for influence in order to drive opportunity and investment leverage

What	When	Responsible	Accountable	Contribution to Jobs/ Growth/ Leverage
31) Develop conference and events planner to strategically plan City Deal inputs into target environments	Q2 2019/20 and in line with Forward Planner	City Deal Office	City Deal Director and Regional Cabinet	Develops influence and visibility
32) Input into 'expert panel' for influencing UKRI and Innovate UK including hosting one UKRI Board meeting	Q3&4 2019/20	City Deal Office and Chair of REGP and Wales Office	City Deal Director	Develops specific relationship and influence levels with and within UKRI
33) Developing networks and opportunity radar through participation and representation on various influential groups and partnerships	Throughout 2019/20	City Deal Director and Chair of REGP	City Deal Director and Regional Cabinet	Strategic approach to planning our key inputs and reach
34) Working with WG and UK Govt to develop optimal role for CCRCD in positioning for Shared Prosperity Fund	As per timing of consultation	City Deal Director	Regional Cabinet	Planned approach to shaping our post-Brexit role
35) Develop target list of new partnerships and additional network building	Q2 2019/20	City Deal Director	City Deal Director	Strategic approach to brokering relationships and influence

7) Culture, Capability and Leadership – creating the conditions for optimal and sustainable delivery

What	When	Responsible	Accountable	Contribution to Jobs/ Growth/ Leverage
36) Seek approval for new structure and resourcing plan for City Deal Office	Q1 2019/20	City Deal Director	Regional Cabinet	Creating the capacity and capability to deliver
37) Establish new City Deal office and hub/ front of house at Innovation and Technology Centre, Tredomen	Q1 2019/20	City Deal Director	City Deal Director	Creating a profile and base for the team
38) Implement KES Studentship programme for PHD data work	Q1 2019/20	City Deal Director and REGP	City Deal Director	Creating data capacity and insights ongoing to inform delivery in real-time
39) Training, development and investment plan for City Deal office team and partners	Q2 2019/20	City Deal Director	City Deal Director	Investing in the capacity and competence for quality delivery
40) Develop framework through a Dynamic Purchasing System to establish network of providers and contractors to supply trusted advice into City Deal	Q2 2019/20	City Deal Office and Accountable Body	City Deal Director and Accountable Body	Developing a system to mobilise expert advice

Further considerations

The development of the Annual Business Plan in this way, for 2019/20 reflects the evolution of the City Deal and the need to adjust the tempo, pace and delivery programme in order to respond to significant challenges and turbulence in the wider environment. In addition and connected to this, it further reflects upon the wider critical success factors, now identified as being key to effective, optimal and sustainable delivery.

It is for these reasons, this Annual Business Plan seeks to consolidate and bring together the material relating to delivery, work programmes, performance and finances in order to set the course for one single set of quarterly performance monitoring information to Regional Cabinet, Wales and UK Governments.

In order to further contextualise the delivery plan set out above, there are four 'in principle' approved projects that were set out in the 2018/19 Annual Business Plan. These are:

- Skills for the Future
- Regional Housing Investment Fund
- Digital Strategy
- Metro Central Project

There were also 'strategic theme' projects to be developed - namely, Strategic Sites and Premises and Innovation Investment Fund.

All these projects have not progressed to business case status in 2018/19, but have continued to be developed. Capacity and resource has been an issue and the Resourcing and Structure Plan for the City Deal – set out as a key objective above – will make a contribution to addressing this. In addition, we have seen the necessity to develop a plan for ‘how’ the City Deal targets will be met. This framework, or as we call it, the Investment and Intervention Framework, sets out how business will be done, provides the criteria and processes for investment decisions and ensures there is consistency of approach. This framework converts the Wider Investment Fund out into three sub-funds to guide Innovation Investment; Infrastructure Investment and Challenge Investment. This enables a process and system for informing evidence-base decision making and ensuring that overall, the City Deal is optimally positioned to deliver on its targets of jobs, growth and leverage. The ‘approved’ projects will be subject to this framework in their onward growth and development.

In respect of Skills for the Future, NESTA has been commissioned to provide expert advice and to develop the contemporary propositions, capable of being backed and supported by stakeholders and delivery agents. The headline plan and timescales for this work are set out above and it must be recognised that a key component of the work has come forward for approval – with Regional Cabinet approving the Graduate Placement Scheme in December 2018.

In relation to Metro Central, an ‘in principle’ commitment has been made to contributing £40m to a mobility interchange at Cardiff Central Station. This development will leverage in the region of £160-80m private sector investment and the development of an Outline Business Case for presentation to Regional Cabinet in 2019/20, is underway. This will be subject to the Investment and Intervention Framework.

The Regional Housing Investment Fund has had £100k allocated for business case development. A programme plan for this development is now in place and discussions are underway with Wales Government to match proposed investment in order to supplement and enhance an existing scheme that is scalable across the country. This work will also incorporate the potential around Strategic Sites and Premises before coming forward for eventual assessment through the Investment and Intervention Framework.

Similarly, a first cut of a digital strategy has been developed with some significant proposals proposed around the infrastructure delivery aspects of this. Again, £130k has been committed from the Wider Investment Fund top-slice. In order to keep pace with developments in the digital sector and some of the new and emergent technologies and propositions, many of which could yield real impact in the region, the digital strategy is being refreshed with a view to business case development in 2019/20. As with the above schemes, this will be subject to assessment via the Investment and Intervention Framework.

Budgets and Funding Strategy

Regional Cabinet have made a number of decisions to date, which have resulted in commitments against the Wider Investment Fund (WIF) in 2019/20 and beyond.

Table 1 outlines the proposed 2019/20 budget and to assist with medium planning, the indicative budgets to financial year 2022/23 are also set-out, along with the proposed funding strategy over this period.

Table 1: Proposed 2019/20 Wider Investment Fund Budget and Indicative Budgets to 2022/23

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Indicative Programme Expenditure				
Wider Investment Fund Top Slice	742.5	742.5	742.5	742.5
Approved Projects - Revenue	143.6	0.0	0.0	0.0
Approved Projects - Capital	1,381.6	0.0	0.0	0.0
Future Revenue Projects	856.4	1,600.0	1,000.0	1,000.0
Future Capital Projects	26,110.0	31,325.0	42,964.0	45,663.0
Total Investment	29,234.1	33,667.5	44,706.5	47,405.5
Funded by				
HMT Contribution (Revenue)	-1,742.5	-1,742.5	-1,742.5	-1,742.5
HMT Contribution (Capital)	0.0	0.0	-22,000.0	-22,000.0
Total HMT Contribution	-1,742.5	-1,742.5	-23,742.5	-23,742.5
Council Contribution	-6,417.8	-9,073.0	-7,963.7	-7,963.7
CSC Loan Funding Repayment	0.0	-1,800.0	-1,854.0	-4,553.0
Temp Borrowing 'Cost of Carry'	-21,073.8	-21,052.0	-11,146.3	-11,146.3
Total Funding	-29,234.1	-33,667.5	-44,706.5	-47,405.5

WIF Top-Slice Budget

Regional Cabinet have resolved that up to 3% of the Wider Investment Fund (over a 20 year period) is set aside to meet the costs associated with Programme Development & Support and is referred to as the WIF 'Top-Slice'. This equates to an annual budget of £742,500 and is used to support the development of the City Deal pipeline of projects. Details of the 2019/20 forward commitments and the sum available to support new in-year commitments are outlined in Table 2.

Table 2: Proposed 2019/20 WIF Top-Slice Budget

	£s
<u>Forward Commitments:</u>	
Contribution to Joint Committee Revenue Budget	163,417
Development of Metro Plus Programme	75,000
REGP PHD Student support	15,000
Housing Investment Fund	80,000
REGP Costs (Chair Expenses)	1,000
Regional Business Council	15,000
Challenge Fund Set-Up and Management Support	25,000
Investment Fund Set-up / Manager	40,000
Emerging Projects	90,000
Sub Total	504,417
<u>Programme Development & Support:</u>	
Uncommitted Sum	238,083
Total	742,500

Regional Cabinet has approved 'In-Principle' commitments in respect of a number of projects to date. These projects are in the process of developing their business cases for consideration by Programme Board and approval by Regional Cabinet in-line with the Assurance Framework and the proposed Investment and Intervention Framework. Details of the proposed work programme in respect of these projects is outlined earlier in this document and the financial commitments associated with this work will be largely met from the Programme Development & Support budget outlined above.

The proposed 19/20 Joint Committee Revenue Budget outlines the need to significantly increase resources to fundamentally alter the way City Deal is structured and operates. In particular, the need to bring forward and strengthen arrangements in respect of Programme Development & Support has been identified. These proposals have been designed with the 2019/20 Annual Business Plan in mind and in particular to ensure the appropriate support (capacity and capability) is in place to deliver the Work Programme, including the need to accelerate the project delivery pipeline.

Regional Cabinet, at its meeting 12th February 2018, delegated authority to the Joint Committee's Section 151 Officer (in consultation) to establish an appropriate mechanism for managing Programme Development & Support resources (both on annual and cumulative basis) within the 3% cap previously agreed.

The purpose of this mechanism is to provide additional resources in-year to supplement the annual £742,500 budget, where required. Current projections indicate that cumulative resources amounting to £1.615 million are available to support the Programme Development & Support budget at the beginning of 2019/20.

Approved Projects

The 2019/20 Annual Business Plan will also need to meet the Year 3 costs of the approved Compound Semi-Conductor Foundry Site which have been slipped forward from the previous year. These are budgeted at a cost of £1.382 million and consist of project delivery and implementation costs. In addition, the 'Approved Projects' budget line also includes revenue expenditure in respect of the Graduate Pilot Scheme, approved by Regional Cabinet at its meeting of the 17th December 2018.

Table 3: 2019/20 Budget - Approved Projects

	£'000
Graduate Pilot Scheme (Revenue)	143.6
CSC Foundry Site Funding (Capital)	1,381.6
Total	1,525.2

Future Revenue and Capital Projects – Indicative Allocations

The Annual Business Plan also includes indicative allocations in respect of future revenue and capital projects which may come forward during the year. However, approval against these allocations is subject to meeting the requirements of the Assurance Framework.

An indicative budget of £0.856 million has been included in respect of new revenue expenditure, whilst the capital allocation amounts to £26.110 million.

At its meeting of the 15th January 2018, Regional Cabinet made a decision to preserve the HM Treasury revenue funding. This amounts to £40 million over the first four years of the fund to 31st March 2020. Therefore, whilst the indicative sum included within the Annual Business Plan for new revenue projects is just under £1 million, Regional Cabinet have the ability to increase this sum (if required), by approving further HM Treasury grant funding during the year, providing always that funding terms and conditions are met.

Affordability Envelope and WIF Funding Strategy

The sums allocated represent the amounts available to be spent in 2019/20, with future year budget allocations being updated accordingly to reflect each new approval's overall spend profile. This will ensure that the fund remains affordable and within its approved envelope at all times, as decisions to approve projects are made through the year.

The total expenditure for the 2019/20 Annual Business Plan is £29,234,100. It is proposed that this level of expenditure is funded as follows:

- a. Draw down of HM Treasury Revenue Grant - £1,742,500
- b. Draw down of Council Contributions - £6,417,800 (as per the funding ratio)
- c. Temporary Borrowing – 'Cost of Carry' - £21,073,800

Finally, it should be noted that the actual funding applied will be dependent on the nature and timing of project expenditure and may differ from the proposed sums outlined above. Regional Cabinet will be provided with regular project performance reports, supplemented by quarterly budget monitoring statements, where matters such as progress against delivery plans and budgets can be assessed and the proposed funding arrangements can be reviewed as appropriate.

Monitoring and Quality Assurance

Currently, the following activities constitute the substantive monitoring and quality assurance activity:

- Development of the Local Evaluation Framework, including establishment of the economic baseline and contextual economic forecasting to inform Gateway Review in 2021
- Development and application of the Logic Model for the deep dive (which will commence in earnest in 2019/20) on the Compound Semiconductor project
- Individual project monitoring and evaluation – for the Compound Semiconductor project, this is performed and provided by CSC Foundry Ltd – the City Deal Special Purpose Company Limited by Shares
- Development of sectoral analysis, a 'State of the Region' economic assessment and commissioning of data work
- Quarterly performance monitoring reports to Regional Cabinet which are compiled, assessed against a comprehensive work programme and filed with Wales and UK Governments
- The assessment and advisory roles of the Programme Board and the Regional Economic Growth Partnership

The proposed Resourcing and Structure Plan for the City Deal will create specific capability and capability around the Monitoring and Evaluation role and this will seek to integrate the above into one framework.

Key Risks

There are a number of risks, threats, challenges and opportunities associated with the ambition and detail set out above. A comprehensive Risk Log, recently compiled for

Programme Delivery in 2019/20 is in full operation – demonstrating direct read-across and relevance to the activity set out above.

Future Generations Assessment

Page 38






Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To set out direction of travel for City Deal in 2019/20.
Proposal: Annual Business Plan 2019/20	Date Future Generations Evaluation form completed: 4 Feb 2019

1. Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The core targets against which progress is assessed are set out in relation to specific goals in the Plan – GVA uplift; jobs and leverage.	Proposals are set out in detail in the report with a description and expectation as to contribution to core City Deal targets.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	One of the cited targets is to produce an Energy Resilience plan for the region.	Support engaged through Local Partnerships expertise on Green Growth.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The emphasis on place based and social justice is writ clear in the plan with a specific post and function proposed around inclusive growth.	Enact new structure to ensure explicit focus
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The place-shaping component of our City Deal in the plan and the need for inclusive growth.	A greater contribution will be made to this by the aforementioned data capability, sectoral analysis and place assessments.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Attending MIPIIM to promote the CCR will see us play a stronger part in developing the economic wellbeing of our region and country, thus impacting social and community objectives. It will help make our country feel more connected and outward looking.	Develop the legacy impact of the event, sustaining new connections, sharing great practice and potentially securing propositions and deals that support economic growth.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Our City Deal is uniquely Welsh – but pitches towards being world leading in areas of competitive strength. This enables a strong reflection on our rich culture and heritage.	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	City Deal is about delivering as far as possible across 10 LAs and a population of 1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people's lives. Some of the specific interventions around skills and housing – will seek to make a more direct contribution to equity of access and equal opportunity for all.	

2. How has your proposal embedded and prioritized the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Balancing short term need with long term and planning for the future</p> <p>Long Term</p>	<p>The report describes performance target and interventions in the round. It sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	<p>The business plan provides a 12 month perspective balanced against the newly emerging Regional Industrial and Economic Growth Plan.</p>
 <p>Working together with other partners to deliver objectives</p> <p>Collaboration</p>	<p>A cornerstone of our process is the strength of partnership working for which specific objectives are set</p>	<p>Industry-led production and promotion of the EG Plan helps to maximize the contribution.</p>
 <p>Involving those with an interest and seeking their views</p> <p>Involvement</p>	<p>Communications and engagement remain a feature of our work.</p>	<p>More needs to be done to develop engagement platforms – beyond formal partnerships – to reach communities, hard to reach groups and those who currently have a limited understanding of City Deal. Improving social media, web presence and marketing materials will increasingly make a contribution to this.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p> <p>Prevention</p>	<p>This is set out in the REGP work on the developing Regional Economic and Industrial Plan.</p>	<p>This will be an increasing focus of scheme and programme delivery.</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p> <p>Integration</p>	<p>City Deal seeks to make a contribution on place and to improving the life chances of people in the region.</p>	<p>The five year business plan will require refreshing to achieve this clearer focus.</p>

3. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The report is an overview of performance in all of the relevant aspects of projects, partnership, governance and investment. The protected characteristic assessments related to specific proposals will need to be drawn out in the relevant business cases and proposal documents.	None arising at this time.	As plans develop and unfold as discrete activities requiring decisions – impacts will be comprehensively assessed.
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Sex	As above		
Sexual Orientation	As above		
Welsh Language	As above	Not at this time but the situation will be kept under review.	

4. Safeguarding & Corporate Parenting. Are your proposals going to affect either of these responsibilities?

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Not directly relevant –however, building the future economy should have a profoundly positive impact on ability to safeguard the future of our residents		
Corporate Parenting	Not directly relevant – however building strength in the economy should create opportunities for all of the young people entrusted in our care		

5. What evidence and data has informed the development of your proposal?

- Evidence and input contributed by theme leads
- Outcomes of assessments such as audit reports
- Delivery against targets set out in individual business cases/ approved project documentation

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The areas requiring attention and focus are set out and follow-up actions will be assessed and monitored ongoing through the quarterly reporting mechanism. .

7. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:

Quarter 1, 2, 3 & 4

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Annual Business Plan - Acronyms

WEFO – Welsh European Funding Office

<https://gov.wales/funding/eu-funds/wefo-online/?lang=en>

MIPIM – Marché International des Professionnels d'Immobilier.

The World's Leading Property Market

<https://www.mipim.com/homepage/>

ROI – Return on Investment

SIPF – Strength in Places Fund

REGP – Regional Economic Growth Partnership

GVA – Gross Value Added

CCR – Cardiff Capital Region

RCTCBC – Rhonda Cynon Taf County Borough Council

HMT – Her Majesty's Treasury

R&D – Research & Development

AI – Artificial Intelligence

WG – Welsh Government

CCRCD – Cardiff Capital Region City Deal

Q1/2/3/4 – Quarter 1/2/3/4

OBC – Outline Business Case

CDO – City Deal Office

EV – Electric Vehicles

UKRI – UK Research & Innovation

KESS – Knowledge Economy Skills Partnerships

TERCW – Tertiary Education & Research Commission for Wales

NESTA – National Endowment for Science, Technology and the Arts

CSC – Compound Semiconductor

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23 FEBRUARY 2018 CABINET MEETING

JOINT WORKING AGREEMENT BUSINESS PLAN

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 4

Reason for this Report

1. For the Regional Cabinet to consider the draft Joint Working Agreement Business Plan (JWA Business Plan) attached; and if content, to recommend to the Cardiff Capital Region City Deal constituent local authorities, as a “Matter Reserved to The Councils”, that they agree and adopt the draft JWA Business Plan.

Background

2. The **JOINT WORKING AGREEMENT (JWA)**, in relation to the delivery of the Cardiff Capital Region City Deal, was signed and the Regional Cabinet established on March 1st, 2017.
3. The JWA requires the constituent Councils to take a subsequent decision, as a “Matter Reserved to The Councils”, on the approval and adoption of the draft JWA Business Plan.
4. The JWA requires the Regional Cabinet to:
“..... 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.”
5. Clause 7.1.4 of the JWA providing that:
The JWA Business Plan shall, amongst other matters, address the following:
 - a) *the updated Affordability Envelope; (see section 9 of the JWA Business Plan)*

- 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); (see section 3 of the JWA Business Plan)*
 - c) *the methodology and responsibility for any external audits in relation to this Agreement; (see section 9 of the JWA Business Plan)*
 - 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 (see section 3 of 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 (see section 9 of the JWA Business Plan).*
6. For clarity and cross reference to the JWA, the draft JWA Business Plan is now referred to as the 'CCR Strategic Business Plan for the Wider Investment Fund', to reflect its status and focus, and is titled accordingly on the attached appendix.

Proposal

7. The draft JWA Business Plan (CCR Strategic Business Plan for the Wider Investment Fund) is attached as **Appendix A**.
8. In accordance with the requirements of the JWA the draft JWA Business Plan contains:
- The Strategic Context which includes:
 - Our Vision; and Strategic Objectives (see section 2 of the JWA Business Plan)
 - Our Approach (see section 3 of the JWA Business Plan)
 - Spatial Priorities (see section 4 of the JWA Business Plan)
 - Our Strategic Themes (Programme Themes¹) which includes:
 - Skills and Employment; (see section 5 of the JWA Business Plan)
 - Innovation; (see section 6 of the JWA Business Plan)
 - Connecting the Region; (see section 7 of the JWA Business Plan) and
 - Regeneration and Infrastructure. (see section 8 of the JWA Business Plan)
 - Indicative Five Year Spend Profile (see section 9 of the JWA Business Plan)
 - Additional Opportunities for Regional Funding (see section 10 of the JWA Business Plan)
9. The draft JWA Business Plan identifies, and provides some detail on, emerging opportunities which will be considered and developed within the life of the plan:
- Skills for the Future;
 - Innovation Portfolio;
 - Metro Plus;
 - Digital Portfolio;
 - Housing Investment Fund; and
 - Strategic Sites.

¹ It is noted that the JWA referred to Programme Themes (as such Programme Themes were defined under the Implementation Plan). Within the JWA Business Plan these Programme Themes are referred to as Strategic Themes.

10. The draft JWA Business Plan has been prepared using the research, extensive consultation, and recommendations of the Growth and Competitiveness Commission, as required by the Assurance Framework.
11. The Plan, which will take the City Deal past its first Gateway Review, due in December 2020, also indicates that other proposals will emerge, within the life of the plan, all of which will be rigidly assessed in accordance with the Assurance Framework.

Updating the JWA Business Plan

12. The JWA Business Plan will be updated to ensure our objectives, priorities and programmes are sufficiently dynamic to not only cope with change but to act as a catalyst to drive positive change in the region. 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, in which case, the decision to approve and adopt such updated JWA Business Plan shall be a “Matter Reserved To The Councils”

Annual Business Plan

13. In respect of each financial year an Annual Business Plan, in relation to the annual spend for approved project(s) to be implemented in that Accounting Period, will be prepared. Upon an Annual Business Plan being approved the JWA Business Plan shall be deemed to have been amended to incorporate the provisions of the Annual Business Plan.

Cardiff Capital Region Wider Investment Fund

14. The City Deal provides funding to support schemes which will stimulate the economic growth of the region. The agreement with the UK Government and Welsh Government provides £1.2 billion of which £734m is allocated to the Metro, with the balance of £495m being made available as the ‘Wider Investment Fund’.
15. The Wider Investment Fund is made up of:
 - £375m grant from the UK Government paid over 20 years, HMT Contribution, with year 1-5 being £50m revenue grant, followed by years 6-20 being £325m capital grant; and
 - £120m Local Authority Partnership capital contribution to be drawn down as required.
16. The Regional Cabinet have stated that the high level aims of the Wider Investment Fund are the creation of 25,000 new jobs and £4bn of private sector investment. The first investment has been made in the Compound Semiconductor Project, providing a loan of £38.5m, to be repaid, which has the potential to generate 2,000 jobs and over £380m of private sector investment.
17. As the JWA Business Plan has not yet been adopted the Regional Cabinet have substantially funded this initial investment by use of the HMT Contributions received to date. As these funds are revenue it is hoped that the adoption of the JWA Business Plan will take place in financial year 2017/2018 allowing Local Authority Partnership capital contributions to be substituted for

the revenue grant, thereby protecting the revenue funding for future use on schemes and programmes which are revenue intensive such as skills. Funding of the Local Authority Partnership capital contributions will be based on the Council contributions agreed and contained in the JWA.

18. Following this initial investment, the Regional Cabinet have agreed in principle to support a number of schemes:
 - The Metro Central Project;
 - Regional Housing Investment Fund;
 - Digital Strategy; and
 - Skills for the Future.
19. These 'in-principle' schemes, along with others which may emerge, will be developed and assessed to ensure they comply with the City Deal Assurance Framework, contribute to the sustainable economic growth of the region, and demonstrate value for money prior to any implementation investment being made.
20. This method of identifying, developing, assessing and approving schemes ensures that the Regional Cabinet have the flexibility to ensure investments accurately reflect the needs and encourage the continued development of the region. However, it does also mean that it is difficult to predict accurately the financial implications of the investment programme. Financial modelling for the Wider Investment Fund will therefore be based on educated assumptions and an indicative programme of investment which will developed and refined as more investment decisions are made.

Next Steps

21. If the Regional Cabinet are minded to approve this draft JWA Business Plan, it will then be reported to each constituent authority for agreement and adoption, in accordance with the JWA, as the formal JWA Business Plan.

Financial Implications

22. This report seeks approval of the draft Joint Working Agreement Business Plan (CCR Strategic Business Plan) for the Wider Investment Fund, which is attached at Appendix A. Section 9 of the JWA Business Plan provides details of the Cardiff Capital Region City Deal Wider Investment Fund, which amounts to £495 million.
23. The JWA Business Plan outlines the current position in respect of approvals to-date, in-principle commitments and sums available for future revenue and capital projects as these are brought forward for consideration and approval. For these reasons, the JWA Business Plan is an evolving document, which will be updated at least annually to reflect updates in respect of new approvals and also to report on the actual performance of approved projects, i.e. those projects that are in the implementation or operational phases of their respective lifecycles.
24. Therefore, the JWA Business Plan can only provide an indication of the financial implications arising from the Wider Investment Fund at this time. The actual approvals outlined above have been supplemented by an indicative

programme of investment along with a range of other financial and technical assumptions, details of which are set-out below.

25. In line with the Assurance Framework, all investment proposals will be subject to business case development and approval. The business case will provide detailed information on matters such as; expenditure profile (and whether it is revenue and/or capital in nature), and the proposed funding streams. The business case will also need to be clear on the proposed delivery mechanism and how risks will be allocated and managed.

Affordability Envelope

26. The Joint Working Agreement (JWA) defines the Affordability Envelope as:
“means the overall costs and investment by each Council pursuant to their proportion of the Councils' Contribution under this Agreement over the 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”
27. The approved affordability envelope has been set at £210.8 million and is based on the indicative modelling that was undertaken in January 2017 and informed the reports approved by each of the City Deal partnering Councils in January/February 2017.
28. As set-out above, the JWA acknowledges that the affordability implications arising from the ‘whole-life cost’ of the Wider Investment Fund will change over time, as investment decisions are made. Clause 7.1.4. (a) of the JWA requires the inclusion of the ‘Updated Affordability Envelope’ when the JWA Business Plan is submitted to the Councils for approval. Agreeing any increase to the affordability envelope is a matter reserved to each Council.

Updated Affordability Envelope

29. The affordability model has been updated to reflect the changes made since the Joint Working Agreement was approved by Councils in January/February 2017. The updated modelling suggests that the ‘whole-life cost’ of the Wider Investment Fund to the constituent Councils remains within the approved envelope of 210.8m.
30. The changes include the assumption that the ‘Reserved Matter’ is discharged by the 31st March 2018, thereby allowing a ‘switch’ of funding for the capital element of the Compound Semi-conductor Project. This is designed to preserve HMT Contribution revenue grant to meet the cost of future revenue based projects that may come forward.
31. The indicative whole-life affordability implications for each partnering authority is show in Table 1 below:

Table 1. – Updated Affordability Envelope / Partner Contributions

Local Authority Partner	%	£m
Blaenau Gwent	4.6%	9.7
Bridgend	9.4%	19.9
Caerphilly	12.0%	25.2
Cardiff	23.7%	50.0
Merthyr Tydfil	3.9%	8.3
Monmouthshire	6.1%	12.9
Newport	9.8%	20.7
Rhondda Cynon Taff	15.8%	33.3
Torfaen	6.1%	12.9
Vale of Glamorgan	8.5%	17.9
Total	100%	210.8

Technical Assumptions

32. As outlined earlier, the updated affordability envelope is based on an indicative programme of investment along with a range of other financial and technical assumptions. Key assumptions include:
- **Indicative investment profile spend:** based on actual approvals to-date plus the typical spend profile of City Deals, results in the following cumulative profile; Years 1-7 = £195m, Years 1-11 = £479m and Years 1-20 = £495m;
 - **Repayment period:** borrowing is assumed to be repaid over 25yrs, but in-line with the requirements for Minimum Revenue Provision (MRP), the actual repayment period will need to reflect the economic life of the individual assets being funded;
 - **Interest Rate:** an average rate of 3% has been assumed. At the time of writing, the current 25yr PWLB rate is 2.62%, which provides headroom of 14.5% at this time, but is a reduction against the 22.0% headroom that existed in January 2017;
 - **Funding Drawdown priority:** all revenue expenditure is funded exclusively from HMT revenue grant. Generally capital expenditure will be first met from HMT capital grant 'in-hand', with the balance being funded in accordance with the 'funding ratio' i.e. 75.8% temporary borrowing in lieu of future capital grant (Cost of Carry) and 24.2% from local authority borrowing;
 - **Inflation:** is excluded i.e. all figures are stated in nominal terms and therefore inflation will need to be met from within the overall £495m sum.
33. The validity of these assumptions will be reviewed on a regular basis and updated as appropriate. In particular, Regional Cabinet may wish to revisit the basis (priority) on which funding is drawn down and applied to annual expenditure. Whilst the current assumption may appear to be logical for indicative modelling purposes (it is based on the overall WIF funding allocations), from a cost management perspective, prioritising Council contributions ahead of temporary borrowing will reduce the overall cost of interest over the life of the fund. In addition, whilst it is assumed that all Council

contributions are borrowed, in practice this will be a matter for each individual local authority to decide.

WIF External Audit / Monitoring and Reporting

34. Paragraph 5, also highlights the following requirements:
35. Clause 7.1.4. (d) - *“the methodology and responsibility for any external audits in relation to this Agreement”*.

This requirement will be addressed through the Annual Audit Plan prepared by the relevant external auditors and presented to Regional Cabinet.

36. Clause 7.1.4. (e) – *“any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports.”*

Regional Cabinet will receive regular revenue and capital monitoring reports throughout the year advising on matters such as: Approved Budget, Actual Position To-Date, Commitments and Projected Out-turn. These reports will be supplemented by the appropriate Project Performance Reports, advising on all aspects of the Wider Investment Fund.

HMT Contribution – Funding Terms & Conditions

37. HMT grant funding will be paid to the Accountable Body on behalf of the ten Cardiff Capital Region City Deal (CCRCD) constituent Councils. The funding must be used solely to support the objectives of CCRCD through the implementation of projects and schemes agreed by the Regional Cabinet and in accordance with arrangements set out in its Joint Working Agreement, Wider Investment Fund, Assurance Framework, and the JWA Business Plan.

38. Assurance Framework:

As projects are presented for approval, it is important that the requirements of the Wider Investment Fund Assurance Framework are complied with as this is a key requirement of HM Treasury funding terms and conditions, as set-out by Welsh Government.

39. Gateway Reviews:

An outcome based Gateway Review of CCRCD led by HM Treasury will be undertaken in 2020/21. Funding for 2021/22 and beyond is conditional on CCRCD successfully passing this Gateway Review, whilst any unspent funding up to this point may be subject to repayment if the Gateway Review is not passed.

40. It has been confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. Carry forward in respect of the final year (2020-21), will also be permitted providing that the Gateway Review is passed.

Legal Implications

41. The body of the report sets out the relevant provisions of the Joint Working Agreement ('JWA') in relation to the JWA Business Plan ('Plan'). They form part of the legal implications, to which regard should be had but to avoid duplication are not repeated in this section.

42. Pointing out the obvious, the JWA Business plan is a key document in relation to the delivery of the Cardiff Capital Region City Deal. The content of the Plan serving to create a legitimate expectation that the matters referred to (proposals, projects and themes) will be progressed as set out in the Plan. Accordingly, it is important that Regional Cabinet and each constituent Council is content with the content of the JWA Business plan. As regards the progression of individual themes and projects, and as stated in the body of the report, matters will need to be considered in accordance with the provisions of the Assurance Framework, at which stage any legal issues raised by a project can be considered and detailed legal advice provided. The Plan refers, section 10, to a case being made for a range of powers to be devolved to the local authorities of the Cardiff Capital Region. To the extent that any further powers are sought to be delegated to the Regional Cabinet, then this will be a matter for each of the Councils comprising the CCRCD to determine.
43. In considering this matter regard should be had, amongst other matters, to:
- (a) the Councils' duties under the Well-being of Future Generations (Wales) Act 2015, (The Plan noting at section 3 that, '... we (CCRCD) will follow the five ways of working and sustainability principles detailed in the Well-being of Future Generations (Wales) Act 2015, and reflect and support the well-being goals); and
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to a) eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by that Act; b) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and c) foster good relations between people who share a protected characteristic and those who do not. Protected characteristics are: a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief. In Wales, public sector bodies listed are required to take certain steps in order to demonstrate that they have due regard to the public sector equality duty. These Welsh specific equality duties include assessing the impact of policies and procedures on equality (often called Equality Impact Assessment).
44. A Well-being and Equality Assessment has been undertaken and is included in Appendix B. Regards should be had to the same in reaching a decision on this matter.

Well-being and Equalities Assessment

45. A Well-being and Equalities Assessment has been undertaken and is attached as **Appendix B**.
46. The Assessment demonstrates that the detail contained in the draft JWA Business Plan demonstrates compliance with the well-being 5 ways of working, supports the well-being goals and identifies that the City Deal is expected to have a positive impact on all groups and people with protected characteristics.

Reasons for Recommendations

47. To put in place a formal JWA Business Plan in accordance with the requirements of the JWA. In so doing to allow the Regional Cabinet to access the 'Councils Contributions' and the 'HMT Contribution', and progress with the delivery of the City Deal.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Cabinet:

- a) Consider the draft JWA Business Plan (CCR Strategic Business Plan) attached as Appendix A; and if content recommend
- b) The draft JWA Business Plan is reported to the Cardiff Capital Region City Deal constituent Councils for agreement and adoption as the formal JWA Business Plan.

Sheila Davies
Cardiff Capital Region Programme Director
19 February 2018

The following Appendices are attached:

Appendix A: Draft Joint Working Agreement Business Plan
(This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg)

Appendix B: Well-being and Equalities Assessment

Background papers –

- *JOINT WORKING AGREEMENT in relation to the delivery of the Cardiff Capital Region City Deal*
- *Welsh Government Funding Terms and Conditions Letter (22nd March 2017)*
- *Clarification to the Welsh Government Funding Terms and Conditions, dated 11th April 2017, formally accepted and signed by Welsh Government.*
- *Growth & Competitiveness Commission Report and Recommendations*



**CCR City Deal
Strategic Business Plan
Wider Investment Fund**

Our Vision:

A Prosperous Capital City-Region for Wales.





Contents

Chair's Foreword	04
Executive Summary	06
The Strategic Context	10
Our Approach	14
Spatial Priorities	18
Developing a Skilled Workforce and Tackling Unemployment	20
Creating an Innovation District and Increasing Entrepreneurial Activity and Innovation	22
Improving Connectivity Globally, Regionally and Locally	24
Providing the right physical place and environment to support growth	28
Cardiff Capital Region City Deal (CCRCD) Wider Investment Fund	34
Additional Opportunities for Regional Funding: Including European Funding & Additional Flexibilities	44

Chair's Foreword

The Cardiff Capital Region City Deal is a unique programme of collaborative working which will enable economic change, improved digital and physical connectivity, improved skills and educational opportunities, and regeneration across the region.

It is an investment in its people, and aims to bring fairness and opportunities for all, no matter where they live in the region.

It builds on the region's proud heritage, the beauty of our natural landscape, and the vibrancy of our rich cultural and social life.

It will enrich lives in other ways too, reforming our public services, provide new affordable homes, improve family life, and create a workforce which can adapt to the changing needs of the 21st Century.

To do this, the City Deal partners will work together, with a shared vision of a prosperous Capital City-Region for Wales, forging a clear global identity and strong reputation as a City-Region for trade, innovation, and quality of life.

By attracting new investment and growing more successful businesses, by improving our connectivity, by developing our skills and education, we will restore the capital region to its historical role as the “engine room” of the Welsh economy.

Councillor Andrew Morgan
Chair, Cardiff Capital Region City Deal





“It is an investment in its people, and aims to bring fairness and opportunities for all, no matter where they live in the region.”

01. Executive Summary

In compliance with the Joint Working Agreement this 5 year City Deal Strategic Business Plan:

- sets out our current understanding of what is required to achieve our long-term objectives;
- details required actions and outcomes, only some of which will benefit from Wider Investment funding;
- includes details of how the Wider Investment Fund will be used, over the next 5 years, to act as a catalyst to drive these actions forward;
- forms the basis of a more detailed regional strategic economic growth plan and strategy.

We cannot achieve our regional objectives by means of the City Deal funding alone.

However, used wisely to support, encourage and enable regionally significant schemes it will act as a catalyst to:

- drive economic momentum by leverage of wider investments;
- accelerate the process of change;
- attract interest and generate enthusiasm; and
- take advantage of the entrepreneurial talents that abound in our region.

The City Deal is a long-term programme and no one can, with confidence, predict what changes will occur over the next 20 years.

When considering the current pace of innovation in areas such as artificial intelligence, drones, driverless vehicles, 3-D printing, robotics, and automation, the future infrastructure and skills needs of the region is changing radically.

We must therefore ensure our policies, plans and programmes are flexible and sufficiently dynamic to not only cope with change but to act as a catalyst to drive positive change in the region.

The Regional Cabinet, working with partners, who will advise on changes in technology, investments and future markets, will regularly review both the regional economic growth plan and strategy and the use of the Wider Investment Fund to ensure that they continue to accurately reflect and encourage the economic needs and aspirations of the region.



British Airways Maintenance Cardiff, St Athan



Sony UK Technology Centre, Bridgend

The Next 5 Years

Investment

We have made our first investment, in the Compound Semi-conductor Project, which will generate over £380m of private sector investment and deliver 500 highly skilled jobs, and potentially cultivate an innovation cluster creating a further 2,000 Jobs.

Emerging Opportunities

The Regional Cabinet are proactively pursuing further investment opportunities to assist in meeting our key targets. Those currently identified for development in the next 5 years are:

- **Skills for the Future**
A regional programme of interventions to provide school engagement, support for businesses and a skills investment fund to deliver over 10,000 additional apprenticeships, graduate internships and upskilled employees. See Section 5 for details.
- **Innovation Portfolio**
A regional Innovation Portfolio with the aim of developing industry ‘clusters’, new space for innovative start-ups, and incentives to attracting high-tech firms to the region. The first project of this portfolio is currently being implemented, the Compound Semi-conductor Project,

and further development work is being undertaken to optimise this investment and explore other opportunities.
See Section 6 for details.

Metro Plus

Enhancing the potential benefits of the Metro to the region by introducing a programme of complementary transport investments. The initial focus is the development of a Central Transport Interchange ‘Metro Central’ with a key element being the modernisation of Cardiff Central Station.
See Section 7 for details.

Digital Portfolio

A portfolio of digital intervention which seeks to create a digital vision, brand and identity for the region as a ‘smart’ city region able to attract private sector partnership. It would also ensure that digital opportunities are built into other regional schemes and projects.
See Section 7 for details.

Housing Investment Fund

A proposal to establish a fund to support housing growth across the region with a focus on former industrial sites in the Valleys areas and across all tenures to support both economic and social objectives.
See Section 8 for details.



Strategic Sites

A proposed programme to introduce a balanced portfolio of sites with varied characteristics to be a catalyst to attract new and retain existing businesses.

The focus will be to support the regions existing prime market, of Cardiff and the M4 corridor, and expand it to include a mix of opportunity in the Heads of the Valleys corridor, the coastal belt, towns and rural areas.

These 'emerging' opportunities are in varying stages of development and will be rigidly assessed in accordance with the Assurance Framework to establish if they are able to deliver the outputs and outcomes necessary to make them eligible for City Deal funding support.

It is anticipated that further proposals will 'emerge' over the next 5 years and no matter how they are promoted they will comply with the following investment criteria:

All investments will be required to:

- Support our Strategic Objectives
- Comply with the Assurance Framework
- Secure regional economic benefits
- Contribute to the high level aims of 25,000 new jobs and £4bn of private sector investment
- Demonstrate Value for Money



02. The Strategic Context

¹ Growth & Competitiveness Commission Report Review and Recommendations Page 22.

² Cardiff Capital Region “Powering the Welsh Economy”

Our Vision

“A Prosperous Capital City-Region for Wales” - a decision making centre, a global gateway for capital, trade, and visitors, a knowledge hub and a major population centre and business cluster for Wales¹

Our Regional Strategic Objectives

- 1. Prosperity and Opportunity** - Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy
- 2. Inclusion and Equality** - A vibrant and sustainable economy which contributes to the well-being and quality of life of the people and communities in the region now and in the future
- 3. Identity, Culture, Community and Sustainability** - Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life

Strategic Themes



Skills & Employment

Developing a Skilled Workforce and Tackling Unemployment



Connecting the Region

Improving Connectivity Globally, Regionally and Locally



Innovation

Creating an Innovation District and Increasing Entrepreneurial Activity and Innovation



Regeneration & Infrastructure

Providing the right physical place and environment to support growth

Measuring Success

Job Creation, Private Sector Leverage, Employment and Skill levels, Productivity levels, GVA



Top: Redhouse Cymru, Merthyr Tydfil

Bottom: Springboard Innovation Centre, Cwmbran

To achieve our vision, we must be:²

Ambitious

Capitalise on our unique identity and our ability to power the Welsh economy. We are a proud Capital City Region in the United Kingdom which gives us a platform to think big.

Collaborative

To make the most of the opportunities our combined size gives us, we must all work together - public sector, private sector, education establishments and our communities – for the benefit of all.

Well-connected

Realising the potential of our excellent people through world class communications and transport – regionally, nationally and internationally.

To achieve our vision, we must offer:

A confidence and lifestyle

Building on the Cardiff Capital Region's reputation as a great place to live, work and play. We are proud of our quality of life, our culture, and the natural beauty we have on our doorstep.

Sustained success

A Cardiff Capital Region that is successful economically, socially and environmentally and which benefits all our communities.

An international and national stage

Which attracts people and investment from global markets, as well as from other parts of the UK.

“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.”

Our Regional Strategic Objectives:

1. Prosperity and Opportunity

Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy

The quality of the economic environment of the region will play a crucial role in creating jobs by improving business performance, enhancing opportunity and encouraging innovation. We will nurture the economic environment by:

- providing the right infrastructure including connectivity by means of good transport links and high-speed broadband;
- encouraging a culture of innovation and entrepreneurship by providing the right skills, opportunities and support to engender a confidence to be creative;
- assisting the city region's labour market to be equipped with the skills that businesses need;
- improving public sector efficiency and effectiveness by new ways of working;
- supporting all businesses to become more productive, from small retail to large advanced manufacturers;
- enhancing the business climate for emerging sectors, enterprises and

innovation that can spawn new sources of jobs and incomes into the longer-term future, including creating business clusters where firms can network, share skills and spur each other to higher levels of performance;

- encourage and promote research and development and entrepreneurial enterprise.

2. Inclusion and Equality

A vibrant and sustainable economy which contributes to the well-being and quality of life of people and communities now and in the future

A vibrant and inclusive economy supports a mix of economic activities and promotes economic security and resilience.

We will promote:

- assisting our urban centres to be vibrant;
- access to employment and economic opportunities;
- participation in the labour market for all members of society;
- access to a range of housing, including affordable;
- access to education and training, to develop skills;
- access to social and recreational opportunities.

3. Identity, Culture, Community and Sustainability

Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life.

For our region to gain attention and respect and effectively compete and attract businesses, tourists, investors, students, entrepreneurs, international sporting and cultural events it requires a clear, credible, appealing and distinctive identity. To promote this identity and reputation we will:

- assist our urban centres to be vibrant and vital with unique identities which all of the regions residents can use and be proud of;
- respect, protect and support our rural and natural environment and use it to promote economic and social outcomes;
- develop and promote our world-class cultural and recreational opportunities utilising the regions natural beauty and historic areas;
- provide a quality environment across the whole region including existing and new development that attracts businesses and talented people;
- demonstrate our commitment to a sustainable future and acknowledge our global responsibility; and
- work with political and commercial partners, at a national, regional and local level to coordinate the promotion of the region.



Penderyn Whisky Distillery, Aberdare

³Written statement by Ken Skates, Cabinet Secretary for Economy and Transport on 11th December 2017

Our Vision and Regional Strategic Objectives set out our aspirations and with our high-level aims, to create 25,000 new jobs and leverage £4bn private sector investment, establish the economic outcomes we are seeking to achieve when considering use of the Wider Investment Fund.





Our Regional Strategic Objectives also reflect the need to focus on improving the quality of life of people and communities now and in the future and ensure our approach and actions are responsible and meet our current needs without compromising the quality of life of future generations.

To focus our approach, support our Assessment Framework and ensure better decision-making, as stated in the Wider Investment Fund Assurance Framework, we will follow the five ways of working and sustainability principles, detailed in the Well-being of Future Generations (Wales) Act 2015, and reflect and support the well-being goals.

We have identified four Strategic Themes where we feel we can make the biggest difference and a real improvement to the well-being of people in the region and in so doing support our regional objectives, well-being goals and the twin goals, in the Welsh

Government's 'Prosperity for All: economic action plan', of growing the economy and reducing inequality³.

City Deal Strategic Themes

-  **Skills & Employment**
-  **Innovation**
-  **Connecting the Region**
-  **Regeneration and Infrastructure**

Identifying these themes provides a structure and method of developing proposals and schemes. However, the themes are indivisible, and all proposals will be expected to be cross-cutting and contribute, to differing degrees, to our objectives and the well-being goals.



St David's, Cardiff

Partnership and Engagement

The City Region will only succeed with all stakeholders working together developing a consensus and shared vision of the way forward.

We are working closely with the Welsh Government and National Government, who are both signatories to the City Deal. We have also been instrumental in establishing stakeholder groups including the Cardiff Capital Region:

- **Skills and Employment Board**
 - representing a wide range of stakeholders, including businesses, higher and further education, local authorities and Welsh Government;
- **Regional Business Council** – providing a strong business voice;
- **Economic Growth Partnership** – bringing together partners to consider and advise on a sustainable economic growth strategy and investment decisions.

We are actively working with the Valleys Taskforce to ensure our aims, objectives and interventions not only align but also complement each other, taking advantage of their engagement processes, to maximise benefits to the region as a whole.

We are developing an effective working relationship with the Office of the Future

Generations Commissioner for Wales to ensure that opportunities to support the well-being goals are highlighted.

The City Region Economic Growth Strategy will go through a comprehensive engagement process and the promoters of all proposed interventions and schemes will be required to demonstrate effective engagement.



Ford Manufacturing, Bridgend

Regional Impact, Scheme Appraisal and Monitoring

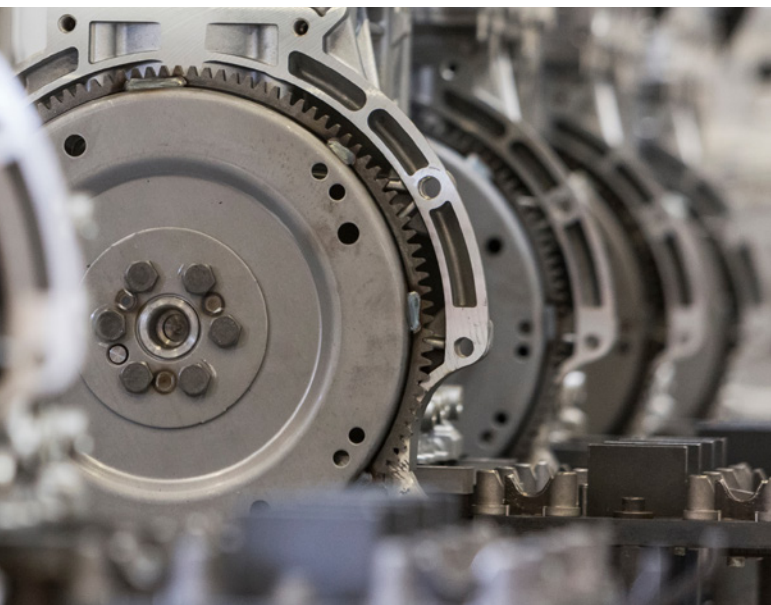
The City Deal Wider Investment Fund is intended to deliver sustainable economic development and growth across the region. This will be pursued by optimising the outcomes we can achieve within the constraints of the resources we have available. Prioritisation is therefore essential, and all proposed interventions must therefore clearly demonstrate a regional and collaborative approach and impact to ensure the effective use of resources.

All proposed schemes will be required to follow the same appraisal process as detailed in the Assurance Framework. Schemes will be assessed on their potential to contribute to our high-level aims and strategic objectives; demonstrate value for money, use of the five ways of working and how they contribute to the well-being goals. To be detailed in our Candidate Scheme Assessment Guidance.

We will regularly review our overall delivery programme and, where necessary, revise the Outcomes and Outputs detailed in the Assessment Guidance to ensure a balanced

programme of interventions which will meet all our strategic objectives.

The full allocation of HMT funding to the region is subject to successful completion of five-year gateway reviews, which will assess our ability to deliver regional economic growth and our strategic objectives. The first five-year gateway review final report is due in December 2020 with performance measured against delivery. Further reviews will be carried out at years 10, 15 and 20 and will be more focussed on outcomes.



“The City Region will only succeed with all stakeholders working together developing a consensus and shared vision of the way forward.”

04. Spatial Priorities

⁴ Growth & Competitiveness Commission Report and Recommendations Page 38.

⁵ Growth & Competitiveness Commission Report and Recommendations Page 39 Core Findings and Page 43 Recommendation 8 – Strategic Spatial Development.

⁶ Having seen the work we are undertaking and assessed the benefits the Welsh Government have commissioned the Carnegie UK Trust to undertake a similar exercise for the whole of Wales.

The Growth & Competitiveness Commission (Commission) considered spatial development in the region and concluded⁴:

“the Cardiff Capital Region is not homogeneous; it consists of diverse places each with distinctive histories, strengths, challenges and opportunities.”

The Commission recommended⁵:

“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.

The Cardiff Capital Region should develop a spatial perspective to complement its economic strategy... This spatial development perspective should act as a future growth map for the Capital Region and define the key roles and 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; and*

— *The Valleys and rural towns which are becoming increasingly important centres for local services, amenities and the foundational economy, and are developing their roles in tourism and leisure.”*

We are working with the Local Government Data Unit (Wales) on a data platform to understand the role of our two cities and the individual towns within the region. This work will enable us to make more informed decisions on how we can tailor support for specific settlements and areas to allow them to better understand and achieve their potential and maximise the prosperity and well-being of the people who live in them⁶.

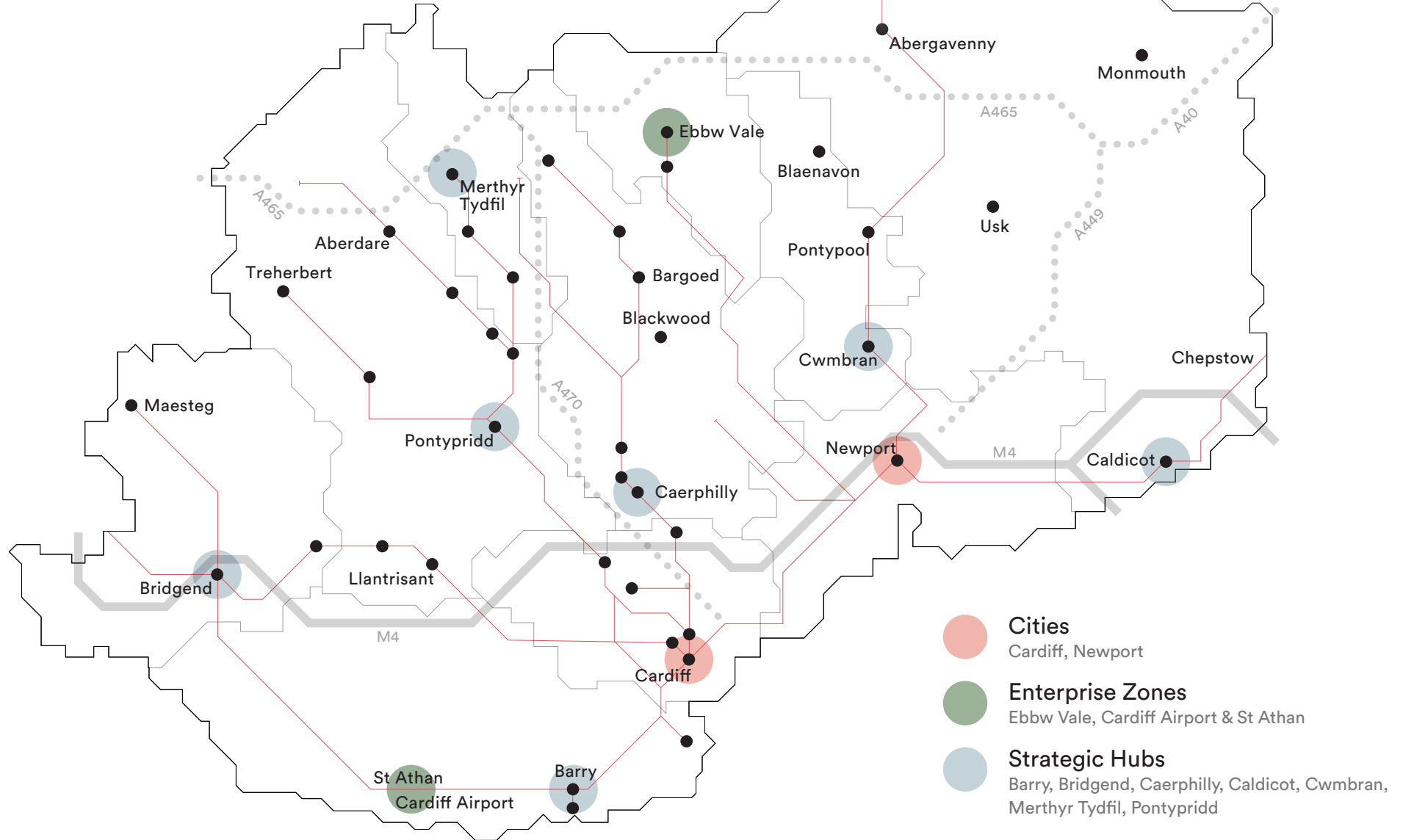
Preliminary findings from this work have highlighted that in addition to the two cities, a number of towns, referred to as re-emerging by the Commission, are playing a significant role in the region’s economy. These findings have been combined with the work on Strategic Hubs undertaken by the Valleys Task Force, inclusion of the regions Enterprise Zones, and the regeneration assessments undertaken by individual local authorities, in considering the Welsh Government’s Targeted Regeneration Investment Fund.

This initial spatial perspective, which will be reviewed and refined as part of the development of the Regional Growth Strategy, is detailed on the plan to the right.

Strategic Hubs and Opportunity Areas

35 Miles Deep

55 Miles Wide



- Cities**
Cardiff, Newport
- Enterprise Zones**
Ebbw Vale, Cardiff Airport & St Athan
- Strategic Hubs**
Barry, Bridgend, Caerphilly, Caldicot, Cwmbran, Merthyr Tydfil, Pontypridd

05.
Developing a Skilled Workforce and Tackling Unemployment

Page 75

The Regional Cabinet are working in partnership with the Cardiff Capital Region Skills and Employment Board to develop the social and economic potential of the Cardiff Capital Region, supporting people and businesses to deliver a high performing and prosperous region that stimulates and supports inward investment.

To achieve this the Cardiff Capital Region needs to develop a demand-led skills system that is driven by the needs of industry and which delivers employment and skills support in response to infrastructure and other investments to achieve growth within the regional economy.

Regional Priorities for Employment & Skills

We are developing a regional, evidence based approach, which will focus on:

- Delivering employment and skills support for industry, infrastructure and other investments to enable growth
- Supporting industry through priority sectors to address skills gaps and shortages
- Developing higher level skills to future-proof the workforce
- Increasing the number and range of apprenticeships
- Improving industry engagement with education and marketing of career opportunities and pathways
- Developing a regional employability plan to get more people into work
- The co-design of the DWP Work and Health programme

“...supporting people and businesses to deliver a high performing and prosperous region that stimulates and supports inward investment.”



Top: The Royal Mint, Pontyclun
Bottom: DS Smith, Caerphilly

A programme of interventions is emerging, titled 'Skills for the Future', in response to evidence of regional demand plus examples of successful practice and currently includes:

- **Regional skills brokerage service** – a local authority led and therefore impartial service that works with businesses, projects and investments, in conjunction with economic development and business support services, to secure appropriate and relevant skills solutions through education, training and other providers. Connecting both employees and businesses to regional skills projects and programmes that invest in the upskilling of the existing workforce to support progression and improvements in productivity.
- **Schools engagement** – activities to encourage career choices that align with future demand whilst promoting parity of esteem between different pathways to help young people attain quality and sustained employment.
- **Access to apprenticeships including shared apprenticeships** – employer engagement to increase the number and range of apprenticeships available in the region and schools engagement to increase the number of young people choosing apprenticeship pathways. Delivered in conjunction with work based learning providers and extending access through shared apprenticeship

programmes, such as Y Prentis and Aspire, where appropriate.

- **Graduate internship programme** – employer engagement to increase the number of graduate opportunities available including placements and internships, delivered in conjunction with our Universities. To encourage greater graduate retention within the region and improve the skills utilisation of graduates by businesses to support improvements in innovation and productivity.
- **Regional SME support** – to encourage apprenticeship and graduate take up by SMEs there will be a financial incentive and provision of a human resource support service. In the immediate term the service will support SMEs to maximise use of the current Welsh Government apprenticeships subsidy.
- **Skills Investment Fund** – a co-investment fund for SMEs that supports the upskilling of existing employees to meet technical, specialist and higher level skills needs, that can be accessed in the absence of other sources of funding. A fund of last resort to support co-investment in business led development linked to the achievement of growth, productivity and performance improvements.

Implementation is proposed in phases commencing early stages beginning in **September 2018**.

06.
Creating an Innovation
District and Increasing
Entrepreneurial
Activity and Innovation

Page 77

Innovation is a dynamic driver of economic growth. It underpins the development and application of ideas and technologies that yield better or new goods and services for the marketplace. Innovation is directly linked to raising productivity. Relative to other regional and international economies, productivity is unacceptably low in the Cardiff Capital Region.

Unless this changes, our ambitions for our place will not be realised. Indigenous businesses will not grow as quickly as we would like, wages will not grow as quickly as in other places, external investors will not be attracted here. We will continue to oversee an underperforming region and our brightest people will have better opportunities elsewhere.

We are going to change this. We are going to create an environment that fosters entrepreneurial spirit and the creation of new commercial knowledge by bringing entrepreneurs, government, universities, colleges, funders and corporate entities together and adding in new capability. The Joint Cabinet has produced an Innovation Prospectus setting out in headline terms our direction of travel. The Prospectus is open to change and is reliant on every other City Region priority set out in this business plan delivering.



SPTS Technologies, Newport



The Innovation Prospectus includes:

- **Innovation District** – We want the region to be internationally recognised as an Innovation District. We will work with Wales Government and UK Government to develop a competitive fiscal environment to promote sectors set out in our City Deal Agreement; specifically compound semi-conductors, life-sciences, cyber, digital, clean energy, infrastructure and engineering.
- **‘Tech Venture Fund’** – The Cardiff Capital Region, in keeping with the rest of Wales, is not strong in terms of an angel investor / venture capitalist culture. We are focussed on establishing a ‘tech venture fund’ working with commercial investors to Improve access to capital. The Fund will make commercial investments, it will not make grant payments. The Fund will be professionally managed and focussed on sectors indicated above. The Fund will operate across the whole region and will only invest in companies in the region.
- **Public Service Testbed** – The region has a significant reliance on public service employment. We will exploit the opportunity that this presents by developing our place as a ‘public service test-bed’. We aim to re-design our public services to optimise their impact on economic prosperity. This will include, but not be limited to, how public sector organisations procure goods and

services and capitalise on the significant Intellectual property that the sector possesses.

- **Regional Business Support** – Business support services across the region are complex. We intend to integrate and align these and simplify and develop easily accessible whole region support and advice.
- **National Software Academy** – We intend to support and accelerate a National Software Academy and National Cyber Academy to develop digital capacity and capability that is currently lacking in the region.

Our ability to connect and communicate in a fast and reliable way is critical in enabling businesses to generate prosperity and employment, empowering people to take a full part in society and benefit from life's opportunities.

Good quality, highly available, cost effective and efficient networks are a fundamental requirement to enable people to participate fully in modern life and to maximise their opportunities in the employment market.

To enable effective connectivity of all types for our future generations, we must therefore focus on the performance of both our digital and transport infrastructure. We must aim to ensure that our residents, households and businesses, have access to those facilities that they need and want as they go about their lives where they live, work and travel.

Transport

The Regional Cabinet, via the newly established Regional Transport Authority, are focussed on understanding the transportation infrastructure issues that restrict economic growth in the Region, identify the opportunities where transportation can open up economic development opportunities and, as equal partners, set joint priorities with Welsh Government for the Region, using our shared resources to deliver the changes.

Over the next 5 years, along with providing advice on transport matters and proposals to the Regional Cabinet, the Regional Transport Authority will focus on:

- **Developing a Regional Transport Strategy for Growth, aligned with Local Transport Plans, aimed at supporting the region's economy.** This Strategy will build on the Economic Growth Strategy and set out the transportation vision and strategic objectives for the region, covering 5 types of travel:
 - **A globally connected city region**
 - developing the potential of our air; rail; road and sea: with a focus on Cardiff Airport, the Great Western Main Line, the M4, the Heads of the Valleys A465, our 3 sea ports at Cardiff, Newport and Barry.

- **City-to City links** – improving access to our major interchanges on the M4 and the Cardiff to London main rail line.
 - **Travel across the wider City Region** – a programme of strategic transport hubs will enable trips to key destinations like town centres, employment areas, hospitals and colleges can be made more easily, and by a choice of mode
 - **Getting into and around the Regional Centre** – supporting sustainable access to Cardiff City Centre.
 - **Connecting neighbourhoods** – more accessible “public realm” including bus stops; better pedestrian and cycle links to public transport stations and stops and road safety measures.
- identifying opportunities and supporting project sponsors to develop transport proposals which, working with other initiatives such as strategic sites, support our strategic objectives.

One significant opportunity has already been identified and defined as Metro Plus.

»» Metro Plus

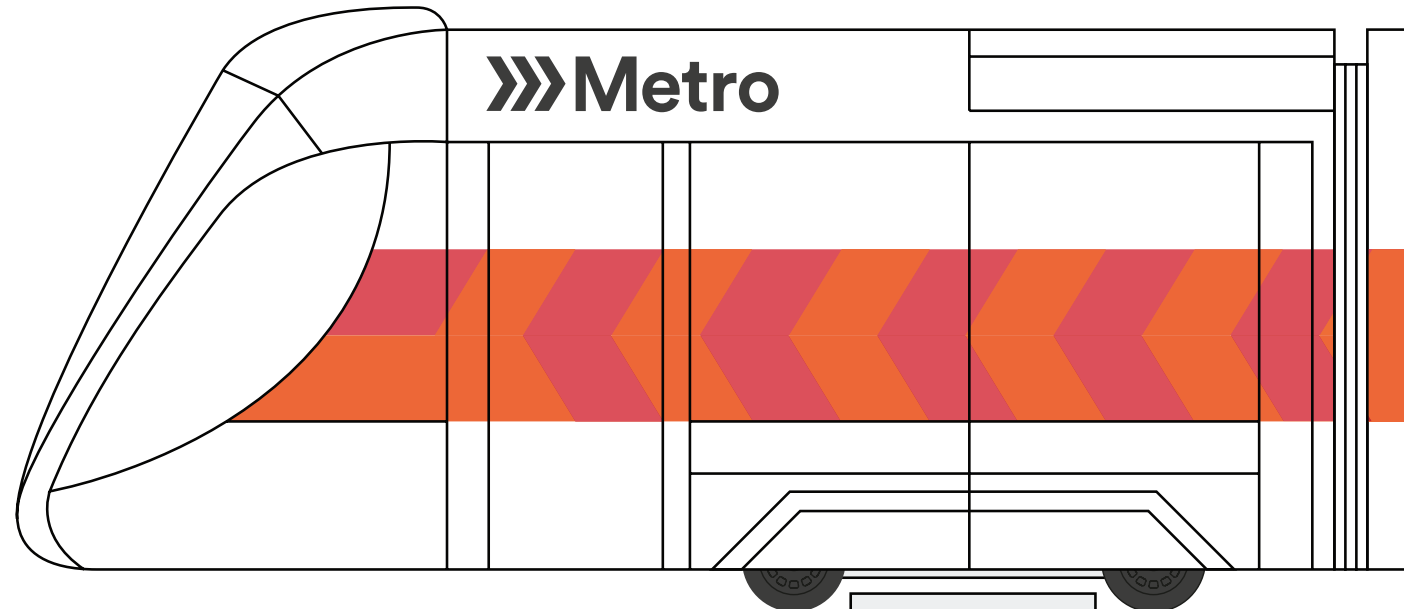
As part of the City Deal there is a pre-allocated sum of £734m committed to the Metro.

The South East Wales Metro is a key priority of the City Deal and will make a significant contribution to improving transport connectivity; unlocking development sites, employment and housing; providing access to training and employment opportunities; access to leisure and tourism and wider cultural development; substantial contribution to carbon reduction targets; and improving quality of life for all residents.

To maximise the potential benefits of the Metro to the region the Regional Cabinet are exploring a programme of complementary transport investment ‘Metro Plus’.

A significant project highlighted as part of this transport programme is the delivery of a Central Transport Interchange, ‘Metro Central’.

This scheme has the potential to significantly increase public transport capacity and attractiveness, and regional connectivity, by allowing increased frequency of services and providing improved facilities.



In addition the proposal has the potential to leverage significant commercial development and create more than 30,000 jobs over the next 10-15 years.

A key element of ‘Metro Central’ is the modernisation of Cardiff Central Train Station increasing capacity for trains and passengers, making it fit for purpose, and releasing the potential of the Metro. A feasibility study on the modernisation of Cardiff Central Station has been undertaken identifying a series of interventions including platform access, platform improvements, concourse improvements, platform extension, improved links and weather protection.

Based on the current feasibility work the total cost of the project is estimated at £160-£180m. The funding proposal would see contributions from the Welsh Government, private sector and City Deal, with any shortfall made up from the Department for Transport. This current proposal would see a call on City Deal funding of £40m subject to final approval of the Full Business Case and commitment to match funding from partners.

Other emerging opportunities being explored are:

- improved access to Cardiff Airport for both passengers and freight. Linked to the promotion of the enterprise zone and opening-up development land opportunities;
- a programme of strategic park and rides to improve access to the rail network and to transfer car users off the most congested highway routes; and
- improve connections to enable people to access motorways and key national rail interchanges.



Potential Metro smartcard

Digital

The Regional Cabinet aspiration is to make the Cardiff Capital Region a “Smart Region”, allowing our future generations to be fully integrated into a global network.

This digital strand is about enabling the future of work to be carried out in all areas of the region by increasing the benefits that digital services bring.

A Tech Nation Report (Tech City 2015), identified this region as home to the fifth fastest growing ‘tech hub’ in the UK and further NESTA research on the growth of technology clusters in the UK demonstrates high start-up rates in and around the capital city region. Coupled with emerging specialisms in data science, open data and cyber security, there is unique potential to connect the entire supply chain of digital services.

Over the next 5 years the Regional Cabinet intend to develop a Digital Portfolio of proposals to support our strategic goals and our aspiration to be a smart region:

- **Organising Delivery** – Creation of a digital vision, brand and identity for CCRC
- **Global Connectivity** – Implementation of a transatlantic link to enable the fastest possible connection to the global digital network.
- **Welsh Connectivity** – Exploitation of the existing Cardiff Internet Exchange (IX).
- **Regional Fibre Connectivity** – Creation of a strategic site dark fibre network as a public asset. This would support the volume of public, private, research and citizen based traffic into and around CCRC.
- **Community Fibre Connectivity** – A high speed fibre network to connect local communities.

- **Regional/Community WiFi** – A ubiquitous public WiFi network as a public utility to be maintained by the private sector on an ongoing basis.
- **Mobile 5G Access** – Implementation of a 5G network.
- **Sensing the CCRC** – A sensor network across the region through a canopy of connectivity from access points mounted on e.g. street lights.
- **Open Data** – Creation of a fully Open Data environment making all of the vast amount of publicly held data (with the exception of certain data, for example sensitive personal data) available to all, without copyright, patents or other methods of control.

“A Tech Nation Report (Tech City 2015), identified this region as home to the fifth fastest growing ‘tech hub’ in the UK.”

08.
Providing the right
physical place and
environment to
support growth

The Regional Cabinet have recognised the unique opportunity for the ten local authority areas to come together and deliver a strategic approach to housing, regeneration and economic growth to create an accessible, liveable, ‘work-life integrated’ and highly connected region.

Promoting and enabling Place-Making and Sustainable Communities will improve quality of life for residents and attract and retain investors, skilled workers and visitors. By harnessing the distinct characteristics and strengths within the region we will contribute to growth by:

- Upgrading and rebalancing our housing offer;
- Identifying and maximising new spaces and places of potential economic opportunity;
- Capitalising on existing spaces of economic opportunity;
- Regenerating our urban and rural built environments and promoting well-being;
- Improving our visitor economy;
- Developing and managing sustainable energy;
- Using the development of the Metro to promote sustainable regeneration of Town centres and support growth around metro hubs and public transport; and
- Having a clear focus on economic growth and investment as a means to counter disadvantage and deprivation, both for individuals and communities, at local and regional level.

Over the next 5 years the Regional Cabinet intend to develop a number of key areas under this Strategic Theme:

Housing

The housing shortfall of the region, linked to the future economic aspirations of the Regional Cabinet, is being full explored and detailed as an expression of ‘need’.

The mechanisms and interventions which could potentially be used across the region to deliver housing are be considered. These options will not necessarily be site specific and there are many projects right across the City Region area that, for different reasons, have stalled but would have a positive impact in terms of City Deal outcomes by increasing GVA. In addition, they would help deliver sustainable communities, increase housing supply, choice, affordability and quality.

Work has been undertaken to identify what mechanisms or interventions can be deployed to increase housing delivery and to support the Housing Objectives detailed in the City Deal Heads of Terms, and by the Growth and Competitiveness Commission. This has resulted in a proposal for:



View from Abergavenny Town Centre

Regional Housing Fund

Work is being undertaken to develop a proposal for establishing a Housing Investment Fund (HIF) to support the housing growth aspiration across the region and across all tenures. Key benefits of a Fund in the Cardiff Capital Region context would include:

- **Fast-track delivery:** Provides a broad set of financial interventions that can be used to unlock developments that have been previously stalled by a wide range of issues;
- **External funding:** Can complement – and should actively encourage through leverage requirements - the use of external sources of funding, both private and public;
- **Flexibility:** Investment strategy could be crafted to allow for different products to be flexibly used in different locations and different extents over time, depending on the challenges faced in each sub-market, and following review
- **Ongoing benefit:** the opportunity to recycle funds through repayable grants, loans etc. offers scope for funds to be used multiple times.

To complement the proposed Housing Fund, work is being undertaken to develop a Custom Build or Plot Shop for the region whose benefits could include:

- **Stimulation of the SME building sector:** Provides a broad range of sites with limited risks which will be attractive to this sector;
- **Investment:** The Plot Shop encourages investment within communities across the region, whilst the economic multipliers are likely to be less than those associated with volume housebuilding, the impact of multiple sites across the region, within a currently dormant market should be recognised;
- **Flexibility:** SME builders could be supported flexibly in different locations and to different extents over time, depending on the challenges faced in each sub-market.
- **Regeneration benefits:** Many sites represent detractors in our communities, but being packaged within a Plot Shop brings them forward for development, bringing new homes and choices to our communities. Having a range of housing choice can stimulate latent housing markets, with long term benefits to communities.
- **Potential for innovation:** As the scheme develops momentum, there is significant scope to develop innovative homes in terms of energy, construction, design and tenure.

Strategic Sites and infrastructure

Research commissioned by the Regional Cabinet and the Welsh Government has illustrated the shortage of good quality sites and premises within the region. With the slowdown of the sort of development undertaken by the WDA during the 1970s – 90s, and the failure of private sector developers to fill that gap in many parts of the region, we now have a very limited 'offer' to put before inward investment or expansion projects and this is a serious constraint on the potential for the region to grow the economy, especially to achieve the sort of 'step change' in the scale of growth envisaged by the Regional Cabinet.

Good quality sites are in short supply and there is now a very limited availability of all sizes and types of speculative, ready to occupy premises ranging from space for small businesses and start-ups right through to large scale manufacturing projects.

Potential sites will be assessed to provide a target list of strategic sites deemed suitable for support and be of the scale and type likely to meet the aims and objectives of the Regional Cabinet.

This assessment of need has resulted in a proposed Strategic Sites Programme:

Strategic Sites Programme

- **Provision of Employment Sites:** A programme to introduce a balanced portfolio of sites with varied characteristics to be a catalyst to attracting new business investment will be developed. These sites should be capable of supporting both indigenous business growth and inward investment. This should aim to create a significant supply of new floorspace across a wide range of property types across the whole region. This programme will aim to support the current prime market areas of Cardiff and the M4 corridor and have a strategic focus on a future expansion of this prime market to include a mix of opportunities in the Heads of the Valleys corridor, the coastal belt, towns and rural areas.
- **Refurbishment of Existing Stock:** There is an issue of increasing obsolescence in existing building stock which can be a catalyst for business disruption and closure. A programme of refurbishment to retain those businesses already in the region will be developed. Exploring a partnership approach with Welsh Government to overcome this problem is proposed.

- **Encouraging Clusters:** Work will be undertaken to explore the potential to support specific infrastructure and location criteria to encourage clusters of like-minded industries to emerge and develop, nurturing them as centres of excellence.

Within this theme some specialist areas of provision are also emerging which include:

- **Enabling infrastructure**

Opening-up strategic sites, housing and employment, this includes possible transportation and road linkages, drainage and other high value enabling works to bring forward large sites;

- **Joint developments with the HE / FE sectors**

Could provide space for spin-out of research and technology emanating from the educational establishments in the region and linking to the prioritised sectors;

- **Work / live space**

Where residential and employment is combined' with the potential for such shared use developments to be concentrated alongside key development 'nodes' of the Metro project.



Top: Ebbw Vale Enterprise Zone / Bottom: OpenGenius, Penarth

Energy related projects

Several energy related projects are emerging around renewable energy generation schemes, energy management and related manufacturing and management technologies. A regional development and delivery approach to these projects could generate significant regional benefit in terms of the economy and environment. There is potential for the region to seek to become recognised as a leader in the energy field including in the manufacturing process for renewable energy machinery, which is an undoubted global growth sector and one with relatively high R&D and a high value-added contribution. In addition the proposal for a tidal lagoon project within the region will play a factor in future proposals.



Ocean Colour Scene at Caerphilly Castle



Urban Renewal / Regeneration

Several projects are emerging which would revitalise existing urban and town centre locations, generating jobs in retail and office sectors; providing residential accommodation and helping to address the inequalities in development experienced in recent decades. It is clear this type of support cannot stand alone and will work if it coordinates its approach with the Welsh Government's Targeted Regeneration Investment programme (TRI) which replaces 'Viable and Vibrant Places'. The Regional Cabinet could in future act for Welsh Government, as the delivery arm of any potential regional funding, streamlining programme and project delivery, and overcoming duplication of resources.

In some parts of the region there is potential to explore the development of new settlements (settlements of the future) which would combine housing, employment, education and leisure elements in a planned, sustainable development of significant scale.

This could include the possible development of an arm's length development company to develop council owned sites for both economic and residential purposes.

Visitor Economy

Wales, and the Cardiff Capital Region, has a growing worldwide recognition and reputation as a tourist destination and includes iconic visitor attractions such as the Capital city of Cardiff, Cardiff and Caerphilly Castle, Barry Island, Porthcawl and Big Pit to name only a few. Several projects are emerging which could add to the regions 'offer' and attract significant numbers of additional UK and international visitors. These can be complemented by investments in accommodation and the hospitality sector.

The region is also blessed with the Brecon Beacons National Park to the north and the Glamorgan Heritage Coast to the south.

The development of the 'South East Wales Destination Investment Plan' is a key part of the process of developing the tourism offer for the region. This Plan has been commissioned by all the regions councils and will be fundamental in developing the regions tourism. Developing priority themes to support a year-round offer are:

- Business tourism to attract higher value;
- The Region's culture and heritage attractions;
- A strong outdoor adventure offer;
- The Region's events offer.

68 page

09. Cardiff Capital Region City Deal (CCRC) Wider Investment Fund

Introduction – ‘The City Deal’

The City Deal outlines the joint commitments made by the ten local authorities of the Cardiff Capital Region, the UK Government and the Welsh Government to unlock £1.2bn 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 £4bn of private sector investment.

As its core proposition the City Deal provides funding to support investment in projects to stimulate economic growth: £734m is allocated to Metro, with the balance (£495m) being made available as the City Deal ‘Wider Investment Fund’.

Wider Investment Fund (WIF) – Funding Streams

HMT Contribution: UK Government grant of £375m paid over 20 years period and consists of £50m revenue grant (years 1-5) and £325m capital grant from years 6-20. Expenditure incurred in advance of receiving UK Government grant will require ‘temporary borrowing’ and is referred to as the ‘Cost of Carry’.

Council Contribution: CCRCD Local Authority Partnership capital contribution of £120m. This will be drawn down as projects are approved and the Wider Investment Fund’s (WIF’s) overall funding requirements begin to crystallise. Council Contributions represent 24.2% of the WIF’s overall funding stream.

WIF Approvals to-date

Wider Investment Fund ‘Top Slice’: 3% of the fund is set aside to fund the activities of a number of Regional Bodies and to meet the costs of Programme Development and Support. This equates to an annual revenue budget of £742,500.

Compound Semi-Conductor Project: During 2017/18, Regional Cabinet approved the proposal in respect of the Compound Semi-Conductor Project. This involves providing a loan of £38.5m to a Special Purpose Vehicle over 2 years, which will be repaid over a period of up to 11 years. The loan repayments will be ‘recycled’ back through WIF potentially increasing the fund’s gross resources from £495m to £533.5m. This is the only project which has full approval to date.

WIF 'In-Principle' Commitments and Fund Availability

In-Principle Commitments: Regional Cabinet have provided an 'in-principle' commitment to the following projects and initiatives: Metro Central Project, Regional Housing Investment Fund, Digital Strategy and Skills for the Future. In-line with the requirements of the Assurance Framework, these projects are in the process of developing their respective business cases.

Future Revenue Projects: This represents the un-committed resources available to meet the cost of future REVENUE projects (day to day expenditure) as these are approved.

Future Capital Projects: This represents the un-committed resources available to meet the cost of future CAPITAL projects (expenditure resulting in the creation of an asset) as these are approved.



WIF Indicative Expenditure Profile		Annual £m	Cum'. £m
Year 1	2016/17	0.0	0.0
Year 2	2017/18	25.4	25.4
Year 3	2018/19	19.6	45.0
Year 4	2019/20	30.0	75.0
Year 5	2020/21	30.0	105.0
Gateway Review			
Year 6	2021/22	45.0	150.0
Year 7	2022/23	45.0	195.0
Total Yrs 3-7	18/19 - 22/23	169.6	195.0
Years 8-11	23/24 - 26/27	284.3	479.3
Years 12-20	27/28 - 35/36	15.7	495.0

JWA 5 Year Business Plan

WIF Indicative Programme and Updated Affordability Envelope

This is the first JWA Business Plan to be prepared and reflects that a number of projects are in the process of being developed. The Assurance Framework requires detailed business cases to be prepared before projects gain full approval.

An indicative programme of investment has been modelled based on actual approvals to date, supplemented by the typical spend profile of City Deals along with a range of other financial and technical assumptions, such as interest rates etc. The indicative modelling suggests that the 'wholelife cost' of the Wider Investment Fund to the CCRC Local Authorities could be in the region of £210.8m.

The Joint Working Agreement defines this wholelife cost as the partnership's 'Updated Affordability Envelope'.

Updated Affordability Envelope

Wider Investment Fund	£m
HMT Contribution (Grant)	375.0
Council Contribution (LA Capital)	120.0
Assumed Repayment Term	25 years
Assumed Interest Rate	3.0%
HMT Grant 'Cost of Carry'*	36.4m
LA £120M 'Cost of Capital'**	174.4m
Affordability Envelope	210.8m

* Cost of Carry refers to the interest costs associated with up-front borrowing of the HMT Contribution (grant) ahead of receipt

** Cost of Capital refers to the Principal and Interest cost associated with borrowing the Council Contribution by the local authorities



Orangebox, Treforest

Council Contributions

The Joint Working Agreement outlines that Council Contributions will be based on 'population' fixed at point in time. The agreed model is based on the 2015 ONS population data and will be used as the baseline for sharing costs moving forward. This baseline position will be applicable throughout the 'wholelife' of the Wider Investment Fund.

Agreed Council Contributions % Rates

Local Authority Partner	%
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
Total	100%

1. Cardiff Capital Region City Deal Wider Investment Fund – Indicative Investment Programme for the Strategic Themes

Indicative Programme Expenditure	Yr 3 2018/19 £m	Yr 4 2019/20 £m
Wider Investment Fund Top Slice	0.74	0.74
Approved Projects	13.84	0.00
Future Revenue Projects	1.00	1.00
Future Capital Projects	4.02	28.26
Total Investment	19.60	30.00
Funded by		
HMT Contribution (Revenue)	-1.89	-3.90
HMT Contribution (Capital)	0.00	0.00
Total HMT Contribution	-1.89	-3.90
Council Contribution	-17.71	-5.06
Temp Borrowing 'Cost of Carry'	0.00	-21.04
Total Funding	-19.60	-30.00

Yr 5 2020/21 £m	Gateway Review	Yr 6 2021/22 £m	Yr 7 2022/23 £m	Total Yrs 3-7 £m	Total Yrs 1-20 £m
0.74		0.74	0.74	3.71	14.11
0.00		0.00	0.00	13.84	38.50
1.00		1.00	1.00	5.00	18.00
28.26		43.26	43.26	147.05	424.39
30.00		45.00	45.00	169.60	495.00
-3.90		-3.90	-3.90	-17.51	-50.00
0.00		-22.00	-22.00	-44.00	-325.00
-3.90		-25.90	-25.90	-61.51	-375.00
-5.06		-7.96	-7.96	-43.74	-120.00
-21.04		-11.13	-11.13	-64.35	-0.00
-30.00		-45.00	-45.00	-169.60	-495.00

2. Annual Spend Profile and Wholelife Revenue Implications for each Council

	Yr 3 2018/19 £m	Yr 4 2019/20 £m
Blaenau Gwent (4.6%)	0.04	0.07
Bridgend (9.4%)	0.09	0.14
Caerphilly (12.0%)	0.11	0.17
Cardiff (23.7%)	0.22	0.34
Merthyr Tydfil (3.9%)	0.04	0.06
Monmouthshire (6.1%)	0.06	0.09
Newport (9.8%)	0.09	0.14
Rhondda Cynon Taf (15.8%)	0.15	0.23
Torfaen (6.1%)	0.06	0.09
Vale of Glamorgan (8.5%)	0.08	0.12
Total (100%)	0.94	1.44

Yr 5 2020/21 £m	Yr 6 2021/22 £m	Yr 7 2022/23 £m	Total Yrs 3-7 £m	Total Yrs 1-38 £m
0.08	0.12	0.16	0.48	9.74
0.17	0.24	0.34	0.97	19.90
0.22	0.31	0.43	1.23	25.23
0.43	0.61	0.85	2.45	50.01
0.07	0.10	0.14	0.41	8.31
0.11	0.16	0.22	0.63	12.95
0.18	0.25	0.35	1.01	20.69
0.29	0.40	0.56	1.63	33.25
0.11	0.16	0.22	0.63	12.86
0.15	0.22	0.30	0.87	17.87
1.81	2.56	3.57	10.31	210.80

WIF External Audit / Monitoring and Reporting

Clause 7.1.4. of the JWA states that “The JWA Business Plan shall, amongst other matters, address the following:

“the methodology and responsibility for any external audits in relation to this Agreement”.

This requirement will be addressed through the Annual Audit Plan agreed with the relevant external auditors and presented to Regional Cabinet for consideration and approval.

“any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports.”

Regional Cabinet will receive regular revenue and capital monitoring reports throughout the year advising on matters such as: Approved Budget, Actual Position To-Date, Commitments and Projected Out-turn. These reports will be supplemented by the appropriate Project Performance Reports, advising on all aspects of the Wider Investment Fund.

HMT Contribution - Funding Terms & Conditions

The funding will be paid to the Accountable Body on behalf of the ten CCRCD local authorities. The funding must be used solely to support the objectives of CCRCD through the implementation of projects and schemes agreed by the Regional Cabinet and in accordance with arrangements set out in its Joint Working Agreement, Wider Investment Fund, Assurance Framework, and the JWA Business Plan.

An outcome based Gateway Review of CCRCD led by HM Treasury will be undertaken in 2020/21. Funding for 2021/22 and beyond is conditional on CCRCD successfully passing this Gateway Review.

It has been confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. Carry forward in respect of the final year (2020-21), will also be permitted providing that the Gateway Review is passed.



Cardiff Airport, Rhoose

10. Additional Opportunities for Regional Funding: Including European Funding & Additional Flexibilities

The Regional Cabinet, in addition to the City Deal Wider Investment Fund, have been delegate responsibility by the ten participating local authorities for “additional devolved funding provided to the Capital Region”.

The Regional Cabinet will seek to align the use of European funding in the region to complement and enhance City Deal investments, aims and objectives.

To maximise the benefits of the City Deal and deliver a longer-term regional economic strategy, greater than that which can be achieved by the City Deal resources alone, the Regional Cabinet will explore with the Welsh Government the options for greater financial autonomy and flexibility.

In addition, the Regional Cabinet will be proactive in seeking out other funding opportunities which align and support the regional objectives.

European Funding

Maximising opportunities from current European Funding Programmes

There are opportunities to access funding from a number of different European Funding Programmes during the current programming period (2014-2020), from the traditional sources of the Structural Fund Programmes (ERDF & ESF) and the Rural Development Plan administered by the Welsh Government to large thematic funding programmes directly managed by the European Commission, such as the HORIZON 2020 programme for Research, Development and Innovation and the ERASMUS+ programme for young people.

The UK Government has guaranteed funding for all projects approved before the UK exits the EU (end of March 2019), enabling projects to deliver until 2023.

Influencing future funding arrangements

The discussions on replacement funding following the UK’s exit from the EU have already started thus it is important that the Region influences these discussions, both with the UK and Welsh Governments. A consultation on a UK Shared Prosperity Fund to replace current EU Structural Funds is expected to be launched by the UK Government later this year.

The timing for the introduction of replacement funding will depend on any agreement reached on transitional arrangements relating to current EU programmes which are due to end in 2020. In the meantime, the Welsh Government has launched a consultation on 'Regional Investment in Wales after Brexit'. This sets out its views on future regional policy in Wales and argues for Wales' share of any new fund to be devolved.

It will also be important to lobby for continued access to key EU thematic funding programmes post Brexit, including the successor programmes to HORIZON 2020, ERASMUS+ and some transnational programmes. These will form part of the negotiations between the UK Government and the European Commission.

“The Regional Cabinet will seek to align the use of European funding in the region to complement and enhance City Deal investments, aims and objectives.”



The Senedd, Cardiff Bay

Additional Flexibilities

A case will be made for a range of powers to be devolved to the local authorities of the Cardiff Capital Region. This case will also argue for flexibility to enable the region to access a range of funding sources to supplement the City Deal.

The proposed powers and flexibilities may include:

- retention of business rate income;
 - explore proposals for the Cardiff Capital Region to control above forecast growth in business rates to support economic development proposals for the Cardiff Capital Region
- the ability to levy an infrastructure supplement;
 - explore proposals for introducing an additional levy for infrastructure, based on a supplement to business rates
- use of alternative finance sources;
 - **explore other potential sources of funding including the following:**
 - private sector funding / market opportunities
 - tax increment financing
 - local authority bonds
 - housing finance
 - private public partnerships
 - pension funds

- online alternative finance sources.
- the removal of conditions around some specific Welsh Government grants;
 - aggregating specific grants to a regional level and removing the conditions that currently apply

Additional Funding Opportunities

The Regional Cabinet is fully aware that the City Deal funding alone is not sufficient to achieve the aims and objectives for the region. The Cabinet will therefore seek to maximise the potential of the City Deal funding by using it as a catalyst to draw in additional resources from the public and private sectors, as well as other possible investors.

Numerous funding opportunities arise, many of which have prohibitive timescales or do not align with the regions strategic priorities.

The Regional Cabinet will use its resources wisely to pursue those opportunities which will enhance its ability to develop the region and, where match funding is required, accord with the assessment processes detailed in the Assurance Framework.



Cardiff, Penarth and Barry, Southern border of the Region

CARDIFF CAPITAL REGION CITY DEAL
WELL-BEING & EQUALITIES ASSESSMENT

Description of Proposal: Cardiff Capital Region City Deal – Strategic Business Plan for the Wider Investment Fund

Section 1) Complete the table below to assess how well you have applied the 5 ways of working to act in accordance with the sustainable development principle.

Long-term	<p>How does your proposal balance short-term need with the need to safeguard the ability to meet long term needs by planning for the future?</p> <p>The Strategic Business Plan states: <i>“The City Deal is a long-term programme and no one can, with confidence, predict what changes will occur over the next 20 years.</i> <i>When considering the current pace of innovation in areas such as artificial intelligence, drones, driverless vehicles, 3-D printing, robotics, and automation, the future infrastructure and skills needs of the region is changing radically.</i> <i>We must therefore ensure our policies, plans and programmes are flexible and sufficiently dynamic to not only cope with change but to act as a catalyst to drive positive change in the region.”</i></p> <p>The Plan also states: <i>“Our Regional Strategic Objectives also reflect the need to focus on improving the quality of life of people and communities now and in the future and ensure our approach and actions are responsible and meet our current needs without compromising the quality of life of future generations.”</i></p> <p>This demonstrates that the Regional Cabinet are mindful of their responsibilities and that they will regularly undertake reviews to ensure they are achieving the correct balance in the short, medium and long-term.</p>
Integration	<p>How does your proposal demonstrate an integrated approach to considering economic, social, environmental & cultural outcomes together?</p> <p>The Strategic Business Plan states: <i>“We have identified four Strategic Themes where we feel we can make the biggest difference and a real improvement to the wellbeing of people in the region and in so doing support our regional objectives, wellbeing goals and the twin goals, in the Welsh Government’s ‘Prosperity for All: economic action plan’, of growing the economy and reducing inequality.</i> <i>City Deal Strategic Themes:</i></p>

	<ul style="list-style-type: none"> ❖ Skills & Employment; ❖ Innovation; ❖ Connecting the Region; and ❖ Regeneration and Infrastructure. <p><i>Identifying these themes provides a structure and method of developing proposals and schemes. However, the themes are indivisible, and all proposals will be expected to be cross-cutting and contribute, to differing degrees, to our objectives and the well-being goals.”</i></p> <p>In addition, when appraising schemes within the City Deal the Strategic Plan states:</p> <p><i>“All proposed schemes will be required to follow the same appraisal process as detailed in the Assurance Framework. Schemes will be assessed on their potential to contribute to our high-level aims and strategic objectives; demonstrate value for money, use of the five ways of working and how they contribute to the well-being goals.”</i></p> <p>Both these statements demonstrate how the Regional Cabinet are taking an integrated approach when developing and assessing proposals and schemes.</p>
<p>Involvement</p>	<p>How does your proposal involve those stakeholders, who you are seeking to support, and those with an interest in promoting and supporting economic, social, environmental and cultural well-being in the region, whilst ensuring engagement reflects the diversity of the region?</p> <p>The Strategic Business Plan has been prepared using the research and recommendations of the Growth and Competitiveness Commission, as required by the Assurance Framework para 3.1. The Growth and Competitiveness Commission was established as an Independent Commission by the Regional Cabinet specifically to undertake research and extensive consultation on the City Deal, and from this work provide advice and recommendations to the Regional Cabinet.</p> <p>In addition, the Regional Cabinet will be submitting the Strategic Business Plan to each of the regions ten constituent authorities’ councils for approval.</p> <p>This means that up to 536 local councillors, all of whom have been elected by and represent their diverse communities, will determine whether to adopt this Business Plan.</p>
<p>Collaboration</p>	<p>How does your proposal involve working together with partners (internal and external) to deliver well-being objectives?</p> <p>The City Deal is a collaboration of the ten local authorities of south east Wales.</p> <p>In defining the Regional Cabinets ‘Vision’ there is a statement related to collaboration – <i>“To make the most of the opportunities our combined size gives us, we must all work together – public sector, private sector, education establishments and our communities – for the benefit of all.”</i></p>

In addition, the Strategic Business Plan states:

“We are working closely with the Welsh Government and National Government, who are both signatories to the City Deal. We have also been instrumental in establishing stakeholder groups including the Cardiff Capital Region:

- ❖ *Skills and Employment Board - representing a wide range of stakeholders, including businesses, higher and further education, local authorities and Welsh Government;*
- ❖ *Regional Business Council – providing a strong business voice;*
- ❖ *Economic Growth Partnership – bringing together partners to consider and advise on a sustainable economic growth strategy and investment decisions.*

We are actively working with the Valleys Taskforce to ensure our aims, objectives and interventions not only align but also complement each other, taking advantage of their engagement processes, to maximise benefits to the region as a whole. We are developing an effective working relationship with the Office of the Future Generations Commissioner for Wales to ensure that opportunities to support the well-being goals are highlighted.”

This statement only identifies a few of the organisations we work with and demonstrates that the Regional Cabinet is committed to collaboration and as the City Deal progresses and schemes are developed it is anticipated that more stakeholders will form part of our inclusive collaboration approach.

Prevention	How does your proposal put resources into preventing problems occurring or getting worse?
	<p>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.</p> <p>However, it is also a region where there are concentrations of poverty and where not all have access to the opportunities available. Improving accessibility to opportunities and increasing labour market participation is critical to support an improved quality of life for all the regions residents.</p> <p>By investing resources in promoting skills; employment opportunity; job quality, security and progression the Regional Cabinet aim to promote more inclusive growth within the region.</p>

Section 2): Assess how well your proposal will result in multiple benefits for our communities and contribute to the national well-being goals.

Description of the Well-being goals	How will your proposal deliver benefits to our communities under the national well-being goals?	Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and contribute to the national well-being goals)?

A prosperous Wales:

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

The Regional Cabinets Vision and Regional Strategic Objectives set out their aspirations and with their high-level aims, to create 25,000 new jobs and leverage £4bn private sector investment, establish the economic outcomes they are seeking to achieve when considering use of the City Deal Wider Investment Fund.

The Regional Strategic Objectives also reflect the need to focus on improving the quality of life of people and communities now and in the future and ensure the Regional Cabinets approach and actions are responsible and meet the regions current needs without compromising the quality of life of future generations.

The Strategic Objectives, as detailed in the Strategic Business, are:

1. Prosperity and Opportunity - Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy

The quality of the economic environment of the region will play a crucial role in creating jobs by improving business performance, enhancing opportunity and encouraging innovation. We will nurture the economic environment by:

- providing the right infrastructure including connectivity by means of good transport links and highspeed broadband;
- encouraging a culture of innovation and entrepreneurship by providing the right skills, opportunities and support to engender a confidence to be creative;
- ensuring that the city-regions labour market is equipped with the skills that businesses need;
- improving public sector efficiency and effectiveness by new ways of working;

In accordance with the Assurance Framework all proposed schemes will demonstrate their potential outputs and outcomes via a 5 Case Business Model, in accordance with HM Treasury Green Book, a tool for scoping and planning a proposal and documenting the expected outcomes.

In addition, for Cardiff Capital Region schemes, the business case will also have to demonstrate the use of the five well-being ways of working and how it supports the wellbeing goals and the twin goals in the Welsh Government's 'Prosperity for All: economic action plan' of growing the economy and reducing inequality¹.

Any report to the Regional Cabinet seeking approval for a proposal will be require to be accompanied by a City Deal Well-being and Equalities Assessment.

In this way the Regional Cabinet will ensure that any interventions and/or investments will aim to maximise its positive impact on communities and the well-being goals.

¹ Written statement by Ken Skates, Cabinet Secretary for Economy and Transport on 11th December 2017.

- supporting all businesses to become more productive, from small retail to large advanced manufacturers;
- enhancing the business climate for emerging sectors, enterprises and innovation that can spawn new sources of jobs and incomes into the longer-term future, including creating business clusters where firms can network, share skills and spur each other to higher levels of performance;
- encourage and promote research and development and entrepreneurial enterprise.

2. Inclusion and Equality - A vibrant and sustainable economy which contributes to the well-being and quality of life of people and communities now and in the future

A vibrant and inclusive economy supports a mix of economic activities and promotes economic security and resilience. We will promote:

- access to employment and economic opportunities;
- participation in the labour market for all members of society;
- access to a range of housing, including affordable;
- access to education and training, to develop skills;
- access to social and recreational opportunities.

3. Identity, Culture, Community and Sustainability - Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life

For our region to gain attention and respect and effectively compete and attract businesses, tourists, investors, students, entrepreneurs, international sporting and cultural events it requires a clear, credible, appealing and distinctive identity. To promote this identity and reputation we will:

- ensure our urban centres are vibrant and vital with unique identities which all of the regions residents can use and be proud of;

- respect, protect and support our rural and natural environment and use it to promote economic and social outcomes;
- develop and promote our world-class cultural and recreational opportunities utilising the regions natural beauty and historic areas;
- provide a quality environment across the whole region including existing and new development that attracts businesses and talented people;
- demonstrate our commitment to a sustainable future and acknowledge our global responsibilities; and
- work with political and commercial partners, at a national, regional and local level to coordinate the promotion of the region.

Using these Strategic Objectives will assist the Regional Cabinet in supporting the well-being goal of ‘a prosperous Wales’.

A resilient Wales:

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

The Regional Cabinet, as decision makers, will need to consider existing and future demands which will include new forms of sustainable energy generation, housing, new infrastructure, and facilities which will generate job opportunities such as strategic sites.

In response to these pressures the Regional Cabinet will, seek appropriate advice, and work in a way that ensures efficient and effective solutions that not only maintain the environment but where ever possible enhance it and make it more resilient, supporting economic growth with responsible environmental management.

This is referenced in “**Strategic Objective 3** – *respect, protect and support our rural and natural environment and use it to promote economic and social outcomes*”.

See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.

	<p>The City Deal has an economic focus, it is therefore, by using the natural environment to support economic and social outcomes and making the region more attractive to investors, that the Regional Cabinet can justify investing City Deal funds to enhance and maintain the regions environment.</p> <p>Therefore, using the Strategic Objectives, detailed above, will assist the Regional Cabinet in supporting the well-being goal of ‘a resilient Wales’.</p>	
<p>A healthier Wales: A society in which people’s physical and mental well-being is maximised and in which choice and behaviours that benefit future health are understood.</p>	<p>There is a clear evidence base that shows that for the majority of people being in good secure work is better for their health than being out of work. Employment has social, psychological, and financial benefits that improve health.</p> <p>The Regional Cabinet’s aims, as detailed in the Strategic Business Plan, and Strategic Objectives, to create additional good quality jobs and support people to up skill to fill those roles will assist in supporting the well-being goal of ‘a healthier Wales’.</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>
<p>A more equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The Strategic Objective ‘Inclusion and Equality’ detailed in the Strategic Business Plan states:</p> <p>Inclusion and Equality - A vibrant and sustainable economy which contributes to the well-being and quality of life of people and communities now and in the future</p> <p>A vibrant and inclusive economy supports a mix of economic activities and promotes economic security and resilience. We will promote:</p> <ul style="list-style-type: none"> ➤ access to employment and economic opportunities; ➤ participation in the labour market for all members of society; ➤ access to a range of housing, including affordable; ➤ access to education and training, to develop skills; ➤ access to social and recreational opportunities. 	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>

	<p>Using this Strategic Objective will assist the Regional Cabinet in supporting the well-being goal of 'a more equal Wales'.</p>	
<p>A Wales of cohesive communities: Attractive, viable, safe and well-connected communities</p>	<p>The details in the Strategic Objectives related to connectivity, transport and digital; vibrant and vital economy and urban centres; and affordable housing will all contribute to support this goal.</p> <p>Therefore, using the Strategic Objectives, detailed above, will assist the Regional Cabinet in supporting the well-being goal of 'a Wales of cohesive communities'.</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>
<p>A Wales of vibrant culture and thriving Welsh language: A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The Strategic Objective 'Identity, Culture, Community and Sustainability' specifically refers to the development and promotion of the regions world-class cultural and recreational opportunities exploiting the regions natural beauty and historic areas.</p> <p>Therefore, using the Strategic Objectives, detailed above, will assist the Regional Cabinet in supporting the well-being goal of 'a Wales of vibrant culture and thriving Welsh language'.</p> <p>Regard will be had to the Welsh Language Measure 2011 and consultation and communication will have regard to the Welsh Language.</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>
<p>A globally responsible Wales: A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>The Strategic Business Plan states that the City Deal is intended to deliver sustainable economic development and growth. The Plan also refers to our role on the international and national stage forging a clear identity and strong reputation.</p> <p>This is referenced in "Strategic Objective 3 – <i>demonstrate our commitment to a sustainable future and acknowledge our global responsibility</i>".</p> <p>The Regional Cabinet understand that sustainability goes beyond the region and must be considered in a national, international and global context. In making decisions the Regional Cabinets responsibility extends far wider than the</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>

region, and to achieve the aim of a positive national and international reputation, they will consider the full range of potential implications and consequences.

Section 3) Will your proposal affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts.

Protected characteristics	Will your proposal have any positive impacts on those with a protected characteristic?	Will your proposal have any negative impact on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age	The Regional Cabinet is developing and implementing a City Deal which will benefit the region through the creation of more and better jobs, more housing, improved communication and improved skills. This will provide economic growth and infrastructure improvements that will benefit all including those defined as having protected characteristics.	It is considered that there are no adverse impacts on those with a protected characteristic, indeed the vision and strategic objectives defined in the Strategic Business Plan will assist in supporting these groups as part of the regions communities.	<p>In accordance with the Assurance Framework all proposed schemes will demonstrate their potential outputs and outcomes via a 5 Case Business Model, in accordance with HM Treasury Green Book, a tool for scoping and planning a proposal and documenting the expected outcomes.</p> <p>In addition, for Cardiff Capital Region schemes, the business case will also have to demonstrate the use of the five well-being ways of working and how it supports the wellbeing goals and the twin goals in the Welsh Government's 'Prosperity for All: economic action plan' of growing the economy and reducing inequality.</p> <p>Any report to the Regional Cabinet seeking approval for a proposal will be require to be accompanied by a City Deal Well-being and Equalities Assessment.</p> <p>In this way the Regional Cabinet will ensure that any interventions and/or investments will aim to provide a positive impact on communities and the well-being goals, this will include those who are defined as having protected characteristics.</p>
Disability	As above	As above	As above
Gender	As above	As above	As above

Gender reassignment	As above	As above	As above
Marriage and civil partnership	As above	As above	As above
Pregnancy and maternity	As above	As above	As above
Race	As above	As above	As above
Religion or Belief	As above	As above	As above
Sexual orientation	As above	As above	As above

Section 4) Identify who is responsible for the proposal and how and when decisions will be made

The Regional Cabinet, is a Joint Committee of the ten south east Wales authorities, having delegated powers related to the City Deal and Wider Investment Fund, subject to all ten Councils having decisions making powers on reserved matters within the Joint Working Agreement (JWA).

Officer responsible for completing this form:

Date form completed:

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CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW AND SCRUTINY COMMITTEE

28 March 2019

TITLE: FORWARD WORK PROGRAMME, TRAINING AND SCHEDULE OF MEETINGS

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 5

Reason for Report

1. The purpose of the report is:
 - a) To develop a Forward Work Programme (FWP) of items for future prioritisation and consideration by the Joint Overview and Scrutiny Committee (JOSC);
 - b) To ask the JOSC to identify any invitees to attend future meetings to contribute to discussions and deliberations;
 - c) To identify any training requirements required by the JOSC and;
 - d) To agree a schedule of meetings of the JOSC

Background

2. An effective FWP will identify the issues that the JOSC wishes to focus on throughout the year and provide a clear rationale as to why particular issues have been selected, as well as the approach that will be adopted.
3. The FWP will remain flexible and will be revisited at each JOSC meeting with input from Members and officers on suggested topics for consideration.

Proposal

4. Attached at **Appendix A** is the JOSC Draft Forward Work Programme. The JOSC is asked to first consider and determine an item to be considered at their next meeting to be held in May 2019. It is proposed that the JOSC agrees one item for consideration to each meeting to allow sufficient time for possible training sessions, Forward Work Programme planning, site visits and/or presentations from Officers at CCRC. Members should also consider what further detail they would like the report to detail, including a list of potential questions they wish to be addressed, and who they would like to invite to attend the meeting to assist Members in their investigation.
5. Attached at **Appendix B** is a scrutiny criteria form which Members can use to propose further items for the FWP which the Committee can then consider for prioritisation at a future meeting. The criteria form emphasises the need to consider issues such as impact, risk, performance, budget and community perception when identifying topics for investigation and to ensure a strategic responsibility for Scrutiny and that its work benefits those in the CCRC areas. Members are asked to complete the criteria form and return to the scrutiny officer with any suggested items they wish to consider at a future meeting. Completed criteria forms will then be considered by the JOSC at its next meeting.
6. It should be noted that in a meeting of the CCRC Joint Cabinet on the 20 November 2017 it was recommended that the Joint Cabinet minutes are included on agendas of the JOSC and also that the Chairperson (or nominated representative) of the Joint Cabinet is invited to attend all meetings of the JOSC.

Training requirements

7. To assist Members in their role as a JOSC Member the Members are asked to consider any training requirements they have in relation to the Cardiff Capital Region City Deal. Scrutiny Officers will develop a schedule of training for JOSC Members which will also remain flexible and brought back to each meeting for consideration and scheduling.

Future Meetings

8. Whilst it has previously been agreed that Bridgend County Borough Council is to act as the Host Local Authority for the administration of the CCRC JOSC meetings, Members have previously requested that where possible the location of future meetings of the JOSC should be held, where possible throughout the regional offices of those Authorities that are part of the

CCRCD, taking into consideration that all meetings of the JOSC are to be held in public. Based on what the JOSC agree for their Forward Work Programme, officers will look at appropriate timings for these items and look to schedule them in calendars in the near future. It is envisaged that for the forthcoming year 2019/20 we will increase the number of meetings to 4. The number of meetings and budget for the JOSC will be considered on an annual basis.

Financial Implications

9. The 2018/19 Joint Cabinet Budget contains a contingency budget in the sum of £69,500, an element of which has been set aside to meet the cost of developing the Joint Scrutiny Committee arrangements. Based on initial estimations provided for the first year, it was agreed that an amount of £25,000 would be allocated to the host authority to carry out the Joint Scrutiny role. From 2019/20 the budget headings will be realigned to separately identify the pre-determined sum from the remaining contingency budget.

Legal Implications

10. General advice:

In considering this matter regard should be had, amongst other matters, to:

- (i) The Councils' duties under the Well –being of Future Generations (Wales) Act 2015 and;
- (ii) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief.

Reason for Recommendations

To determine a clear Forward Work Programme, schedule of future meetings, and training requirements for the JOSC.

Recommendations

The JOSC is recommended to:

- (i) Consider and discuss items to include on their FWP taking into consideration the draft Forward Work Programme attached at **Appendix A**
- (ii) Identify further items for consideration on their FWP using the criteria form attached at **Appendix B** including identifying invitees for future meetings;
- (iii) Consider and develop a schedule of training requirements for the JOSC.
- (iv) Consider the schedule of future meetings of the JOSC including frequency of meetings and location of venue.

Kelly Watson
Head of Legal and Regulatory Services

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The following Appendices are attached:-

Appendix A – Draft Forward Work Programme

Appendix B – Scrutiny Criteria Form

The following background papers have been taken into account:-

CCRCD Joint Cabinet Report on the Governance Arrangements for the Regional Scrutiny Committee 20 November 2017

**Cardiff Capital Region City Deal -Draft Forward Work Programme
CCRCD 10 point Plan**

- Driving insight and foresight – what sectors to invest in/ where best to invest?
- Regional industrial strategy – to engage at UK-level and led by industry and business
- Delivery pipeline ‘eco-system’ – leveraging added value
- through connecting our projects & outcomes
- Consolidated governance network - using skills in right places
- An ‘expert’ panel strategy for influence and leverage – how do we lay claim to large slice of £6.4bn industrial strategy fund?
- Create an Office for the City Deal and operate it as an investment fund. We are all ‘Team City Deal’
- Strengthen industrial lead and reinforce the market creating/ risk-sharing/ interventionist role of local government
- Be more competitive and challenge-driven in levering in investment & opportunities
- Grow an international focus & shout about our unique competitive advantage
- Be more than just a City Deal – we are a City Region

Date	Item	Purpose/ rationale	Invitees
28.03.2019	Confidential IQE Report	<ul style="list-style-type: none"> • To address Members concerns raised at the meeting in February 2019 	Peter Davies, IQE Board Member Kelly Beirne, CCRCD Programme Director Cllr Peter Fox, Vice Chair CCRCD Joint Cabinet
28.03.2019	Annual Business Plans	<ul style="list-style-type: none"> • Suitability of activities illustrated in the Business Plan and how they relate to the Joint Working Agreement; • How projects, timescales and budgets will be monitored; • Major risks for the CCRCD project for 2019/20 and how these are being mitigated; 	Kellie Beirne, CCRCD Programme Director Cllr Andrew Morgan, Chair CCRCD Joint Cabinet
	Metro Plus	<ul style="list-style-type: none"> • Strategic Outline Programme 	
	Q4 Performance Report	<ul style="list-style-type: none"> • To monitor and scrutinise the end of year performance and budget for the CCRCD 	
	Developing a Skilled Workforce and Tackling Unemployment	<ul style="list-style-type: none"> • A key part of the CCRCD remit is to add 5% to GVA for the region, increase productivity and promote equality of outcomes so that the benefit of growth is shared more equally within the population. This will not be possible 	

		<p>without developing a skilled workforce and tackling unemployment. How will this be achieved?</p> <ul style="list-style-type: none"> • Education – How are CCRC D liaising with schools, colleges and universities to ensure that students are aware of the potential opportunities and apprenticeships available to them 	
	Supporting Enterprise and Business Growth	<ul style="list-style-type: none"> • How do we achieve an increase in productivity and business growth while maximising equality outcomes • More information on what activity is being undertaken regarding the £4bn of private leverage 	
	South Wales Metro	<p>Report to include the following:</p> <ul style="list-style-type: none"> • Timescales, CCRC D , implementation plan • Outline Plans – concern that some more rural areas are not included within the plan • What investment opportunities are available? 	
	Housing Development Fund	<ul style="list-style-type: none"> • £30million investment. Is this enough to meet housing development targets? • Where are the priority areas? • £30m does not seem a lot when all LA's in the JWA have targets to meet with regards to housing development. 	

Other areas for further exploration

- Town centres appear to be suffering across the region. Is there anything planned to invest in these areas?
- Alternative methods for energy such as hydro and solar as these are cost saving potentials.
- There is great potential across the region to increase tourism and this also links into the infrastructure.
- Education
- Marketing

Training Requirements

Joint Scrutiny Chair Training – 12th April 2019, 10.30am, Civic Offices, Bridgend
Metro Plus/ Metro Presentation

Potential items proposed for the Forward Work Programme - questions to consider	
Proposed Item	
Is this item within the remit of the JOSC?	
Is it a public interest item?	
What are the questions that need answering?	
Then:	
What is the expected outcome from receiving the item?	
What can be achieved?	
What impact can Members have on this area?	
What information should be reported to the JOSC? I.e. data, case studies, examples of outcomes, challenges etc.	
How should information be presented at the meeting? I.e. PowerPoint/Prezi presentation, audio/visual formats, photos, graphics, charts, maps etc.	
Who should be invited to contribute to achieve a representative picture? I.e. Cabinet Members, Directors, Senior Officers, External partners and Organisations	
What is the proposed rationale for prioritising this item?	

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