

MINUTES OF A MEETING OF THE CARDIFF CAPITAL REGION CITY DEAL JOINT SCRUTINY COMMITTEE HELD IN COMMITTEE ROOM 4 - CARDIFF COUNCIL, COUNTY HALL, ATLANTIC WHARF, CARDIFF, CF10 4UW ON MONDAY, 24 JUNE 2019 AT 10:30

Present

Councillor JPD Blundell – Chairperson

Brooks	P Jones	Parsons	R Patel
M Rahman	J Ridgewell	G Thomas	

Apologies for Absence

P Pavia

Officers:

Kellie Beirne	Programme Director
Sarah Daniel	Democratic Services Officer – Scrutiny

19. ELECTION OF CHAIRPERSON (FROM BRIDGEND COUNTY BOROUGH COUNCIL MEMBER)

RESOLVED: That Councillor JPD Blundell, Bridgend County Borough Council be elected Chairperson for the ensuing year.

20. ELECTION OF VICE-CHAIRPERSON (FROM CAERPHILLY COUNTY BOROUGH COUNCIL MEMBER)

RESOLVED: That Councillor J Ridgewell, Caerphilly County Borough Council be elected Vice-Chairperson for the ensuing year.

22. DECLARATIONS OF INTEREST

None.

23. APPROVAL OF MINUTES

RESOLVED: That the minutes of the CCRCD JOSC of the 28 March 2019 be approved as a true and accurate record of the meeting.

24. 2018-19 ANNUAL BUSINESS PLAN - QUARTER 4 PERFORMANCE REPORT

The Programme Director presented the quarterly monitoring report informing key stakeholders of progress with performance against the Annual Business Plan, therefore discharging the requirements of the Assurance Framework. This included a detailed work programme update, an Annual Governance Statement update, the Internal Audit action plan and a wider Investment Fund budget update.

The Programme Director explained that in September 2018 the ten point plan to evolve the City Deal was implemented. She then provided a summary of the progress made in the intervening seven months.

A member referred to the statement that developments such as Brexit and the loss of EU funding meant that City Deal was the key means through which to build a sustainable, resilient and more self-reliant future for the region. He asked why there was

no reference in that part of the report to the Shared Prosperity Fund. The Programme Director replied that the important point was that City Deal would be the main vehicle and would play a significant role in how funds were allocated. After Brexit, it was likely that all new economic investment would be allocated on a competitive basis and this would require a completely different approach.

A member asked what was being done to engage with harder to reach communities and what initiatives were in place. He also asked for a timetable and assurances in regard to promoting the commitment to sustainable development through more targeted activity with public organisations such as Bcorps, Co-ops and employee-owned organisations. The Programme Director replied that they would interact in a different way with one wide investment fund and a new approach based on different principles. In order to achieve inclusive growth they would need to tilt the playing field. In the Compound Semiconductor area there was an opportunity to build a cluster. They could make sure the mechanisms were in place not only to create wealth but also to spread wealth. By using innovative finance they could create new markets and products and they would be considering applications over the next few weeks. She added that there would be a presentation to a future meeting regarding public organisations.

A member referred to the recent announcement from Ford that the Bridgend factory was closing and the loss of skilled jobs and asked if plans were being implemented to address this issue. The Programme Director replied that the expertise in the region could be used in wider opportunities such as battery storage, electric vehicles or advanced propulsion centres. They had commissioned a piece of work to look at different areas and they had to make sure they had the skills base to encourage companies to relocate to the region.

A member asked what work had been done to communicate with the urban community. The Programme Director replied that the Business Council were holding sessions on skills etc but they had not yet put in place a communications table. The member asked to see examples of the clear channels of communication. The Programme Director explained that these actions were in the annual business plan for the latter part of the year and therefore showed in the progress table as an outstanding action.

A member referred to transportation around the region in light of the recent decision regarding the M4 relief road. The Programme Director replied that there was a significant issue in the region because of the bottleneck on the M4 in the Newport area. A Commission had been set up to look into a plan B. They had to consider the consequences on those looking to invest and she gave a recent example of a business party from Taiwan stuck in a 2 hour traffic jam between St Mellons and Newport. Their role was to offer alternatives such as sophisticated ways to manage congestion. Members recommended that the City Deal contribute to the current consultation.

In relation to the closure of Fords factory, a member stated that some skills were not transferable and that plans should be put in place to address any shortage in jobs. The Programme Director replied that industries of the future would be evolving and changing and they needed to press on at a pace. A piece of work had been completed looking at a strengths analysis and areas where the region was globally competitive. NESTOR were doing work around proper skills for industries focussing on apprenticeships, graduate schemes, intelligent labour markets and portfolios. There were also other areas such as the care system, prisons and young people. Prisoners in Cardiff, Bridgend and Usk were doing stem coding qualifications. They were duty bound to look at young people and to support those in deprived areas.

A member asked how many projects were in the pipeline. The Programme Director replied that there were 3 strands, Innovation, Infrastructure and Challenge and 23 schemes ready to come into the Investment Framework.

A member raised the issue of Internationalisation and building the brand and developing a profile. A member suggested working with the next potential leaders such as India and China. Another member suggested showcasing at EXPO in Dubai in 2020.

A member referred to the slippage of £1,381,600 due to changes in the project's programme of work and asked if we had learnt any lessons from it. The Programme Director explained that it had now levelled out and was down to a timing issue.

RESOLVED: Members asked that they receive an update back to the Joint Committee on the outstanding actions in the report when they receive the Q1 Performance report

The Joint Committee recommended that the CCRC Director feedback to Welsh Government the collective views from the Local Authorities of the decision not to go ahead with the M4 relief road at Newport so they could take these into consideration in their future planning.

25. **INVESTMENT AND INTERVENTION FRAMEWORK AND TOOLKIT**

The Programme Director presented a report to establish the Investment and Intervention Framework to provide an evaluative and objective means of appraising projects and proposals to be funded from the Wider Investment Fund. The report detailed the new process for evaluating proposals which enhanced governance mechanisms and proposals for launch and marketing.

A member asked for clarification regarding the position in relation to Freedom of Information. The Programme Director explained that they would make as much information as possible open to the public, however some information regarding a business, intellectual property or commercially sensitive information would be confidential.

A member asked what contingency was in place in terms of succession building when it came to the Cabinet and Lead Portfolio-holders roles. The Programme Director explained that it was for the politicians to decide what arrangements they should put in place. The Leaders were assigned a portfolio and they could have a Deputy to share information with. A member added that the portfolios should be cross cutting to ensure there was a joined up approach and to avoid silo thinking.

A member referred to the individual components, the South Wales Metro and the Wider Investment Fund (WIF), and asked if the targets were for the entirety of the City Deal funding and not only the WIF. The Programme Director confirmed that there was confusion regarding that point and desired outcomes. UK Government had confirmed that they expected the targets to be shared in an equal way.

RESOLVED: Members noted the report and agreed that the item was to remain on the Forward Work Programme to allow them to revisit in the future should they deem necessary.

26. **ESTABLISHMENT OF THE CITY DEAL OFFICE - RESTRUCTURE AND RESOURCING PLAN - 2019/20 - 2020/21**

The Programme Director presented a report on the establishment of the City Deal Office which had been configured to meet the challenges, demands, shifts and changes required in order to accelerate progress and pace and to deliver new initiatives and succeed in a much more competitive space. Amongst other challenges, there was a sense of urgency surrounding the impact of departure from the EU, loss of structural funds and the need to compete with other regions and institutions to secure resources. She outlined the proposed structure, the budget and resourcing plan, the wider implications and the financial and legal implications.

A member asked what the timescales were for implementing the new structure. The Programme Director explained that they had recruited to one post and the next layer was now in the process of being advertised. It was a slow process as they were working to local government processes and policies. Resources were an issue at the moment however they could only go as fast as the process would allow.

A member asked for further information on the structure and the candidates they would be looking to appoint. The Programme Director explained that they needed to encourage applications from academic institutions and businesses to get a good mix.

A member asked if all the tools were in place to appoint to the new structure. The Programme Director explained that the current staffing structure was predicated on Leaders and officers carrying out lead roles. This had not worked particularly well because of time constraints and competing priorities. Reinforcing the capacity and capability within the City Deal Office would allow it to become more accountable for project leadership and delivery. It was important to get the structure right and they might need to make roles more sustainable to encourage applications eg the Chief Investment Officer role had a specific skill set and was only for 18 months which could be a barrier to recruitment. Members agreed that this was a major concern and that the Programme Director needed officers in place to be able to deliver. Administrative and committee support were also identified as areas that needed attention.

A member referred to delegated powers in terms of procurement up to the value of £100,000. The Programme Director explained that that was only in conjunction with the Chairperson and that it would allow her to get on and do the job.

A member asked if there was more information available regarding the Shared Prosperity Fund and if it was likely to be challenge-driven. The Programme Director explained that there would be a further round of consultation but it was unlikely to match the support they had received from the EU. Members agreed that they would like to see the Fiscal Analysis.

27. FORWARD WORK PROGRAMME, TRAINING AND SCHEDULE OF MEETINGS

The Scrutiny Officer presented the report to Members.

A member suggested that information on the impact of the decision on the M4 relief road and what steps could be taken to mitigate that decision, be included in the Transport Authority – Metro Plus item due to be considered at the 23rd September meeting. Members also suggested that representatives from Transport for Wales be invited to that meeting. The Programme Director replied that Welsh Government were currently considering other options.

A member asked if the four scheduled meetings were enough for all the work they had to do. Members agreed that they would review this as the year progressed.

A member referred to the Skills Partnership item planned for late March 2020 and suggested that an informal meeting to discuss this matter be held before the next meeting.

A member referred to the recent training session and suggested that all members be sent a copy of the presentation for information. He added that City Deal appeared to be well ahead of any other similar schemes.

A member recommended that in addition to training, it was also essential to undertake site visits and suggested visiting different metro systems. He added that it was important to speak to Manchester and other areas that had already been through the process so that we could learn from their experience. The Democratic Services Manager from Cardiff explained that he was trying to get electronic copies of the presentation for circulation.

A member suggested reviewing and remodelling the Terms of Reference. Officers agreed to explore the various options and to come back to Committee.

A member requested training on finance.

A member stated that it would be helpful to have a picture profile of all members and officers either emailed or circulated to them in advance of the next meeting.

RESOLVED:

To be added to the Forward Work Programme:

- Skills for the Future Report
- JOSC Terms of Reference – The panel wish to revisit their terms of reference in a facilitated workshop to ensure they are relevant and allow for sufficient scrutiny of the CCRCD. Members also recommended that they are reviewed annually.

Whilst discussing the Forward Work Programme, Members of the JOSC recommended the following:

- that the support for the scrutiny function in Bridgend is reviewed in relation to direct support for the CCRCD JOSC
- That sufficient funding is sought so that the JOSC are able to carry out investigation panels, hold special meetings, invite expert witnesses and undertake site visits as projects develop.
- Cllr M Rahman wished to express his disappointment that there were no Cabinet members present at the meeting, recommended that every meeting should have at least one in attendance so they could be held to account by members.

28. EXCLUSION OF THE PUBLIC

RESOLVED

That under Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, the public be excluded from the meeting during consideration of the following item of business at it may contain 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.

Following the application of the public interest test it was resolved that pursuant to the Act referred to above to consider the following items in private, with the public excluded from the meeting, as it was considered that in all the circumstances relating to the item, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

29. APPROVAL OF EXEMPT MINUTES

RESOLVED

That the exempt minutes of the CCRCJ JSC of the 28 March 2019 be approved as a true and accurate record subject to an amendment to the last paragraph which should read "Following a brief discussion with members, they were satisfied with the information that was provided to them and agreed that they would like to continue to be updated regarding progress".

The meeting closed at 13:30