

PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE - TUESDAY, 6 DECEMBER 2016

MINUTES OF A MEETING OF THE PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE HELD IN COUNCIL CHAMBER, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON TUESDAY, 6 DECEMBER 2016 AT 2.00 PM

Present

Councillor N Clarke – Chairperson

E Dodd	EM Hughes	JR McCarthy	AD Owen
M Thomas	RL Thomas	C Westwood	

Apologies for Absence

M Jones, D Patel and KJ Watts

Officers:

Sarah Daniel	Democratic Services Officer - Committees
Mark Galvin	Senior Democratic Services Officer - Committees
Gary Jones	Head of Democratic Services

Invitees:

Councillor HJ David	Leader
Councillor H Williams	Deputy Leader
Darren Mepham	Chief Executive
Mark Shephard	Corporate Director – Communities
Peter Fox	Leader, Monmouthshire County Council

66. DECLARATIONS OF INTEREST

None

67. FORWARD WORK PROGRAMME UPDATE

The Corporate Director Operational and Partnership Services submitted a report, the purpose of which, was to present the items due to be considered at the Committee's meeting to be held on 6 February 2017, and sought confirmation of the information required for the subsequent scheduled meeting to be held on 10 April 2017. The report also outlined a list of further potential items for prioritisation by the Committee.

The Scrutiny Officer referred Members to paragraph 4.1 of the report, that detailed the items to be considered at the next scheduled meeting on 6 February 2017, together with the Invitees also due to attend.

Paragraph 4.2 then showed the items to be considered and the Invitees due to attend in respect of the subsequent meeting of the Committee to be held on 10 April 2017.

Finally, paragraph 4.3 of the report gave 3 suggested extra items for consideration at the scheduled meeting(s) to be held after the above two.

RESOLVED: That Members noted the items to be discussed at the 6 February 2017 and 10 April 2017 Committee meetings.

68. CARDIFF CAPITAL REGION CITY DEAL

The Chairperson welcomed the Invitees to the meeting, and she was pleased to introduce to Members the , Leader of Monmouthshire County Council who was also the Vice-Chairperson of the City Deal's Joint Cabinet Project team.

The Leader of Bridgend County Borough Council advised that the City Deal was an extremely important project that would benefit all those involved in this as it would deliver:-

- £1.2 billion investment in the Cardiff Capital Region's infrastructure through a 20 year investment fund.
- The creation of a non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government.
- The development of capabilities in Compound Semiconductor Applications.
- The creation of a Cardiff Capital Region Skills and Employment Board.
- The CCR and the Welsh Government will work with Department of Work and Pensions to co-design the future employment support from 2017 for people with a health condition or disability and/or long term unemployed.
- A Cardiff Capital Region Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders.
- The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to housing development and regeneration. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

The Leader of Monmouthshire County Council advised that today's meeting would be one of many that would discuss and monitor future progress in respect of the City Deal, and this project reflected trust and unity between those local authorities and other organisations involved in it.

He added that the City Deal would have a tenure of between 4 and 10 years, and would affect half of the population in Wales. It would also address and improve opportunities for young people across the regions it covered, and would also look to improve quality of life in the more deprived areas, by re-shaping and creating opportunities particularly for employment through inward investment and increased regeneration and economic developments. The City Deal could he added, if it was very successful, improve considerably the welsh economy.

The Chief Executive then gave a Presentation entitled the 'Cardiff Capital Region City Deal' which covered the themes and areas below.

The Project would create 25,000 new jobs, lever in £4bn additional investment and raise Growth Value Added (GVA), and was a collaboration within and beyond local authorities,

with there being 10 local authorities (as equal partners), as well as working with the private sector, industry and Welsh Government.

It would also be a commitment for city-region level governance, being a devolution deal to regions (ie through financial commitments), and would be supported by a Joint Cabinet arrangement.

The Chief Executive confirmed that initial deals would then create opportunities for further deals, by realising the benefits of one deal then investing into others.

He confirmed that it involved an Investment Fund, comprising of £1.2bn to increase GVA by investing in the economic fabric of the region. £734m would be invested in Metro projects, whilst £495m would be invested in wider ambitions, for example, housing and site regeneration, and developing people skills so that they would be more equipped to obtain employment opportunities.. Details of the above would be published on the 9 December 2016, where an initial decision would be made on where to invest our money in order to fully make an impact on the economy. Details of initial projects were currently being examined.

The Chief Executive advised that the City Deal would be about investing, with assistance from the private sector in:-

- Innovation and Digital Networks
- Improving skills and training (across the board)
- Business Support and Investment
- Housing and Land Use (how this is to be done collectively so as to benefit both the communities and the economy)
- Transport and Connectivity

The City Deal was also about a robust investment and programme governance in order to allow for decisions to be made, as finance that will be invested in the Project was conditional upon benefiting achievements and outcomes.

The Chief Executive also explained that the City Deal would improve transport connectivity across the Capital Region, and that all 10 local authorities would work with Welsh Government to co-design a Metro, though this would not take place as part of the first tranche of proposals.

In terms of moving forward, issues to address were to complete all governance arrangements; engage business ie through HE, FE and the third sector, embed the Independent Growth and Competitiveness Commission findings and re-define the approved Heads of Terms Agreement. It was anticipated that the delivery of the City Deal would commence in early 2017.

The Chief Executive advised that the main project objectives of the City Deal were:-

1. PRIMARY Objective: Increase to Net Fiscal Bottom line (GVA uplift plus reduction in welfare costs, which would reduce the drain on the public purse;)
2. SECONDARY Objective: Regional spread of benefits, particularly impact on deprived communities, as well as other areas;
3. PROGRAMME MINIMA: Demonstrate a 'Minimum benefit' to every area, for example, every Council experiences at least a minimum level of benefit, to form a baseline for each of the 10 geographical areas.

He explained that the UK Funding Risk was entirely linked to the achievement of GVA targets based on the above.

The Chief Executive then explained the details of funding in respect of the City Deal and the formula based on how this would be allocated/ released to each of the Authorities who had committed to the Project.

In response to a question from a Member on the scrutiny arrangements in respect of the City Deal and accountability of work entailed in this, Invitees confirmed that further details regarding this were awaited, though it was anticipated that scrutiny examination with regard to the projects aims and objectives, would be provided both independently by each local authority and subsequently on a regional basis.

A Member hoped that the City Deal's aspirations would include a commitment of investment to valley and deprived areas.

The Leader of Monmouthshire County Council stated that transport infrastructures would connect valley to town areas so that there was an easy and convenient link for employment opportunities, and also investment opportunities would be encouraged in valley and deprived areas.

The Leader of Bridgend County Borough Council added that there were valley locations within 6 of the 10 authorities participating in the City Deal, with the other 4 comprising of 2 rural and 2 city locations. The purpose of the work of the City Deal, was to transform and improve opportunities in all areas and local authorities affected. If the Project was successful, he added that the region would be one of the most flourishing of all the regions comprising the UK.

The Chief Executive added that there was a time limit within which to spend funding on the Metro Project, and this would form Phase 2 of the project and would be delivered within the required timelines.

The Leader of Monmouthshire County Council made the point that 10 local authorities in the Greater Manchester area had combined to form a City Deal and the success of this was recognised by the fact that they were now on their 5th Deal.

The Leader of Bridgend County Borough Council added that it was proposed to put in place a Regional Transport Plan to support the proposed transport initiatives.

The Chief Executive advised that the collaboration had been looking at other City Deal models that were in place across the UK, for benchmarking purposes, particularly as this was a new, important and innovative initiative. He added that it was a very important Project that would deliver significant improvements of the scale that no one organisation could provide in isolation.

The Leader of Bridgend County Borough Council felt that more housing should be provided as part of the City Deal in valley communities, in order to negate population decline in these areas, which in turn leads to poverty and deprivation.

The Leader of Monmouthshire County Council supplemented this by adding that it was crucial for residential accommodation to be located near public transport provision, as this allowed for better access to employment opportunities, particularly for example, if people lived in the valley areas and had to commute to city locations to work. Any inward investment generated that would attract companies to set-up its business within the regions covered by the City Deal, would obviously attract employment opportunities and

a significant number of these would likely be taken up by people who live in or near the locality of the company. This was why the introduction of added public transport options particularly within valley areas, was so important.

A Member noted that the City Deal covered a period of 20 years, and he asked how this compared in terms of other City Deals that existed in the UK, including the paying back of loans that supplemented the Project. He also asked if Invitees could expand upon inward investment opportunities and how these would be approached.

the Leader of Monmouthshire County Council confirmed that there was an obvious need to obtain inward investment opportunities in order to create jobs and, in doing so, increase prosperity. It was about engaging with small starter enterprises with a view to them expanding and similarly 'scaling-up' medium sized companies also. There would also be a requirement to establish what potential investors wanted, and to find appropriate locations where such businesses could be adequately accommodated.

The Chief Executive added that there were 3 main timescales that needed to be met. Firstly, to obtain funding from Welsh Government via an Investment Fund, then to spend this, and then to pay the loan back over an agreed 20 year period. The 20 year period was fixed, but this compared favourably to similar such deals in other parts of the country, as some were over a longer period ie 30 years.

The collaboration had agreed to spend the money within a period of 10 years however, to increase GVA and not to compromise the receipt of funding and timelines within which to spend it.

Conclusions

Members sought assurance and commitment from Invitees that the valley communities and disadvantaged areas throughout the whole Cardiff Capital Region City Deal would not be left behind and that they would benefit from the City Deal as there was a large number of skilled people willing to secure employment in these communities.

The Leader of Monmouthshire Council advised Members that a new transport infrastructure would allow movement in and out of the valley communities, and, as well as improving the transport links to allow people to get into the city, it was also focussed on creating investment, to grow opportunities within the valley areas to encourage people to travel to these communities for work. He reassured Members that the purpose of the City Deal was to transform the region and create opportunities for the whole region.

Members of the Committee welcomed the commitment from The Leader of Monmouthshire Council to the valley communities.

Members questioned whether the funding commitment of £120m from the European Regional Development Fund was at risk as a result of the EU referendum vote to leave the European Union earlier this year.

The Leader of Monmouthshire Council responded that they had recently met with the First Minister and had assurances from them that City Deal would still go ahead, even if the funding from the ERDF was at risk. The Leader of Bridgend County Borough Council added that Welsh Government were working rapidly to ensure the next phase was achieved and that the metro was currently being procured which would be funded for using the ERDF funding.

Members asked Officers what the collaboration means for Bridgend Council in terms of in-house services and staff and the delivery of City Deal.

The Chief Executive advised Members that the models had not yet been developed, however they would look to replicate a similar model that had already been developed with the Regulatory Services Collaboration where there was a regional team between Bridgend, Cardiff and the Vale of Glamorgan.

The Leader of Bridgend County Borough Council added that the collaboration would provide greater resilience for Bridgend in terms of skills in the workforce as they would be combining expertise that already exists in the Local Authorities in the City Deal.

Members asked for assurances from Officers that the City Deal would create strong links to education and learning opportunities in order to secure safe, well paid jobs for the children and young people that reside in the Cardiff Capital Region City Deal.

Officers responded that this would be a fundamental part of the City Deal and that a Cardiff Capital Region Skills and Employment Board would be established which would establish where the skills deficits were and prepare schools and young people to raise aspirations and ambitions to make the right career choices to secure good future employment prospects.

Members of the Committee welcomed the commitment from Officers to have strong links with education and lifelong learning opportunities to create future job opportunities for children and young people.

Members asked how inward investment would look as discussion had taken place for the investment in transport to make it easier for residents to commute out of the valleys and into the City for work. Members commented that inward investment would be welcomed by all valley communities in the City Deal.

Officers advised that they would be working closely with WG to support inward investors and ensure the conditions and environment were right in order to attract and retain large businesses in the region. Officers stated that 25,000 jobs would not be created without inward investment into the region and that inward investors would receive the same support from Welsh Government in the Cardiff Capital Region City Deal as they would for any other part of Wales.

Members of the Committee welcomed the Officers commitment to ensuring inward investment opportunities will have a vast economic output as possible and that the Local Authorities in the Cardiff Capital Region City Deal would work together to ensure that any investment and initiatives have a benefit for the region as a whole.

Members thanked all invitees for their attendance at the meeting and for their openness and transparency in answering their queries in relation to the Cardiff Capital Region City Deal.

69. NOMINATION TO THE COLLABORATIVE SCRUTINY COMMITTEE

The Scrutiny Officer presented a report, the purpose of which, was to seek nominations for the Collaborative Scrutiny Committee.

RESOLVED: That Councillors M Thomas, N Clarke and E Dodd be nominated onto the Collaborative Scrutiny Committee.

70. URGENT ITEMS

None.

The meeting closed at 4.15 pm