

CARDIFF CAPITAL REGION CITY DEAL REGIONAL CABINET MEETING

MINUTES

REGIONAL CABINET MEETING: 2 MAY 2017

Regional Cabinet Members Present:

Cllr Andrew Morgan, Leader (Chair)	-	Rhondda Cynon Taf Council
Chris Bradshaw, Chief Exec	-	Rhondda Cynon Taf Council
Cllr Jim McIlwee, Deputy Leader	-	Blaenau Gwent Council
Stephen Gillingham, Chief Exec	-	Blaenau Gwent Council
Cllr Huw David, Leader	-	Bridgend Council
Darren Mepham, Chief Exec	-	Bridgend Council
Cllr David Poole	-	Caerphilly Council
Chris Burns, Chief Exec	-	Caerphilly Council
Cllr Phil Bale, Leader	-	Cardiff Council
Paul Orders, Chief Exec	-	Cardiff Council
Cllr Brendan Toomey, Leader	-	Merthyr Council
Gareth Chapman, Chief Exec	-	Merthyr Council
Cllr Peter Fox, Leader	-	Monmouthshire Council
Paul Matthews, Chief Exec	-	Monmouthshire Council
Cllr Debbie Wilcox, Leader	-	Newport Council
Will Godfrey, Chief Exec	-	Newport Council
Cllr Anthony Hunt, Leader	-	Torfaen Council
Alison Ward, Chief Exec	-	Torfaen Council
Cllr Neil Moore, Leader	-	Vale of Glamorgan
Rob Thomas, Chief Exec	-	Vale of Glamorgan

Officers:

Christine Salter	-	Accountable Body
Liz Weale	-	Accountable Body
Hrjinder Singh	-	Accountable Body
David Marr	-	Accountable Body
Sheila Davies	-	City Deal
Sian Lewis	-	City Deal
John Duddridge	-	City Deal
Matthew Swindell	-	City Deal
Kellie Beirne	-	Monmouthshire
Peter Davies	-	Monmouthshire

Apologies:

Cllr Stephen Thomas, Leader	-	Blaenau Gwent Council
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Minute No. 4 GRANT FUNDING TERMS AND CONDITIONS REPORT

Cabinet considered a report on behalf of the Accountable Body, relating to the discharge the Condition Subsequent detailed in Clause 2.3 of the Joint Working Agreement (JWA) in relation to the delivery of the Cardiff Capital City Deal. This condition requires the Regional Cabinet to approve the Welsh Government funding conditions relating to the HMT Contribution within six (6) months of the Commencement Date of 1st March.

RESOLVED: that

Regional Cabinet considered and deemed acceptable approval of the Welsh Government funding terms and conditions, including the clarifications formally agreed, which terms and clarifications are set out in Appendix 2. It was further agreed to authorise the Section 151 Officer of the CCRCD Accountable Body to formally sign acceptance of the Welsh Government funding terms and conditions on behalf of the Cardiff Capital Region Joint Cabinet.

Minute No. 5 ANNUAL BUSINESS PLAN 2017-2018

Regional Cabinet considered a report on behalf of the Accountable Body, relating to the discharge the Condition Subsequent detailed in Clause 2.3 of the Joint Working Agreement (JWA) in relation to the delivery of the Cardiff Capital City Deal. This condition requires the Regional Cabinet to approve the Welsh Government funding conditions relating to the HMT Contribution within six (6) months of the Commencement Date of 1st March.

RESOLVED: that

- a) For 2017-2018, waive all requirements for prior notification of an Annual Business plan, and
- b) For the purposes of complying with 2.4 and 7.3 of the Joint Working Agreement approve the Annual Business Plan 2017-2018, attached as Appendix 1, consisting of:
 - the Transition Plan 2017-2018 as agreed by Regional Cabinet on 17th March 2017;
 - a budget (money received) of £19,257,500 and the ability to commit up to £50m (fifty million pounds fifty) for the support of schemes, projects and programmes detailed in the Cardiff Capital Region Implementation Plan, which was approved as part of the JWA, with any specific proposal subject to approval of the Regional Cabinet;
- c) To note that if commitments exceed the available monies received in 2017-2018 this will result in committing future annual budgets;

- d) Agree to establish appropriate delivery vehicles to implement approved projects, for example a lead authority; special purpose vehicle; a community interest company.

Minute No.6 COMPOUND SEMI-CONDUCTOR PROJECT PROPOSAL

Appendices 1, 2, 3a, 3b, 4, 5a, 5b, 6a, 6b, and 7 of this report are exempt from publication because they contain information of the kind described in paragraphs 14 and 21 of parts 4 and 5 of Schedule 12A to the Local Government Act 1972.

Regional Cabinet considered a report with a proposal received from the private sector to invest funding from the Wider Investment Fund to support the development of a Compound Semiconductor Industry Cluster in the region by establishing an anchor space in the region for high end production and manufacturing. Also provided was information, advice and analysis of the proposal to enable it to decide on this investment proposal and an explanation to the Regional Cabinet why the proposal would require the creation of a Special Purpose Vehicle to acquire a site and undertake associated works.

RESOLVED: that

- (i) Compliance with the conditions contained in the external specialist advice contained in the confidential appendices to the main report,
- (ii) Reaching agreement as to the Heads of Terms referred to in Paragraphs a) and c) below,
- (iii) The matters referred to in Paragraph 10.3 of the confidential Appendix 6(a) (The Compound Semiconductor Project Proposal) being resolved, and

Noting that:-

- 1) as regards one of the matters referred to Paragraph 10.3 of the confidential Appendix 6(a) (The Compound Semiconductor Project Proposal), Rhondda Cynon Taf County Borough Council (RCT) has agreed, in principle, to provide bridging finance for cash flow purposes as set out in Paragraph 31 of the report, through the most viable and cost effective mechanism and in the best interest of RCT and the wider City Deal constituent Councils at that time and in line with RCT's Treasury Management Strategy.

AGREED; that the Cardiff Capital Region Joint Cabinet:

Support the development of a Compound Semiconductor Industry Cluster in the region by establishing an anchor space in the region for high end production and manufacturing by:

- a) Entering initially into a Heads of Terms agreement with Welsh Government and subsequently negotiate the purchase of a specific facility;

- b) In accordance with section 2.4 of the JWA, commit £38.4m of the HMT Contribution to the Wider Investment Fund for landlord works to the facility referred to in Paragraph a), building fit-out, ancillary works and associated management and supervision costs;
- c) Entering initially into a Heads of Terms agreement for an eleven-year lease, and subsequently granting a lease (of the facility referred to in Paragraph a) to the proposed lessee, with an in-built stair-cased rental profile and flexible Option to Purchase;
- d) To allow the head lessee, to enter into a sub-lease arrangement; and
- e) To make a direct award for the development and fit-out of the facility.

As such, Recommendations a) to e) are further detailed in the report and confidential appendices to the report.

It was further **RESOLVED:**

- f) In principle to establish a Special Purpose Vehicle to implement the proposal, the detailed arrangements of which will be the subject of a further report to the Regional Cabinet for approval;
- g) Prior to a Special Purpose Vehicle being established, to agree that for the purposes of continuity, Monmouthshire County Council continues to act as lead Authority to progress this matter; and
- h) That approval of this proposal requires amendment to the Annual Business Plan 2017-2018; this amendment is approved and will be reported back to the next meeting of the Regional Cabinet for noting.