

Pecyn Dogfennau Cyhoeddus

Penallta House,
Tredomen Park,
Ystrad Mynach,
Hengoed CF82 7PG

Ty Penallta,
Parc Tredomen,
Ystrad Mynach,
Hengoed CF82 7PG



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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Helen Morgan
(Rhif Ffôn: 01443 864267 Ebst: morgah@caerphilly.gov.uk)

Dyddiad: Dydd Mercher, 25 Ionawr 2017

Bydd y cyfarfod hwn yn cael ei ffilmio a'i wneud ar gael i weld yn fyw ac ar ffurf archif drwy wefan y Cyngor. Caiff y cyfarfod cyfan ei ffilmio, ac eithrio ar gyfer trafodaethau sy'n cynnwys eitemau cyfrinachol neu sydd wedi'u heithrio. Bydd y gweddarllediad ar gael am 18 mis o ddyddiad y cyfarfod ar www.caerffili.gov.uk

Mae'n bosib y gall manau eistedd cyhoeddus gael eu ffilmio a thrwy fynd i mewn i'r Siambr rydych yn rhoi'ch caniatâd i gael eich ffilmio ac ar gyfer y defnydd posibl o'r delweddau a recordiadau sain hynny at ddibenion gweddarlledu.

Os oes gennych unrhyw ymholiadau, cysylltwch â'r Pennaeth Gwasanaethau Cyfreithiol a Swyddog Monitro Dros Dro dros ebost at willige@caerffili.gov.uk neu dros y ffôn ar rif 01443 863393

Annwyl Gyngorydd,

Bydd **Cyfarfod Arbennig** y Cyngor yn cael ei gynnal ar y **Cyfarfod Blynyddol Cyngor Bwrdeistref Sirol Caerffili** a gynhelir yn **Siambr y Cyngor, Tŷ Penallta, Tredomen, Ystrad Mynach** on **Dydd Mawrth, 31ain Ionawr, 2017** am **5.00 pm** i ystyried y materion sydd wedi'u cynnwys yn yr agenda canlynol.

Yn gywir,

Chris Burns
PRIF WEITHREDWR DROS DRO

A G E N D A

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb.
- 2 Datganiadau o Ddiddordeb.

A greener place Man gwyrddach



Atgoffi'r Cyngorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cyngorwyr a Swyddogion.

I dderbyn ac ystyried yr adroddiad(au) canlynol:-

3 Cytundeb Dinesig Prifddinas Ranbarth Caerdydd (Cytundeb Dinesig PRC).

1 - 136

Cylchrediad:

Pob Aelod a Swyddog Priodol



SPECIAL COUNCIL - 31ST JANUARY 2017

SUBJECT: CARDIFF CAPITAL REGION – CITY DEAL (CCR CITY DEAL)

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
 OFFICER**

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- 1.1 The attached report will be considered by Cabinet on 31st January 2017. The recommendations of Cabinet will be reported verbally to Council.

 - 1.2 Members will be asked to consider the recommendations of Cabinet.

Author: Helen Morgan, Senior Committee Services Officer

Appendix Report to Cabinet - 31st January 2017

Gadewir y dudalen hon yn wag yn fwriadol



SPECIAL CABINET – 31ST JANUARY, 2017

SUBJECT: CARDIFF CAPITAL REGION CITY DEAL (CCR CITY DEAL)

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

The purpose of the report is to:

- 1.1 Provide an update for Members regarding the progress made since the last report to Council.
- 1.2 To seek approval for the formal establishment of the Cardiff Capital Region City Deal (CCR City Deal) Joint Committee, which will oversee the region's economic growth agenda and delivery of the twenty year CCR City Deal.
- 1.3 To seek approval of the CCR City Deal Joint Working Agreement, the CCR City Deal Assurance Framework and Implementation Plan which are required to establish the Regional Cabinet and the City Deal Investment Fund.

2. SUMMARY

- 2.1 The economy of South East Wales has historically under performed the majority of other regions of the UK, which is reflected in the high levels of poverty and deprivation experienced across the CCR. The ten constituent Councils need to act now and together to accelerate the economic growth of the CCR.
- 2.2 The report seeks approval for the formal establishment of the CCR joint cabinet and associated documentation which will enable the commencement of a programme of economic growth across the region through the 20 year CCR City Deal.

3. LINKS TO STRATEGY

- 3.1 The Well Being of Future Generations Act (Wales) 2015 comprises of seven wellbeing goals as follows:
 - A prosperous Wales
 - A resistant Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A Wales of vibrant culture and thinking Welsh Language
 - A globally responsible Wales

- 3.2 The CCR City Deal seeks significant investment built around the following purposes and themes:
- Improve productivity and economic performance in the region.
 - Tackle worklessness which currently costs the UK Government £4bn in welfare payments for South East Wales.
 - Build on the foundations of innovation we have across the region.
 - Investment in physical and digital infrastructure.
 - Provide effective support for business.
 - Improve skills.
 - Ensure the economic benefit is felt across the region.
 - Working together to deliver more.
- 3.3 The CCR City Deal will make a significant contribution to delivering the well being goals referred to earlier and to delivering the Council's priorities of economic development and regeneration.

4. BACKGROUND

- 4.1 On 15th March 2016, each of the ten constituent council leaders in South East Wales, the First Minister, the Welsh Government Minister for Finance and Government Business, the Secretary of State for Wales and the Chief Secretary to the Treasury signed the Cardiff Capital Region ('CCR') City Deal Heads of Terms Agreement. The City Deal is therefore an agreement between the UK Government, Welsh Government and the ten leaders of the CCR. It includes:
- A £1.2 billion investment in the CCR'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 CCR Skills and Employment Board;
 - The CCR and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017 for people with a health condition or disability and/or long term unemployed;
 - A CCR Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders; and
 - The Welsh Government and the CCR commitment 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.
- 4.2 To ensure the right investments are made to achieve significant economic growth the CCR City Deal has set a small number of key targets, which are: the creation of 25,000 new jobs by 2036; and leverage of £4 billion of private sector investment as a result of the £1.2bn public sector investment.
- 4.3 The City Deal Heads of Terms Agreement is very clear in what is expected of the ten constituent councils:

"The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region. The Cabinet, which will comprise the ten participating local authorities, will provide the basis for initial decision making regarding the Investment Fund. In addition the Cardiff Capital Region Cabinet will be responsible for:

- *management of the Cardiff Capital Region Investment Fund;*
- *additional devolved funding provided to the Capital Region;*
- *the Cardiff Capital Region Transport Authority;*

- *contracting with Transport for Wales on prioritised Metro projects;*
- *control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;*
- *strategic planning including housing, transport planning and land use;*
- *influencing skills and worklessness programmes;*
- *an Inward investment and marketing strategy; and*
- *considering the scope for strengthening Capital Region governance further.”*
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4.4 Since the 15th March 2016, the ten constituent councils have been working with the Welsh and UK Governments to establish the governance arrangements required to release the £1.2bn of investment. This has also clarified the management and control over the CCR City Deal Investment Fund, which comprises of two distinct elements:-

4.4.1 **£734m – METRO scheme.** This will comprise of £503m, Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/17 to 2022/23; £106 million from the European Development Fund (which is committed and guaranteed following Brexit by both UK and Welsh Government); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.

4.4.2 **£495m – Regional Cabinet Fund,** comprising the ten constituent councils’ commitment to borrow £120 million over the 20 year period of the Investment Fund, together with the £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and “Metro plus” transport proposals. This element will be the responsibility of the CCR Regional Cabinet.

4.5 In addition, the existing Shadow Joint Cabinet (constituted in advance of the formal establishment of the Regional Cabinet):

- Created a Shadow CCR Transport Authority;
- Agreed to the creation of the CCR Economic Growth Partnership that brings together business, higher education and local government; and
- Commissioned an independent Growth and Competitiveness Commission. The Commission’s purpose has been to support the Region’s economic and investment strategy by reviewing the evidence about the CCR, its challenges and opportunities for economic growth and making recommendations as to how the CCR can achieve its full growth potential.

4.6 The independent Growth and Competitiveness Commission reported its findings on 16th December 2016. The report can be accessed via the following link:

<http://cardiffcapitalregioncitydeal.wales/report/growth & comp com process web.pdf>

4.7 The Commission’s review supported the key proposed investment themes set out in the CCR City Deal Heads of Terms Agreement, and concluded that:

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

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

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

- 4.8 The Commission also highlighted the fact that the City Deal was not just about, what could actually be considered, a relatively small Investment Fund, but that it was also an opportunity for a new way in which the ten constituent councils could work with each other, UK and Welsh Governments and the business community.

“At the heart of this report is the need to prioritise and make informed choices. The City Deal represents a significant investment into the Cardiff Capital Region, but it cannot finance everything that is required, particularly given that much of the funding is already committed. The available funds are also limited in that they are phased over a twenty year timeframe.

*Not everything that would have a positive impact on the long term development of the economy and, more particularly, the communities of the Cardiff Capital Region, will be able to be funded. Choices will need to be made, which we hope will be informed by the principles and recommendations provided by the Commission. Rather than seeing the City Deal as a broad programme of investment, we suggest that it may be better to regard it as the **foundation to increase joint working and co-investment**. Resources should focus on key themes intended to signal a direction of travel and leverage wider investments, enhance the performance of existing assets, accelerate the process of change, and guide future policy options.”*

- 4.9 The conclusion emphasises the need for the ten constituent councils to ensure the CCR governance arrangements are suitable, effective and robust in order to make the difficult decisions on strategic priorities for investment.

5. THE REPORT

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

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

5.2 Joint Working Agreement

- (i) The Joint Working Agreement, which is attached to this report as Appendix A, has been developed as the legal framework for establishing a Joint Committee. Legal Advisors were commissioned as an independent body to produce the relevant agreement documentation. The Joint Working Agreement is in essence the agreement that will establish the governance arrangements determining the roles and responsibilities for a Joint Committee that rests on the powers and responsibilities of a Joint Committee. The proposed commencement date is 1st March, 2017.
- (ii) From a local government perspective this is a model that is considered an effective, tried and tested way of formalising governance arrangements at the pan-local authority level. The Council is already involved in a similar arrangement, Prosiect Gwyrd, and

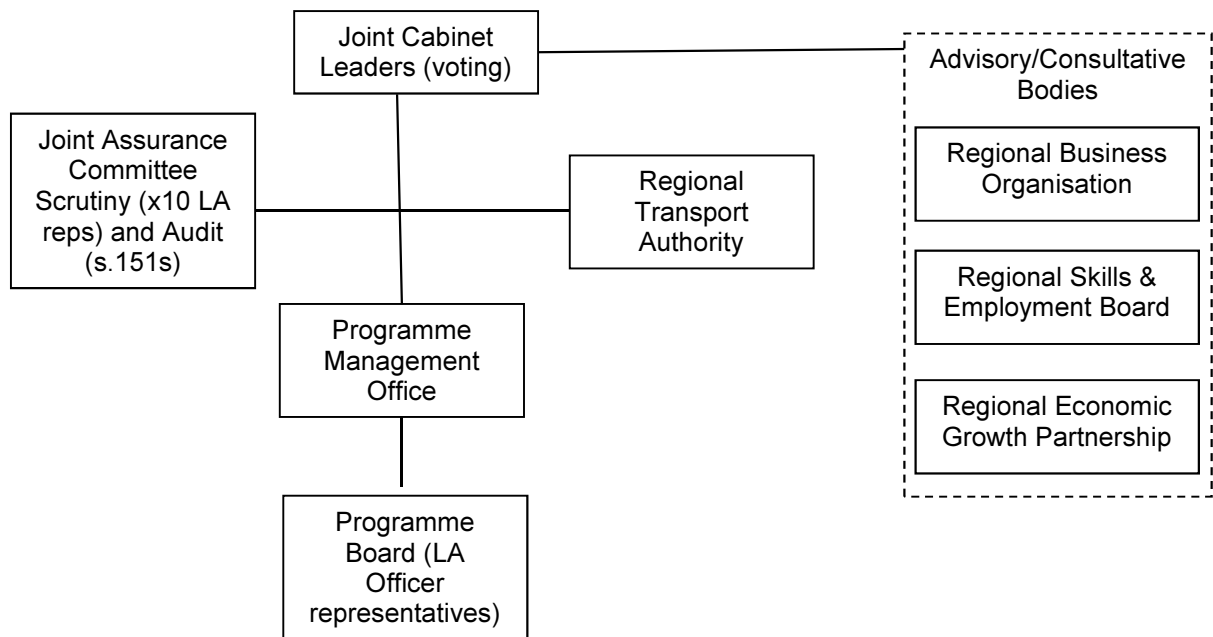
- this approach is also replicated in the Glasgow and Clyde Valley City Deal.
- (iii) Overall the Joint Working Agreement establishes the following principles:
- The establishment of a Joint Cabinet of the ten Cardiff Capital Region local authorities;
 - The areas of delegation for the Joint Committee (which focus on the management of the City Deal fund and project approval). Clause 9 and Schedule 1 of the Joint Working Agreement sets out the detail of delegations policy for dealing with such matters.
 - The establishment of City of Cardiff Council as the Accountable Body;
 - Financial principles for the Joint Committee;
 - The matters reserved to individual Councils; and
 - The means by which decisions relating to the programme of the investment (linked with the Assurance Framework) are agreed.
- (iv) The Joint Working Agreement confirms that the Joint Committee would be formed by the ten local authority representatives of the Cardiff Capital Region. The Joint committee would work on a one member one vote basis, and decisions would be made by simple majority reflecting the position in other city-region arrangements. It is intended, however, that decisions would be sought on a consensus basis before any proposal is taken to the vote. It is also proposed that meetings would require a quorum of seven.
- (v) The Joint Working Agreement also establishes that the Joint Committee will establish as sub-committees, as soon as reasonably practicable, the Regional Transport Authority and the Cardiff Capital Region Skills and Employment Board.
- (vi) In approving the Joint Working Agreement it needs to be clearly understood that the Council would be delegating responsibility for overseeing the implementation of the City Deal to the Joint Committee with only the 'reserved matters' being brought back to the Council for approval. The key reserved matters are:
- (a) Approval and adoption of the Joint Working Agreement Business Plan means the strategy which defines the regional objectives (*including the high level programme, which shall include amongst other matters, the indicative investment programme for the "Programme Themes" (as such Programme Themes are defined under the Implementation Plan) and any agreed strategic projects together with the indicative spend profile for the wider investment fund) and as more particularly defined in the Joint Working Agreement.*
 - (b) Agreeing any increase to the Affordability Envelope (which means the overall costs and investment by each Council under the Joint Working Agreement over the 25 year evaluation period, which shall not exceed in aggregate £210,800,000 and shall include, without limitation, all interest and UK Government cost to carry and shall be updated to reflect the terms of the Joint Working Agreement Business Plan including the high level programme (once approved by the constituent councils) to include, amongst other matters, the annual spend profile for each council);
 - (c) Approval of any increase to the Councils' Contribution above the £120M.
- (vii) Importantly, the Agreement commits councils to participation in the Joint Committee for a minimum of five years or, if later, the completion of the first five year Gateway Review – this is the "lock-in" period. For the sake of completeness only, it should be appreciated that if the Council sought to withdraw from the joint working arrangement during the lock-in period, it would be in breach of the provisions of the Joint Working Agreement, unless a negotiated arrangement could be reached with the other

- Councils. Entering the agreement creates legitimate expectations that the Council will remain a party to the City Deal arrangements for at least the lock-in period.
- (viii) Following the lock-in period, Councils may withdraw from the Agreement at any time – in accordance with the defined withdrawal provisions – but this would be subject to liabilities determined by, among other matters, the extent of financial commitments made.
 - (ix) If the reserved matter relating to the Joint Working Agreement Business Plan is not approved, then the Council would still be locked into the Joint Committee for the lock-in period. This would serve to constrain the Committee since it would not have an agreed plan against which to deliver the City Deal investment programme. In practice, it is intended that all parties will be actively involved in the preparation of the Joint Working Agreement Business Plan and that this will be agreed by all Councils.
 - (x) The Joint Working Agreement also authorises the Joint Committee to have discretion over £50 million of HM Treasury funding ahead of the agreement by the Councils of the Joint Working Agreement Business Plan. This is equivalent to the first five years of HM Treasury Funding or 10% of the total Investment Fund. Any projects covered by this funding will still be subject to the Assurance Framework and all associated evaluation. In the event that a Council does not agree the Joint Working Agreement Business Plan it would still be liable for any spend committed under these arrangements. Accordingly, approval of the Joint Working Agreement will incur a level of liability related to the amount of expenditure committed for Councils in advance of the agreement by the Councils of the Joint Working Agreement Business Plan.
 - (xi) The Joint Working Agreement outlines the administrative arrangements that will be put in place, including the establishment of an Accountable Body. The Accountable Body will administer the City Deal and will hold the funds from UK Government, local government and other sources. The Accountable Body will also be responsible for ensuring financial and legal compliance.
 - (xii) It is proposed that the City of Cardiff Council should become the Accountable Body of the City Deal.

5.3 Assurance Framework

- (i) The Assurance Framework – attached in Appendix A, Schedule 8 (of the Joint Working Agreement) – applies to the £495 million Cardiff Capital Region City Deal Investment Fund and is the document that outlines the set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management and control processes of the Investment Fund.

Assurance Framework Governance and Resource Structure



- (ii) The Assurance Framework should also be considered in tandem with the Joint Working Agreement in as much as both documents outline decision making processes relating to the City Deal. The diagram above outlines the governance and reporting structure of the Assurance Framework in relation to the development and approval of a programme and projects.
- (iii) Adherence to the processes detailed in the Assurance Framework will ensure that funding and resources will be applied appropriately to deliver stated outcomes.
- (iv) The Assurance Framework commits to the development of a Regional Economic Strategy, a Regional Impact Assessment Tool and a Prospectus for Growth and Prosperity in order to determine eligible projects for consideration.
- (v) The Assurance Framework will apply to any:
- Additional devolved funding provided to the Cardiff Capital Region;
 - Additional borrowing by the constituent authorities provided to the Cardiff Capital Region; and
 - Use of devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement
- (vi) The Assurance Framework outlines the process and decisions that are required for approval of the programme and overall projects, which includes the appraisal criteria for projects. This process requires projects to be submitted to the Programme Management Office for initial consideration to ensure that the proposal is in line with City Deal objectives. After initial assessment the proposal will be shared with appropriate advisory groups and an external business case assessor for further review. Following this review the initial proposal will be submitted to a Programme Board (which comprises senior officials from each participating local authority) for approval prior to being presented to the Joint Committee.
- (vii) The Assurance Framework makes clear that the ultimate decision for approval of projects will lie with the Joint Committee.

5.4 Implementation Plan

- (i) The Implementation Plan – attached in Appendix A, Schedule 9 of the Joint Working Agreement – details the work to be undertaken over the next three to five years, setting out the key milestones and activities, against which the independent Gateway Review will assess performance of the City Deal activities at the first five year milestone.
- (ii) The Implementation Plan outlines the approach that will be taken to delivering key elements of the City Deal Heads of Terms, covering the following areas:
 - South East Wales Metro and Connecting the CCR
 - Additional Flexibilities
 - Investing in Innovation and the Digital Network
 - Developing a Skilled Workforce and Tackling Unemployment
 - Supporting Enterprise and Business Growth
 - Housing Development and Regeneration
 - Cardiff Capital Region Economic Growth Partnership
 - Independent Growth and Competitiveness Commission
 - Delivery, Monitoring and Evaluation
- (iii) The Implementation Plan will be reviewed and further developed over the next 12 months. The version attached to the Joint Working Agreement is the current version.

5.5 As mentioned previously, the Joint Working Agreement does allow the Regional Cabinet to commit and/or spend up to £50m before the reserved matter 1 above has been considered by the 10 constituent councils. The £50m is approximately 10% of the £495m Investment Fund, and would be funded by the first five years of UK Government funding, which is £50m. If the Regional Cabinet does commit or spend a sum up to £50m before the reserved matter 1, (schedule 1 of the Joint Work Agreement) is considered by the 10 councils, and not all 10 councils approve reserved matter 1, there is a risk that the UK Government funding would have to be returned and the 10 constituent councils would have to cover this cost from within their existing budgets.

5.6 All ten constituent councils will be asked to agree to the recommendations set out in paragraph 10 of this report, which have been consistently presented to all ten councils. Once all ten constituent councils agree to the Assurance Framework and the Implementation Plan they need to be submitted to the Welsh and UK Governments by the end of February 2017 and finalised by 31st March 2017, in order to release this financial year's funding contribution from UK Government.

5.7 All ten constituent council Leaders are very supportive of the CCR City Deal and are keen for their respective council to sign up to the Joint Working Agreement, Assurance Framework and Implementation Plan. Nevertheless, this decision must be taken by each constituent council and there is the risk that:

- Individual councils may request changes to the terms and conditions of the Joint Working Agreement and the other documentation; or
- One or more councils may not agree to formally establish the CCR Regional Cabinet.

5.8 In terms of any requested changes to terms and conditions of the legal documentation, it is proposed that the Interim Chief Executive in consultation with the Leader of the Council, the Acting Director of Corporate Services & S.151 Officer and the Interim Head of Legal Services & Monitoring Officer be granted delegated authority to make such amendments as are necessary to the Joint Working Agreement, Assurance Framework and Implementation Plan (as are appropriate) from the date of acceptance of these recommendations to the Commencement Date of the 1st March, 2017.

5.9 Furthermore, it is proposed that the Interim Chief Executive in consultation with the Leader of the Council, Acting Director of Corporate Services & S.151 Officer and the Interim Head of Legal Services be granted delegated authority to decide whether the Council should continue to explore the continued opportunity to participate in the CCR City Deal in the event that one or more of the ten constituent Councils' fail to agree any of the recommendations set out at paragraph 10 of the Report.

5.10 **Legal & Governance Implications Arising From the Joint Working Agreement**

The Report has highlighted that in order to facilitate the CCR City Deal it is proposed that the 10 Constituent Council's conclude a Joint Working Agreement which will serve to establish a Joint Committee to be known as the Cardiff Capital Region Joint Cabinet. It is proposed that Council's delegate that relevant executive and Council's function relating to delivering the CCR City Deal to the Joint Committee.

5.11 The following paragraphs of the Report highlight the salient legal/governance issues raised by the Joint Working Agreement to be read in conjunction with earlier information in the Report and the Joint Working Agreement attached at Appendix A.

- (i) Accountable Body – The Joint Committee has no separate legal identity and so cannot own property, accept grants or enter into contracts in its own right. It is proposed that one authority, namely Cardiff Council will act as the 'Accountable Body'. As the Accountable Body, the Council will take responsibility for employment of the staff directly affected, enter any third party agreements required and provide all support services required by the Joint Committee. The Accountable Body will hold any funds received directly from the Welsh Government, the UK Government (if any), the European Regional Development Fund (if any), the Councils and/or any other sources in relation to the City Deal, Cardiff Council will have the primary obligation to ensure that the funding received is only used and released in accordance with the terms of the funding imposed by WG, which in turn are passed back to the other Councils via the Joint Working Agreement.
- (ii) Funding conditions – at the time of writing the report the terms that will be attached to the City Deal funding are not definitively known. Accordingly the Joint Working Agreement contains a condition (referred to as a condition subsequent) that approval of the terms of any Welsh Government funding conditions relating to the City Deal is a "Matter Reserved to the Joint Committee and Cardiff Council, as the Accountable body for approval".
- (iii) The Joint Working Agreement sets the extent of the matters to be delegated to the Joint Committee. (See schedule 2 of the Joint Working Agreement).
- (iv) The Joint Working Agreement sets out that each Authority would appoint 1 Elected Member to the Joint Committee. Decisions would be taken by simple majority vote and each authority would have one vote exercisable by their appointed Elected Member. It is proposed that the Chairperson would be one of the Elected Member representatives, appointed for 12 months, with the position of Chairperson allocated in turn to each authority. The Joint Working Agreement provides that the Chair would agree not to exercise their casting vote.
- (v) The Joint Working Agreement provides that Joint Committee would be supported by a Programme Board comprising one officer nominated from each authority. This board would not be a decision making body. The Board would be chaired by a Programme Director, who is given certain delegated powers (which are primarily intended to relate to day to day operational matters, (refer to schedule 1 of the Joint Working Agreement). The Joint Committee will provide an annual report on progress which could be reported to the Council/Cabinet as appropriate.

- (vi) 'Lock-in' and exit provisions. It is important to note that the Joint Working Agreement contains 'lock-in' provisions. What this means in practice is that no Council can withdraw from the Joint Working Agreement for a period of five years from the commencement date (proposed to be 1st March, 2017). Thereafter a party can withdraw, but such withdrawal is likely to come at significant costs to the withdrawing authority. The reason for this is that, put simply, the withdrawing party has to make good to the other authorities in respect of any additional costs they would incur as a result of the withdrawal (in effect the monies the authority has agreed to contribute).
- (vii) The Joint Working Agreement contains what are referred to as reserved matters. These are matters which cannot be decided upon by the Joint Committee, but which must be referred back to each council for approval. A key such matter is approval of the CCR City Deal Joint Working Agreement Business Plan. If the reserved matter is not approved, then the Council would still be locked into the Joint Committee for the lock-in period, but in effect the Committee would be stymied in its action because it would not have an agreed Joint Working Agreement Business Plan against which to deliver the City Deal Investment Programme. In practice it is intended that all parties will be actively involved in the preparation of the Joint Working Agreement Business Plan and that the same would not be presented to Councils for formal approval until all were content. It is however proposed that prior to approval of the reserved matter (The Joint Working Agreement Business Plan) that the Committee would be empowered to spend up to £50m on City Deal projects identified as having regional benefit and meeting the other requirements set in the Assurance Framework. It should be appreciated that even if the Council does not approve the Reserved matter (Joint Working Agreement Business Plan) that it will none the less be obliged to meet its part of any expenditure committed up to the sum of £50m.
- (viii) The Joint Working Agreement at Clause 12 sets out the totality of the Council's agreed financial contributions.
- (ix) The Joint Working Agreement sets out how the costs associated with delivering the City Deal and running the Joint Committee are to be met, which will be shared on a per capita population basis as at 2015 figures.
- (x) The Joint Working Agreement contains provision to address matters such as disputes, variations, data protection and freedom of information. Accountable Body (SIRO) will retain responsibility for all information security and information management policies regarding the upkeep and exchange of data.
- (xi) Scrutiny Arrangements – there are a range of approaches to scrutiny of collaborative activities, which include scrutiny by existing Scrutiny Committees on a 'Council by Council' basis, joint meetings between Council's Scrutiny Committees through to the establishment of new joint overview and a Scrutiny Committee. It is proposed that initially scrutiny will be undertaken by Council's existing Scrutiny Committees but that the Councils will work together to create a new City Deal joint overview and Scrutiny Committee. It is anticipated that Scrutiny would be involved in monitoring the performance and governance of the City Deal on an on-going basis, but it would be a matter for the Scrutiny Committee to determine what areas it wishes to scrutinise.

6. WELL-BEING OF FUTURE GENERATIONS

- 6.1 The CCR City Deal contributes to the Well-Being Goals as set out in the "Links to Strategy" section of this report. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that the CCR City Deal has been developed collaboratively with the partner Authorities. The intention of the CCR City Deal is to take action to improve the high levels of poverty and deprivation across the CCR. The CCR City Deal promotes a collaborative approach to acceleration of the economic growth across the region.

7. EQUALITIES IMPLICATIONS

- 7.1 Full Equality Impact Assessment Screening has not been prepared for the purpose of this report, as the CCR City Deal remains very much within its infancy. However, if deemed necessary in the future individual Equality Impact Assessments will be undertaken and future decisions will have due regard to the need to:-
- (1) Eliminate unlawful discrimination;
 - (2) Advance equality and opportunity;
 - (3) Foster good relations on the basis of protected characteristics.

8. FINANCIAL IMPLICATIONS

- 8.1 This is the first City Deal awarded to Wales and the operation of an Investment Fund totalling £495m on behalf of ten local authorities introduces a number of practical and accounting considerations. With this in mind project officers have commenced dialogue with senior officials from both Welsh Government and Wales Audit Office to work through the implications of a number of detailed accounting and reporting matters.
- 8.2 Schedule 4 of the JWA outlines 'Heads of Expenditure' envisaged in relation to Joint Committee costs, although this does not represent an exhaustive list. The Heads of Expenditure will need to be kept under review and updated for time to time as the roles and responsibilities of the Accountable Body 'bed down'. For example, Caerphilly CBC will need to be clear on the expectations in relation to resourcing the development of projects (and the associated documentation), which are agreed as part of the JWA Business Plan. Another area that will need to be clearly understood is how responsibilities for delivering the agreed list of projects will be determined. For these reasons the JWA contains the necessary provisions to share Accountable Body costs and liabilities with the other nine partnership councils.
- 8.3 Once approved, if the Joint Committee budget is exceeded by more than 5%, then the Joint Working Agreement outlines that any increase will need to be met from the Wider Investment Fund rather than falling on individual council budgets. Similarly, if the Joint Committee wishes to set a budget which is more than 5% greater than the previous year's budget then any increase will also need to be met from the Wider Investment Fund.
- 8.4 The ten constituent Councils established a Memorandum of Understanding (MOU) during 2015 to enable them to progress work on the City Deal. The MOU set-out a Partnership Revenue Contribution Budget required to fund the work needed based on an annual sum of £500,000. It is proposed that this arrangement continues for 2017/18 but that the sum is increased to £1m, of which CCBC's share would be up to £120,000, per annum. If approved this Council would include this sum within its base budget requirements for 2017/18. During 2017/18 the Implementation Plan will be developed and will provide a costed budget plan for the following three to five years.
- 8.5 The report outlines that ahead of the JWA Business Plan being agreed, that the Joint Committee are given the discretion to commit up to £50m of the UK/Welsh Government funding. Council should note that in the event that a business plan cannot be agreed, CCBC would still be liable for its share of any commitment i.e. up to 12% of £50m.
- 8.6 As set-out in this report, approval of the JWA Business Plan is a Reserved Matter and will be brought back to Full Council for final consideration and approval. Central to this will be the development of the proposed programme of investment that will be undertaken as part of the City Deal initiative. The JWA business plan will provide the council with confirmation of its affordability exposure over the life of the City Deal i.e. whilst the overall Financial Envelope is being agreed now, any changes to CCBC's annual profile will need to be set-out in the business plan along with the implications of any financial matters unresolved at this time.

- 8.7 Once the JWA is approved, councils will be ‘locked-in’ for a minimum period of five years. As with other Joint Committee’s such as Prosiect Gwyrd, the legal implications (highlighted in the body of the report) set out that the cost of withdrawing are likely to be substantial and are effectively designed to keep councils locked in for the duration of the City Deal.
- 8.8 The CCR City Deal Investment Fund comprises two distinct elements:-
1. **£734m – METRO scheme.** This will comprise £503m, Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/17 to 2022/23; £106 million from the European Development Fund, (which is committed and guaranteed following Brexit by both UK and Welsh Government); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.
 2. **£495m – Regional Cabinet Fund,** comprising the ten constituent councils’ commitment to borrow £120 million over the 20 year period of the Investment Fund, together with the £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and “Metro plus” transport proposals. This element will be the responsibility of the CCR Regional Cabinet.
- 8.9 The £375m of funding provided by the UK Government to the Regional Cabinet Fund, is funded on a staged basis over 20 years, £10m a year over the first 5 years, £21m a year over the following 5 years and £22m a year over the remaining 10 years. Therefore, if the Regional Cabinet is to generate the economic improvement the region requires, it is likely that investments will be made early in the life of the Fund and the ten constituent councils will have to borrow funding to cover the temporary shortfall in funding from the UK Government. This is called the **carry costs** of the funding.
- 8.10 The S151 officers have modelled a number of potential scenarios, agreeing appropriate assumptions in respect of variables such as the profile of likely spend, interest rates for borrowing, the split of capital and revenue funding and the treatment of inflation. The result of this detailed work is a prudent funding model which estimates that the total costs of the deal at the regional level is projected to be £210.8m, of which £166.8m is the estimated cost of the local authority’s capital contribution and £44.0m is the estimated carry costs of financing the UK Government debt as described in paragraph 8.9. CCBC’s share (12%) of the estimated total costs is projected to be in the order of £25.2m over a 25 year period (based on an assumed average asset life). See Table 1 below.

Table 1. – Cardiff Capital Region City Deal Investment Fund Indicative Modelling and Proposed Affordability Envelope

CCRCD Investment Fund	JWA Jan 2017
UK Contribution	£375.0m
LA Contribution (Capital)	£120.0m
Repayment Term	25 years
Interest Rate	3.0%
UK/WG ‘Cost of Carry’*	£44.0m
LA £120m Cost of Capital**	£166.8m
Proposed ‘Affordability Envelope’	£210.8m
<u>CAERPHILLY CBC ONLY Figures</u>	
Total @ 12%	
Years 1-5 (MTFP)	£1.3m
Total Cost Over 25 Years	£25.2m
Peak Debt (Year 11)	£1.6m

**Cost of Carry refers to the interest costs associated with up-front borrowing of the UK Government funding ahead of receipt.*

***Cost of Capital refers to the Principle and interest cost associated with borrowing the capital contribution to be made by the local authorities*

- 8.11 The annual revenue budget requirement to fund this contribution is profiled over the life of the deal given the timing of spend and income requirements. The total cost will be smaller in the early years of the deal (years 1 to 5 is estimated to be a total of £1.3m) and will peak in Year 11 at £1.6m for that year. Prudently, this Council will include a sum within its base budget requirements for 2017/18 to cover the estimated first year contribution and will seek to set aside funding to support future years as part of our medium term financial planning arrangements. A specific Treasury Management Reserve will be established to support CCR so that fluctuations in annual contributions can be smoothed and any volatility minimised from annual budget setting requirements.
- 8.12 As part of the terms of the City Deal, the Regional Cabinet will be required to evaluate the impact of the £495m Investment Fund in order to unlock UK Government funding. Every five years a gateway assessment will be undertaken, which consists of an independent review to evaluate the economic benefits and economic impact of the investments, including whether the projects have been delivered on time and on budget. The gateway reviews are likely to be structured to occur at Years 5, 10 and 15. Therefore, funding from Year 6 onwards will be subject to the agreed performance objectives being achieved at each of the gateway stages. If a future Investment Fund gateway is not achieved, leading to a reduction or cessation of City deal grant, then it will be the responsibility of the ten constituent councils to manage the financial impact of this within their existing council budgets. This would inevitably lead to an increase in the savings target in the MTFP for Caerphilly CBC.
- 8.13 In order to mitigate this risk, the projects selected will go through the Assurance Framework to inform the key discussions that will take place around performance measures. The final performance targets agreed will include a 'margin of safety', which will further reduce the risk of targets not being achieved.
- 8.14 Over the past few months, officers have engaged with Welsh Government on a number of City Deal issues. One such issue relates to the Terms and Conditions (T&Cs) that will accompany the UK Government Funding. The ten constituent councils have yet to receive a draft copy of the T&Cs and therefore, the JWA contains a condition that its continuation is subject to these T&CS being acceptable to the Regional Cabinet.
- 8.15 In addition, there are a number of detailed technical accounting matters that remain unresolved at this time. These matters need to be resolved with the Wales Audit Office and be confirmed with the external auditors responsible for the audit of the ten constituent councils. These matters have arisen due to the way in which City Deal Investment Funds tend to typically operate i.e. grant expenditure being incurred ahead of receipt. The Glasgow & Clyde Valley City Deal also faced these challenges, and successfully resolved these matters with their auditors, Audit Scotland. These matters are unlikely to alter the total costs of the CCR City Deal but could alter the payment profiling with larger payments occurring earlier over the course of the 25 year life of the City Deal.
- 8.16 Members are also requested to note the reserved matters that need to go back to each Council in respect of financial implications as detailed in the report.

9. CONSULTATIONS

- 9.1 The Report has been sent to the Consultees listed below and all comments received are reflected in the Report.

10. RECOMMENDATIONS

Cabinet are asked to formally endorse and recommend to Council the recommendations set out at paragraph 10.1 to 10.8 below and to formally approve the recommendation at paragraph 10.9 below and to seek authority from Council for the Head of Legal Services & Monitoring Officer to amend the Council's Constitution to reflect the proposals as set out:

- 10.1 Approve the Joint Working Agreement as the legal document that formally establishes the Cardiff Capital Region (CCR) Joint Committee (the Regional Cabinet) as a Joint Committee, with delegated functions, with a Commencement Date of the 1st March, 2017. The elected member representative to the Regional Cabinet shall be the Leader of the Council, or his/her nominated Deputy.
- 10.2 Approve the financial contributions from each constituent Council towards the collective £120m total, (together with such associated costs e.g. carry costs), as detailed in the body of this report.
- 10.3 Approve the carry forward of any remaining revenue funds from 2016/2017, contributed by each constituent Council into 2017/2018 in order that the support structure for the Regional Cabinet continues.
- 10.4 Approve the collective revenue contributions of up to £1 million inclusive of recommendation 3 above, on a proportionate basis as set out in the Joint Working Agreement) to the 2017/2018 budget, in order that the support structure for the Regional Cabinet continues.
- 10.5 Approve the City of Cardiff Council acting as the Accountable Body with the responsibilities as set out in the Joint Working Agreement.
- 10.6 Approve the Assurance Framework as the open and transparent, robust decision making process for considering all proposals requiring support from the CCR City Deal Wider Investment Fund.
- 10.7 That the Interim Chief Executive in consultation with the Leader of the Council, the Interim Head of Legal Services & Monitoring Officer and Acting Director of Corporate Services & S.151 Officer be granted delegated authority to agree such amendments as are necessary to the Joint Working Agreement Assurance Framework and Implementation Plan (as are appropriate) from the date of acceptances of these recommendations to the Commencement Date of the 1st March, 2017.
- 10.8 That the Interim Chief Executive in consultation with the Leader of the Council, the Interim Head of Legal Services & Monitoring Officer and Acting Director of Corporate Services & S.151 Officer be granted delegated authority to decide whether the Council should continue to explore the opportunity to participate in the CCR City Deal in the event that one or more of the ten constituent Councils fail to agree any of the recommendations 10.1-10.7 above.
- 10.9 That the Leader of the Council or his/her nominated deputy be granted delegated authority to sign the Joint Working Agreement on behalf of the Council.

11. REASONS FOR RECOMMENDATIONS

- 11.1 To enable the formal establishment of the Cardiff Capital Region Joint Committee, which will oversee the region's economic growth agenda and delivery of the 20 year CCR City Deal.
- 11.2 To approve the Joint Working Agreement, Assurance Framework, Implementation Plan to enable the establishment of the CCR City Deal.

12. STATUTORY POWER

- 12.1 Well Being Powers: Local Government Act 1972 and 2000.
Local Government Wales Measure 2009 and
Local Authorities (Goods and Services) Act 1970

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Cllr D. Poole, Deputy Leader & Cabinet Member for Housing
(pooled@caerphilly.gov.uk)

Appendices:

Appendix A The Joint Working Agreement which includes the Assurance Framework & Implementation Plan

Background Papers:

- Report to Cabinet – 17th June, 2015
- Report to Council – 6th October, 2015
- Report to Council – 24th February, 2016
- Report to Council – 19th April, 2016
- Report to Council – 19th July, 2016
- The Independent Growth and Competiveness Commission. This can be accessed via http://cardiffcapitalregioncitydeal.wales/report/growth_&_comp_com_process_web.pdf
- Heads of Terms Agreement

Gadewir y dudalen hon yn wag yn fwriadol

DATED

2017

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

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



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BETWEEN

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

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

BACKGROUND

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

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

1. DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

1.2 Interpretation

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

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

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

1.3 **Schedules**

The Schedules to this Agreement form part of this Agreement.

2. **COMMENCEMENT, DURATION AND TERMINATION**

2.1 **Duration of the Agreement**

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

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

2.2 **Termination**

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

2.3 **Conditions Subsequent**

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

2.4 **Initial Project Investments**

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

3. **PRINCIPLES AND KEY OBJECTIVES**

3.1 The Councils intend this Agreement to be legally binding.

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

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

3.4 **Objectives**

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

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

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

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

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

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

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

3.5 **Principles**

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

3.5.1 **Openness and Trust**

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

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

3.5.2 Commitment and Drive

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

3.5.3 Skills and Creativity

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

3.5.4 Effective Relationships

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

3.5.5 Developing and Adaptive

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

3.5.6 Reputation and Standing

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

3.5.7 Reasonableness of Decision Making

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

3.5.8 Necessary Consents

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

3.5.9 Members and Officers Commitments

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

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

4. THE CITY OF CARDIFF COUNCIL AS THE ACCOUNTABLE BODY

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

5. DUTIES OF THE ACCOUNTABLE BODY

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

6. DUTIES OF THE OTHER COUNCILS

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

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

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

7. BUSINESS PLANS AND PROGRESS MONITORING

7.1 JWA Business Plan

7.1.1 The Joint Committee shall, no later than twelve (12) months after the Commencement Date, prepare (or procure the preparation of), finalise (acting in the best interests of the Joint Committee) and recommend for agreement and adoption by the Councils the draft JWA Business Plan which shall comply with the provisions of Clause 7.1.4 below. The intention is to create an overarching five (5) year JWA Business Plan that, amongst other matters, shall set out the Councils objectives and priorities for the delivery of the City Deal that is updated annually.

7.1.2 The decision to approve and adopt the JWA Business Plan shall be a "Matter Reserved To The Councils".

7.1.3 The Councils shall use their respective reasonable endeavours to seek to agree such draft JWA Business Plan (making any amendments they may unanimously agree) and to adopt it as the formal JWA Business Plan within 60 (sixty) Business Days of the date it is first circulated to the Councils or such other date as agreed between the Councils.

7.1.4 The JWA Business Plan shall, amongst other matters, address the following:

- (a) the updated Affordability Envelope;
- (b) the methodology for agreeing the nature, scope and prioritisation of projects to be developed for the overall benefit of the Cardiff Capital Region (in accordance with the terms of the Implementation Plan);
- (c) the methodology and responsibility for any external audits in relation to this Agreement;
- (d) the methodology and responsibility of any performance monitoring along with any performance indicators to enable the Joint Committee to measure progress against the JWA Business Plan; and
- (e) any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports.

7.2 Updated JWA Business Plan

7.2.1 The Joint Committee shall, no earlier than three (3) months and no later than one (1) month before the end of the relevant Accounting Period, prepare (or procure the preparation of), finalise, agree (acting in the best interests of the Joint Committee) and recommend for adoption to the Joint Committee a draft updated JWA Business Plan for the proceeding five years which shall comply with the provisions of Clause 7.1.4 above.

7.2.2 The decision to approve and adopt any updated JWA Business Plan shall be a "Joint Committee Matter" save to the extent that any such update amounts

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

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

7.3 **Annual Business Plans**

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

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

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

7.4 Progress Monitoring

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

7.5 Incorporation of Annual Business Plans into the JWA Business Plan

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

8. CARDIFF CAPITAL REGION WIDER INVESTMENT FUND(S)

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

9. DECISION MAKING

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

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

10. **JOINT COMMITTEE**

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

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

10.18 **Joint Committee May Delegate**

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

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

as they think fit from time to time.

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

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

10.19 **Sub-Committees**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11.2 **Regional Programme Director**

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

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

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

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

12.1 **General**

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

12.2 **Internal Costs**

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

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

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

12.3 **Joint Committee Costs**

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

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

12.3.3 Each Council shall:-

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

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

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

12.4 **Annual Budget**

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

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

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

12.5 **Contributions**

12.5.1 Total contribution

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

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

12.5.2 HMT Contribution

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

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

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

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

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

12.5.3 Councils' Contribution

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

Councils	Proportion of Contribution
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%

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

12.5.4 **Audit**

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

12.5.5 **Retention of Records**

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

13. **MITIGATION**

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

14. **LIABILITY OF THE COUNCILS**

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

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

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

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

15. **WITHDRAWAL**

- 15.1 Subject to Clause 15.2 (Withdrawal), any Council (including the Accountable Body) may at any time during this Agreement, withdraw from this Agreement in accordance with this Clause 15 (Withdrawal).
- 15.2 No Council may withdraw from this Agreement during the Lock In Period and, following such Lock In Period, the provisions of this Clause 15 shall apply.
- 15.3 Save where Clause 15.6 applies, if an Authority wishes to withdraw from the City Deal and this Agreement, it shall provide at least twelve (12) months written notice of its intention to withdraw to all the other Councils ("**Withdrawal Notice**").

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

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

16. CONSEQUENCES OF TERMINATION

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

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

17. **INTELLECTUAL PROPERTY**

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

18. **CONFIDENTIALITY AND ANNOUNCEMENTS**

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

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

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

20. **DISPUTE RESOLUTION**

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

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

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

21. DATA PROTECTION

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

- 21.3 The Councils shall not disclose Personal Data to any third parties other than:
- 21.3.1 to employees and sub-contractors and third parties to whom such disclosure is reasonably necessary in order for the Councils to discharge the Councils' obligations in relation to the City Deal; or
 - 21.3.2 to the extent required under a court order or to comply with any applicable laws including (but not limited to) any statute, bye law, European Directive or regulation.
- provided that any disclosure to any sub-contractor or any third parties under Clause 21.3.1 (Data Protection) shall be made subject to written terms substantially the same as, and no less stringent than, the terms contained in this Clause 21 (Data Protection) and that the Councils shall give notice in writing to all other Councils of any disclosure of Personal Data belonging to them which they or a sub-contractor or third parties are required to make under Clause 21.3.2 (Data Protection) immediately they are aware of such a requirement.
- 21.3.3 The Councils shall bring into effect and maintain and shall use its reasonable endeavours to ensure that all relevant sub-contractors and any third parties have in effect and maintain all reasonable technical and organisational measures necessary to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including but not limited to taking reasonable steps to ensure the reliability and probity of any employee or agent of a relevant sub contractor or any third parties having access to the Personal Data.
 - 21.3.4 Any Council may, at reasonable intervals, request a written description of the technical and organisational methods employed by any other Council and the relevant sub-contractors referred to in Clause 21.2.3 (Data Protection) Within five (5) Business Days of such a request, the Council requested to do so shall supply written particulars of all such measures as it is maintaining detailed to a reasonable level such that the requesting Council can determine whether or not, in connection with the Personal Data, it is compliant with the DPA. All Councils shall use its reasonable endeavours to ensure that the sub-contractors and any third parties also comply with such request from any other Council.
- 21.4 All Councils shall ensure that any Personal Data they obtain and provide to any other Council has been lawfully obtained and complies with the DPA and that the use thereof in accordance with this Agreement shall not breach any of the provisions of the DPA.
- 21.5 If:-
- 21.5.1 under the DPA any Council is required to provide information to a data subject (as defined in the DPA) in relation to Personal Data when such data is in the possession or under control of any other Council; and
 - 21.5.2 the required Council informs the controlling Council in writing that this is the case,
- then the controlling Council shall guarantee reasonable and prompt co-operation to the required Council in meeting its obligations under the DPA including making copies of the relevant Personal Data to the extent the same are in its possession.
- 21.6 Each Council shall provide the other as soon as reasonably practicable, with such information in relation to Personal Data and their processing as the other Council may reasonably request in writing and the party asked to provide the relevant data may reasonably be able to provide in order for the other Council to:-

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

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

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

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

23. **NOTICES**

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

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

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

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

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

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

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

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

24. **GOVERNING LAW**

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

25. **ASSIGNMENTS**

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

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

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

26. **WAIVER**

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

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

27. **ENTIRE AGREEMENT**

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

28. **COUNTERPARTS**

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

29. **RELATIONSHIP OF COUNCILS**

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

30. **STATUTORY RESPONSIBILITIES**

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

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

Schedule 1

DELEGATIONS POLICY

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

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

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

Schedule 2

TERMS OF REFERENCE

PART 1

JOINT COMMITTEE TERMS OF REFERENCE

Aims/Purpose

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

Terms

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

Procurement of contracts for goods, works or services

6. Where the Joint Committee is procuring any goods, works or services, at the start of a procurement, the Joint Committee shall agree:
 - Measures against which the benefits realisation should be measured
 - Arrangements for quality assurance and risk management
 - Arrangements for communications
 - Arrangements for procurement launch for specific projects (where appropriate)

7. As the procurements progress, to:
 - Review the project status against the project plan
 - Monitor the management of procurement budget, risks and quality
 - Agree progression through key stages (eg including but not limited to issue of the OJEU, pre-qualification stage and preferred bidder stage) and obtain all associated 'sign-offs'.
 - Agree draft procurement documents
 - Agree the process for evaluating bids and the detailed evaluation criteria and scoring
 - Report to the Cabinet on the progress of the procurement
 - Act as the ambassadors for the procurement and the project it facilitates

8. At the end of the procurement, to:
 - Ensure that the expected products have been delivered satisfactorily
 - Ensure that the pre contract risk review is completed
 - Agree any financial business cases and recommend it to Cabinet
 - Recommend award of contract to Cabinet and obtain all final 'sign-offs'.

PART 2

PROGRAMME BOARD TERMS OF REFERENCE

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

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Schedule 3

COUNCILS' AND REGIONAL PROGRAMME DIRECTOR'S DETAILS

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

Schedule 4

HEADS OF EXPENDITURE

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

Schedule 5

ACCOUNTING PERIODS

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

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

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Schedule 6

LIABILITY REPORT

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

	<u>Amount</u> (all figures in round pounds)
Any committed costs including but not limited to those set out in Clause 15.5 (Withdrawal)	
Procurement Costs	
Costs associated with delays and having to revisit any procurements (including but not limited to the cost of legal, financial and technical advice)	
Land costs – costs associated with identifying and procuring land	
Staff costs (and associated overheads) in progressing the scheme:- <ul style="list-style-type: none"> a) Consultancy / Advisors fees b) Internal Project Management and monitoring c) Internal Professional advice 	
All other reasonable and properly incurred costs and losses (to include the cost of preparing the Liability Report)	
Any costs, claims and damages arising from any third parties in respect of any costs relating to any delay or arising from the termination	

Certified Correct _____
(Signed)

(Date)

Cardiff Capital Region City Deal

Executive Summary

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

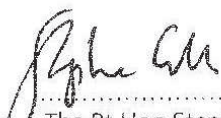
2. This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that builds on the region's sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity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

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

4. The Cardiff Capital Region City Deal includes:

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

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



The Rt Hon Stephen Crabb
Secretary of State for Wales



The Rt Hon Carwyn Jones
First Minister of Wales



Cllr. Phil Bale
Leader of City of Cardiff
Council



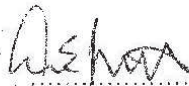
The Rt Hon Greg Hands
Chief Secretary to the
Treasury



Jane Hutt
Minister for Finance and
Government Business
Welsh Government



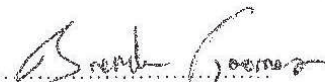
Cllr. Steve Thomas
Leader of Blaenau Gwent
County Borough Council



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



Cllr. Keith Reynolds
Leader of Caerphilly County
Borough Council



Cllr. Brendan Toomey
Leader of Merthyr Tydfil
County Borough Council



Cllr. Peter Fox
Leader of Monmouthshire
County Council



Cllr Bob Bright
Leader of Newport City
Council



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



Cllr. Robert Wellington CBE
Leader of Torfaen County
Borough Council



Cllr. Neil Moore
Leader of Vale of
Glamorgan Council

Introduction

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

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

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

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

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

Key Elements of the Deal

Cardiff Capital Region Investment Fund

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

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

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

South East Wales Metro

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

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

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

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

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

Wider Investment Priorities

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

Investment Fund Assurance Framework

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

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

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

Investment Fund Gateway Assessments

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

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

Local Authority Borrowing

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

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

Additional Flexibilities

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

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

Connecting the Cardiff Capital Region

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

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

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

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

Investing in Innovation and the Digital Network

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

Developing the Compound Semiconductor Sector

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

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

Innovation Investment

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

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

Innovate UK

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

Data

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

The Digital Network

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

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

Developing a Skilled Workforce and Tackling Unemployment

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

The Cardiff Capital Region Skills and Employment Board

33. To ensure skills provision is adapted to local economic and social needs and provides the best value for money, the Cardiff Capital Region will strengthen the existing Learning, Skills and Innovation Partnership. This will be re-launched in 2016 as the Cardiff Capital Region Skills and Employment Board.

34. The Partnership will represent a wide range of stakeholders, including: business bodies; higher and further education; local authorities and the Welsh Government.

It will be responsible for:

- Cardiff Capital Region's skills and worklessness strategy;
- pooled local authority skills resource;
- producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed;

- influencing and monitoring the delivery and impact of employment and skills programmes across the Region;
- ensuring an industry led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
- supporting the Welsh Government’s “Curriculum for Wales, Curriculum for Life” plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
- ensuring European Union funding investments in skills and employment add value and align with other programmes.

Work and Health Programme

35. Cardiff Capital Region and the Welsh Government will work with Department for Work and Pensions to co-design future employment support from 2017, for people with a health condition or disability and/or long term unemployed¹, many of whom are currently referred to the Work Programme and Work Choice.

36. The respective roles of the Department for Work and Pensions and Cardiff Capital Region in the co-design include:

- Department for Work and Pensions setting the funding envelope; however Cardiff Capital Region and the Welsh Government can top up this if they wish, but are not required to.
- Cardiff Capital Region and the Welsh Government setting out how they will join up local public services in order to improve outcomes for this group.
- Department for Work and Pensions setting the high level performance framework, ensuring support appropriately reflects labour market issues. The primary aim will be to reduce unemployment and move people into sustained employment.
- Cardiff Capital Region (working with the Welsh Government) will have input into determining specific local outcomes that reflect their labour market priorities, however these outcomes should be complementary to the ultimate employment outcome. In determining any local outcome(s) Cardiff Capital Region and the Welsh Government will work with the Department for Work and Pensions to take account of the labour market evidence base and articulate how these will both fit within the wider strategic and economic context and deliver value for money.

37. Before delivery commences the Department for Work and Pensions, Cardiff Capital Region and the Welsh Government will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support. This will include a mechanism by which each party can raise and resolve any concerns that arise.

38. The Department for Work and Pensions sets the contracting arrangements, including contract package areas, but should consider any proposals from Cardiff Capital Region on contract package area geography.

39. Providers will be solely accountable to the Department for Work and Pensions, although Cardiff Capital Region and the Welsh Government will be involved in the tender evaluation.

40. The Department for Work and Pensions and Cardiff Capital Region will develop a mechanism by which Cardiff Capital Region (working with the Welsh Government) can escalate to the Department for Work and Pensions any concerns about provider performance/reaching local agreements and require the Department for Work and Pensions to take formal contract action where appropriate.

Supporting Enterprise and Business Growth

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

The Cardiff Capital Region Business Organisation

42. Local partners recognise that ensuring there is a strong business voice to guide both the design and delivery of business support across the region will be critical.

43. Therefore working with public sector partners, the business community, and representative bodies, Cardiff Capital Region will establish a Cardiff Capital Regional Business Organisation. This organisation will provide a clear business voice that will influence and shape business support programmes. In creating the Board, a mapping and consultation process will be undertaken with existing advisory Boards operating within the Region. This will ensure roles and remits are complimentary and add value. The Board will be responsible for:

- articulating the regional needs of business;
- identifying regional priorities for existing business support services; and
- designing future business support programmes.

44. Membership will be drawn from across a range of sectors and interests, including social enterprises and mutuals. A joint Confederation of British Industry, Federation of Small Business, Institute of Directors and South Wales Chamber of Commerce statement outlined the underlying principles for the Business Organisation. The final structure will be designed by the Cardiff Capital Region business community.

Integration of Local Business Support Services and Resources

45. To ensure that relevant business support and promotional activities are delivered at the Capital Region level, local resources will be aligned to create an Integrated Delivery Unit. This unit will deliver regionally significant aspects of economic development. This includes: business development; marketing; tourism; and inward investment.

46. The Integrated Delivery Unit, working in collaboration with the Welsh Government and the proposed Regional Business Organisation, will ensure that any new business support provision complements existing national initiatives. In addition, through this collaborative approach, the Welsh Government is committed to working with the Cardiff Capital Region to explore where existing business support provision can be built on or expanded, whilst avoiding duplication. A number of existing programmes (for example Business Wales, which offers a one stop shop advice and referral service to SMEs and Entrepreneurs) have already been designed through consultation with industry and have the potential to be aligned with identified regional needs and priorities.

47. Further to this, the Welsh Government is also committed to working in partnership with the Cardiff Capital Region to promote the area at a global level. As part of this, the Welsh Government will ensure greater levels of visibility with the Welsh Government's own overseas offices. In addition the Welsh Government will

continue to work closely with UK Trade and Investment to ensure that its propositions are promoted and co-ordinated across the UK Trade and Investment overseas post network.

Housing Development and Regeneration

48. Delivering an increase in house building across the Cardiff Capital Region will help to address critical housing shortages especially for first time buyers and those unable to join the 'housing ladder'. House building is also a critical element of the economy as it: stimulates demand within the supply chain during construction and through purchases by the eventual occupiers; contributes to a more balanced regional planning framework; and is a major employer in its own right.

49. The City Deal presents a unique opportunity for the ten local authority areas to come together to develop and deliver a strategic approach to housing, regeneration and economic growth which will create an accessible, liveable, 'worklife integrated' and highly connected Capital Region. To support this ambition the Cardiff Capital Region will:

- Commit to the development of a partnership between the Cardiff Capital Region and the Welsh Government to take a strategic and balanced approach to housing and regeneration, focussing development on where it is most needed – in a regional and coordinated way.
- Ensure that new housing is linked to the delivery of sustainable and balanced communities, through the re-use of property and sites. Further, both the Welsh Government and Cardiff Capital Region will ensure that proposals to improve the efficiency and quality of the housing stock are aligned with other regeneration outcomes.
- Establish a collective way of working, for example, through an asset development vehicle to progress speculative opportunities for potential Cardiff Capital Region regeneration ventures.
- Develop an integrated public-private housing offer, with clarity over tenure, mix type, design and affordability with prototyping for 'settlements of the future'.
- Utilise innovation in local procurement to secure supply chain benefits, local labour and other social clauses to maximise value.
- Establish the delivery of renewable energy-led regeneration and housing programmes and ensure the principles of 'clean-tech' are anchored within physical development initiatives. This will contribute to ensuring 'futureproofing' and creation of new supply chain networks.
- Engage the affordable housing sector providers in the region as one network. Working with Cardiff Capital Region this network will develop a regional "Housing Plus" strategy in which added value benefits such as training construction apprenticeships, energy resilience and job creation are clearly set out and adopted. This will provide a framework against which site regeneration schemes can be prioritised for investment.

50. In both the planning and delivery of new housing and regeneration projects, the Cardiff Capital Region will ensure that there is alignment to current Welsh Government programmes including Creating Vibrant and Viable Places – the Welsh Government's regeneration framework and increasing the supply and standards of housing.

Cardiff Capital Region Governance

51. The ten local authority partners of the Cardiff Capital Region City Deal have agreed to establish governance model that:

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

Cardiff Capital Region Cabinet

52. Utilising the existing statutory framework, the ten local authorities will establish a Cardiff Capital Region Cabinet. The Cabinet will have the status of a Joint Committee and will be the ultimate decision making body in the governance structure.

53. The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region. The Cabinet, which will comprise the ten participating local authorities, will provide the basis for initial decision making regarding the Investment Fund. In addition the Cardiff Capital Region Cabinet will be responsible for:

- management of the Cardiff Capital Region Investment Fund;
- additional devolved funding provided to the Capital Region;
- the Cardiff Capital Region Transport Authority;
- contracting with Transport for Wales on prioritised Metro projects;
- control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;
- strategic planning including housing, transport planning and land use;
- influencing skills and worklessness programmes;
- an Inward investment and marketing strategy; and
- considering the scope for strengthening Capital Region governance further.

54. A comprehensive agreement will be drawn up between the participating authorities which will bind and commit each individual local authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal. The agreement will also allow for the possibility of additional functions and powers to be devolved to the Cabinet in the future.

55. The Cardiff Capital Region commit to reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding. The review will include consulting the Welsh Government and the UK Government to identify actions needed to take forward future governance options.

Strategic Regional Planning

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

Cardiff Capital Region Economic Growth Partnership

57. A Cardiff Capital Region Economic Growth Partnership will be established to bring together business, higher education and local government. The partnership would be responsible for setting the overarching city-region economic development strategy, as well as monitoring and making recommendations to the Cabinet with regard to City Deal implementation. The partnership will have a specific role to provide advice on investment decisions. This will ensure the City Deal and other interventions make an impact on economic growth and increase employment.

58. The Partnership's membership and terms of reference will be established using the best international practice such as the Danish Growth Forums, as well as the Local Enterprise Partnership model in England and the Economic Leadership Board established in Glasgow.

Independent Growth and Competitiveness Commission

59. The Cardiff Capital Region will establish an independent Growth and Competitiveness Commission to support the city region's economic and investment strategy. It will review activities related to the City Deal as well as wider economic and growth interventions.

60. The Commission's first task will be to review the evidence about the functional economic area and advise how best to generate Gross Value Added growth and support the ambitions of a dynamic capital region.

61. The Commission will be jointly established by the ten local authorities that comprise the Cardiff Capital Region in consultation with the Welsh and UK Governments.

62. The Commission will examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential.

Delivery, Monitoring and Evaluation

63. Cardiff Capital region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation plan in advance of implementation, which sets out the proposed approach delivery and evaluating the impact of delivery.

64. The Cardiff Capital Region City Deal will be monitored by the Joint Cabinet. The joint programme management team will provide the Cabinet, the UK Government and the Welsh Government with quarterly performance report that will:

- highlight City Deal successes;
- provide a performance narrative for each element of the City Deal against agreed implementation plan timescales;
- provide information on outputs and outcomes agreed;
- identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

65. The UK Government and Welsh Government will work with the Cardiff Capital Region to agree a timetable for the production of these reports and will convene regular progress meetings.

66. The Cardiff Capital Region commit to recognising the “City Deal” in promoting and branding investments made as a result of this Deal. This includes acknowledging the UK Government equally alongside other funding partners. The Cardiff Capital Region may wish to explore a single unique brand identity that represents the whole Capital Region area and all the partners involved in delivering the City Deal.

DRAFT

ASSURANCE FRAMEWORK



**Cardiff Capital Region City Deal
Wider Investment Fund
Assurance Framework**

January 2017

DRAFT FOR CIRCULATION

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1 Introduction

1.1 What is an Assurance Framework?

An Assurance Framework is a set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. The independence inherent to the Assurance Framework is derived from the separation between the sponsorship of projects/programmes and their appraisal and evaluation.

The Assurance Framework demonstrates how organisations will monitor, measure and scrutinise how objectives are being met and risks managed. It also details the processes used to ensure an adequate response to risks or lack of performance.

HM Treasury define Assurance Frameworks as “an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.”

1.2 Why does the CCRCW need Assurance Frameworks?

Adherence to the processes detailed in this Assurance Framework will assist in ensuring that funding and resources utilised for the purposes of the Cardiff Capital Region City Deal Wider Investment Fund (Wider Investment Fund) will be used appropriately to deliver stated outcomes.

1.3 Scope of the CCRCW Wider Investment Fund Assurance Framework?

The Cardiff Capital Region City Deal Investment Fund is a £1.229 billion fund consisting of a pre-allocated sum of £734m to the Metro Project and £495m to the Wider Investment Fund.

This Assurance Framework will apply to the Wider Investment Fund consisting of £375m funding provided by the UK Government and £120m committed by the constituent authorities.

The Assurance Framework will also apply to any:

- additional devolved funding provided to the Cardiff Capital Region;
- additional borrowing by the constituent authorities provided to the Cardiff Capital Region; and
- devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement.

This framework does not extend to the Metro Project funding of £734m (consisting; £125m UK Government; £503m Welsh Government; and £106m ERDF funding) which is covered by a separate Assurance Framework.

1.4 Who is the Assurance Framework for?

The commitment to utilise the processes detailed in this Assurance Framework provides surety to the Welsh Government and UK Government related to funding provided for the CCRCW Wider Investment Fund.

The Assurance Framework is also designed to provide Constituent and non-Constituent Authorities, stakeholders, businesses and the public confidence in the activities associated with the Wider Investment Fund.

1.5 Approval and Monitoring of the Assurance Framework

Both the Welsh Government and UK Government must formally approve this Assurance Framework and any proposed amendments and may, from time to time, monitor its use.

The Accountable Body, for the Wider Investment Fund is responsible for ensuring adherence to the Assurance Framework. The Cardiff Capital Region Joint Assurance Committee will provide an independent scrutiny and audit function.

1.6 What is covered in this Assurance Framework?

This document is split into three further sections:

- **Section 2** details the governance and decision-making systems that underpin the Wider Investment Fund Assurance Framework;
- **Section 3** defines the Regional Economic Strategy and the Regional Impact Assessment tool and outlines how Candidate Schemes will be chosen, assessed and approved; and
- **Section 4** outlines the processes that will be followed to ensure effective management and review of the Framework.

This Assurance Framework document should be read in conjunction with the CCRCW Joint Working Agreement.

2 Governance and Decision Making

2.1 Geography of the Cardiff Capital Region

The Cardiff Capital Region is geographically defined by the area consisting the “Constituent Authorities” of:

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

2.2 CCR City Deal Wider Investment Fund Governance Structure

The current governance structure associated with the Cardiff Capital Regional Cabinet¹ (Regional Cabinet), including the Wider Investment Fund, is shown in Figure 1. This provides details of the advisory, support and scrutiny arrangements established to underpin the Regional Cabinet and is structured to provide transparency and democratic accountability.

The detail and functioning of the Regional Cabinet and associated governance structure is included in the Joint Working Agreement² and associated terms of reference, however, a general description related to roles and responsibility related to the Wider Investment Fund is provided below.

¹ The Cardiff Capital Region Cabinet has been established as a Joint Committee with delegated powers from the constituent authorities as defined in the Joint Working Agreement. The City of Cardiff Council will act as the Accountable Body for funding flowing through this assurance framework; however the Regional Cabinet will be the ultimate decision-making body.

² The Joint Working Agreement is the comprehensive agreement that binds and commits each individual authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal.

CCRCD Governance and Resource Structure

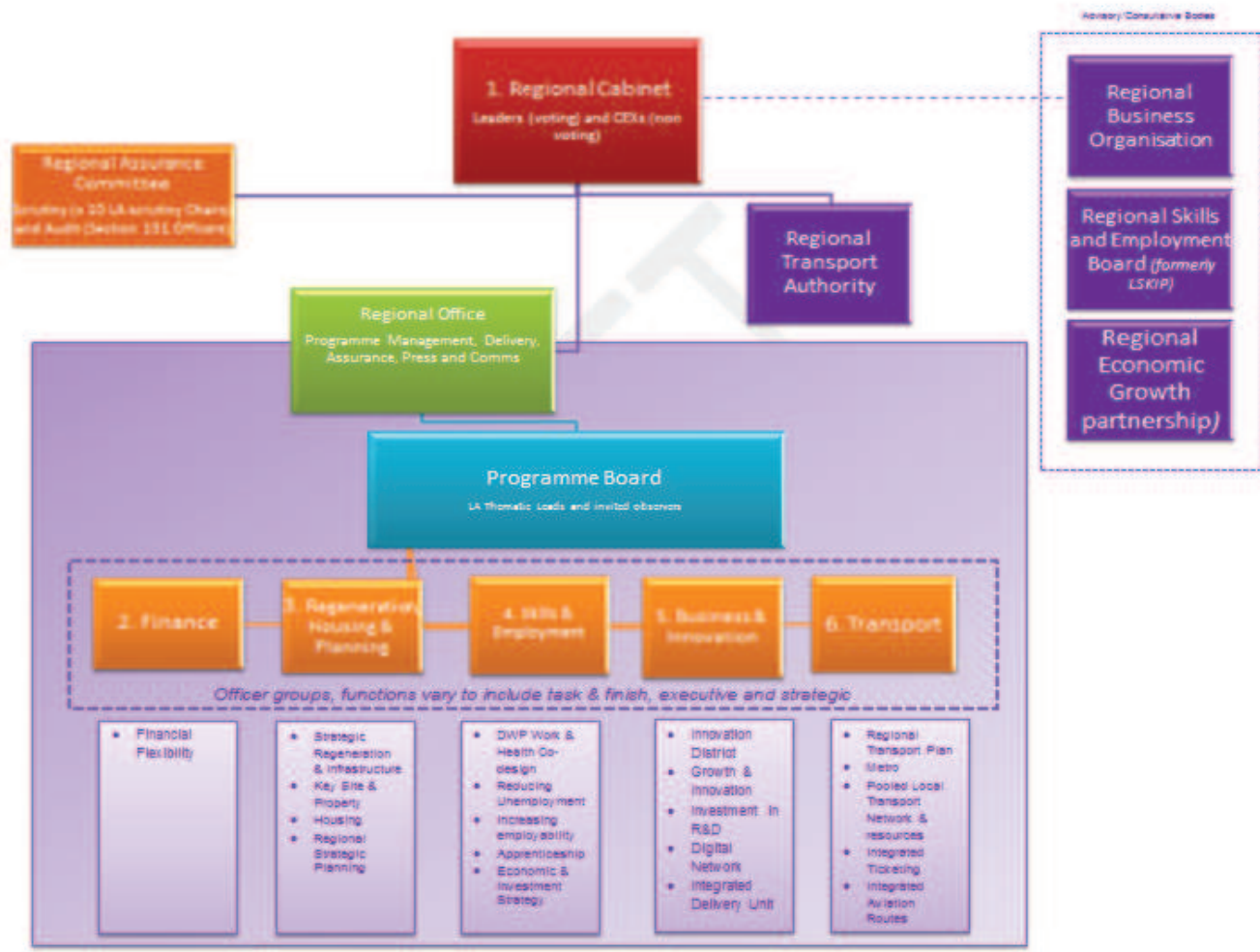


Figure 1: CCRCD Governance Map – [DRAFT]

2.2.1 The Cardiff Capital Regional Cabinet

The Regional Cabinet comprises of the ten participating local authorities and has been established to have responsibility for³:

- management of the Cardiff Capital Region Wider Investment Fund;
- additional devolved funding provided to the Capital Region;
- the Cardiff Capital Region Transport Authority;
- contracting with Transport for Wales on prioritised Metro projects;
- control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;
- strategic planning including housing, transport planning and land use;
- influencing skills and worklessness programmes;
- an Inward investment and marketing strategy; and
- considering the scope for strengthening Capital Region governance further.

The membership of the Regional Cabinet is made up of the Leaders of the Constituent Councils and it will be the ultimate decision making body related to the Wider Investment Fund.

To focus activity and capacity and promote delivery the Regional Cabinet is developing a Regional Economic Strategy and introducing a portfolio arrangement at both political and officer level. Each portfolio is led by two of the Leaders, from the constituent authorities, who are supported by portfolio officers made up of the Chief Executive officers of the local authorities. The portfolios are:

- Regeneration, Housing and Planning
- Work, Skills and Economy
- Business and Innovation
- Transport
- Finance & Governance

In addition, a portfolio of 'Chair of Regional Cabinet' has been established with responsibility for liaison, engagement and promotion.

The key responsibilities of the portfolio holders are:

- providing strategic direction for the portfolio area of responsibility and the development of a portfolio work programme to drive forward delivery;
- communicating a clear understanding of portfolio priorities;
- oversight of performance and delivery of the portfolio including those commitments contained in the Cardiff Capital Region City Deal Heads of Terms (Heads of Terms); and

³ Cardiff Capital Region City Deal Heads of Terms Item 53

- developing effective regional collaboration for the portfolio area of responsibility.

The Regional Cabinet is able to establish sub-committees for any matters which they feel would be better dealt with in this way. These sub-committees may be advisory and report to the Regional Cabinet with recommendation or be provided with delegated powers, from the Regional Cabinet, which will provide them with a defined level of decision making powers. The Regional Cabinet shall be advised by a Lead Head of Paid Service (nominated and agreed by the Heads of Paid Service of the ten constituent councils) who shall meet on an informal basis from time to time.

2.2.2 The CCRCD Regional Assurance Committee

The Regional Cabinet will establish a Regional Assurance Committee to provide an independent scrutiny function to ensure greater public accountability over decisions made by the Regional Cabinet and any of its sub-committees and related entities.

The role of the Assurance Committee is to provide advice, challenge and support to the Regional Cabinet. The detail, functioning and membership of the Assurance Committee will be included in the Joint Working Agreement and will be such that they do not conflict with the role and responsibilities of the Accountable Body.

The Assurance Committee will be required to:

- review and scrutinise the Regional Cabinet's financial affairs;
- receiving the Regional Cabinet's accounts and advising on their approval;
- review and assess the Regional Cabinet's risk management, internal control and corporate governance arrangements;
- review and assess the economy, efficiency and effectiveness with which resources have been used in relation to the Wider Investment Fund; and
- make reports and recommendations to the Regional Cabinet in relation to the above points.

2.2.3 The Regional Transport Authority

The Regional Cabinet will establish a Cardiff Capital Region Transport Authority to co-ordinate regional transport planning and investment, in partnership with the Welsh Government, and will be responsible for:

- Pooled local transport resources;
- Regional planning for the local transport network;
- Working with Transport for Wales to ensure objectives for transport investment are aligned;
- Supporting Welsh Government led work on integrated ticketing across the Cardiff Capital Region;
- Working in partnership with the Welsh Government and Transport for Wales to define the priorities of the South East Wales Metro and to support its delivery;

- Working in partnership with the Welsh Government, airlines and Cardiff International Airport Limited and aerospace partners to promote the development of integrated aviation routes aerospace activity at St Athan Enterprise Zone, to deliver economic benefit.

The detail, functioning and membership of the Regional Transport Authority will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop transport Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations related to transport Candidate Schemes submitted by other bodies.

2.2.4 Advisory/Consultation Body – Regional Business Organisation

The Regional Business Organisation will be responsible for⁴:

- articulating the regional needs of business;
- identifying regional priorities for existing business support services; and
- advising on the design of future business support programmes.

The detail, functioning and membership of the Regional Business Organisation will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop and submit relevant Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations on relevant Candidate Schemes submitted by other bodies.

2.2.5 Advisory/Consultation Body – Regional Skills and Employment Board

The Regional Skills and Employment Board (previously known as the LSKiP Employment and Skills Board) is a partnership which represents a wide range of stakeholders, including: business; education providers; local authorities and the Welsh Government. It will be responsible for⁵:

- Cardiff Capital Region’s skills and worklessness strategy;
- Pooled local authority skills resource;
- Producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region’s future skills challenges will be addressed;
- Influencing and monitoring the delivery and impact of employment and skills programmes across the Region;

⁴ Cardiff Capital Region City Deal Heads of Terms Item 43

⁵ Cardiff Capital Region City Deal Heads of Terms Item 34

- Ensuring an industry led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
- Supporting the Welsh Government’s “Curriculum for Wales, Curriculum for Life” plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
- Ensuring European Union funding investments in skills and employment add value and align with other programmes.

The detail, functioning and membership of the Regional Skills and Employment Board will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop and submit relevant Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations on relevant Candidate Schemes submitted by other bodies.

2.2.6 Advisory/Consultation Body - Regional Economic Growth Partnership

The Regional Economic Growth Partnership will be responsible for:

- Advising on the overarching city-region economic development strategy;
- Monitoring and making recommendations to the Regional Cabinet with regard to City Deal implementation; and
- Providing advice on investment decisions.

The detail, functioning and membership of the Regional Economic Growth Partnership will be included in the Joint Working Agreement and in relation to the Wider Investment Fund will enable it to:

- develop and submit relevant Candidate Schemes for assessment under the Appraisal Framework; and
- provide advice and observations on relevant Candidate Schemes submitted by other bodies.

2.2.7 Advisory/Consultation Body – Welsh Government

The Welsh Government, although not indicated as an advisory/consultation body on the CCRCW Wider Investment Fund governance chart, have statutory responsibilities and investment programmes covering many areas encompassed by the Wider Investment Fund.

It is therefore critical that any proposed investments are additional, complementary and support actions or proposals being implemented or developed by the Welsh Government. This can only be ensured by a close working relationship and effective information sharing.

Related to the Wider Investment Fund the Welsh Government will be:

- invited to actively participate in the work being undertaken in each portfolio area; and
- consulted on all Candidate Schemes.

2.2.8 The Independent Growth and Competitiveness Commission

The Regional Cabinet established a ‘task and finish’ Commission to:

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

The membership of the Commission consisted of Greg Clark, Helen Molyneux, Alexandra Jones, Julie-Ann Haines and Kevin Gardiner and they were supported by Cardiff University.

The Commission was established in August 2016 and completed its task on 16th December 2016 by publishing its recommendations. A number of the Commission’s recommendations are referenced in this Assurance Framework.

2.2.9 The Regional Office

The Regional Office will provide the Regional Cabinet, the UK Government and the Welsh Government with quarterly performance reports⁶ that will⁷:

- Highlight City Deal success;
- Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales;
- Provide information on agreed outputs and outcomes;
- Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

The Regional Office will be responsible for ensuring that this Assurance Framework is adhered to by developing, implementing, maintaining and monitoring a comprehensive performance management system and evaluation framework that will operate at both the corporate level and at the scheme level.

The Regional Office will ensure that all submitted schemes are eligible and that details of Candidate Schemes are issued to the appropriate Advisory/Consultation Bodies for their observation and those observations are used as part of the Assessment Framework.

The Regional Office will be responsible for the management of the programme contained in the Regional Economic Strategy, gateway reviews, and the annual Business Plans including performance and financial management of the delivery programme, undertaking due diligence as required.

The Regional Office will provide support to the Regional Cabinet including administration, engagement, and communication including events and press. The Regional Office will act

⁶ The UK Government and Welsh Government will work with the Regional Cabinet to agree a timetable for the production of these reports and will convene regular progress meetings.

⁷ Cardiff Capital Region City Deal Heads of Terms Item 64

as the delivery mechanism to enable the Accountable Body to discharge its duties in respect of the City Deal Wider Investment Fund.

The Regional Office will remain functionally independent of the Accountable Body and will be responsible for discharging those functions set out above; it will not discharge those statutory requirements which are the responsibility of the Accountable Body as the Legal entity.

2.2.10 The Cardiff Capital Region Programme Board

The Cardiff Capital Region Programme Board (Programme Board) membership will consist of the City Deal Programme Director, CEX/Managing Director and/or nominated Director, Programme Manager, Strategic Directors, or equivalent, from each constituent authority, specialist officers, and legal and financial representatives from the Accountable Body.

Related to the Wider Investment Fund the Programme Board will have three distinct roles:

- Providing Portfolio support by:
 - appointing Theme Leads, from their membership, to support the Portfolio Leads and Portfolio Officers established by the Regional Cabinet;
 - under each Theme establish a Strategic Regional Group and, as required, Task & Finish Groups to develop Wider Investment Fund proposals;
 - under each Theme develop a series of Candidate Schemes for assessment under the Candidate Scheme Appraisal Framework;
 - advise on the strategic direction for the portfolio area and assist in the development of a portfolio work programme to drive forward delivery.
- Monitor Portfolio development by:
 - providing support and collective challenge to the Portfolios and Themes including the Strategic Regional Groups and Task & Finish Groups, to ensure their work progresses the development of proposals in line with the Regional Economic Strategy including objectives and targets;
 - oversight of performance and delivery of the portfolios
- Prepare recommendations on individual Candidate Schemes and the overall programme of the Wider Implementation Fund by:
 - ensuring that all Candidate Schemes are assessed in accordance with the Wider Investment Fund Candidate Scheme Appraisal Framework;
 - preparing recommendations on Candidate Schemes whilst ensuring due regard is given to the observations provided by the Advisory/Consultation Bodies and the independent assessment;
 - providing recommendations to the Regional Cabinet on all Candidate Schemes;
 - considering the Wider Investment Fund programme of schemes as a whole to ensure they work effectively together to maximise outcomes by assessing 'total impact' and not just economic considerations;
 - providing recommendations to the Regional Cabinet on Wider Investment Fund delivery programme as a whole.

To allow the Programme Board to undertake all three functions a clear distinction will be drawn between those involved in specific Candidate Scheme development and those preparing recommendations on those schemes to the Regional Cabinet. A robust system of declaration of conflict of interest will be put in place.

2.3 Status and Role of the Accountable Body

One of the constituent authorities will be defined as the Accountable Body for the Regional Cabinet and the Wider Investment Fund and will be responsible for ensuring that funding decisions made by the Regional Cabinet are lawful and appropriate.

As the Accountable Body, overall financial arrangements are managed and accounted for through its financial systems and subject to the Standing Orders and Governance systems of that body. Funding allocated to the Regional Cabinet as part of the Cardiff Capital Region City Deal will be paid to the Accountable Body who shall ensure that those funds remain identifiable from the Accountable Body's own funds.

The Accountable Body shall, subject to the statutory role of each constituent Council's monitoring officer in relation to their Council, provide for the purposes of the Wider Investment Fund the services of its monitoring officer and employ any staff appointed by the Regional Cabinet. Subject to the statutory role of each constituent Council's s151 officer in relation to their Council, the Accountable Body shall provide for the purposes of the Regional Cabinet services of its Chief Financial Officer as Treasurer to the Regional Cabinet.

The Accountable Body shall supply the Regional Office with such support services as may reasonably be required, these may include services such as financial, legal, audit and other professional and/or technical services.

The full details and responsibilities related to the Accountable Body will be included in the Joint Working Agreement and will include; ensuring that the decisions and activities of the Regional Cabinet conform with the legal requirements regarding equalities, environmental, legislation, ensuring that funds are used legally and appropriately; and administrative functions such as payroll, preparing statement of accounts, VAT returns and liaising with external audit etc.

In performing this role, the Accountable Body as the Legal Entity therefore has responsibility to discharge all the statutory requirements in respect of the City Deal Wider Investment Fund, and is ultimately accountable for the actions of the Regional Office. The Accountable Body will ensure that it acts in a manner that is transparent, evidence based, consistent and proportionate.

2.4 Stakeholder Engagement and Transparency

Engagement with and feedback from constituent and neighbouring local authorities, stakeholders and the public has been, and will continue to be, key in shaping and defining the Regional Cabinets' actions.

Monthly newsletters will be distributed to stakeholders throughout the City Region informing them of current and planned activities and how to get involved.

Regular social media updates concerning relevant activity will be provided via the CCRCD Twitter handle @CCRCityDeal.

A calendar of events will be developed and made available on the CCRCD website www.cardiffcapitalregioncitydeal.wales, and on-going PR campaign will inform stakeholders of CCRCD activity.

Stakeholders will be able to contact the CCRCD via the CCRCD website's contact form www.cardiffcapitalregioncitydeal.wales or through social media @CCRCityDeal.

The public and stakeholders will be able to provide input via the contact form on the CCRCD website [<https://cardiffcapitalregioncitydeal.wales>]. Stakeholders will be made aware of how to provide input by being informed via the CCRCD newsletter which is available online.

Communications, engagement and marketing strategies will be developed and implemented to maximise participation and involvement and will be designed to promote and facilitate the use of the Welsh language and comply with the standards imposed by the regulations approved under the Welsh Language (Wales) Measure 2011.

The Regional Cabinet is committed to transparency in its decision-making and activities, but also recognises that for it to operate effectively there are some circumstances in which it must maintain confidentiality, particularly where commercial sensitivities are involved.

The Regional Cabinet is subject to the same accountability and transparency legislative provisions for decision making as Local Government, including public notice of meetings and the business to be conducted at those meetings, Access to Information Rules and Freedom of Information Act 2000.

The use of resources by the Regional Cabinet is subject to standard local authority checks and balances. In particular, this includes the financial duties and rules which require councils to act prudently in spending, and publish annual accounts. The development of these checks and balances will be overseen and managed by the Accountable Body.

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3 Strategy, Programme and Prospectus

3.1 A Regional Economic Strategy

The Regional Cabinet, using the research and recommendations from the Growth and Competitiveness Commission, are preparing a Regional Economic Strategy that will support a competitive inclusive Cardiff Capital Region, playing to the strengths of the areas within the region to increase overall opportunity, mobility, jobs and investment⁸.

The Regional Economic Strategy will clearly define the regional objectives and include a programme detailing the targets expected from the City Deal during its lifetime and beyond⁹; together with the indicative spend profile for the wider investment fund (comprising of the HMT Contribution and the Council Contribution in the aggregate sum of £586,000,000). Although focussed on the economy the Regional Economic Strategy will also playing a role in improving the social, environment and cultural well-being of the region and may include additional targets to reflect this.

Although the procedures for the use of the Wider Investment Fund are necessarily detailed the principles are straightforward:

- The Regional Economic Strategy will contain a programme which details the expected targets to be achieved from the City Deal;
- Candidate schemes for the Wider Investment Fund will be assessed to measure how they will support the delivery of these targets; and
- A balanced programme of delivery will be managed to ensure that the defined targets are achieved.

The Regional Economic Strategy will be developed in accordance with the 'sustainable development principle' and in setting regional objectives and targets will seek to support and promote the seven well-being goals as detailed in the Well-being of Future Generations (Wales) Act.

3.2 A Regional Impact Assessment Tool

To assist in the process of assessing Candidate Schemes and measure to what extent they will support the delivery of the targets, detailed in the Regional Economic Strategy, a Regional Impact Assessment Tool is being developed.

The tool will select a broad range of indicators and factors, which are known to have a positive impact on the targets detailed in the Regional Economic Strategy, and be used to measure the level by which Candidate Schemes can contribution to those targets and assess their value for money.

The tool will be designed to consider wider sustainable development objectives and be able to assess and highlight the positive impact proposed Candidate Schemes can have on both

⁸ Growth and Competitiveness Commission Report – Recommendation 2 Economic Strategy

⁹ It is likely that the Regional Economic Strategy will include the specific outcomes recommended by the Growth and Competitiveness Commission, for example on productivity, at least 90% of UK average, median earnings to 95% of UK figure, 25,000 new jobs, employment rate of 70.5%.

social and environmental outcomes and other indirect and non-monetised benefits promoted by the City Deal and included in the Regional Economic Strategy.

An important aspect of this assessment tool will be its ability to identify the spread of any potential benefits to ensure geographic balance across the region and the ability of schemes to target need.

3.3 A Prospectus for Growth and Prosperity

For the purposes of the Wider Investment Fund schemes can take several forms including projects, programmes, investments, funds, loans, grants and contributions and may seek support in the form of capital and/or revenue funding.

The variation in potential schemes and funding requirements reflects the multi-strand approach advocated by the Growth and Competitiveness Commission¹⁰ and the wider investment priorities of the Regional Cabinet¹¹ who are committed to invest in those schemes which support regional economic growth and may cover areas as diverse as regeneration & infrastructure, housing, skills, transport, digital, business growth and sector development, research & development and innovation.

Work is being undertaken under each Regional Cabinet portfolio heading to define groupings of schemes. These groupings will be used to produce a prospectus of eligible scheme types. This strategic approach, rather than an open unstructured bidding process, will ensure a comprehensive, balanced programme that is evidence based and targeted to deliver regional economic growth.

Advice and guidance will be sought from the Regional Advisory/Consultative Bodies in the production of this prospectus to ensure that it includes sufficient flexibility to accommodate changing economic priorities, trends and business needs.

The Wider Investment Fund Prospectus (Prospectus) will define the eligible scheme types and detail the full list of Candidate Schemes showing their various stages of development through the Appraisal Framework including those schemes sufficiently developed to be included on the Wider Investment Fund Delivery Programme (Delivery Programme). The Prospectus will therefore be a live document under constant review and update.

To support this strategic approach and ensure a broad range of interventions, based on evidence, the Regional Cabinet may consider introducing initial indicative allocations of funding in relation to each portfolio and theme within the Prospectus. This approach could assist when assessing the affordability of any candidate schemes.

3.4 Candidate Schemes

Having created a prospectus of eligible scheme types, to ensure a strategic approach to investment, a process to allow appropriate schemes to be submitted for consideration will be introduced.

Candidate Schemes can be submitted by the following 'Candidate Scheme Sponsors':

- Portfolio Leads;
- The constituent authorities;

¹⁰ Growth and Competitiveness Report Page 4

¹¹ CCRCD Heads of Terms Item 16

- Welsh Government;
- UK Government;
- Advisory/Consultative Body; and
- Stipulated Stakeholder.

Portfolio Leads are supported by Portfolio Officers, Theme Leads and associated Strategic Regional Groups ensuring that sufficient suitable Candidate Schemes are being identified and developed for appraisal.

Other Candidate Scheme Sponsors can submit proposals directly for appraisal; however, they are encouraged to actively participate in the appropriate Strategic Regional Group. This will ensure the effective development of proposals which can be submitted jointly with the Portfolio Leads.

In addition, the Regional Cabinet may consider issuing a periodic open call for eligible schemes.

3.5 CCR Wider Investment Fund Scheme Appraisal Framework

Regardless of how the candidate schemes have been submitted they will all be required to follow the same appraisal process which has been developed to be transparent and equitable. This will also apply to Candidate Schemes which are only requesting partial support or a contribution and may be subject to other Appraisal Frameworks or assessment processes. Where this is the case, the Wider Investment Fund portion of the investment will be treated in the same way as a standalone scheme.

The Wider Investment Fund Scheme Appraisal Framework is shown in Figure 2 and illustrates the Gateway system to be used including business case requirements, consultation, assessment process, and the recommendation and decision making protocol.

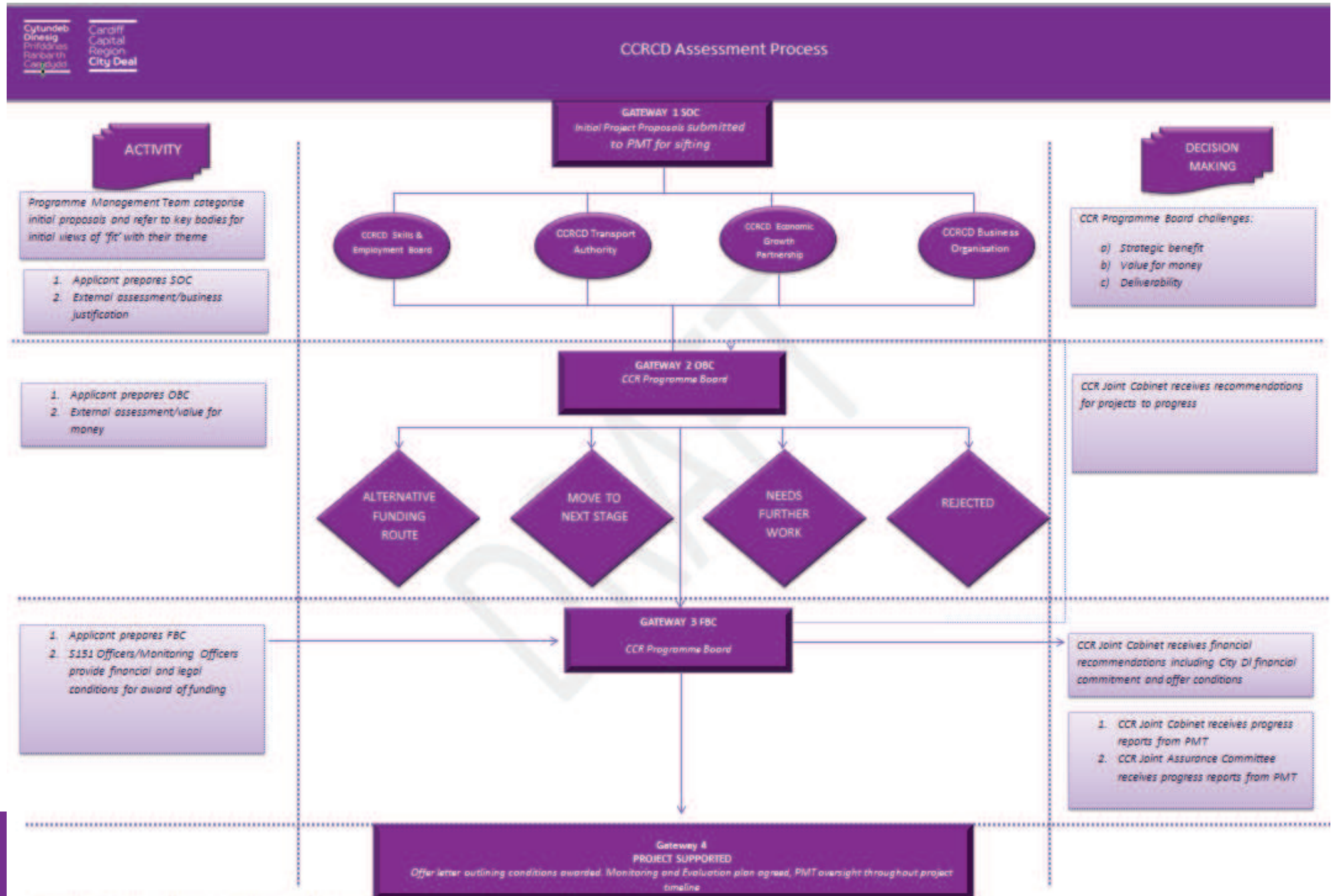
The Assessment Framework will identify those Candidate Schemes in the Prospectus which are eligible to enter the Delivery Programme.

The Regional Office is responsible for co-ordinating and managing the Appraisal Framework including procuring external independent assessments of business cases and for ensuring the separation between the sponsorship of projects/programmes and their appraisal and evaluation.

The Regional Office will produce a set of guidance documentation, including proforma, for Candidate Scheme Sponsors, detailing the various stages of the Appraisal Framework.

The appraisal process is consistent with HM Treasury's Green Book and Business Case Appraisal process and is based on the five cases model; the strategic case; the economic case; the commercial case; the financial case; and the management case.

Figure 2: CCRCD Wider Investment Fund Scheme Assessment Framework



The appraisal process will apply the principle of proportionality, with more detailed information being required for large, complex or contentious schemes. This is important to ensure Candidate Scheme Sponsors are not discouraged from submitting less complex schemes whilst ensuring that large investments are scrutinised and tested appropriately.

3.6 Appraisal Criteria

The main factor in assessing candidate schemes will be the extent to which they contribute to the targets detailed in the Regional Economic Strategy and their value for money, however, to make these assessments detailed information on those proposed schemes is required and will be developed by addressing the criteria detailed below.

The City Deal provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow. The City Deal therefore includes¹²:

- Connecting the region;
- Support for innovation and improving the digital network;
- Developing a skilled workforce and tackling unemployment;
- Supporting enterprise and business growth; and
- Housing development and regeneration.

In addition, the City Deal, over its lifetime, is expected to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.

All Candidate Schemes are required to demonstrate how they will contribute to one or more of these objectives, and others contained in the Regional Economic Strategy, and why the scheme is needed.

The Growth and Competitiveness Commission have recommended that all Candidate Scheme should also demonstrate¹³:

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

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

¹² Cardiff Capital Region City Deal Heads of Terms – Executive Summary.

¹³ Growth and Competitiveness Commission Report – Recommendation 3 City Deal Investment Principles.

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

All Candidate Schemes are required to respond to the Growth and Competitiveness Commission investment principles demonstrating how and to what degree they comply with these recommendations.

All Candidate Schemes are required to quantify their economic impact, employment creation, scale-ability and leverage. Candidate Schemes will also have to demonstrate they are deliverable, represent value for money and that they comply with the necessary regulations including legal and state aid requirements.

3.7 Business Case Development

Three stages of business case development are required in the appraisal process:

- the Initial Proposal (Strategic Outline Case);

This is particularly important as it will focus on establishing the case for the proposal and although at this stage the scheme is not necessarily expected to be fully worked up or immediately deliverable the level of information must be sufficient to gain a clear understanding of the scheme, how it addresses the Appraisal Criteria, estimated costs and benefits.
- the Outline Business Case (OBC);

This will be a substantive business case document and will include a thorough options appraisal to justify the preferred option and an assessment of value for money to underpin the economic case.
- the Full Business Case (FBC).

This will build on the information in the OBC and confirm the scheme has the necessary contractual/procurement and delivery arrangements in place to allow the scheme to proceed.

As indicated previously, the appraisal process will apply the principle of proportionality which may result in the OBC and FBC stages being combined depending on the level and quality of information provided and the complexity of the scheme.

3.8 Support for Candidate Scheme Development

The Regional Cabinet may allocate, on request or application, funding to portfolios to support pre-feasibility and feasibility studies, and development of initial proposals and business cases to ensure that high quality Candidate Schemes are available.

3.9 Value for Money

Each Candidate Scheme must demonstrate value for money i.e. the optimal use of resources to achieve the intended outcomes.

The National Audit Office use three criteria to assess value for money:

- economy – minimising the cost of resources used or required – spending less;
- efficiency – the relationship between the outputs from goods or services and the resources to produce them – spending well; and
- effectiveness – the relationship between the intended and actual results of public spending – spending wisely.

In basic terms value for money is the degree to which benefits exceed costs and the use of HM Treasury's Green Book and Business Case Appraisal process in assessed Candidate Schemes is expected to demonstrate the potential value of any scheme.

The Candidate Scheme business case is also expected to refer, where appropriate, to guidance on value for money and other benefits specific to the nature of the proposed scheme, this will include demonstrating social return on investment and local multiplier benefits. The business case may also highlight how the schemes procurement might improve economic, social and environmental well-being of the region and how such improvements might be secured in its implementation.

The Regional Cabinet when deciding on whether to support a Candidate Scheme will take a wide range of evidence into consideration in addition to the level of value for money. There may be occasions when, although the measure of value for money is low, due to the wider regional economic impacts on the Regional Economic Strategy targets, cost effectiveness, environmental and social impact, and leverage of additional funding the Candidate Scheme will be supported.

3.10 Assessment Process

The role of the Assessment Process is to provide the framework through which a judgement can be made about whether each scheme is robust and has been rigorously assessed against a specific set of criteria to ensure that it achieves value for money.

The Candidate Scheme Sponsors will submit a Candidate Scheme Initial Proposal to the Regional Office who will categorise it against the Scheme Prospectus eligibility groupings and refer it to:

- the appropriate Advisory/Consultation Body with a request to provide observation on the proposed scheme; and
- the external business case assessor requesting that they undertake an independent review with reference to the impact assessment tool.

The Initial Proposal, with the observations and review, will be submitted to the Programme Board who are required to assess all available data and determine if:

- The case is sufficiently strong for the Candidate Scheme to move onto the next stage; or
- The scheme is returned to the Candidate Scheme Sponsor with details of where the Initial Proposal is currently not sufficiently strong to allow it to move forward to the next stage.

If the scheme is supported to go to the next stage the Candidate Scheme Sponsor will be requested to submit an Outline Business Case which, when received, will be sent to

the external business case assessor requesting that they undertake a further review of the additional detail provided.

This review will be submitted to the Programme Board who can make the following recommendations to the Regional Cabinet:

- The scheme does not fall within the Wider Investment Fund scope;
- The scheme does not provide sufficient regional benefit and should be rejected;
- The scheme, although not seeking Wider Investment Funding, is supported and should be promoted as it aligns with the overall objectives of the City Deal;
- The scheme's Outline Business Case is currently not sufficiently strong and should be returned to the Candidate Scheme Sponsor for further work; or
- The scheme should move to the next stage.

The Regional Cabinet will consider the recommendations and resolve either to accept them or based on the available data agree an alternative course of action.

If the Regional Cabinet resolve that the scheme go to the next stage the Candidate Scheme Sponsor will be requested to submit a Full Business Case which, when received, will be sent to the external business case assessor requesting that they undertake a further review of the additional detail provided. The Regional Office, in liaison with the Accountable Body, would also be requested to provide both legal and financial assessments of the proposal.

The review and assessments would be provided to the Programme Board who would submit recommendations to the Regional Cabinet.

The Regional Cabinet, as the decision-making body, would have the responsibility of confirming that the Candidate Scheme is eligible for inclusion in the Delivery Programme.

To ensure that the assessment process is equitable the Regional Office are preparing detailed guidance notes and also proforma for use in the process.

3.11 State Aid

Processes are being established to ensure that schemes supported by the Wider Investment Fund are State Aid compliant.

The business case templates will require Project Sponsors to confirm that their scheme complies with State aid Regulations and does not contravene State Aid Legislation. The templates will also require Project Sponsors to outline what advice (e.g. legal advice) they have had in relation to State Aid, and to confirm their acceptance of the following:

“All applicants need to take steps to satisfy themselves that any CCR Wider Investment Fund funding approved does not amount to unlawful State Aid. A declaration of compliance with EU State Aid regulations will be required prior to any funding being provided. If your project is awarded funds it will be subject to a condition requiring the repayment of any funding in the event that the European Commission determines that the funding constitutes unlawful State Aid.”

Where required, the Accountable Body will also conduct legal due diligence to obtain further confidence that State Aid requirements have been met.

3.12 From Prospectus to Delivery Programme

The Wider Investment Fund will be used to invest in a broad range of interventions over its life time to unlock significant economic growth across the region and it can only achieve its objectives through the delivery of an effective Delivery Programme that accounts for and takes advantage of the interdependencies between individual schemes.

Each portfolio will undertake work to develop schemes and produce a potential delivery programme. However, it is recognised that each individual programme will vary related to timescales for development and implementation. In addition, financial profiles and limits, for both the Wider Investment Fund and other funding sources, may dictate when and to what scale proposals can be funded.

The final decision to release Wider Investment Funds rests with the Regional Cabinet and to do this effectively they will be responsible agreeing the Delivery Programme which delivers on their commitments, is affordable, and value for money.

Candidate Schemes which have successfully passed through the Assessment Framework will be eligible to be included on the Delivery Programme.

3.13 The CCR Wider Investment Fund Delivery Programme

The Wider Investment Fund Delivery Programme (Delivery Programme) will be informed by the details on the number, size and timescales of schemes being progressed through the portfolio and ideally once a scheme's Full Business Case has been approved it will move directly to the Delivery Programme via an offer letter/contract.

In some instances, due to existing financial commitments or changes in priority, schemes may not progress immediately to implementation and the Delivery Programme should clearly reflect these changing circumstances and how they will affect the scheme.

The Regional Cabinet will undertake regular reviews of the Delivery Programme to ensure that it is suitable to deliver on the broad range of interventions necessary to achieve the targets detailed in the Regional Economic Strategy by tackling the regions barriers to economic growth and that it reflects the regions current economic needs.

These Delivery Programme Reviews will assess the balance of interventions and ensure those schemes most likely to deliver on the targets detailed in the Regional Economic Strategy, which are affordable and can be delivered within required timescales, are prioritised.

To commence the process of programme development the Regional Cabinet will, in the first instance, agree an Implementation Plan outlining its proposals for the first 5 years.

3.14 Candidate Scheme Offer of Support and Contract Management

Candidate Schemes eligible for inclusion on the Delivery Programme will undergo a due diligence assessment.

Following approval by the Regional Cabinet the Regional Office working in conjunction with the Accountable Body will prepare an offer letter/contract for agreement with the Project Sponsor or other relevant applicant.

The offer letter may vary according to scheme type, size and complexity but is likely to contain the following which will be monitored by the Contract Management Team within the Regional Office:

- A financial profile – including monthly income and expenditure:
- A profile of outputs and outcomes to be achieved – with key milestones for delivery;
- A risk management log – detailing potential risks to the successful delivery of the scheme and how they will be managed;
- A monthly/quarterly schedule for returning monitoring information; and
- Post completion requirements

3.15 Interim Transition Plan

To apply the CCR Appraisal Process in full a number of supporting processes and actions need to be put in place including:

- A Cardiff Capital Region Economic Strategy defining the regional objectives and including a programme detailing the targets expected from the City Deal during its lifetime and beyond, together with the indicative spend profile for the Wider Investment Fund;
- A Cardiff Capital Region Impact Assessment Tool;
- Establishing the Cardiff Capital Region Advisory/Consultative Bodies; and
- Producing detailed guidance notes and proforma

To assist in co-ordinating and programming these events an Interim Transition Plan is being put in place which will set time-lines for development and detail how potential schemes will be dealt with during this interim phase.

4 Management, Evaluation and Review

4.1 Separation between Sponsorship, Assessment and Approval

For this Assurance Framework to be effective it must establish a clear separation between the sponsorship of schemes and their appraisal, evaluation and approval.

All processes and systems will make a clear distinction between those involved in the development of Candidate Schemes and those responsible for their assessment, submitting recommendations related to their suitability and providing approval.

This division of role will apply across the Appraisal and Assessment Frameworks and will mean that those involved in a portfolio will not take part in the appraisal or approval of any Candidate Schemes within that portfolio. This is especially relevant at both the Programme Board, when preparing recommendations, and at the Regional Cabinet when making decisions.

4.2 Performance Management System

The Regional Office, in liaison with the Accountable Body, is developing a comprehensive performance management system and evaluation framework which will encompass the decision-making process and programme and scheme delivery. This system will enable the Regional Cabinet to:

- Assess the effectiveness, efficiency and value for money of schemes and the overall programme;
- Monitor impact and progress towards agreed aims and goals, and to understand whether schemes are on track to deliver projected outputs and outcomes;
- Maintain scrutiny and accountability;
- Inform future investment priorities and resource allocations; and
- Inform future activities and delivery and the sharing of best practice.

Monitoring and evaluation of the Wider Investment Fund will operate at two interconnected levels, at the level of individual scheme, as defined at the FBC stage through the Assurance Framework; and at the level of the overall Delivery Programme. For schemes of significant scale or complexity the Regional Cabinet may resolve to procure external evaluation.

It will be important that monitoring and evaluation exercises are scheduled to ensure a sufficient evidence base for the 5-year Gateway Review; they will therefore cover impact and economic evaluation as well as process evaluation.

When undertaking the evaluation exercise use will be made of the Regional Impact Assessment tool and its broad range of indicators and factors, which are known to have a positive impact on the targets as detailed in the Regional Economic Strategy.

It is essential that all schemes have an effective monitoring and evaluation plan in place to assess the effectiveness of public spending over time, and so that lessons can be learnt. Schemes will monitor against the outcomes described in the economic case.

Responsibility for monitoring at a strategic level will lie with the Regional Office, whilst at the scheme level responsibility will lie with Scheme Sponsors, with the Regional Office setting compliance measures and ensuring they are adhered to and reported as required.

Over time, prioritisation and sequencing will also involve a feedback loop through which the outcomes of the monitoring and evaluation work will be used to shape future investment priorities.

4.3 Risk Management

A key role of the Assurance Framework is to ensure that risk is identified, monitored and managed appropriately, both at a corporate level and at Delivery Programme and scheme level.

To identify, monitor, manage and mitigate risks at the corporate level, a Corporate Risk Register is being developed aligned to the Wider Investment Fund objectives.

The key principle of the Corporate Risk Register is to identify strategic risks, determine where and by whom such risks are borne, to establish controls to prevent the identified risk (such as funding shortfall) from materialising or establish ways to reduce the impact. The Register will not be limited to financial risks.

As part of the business case evaluation process, Candidate Scheme Sponsors are required to develop a Scheme Risk and Issues Log. This will detail all of the schemes specific risks that have been identified during the development phase of the scheme.

Within the business case templates, being developed, the Sponsor will be required, for key risks, to estimate the impact of the risk materialising and probability of the risk occurring, attribute the risk with a Red, Amber, Green (“RAG”) rating, identify the risk owner, and provide a strategy for risk mitigation.

Scheme risks will be aggregated and reviewed at the strategic level by the Regional Office.

4.4 Contract Management

On acceptance of an offer of support the Project Sponsor or other relevant applicant will become responsible for overseeing the successful implementation and delivery of the scheme. The Regional Office, in liaison with the Accountable Body, will establish a system identifying responsibilities for the production and submission of monitoring information.

The Regional Office will be responsible for collating, recording and reporting on the progress of the individual schemes as well as the overall Delivery Programme. Where schemes do not achieve their agreed milestones for delivery the responsible person will be required to provide evidence to demonstrate they are able to get back on programme. Schemes which consistently fail to meet projected performance, both financial and output, may have funding withdrawn.

4.5 Equality, Diversity and Wellbeing

A key requirement for the Wider Investment Fund is to ensure that ‘equality duty’ is considered and programmes contribute to a fairer society and pay due regard to eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations.

The Wider Investment Fund will also support the Well-being of Future Generations (Wales) Act by playing a role in improving the social, economic, environment and cultural well-being of Wales.

During the application for Wider Investment Funds scheme sponsors will be required to provide evidence they are complying with their equality duties and are supporting the 7 Well-being goals. This will be assessed through an evaluation of the business case templates submitted by applicants.

4.6 Annual Assurance Framework Review

The Assurance Framework is a 'live' document and will be subject to an annual review to ensure that material is kept up to date and to provide quality assurance on the Assurance Framework itself.

It is anticipated that the Assurance Framework will continue to evolve and develop overtime and will reflect any changes to governance arrangements, aims and objectives, economic and social priorities and Candidate Schemes criteria.

There will be a need for the Regional Cabinet in response to changes and initiatives¹⁴ which take place in the period between annual reviews. The Regional Cabinet will, having sought advice if appropriate, instruct interim changes or amendments to be made which will then be regularised at the next annual review.

The Regional Assurance Committee will have a crucial role in both assessing and recommending changes to the Assurance Framework.

4.7 Five Year Gateway Review

Through the CCR City Deal Agreement, the UK Government committed to providing the CCR City Deal with £500m over 20 years, £125m for the Metro Project and £375 for the CCR Wider Investment Fund. The £375 million is proportioned as years 1-5 at £50 million revenue, and years 6-20 at £325 million capital. The full allocation of the funding is subject to the CCRCD's successful completion of the Five Year Gateway Review, which will evaluate the impact of the CCRCD's investment of the funding in the five year period up to the Gateway Review.

Five-yearly Gateway Reviews may be used to assess investments' impact and presently the guidance suggests that economic growth will be the primary metric against which impact is assessed. However, more recent reviews recognise the fact that local and national economic impact of the Investment Fund might not be observable after five years. As a result, the national evaluation panel may use appropriate metrics, such as whether investments are being delivered to time and to budget. Although definitive assessment criteria have not been provided it is anticipated that the Regional Cabinet will have the ability to shape the assessment criteria so that it aligns with the objectives set out in its Regional Economic Strategy.

¹⁴ Examples of such changes or initiatives would include the Welsh Government's proposal to introduce a National Infrastructure Commission, the National Development Framework and the setting up of a Valleys Task Force.

Appendix 1 – List of Defined Terms

Accountable Body	<p>The Accountable Body shall, subject to the statutory role of each constituent Council's monitoring officer in relation to their Council, provide for the purposes of the City Deal Wider Investment Fund the services of its monitoring officer and employ any staff appointed by the CCR Regional Cabinet. Subject to the statutory role of each constituent Council's s151 officer in relation to their Council, the Accountable Body shall provide for the purposes of the CCR Regional Cabinet services of its Chief Financial Officer as Treasurer to the CCR Regional Cabinet.</p> <p>The Accountable Body shall supply the Regional Office with such support services as may reasonably be required, these may include services such as financial, legal, audit and other professional and/or technical services; and administrative functions such as payroll, preparing statement of accounts, VAT returns and liaising with external audit etc.</p>
Additionality	The extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.
Advisory/Consultative Body	Identified bodies who work in support of the Regional Cabinet and are able to submit Candidate Schemes
Affordability	Affordability refers to both the absolute availability of funding to defray the costs of a project (i.e. is there a funding gap?) and the relative cost of the project in relation to other interventions that could otherwise be funded instead. A project can represent Value for Money, but not be affordable, and vice versa.
Annual Business Plan	The business plan to be agreed by the Regional Cabinet containing key objectives and delivery priorities and programme.
Appraisal Criteria	The principles and standards by which candidate schemes will be assessed and decided.
Appraisal Framework	A supporting structure underlying appraisal.
Assessment Framework	A supporting structure underlying assessment.
Assessment Process	A series of actions or steps taken in order to assess candidate schemes.
Assurance Framework	A set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation.
Balanced Objectives	A series of objectives designed to ensure that the whole of the City Region (in terms of geography and people) benefits from growth.
Business Case	The justification of an activity (strategic, programme, project, operational) which typically contains costs, benefits, risks and timescales and against which continuing viability is tested.
Capital Expenditure	Expenditure on the acquisition or creation of a tangible fixed asset or expenditure which adds to and not merely maintains the value of an existing tangible fixed asset.
Candidate Scheme	Appropriate schemes submitted by specific bodies for consideration under the Wider Investment Fund.
Cardiff Capital Region	The region encompassing the constituent authorities.
Cardiff Capital Region City Deal	A £1.229 billion fund consisting of a pre-allocated sum of £734m to the Metro Project and £495m to the Wider Investment Fund.
Cardiff Capital Region Programme Board	A group that supports the senior responsible owner to deliver the programme.
Cardiff Capital Region Prospectus	A programme of Candidate Scheme development.

Constituent Authority	The 10 authorities of: Blaenau Gwent County Borough Council Bridgend County Borough Council; Caerphilly County Borough Council; The City of Cardiff Council; Merthyr Tydfil County Borough Council; Monmouthshire County Council; Newport City Council; Rhondda Cynon Taff County Borough Council; Torfaen County Borough Council; and, Vale of Glamorgan County Borough Council.
Delegated Powers	The powers delegated by authorities to their representative (Leader) on the Regional Cabinet.
Delivery Programme	A flexible structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to strategic objectives.
Impact	Impact is the result of a particular threat or opportunity actually occurring.
Implementation Plan	The process of programme development by the Regional Cabinet in the first instance, outlining its proposals for the first 5 years.
Joint Working Agreement	A legal agreement to delegate and discharge functions.
Objective	Agreed goals.
Outcome	The benefits and other impacts resulting from specific outputs (e.g. reduced journey times, jobs created, reduction in pollution, access to employment etc.)
Output	The tangible or intangible product resulting from a planned activity.
Performance Management System	A system to plan, monitor and review performance i.e. the extent to which objectives have been met in relation to quality, time and cost.
Programme Management	The coordinated organisation, direction and implementation of a prospectus of projects and activities that together achieve outcomes and realise benefits that are of strategic importance.
Project	A temporary grouping that is created for the purpose of delivering one or more products according to a specified business case.
Project Management	The planning, monitoring and control of all aspects of the project and the motivation of all those involved to achieve the project objectives on time and to the specified cost, quality and performance.
Project Manager	The person given authority and responsibility to manage the project on a day-to-day basis to deliver the required products within the constraints agreed with the project board.
Portfolio	All the programmes and stand-alone projects being undertaken.
Regional Assurance Committee	Established to provide an independent scrutiny function over decisions made by the Regional Cabinet.
Regional Cabinet	A Joint Committee established by Agreement comprising the Leaders of the constituent Councils
Regional Economic Strategy	A strategy to clearly define the regional economic objectives and include a high level programme detailing the targets expected from the City Deal during its lifetime and beyond.
Regional Impact Assessment Tool	The tool will select a broad range of indicators and factors which are known to have a positive impact on the targets, detailed in the Regional Economic Strategy, and measure a candidate schemes scale of contribution to those defined targets and value for money.
Regional Office	Established to provide services to the Regional Cabinet, including programme management, financial management of the delivery programme, administration, engagement, and communication.
Regional Transport	Established to co-ordinate regional transport planning and investment.

Authority	
Scheme	Projects, programmes, investments, funds, loans, grants and contributions.
Senior Responsible Owner (SRO)	The single individual with overall responsibility for ensuring that a project or programme meets its objectives and delivers the projected benefit.
Sponsor	The main driving force behind a programme that provide the investment decision and top-level endorsement of the rationale and objectives of the programme.
Stakeholder	Any individual, group or organisation that can affect, be affected by, or perceive itself to be affected by, an initiative (programme, project, activity, risk).
Sub-committee	A committee composed of some members of a larger committee, board, or other body and reporting to it.
Targets	Refers to achieving desired outputs or outcomes at a specific end date, employing a specific amount or resources to achieve a specific objective.
Terms of Reference	The scope and limitations of an activity, group or board.
Transition Plan	A formal, approved document showing major deliverables, activities and resources required in order to transition from implementation to delivery.
Wider Investment Fund	Consisting of £375m of funding provided by the UK Government and £120m of committed borrowing by the constituent authorities.
Value for Money	Value for money assessed using three criteria, economy, efficiency and effectiveness.

DRAFT

Schedule 9
IMPLEMENTATION PLAN

DRAFT

Cardiff Capital Region City Deal Implementation Plan 2016-2020

DRAFT

SRO	<p><i>HMT Implementation Champion(s) for Cardiff Capital Region: Paul Shand</i> <i>Cardiff Capital Region Implementation Champion(s): Sheila Davies/Sian Workman</i> <i>WG Implementation champion for Cardiff Capital Region(s): Tamlyn Rabey/Jo Salway</i></p>
Summary	<ol style="list-style-type: none"> 1. Cardiff Capital Region has secured a deal worth £1.2 billion. Over its lifetime, local partners expect the City Deal to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment. 2. This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that builds on the region's sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow. 3. This deal will also develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses. 4. The Cardiff Capital Region City Deal includes: <ul style="list-style-type: none"> £1.2 billion investment in the Cardiff Capital Region's infrastructure. A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme. Connecting the region. The Cardiff Capital Region will establish a new non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. Support for innovation and improving the digital network. To develop capabilities in Compound Semiconductor Applications the UK Government will invest £50 million to establish a new Catapult Centre in Wales. The Cardiff Capital region will also prioritise investment in research and development and provide support for high value innovative businesses. Developing a skilled workforce and tackling unemployment. The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed. Supporting enterprise and business growth. A Cardiff Capital Region Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders. Housing development and regeneration. The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

Portfolio Leads	<u>Deal Elements</u>	<u>CCRC D Portfolio & Lead</u>	<u>Independent Growth & Competitiveness Commission Recommendation</u>	<u>HMT Lead</u> [To be added where appropriate]	<u>WG Lead</u>
	1.South East Wales Metro and Connecting the CCR	T2.6:Cllr Andrew Morgan and Cllr Huw David	1,2,3,6,8,10		Director of Transport and ICT Infrastructure (SJ)
	2.Additional Flexibilities	T2.2:Cllr Andrew Morgan and Will Godfrey	1,2,3,5,6,8,10,11,12		Head of Local Government Finance (DC) Dept.
	3.Investing in Innovation and the Digital Network	T2.3:Cllr Peter Fox and Cllr Anthony Hunt	1,2,3,4,9		Director ICT Infrastructure (RS)
	4.Developing a Skilled Workforce and Tackling Unemployment	T2.4:Cllr Debbie Wilcox	1,2,3,4,5,6,7		Director Skills, HE and Lifelong Working (HM)
	5.Supporting Enterprise and Business Growth	T2.4:Cllr Phil Bale	1,2,3,4,5,6,12,13		Head of Economy, Skills, Transport Strategy Team (TB)
	6.Housing Development and Regeneration	T2.3:Cllr Neil Moore and Cllr Keith Reynolds	11		Director of Housing & Regen (JH)
	7.Cardiff Capital	T2.1:Cllr Andrew Morgan			

	Region Cabinet				
	8.Strategic Regional Planning	T2.3:Cllr Neil Moore and Cllr Keith Reynolds	13		Head of Planning (NH)
	9.Cardiff Capital Region Economic Growth Partnership	T2.4/P2:Cllr Phil Bale	8		
	10.Independent Growth and Competitiveness Commission	T2.4/P3:Cllr Phil Bale	1,2,3,5		
	11.Delivery, Monitoring and Evaluation	Cllr Andrew Morgan and Sheila Davies	13		
Deal Element: Summary:	1. South East Wales Metro				
	<p><i>Given the importance of the Metro to the UK Government, Welsh Government and Cardiff Capital Region, a proportion of city deal funding is pre-allocated to the delivery of this scheme (which, for the avoidance of doubt, such funding shall not include any Council's Contribution or any obligation under the Joint Working Agreement). This pre-allocation focuses on Metro phase 2, the delivery of the Valley Lines Electrification and Modernisation programme. This City Deal reconfirms the continued shared ambition of both Governments and the Cardiff Capital Region to deliver this Metro scheme. £734 million of the £1.2 billion funding has already been committed to the delivery of this scheme. As part of this City Deal the Welsh Government commits to involving the Cardiff Capital Region in the co-design of the wider Metro scheme and in the procurement of a delivery organisation, subject to an agreed MoU."</i></p>				
Portfolio Lead:	<ul style="list-style-type: none"> Cllr Huw David & Cllr Andrew Morgan 				

<p>completion of document by 2020</p> <ol style="list-style-type: none"> 2. Determine how regional transport networks can most effectively enable strategic spatial planning aspirations 3. Identify transport aims and objectives that support the delivery of a SDP & CCR/City Deal aspirations 4. Procure external resource in developing statutory supporting studies 5. Establish information baseline and undertake appropriate public and stakeholder engagement 			
T2.6/2 Support and Inform Metro Development			
<ul style="list-style-type: none"> • Work in partnership with Welsh Government to define priorities of the South East Wales Metro concept and support its delivery • LA officer seconded into TfW procurement team to support procurement process and assist definition of Metro to align with and complement other City Region aspirations • Determine emerging mode type, service patterns and standards, scope of Phase 2 • Identify opportunities for a programme of additional investment (Phase 3) to deliver wider regional benefits 	Oct 16 – Mar 22		RTA/TfW
T2.6/3 Pooled Local Transport Network and Resources			
<ul style="list-style-type: none"> • Establish CCRTA Joint Transport Committee (as sub-committee to Cardiff Capital Region City Deal Joint Committee) • Establish senior transport officer group • Establish joint working partnerships with Welsh Government and Transport for Wales with clear roles and responsibilities • Establish the CCRTA as the focal point for regional engagement on all LA based transport issues and to respond/influence to third party proposals/services • Identify and develop joint regional initiatives to provide a strategic regional approach to dealing with transport matters • Develop and implement a phased approach to regionalising the 	<p>Oct 16</p> <p>Jan 16</p> <p>Jan 17 – Mar 20</p>		RTA

delivery of transport services and functions, including appropriate staff, accommodation and establishment requirements			
T2.6/4 Integrated Ticketing			
<ul style="list-style-type: none"> • Explore the creation of a single integrated ticketing platform for public transport across the region • The CCRTA will work with Welsh Government, Transport for Wales, bus and rail operators and partners and stakeholders to develop integrated ticketing • In conjunction with Welsh Government; an integration initiative will be developed via an Integration Alliance Board (IAB) which will be established as an alliance to drive forward the integration of public transport to ensure a greater proportion of travel demand is accommodated by sustainable modes • The initiative will be developed in parallel with and complement Phase 2 of Metro • The wider Integration Initiative will include; improving availability of information; simplifying ticketing; making connections between different steps in the journey, and different modes of transport, easier; and providing better interchange facilities • Specific to ticketing, the CCRTA will work within the IAB to; <ul style="list-style-type: none"> • work with the operators to bring forward commercial ticketing products that will be accepted on all modes of transport by all operators • identify the most practical smart technology which can be introduced quickly to enhance the customer experience • ensure the capture of travel data is used to promote public transport options and provide other business opportunities such as shopping vouchers etc. 			RTA/TfW
			RTA/TfW/IAB
T2.6/5 Integrated Aviation Routes			

Working in partnership with the Welsh Government to promote the development of integrated aviation routes from Cardiff airport and St Athan Enterprise Zone, to deliver economic benefit			
1. Review current levels of accessibility and connectivity between the airport / enterprise zone and the wider region		2017-19	
2. Identify options to enhance current levels of accessibility and connectivity		2017-19	
3. Develop a prioritised programme of enhancements and identify appropriate funding opportunities		2017-19	
4. Develop and implement enhancements		2020-25	
Deal Element:	2. Additional Flexibilities		
Summary:	In order to deliver the Cardiff Capital Region's City Deal commitments and a longer-term economic strategy, the ten local authorities have requested greater financial autonomy and flexibility. As part of this City Deal the Welsh Government will explore greater financial autonomy and flexibility with the Cardiff Capital Region Regional Cabinet.		
Portfolio Lead:	<ul style="list-style-type: none"> Cllr Steve Thomas 		
Supported by:	<ul style="list-style-type: none"> Will Godfrey/WAO/WGT 		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks		Timescales	Requirements of Government
T2.2/4 Financial Flexibility			
<ul style="list-style-type: none"> Regional Cabinet to develop a proposal around specifically what they are seeking to explore Meeting to explore the potential of business rate income above an agreed growth baseline to provide funding for the City Deal programme Meeting to explore the ability to levy an infrastructure supplement 		Jan 17 Jan 17 Dec 17	RO WG/WGT WG/WGT

<ul style="list-style-type: none"> Meeting to explore creating the option for the local authorities to use alternative finance sources Explore removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty 			WG/WGT/WAO
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Deal Element: Summary: Portfolio Lead: Supported by:	3. Investing in Innovation and the Digital Network		
	<p>The Cardiff Capital Region has an aspiration to extend the “arc of innovation” that runs along the M4 corridor into the Cardiff Capital Region. Capitalising on the research strengths of the Region’s three universities, the Cardiff Capital Region will designate an “Innovation District” that helps to: create and nurture new high growth businesses; increases investment in research and development; and provides the skills that businesses need now and in the future, significantly improving the commercialisation of IP. Within the context of an Innovation District, there are a set of key and connected interventions that would provide a foundation for investment in innovation growth; grow a cluster of international significance around advanced compound semi-conductors; target and try out new ways of working in public services through a regional ‘testbed’ piloting developments in open and big data and unlocking the economic value of public procurement and building an industrial accommodation strategy for co-working innovation hubs.</p>		
	<ul style="list-style-type: none"> Cllr Peter fox and Cllr Anthony Hunt 		
	<ul style="list-style-type: none"> Paul Matthews/Kellie Bernie/Alison Ward/Matt Lewis 		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks	Timescales	Requirements of Government	Owner
T2.5 /2 Developing an Internationally Competitive Compound Semiconductor Cluster			
Accelerate growth of innovation by: <ul style="list-style-type: none"> Establishing an anchor space in the region for high end production and manufacturing in 2017/18 Link University-supported R&D & IP creation through to production and 	Acquisition of high end factory space March 2017	Co-locate high end production with Catapult Centre	CCRPB/WG

<p>commercialisation – ensuring full TRL presence across 1-3, 3-6 and 6-9</p> <ul style="list-style-type: none"> • Connect Centre for Excellence with Manufacturing and Production and Catapult Centre • Supporting the development of a globally recognised Compound Semi-conductor cluster through an open innovation system, FDI and specialist branding and marketing • Supporting high growth connections through creating ‘collision spaces’ for semi-conductors, defence, automotive and digital sectors 	<p>Catapult location with factory production 2017/18</p> <p>Cluster establishment begins 2019/20</p>	<p>Access to ongoing Innovate UK support and investment</p> <p>UKRI recognises region as honeypot for clustering of CS industries</p>	
T2.5 Innovation District, Innovation Investment and Innovate UK			
<ul style="list-style-type: none"> • Designate an innovation district with a ‘core’ around Cardiff University Innovation System and a ‘corridor’ that links growth poles • Achieve new package of fiscal rewards and incentives through which to target growth and development • Target key emergent and existing growth sectors through enhanced package of measures to invest in growth of IP creation and commercialisation • Develop and match fund an Innovation Investment Fund targeted at the digital growth sector • Improve subscription rate to Innovate UK funds and Investment streams Invest • Inform Innovate UK Industrial Growth Strategy • Site the National Innovation Body for Wales within the Innovation District programmes and activities • Work with WG to support, consolidate and promote innovation through a new National Innovation Body 	<p>2018-33</p> <p>2019/20</p> <p>2020 onwards</p> <p>2019</p> <p>2017/18 onwards</p> <p>January 2017</p> <p>2018</p> <p>2018</p>	<p>Provide powers to designate an Innovation District</p> <p>Agree package of fiscal rewards and incentives</p> <p>Ensure greater engagement in Wales with Innovate’s country Director and direct engagement in the IGS</p> <p>Agreement to</p>	<p>CCRPB/WG</p>

		locate new NIB within the region and designated Innovation District	
T2.5/4 Public Services Testbed, Digital Development and Open Data			
<ul style="list-style-type: none"> • Create testbed to try, test and develop new approaches to public service delivering – inverting notion of a ‘bloated’ and problem public sector into an opportunity. This would focus upon solving the ‘wicked problems’ in public services and will include: <ul style="list-style-type: none"> ○ Development of data science campus for big data analytics ○ Open data standard for the region. Open data programme and strategy that targets useable apps based development; improves accountability and adds civic value ○ Unlock the economic value of public procurement and see councils play a more significant role in market creation ○ Drive forward new solutions to problems in social care, education, customer care, energy and asset optimisation and localism and service devolution • Build upon the success and scale of the Software Academy through creation of a Digital Services Academy – targeting cyber, defence and social media alongside software development • Explore scope for direct international connectivity • Add value to existing 4G and 5G technologies – making the region a zone for uber-fast connectivity and a testbed for new technologies • Increase WIFI capacity across public transport, opening opportunities for data portals and e-citizenship • Implement ‘innovation’ and ‘digital’ as a theme across all areas, impacting the future-proofing of new public transport, smart live-work 	<p>Open data strategy and licence for region 2018</p> <p>Data analytics campus 2020</p> <p>Public services testbed in operation for 2021</p> <p>Digital academy expansion 2019</p> <p>Cyber academy established 2020</p>	<p>Support from all Government agencies in region to sign up to approach – ONS, IPO, and Companies House etc.</p> <p>Innovate UK and H20/20 support for Public Services Testbed</p>	CCRPB/WG

housing, smart region development (urban-rural-valley) and ensuring our young people are equipped and skilled to operate in the economies of the future.				
T2.5/4 Industrial Accommodation Strategy & Entrepreneurship				
<ul style="list-style-type: none"> Re-invigorate and adapt the National Entrepreneurship Strategy for the region Engage in and implement the findings and recommendations of REAP Action Plan Create 'maker/coding/co-working' spaces to enable the development of appropriate business development, scale-up and creative co-working environments. 		2020 2018 onwards for REAP recommendations First co-working space live in 2020	Support for implementation of REAP Development of regional ES supported by WG New arrangements in place for liaison and engagement with UKRI	CCRPB/WG
Deal Element:	4. Developing a Skilled Workforce and Tackling Unemployment			
Summary:	The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed.			
Portfolio Lead:	<ul style="list-style-type: none"> Cllr Debbie Wilcox 			
Supported	<ul style="list-style-type: none"> Stephen Gillingham/Richard Crook 			

by:			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks	Timescales	Requirements of Government	Owner
T2.4/1 DWP Work & Health			
<ul style="list-style-type: none"> Co-design of future employment support Award of framework contracts Agreement of CCRCDC involvement in mini framework awards Agreement of CCRCDC involvement in the CPA governance of the contract performance 	Nov 17	Engagement with DWP	RC/DWP
T2.4/2 Reducing Unemployment			
<ul style="list-style-type: none"> Increase number of people moving into work A regional approach for assessment and support using the 5 step Model The integration of the All Age Employability Strategy into delivery Ensuring the provision of skills for support employability The preparation of a CCRCDC Employability strategy to provide the context to shape existing provision, to direct new provision and measure performance will cover increasing employability and reducing UE. The strategy will be produced for October 2017 with the delivery being ongoing 	Oct 17		LSKIP
T2.4/3 Increasing Employability			
<ul style="list-style-type: none"> Provide people with skills for employability Increase number of people moving into work A regional approach for assessment and support using the 5 step Model The integration of the All Age Employability Strategy into delivery Ensuring the provision of skills for support employability The preparation of a CCRCDC Employability strategy to provide the context to shape existing provision, to direct new provision and 	Oct 17		LSKIP

measure performance will cover increasing employability and reducing UE. The strategy will be produced for October 2017 with the delivery being ongoing			
T2.4/4 Apprenticeship Programme			
<ul style="list-style-type: none"> • Increase the number of people undertaking apprenticeships • The programme will need to include the Programme for Government intention of delivering 100,000 apprenticeships, the current supply and demand, and opportunity to develop a tailored CCRCD response. An initial programme will be developed for March 2017 with full programme finalised for October 2017 in line with the Employability Strategy 	Oct 17		LSKIP
T2.4/P1 Social Clauses Review			
<ul style="list-style-type: none"> • Task and Finish review of best practice to establish a sustainable approach to procurement 	June 17		LSKIP
T2.4/P1 Business Cluster (Skills) Collaboration			
<ul style="list-style-type: none"> • Structural engagement with business clusters to ensure skills needs are met 	June 17		LSKIP
T2.4/P1 Virtual Academies			
<ul style="list-style-type: none"> • Development of the model of how the VA would operate in response to opportunity 	June 17		LSKIP
T2.5/4 Software Academy			
<ul style="list-style-type: none"> • The Digital Network • Support the Software Academy and related programmes • Developing a cyber-security academy • Developing proposals for better use of data • Exploring the case for direct International connectivity • Mobile infrastructure across 4G and 5G technologies that add value to existing provision • Increasing Wi-Fi across public transport 	June 17		LSKIP

<ul style="list-style-type: none"> Digital solutions to big problems 			
Deal Element:	5. Supporting Enterprise and Business Growth		
Summary:	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.		
Portfolio Lead:	<ul style="list-style-type: none"> Cllr Peter Fox & Cllr Anthony Hunt 		
Supported by:	<ul style="list-style-type: none"> Paul Matthews/Kellie Bernie/Alison Ward/Matt Lewis/Helen Davies/Ann Beynon 		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks	Timescales	Requirements of Government	Owner
T2.5/P1 Creating the Regional Business Organisation			
<ul style="list-style-type: none"> Establish the board 			HD/AB
Key milestones/tasks	Timescales	Requirements of Government	Owner
T2.5/5 Integrated Delivery Unit			
<ul style="list-style-type: none"> Create a Regional integrated Delivery unit to provide Business Support Align local resources to create the unit to deliver regionally significant aspects of economic development including business development; marketing; tourism; and inward investment Work with Welsh Government to ensure complementarity Welsh Government to ensure greater levels of visibility with the Welsh Government's own oversees offices 		WG oversees offices/networks	RO RO RO RO

Deal Element:	6. Housing Development and Regeneration		
Summary:	The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.		
Portfolio Lead:	<ul style="list-style-type: none"> • Cllr Moore & Cllr Reynolds 		
Supported by:	<ul style="list-style-type: none"> • Chris Burns/Christina Harry/Rob Thomas/Marcus Goldsworthy/Jane Cook 		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks	Timescales	Requirements of Government	Owner
T2.3/3 Development of a CCRC Housing Fund			
<ul style="list-style-type: none"> • Evidence base of reasons why housing sites are stalled in SE Wales • Development of toolkit of interventions to stimulate housing development • Complete decision tree to identify the right tools for particular site circumstances • Establish non-financial mechanisms e.g. facilitating landowners; CPO etc. • Establish fund criteria to ensure sites supported deliver economic benefit • Establish fund administration and management arrangements • Establish evaluation mechanism • Launch fund 	2017-2020		JC
T2.3/3 Work with Welsh Government to ensure that housing programmes and initiatives align			
<ul style="list-style-type: none"> • Scope WG housing activity • Share City Deal Activity • Align work streams 	2017-2020		JC
T2.3/3 Work with public and private housing providers to increase the delivery and quality of housing			

<ul style="list-style-type: none"> Establish regional fora Lead task and finish activity Explore innovative housing delivery partnerships 	2017-2020		JC
T2.3/3 Work with public and private housing providers to increase the delivery and quality of housing			
<ul style="list-style-type: none"> Establish regional fora Lead task and finish activity Explore innovative housing delivery partnerships 	2017-2020		JC
T2.3/3 Strategic Plan for Regional Housing delivery, including Market Assessment			
T2.3/1 Coordinate with transport; skills; planning and other CCRCDC work streams			
T2.3/1 Strategic approach to regeneration & infrastructure provision			
<ul style="list-style-type: none"> Develop a process to capture review and assess infrastructure and regeneration projects which accord with City Deal principles and ensure all submitted schemes and programmes undergo the assessment process and only those meeting the assessment criteria are progressed. Develop a framework based on supporting information provided by the transport, housing, innovation and business support and skill strand to promote innovative infrastructure, regeneration and economic growth projects in collaboration and/or in partnership in order to maximise leverage from the private and public sectors; Facilitate the development of schemes with partners including Welsh Government which together have the potential to provide region wide benefits; Develop a program of support for the three Enterprise Zones within the region in conjunction with Welsh Government and review the boundaries and roles of the Zones going forward The development of further innovative start-up and co-working space in strategic locations to serve the region along with the follow-on space innovative business need to grow. Targeted investment for town centre regeneration to ensure our 	<p>April 2017</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p> <p>April 2017-2020</p>		MG

<p>towns develop and thrive into the 21st century</p> <ul style="list-style-type: none"> • The Development of a regeneration and infrastructure fund to support projects which deliver crosscutting regional benefits. • Use the outcomes of the assessment process and City Deal Regional Cabinet resolutions to prepare a regional programme of implementation based on available funding; • Ensure that the regional programme of implementation is monitored and updated based on revised funding and priorities and ensures that project implementation maximises added value benefits and sustainability principles. • Tourism development/investment – Development of a region wide destination investment plan 	<p>April 2017-2020</p> <p>April 2017-2020</p>		
<p>Deal Element: Summary:</p> <p>Portfolio Lead: Supported by:</p>	<p>7. Cardiff Capital Region Cabinet</p> <p>This City Deal will act as a catalyst to develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses.</p> <p>Utilising the existing statutory framework, the ten local authorities will establish a Cardiff Capital Region Cabinet. The Cabinet will have the status of a Joint Committee and will be the ultimate decision making body in the governance structure.</p> <p>The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region.</p> <ul style="list-style-type: none"> • Cllr Toomey • Gareth Chapman/Liz Weale/Pincent Mason <p><i>N.B. unless specified, timescales to be read as 2016-2020</i></p>		

Key milestones/tasks		Timescales	Requirements of Government	Owner
T2.2/1 Agreement and Governance Structure				
<ul style="list-style-type: none"> A comprehensive agreement will be drawn up between the participating authorities which will a) bind and commit each individual local authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal; and b) allow for the possibility of additional functions and powers to be devolved to the Cabinet in the future 		Jan 17		GC
T2.2/2 Governance Development				
<ul style="list-style-type: none"> The Cardiff Capital Region commit to a) reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding; and b) consulting the Welsh Government and the UK Government to identify actions needed to take forward future governance options 				GC
Deal Element:	8. Strategic Regional Planning			
Summary:	The Cardiff Capital Region, in partnership with the Welsh Government, will commit to the creation of an integrated strategic development plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region.			
Portfolio Lead:	<ul style="list-style-type: none"> Cllr Moore & Cllr Reynolds 			
Supported by:	<ul style="list-style-type: none"> Chris Burns/Christina Harry/Rob Thomas 			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>				
Key milestones/tasks		Timescales	Requirements of Government	Owner
T2.4/4 Regional Strategic Planning				

	<ul style="list-style-type: none"> Create an Integrated Strategic Development Plan 			RT/CH
Deal Element:	9. Cardiff Capital Region Economic Growth Partnership			
Summary:	<p>The Cardiff Capital Region Economic Growth Partnership will be established as a key advisory body for the development of the Regional Economic Strategy as well as decisions relating to the City Deal Wider Investment Fund. The Partnership will comprise representatives of the key economic actors and agents of the city-region, including business, higher education, local government, the third sector and employee organisations. In addition to being an advisory body for the Regional Economic Strategy, and providing advice on the Wider Investment Fund, the Partnership will also provide an advocacy role in promoting the city-region, which includes supporting the marketing of the city-region and inward investment activities, as well as making representations on behalf of the city-region. In undertaking these activities the Partnership will also monitor and make recommendations to the Regional Cabinet with regard to City Deal implementation; and will provide advice on investment decisions.</p>			
Portfolio Lead:	<ul style="list-style-type: none"> Cllr Bale 			
Supported by:	<ul style="list-style-type: none"> Paul Orders 			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>				
Key milestones/tasks		Timescales	Requirements of Government	Owner
T2.4 Establish the Regional Economic Growth Partnership (REGP)				
<ul style="list-style-type: none"> Develop detailed proposals for the REGP and report back to Joint Cabinet 		2016 Early 2017		PO
<ul style="list-style-type: none"> Finalise proposals to align with legislation and the wider city deal requirements around governance and the wider investment fund assurance framework 		Early 2017 Early 2017		
<ul style="list-style-type: none"> Identify an individual to support the Nolan process in appointing a chair 		Spring 2017		
<ul style="list-style-type: none"> Identify representative groups from the business community and 				

	employee groups, inviting Higher Education institutions to propose a representative and establish interim board			
	<ul style="list-style-type: none"> Establish full REGP 			
Deal Element:	10. Independent Growth and Competitiveness Commission			
Summary:	The Cardiff Capital Region will establish an independent Growth and Competitiveness Commission to support the city region's economic and investment strategy. It will review activities related to the City Deal as well as wider economic and growth interventions.			
Portfolio Lead:	<ul style="list-style-type: none"> Cllr Bale 			
Supported by:	<ul style="list-style-type: none"> Paul Orders 			
<i>N.B. unless specified, timescales to be read as 2016-2020</i>				
Key milestones/tasks		Timescales	Requirements of Government	Owner
T2.4/P3 Review of evidence				
	<ul style="list-style-type: none"> Establish terms of reference and programme June 2016 Launch event June 2016 Commence programme, beginning with a review of evidence about the functional economy area. Deliver a detailed economic analysis of the city-region Findings launched December 2016 	2015/16		GC
Deal Element:	11. Delivery, Monitoring and Evaluation			
Summary:	Cardiff Capital Region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation plan in advance of implementation, which sets out the proposed approach delivery and evaluating the impact of delivery.			

Portfolio Lead:	• Cllr Morgan		
Supported by:	• Sheila Davies/Sian Workman		
<i>N.B. unless specified, timescales to be read as 2016-2020</i>			
Key milestones/tasks	Timescales	Requirements of Government	Owner
T2.1 Establish the Regional Office (RO)			
<ul style="list-style-type: none"> Establish the joint programme management team Establish the regional delivery team Develop and deploy over-arching programme monitoring tools and processes Introduce individual evaluation arrangements covering each portfolio area referenced Produce the 2017/18 Business Plan 	Jan 17	Support in the development of the framework	SD/SW SW SW SD/SW
T2.1 Establish a Comprehensive Transition Programme			
<ul style="list-style-type: none"> A comprehensive programme of work to ensure a seamless transition to city deal arrangements Ensure that appropriate arrangements are put in place to support the CCRCD including accommodation, staff resources, HR support, financial systems and audit arrangements and IT systems Effective 'internal' communication will be required 	Jan 17	Support in the development of the framework	SW SW/WGT/UKG SW
T2.1 Agree and Implement a Review and Reporting Timetable			
<ul style="list-style-type: none"> A comprehensive timetable to ensure requisite multilateral review and reporting arrangements are met by all partners Establish a clear mechanism for refreshing the city-region implementation plan (it is quite possible that named individuals may change as the result of elections, and we anticipate that some milestones can only be developed or refined following initial exploratory work) and agreeing clear governance over how revisions 	Jan 17	Support in the development of the timetable Welsh Government City Deal	SW/WGT/UKG SW

are approved		Overview Board	
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Consider: Key Stakeholder list (who is involved in delivery, who is the accountable officer); Coms (who, when, how); Budget / costs (who is paying); Resource implications (how much effort (FTE and time) to complete each action; Interdependencies (which actions can't commence until others have been completed) and Governance (who will sign off the plan, and who will monitor progress and when).

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The Common Seal of **BLAENAU GWENT**)
COUNTY BOROUGH COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **BRIDGEND COUNTY**)
BOROUGH COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **CAERPHILLY COUNTY**)
BOROUGH COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **THE COUNTY**)
COUNCIL OF THE CITY & COUNTY OF)
CARDIFF was hereunto affixed in the)
presence of:-)

The Common Seal of **MERTHYR TYDFIL**)
COUNTY BOROUGH COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **MONMOUTHSHIRE**)
COUNTY COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **NEWPORT**)
CITY COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **RHONDDA CYNON**)
TAFF COUNTY BOROUGH COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **TORFAEN COUNTY**)
BOROUGH COUNCIL was)
hereunto affixed in the presence of:-)

The Common Seal of **THE VALE OF**)
GLAMORGAN COUNCIL was)
hereunto affixed in the presence of:-)