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- 1 Cardiff Capital Region Cabinet - 18th February 2019

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18th February 2019, 11.00 a.m.

Meeting Room 3, Tredomen Innovation & Technology Centre,
Ystrad Mynach, CF82 7FQ

Agenda

1. Welcome and Apologies for Absence
To receive any apologies for absence
2. Declarations of Interest
To be made at the start of the Agenda Item in question, in accordance with the members Code of Conduct
3. Draft Minutes of Regional Cabinet held on 17th December 2018
4. Report on 2018/19 Month 9 Monitoring Position and Update on Statement of Accounts
To receive the Report of Accountable Body –Section 151 Officer Cardiff Capital Region City Deal
5. Report on 2018-19 Annual Business Plan - Quarter 3 Performance
To receive the Report of Cardiff Capital Region Director
6. Report on 2019/20 Joint Committee Revenue Budget
To receive the Report of Accountable Body –Section 151 Officer Cardiff Capital Region City Deal
7. Report on The Wider Investment Fund Annual Business Plan 2019/20
To receive the Report of Cardiff Capital Region Director
8. Report on Establishment of the City Deal Office - Restructure and Resourcing Plan 2019/20-2020-21
To receive the Report of Cardiff Capital Region Director
9. Report on Regional Economic Growth Partnership – Initial Industrial and Economic Growth Plan
To receive the Report of Portfolio Leads For Innovation and Business, Councillors Huw Thomas and Peter Fox
10. Report on Strategic Outline Programme for Metro Plus - Phase 1 Programme of Local 'Future Mobility' Schemes
To receive the Report of Councillor Huw David, Chair of Regional Transport Authority
11. Report on Welsh Audit Office Review of the Arrangements That Supported Cardiff Capital Region First Investment Decision.
To receive the Report of Cardiff Capital Region Director

Kellie Beirne
CCR Director
18 February 2019

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg

REGIONAL CABINET MEETING: 17 DECEMBER 2018

Regional Cabinet Members Present:

Cllr Nigel Daniels, Leader	-	Blaenau Gwent Council
Michelle Morris, Managing Director	-	Blaenau Gwent Council
Cllr Huw David, Leader	-	Bridgend Council
Darren Mepham, Chief Exec	-	Bridgend Council
Cllr David Poole, Leader	-	Caerphilly Council
Christina Harray, Interim Chief Exec	-	Caerphilly Council
Cllr Huw Thomas, Leader	-	Cardiff Council
Paul Orders, Chief Exec	-	Cardiff Council
Cllr Kevin O'Neill, Leader	-	Merthyr Tydfil Council
Gareth Chapman, Chief Exec	-	Merthyr Tydfil Council
Cllr Peter Fox, Leader	-	Monmouthshire Council
Paul Matthews, Chief Exec	-	Monmouthshire Council
Cllr Debbie Wilcox, Leader	-	Newport Council
Will Godfrey, Chief Exec	-	Newport Council
Cllr Andrew Morgan, Leader (Chair)	-	Rhondda Cynon Taf Council
Chris Bradshaw, Chief Exec	-	Rhondda Cynon Taf Council
Cllr Anthony Hunt, Leader	-	Torfaen Council
Alison Ward, Chief Exec	-	Torfaen Council
Cllr John Thomas, Leader	-	Vale of Glamorgan Council
Rob Thomas, Chief Exec	-	Vale of Glamorgan Council

Officers:

Christine Salter	-	Accountable Body
Liz Weale	-	Accountable Body
Hrjinder Singh	-	Accountable Body
Alistair Milburn	-	Effective Communications
Kellie Beirne	-	City Deal PMO
Nicola Somerville	-	City Deal PMO

Further Attendees:-

Phil Pugh	-	Wales Audit Office
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Apologies:

Cllr Huw Thomas, Leader	-	Cardiff Council
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1. Welcome and Apologies for Absence

Cllr Morgan welcomed colleagues to the meeting and apologies for absence were noted.

2. Declarations of Interest

Cllr Morgan asked that all Members declare any relevant interest at the start of the agenda item in question, in accordance with the Members Code of Conduct.

There were no declarations of interest made at the meeting.

3. Draft Minutes of Regional Cabinet held on 08th October 2018

The draft minutes of the meeting held on the 08th October 2018 were accepted as an accurate record.

4. 2017/18 Audited Statement of Accounts

The Regional Cabinet considered a report on behalf of Christine Salter, Corporate Director Resources, regarding the 2017/18 Audited Statement of Accounts for consideration and approval.

RESOLVED: it was agreed that Regional Cabinet authorised the:

- i. Chair of the Joint Committee to sign the Statement of Responsibilities for the Financial Statements on page 10 of Appendix A, the Annual Governance Statement on page 54 of Appendix A and the Letter of Representation to the Wales Audit Office for 2017/18 (Appendix C);
- ii. Joint Committee Section 151 Officer to sign the Chief Financial Officer's Statement of Responsibilities on page 11 of Appendix A;
- iii. Programme Director to also sign the Annual Governance Statement on page 54 of Appendix A and the Letter of Representation to the Wales Audit Office for 2017/18 (Appendix C); and
- iv. Accountable Body to replace published unaudited Statement of Accounts with the final, audited Statement of Accounts and to make arrangements for the necessary public notifications as soon as possible.

5. 2018-19 Annual Business Plan - Quarter 2 Performance Report

The Regional Cabinet considered a report on behalf of the Cardiff Capital Region Director regarding the 2018-19 Annual Business Plan - Quarter 2 Performance Report for consideration and approval.

RESOLVED: it was agreed that Regional Cabinet:

- a) Noted the overall progress of Quarter 2 for 2018/19, including the position against the Wider Investment Fund budget and the revised 'performance scorecard' style of reporting;
- b) Considered and deemed acceptable to approve the Quarter 2 performance report;
- c) Considered and deemed acceptable to approve the amended and updated Work Programme with its emphasis on the wider critical success factors needed for success. To note, that notwithstanding such adjustments, the key line of sight back to the existing five year JWA Business Plan and the annual Business Plan 2018-19;
- d) Waived the time limit prescribed in clauses 7.3.1 and 7.3.2 of the Joint Working Agreement in relation to the preparation, circulation and approval of the draft Annual Business plan for 2019/20; and,
- e) Authorised the Director of the Cardiff Capital Region City Deal to formally submit the Quarter 2 performance report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet.

6. 2018/19 Month 07 Joint Committee Revenue Budget Monitoring Position

The Regional Cabinet considered a report on behalf of Christine Salter, Corporate Director Resources, regarding the 2018/19 Month 07 Joint Committee Revenue Budget Monitoring Position for consideration and approval.

RESOLVED: it was agreed that Regional Cabinet:

- a) Noted the actual expenditure, income and projected full year out-turn position as at the 31st October 2018 (Month 07), against its approved 2018/19 Revenue Budget.

7. Cardiff Capital Region Industrial and Economic Plan – Statement of Intent

The Regional Cabinet considered a report on behalf of the Cardiff Capital Region Director regarding the 2018-19 Annual Business Plan - Quarter 2 Performance Report for consideration and approval.

RESOLVED: it was agreed that Regional Cabinet:

- i) Endorsed the direction taken by the Regional Economic Growth Partnership in developing an Industrial and Economic Plan for the region; and
- ii) Agreed to the publication of the Industrial and Economic Plan – Statement of Intent contained in Appendix 1 of this report.

8. Cardiff Capital Region Business Council - 2018/19 Business Plan

The Regional Cabinet considered a report on behalf of the Cardiff Capital Region Director regarding the Cardiff Capital Region Industrial and Economic Plan – Statement of Intent for consideration and approval.

RESOLVED: it was agreed that Regional Cabinet:

- a) Approved the inaugural Business Plan of the Regional Business Council 2018-19 and associated expenditure of £35,000, representing the contribution required of the City Deal to realising the objectives set out in the plan.
- b) Noted that £30,000 of the £35,000 was approved 'in-principle' as part of the MIPIM Business and Investment Case (Report to Regional Cabinet of 24 September 2018).
- c) Recognised the reasons for this shorter-term approach and the need to build-in the flexibility to review progress; and for the Regional Business Council to adapt and respond to uncertain conditions.
- d) Noted the continued commitment to participation in MIPIM and the hugely significant and positive work taking place to ensure it has every chance of success.

9. Cardiff Capital Region Graduate Scheme

The Regional Cabinet considered a report on behalf of the Councillor Debbie Wilcox and the Cardiff Capital Region Director regarding the Cardiff Capital Region Graduate Scheme for consideration and approval.

RESOLVED: it was agreed that Regional Cabinet allocated £175,000 from the Wider Investment Fund for a one-year pilot of the Cardiff Capital Region Graduate Scheme in the Cardiff Capital Region as detailed in the report.

Cllr Morgan thanked colleagues for attending and the meeting was concluded.

18 FEBRUARY 2019 MEETING

2018/19 MONTH 09 JOINT COMMITTEE REVENUE BUDGET MONITORING POSITION AND STATEMENT OF ACCOUNTS UPDATE

REPORT OF ACCOUNTABLE BODY – SECTION 151 OFFICER, CARDIFF CAPITAL REGION CITY DEAL

AGENDA ITEM: 4

Reason for this Report

1. To provide the Cardiff Capital Region Joint Committee (Regional Cabinet) with details of actual expenditure, income and the projected full year out-turn position as at the 31st December 2018 (Month 09), against its approved 2018/19 Joint Committee Revenue Budget.
2. To provide an update to Regional Cabinet on the Accounts and Audit (Wales) (Amendments) Regulations 2018, which set earlier statutory deadlines for the production and approval of the Statement of Accounts and to address the specific recommendation made by the Wales Audit Office in relation to matter as part of the 2017/18 audit process.

Background

3. At its meeting of the 15th January 2018, Regional Cabinet approved its 2018/19 Joint Committee Revenue Budget. The budget provides the necessary resources in respect of the Programme Management Office (PMO) and the Accountable Body (AB) support arrangements, which support the work of the Regional Cabinet.
4. The budget is funded from a combination of the underspend brought forward from 2017/18, with the balance being met from local authority '2018/19 Partner Revenue Contributions'.
5. This is the third budget monitoring report of the current financial year, which follows on from reports presented at Month 04 and Month 07. The latter reported that overall, expenditure was projected to be on target with the approved 2018/19 budget at that time.

Issues

6. Regional Cabinet was formally established on 1st March 2017 and therefore, 2018/19 represents its second full year of operation. The inaugural year was primarily spent on ensuring that all governance, accountability and project arrangements were set-up and executed in line with the Joint Working Agreement. In addition to this, Regional Cabinet also approved its first project investment (the Compound Semi-Conductor Foundry project) and gave in-principle approval to a further four projects, namely Skills for the Future, Regional Housing Investment Fund, Digital Strategy and Metro Central Project. Updates relating to these projects can be found in the City Deal Director's Quarterly Performance Reports.
7. The second half of 2018/19 has seen the appointment of a new City Deal Director to support the work of Regional Cabinet, through the development of the next stage of the City Deal. With this in mind, the Director has completed an assessment of 'existing structures'. Structures reviewed include both the PMO and the 'Theme Lead Officer' roles designed to lead on Programme Development and stimulate the 'Project Delivery Pipeline'.
8. The assessment has concluded that there is a need to build extended virtual and agile teams, which have the breadth, skills, networks and capabilities to evolve the City Deal into the next phase of its growth. In addition, changes are suggested to the 'Theme Lead Model', resulting in the establishment of the City Deal Office (CDO). Details of the proposals are fully set-out in a separate report, which Regional Cabinet will also be considering at its meeting of the 18th February.
9. This monitoring report provides an update in terms of the cost implications arising from the establishment of the CDO and how these impact on the resources that were being held back, earlier in the year. In summary, due to the lead times associated with implementing the proposed structure, much of the resources earmarked for this purpose, can now be released.
10. However, circa £50,000 of the resources referred to above, will be needed to cover one-off recruitment costs which are projected to be incurred in the current financial year. These costs relate to 3 new Chief Officer posts within the City Deal Office. In order to manage these costs a one-off, in-year budget virement has been actioned between the PMO employee budget and the Accountable Body's HR People Services budget. The budget changes resulting from this virement are reflected within Table 1 below.
11. At Month 09 the actual expenditure incurred amounts to £472,474 which represents 45% of the annual budget. The out-turn is estimated as being £972,693, resulting a projected underspend of -£77,307 at Month 09. Table 1 summarises the position at Month 09 and a narrative summary is outlined below.

Table 1: Month 09 Joint Committee Revenue Budget Monitoring Position

	Revised Budget £	Mth 09 Actual £	Projected Year End £	Variance £
Expenditure				
Programme Management Office (PMO)	699,015	295,410	633,789	-65,226
Accountable Body Support Services	350,985	177,064	338,904	-12,081
Gross Expenditure*	1,050,000	472,474	972,693	-77,307
Funded by				
Local Authority Partner Contributions	-1,050,000	-1,040,431	-1,050,000	0
Net Position	0	-567,957	-77,307	-77,307

* Note: the approved budget for 2018/19 amounts to £1,159,940 and included funding of £109,940 in respect of two FTEs from the Wider Investment Fund (WIF). Actual costs against this element of the budget will be reported against the WIF budget via the Quarterly Performance Reports.

Programme Management Office: Underspend (-£65,126)

12. At Month 09 the actual expenditure incurred amounts to £295,410 and represents just over 42% of the approved Programme Management Office (PMO) budget, reduced accordingly for the virement outlined above in paragraph 10.
13. As a result of the CDO proposals set out above, the anticipated increase in staffing costs previously reported is now not expected to impact 2018/19. The projections and variances have been updated accordingly to reflect the revised out-turn position. A summary of the PMO budget positions are shown in Table 2 below, along with narrative summary of the major variances:

Table 2: Programme Management Office – Month 09 Budget Summary

	Revised Budget £	Mth 09 Actual £	Projected Year End £	Variance £
<u>Programme Management Office (PMO)</u>				
Employee Related	425,976	204,152	308,055	-117,921
Premises Related	20,564	16,309	20,606	42
Transport Related	7,500	4,836	7,500	0
Supplies & Services	87,390	19,453	74,500	-12,890
Joint Scrutiny	20,000	0	25,000	5,000
External Support - Communications & Media	25,000	50,660	65,228	40,228
5 Year Gateway Review Support	50,000	0	69,500	19,500
Contingency	62,585	0	63,400	815
Sub Total	699,015	295,410	633,789	-65,226

Employee Related Budgets: (-£117,921)

14. At Month 09, the actual costs amount to £204,152 and relate to the Programme Director, two Project Support posts and a part year cost for the vacant Delivery Lead post. In addition, the projection captures the costs of the Development Officer (Digital) post which commenced in October 2018 and the Operational Manager – Strategic Lead post which commenced in December 2018.
15. As a result of the proposals outlined above in respect of the City Deal Office and allowing for the impact of the budget virement (£50,000) to the HR People Services budget, an underspend of -£117,921 is now being projected against the Employee Related budgets at Month 09.

External Support – Communications & Media: (+£40,228)

16. Communications & Media costs continue to be overspent, although this is mitigated by an underspend of £20,000 contained within the overall Supplies & Services position. These costs will continue to be closely monitored for the remainder of the year, whilst alternative in-house arrangements are being proposed in respect of the 2019/20 budget.

5 Year Gateway Review Support: (+£19,500)

17. A budget of £50,000 has been approved in 2018/19 to fund work associated with the Gateway Review process. Discussions have taken place between the PMO and SQW (HM Treasury's appointed advisors) regarding the costs to the Cardiff Capital Region for the development and assessment of Locality Frameworks and Locality Evaluation Plans. These will build on the work of the National Evaluation Framework which was largely completed in 2017/18.
18. At Month 09, information has been received from SQW regarding their costs for the current year, which are estimated to be £69,500. As a result an overspend of +£19,500 is now projected against this budget. Details of activity levels and costs relating to futures have also been made available and these have been built into future year budgets accordingly.

Accountable Body Support & Related Services: Underspend (-£12,081)

19. At Month 09, actual costs amounting to £177,064 were incurred in relation to the Accountable Body Support Services budget and equate to just over 50% of the full year budget. The position at Month 09 assumes that the full year projection will result in an underspend of -£12,081 against the revised budget of £350,985, which has increased as a result of the virement outlined above.
20. A summary of the Accountable Body Support Services budgets are shown in Table 3 below, along with narrative summary of the major variances:

Table 3: Accountable Body Support Services – Month 09 Budget Summary

	Revised Budget £	Mth 09 Actual £	Projected Year End £	Variance £
<u>Accountable Body Support Services</u>				
HR People Services	61,250	10,387	57,550	-3,700
Finance & Accountancy Support	135,640	98,529	136,796	1,156
Exchequer, Internal Audit & Insurance	3,535	2,303	3,070	-465
Legal & Governance Support	108,815	54,189	108,815	0
ICT, Information & Governance	14,830	5,923	14,830	0
External Audit Fee	5,000	5,733	17,843	12,843
Contingency	21,915	0	0	-21,915
Sub Total	350,985	177,064	338,904	-12,081

HR People Services: (-£3,700)

21. Following the virement from the Programme Management Office, the HR People Services budget now totals £61,250 and includes the HR costs associated with supporting the proposed CDO senior officer recruitment process. It is anticipated that costs in the region of £43,525 will be incurred in 2018/19 to cover the advertising, assessment centres, the evaluation process and interviews.

External Audit: (+£12,843)

22. At the time of setting the 2018/19 budget, the external audit fee was estimated to be £5,000. Wales Audit Office (WAO) have now confirmed the charge will be around £12,110, an increase of +£7,110 against the approved budget.
23. Separately, an adjustment is required against the 2017/18 fee, which has now been charged at £15,302, an increase of £5,733 against the provisions made for that year. These two factors have resulted in an overspend of +£12,843 against the approved resources set aside in the current year.

Contingency Budget: (-£21,915)

24. The Accountable Body element of the budget includes a contingency of £21,915. At Month 09, no actual costs have been incurred and currently there are no indications that a draw down against this budget will be required in 2018/19 and therefore the budget is projected not to be spent at the time of reporting.

Month 09 Summary

25. This report summarises the monitoring position against the Joint Committee's Revenue Budget at Month 09 and outlines that the overall position is a projected underspend of -£77,307 against the approved budget for 2018/19.
26. It should be noted that at Month 07 a significant level of resources were projected to be spent during the remainder of the year, aiming to reflect the

anticipated acceleration of activity, to move the City Deal forward. In-light of the City Deal Office proposal that has come forward, it is now clear that the resources set aside will not be required in full. For this reason an underspend position is being reported at Month 09.

27. The budget will continue to be monitored and reviewed through the rest of the year until the final out-turn is established. Variances highlighted as part of the monitoring process have been considered as part of the 2019/20 budget preparation process.

Accounts and Audit (Wales) (Amendments) Regulations 2018

28. Under the Accounts and Audit (Wales) (Amendments) Regulations 2018, in future the Joint Committee and the Auditor General are required to meet earlier statutory deadlines. Under the amended regulations the new deadlines are due to change in stages, with the final change taking effect from 2020/21, at which point the unaudited Statement of Accounts will need to be approved by the 31st May and audited Statements published no later than 31st July each year.
29. In-line with the above, and as part of the first stage of changes, the Joint Committee's Statement of Accounts for 2018/19 will need to meet the revised deadlines of the **15th June 2019** and the **15th September 2019**, respectively. This results in statutory dates that are 2 weeks earlier than in previous years.
30. In addition, the Wales Audit Office's Audit of Financial Statements Report – Cardiff Capital Region City Deal Joint Committee issued on the 27th November 2018 and presented to Regional Cabinet on 17th December 2018 contained the following recommendation:

“Joint Committee reviews and agrees a revised timetable with Monmouthshire County Council for the completion and audit of CSC Foundry Ltd's 2018-19 financial statements. The revised timetable should ensure that it provides sufficient time to allow staff working for the accountable body within Cardiff Council to make the necessary consolidation adjustments within the Joint Committee's draft financial statements.”
31. Following discussions between the Accountable Body, Monmouthshire County Council (MCC) and the Wales Audit Office, MCC have committed to providing:
 - draft accounts in respect of CSC Foundry Ltd by the **23rd April 2019**; and
 - audited accounts no later than the **29th July 2019**.
32. The agreed dates are significantly earlier than those which transpired last year. On this basis it is anticipated that adherence with the agreed dates should provide the Accountable Body adequate time to carry the necessary consolidation exercises in-line with the revised deadlines outlined above.

Reasons for Recommendations

33. To provide Regional Cabinet with an update of the monitoring position against its approved 2018/19 Joint Committee Revenue Budget, as at 31st December 2018 (Month 09).
34. To advise Regional Cabinet of the earlier statutory deadlines for the approval of both the unaudited and audited Statement of Accounts for the financial year 2018/19, together with details of the proposed timetable that has been agreed by relevant parties to achieve these dates.

Financial Implications

35. The financial implications are set-out within the main body of this report.

Legal Implications

36. This is a revenue budget monitoring report for noting and based on the information contained in this report, does not raise any direct legal issues.

Recommendations

It is recommended that Cardiff Capital Region Joint Cabinet:

- a) Notes the actual expenditure, income and projected full year out-turn position as at the 31st December 2018 (Month 09), against its approved 2018/19 Revenue Budget.
- b) Notes the proposed timetable for the production of both unaudited and audited Statement of Accounts for 2018/19 as outlined in this report.

Christine Salter
Corporate Director Resources
18 February 2019

The following Appendix is attached:

Appendix 1: Future Generations Evaluation

Future Generations Assessment Evaluation






Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To provide details of expenditure, income and projected full year outturn position against the approved 2018/19 Joint Committee revenue budget.
Proposal: 2018/19 Month 09 Position and Update on Statement of Accounts	Date Future Generations Evaluation form completed: 08 Feb 2019

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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The report sets out progress against agreed revenue budgets and the way in which resources are being used to deliver outcomes and targets.	Set out in report
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Not directly relevant however financial support and investments will have regard to these principles and will be set out on a business-case by business-case basis.	
A healthier Wales	Not direct applicable	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
People's physical and mental wellbeing is maximized and health impacts are understood		
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Not directly applicable	A greater contribution will be made to this by the data capability, sectoral analysis and place assessments.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Not directly applicable	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Not directly applicable	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	City Deal is about delivering as far as possible across 10 LAs and a population of £1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people's lives. Some of the specific interventions around skills and housing – will seek to make a more direct contribution to equity of access and equal opportunity for all.	

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A cornerstone of our process is the strength of partnership working.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Demonstrated in the report through detailed funding allocations and investment cases</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>City Deal seeks to make a contribution on place and to improving the life chances of people in the region.</p>	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The report is an overview of financial performance. The protected characteristic assessments related to specific proposals will need to be drawn out in the relevant business cases and proposal documents.	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		
Sex	As above		
Sexual Orientation	As above		
Welsh Language	As above	Not at this time but the situation will be kept under review.	

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

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

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

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- Evidence and input contributed by theme leads
- Outcomes of assessments such as audit reports
- The Draft Annual Governance Statement
- Delivery against targets set out in individual business cases/ approved project documentation
- Financial data and recording

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

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

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

The impacts of this proposal will be evaluated on:	Quarter 4
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18 FEBRUARY 2019 MEETING

2018-19 ANNUAL BUSINESS PLAN - QUARTER 3 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM: 5

Reason for this Report

1. To inform key stakeholders, principally, Regional Cabinet and also, Wales and UK Governments of the Quarter 3 reporting position against the 2018/19 City Deal Business Plan, thus discharging the reporting requirements of the Assurance Framework and providing a comprehensive overview of progress.
2. To provide regional Cabinet with an update of actual expenditure and projected full year out-turn as at Quarter 3 against the approved Wider Investment Fund budgets as set out in the Annual Business Plan for the financial year 2018/19.
3. To recommend that Regional Cabinet approve the Quarter 3 report, which has been seen and informed by Wales and UK Governments, in order for formal submission to government partners.
4. To note the continued changes to the format, structure and shape of the report, in order to provide a 'balanced scorecard' approach in order to provide a consistent, concise and coherent means of evaluating and monitoring performance and progress.

Background

5. Regional Cabinet approved its 2018/19 Annual Business Plan at its meeting on the 26th March 2018, which included details of the Wider Investments Fund budgets for that year. The report also provided an overview of the key work streams that would need to be progressed during the year.
6. At its meeting of the 18th June, Regional Cabinet received 2018/19 Work Programme, which provided details of the tasks and activities required in the coming year to address the requirements of the Joint Working Agreement and the Assurance Framework. That programme of work was accepted by Regional Cabinet as the Work Programme for the 18/19 financial year, and allowed the required resources to be identified and for progress to be monitored by the Regional Cabinet.
7. That Work Programme also forms the basis of the Quarterly Performance Monitoring Reports which are issued to the UK and Welsh Governments. Changes have been made to the structure, format and shape of the Performance report in order to:

- Situate plans, actions and priorities in the context of the targets that City Deal is required to deliver against;
 - Reduce extraneous information volume; place a clearer emphasis on delivery and provide a one page overview of headline issues and progress;
 - Provide a high-level account of strategy and 'direction of travel' alongside assurance on matters relating to Finance, Risk and Assurance;
 - Set out the key priority areas and activities guiding key interventions under the headings of Programme Delivery; Partnerships; Communications & Reach; Influence & Engagement and required Actions; and,
 - Demonstrate strength in the pillars underpinning delivery of City Deal around Culture, Capacity and Leadership.
8. It should be further noted that these changes have now been embedded as part of the new Annual Business Plan for 2019/20 and reporting requirements will therefore be aligned with this consolidated approach from April 1st 2019. The detail ordinarily contained within this report is now set out in the attached appendices:
- Appendix 1: CCR City Deal Quarter 3 Performance 'Balanced Scorecard'
 - Appendix 2: CCR City Deal Quarter 3 detailed Work Programme Update
 - Appendix 3: AGS Quarter 3 Update (containing the Risk Log)
 - Appendix 4: Internal Audit Action Plan
 - Appendix 5: Wider Investment Funds Budget Quarter 3 Update
 - Appendix 6: Wellbeing of Future Generations Assessment

Legal Implications

9. The report sets out the Quarter 3 performance and is submitted to Regional Cabinet for consideration pursuant to the reporting requirements within the Cardiff Capital Region City Deal Assurance Framework. As regards individual projects referred to in the Work Programme, then legal advice on those projects will be reflected in the relevant reports as and when such matters are reported to Regional Cabinet.

Wellbeing of Future Generations

10. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:
- (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and (c) the Well Being of Future Generations (Wales) Act 2015. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous,

resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals.

11. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.
12. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 6.

Financial Implications

13. Regional Cabinet approved its 2018/19 Annual Business Plan and the associated budgets at its meeting of the 26th March 2018. Appendix 5 provides an update as at Quarter 3, which in summary indicates:

Wider Investment Fund Top-Slice (£742,500)

An underspend of -£286,123 is projected. Subject to the final out-turn, the full value of any underspend is available to support the WIF Top-Slice in future years, subject always to observing the 3% cap (annual and cumulative) approved by Regional Cabinet.

2018/19 Approved Project Budgets (£13,840,000)

There is projected slippage of £1,381,600 (or 10.1%) against the CSC Foundry capital budget. This is expected to be drawn down and fully utilised in 2019/20.

2018/19 In-Year Project Approvals

The 2018-19 Annual Business Plan contained uncommitted revenue and capital resources of £1.000 million and £4.015 million respectively. These resources were put in place to provide Regional Cabinet with a level of flexibility to approve additional sums during the year in the event that In-Principle and/or emerging

projects found themselves in a position to be allocated approved project funding during 2018/19.

There are no additional in year approvals (either actual or projected) as at the end of Quarter 3. Given the current status of the Project Delivery Pipeline, the Finance Group have recommended that Regional Cabinet consider slipping the capital sum (£4.015M) forward, two years to financial year 2020/21.

14. Regional Cabinet should note that the 2019/20 Annual Business Plan (ABP) incorporates the positions outlined above, to the extent these impact on budgets incorporated within the ABP. It is normal practice to include projections (at a point in time) within future year budgets, which are then subsequently updated to reflect the final out-turn position, once this has been established. Any material changes will be reported to Regional Cabinet as part of the regular budget monitoring reports.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- a) Note the overall progress at Quarter 3 2018/19, including the budget position reported at Appendix 5 and approve that where relevant, the 2019/20 Annual Business Plan budgets will be prepared on the basis of the projections reported at this time;
- b) Consider and if deemed acceptable, approve the Quarter 3 performance report; and
- c) Authorise the Programme Director of the Cardiff Capital Region City Deal to formally submit the Quarter 3 performance report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet.

Kellie Beirne
Cardiff Capital Region Director
18 February 2019

Appendices:

Appendix 1: CCR City Deal Quarter 3 Performance 'Balanced Scorecard'
Appendix 2: CCR City Deal Quarter 3 detailed Work Programme Update
Appendix 3: AGS Quarter 3 Update (containing the Risk Log)
Appendix 4: Internal Audit Action Plan
Appendix 5: Wider Investment Funds Budget Quarter 3 Update
Appendix 6: Wellbeing of Future Generations Assessment

CCR CITY DEAL QUARTER 3 PERFORMANCE – FEBRUARY 2019

GOOD GROWTH SUPPORTING & DELIVERING 5% GVA UPLIFT, 25K NEW JOBS & £4BN LEVERAGE

Str

STRATEGY & DIRECTION

- First version of Sectoral Analysis received and embedded within the REGP Industrial and Economic Growth Plan
- Finalised Regional Industrial Plan developed by REGP to go to Regional Cabinet in December 2018
- Final report received from Cenex, commissioned to develop EV Plan and Infrastructure for Metro Plus received and incorporated into Strategic Outline Programme
- Written and verbal evidence given to EIS Committee on City Deals in Wales December 2018 and January 2019
- Principles of Investment & Intervention Framework established and agreed with REGP. Legal framework development underway
- Annual Business Plan for 2019/20 produced, consulted upon and to be presented to Cabinet in Feb 2019
- Co-investment agreement with Innovate UK on alignment of challenges.

FINANCE & ASSURANCE

- First meeting held of CCRCD Joint Scrutiny Committee in October 2018 and work programme agreed. Second meeting held on 5 February 2019
- Formal Future Generations assessment framework now in place for all decision-making reports
- Second UK National Steering Group attended – first City Deal in cohort 2 to have agreed Evaluation Framework with SQW. Stakeholder work completed and economic forecasts completed.
- Second meeting of Implementation Board across UK, WG and City Deal held – no concerns raised
- New Annual Governance Statement in place containing comprehensive Risk Log
- 3 of 4 areas actioned on Internal Audit Report for 2018/19
- Work on the Investment Fund to be translated into a supplemental and business friendly Assurance Framework by Local Partnership – underway with Metro Plus SOP as first test case
- Financial reporting for Q3 – posted and on budget
- Joint Committee budget for 2019/20 prepared – to be presented to Cabinet in Feb 2019

PROGRAMME PIPELINE & DELIVERY

- Draft project pipeline in development to underpin Innovation & Investment framework
- Innovation and Investment framework key principles agreed – first draft of Toolkit prepared
- Strategic Outline Programme and Report produced on Metro Plus – decision of Cabinet Feb 2019
- Graduate Pilot scheme approved by Cabinet in Dec 2019.
- Preparations for Graduate Scheme underway with recruitment commencing
- Digital Proposition currently being reviewed and updated
- Housing Investment Fund: Procurement advice received. Proposal development underway
- Outcome of Strength in Places fund submission awaited
- CSA Catapult co-located with CSC Foundry Jan'19 with 5 year business plan and budget in place
- Outline submission prepared for submission to WEFO 'Building Institutional Capacity' for Public Services Testbed
- LFFN submissions made on Wave 3 – unsuccessful. Awaiting Wave 4 and confirmation awaited on the £200m announced for rural/ valleys in Autumn budget statement
- 2 successful submissions notified on Energy Revolution

PARTNERSHIPS

Regional Economic Growth Partnership:

- Regional Industrial Plan produced
- Membership renewed
- Data work completed
- Secured PhD studentships to inform data insight & foresight
- Draft Innovation & Investment framework prepared
- Commitment for bi-annual reports secured from Board of UKRI

Regional Business Council:

- Session with Innovate UK on workshops for business on IS Challenge Fund
- Business Plan approved by Cabinet in Dec 2018
- MIPIM preparation underway
- Meeting with UK Dept. for International Trade to agree features for prospectus and panel representation at MIPIM

Regional Skills Partnership:

- Handover to RSP to Newport City Council in progress
- Q1 performance report approved
- Graduate scheme approved in Dec 18
- Scheme developments on STEM & hard to reach young people underway
- Stakeholder workshops to be held Feb 2019

RTA:

- SOP produced for Metro Plus

COMMUNICATIONS, MARKETING & REACH

- Year to date, City Deal news articles directly generated: 100
- Website: 2380 overall visitors
- Website: 8501 page views
- Website: 206 contact page visits
- Twitter: 2268 followers
- Twitter: 78.3k impressions
- Twitter engagement: 2k
- Tweets: 42 RTs: 238 Link clicks: 590
- MIPIM promotional work in progress with production of video showcasing region & aerial photography
- 1 potential scheme to feature in Dept for International Trade international investment prospectus
- Role on the DfIT Investment Panel at MIPIM
- New and improved City Deal website up and running
- Sponsorship of Wales in London Week 2019 and Panel representation and session for CCRCD
- WiL Week REGP Economic Growth plan launch with SoS on 28 Feb 2019

INFLUENCE & ENGAGEMENT

- CCRCD keynote speeches/ inputs to:
 - Innovation Advisory Council Wales
 - Science Advisory Council for Wales
 - WEFO Programme Monitoring Committee
 - Cardiff University and Cyber Labs
 - Built Environment Conference
 - EstNet – Launch of Wales Technology Awards
 - MIPIM Partner Events
- Commitment from UKRI Board members to provide bi-annual updates from UKRO direct to REGP
- Ian Campbell CEO of IUK – meeting February '19
- Participation in the UK Steering Group convened by BEIS in Jan 2019 in Glasgow
- Evidence to EIS Committee in Jan 2019
- City Deal represented on Ministerial Foundational Economy Advisory Group
- City Deal Director and Chair of REGP nominated to WG Regional Investment Funding Committee

ACTIONS PENDING

- Formalise Innovation & Investment framework and 3 funds, decision in early 2019 with launch of Three Funds to follow, including launch events at WiL Week and MIPIM
- Progress Phase 2 of Sites and Premises work – commissioned and work underway
- Meeting with WG seeking clarity on position re: support for apprenticeships
- Respond to formal Shared Prosperity Fund consultation
- Respond to WG regional working proposals
- Clarify position on topslice of Wider Investment Fund for resource and capacity investment – proposal now awaited
- Clarify position on treatment of leverage in the Gateway Review
- Focus work of s151 group on making progress with wider fiscal programme and measures - NNDR
- Respond to WG Brexit impact assessment/ CCR impact
- Production of Investment Prospectus now in train
- Agree way forward on SDP



KEY ACTIVITIES

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CULTURE, CAPACITY & LEADERSHIP

- City Deal team in situ in new Offices at Tredomen Innovation and technology Centre
- New structure and resourcing proposals devised for Cabinet in 2019
- PhD KES studentships to commence in March 2019
- Prince2 Training for all City Deal Office staff
- Challenge prize training – delivered
- Knowledge development: KTN and bi-weekly team briefings
- CCRCD role in assessing current round of SBRI bids
- CCRCD Director appointed to Chief Scientific Adviser's Panel Wales

Cardiff Capital Region City Deal Work Programme 2018-19
Evolving our City Deal – Areas to Shape Emerging Regional Plan and Approach

(1) DATA RICH – EVALUATION READY

To address the issue of low levels of data insight and foresight and to ensure we have a robust baseline from which track progress and key advancements	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Commission sectoral analysis and an overview of competitiveness as regional and place level 		Work underway	First report due in Dec 2019	Final report received
<ul style="list-style-type: none"> Commission work on a data dashboard to provide a portal that brings together and makes sense of data sources that are relevant to tracking and telling the story of the region 			Commissioned and due in Q2-3 2019/20	Underway
<ul style="list-style-type: none"> Adopt the National Evaluation Framework and work with SQW to develop the local evaluation frameworks, logic models and plans to inform the work needed for the Gateway review 		Report approved by Cabinet in Sept 2018		Local Evaluation Framework fully agreed
<ul style="list-style-type: none"> Action in conjunction with SQW, the first set of stakeholder surveys and interview to inform the work needed for the Gateway Review 		Preparation work underway	Phase 1 to be completed	Completed
<ul style="list-style-type: none"> Secure investment through the KES Studentship scheme for PhD student to join the City Deal Office to inform and develop data capacity and competency 			Secured with start date of April 2019	
<ul style="list-style-type: none"> Complete the work commenced by Data Cymru on the Regional Skills database 			Completed	

(2) SETTING OUR STALL OUT – REGIONAL INDUSTRIAL STRATEGY / PLAN

To set out our core competitive strengths and have a key means of engaging with the WG Economic Action Plan and the UK Industrial Strategy	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop context to the JWA five year business plan 			Draft complete	Cabinet approval in Feb '19
<ul style="list-style-type: none"> Set out core competitive and sectoral strengths and demonstrate synergies with Four Grand Challenges & priorities featuring in the Economic Action Plan 			As above	
<ul style="list-style-type: none"> Work with Welsh and UK Government to respond to the Local Industrial Strategy guidance and provide the first Industrial Strategy in Wales 			Opportunity set out in Cabinet Report Dec 2018	To be agreed across Reg Cabinet UK & Wales Govts
<ul style="list-style-type: none"> Demonstrate increased number of submissions into the Industrial Strategy Challenge Fund 			Submissions made to: Energy Revolution SIPF Stations of Future	ongoing
<ul style="list-style-type: none"> Convert the core elements of the Industrial Strategy/ Plan into a CCR Investment Prospectus and to be ready for MIPIM in March 2019 				1 st draft

(3) DELIVERY PIPELINE 'ECO-SYSTEM'

To develop the tools needed to enact robust assessment and decision-making in line with our key targets (GVA, jobs and leverage) and to monitor delivery against current work streams and projects	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop an integrated project pipeline document to be monitored and assessed by Regional Cabinet and informed by the REGP by end of 2018/19 			Work has commenced	To be completed in line with IIF
<ul style="list-style-type: none"> Develop and bring forward for approval by UK Govt, Wales Govt and CCR Cabinet, a new Investment and Intervention Framework and the establishment of three sub-funds to establish the criteria and evaluation tools for investment decision-making 			Work has commenced and Local Partnerships commissioned	First draft complete pending consultation
<ul style="list-style-type: none"> Once approved, launch the three funds in early 2019 – Regional Infrastructure Fund, Challenge Fund and Innovation Investment Fund 				As above
<ul style="list-style-type: none"> Preparation of the Annual Business Plan for 2019/20 				Completed for approval Feb '19
KEY PROGRAMMES (lifted from Annual Business Plan)				
Regional Skills Partnership				
<ul style="list-style-type: none"> Redesign LSKIP to become CCR Employment and Skills Board Plan delivery of WG contractual requirements 			Reg Skills Partnership – now to be Transferred to NCC, Skills lead	CITB secondment in place As above

<ul style="list-style-type: none"> Develop a CCR Employability Plan <p>Skills for the Future</p> <ul style="list-style-type: none"> To produce the Outline Business Case To produce a full business case by August 2018 To initiate phase 1 delivery <p>Connecting the Region</p> <ul style="list-style-type: none"> RTA Meetings to take place quarterly with progress reports to Joint Cabinet Finalise consultation on Regional Transport Plan Secure agreement of all 10 Councils for Regional Transport Strategy RTA to oversee development of Metro Plus scheme To prepare a programme business case for Metro Central in Cardiff Central Square and Business District <p>Digital</p> <ul style="list-style-type: none"> Secure project development support to design proposals for regional digital infrastructure Prepare a development plan business case for digital infrastructure OBC To report to Regional Cabinet to progress Sign up to Open Data Licence <p>Housing Investment Fund</p> <ul style="list-style-type: none"> Secure project development support to enable design and development of proposal To prepare and develop business case To report to regional Cabinet on progress in forming a Fund and comply with Assurance Framework to secure investment alongside WG 			<p>Q1 submitted and feedback received</p> <p>Re-worked bus case underway. Nesta commissioned. Graduate scheme for approval to Regional Cabinet Dec '18</p> <p>Complete Underway</p> <p>Underway</p> <p>Underway OBC in draft and consultation day with EGP 12.12 Completed</p> <p>Business case underway with Dev Bank</p>	<p>To be completed</p> <p>Prog of quick wins underway Graduate Scheme approved</p> <p>Stakeholder workshops Feb '19</p> <p>Metro Plus SOP produced for Feb '19 Cabinet</p> <p>Update pending Metro Central</p> <p>Revision work to Digital Strategy underway – contained in ABP 2019/20</p> <p>Procurement advice rec'd. scheme development underway</p>
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<p>Strategic Sites and Premises</p> <ul style="list-style-type: none"> • Identify agreed list of strategic sites • Prioritise into short/med/long terms opportunities with WG • Explore sources of investment and report findings • Explore potential for a Regional Development Fund supported by WG and City Deal • Establish a strategic property register • Identify sources of investment for sites and premises redevelopment and development <p>Visitor Economy</p> <ul style="list-style-type: none"> • Produce regional visitor economy plan and for Regional Cabinet agreement • Review constitution of Destination Management Group • Identify and secure opportunities for delivery against the Plan • WG resources and City Deal resources to be aligned for delivery in CCR <p>Energy</p> <ul style="list-style-type: none"> • Identify regional investment opportunities in key renewable energy schemes, industrial energy management and manufacturing technologies • Identify and secure potential resources • Regional sustainable energy plan <p>Urban Renewal</p> <ul style="list-style-type: none"> • Develop proposals that revitalise town centres and urban locations • Identify all sources of funding to enhance centres and towns and opportunities for job creation and secure TRI <p>Innovation & Entrepreneurial Activity</p>			<p>Phase work identified key sites and premises agreed with WG. Phase 2 work commissioned Work handed over to City Deal office</p> <p>Draft Plan produced Update to Regional Cabinet in Dec 2019</p> <p>Local Partnerships pro bono input Stations of Future submitted X two Energy Revolution schemes secured</p> <p>TRI proposals secured Bi-monthly TRI meetings</p>	<p>Interim report on Phase 2 work due in Feb '19</p> <p>Site list and data visualisation to be complete</p> <p>To be completed. Interim report is ready</p> <p>Work to start on Energy Plan for region in March 2019</p> <p>2018/19 TRI schemes underway with 90% spend on target</p>
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<ul style="list-style-type: none"> • Support meetings of RBC and report recommendations to regional Cabinet and investment support for proposals • Secure project development support for the Technology Venture Capital Fund and secure investment support and decision through partners and Assurance Framework • Report progress on National Software Academy and development of National Cyber Academy • Public Services testbed to be rolled out and developed • Support and develop internationally renowned CSC Cluster • Support CSC Foundry Ltd and development of Foundry 			<p>MIPIM report supported 09.18 Superseded by Investment Framework Not relevant at this time</p> <p>SIPF bid submitted</p> <p>ongoing</p>	<p>Ongoing. Tech fund incorporated into IIF</p> <p>EOI to be submitted to WEFO</p> <p>SIPF – awaiting notification</p>
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(4) CONSOLIDATED & EFFECTIVE ‘GOOD GOVERNANCE’

To establish a streamlined effective ‘good governance’ that utilises the full range of talents, skills and assets available to City Deal	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • Develop the detailed ‘Evaluation Criteria, Methodology and Weightings’ along with a range of ‘practical, user-friendly guidance notes’ which support the Assurance Framework that demonstrates we are open for business and the way in which that business will be conducted 			<p>Under-way</p>	<p>To be completed in line with IIF. First draft complete</p>

<ul style="list-style-type: none"> Re-visit the number, variety, composition and frequency of the plethora of groups, partnerships and fora developed to support City Deal and streamline, consolidate and schedule into an appropriate and supportive governance network by end of Quarter 4 				Incomplete – ABP 2019/20
<ul style="list-style-type: none"> Transfer the ‘host’ authority status for the Regional Skills Partnership to lead body, Newport City Council 			Transition period in effect	To be completed
<ul style="list-style-type: none"> Put in place arrangements for transitioning Lead Authority responsibility for CSC Foundry Ltd during 2019/20, including meeting all statutory requirements. 				To have commenced
<ul style="list-style-type: none"> Develop and monitor a concise and coherent Risk Register and complete work around City Deal wider Risk Environment 			Actioned	To have commenced
<ul style="list-style-type: none"> Develop and implement a comprehensive Annual Governance Statement 			Actioned	Actioned
<ul style="list-style-type: none"> Quarterly Financial Monitoring Reports to Regional Cabinet, Welsh Government and UK Government 			Actioned	Actioned
<ul style="list-style-type: none"> Develop a new Future Generations/ Sustainability Assessment to demonstrate that all decisions are foregrounded in FG considerations 			Actioned	
<ul style="list-style-type: none"> Actively contribute to and develop presence and profile at UK Govt Steering Group Meetings, Pan-UK Implementation Panel and all relevant cross-government partnerships 			Actioned	Actioned

(5) DEVELOP CITY DEAL INFLUENCE, PROFILE & VISIBILITY

To establish the profile and visibility of the City Deal and City Region with key decision-makers, investment sources and the people and organisations who can help grow our high potential ideas	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Address full range of external partnerships, events, investment community and others to develop understanding of the purpose and profile of CCR 		City Deal input at 5 events	City Deal inputs to 12 events	
<ul style="list-style-type: none"> Develop relationship with UKRI and Innovate UK through direct interaction, University-led partnerships and input into key policy and strategy development 			CCRCD on GW4 Partnership	
<ul style="list-style-type: none"> Further develop relationship with WG and regional working structures and strategies 			Director appointed to CSA Council	
<ul style="list-style-type: none"> Develop role of REGP as industrial figure-heads supporting CCR and CCRCD 			REGP lead on Industrial Plan, data & investment framework	
<ul style="list-style-type: none"> Obtain a seat for CCRCD at UKRI level by 2021 			ongoing	On-going

(6) CREATE 'OFFICE OF CITY DEAL'

Develop a professional, efficient and sufficiently resourced City Deal Office capable of driving and delivering step change in the region	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Define and make a case for the capability and capacity needed to underpin delivery with a Resourcing Plan bringing forward for decision in January 2019 			Early thinking developed	Restructure & Resourcing Plan

				Cabinet Feb '19
<ul style="list-style-type: none"> Develop branding and marketing required to establish the City Deal core identity and brand and value proposition 			Prototype designs established	Plans on track in Read-iness for MIPIM 2019
<ul style="list-style-type: none"> Establish a new CDO presence at the Innovation and Technology Centre in Tredomen with a clear 'front of house' provision 			CDO move date 10 Dec	Complete
<ul style="list-style-type: none"> Launch the new City Deal website 			Completed	
<ul style="list-style-type: none"> Develop a comprehensive Communications plan and set targets for reach, profile and sentiment assessment 			Draft developed	Delivery commenced
<ul style="list-style-type: none"> Develop a targeted social media campaign 				Ongoing

(7) REFOCUS ROLE OF INDUSTRY & ENHANCE LOCAL LEADERSHIP

To demonstrate City Deal is enabled and overseen by strong local leadership alongside strong and vibrant industrial leadership	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop a challenge-led approach which focuses on Regional Cabinet's approach and commitment to understanding and solving big problems in region 			Part of Investment Framework - underway	Part of Investment – Framework draft produced
<ul style="list-style-type: none"> Develop the 'good growth' proposition and articulate ambitions for growth that is sustainable and inclusive 			Part of Comms Plan - underway	Embedded in strapline

<ul style="list-style-type: none"> Work with Regional Business Council to establish the 2018/19 Business Plan to articulate their priorities and key activities to engage and involve the business community 			For decision Dec 2018	Underway
<ul style="list-style-type: none"> Support the increasing profile and growing programme of work of the Regional Economic Growth Partnership 			Industrial Plan, data and investment framework	Underway – plan produced and activities planned
<ul style="list-style-type: none"> Develop and submit proposal to WEFO for building Institutional Capacity – Public Services testbed 			underway	Completed

(8) CHALLENGE FOCUSED & MISSION-LED

Growing our ability to secure investment on a competitive basis	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Develop a challenge-fund to align with UKRI and UKIS 4 Grand Challenges 			Underway as part of investment framework work	Draft produced and Challenge Prize Centre training delivered
<ul style="list-style-type: none"> Secure co-investment commitments from Innovate UK and WG 			Proposal paper to be developed by InnovateUK	In principle agreements

• Document learning from successful SBRI and GovTech work				Commenced through SBRO Accelerator
• Engage with work of Nesta's Challenge Prize Centre			Contact established	Completed
• Develop competency around Open Data and Open Data-led projects and propositions through the Digital OBC work				Commenced through SBRI Accelerator
• Secure UKRI resources in 5 major investment programmes in 2019/20				ongoing

(9) INTERNATIONALISM & COMPETITIVE ADVANTAGE

To grow the global reach and profile of CCR and CCRC and develop and market our comparative advantage	Q1	Q2	Q3	Q4
• Produce Investment prospectus by March 2019 for MIPIM that promotes both the region's liveability and investability				Draft produced
• Promote region at MIPIM 2019 and work with Dept for IT to promote regionally significant scale projects and propositions in its Prospectus and take-up Panel opportunities			Contact established and drafts in development	Scheduled for March 2019
• Support and sponsor Wales Week in London 2019			Confirmed	Launch event planned for 28 Feb
• Develop links with the Vanguard and Manumix and the wealth of Knowledge Transfer Partnerships & programmes, bringing global great practice into the region			KTN participation	Underway through

			with Innovate UK	WG Innovation
<ul style="list-style-type: none"> Promote our commitment to sustainable development through more targeted activity with public purpose organisations – Bcorps, Co-ops and employee-owned organisations and through a commitment to the Circular Economy 			Yet to progress	ABP 2019/20

(10) TOWARDS A MORE SELF-RELIANT CARDIFF CAPITAL REGION

To develop City Deal alongside other means and mechanisms for reducing dependency and increasing regional economic self-reliance	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Develop a plan to systematically explore, test and implement full range of fiscal powers and incentives – NNDR, Tax Increment Financing, Retail and Institutional Investment etc 			Yet to progress	Meeting sought with HMT and TIF Law Company
<ul style="list-style-type: none"> Develop, approve and implement Investment and Intervention Framework in order to target approach to investment leverage 			Underway	In Draft
<ul style="list-style-type: none"> Identify the appropriate junctures at which to explore and develop the opportunities that currently sit outside of City Deal in order to begin bringing about greater coherence and clarity to the areas in which there is agreement to act as a region 			Progress with Regional Skills Partnership and SDP	Draft paper on SDP Feb 2019
<ul style="list-style-type: none"> Develop inter-regional links and connections and identify areas in which collaboration to enhance competition will best serve CCR 			Input into Severnside Summit	Informing recent discussion on sub-regional brand and leadership

Appendix 3 – AGS Action Plan: Quarter 3 Update

Table 1 below outlines the baseline position that was agreed following the audit of the 2017/18 Statement of Accounts, as presented to Regional Cabinet at their meeting of 17th December 2018. As part of the preparation of the Annual Governance Statement (AGS), twenty assurance statements were assessed as demonstrating a strong, moderate or limited level of assurance (shown as red, amber and green respectively). Table 1 shows the distribution of ratings assigned to the twenty assurance statements, and outlines agreed actions required.

Table 1: Baseline position as per audited statement of accounts 2017/18

	Assurance Statement	Suggested Action	Responsible Officer/s	Review Period	Mechanism for Review
	Statements: 4, 5, 6, 7, 8 ,9, 10, 11, 12, 13, 15, 16, 17, 18,19, 20	Periodic review of Good Practice Assurance Statements undertaken during the year.	Programme Director, s151 Officer, Monitoring Officer & CEXs	6 monthly	Half-year review of AGS
1	Codes of conduct exist and are effectively communicated	Clarity needed on the applicability of Policies and Procedures outside of those explicitly outlined in the JWA The need to correctly document the employment arrangements in place is paramount. HR (Accountable Body) to advise, with any non-compliance escalated to CEXs via Programme Director	Programme Director with advice from Accountable Body	Quarterly	Progress against action monitored and reported on a quarterly basis
2	We ensure compliance with all relevant laws, regulations and internal policies	Need to remind City Deal partnering authorities of the Governance Protocol approved by the Joint Committee in relation to the decision making framework	Programme Director / CEXs	Quarterly	Progress against action monitored and reported on a quarterly basis
3	We are committed to openness and acting in the public interest	It is recognised that the arrangements for Welsh Language need to be more visible and therefore, need to be strengthened.	Programme Director with advice from Accountable Body	Quarterly	Progress against action monitored and reported on a quarterly basis
14	We have mechanisms to review the effectiveness of our framework for identifying and managing risks	Programme Director to lead on putting in place the appropriate arrangements in respect of Strategic Risk Management	Programme Director	Quarterly	Progress against action monitored and reported on a quarterly basis

Table 2 shows updates against the baseline, assessed at each Quarter as we progress through the financial year, again rating each assurance statement as green, amber or red. Updates against the agreed actions follow.

Table 2: AGS 2018-19 Progress Overview Table: position as at Quarter 3

Assurance Statement		Q1	Q2	Q3	Q4
1	We have and effectively communicate codes of conduct to define standards of behaviour for members and staff, and we have policies for dealing with whistleblowing and conflicts of interest.				
2	We ensure: a) Compliance with relevant laws and regulations, b) Compliance with internal policies and procedures, and c) that expenditure is lawful.				
3	We are committed to openness and acting in the public interest.				
4	We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.				
5	We have developed and communicated a vision, which specifies intended outcomes for citizens and service users, which is used as a basis for planning.				
6	We have translated the vision into courses of action for our function, its partnerships and collaborations.				
7	We have mechanisms in place to review the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.				
8	We measure the performance of services and related projects and ensure that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.				
9	We have defined and documented the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.				
10	Our financial management arrangements conform to all relevant legislative and best practice requirements.				
11	We have effective arrangements in place to discharge the monitoring officer function.				
12	We have effective arrangements in place to discharge the head of paid service function.				
13	We provide relevant induction training and have mechanisms in place to identify the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.				
14	We have mechanisms to review the effectiveness of our framework for identifying and managing risks and performance and for demonstrating clear accountability.				
15	We ensure effective counter fraud and anti-corruption arrangements are developed and maintained.				
16	We have an effective scrutiny function in place.				
17	Our internal audit assurance arrangements conform to Public Sector Internal Audit standards and relevant best practice.				
18	We have arrangements in place for the delivery of the core functions of an audit committee.				
19	We provide timely support, information and responses to external auditors and properly consider audit findings and recommendations.				
20	We incorporate good governance arrangements in our partnerships and other joint working arrangements.				

Quarter 1 Summary



Quarter 2 Summary



Quarter 3 Summary



Strong (Green Rating) Level of Assurance (Statements 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19 & 20)

Quarter 3 Update: Following a 'status review', all 17 assurance statements listed above have remained Green at Quarter 3, indicating a strong level of assurance. However, to ensure this position is maintained going forward, the following additional actions have been identified at this stage:

Assurance Statement 4: We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

Clear channels of communication have been established with the community and other stakeholders, however, it is recognised that further work is required to build on this position and respond to any feedback that is received.

1. A key channel of communication employed by the Cardiff Capital Region is its dedicated website. This is in the process of being relaunched to improve accessibility and navigation to ensure that the required information can be found quickly.
2. Work ongoing to develop further the working relationships and understanding with the Skills Partnership Board and the Regional Business Council.

Assurance Statement 6: We have translated the vision into courses of action for our function, its partnerships and collaborations.

Approval of the Joint Working Agreement (JWA) 5 year Strategic Business Plan and Annual Business Plans translates the Cardiff Capital Region's vision into tangible actions. However, to assist with monitoring actual progress against these plans, the need to introduce a mechanism for establishing and monitoring Key Performance Indicators (KPIs) has been identified. As a minimum these KPIs will need capture progress against the key criteria such as (i) £4bn of private sector leverage, (ii) the creation of 25,000 jobs and (iii) a 5% uplift in GVA in the region.

1. Consideration will be given to the introduction of KPIs as part of the 2019/20 Annual Business Plan approval process.
2. Work is now being progressed on developing the Evaluation Framework, including application of the HMT five-case business model. This work will need to recognise that a sense of proportionality is required, and that the Councils may opt for an alternative approach for smaller projects. Whilst the five-case approach may be appropriate for certain projects, it does not naturally lend itself to all projects.

Assurance Statement 7: We have mechanisms in place to review the effectiveness of the decision making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.

The Joint Working Agreement (JWA) contains the appropriate mechanisms to review the effectiveness of the decision making framework.

1. The 2019/20 Work Programme includes an action in respect of delegation arrangements.
2. Work is being progressed to establish a series of measures on the economic and social make-up and performance of the region, as well as a baseline against which future performance can be assessed. This sectoral analysis data will inform the Gateway Review process and facilitate more effective decision making, through a better understanding of the region's strengths, and the opportunities which exist to make strategic interventions that are likely to have the greatest impact. The first draft of the sectoral analysis report was received in January 2019.

Moderate (Amber Rating) Level of Assurance (Statements 1, 2 & 3)

Assurance Statement 2: We need to ensure compliance with all relevant laws, regulations and internal policies.

In respect of assurance statement 2, the moderate assurance rating reflected the need to remind City Deal officers of the approved Governance Protocol that is in place in respect of the decision making framework.

Quarter 3 Update: Further work completed during Quarter 3 on developing the Regional Cabinet 'Forward Plan', however, the rating remains at Amber at this time as it is recognised that further work is needed to communicate and practically implement the Forward Plan and lead-in times for cabinet reporting.

The Accountable Body has provided the following statement for circulation by the Programme Director in response to the action identified:

“Under the direction of the Regional Programme Director, colleagues involved in CCRCDC will be instructed and reminded of the importance of complying with the protocol. In particular, that draft reports are developed and circulated for advice and comment in a timely manner, so that all have appropriate time to consider and input. A Work Programme has been developed and matters will be kept under review.”

Assurance Statement 3: We are committed to openness and acting in the public interest.

The moderate (amber) rating for assurance statement 3 recognises that arrangements for accommodating the requirements of the Welsh Language need to be more visible and therefore, require strengthening.

Quarter 3 Update: Whilst a number of actions relating to this assurance statement have been completed during the year, others actions are still in-progress at Quarter 3 and therefore the rating remains at amber.

The Regional Cabinet meetings are not held in fixed locations and it is the goal to continue hold meetings in a variety of locations and venues across the region in order to maximise accessibility across the geography. Consideration is currently being given the live-streaming of meetings and improved social media engagement as part of the 2019/20 forward Work Programme when recommendations will be given to alternate between locations to access suitable IT solutions for web-casting.

In respect of Welsh Language Scheme requirements, cabinet agendas are currently produced in Welsh and reports and items are available in Welsh upon request. The same applies to relevant policies, strategies and plans and consultation papers. Policies and procedures will be constantly updated to reflect changing guidance and to ensure there is clarity about our role and obligations in this regard and that services in Welsh are clearly visible to all.

Assurance Statement 14: We have mechanisms to review the effectiveness of our framework for identifying and managing Risks.

The assessment acknowledged that operational (including investment) decisions are informed by a good understanding of risks. All decision-making reports are considered to draw appropriate attention to relevant risks and are supported by the inclusion of detailed implications e.g. Legal, Finance, HR etc. prepared by professionally qualified staff.

However, it was also recognised that the absence of a risk management strategy to formalise a process for the identification, reporting, escalation and management of risks, represents a significant gap in assurance at a strategic risk management level. Accordingly, this area was considered to represent a limited level of assurance and required the Programme Director to lead on putting in place the appropriate arrangements in respect of Strategic Risk Management.

Quarter 3 Update: The rating for this assurance statement was reduced from Red to Amber following a second workshop session in November 2018, where 9 strategic risks to the City Deal delivery were identified for inclusion in the City Deal Strategic Risk Register. These strategic risks are as follows:

- CDR1: Business Plan Delivery
- CDR2: Governance & Effective Decision Making
- CDR3: City Deal Programme Scope & Funding
- CDR4: Financial Affordability
- CDR5: Funding Terms & Conditions

- CDR6: Workforce
- CDR7: Further Regional Working
- CDR8: Specific Project Delivery
- CDR9: Brexit

These risks have been assessed and evaluated using a Risk Register template that has been tailored to the needs of the City Deal and is compliant with the Accountable Body's reporting requirements (the full Strategic Risk Register is attached as Appendix 3.i). Outlined below is a high level summary of these risks extracted from the Strategic Risk Register as at Quarter 3, which provides a breakdown of risks by their risk status, their inherent (pre-control) risk score, the residual risk score (post-control score).

Risk Ref	Risk	Inherent Risk		Residual Risk	
		Likelihood	Impact	Likelihood	Impact
CDR1	Business Plan Delivery	B	1	C	2
CDR2	Governance & Effective Decision Making	C	2	D	2
CDR3	City Deal Programme Scope & Funding	B	1	C	2
CDR4	Financial Affordability	C	2	D	2
CDR5	Funding Terms & Conditions	C	1	C	2
CDR6	Workforce	C	3	D	3
CDR7	Further Regional Working	D	2	D	3
CDR8	Specific Project Delivery	B	2	C	3
CDR9	Brexit	B	2	C	2

The next steps will involve further refining the approach to risk to ensure that the Risk Environment (Risk Policies, Strategies, reporting and escalation etc.) is fully embedded within the City Deal. It is expected that over the longer term, the risk management approach is further developed and will be reported to Regional Cabinet as a standalone agenda item.

Appendix 4 - Internal Audit Action Plan: Quarter 3 Update

1. Cardiff Council's Internal Audit Service is responsible for providing internal audit services to the Cardiff Capital Region City Deal, through a Service Level Agreement (SLA) with the Accountable Body. To enable the Internal Audit Service to fulfil its role, a 5 year audit plan has been prepared covering the period from 2017-18 to 2021-22 and sets out the proposed work required each year, to secure appropriate levels of assurance.
2. The first audit of the 5 year plan covered governance, transparency and the effectiveness of decision making and was undertaken at the beginning of the current financial year (2018/19). The final report was issued in July 2018.
3. In summary, the key findings largely mirror the conclusions reached as part of the AGS process outlined above. The audit report's Recommendations, Risk Rating, Management Response and Agreed Actions have been captured as a separate Action Plan and a detailed update was provided as part of the Quarter 1 Performance Report.
4. At Quarter 3, two of the four actions have been completed. The overall position is summarised below:

R1. Development of a Risk Management Policy and Strategy – In progress. Strategic Risk Register now in place which captures details of the 9 Strategic Risks along with current controls and further management actions clearly documented.

The Cardiff Capital Region relies on the policies, strategies and processes of the Accountable Body, however, work completed on preparing the Risk Register has identified the need to prepare a bespoke Risk Management Policy and Strategy. It is expected that by the end of June 2019, the risk management approach is further developed and will be reported to Regional Cabinet as a standalone agenda item.

R2. Establishment of a Joint Scrutiny Committee – Complete. First and second Joint Scrutiny meetings have now taken place and programme of work to be developed going forward.

R3. Establish and maintain a register of declared interests – In progress. A link is to be added to the Cardiff Capital Region's website directing the user to the 'declarations of interest forms' home website for each Cabinet Member. This is due to be completed in February 2019.

In addition, every Cabinet meeting has an agenda item reminding members of the need to declare any interests, with any such declarations being added to the minutes and decision register for those meetings.

R4. Training to be provided on new Contract Standing Orders and Procurement Rules – Complete. There will be an ongoing review of training requirements for current and new staff throughout the year.

Appendix 5 - Wider Investment Fund Budget – Quarter 3 Update

1. The 2018/19 Wider Investment Fund (WIF) Annual Business Plan approved a programme of expenditure as detailed in Table 1 below, along with the proposed funding priority.

Table 1: 2018/19 Approved WIF Expenditure & Funding

	£'000
Indicative Programme Expenditure	
Wider Investment Fund Top Slice	742.5
Approved Projects	13,840.0
In Year Revenue Project approvals	1,000.0
In Year Capital Projects approvals	4,015.0
Total Investment	19,597.5
Funded by	
HMT Contribution (Revenue)	-1,892.5
HMT Contribution (Capital)	0.0
Total HMT Contribution	-1,892.5
Council Contribution	-17,705.0
Temp Borrowing 'Cost of Carry'	0
Total Funding	-19,597.5

2. The WIF Top-Slice revenue budget is set at £742,500 and supports the work of the Regional Bodies. In addition, the budget includes amounts in respect of Programme Development & Support. Details of agreed 2018/19 budgets and projected expenditure as at Quarter 3 are shown in Table 2.

Table 2. 2018/19 WIF 3% Top-Slice – Quarter 3 Update

	Budget	Qtr 3 Actual	Projected Year End	Variance
	£	£	£	£
<u>Regional Bodies</u>				
Regional Transport Authority	52,193	33,796	47,641	-4,552
Regional Skills Board	102,193	38,583	76,478	-25,715
Regional Economic Growth Partnership	70,000	228	33,500	-36,500
Regional Business Council	50,000	0	35,000	-15,000
Sub-total	274,386	72,607	192,619	-81,767
<u>Programme Development & Support</u>				
Digital Strategy Project	130,000	49,500	130,000	0
Housing Investment Fund Project	100,000	0	20,000	-80,000
Programme Dev' & Support	238,114	19,448	130,622	-107,492
Sub-total	468,114	68,948	280,622	-187,492
Investment Income	0	-12,648	-16,864	-16,864
Total	742,500	128,907	456,377	-286,123

Regional Bodies: (-£81,767)

3. The Regional Bodies element of the WIF Top-Slice budget amounts to £274,386 and includes sums set aside to advance the work of the Regional Transport Authority, the Regional Skills Board, the Regional Economic Growth Partnership and the Regional Business Council.
4. There are 2 FTE posts funded from these budgets (1 FTE each relating to the Regional Transport Authority (underspend £4,522) and the Regional Skills Board (underspend £715). These underspends are mainly due to a delay in recruitment to the Regional Transport Authority post.
5. As part of the Regional Skills Board (RSB) budget, £50,000 was allocated to Strategy Development. As at Quarter 3, there is a projection of £25,000 against this budget, which relates to the work NESTA has been commissioned to undertake in respect of the Skills for the Future draft business case. On this basis an underspend of -£25,715 is projected against the Regional Skills Board.
6. In terms of the Regional Economic Growth Partnership (REGP) budget, there was a minimal level of actual expenditure incurred as at Quarter 3, however, a number of initiatives have been approved that will result in further expenditure being incurred during the final quarter of the year. This includes the commissioning of external support to establish a 'Sectoral Analysis' for the region. This data will provide a baseline against which future performance can be measured and assessed, as well as supporting the Gateway Review process. Put simply, the data will facilitate more effective decision making, through a better understanding of the region's strengths and the opportunities which exist to make strategic interventions which are likely to have the greatest impact. The overall cost of these initiatives are projected at £33,500, resulting in an underspend of -£36,500 against the approved budget.
7. The Regional Business Council's (RBC) Annual Business Plan was approved by Regional Cabinet at its meeting of the 17th December 2018. The report sought an 'in-principle' decision to commit a total of £35,000 towards the MIPIM event, taking place in March 2019. As at Quarter 3, no further expenditure is anticipated and therefore an underspend of -£15,000 is being projected.

Programme Development & Support Budget: -£187,492

8. As detailed above, a budget of £468,114 has been approved in respect of Programme Development & Support. This budget is allocated between projects that have secured an 'In-Principle' approval from Regional Cabinet (£230,000) with the balance (£238,114) being available to support emerging projects and initiatives during the year.
9. Work is commencing on both the Digital Strategy and the Housing Investment Fund projects, with business cases expected to be brought forward during the early part of the 2019. The Digital Strategy is projecting a full spend against its budget allocation of £130,000. However, it is understood the £100,000 allocation approved in respect of the Housing Fund project is unlikely to be fully spent in 2018/19. Therefore, the projection has been reduced to £20,000 whilst the

details are worked through with a potential 'fund partner'. Dialogue with the project teams will be maintained throughout the final quarter of the year and the projections updated accordingly.

10. As a result of the underspends referred to above, the level of uncommitted resources available to support new projects and initiatives in year have increased during the year. In terms of in year commitments - £29,172 has been agreed to support a part-time secondment to lead the work on data analytics, economic forecasts and sectoral assessments. Specific commitments are also included relating to the Metro Plus scheme and other potential costs which may crystallise in the final quarter of the year.
11. In summary, it is projected that a total of £280,622 will be spent against the £468,114 budget approved for Programme Development & Support, resulting in an underspend of £187,492. Once the underspend on Regional Bodies is factored in, coupled with the unbudgeted investment income, a total underspend of £286,123 is projected at Quarter 3. The full value of any underspend is available to support the WIF Top-Slice in future years, subject always to observing the 3% cap (annual and cumulative caps) approved by Regional Cabinet.

2018/19 Approved Project Budgets

12. The 2018/19 Annual Business Plan approval included budgets in respect of Year 2 costs relating to the Compound Semi-Conductor Foundry Site project. These were budgeted at £13.84 million, consisting of both project related expenditure and the ongoing cost of servicing the Special Purpose Vehicle (Project Delivery & Implementation budget). An update against these budgets is outlined in Table 3 below.

Table 3: 2018/19 Approved Project Budgets

	Budget	Qtr 3 Actual	Projected Year End	Variance
	£'000	£'000	£'000	£'000
CSC Foundry Site Funding	13,690.00	12,308.40	12,308.40	-1,381.60
CSC Project Delivery & Implementation	150	150	150	0
Total	13,840.00	12,458.40	12,458.40	-1,381.60

13. At Quarter 3, the majority (90.0%) of the budget has been released to the Compound Semi-Conductor Foundry project based on the arrangements contained within the project funding letter and the supporting legal documentation. These documents provide a maximum cap on the level of City Deal funding that can be made available to the project. It has now been confirmed that CSC Foundry will not require any further drawdown in Quarter 4, therefore the balance of £1.38 million is projected to slip forward to financial year 2019/20.

2018/19 In Year Revenue and Capital Project Approvals

14. The 2018-19 Annual Business Plan contained additional revenue (£1.000 million) and capital (£4.015 million) resources which were made available to provide Regional Cabinet with a level of flexibility to approve sums during the year. This could be in respect of In-Principle and/or emerging projects that come forward as part of the Cardiff Capital Region's 'delivery pipeline' and also meet the requirements of the Assurance Framework.

Table 4: 2018/19 In-Year Project Approvals

	Budget	Qtr 3 Actual	Projected Year End	Variance
	£'000	£'000	£'000	£'000
In Year Revenue Project approvals	1,000.00	0	0	0
In Year Capital Project approvals	4,015.00	0	0	0
Total	5,015.00	0	0	-5,015.00

15. Table 4 outlines that there are no additional in year approvals (either actual or projected) as at the end of Quarter 3. Given the current status of the Project Delivery Pipeline, the Finance Group have recommended that Regional Cabinet consider to slipping the capital sum (£4.015M) forward, two years to financial year 2020/21.

Future Generations Assessment






<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Setting out substantive performance and progress against the approved annual business plan for 2018/19.</p>
<p>Proposal: Quarter 3 Performance</p>	<p>Date Future Generations Evaluation form completed: 4 Feb 2019</p>

Page 46 **1. Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Assessing progress with City Deal and the targets set around GVA, jobs and leverage – is our key means of securing greater prosperity. Reporting progress in this way contributes to a growing sense of self awareness.</p>	<p>Proposals to improve progress against each of the projects currently in progress – are set out in the report. This report does not seek to simply report progress – but to address the actions needed to drive it.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>References to submissions around the 'Energy Revolution' challenge fund are described in the report. Also recent submissions around EV and Stations of the Future. In addition, the development of the Metro Plus scheme is critical to embodying resilience and sustainability.</p>	<p>This activity will be driven up in future. In addition as physical infrastructure schemes enter delivery – more comprehensive assessments will need to be carried out in full.</p>

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

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report describes performance in the round. It sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	<p>The plan has been iterated to reflect a more co-ordinated format. This is now followed up in the production of the Annual Business Plan 2019/20.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A cornerstone of our process is the strength of partnership working. An update on governance is set out in the report.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work.</p>	<p>More needs to be done to develop engagement platforms – beyond formal partnerships – to reach communities, hard to reach groups and those who currently have a limited understanding of City Deal. Improving social media, web presence and marketing materials will increasingly make a contribution to this.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>This is set out in the REGP work on the developing Regional Economic and Industrial Plan.</p>	<p>This will be an increasing focus of scheme and programme delivery.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>City Deal seeks to make a contribution on place and to improving the life chances of people in the region.</p>	

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

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

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

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

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

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

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

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

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

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

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The impacts of this proposal will be evaluated on:

Quarter 3

18 FEBRUARY 2019 MEETING

PROPOSED 2019/20 JOINT COMMITTEE REVENUE BUDGET

REPORT OF ACCOUNTABLE BODY – SECTION 151 OFFICER, CARDIFF CAPITAL REGION CITY DEAL

AGENDA ITEM: 6

Reason for this Report

1. To provide Regional Cabinet with details of its proposed 2019/20 Joint Committee Revenue Budget and indicative budgets to 2023/24, to assist with Medium Term Financial Planning.
2. To advise on the funding mechanisms that will be used to support the proposed establishment of the City Deal Office, which Regional Cabinet will be considering as part of a separate report at its meeting of the 18th February 2019 (Agenda Item 8).

Background

3. Regional Cabinet was formally established on March 1st 2017 and therefore, financial year 2019/20 represents its third full year of operation. In order to establish the Programme Management Office (PMO) and associated Accountable Body (AB) support arrangements, budgets have been approved to put in place the resources required to support the work of the Regional Cabinet. Budgets have been prepared based on the roles, activities and responsibilities identified to-date, with the expectation that the level of resources allocated is continually reviewed and refined as the activities and functions of Regional Cabinet are developed and 'bed down' over time.
4. At its meeting of the 15th January 2018, Regional Cabinet approved its 2018/19 Joint Committee Revenue Budget totalling £1,159,940, to meet the operational and management costs of the Joint Committee (Joint Committee costs)', as set out in the Joint Working Agreement (JWA). These activities are discharged through the PMO and the AB.
5. The JWA places a 5% cap on the maximum annual increase which Regional Cabinet can approve in respect of its Annual Budget, from one year to the next. For this reason the 2018/19 Joint Committee costs were funded from two sources. The

'core' element amounted to £1,050,000 and was funded from underspends brought forward from 2017/18, with local authority 'partner contributions' making up the balance. The remaining £109,940 (which represents the element above the 5% cap) was met from the Wider Investment Fund, in-line with clause 12.4.2 of the JWA.

Issues

6. The first 30 months or so since the establishment of the Regional Cabinet have been spent ensuring that all governance, accountability and project arrangements were set-up and executed in line with the JWA. In addition to this, Regional Cabinet also approved its first project investment (the Compound Semi-Conductor Foundry project) and has given 'In-Principle' approvals to a further four projects, namely Skills for the Future, Regional Housing Investment Fund, Digital Strategy and Metro Central Project.
7. The second half of 2018/19 has seen the appointment of a new City Deal Director to support the work of Regional Cabinet, through the development of the next stage of the City Deal. With this in mind, the City Deal Director has completed an assessment of 'existing structures' outlining the 'way forward' for the next phase of evolution of the City Deal. Structures reviewed include both the PMO and the 'Theme Lead Officer' roles designed to lead on Programme Development and stimulate the 'Project Delivery Pipeline'.
8. The assessment has concluded that there is a need to build extended virtual and agile teams, which have the breadth, skills, networks and capabilities to evolve the City Deal into the next phase of its growth. In addition, changes are suggested to the 'Theme Lead Model'.
9. Details of the proposal are set-out in the separate report, which are initially requested for the next two financial years to 31st March 2021. This date aligns to the first 5 year Gateway Review stage and it is proposed that matters are reviewed in-light of the findings and conclusions reached at that time. However, consideration and approval of that report will be contingent upon the necessary budget framework being in place to support the proposal. This report outlines those resource requirements and the resulting budgetary impacts over the next two financial years. However, to understand the potential impacts beyond the initial two year period (and to assist with medium-term planning), indicative budgets to the end of 2023/24 have been included for information.
10. For the reasons outlined above, the 2019-20 budget has been prepared and is presented in a manner that allows Regional Cabinet to assess the budgetary impacts on its Annual Budget in terms of the core element, but also the impacts arising from the 'Establishment of City Deal Office', which are estimated at a cost of £597,865 in 2019/20.
11. Table 1 below sets out the proposed changes to the Joint Committee costs from 2018/19 to 2019/20 and includes changes in respect of:

- Pay and price inflation (including on-costs and increments);
- General budget increases (growth) and reductions;
- Budget realignments;
- Increases relating to the City Deal Office (CDO).

Table 1: 2019-20 Proposed Joint Committee Costs - Analysis of changes

	2018-19 Budget £	Growth / Reduction (+/-) £	2019-20 Budget £	Core Budget Change %
Annual Budget				
City Deal Office (former PMO) - Core Budget	749,015	46,338	795,353	6.2%
Accountable Body - Core Budget	300,985	-7,021	293,964	-2.3%
Sub Total	1,050,000	39,317	1,089,317	3.7%
WIF Top-Slice				
City Deal Office – ‘Growth’ funded by WIF	109,940	473,123	583,063	
Accountable Body – ‘Growth funded by WIF	0	14,802	14,802	
Sub Total	109,940	487,925	597,865	
Joint Committee Costs	1,159,940	527,242	1,687,182	
Funded by:-				
Partner Contributions & Underspends b/fwd	-1,050,000	-39,317	-1,089,317	3.7%
WIF Top-Slice Contribution – 3% Flat Profile	-109,940	-487,925	-597,865	
Total Funding	-1,159,940	-527,242	-1,687,182	
Net Position	0	0	0	

Establishment of the City Deal Office (formerly PMO)

Employee Related Budgets

- The City Deal Office (CDO) employee related budgets for 2019/20 are based on the proposed restructure and resourcing plan, resulting from the assessment outlined above. In summary, the budgets reflect an increase in head count from 9 to 15 FTEs, costed at mid-point (where applicable) and are included for the full year. The costings associated with the proposed structure is attached at Appendix 1.
- As outlined above, details of the proposal are fully set-out within a separate ‘Establishment of the City Deal Office’ report that will be considered by Regional Cabinet at its meeting of the 18th February 2019.

Non-Employee Budgets

14. Changes have been made to the CDO non-staffing budgets to reflect the additional resources that will be required to service a revised staffing structure e.g. office costs, travelling, IT equipment etc. In addition, budgets have been further refined to reflect known changes to operational costs as these bed down and requirements are better understood. For example:
 - budgets required to support the work of the 5 Year Gateway Review have been increased to reflect the delivery of SQW's (HM Treasury's appointed advisors) project plan over the next two years;
 - ongoing work to formulate the Investment and Intervention Framework as well as developing practical guidance to business case development in-line with the requirements of the Joint Working Agreement;
 - budget in respect of Wales Audit Office's Performance Audit work;
 - Adjustments to develop in-house capacity in respect of Communications & Media Support.
15. Further details of the changes to the CDO budgets are shown at Appendix 2i.

Accountable Body Support Services

16. The Accountable Body is the legal entity that has responsibility for discharging all the statutory requirements in respect of the Cardiff Capital Region City Deal i.e. it is responsible for ensuring that all decisions and activities of the Regional Cabinet (including the CDO) are lawful and appropriate.
17. To assist with the above, the Accountable Body has commissioned a range of support services from the City of Cardiff Council, for and on-behalf of Regional Cabinet. The scope of services, charging mechanisms and estimated costs are fully documented within the Service Level Agreement (SLAs) agreed with each service provider. In addition to the internal SLAs, the Accountable Body is also responsible for ensuring that Regional Cabinet complies with all legislative requirements e.g. preparation and audit of its annual accounts etc. and all regulatory requirements e.g. registration and accounting for VAT etc.
18. The Accountable Body proposed budget for 2019/20 has been adjusted accordingly to reflect the proposed City Deal Office and its remit. In addition, budgets have been further refined to reflect the likely levels of support that may be required in 2019/20 and future years. For example:
 - an increase to the HR People Services budget in 2019/20 to reflect the support required with the implementation of the City Deal Office and the on-going support of the extended structure;
 - a reduction to the Legal Governance & Support budget;

- A realignment of the External Audit budget based on the actual charges associated with financial audit work to-date;
- The introduction of a new SLA to cover Procurement Advice & Support.

19. Further details of the changes to the Accountable Body budgets are shown at Appendix 2ii.

Proposed 2019/20 Joint Committee Costs and Indicative Costs to 2023/24

20. As outlined above, the Joint Committee costs for 2019/20 reflects the resources needed to re-set priorities and progress the next phase of evolution of the City Deal. The proposed Joint Committee costs for 2019/20 and indicative budgets over the medium term are presented in Table 2.

Table 2: Proposed Joint Committee Costs 2019/20 to 2023/24

	2018-19 Budget £	2019-20 Budget £	2020-21 Budget £	2021-22 Budget £	2022-23 Budget £	2023-24 Budget £
City Deal Office (former PMO)	858,955	1,378,416	1,403,493	1,426,485	1,455,015	1,484,115
Accountable Body Support Services	300,985	308,766	306,274	309,337	312,430	315,554
Joint Committee Costs	1,159,940	1,687,182	1,709,767	1,735,822	1,767,445	1,799,669
Funded by:-						
Annual Budget (core element)	-1,050,000	-1,089,317	-1,102,814	-1,116,833	-1,136,181	-1,153,224
Increase to Annual Budget		3.7%	1.2%	1.3%	1.7%	1.5%
WIF Top-Slice Contribution – CDO	-109,940	-148,615	-158,759	-161,934	-165,173	-168,476
WIF Top-Slice Contribution – AB	0	-14,802	-10,369	-10,473	-10,577	-10,683
WIF Reserve Contribution	0	-434,448	-437,825	-446,582	-295,918	0
Total Funding	-1,159,940	-1,687,182	-1,709,767	-1,735,822	-1,607,849	-1,332,383
Net Position	0	0	0	0	159,596	467,286

21. Table 2 indicates that the 2019/20 Annual Budget (core element only) represents an increase of 3.7% when compared to the equivalent 'core budget' in the current year. Details in respect of funding the City Deal Office are outlined below.

City Deal Office – Proposed Funding Mechanism

22. The proposed 2019/20 budget outlines the need to significantly increase resources to fundamentally alter the way City Deal is structured and operates. In particular, the need to bring forward and strengthen arrangements in respect of Programme

Development & Support has been identified. This report shows that the proposals are affordable within the current budgetary envelope over the next two years, by fully utilising the WIF Top-Slice budget fund the new City Deal Office, as set out in this report. These proposals have been designed with the 2019/20 Annual Business Plan in mind and in particular to ensure the appropriate support (capacity and capability) is in place to deliver the Work Programme, including the need to accelerate the project delivery pipeline.

23. As part of the Accountable Body Budget Report (17th March 2017), Regional Cabinet agreed the following in respect of its Wider Investment Fund (WIF):

Wider Investment Fund

56. *The Cardiff Capital Region Joint Cabinet will be responsible for preparing a JWA Business Plan in respect of the Wider Investment Fund totalling £495m. In order to provide financial support to a range of Regional Bodies and to progress the detailed work on individual projects (Programme Development and Support), additional budgets will need to be identified from within the fund itself, once Welsh Government funding terms and conditions are approved.*
57. *Discussions with UK Government suggest that setting aside around 3% of the total investment fund to carry out these activities would be deemed a reasonable sum. This equates to £742,500 annually and could be required each year, over the first five years of the fund's life. The following budget headings in respect of the 2017/18 allocation are proposed:"*
24. Furthermore, Recommendation (d) of that report, requested that Regional Cabinet:
- d) Approves that up to 3% of the Wider Investment Fund (over a 20 year period) is set-aside to fund the costs and contributions associated with a range of Regional Bodies and to meet the costs of Programme Development and Support, subject to Welsh Government funding terms and conditions.*
25. Following approval of the recommendation outlined above, each year's WIF Annual Business Plan includes a 'ring-fenced' budget referred to as the 'WIF Top-Slice'. Details of the actual costs to-date and forward commitments against the WIF Top-Slice budget are shown in Table 3 below.

Table 3: WIF Top-Slice Resources (3% Flat Profile)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Opening Balance	0	-742,500	-1,328,650	-1,614,773	-1,180,325	-742,500	-295,918
Annual WIF Top-Slice Resources	-742,500	-742,500	-742,500	-742,500	-742,500	-742,500	-742,500
Cont. to JC Rev. Budget - Core	0	0	109,940	163,417	169,128	172,407	175,750
Cont. to JC Rev. Budget - C/fwd	0	0	0	434,448	437,825	446,582	295,918
Prog. Dev. & Supp - ACTUAL / PROJ	0	156,350	346,437	0	0	0	0
Prog. Dev. & Supp - Available	0	0	0	579,083	573,372	570,093	566,750
WIF Top-Slice Expenditure	0	156,350	456,377	1,176,948	1,180,325	1,189,082	1,038,418
Balance C/fwd	-742,500	-1,328,650	-1,614,773	-1,180,325	-742,500	-295,918	0

Shortfall in 2022/23: £159,595

26. Table 3 indicates that there are sufficient resources available within the existing envelope approved by Regional Cabinet to meet the cost of the City Deal Office over the next two years. Furthermore, the projections indicate that there may be sufficient resources available to fund up to another two years of costs, providing these remain at a similar level to those projected in 2020/21.
27. However, Regional Cabinet should note that this funding model will not be able to sustain itself over the longer-term. Therefore, if a decision is taken to continue with the proposed structure of the City Deal Office post 2020/21, then consideration will need to be given to the funding mechanism beyond this stage. With this in mind initial discussions have taken place with UK Government around the ability to bring forward an element of the Top-Slice resources, which are currently profiled for the last five years of the fund life i.e. Years 15-20. This proposal is based on the assumption that most (if not all) of projects approved as part of the WIF will have been approved and implemented by Year 15 and therefore the call on Programme Development & Support resources will be significantly reduced. In any event, regular update reports will be provided to Regional Cabinet to keep them fully informed of matters relating to the Annual Budget.

Reason for Recommendations

28. To inform Regional Cabinet of the proposed 2019/20 Annual Budget (and indicative budgets thereafter) and resulting Local Authority Partner Contributions.
29. To outline details of the funding mechanism that will be used support the proposed establishment of the City Deal Office.

Financial Implications

30. The financial implications are largely set-out in the body of the report and the supporting appendices. In addition (and to summarise), the proposed 2019/20 Annual Budget represents an increase of 3.7% and can be accommodated within the parameters (maximum of up to 5%) of the Joint Working Agreement.
31. The ring-fenced 3% Top-Slice budget has sufficient resources to meet the cost of the City Deal Office over the next two financial years, based on the level of known and estimated commitments at this time. However, it must be noted that the proposed funding mechanism is unable to support the increased cost over the longer term. The report indicates that discussions are taking place with UK Government to bring forward resources from latter years of the fund's life as a possible option. If this option cannot be supported then alternatives will need to be explored as part of the budget setting process in future years.
32. Regular reports will be brought forward to provide updates on budgets and resources. These reports will also need to highlight any issues or risks in respect of City Deal funding terms & conditions.

Legal Implications

33. In this case Regional Cabinet is being asked to approve three matters, the amount of the Joint Committee costs, the Annual Budget and use of part of the HMT contribution to meet the balance of the Joint Committee costs, to the extent that the same exceed the Annual Budget. This is achievable within the parameters set by the Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal ('the JWA'). The JWA provides that:
 - (i) the Joint Committee Costs means the operational and management costs of the joint committee, its sub committees and groups created, including, and by way of example only; staffing costs of the City Deal Office, communications and the costs of the Accountable Body in carrying out the duties of the Accountable Body. The Joint Committee Costs do not include any revenue costs or capital investment relating to the implementation of any project.
 - (ii) the approval of the Annual Budget is a matter for the Joint Committee (the Regional Cabinet) to determine provided that the Annual Budget shall not exceed the previous Annual Budget by more than 5%. The annual budget set for the initial period (2017/2018) being £1,000,000.

It should be noted that the JWA provides that each Council comprising the CCRCD shall each contribute towards the Annual Budget on a proportionate basis.

- (iii) "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)”. In this case the proposed joint committee costs exceed the proposed annual budget. It is therefore proposed that the excess costs be met through the wider investment fund (namely that part of the HMT contributions referred to in this report as the ‘WIF Top-Slice’).

34. It is understood that this proposal accords with the funding conditions attaching to the HMT Contributions, in that the additional funding is required out of the WIF top slice for additional City Deal Office staff to support the objectives of the CCRCD through the implementation of projects, scheme and interventions agreed by Regional Cabinet.

Well Being of Future Generations (Wales) Act 2015 –

35. The Well-Being of Future Generations (Wales) Act 2015 (‘the Act’) is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published well being objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national well being goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the well-being objectives set by each Council and in so doing assist to achieve the national well-being goals.
36. The well-being duty also requires the Councils to act in accordance with a ‘sustainable development principle’. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.
37. Regional Cabinet must be satisfied that the proposed decision accords with the principles above.
38. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at

Appendix 6 (Well-being of Future Generations assessment) for Member's consideration.

39. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers

General advice

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

Recommendations

It is recommended that Cardiff Capital Region Regional Cabinet approve:

- a) the Joint Committee costs set out in Table 1 of this report and amounting to £1,687,182;
- b) the proposed 2019/20 Annual Budget of £1,089,317 as outlined in this report to meet part of the Joint Committee costs and which represent an increase of 3.7% against the previous year's budget; and
- c) that the balance (£597,865) of the Joint Committee costs be met from the Cardiff Capital Region Wider Investment Fund (namely that part of the HMT contributions referred to in this report as the 'WIF Top-Slice').

Christine Salter

**Accountable Body- Section 151 Officer, Cardiff Capital Region City Deal
18 February 2019**

Appendix 1 - Proposed City Deal Office structure costings

Appendix 2i - 2019/20 City Deal Office budget changes

Appendix 2ii - 2019/20 Accountable Body budget changes

Appendix 3 - Future Generations Assessment Evaluation

Background Paper

1. Joint Working Agreement
2. HM Treasury Funding Terms & Conditions

City Deal Office proposed new Structure Costings

Title	FTE	Grade	18/19			Uplift 19/20	
			Salary	On-Costs	Total	Total	
City Deal Director	1.0	n/a	£111,447	£38,135	£149,582	£151,078	
Chief Operating Officer / Deputy	1.0	CO/AD	£84,905	£30,507	£115,412	£117,720	
Head of / Strategic Lead for Assurance, Risk & Programme Finance	1.0	OM1	£61,963	£21,949	£83,912	£85,590	
Marketing and Communications Lead	1.0	Gr10	£40,857	£14,078	£54,935	£56,034	
Business Support Co-ordinator	1.0	Gr7	£30,755	£10,310	£41,065	£41,886	
Business Support Co-ordinator	1.0	Gr7	£30,755	£10,310	£41,065	£41,886	
Chief CCR Invest Officer	1.0	CO/AD	£84,905	£30,507	£115,412	£117,720	
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105	
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105	
Chief CCR Infrastructure Officer	1.0	CO/AD	£84,905	£30,507	£115,412	£117,720	
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105	
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105	
Graduate Intern	1.0	Gr6	£26,470	£8,711	£35,181	£35,885	
Head of / Strategic Lead for Business & Challenge Development	1.0	OM1	£61,963	£21,949	£83,912	£85,590	
Graduate Intern	1.0	Gr6	£26,470	£8,711	£35,181	£35,885	
Apprenticeship Levy (0.5% of Taxable Pay)			£0	£0	£3,987	£4,057	
Graduate Intern Resource to be provided without charge			-£26,470	-£8,711	-£35,181	-£35,885	
Total	15.0		£771,133	£269,087	£1,044,207	£1,063,585	

Appendix 2i

2019-20 Proposed Annual Budget – Analysis of Changes (City Deal Office)

	2018-19 Budget	Growth / Reduction (+/-)	2019-20 Budget
City Deal Office (CDO)	£	£	£
Employee Related	585,916	477,669	1,063,585
Premises Related	20,564	436	21,000
Transport Related	7,500	11,250	18,750
Supplies & Services	87,390	-18,695	68,695
Joint Scrutiny	20,000	5,000	25,000
External Support - Communications & Media	25,000	-25,000	0
5 Year Gateway Review Support	50,000	22,810	72,810
Assurance Framework Support	0	25,000	25,000
WAO Performance Audit Fee	0	15,000	15,000
Contingency	62,585	5,991	68,576
Total Expenditure	858,955	519,461	1,378,416
Funded by			
Partner Contributions	-749,015	-46,338	-795,353
WIF Top-Slice Contribution	-109,940	-473,123	-583,063
Total Funding	-858,955	-519,461	-1,378,416

Appendix 2ii

2019-20 Proposed Annual Budget – Analysis of Changes (Accountable Body Support Services)

	2018-19 Budget	Growth / Reduction (+/-)	2019-20 Budget
Accountable Body Support Services	£	£	£
HR People Services	11,250	9,435	20,685
Finance & Accountancy Support	135,640	2,653	138,293
Exchequer, Internal Audit & Insurance	3,535	31	3,566
Legal & Governance Support	108,815	-28,815	80,000
ICT, Information & Governance	14,830	-1,108	13,722
External Audit Fee	5,000	7,500	12,500
Procurement	0	15,000	15,000
Contingency	21,915	3,085	25,000
Total Expenditure	300,985	7,781	308,766
Funded by			
Partner Contributions	-300,985	7,021	-293,964
WIF Top-Slice Contribution	0	-14,802	-14,802
Total Funding	-300,985	-7,781	-308,766

Future Generations Assessment Evaluation






Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To propose the annual revenue budget for the Joint Committee for the financial year 2019/20.
Proposal: 2019/20 Joint Committee Revenue Budget	Date Future Generations Evaluation form completed: 08 Feb 2019

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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The report sets out the proposed revenue budget for the Joint Committee for 2019/20, demonstrating the way in which available resources will be used to deliver outcomes and targets.	Set out in report
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Not directly relevant however financial support and investments will have regard to these principles and will be set out on a business-case by business-case basis.	
A healthier Wales	Not directly applicable	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
People's physical and mental wellbeing is maximized and health impacts are understood		
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Not directly applicable	A greater contribution will be made to this by the data capability, sectoral analysis and place assessments.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Not directly applicable	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Not directly applicable	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	City Deal is about delivering as far as possible across 10 LAs and a population of £1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people's lives. Some of the specific interventions around skills and housing – will seek to make a more direct contribution to equity of access and equal opportunity for all.	

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A cornerstone of our process is the strength of partnership working.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Demonstrated in the report through detailed funding allocations and investment cases</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>City Deal seeks to make a contribution on place and to improving the life chances of people in the region.</p>	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The report is an overview of financial performance. The protected characteristic assessments related to specific proposals will need to be drawn out in the relevant business cases and proposal documents.	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above	As above	
Race	As above	As above	
Religion or Belief	As above	As above	
Sex	As above	As above	
Sexual Orientation	As above	As above	
Welsh Language	As above	Not at this time but the situation will be kept under review.	

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

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

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

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

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

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

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

The impacts of this proposal will be evaluated on:	On a quarterly basis starting Quarter 1 2019/20
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18 FEBRUARY 2019 MEETING

THE WIDER INVESTMENT FUND - ANNUAL BUSINESS PLAN 2019/20

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM: 7

Reason for this Report

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

Background

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

Key Issues

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

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

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

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

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

Legal Implications

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

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

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

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

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

- Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.
17. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 2 (Well-being of Future Generations assessment) for Member's consideration.

Financial Implications

18. This report seeks approval of the 2019/20 Annual Business Plan (Appendix 1) and details the current position in respect of approvals to-date, in-principle commitments and sums available for future revenue and capital projects.
19. In-line with the Assurance Framework and the proposed Investment and Intervention Framework, all investment proposals will be subject to business case development and approval. The business case will provide detailed information on matters such as; expenditure profile (and whether it is revenue and/or capital in nature), and the proposed funding streams. The business case will also need to be clear on the proposed delivery mechanism and how risks will be allocated and managed.
20. The approved affordability envelope has been set at £210.8 million and is based on the indicative modelling that was undertaken in January 2017 and informed the reports approved by each constituent council in January/February 2017.
21. The Joint Working Agreement (JWA) defines the Affordability Envelope as:
- “the overall costs and investment by each Council pursuant to their proportion of the Councils' Contribution under this Agreement over the evaluation period, which shall not exceed in aggregate £210,800,000 (two hundred and ten million eight hundred thousand pounds) and shall include, without limitation, all interest, inflation and UK Government cost to carry and shall be updated and will be reflected within the terms of the JWA Business Plan (as part of its approval by the Councils) to include, amongst other matters, the annual spend profile for each Council”.*
22. The JWA Business Plan acknowledges that the affordability implications arising from the 'wholelife cost' of the Wider Investment Fund will change over time, as investment decisions are made and projects are implemented. Therefore, the affordability model is updated periodically to reflect the latest known position. In this regard, the affordability model has been updated to capture the following:

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

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

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

24.

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

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

REASONS FOR RECOMMENDATIONS

29. The reasons for the recommendations are as follows:

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

RECOMMENDATIONS

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

Kellie Beirne
Cardiff Capital Region Director
18 February 2019

Appendices

Appendix 1 – Annual Business Plan 2019/20

Appendix 2 – Wellbeing of Future Generations Assessment

Background Papers

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



CARDIFF CAPITAL REGION CITY DEAL – BUSINESS PLAN 2019/20

Beirne, Kellie

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

Foreword

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

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

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

Andrew Morgan

Chair, CCR City Deal Joint Cabinet Committee & Leader RCTCBC

Purpose - and our market and policy context

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

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

Our challenges

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

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

Our targets and objectives

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

Adapting design

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

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

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

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

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

What we will do and deliver in 2019/20

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

- Strategy and Direction

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Further considerations

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

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

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

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

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

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

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

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

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

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

Budgets and Funding Strategy

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

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

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

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

WIF Top-Slice Budget

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

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

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

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

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

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

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

Approved Projects

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

Table 3: 2019/20 Budget - Approved Projects

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

Future Revenue and Capital Projects – Indicative Allocations

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

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

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

Affordability Envelope and WIF Funding Strategy

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

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

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

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

Monitoring and Quality Assurance

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

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

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

Key Risks

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

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

Future Generations Assessment

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






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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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The impacts of this proposal will be evaluated on:

Quarter 1, 2, 3 & 4

18 FEBRUARY 2019 MEETING

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

REPORT OF THE CITY DEAL, DIRECTOR

AGENDA ITEM: 8

Reason for this Report

1. The foundations of City Deal have been fundamentally evolving over the last five months following an assessment of the 'state of readiness' of the programme for its next phase of deployment. Actions required to increase preparedness have been set out in a comprehensive 'ten point plan' and adapted into performance frameworks, work plans and reports from September 2018 onwards. This has included a focus on core critical success factors such as improving influence with investors and funders; increasing strategic alignments in order to leverage new investment; the need for good data to support decisions; and, a new Economic and Industrial Growth Plan to set direction. In addition, given the focus on partnerships, industrial leadership and delivery as part of the Local Evaluation framework now underway, the City Deal programme has to gear up to a set of unprecedented challenges.
2. Chief amongst these challenges is the sense of urgency surrounding the impact of departure from the European Union, loss of structural funds and the need to compete with other regions and institutions to secure resources - through the UK Government Industrial Strategy – the new locus of regional economic and innovation investment.
3. In this context, City Deal takes on a new significance - beyond a funding programme. There is a need to in-build greater resilience; the ability to compete, be 'challenge-focussed' and increase economic sustainability. This approach is set out in the proposed Annual Business Plan for 2019/20, focussing on activities to ramp up pace and delivery; strengthen influence and

adherence to a wider set of success factors, that will see optimal delivery of economic growth and public value.

4. A critical feature of this new approach and front and centre in the Annual Business Plan, is the proposed Investment Framework and the 'three fund approach'. This approach to enhancing the Assurance Framework fills a gap that currently exists around the ability to properly progress, evaluate and deliver the right projects, at the right time, to maximise impact to the economy and communities – in line with agreed targets.
5. Whilst there is an existing resourcing and team structure in place (Appendix 1) – albeit, largely vacant – it is not configured to meet the challenges, demands and shifts and changes set out above. In order to accelerate progress and pace, deliver to the new imperatives and succeed in a much more competitive space, a new resourcing plan and brand is required.
6. This report sets out a proposal for establishing the City Deal Office and a comprehensive resourcing plan which enables optimal delivery for the period up to Gateway Review 1 (2019/20-2020/21) and within the existing resourcing envelope.

Background

City Deal – a new significance

7. The environment both internal and external to City Deal is rapidly shifting. Externally, the impact of the UK exiting the European Union and the subsequent loss of Structural Funds, will be especially adverse for Wales and the Cardiff Capital Region – as significant net beneficiaries of European monies. With the launch of the UK Industrial Strategy, all government-level regional investment for economic growth and innovation will now be channelled via funds such as the Industrial Strategy Challenge Fund. The combined budget of the non-departmental UK Government entity established to oversee this – UK Research and Innovation is £6.4bn per annum – and represents a huge opportunity. However, the investment is deployed via a challenge-led programme and organised around Four Grand Challenges (Clean Growth, Data and Artificial Intelligence, Ageing Society and the Future of Mobility). This places an emphasis on creative thinking, ideas, Research and Development and the ability to solve problems. Such an approach is very different to traditional grant application and the competition is much bigger and wider.
8. Quickly gearing up to compete with other regions and institutions on a UK-wide basis to secure and win resources means that our approach needs to rapidly develop the maturity and resilience to succeed. It must be noted that whilst there is a UK Government commitment to 'replacing' EU funds – it is not a 'like

for like' commitment. The Shared Prosperity Fund aims to ensure regions and areas can share and spread the benefits of prosperity and address inequalities. However, it is still not understood if the Fund, which is unlikely to replace the quantum lost through of EU funds, will also, be in some or full-part, challenge-driven. What is known, is that the fund will be administered by UKRI and connections with the Industrial Strategy will be expected.

9. All of this, presents significant challenges to the internal dynamic, composition and capacity of City Deal. City Deal has to evolve from being 'theme-driven' to challenge-driven; become more data driven, focussed on fewer unique competitive strengths and able to demonstrate its contribution to solving some of the big industrial and societal problems of the day.
10. In this context, all aspects of City Deal operations must evolve and adapt. City Deal takes on a fundamental new significance. Once the investment is gone - it is gone and therefore every penny must be made to count. This means a different path to 'spending down' the Deal and developing a pipeline that will outlive City Deal and leverage new investment and opportunity to bring about a step change in the economic fortunes of the region. The City Deal Wider Investment Fund (WIF) must strive to be 'evergreen' and live of interest and not capital. Activity to initiate this shift in approach has already brought about:
 - Sectoral analysis (as part of a wider 'State of the Region' evidence report) that builds upon the early work of the Growth Commission and sets out areas of competitive strength;
 - The development, led by the Regional Economic Growth Partnership, of a regional Industrial and Economic Plan. The plan is aimed at conveying the 'investability' of the region and developing links and connections into the UK Industrial Strategy and Wales' Economic Action Plan;
 - Building a connected delivery pipeline, supported by a proposed Investment Framework that guides decision making, investment criteria and evaluation and a roadmap for meeting the GVA, Jobs and Leverage targets. This Investment Framework places an emphasis on 'Innovation Investment'; 'Infrastructure Investment' and 'Challenged-led Investment';
 - Opportunities to develop 'co-investment' mechanisms with UKRI and Wales Government;
 - Opportunities to influence UKRI through expert panels, submissions into the Industrial Strategy Challenge Fund (such as Strength in Places) and membership of the Science Advisory Panel;
 - A new approach to communications, social media, marketing and extending 'reach' and engagement;
 - Targeting of key international events such as MIPIM and Wales in London Week, developing our investment credentials and growing international profile, visibility and trade links; and,

- Growing and reinforcing the partnership base, network and influencers willing to act and animate on behalf of the Cardiff Capital Region.
11. The above steps have been necessary to evolve the foundations of City Deal, ensuring it remains fit for future purpose and capable of keeping going and growing. However, to implement this and drive delivery in optimal ways requires real changes to the current set-up, staffing, structures and resources. Executing all of the above relies upon a comprehensive structure and resourcing plan which will address issues around capacity, capability and how we brand and communicate the core proposition.
 12. The current approved and largely vacant structure for the City Deal 'Programme Management Office' is set out at Appendix 1. This structure reflects point in time requirements that have long since passed and a set of earlier assumptions and predictions that have shifted over time.
 13. The proposal is to replace this structure and resourcing plan with a new 'City Deal Office', which will be underpinned by a core programme team and two 'entities', that position 'CCR Infrastructure' and 'CCR Invest' as key brands. The structure and resourcing plan will emphasise and bring about:
 - The need to mobilise wider strengths and assets within partnerships and other organisations;
 - A focus on data, evidence, insight and foresight to underpin decision making and good governance;
 - A fresh and contemporary brand for CCR that resonates with business and industry and other global brands;
 - A focus on innovation investment that keeps the City Deal 'evergreen' and able to leverage new resources and opportunity;
 - A focus on infrastructure development which enables economic growth and productivity improvements;
 - A focus on challenge-led investment that realises co-investment and co-funding across governments, industry and HE;
 - A dedicated approach to marketing, communications and branding – ensuring we have an international visibility and profile;
 - The appropriate commercial and negotiating ability, acumen and flair
 - An understanding and aptitude for 'good' inclusive growth and business development; and,
 - Bringing in-house key aspects of the financial, assurance and governance processes.

Key Issues - The Proposal

14. The proposed City Deal office structure and functions are set out below:

Figure 1:



Proposed Structure – City Deal Office Core Team

15. It is proposed that the Core Team is comprised of:

- A Chief Operating Officer – a deputy Director role, providing reliable and confident input into key stakeholder settings; oversight of all City Deal operations, staffing and work programmes. Partnership and data lead. Academic partnership lead. Oversight of the operation of the Investment framework and in particular, execution of the Challenge Fund.
- A Head of Assurance, Finance and Risk – lead for good governance, accountability and risk management. Perform lead financial oversight role and point person for Local Evaluation Framework and review.
- A Head of Inclusive Growth and Business Development – lead for inclusive growth and pipeline and business development. Deal-flow and origination, relationships and networks and investor relations.
- Graduate Associates(2) – research and development support, administrative support and project based development work and programme management
- Business Support Officers (2) – intelligent administrative support, front of house development, lead programme support for Assurance, Finance and Risk and Inclusive Growth/ Business Development roles

- Marketing and Communications Lead – communications and marketing lead; in-house communications and press office, brand development and investability, profile and visibility
- PhD Data Scientists – sourced and match-funded from the KES studentship scheme – provision of live data curation, support and analysis to inform evidence base and investment project appraisals

Proposed Structure - CCR Infrastructure

16. It is proposed that CCR Infrastructure – a ‘brand’ of the City Deal Office will comprise:
- Chief Officer – CCR Infrastructure – oversee, develop and establish the brand and delivery pipeline for all infrastructure delivery. Professional expertise, knowledge and capability to the programme, delivering against targets and overseeing major project execution across physical and fixed infrastructure schemes. Lead for Metro.
 - Investment Support Leads (2) – leads for detailed project development, appraisals and evaluation

Proposed Structure – CCR Invest

17. It is proposed that CCR Invest – a brand of the City Deal Office initially (with probable need to convert to corporate structure to professionally oversee, manage and evaluate the Innovation Fund), will comprise:
- Chief Officer – CCR Invest – oversee, develop and establish CCR Invest and professional fund management relationship in respect of Innovation Investment and Major Strategic Projects. Professional innovation and investment expertise and public-private investment experience and all aspects of Foreign Direct Investment, ‘origination’ and investment readiness
 - Investment Support Leads (2) – leads for detailed project development, appraisals and evaluation
18. Structure Chart, Job Roles, Person Specifications and Job Evaluations are attached at Appendix 2. It should be noted that all roles are for a fixed term period until 31 March 2021, in line with the City Deal Director’s tenure and the first five year Gateway Review.
19. All roles have gone through established job evaluation processes, Hay for senior roles and GLPC scheme for the remaining posts. Salaries have been set based on these evaluations and Cardiff Council salary structures. All posts will either be seconded to Cardiff Council as the host authority for secondments or may be fixed-term appointments to Cardiff Council if the successful candidates

are not employed by one of the ten authorities which make up the Cardiff Capital Region. As the Chief Operating Officer post reports directly to the Director, it is defined as deputy Chief Officer post under Section 2 of the Local Government and Housing Act 1989 and therefore requires a member appointment as stipulated under the Local Authorities (Standing Orders) (Wales) Regulations 2006 (amended in 2014). Therefore, there will be a requirement for a Member panel of not less than 5 members to be established in order to recruit for this post. All other posts will be officer appointments led by the Director/ Chief Operating Officer and will be supported by HR, from the Accountable Body and other Chief Executives as required.

Resourcing Plan and Budget

20. The budget and resourcing plan for the proposed City Deal Office is set out at Appendix 3. Key points are as follows:
 - The budget for the existing Programme Management Office is c£1.1m (inclusive of staffing, running costs and Accountable Body contribution)
 - The costs associated with the new structure are c£1.7m (inclusive of staffing, running costs and Accountable Body contribution)
 - **This is an increase of c£0.6m**
21. In addition to the above, is the approved 3% top-slice of the Wider Investment Fund (WIF) budget. This was previously £742k. However, in order to fund the above increase, it is proposed that this is increased by c£434k to £1.1m by calling on the WIF Projected Reserve Monies (£872k) over the two year period. £0.6m of this will be used to fund the increase related to the establishment of the Office of the City Deal. This leaves £0.5m of the WIF top-slice to invest in both 2019-20 and 2020/21 on investment support activities to underpin CCR Invest and CCR Infrastructure and project delivery.
22. In short, this means the £0.6m cost increase will be met from the WIF top-slice based on 3% flat profile plus the balance in the WIF Projected Reserve Monies for a two year period. This means that the costs of appropriately resourcing the Office of the City Deal and all required activity will be met, for the remaining fixed two year period, up until Gateway Review 1, within existing resources and the overall resource envelope established with no further commitment or increase in Council contributions required.
23. There is a risk associated with this. This being that given the rate at which potential proposals and projects are starting to form and come forward, the investment support budget of £1.0M over two years, may be insufficient. This could be a particular issue in 2019/20 with a number of legacy commitments. This risk will need to be managed and mitigated through the Annual Business Plan process. The Annual Business Plan for 2019/20 sets out currently, that the

WIF top-slice of 3% for project and investment support, is profiled over a 20 year delivery period. However, should projects come to the fore more quickly and delivery takes place over a shorter period (10-15 years), it may be necessary to 'front-load' the 3% in the short-term (rather than the current flat profile over 20 years). The Annual Business Plan seeks to establish the principle for this, with the support of UK Government, in-building the flexibility, should it be required – now or at a future date - to accelerate project delivery. Again, this does not extend, change or increase the current envelope. Instead it seeks to flex the current envelope in order to be compatible with the pace and scale of delivery.

**Fig 1 - WIF Top-Slice
Resource Table
(3% Flat Profile)**

	2016/17 £s	2017/18 £s	2018/19 £s	2019/20 £s	2020/21 £s	2021/22 £s
Opening Balance	0	-742,500	1,328,650	1,614,773	1,180,325	-742,500
Annual WIF Top-Slice Resources	-742,500	-742,500	-742,500	-742,500	-742,500	-742,500
Contribution to Joint Cttee Budget	0	0	109,940	597,865	606,953	563,475
Prog' Develop' & Support - ACTUAL	0	156,350	346,437	0	0	0
Prog' Develop' & Support - Commitments	0	0	0	484,550	15,000	0
Prog' Develop' & Support - Available	0	0	0	94,533	558,372	576,228
WIF Top-Slice Expenditure	0	156,350	456,377	1,176,948	1,180,325	1,139,703
Balance C/fwd	-742,500	1,328,650	1,614,773	1,180,325	-742,500	-345,298

Gateway Review

Wider implications

- The wider implications arising from this report firstly concern the Accountable Body, and the current 'Lead Officer' arrangement. In relation to the Accountable Body, there is no planned revision to the current arrangement. However, given the proposal to build a Finance/ Assurance/ Governance role into the core City

Deal Office, any resultant impact on the scope/ scale of part of the service currently procured through the Accountable Body, will be kept under review.

25. The rationale for the current minimalist staffing and resourcing structure for City Deal was predicated on Council Leaders and officers enacting 'lead' roles. Whilst it is beneficial for Leaders to be figureheads and ambassadors for thematic areas such as Skills, Innovation and Transport – and must remain a feature of future work – the 'lead officer' role has not consistently worked well. This has been because of understandable and inevitable time constraints and competing priorities. In addition, it has sometimes reinforced silos and not made connections and reinforced the interfaces so key to telling the story. It is therefore proposed that reinforcing the capacity and capability within the City Deal Office, it becomes principally accountable for project leadership and delivery (except in circumstances where there is a strong 'local delivery' flavour to the project) with nominated council officers, providing a support, challenge and critical friend role.
26. A further consideration is the need to establish a Member-led Appointments Panel for the purposes of carrying out the recruitment and selection of the senior post in the proposed structure – the Chief Operating Officer.

Reasons for Recommendations

27. The reasons for the recommendations are:
 - If the Cardiff Capital Region is to compete in a fundamentally altered environment, it needs to evolve and adapt quickly, in order to respond to the challenges and take advantage of new connections, opportunities and collaborations;
 - The current staffing and resourcing structure is not fit for future purpose and investment is needed in ensuring the capability and capability is in place to accelerate programme delivery and build for the future; and,
 - The proposals set out in this report are affordable in the context of existing resources, achievable in the context of the opportunity pipeline and deliverable in line with the two year fixed period which leads to Gateway Review 1.

Financial Implications

28. The 2019/20 Joint Committee Revenue Budget report is due to be considered by Regional Cabinet at its meeting of the 18th February 2019 (Agenda Item 6). That budget report contains the necessary approvals in respect of this proposal and therefore, approval of this report is contingent upon the Joint Committee Revenue budget securing the necessary approvals in this regard. The financial implications are largely set-out in the body of this report and the supporting appendices. In addition (and to summarise), the ring-fenced

3% Top-Slice budget has sufficient resources available within existing envelope approved by Regional Cabinet to meet the cost of the proposals set out in this report over the next two years. Furthermore, the projections indicate that the available resources may be enough to fund up to another two years of costs, providing these remain at a similar level to those projected in 2020/21. Full details are set-out at Appendix 4 - WIF Top-Slice Resources Table.

29. However, Regional Cabinet should note that this funding model will not be able to sustain itself over the longer-term. Therefore, if a decision is taken to continue with the proposed structure of the City Deal Office post 2020/21, then consideration will need to be given to the funding mechanism beyond that stage.
30. With this in mind initial discussions have taken place with UK Government around the ability to bring forward an element of the Top-Slice resources, which are currently profiled to be spent in the last five years of the fund's life i.e. Years 16-20. This option is based on the assumption that most (if not all) of projects approved as part of the WIF should have been approved and implemented by the end of Year 15 and therefore, the call on Programme Development & Support resources will be significantly reduced. In the unlikely event that the top-slice cannot be front front-loaded as is desired, then the budget setting process at the time, will need to address the issue.
31. Regular budget monitoring reports will need to provide updates on the position in respect of budgets and resources, including the City Deal Office proposal (if approved). These reports will also need to highlight any issues or risks in respect of City Deal funding terms & conditions, should these crystallise in any way.

Legal Implications

32. The Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal ('the JWA') provides that the Regional Cabinet shall establish a Programme Management Office. Further, the terms of reference of the Regional Cabinet include that Regional Cabinet shall, '*provide strategic direction to the Regional Programme Director (to include approval of remit for the Regional Programme Director and approval of any resourcing issues)*'. This report relates to resourcing issues and proposes the existing structure of the PMO is replaced with a new structure, as set out in appendix 2. This proposal is achievable within the provisions of the JWA provided it falls within the budget provision approved. The report on the 2019/20 joint committee revenue budget addresses the budget position and the recommendations in this report are subject to the budget report recommendations being approved.
33. It is proposed that going forward, the Programme Management Office ('PMO') is referred to as the City Deal Office. This would constitute a minor amendment to the JWA (to the terminology used) and if acceptable can be agreed by Regional Cabinet. It is noted that the tasks and responsibilities allocated to the

PMO under the Assurance framework (which document forms part of the JWA) will continue to be undertaken by the City Deal Office.

34. The employment law implications associated with this proposal are addressed in the HR advice in this report.
35. In developing the Annual Business Plan and in carrying out the activities listed regard should be had, amongst other matters, to:
 - (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and (c) the Well Being of Future Generations (Wales) Act 2015.
36. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must be set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing assist to achieve the national wellbeing goals.
37. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
 - Look to the long-term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.

38. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, a full assessment is attached.

HR Implications

39. All posts have been developed and evaluated in line with HR best practice. Recruitment into the roles has been identified within the body of the report and follows legal and best practice requirements. The move to the new structure detailed within this report will have an impact on a number of current employees as their current roles are not included in the revised structure. These employees have been consulted prior to this report being made publicly available and this consultation will be taken into consideration should any employees be displaced during this process.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- a) Delete the existing structure for the City Deal Programme Management Office (Appendix 1) and endorse and approve the proposed Restructure and Resourcing Plan for the establishment of the City Deal Office in 2019/20-2020/21 (Appendix 2);
- b) Note the additional cost of £0.6M associated with this and approve the financing plan and proposed budget that sets out how this increase will be managed within existing resources and the current affordability envelope;
- c) Note the risk around the 3% top slice of the Wider Investment Fund and its sufficiency in meeting the cost of support and developmental works associated with accelerating delivery – now and in the future. To endorse establishing the principle of front-loading the 3% top-slice, when and if the need arises – and subject to UK Government agreement – as per the Annual Business Plan 2019/20 recommendations; and
- d) Agree the establishment and composition of an Appointments Panel in line with the Joint Working Agreement provisions, in order to commence, oversee and enact the recruitment and selection process for the proposed senior post of Chief Operating Officer.

Kellie Beirne
Cardiff Capital Region City Deal Director
18 February 2019

Appendix 1 – Current Structure – Programme Management Office
Appendix 2 – City Deal Office Proposed Structure Chart
Appendix 3 – Budget and Resourcing Plan
Appendix 4 – Wider Investment Fund Top-Slice Resources
Appendix 5 – Future Generations Assessment

Current Structure – Programme Management Office

1. Table 1 below sets out the 2018/19 approved budgeted structure for the City Deal Programme Management Office.

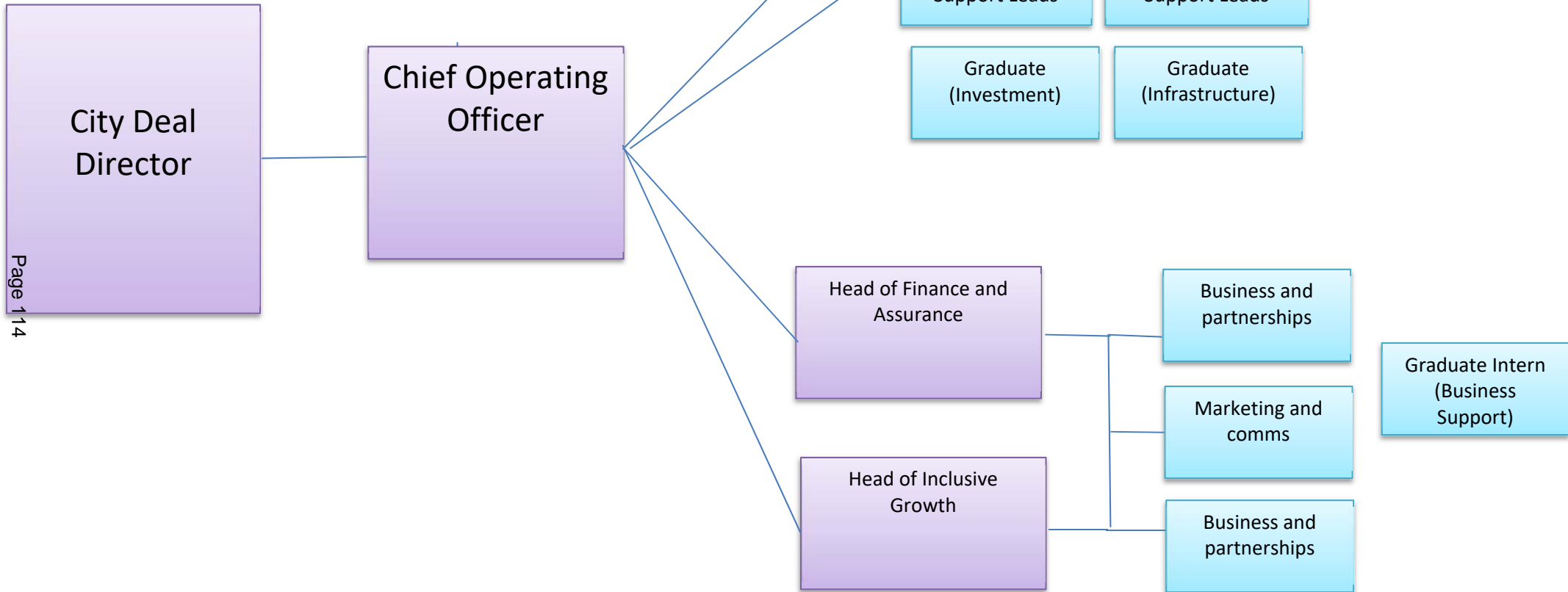
Table 1: Current Structure – Programme Management Office

Title	FTE	Grade	Salary	On-Costs	Total
Programme Director*	1.0	-	-		£149,582
Delivery Lead Place / Infrastructure / Transport	1.0	OM2	£50,128	£17,571	£67,699
Delivery Lead People (Skills)	1.0	OM2	£50,128	£17,571	£67,699
Development Officer Prosperity	1.0	Gr9	£38,052	£13,067	£51,119
Temporary Development Officer (Digital)	1.0	Gr9	£38,052	£13,067	£51,119
Development Officer Place / Infrastructure / Transport	1.0	Gr9	£38,052	£13,067	£51,119
Development Officer People (Skills)	1.0	Gr9	£38,052	£13,067	£51,119
Cabinet and Partnership Support	1.0	Gr6	£28,222	£9,400	£37,622
Cabinet and Partnership Support	1.0	Gr6	£28,222	£9,400	£37,622
Other Employee Costs					£21,215
	Total	9.0	£308,908	£106,210	£585,915

Funded by:

PMO Base Budget	£475,975
Wider Investment Fund Top-Slice	£109,940
	£585,915

*to be retained



City Deal Office – Proposed Budget and Resourcing Plan 2019/20

1. Table 1 below shows the cost implications of the new staffing structure for the City Deal Office as set-out in Appendix 2. Salaries have been calculated at the mid-point of grades and a 2% overall increase to 2018/19 costs has been built in. This costing also assumes that all posts will be filled for the whole of the Financial Year.

Table 1: City Deal Office – Costed Structure 2019/20

Title	FTE	Grade	18/19		Uplift 19/20	
			Salary	On-Costs	Total	Total
City Deal Director	1.0	n/a	£111,447	£38,135	£149,582	£151,078
Chief Operating Officer / Deputy	1.0	CO/AD	£84,905	£30,507	£115,412	£117,720
Head of / Strategic Lead for Assurance, Risk & Programme Finance	1.0	OM1	£61,963	£21,949	£83,912	£85,590
Marketing and Communications Lead	1.0	Gr10	£40,857	£14,078	£54,935	£56,034
Business Support Co-ordinator	1.0	Gr7	£30,755	£10,310	£41,065	£41,886
Business Support Co-ordinator	1.0	Gr7	£30,755	£10,310	£41,065	£41,886
Chief CCR Invest Officer	1.0	CO/AD	£84,905	£30,507	£115,412	£117,720
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105
Chief CCR Infrastructure Officer	1.0	CO/AD	£84,905	£30,507	£115,412	£117,720
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105
Proposal Delivery Lead	1.0	Gr9	£38,052	£13,031	£51,083	£52,105
Graduate Intern	1.0	Gr6	£26,470	£8,711	£35,181	£35,885
Head of / Strategic Lead for Business & Challenge Development	1.0	OM1	£61,963	£21,949	£83,912	£85,590
Graduate Intern	1.0	Gr6	£26,470	£8,711	£35,181	£35,885
Apprenticeship Levy (0.5% of Taxable Pay)			£0	£0	£3,987	£4,057
Graduate Intern Resource to be provided without charge			-£26,470	-£8,711	-£35,181	-£35,885
Total	15.0		£771,133	£269,087	£1,044,207	£1,063,585

2. Table 2 shows the total proposed Revenue Budget for the City Deal Joint Committee, including both the City Deal Office and the Accountable Body Support Services. The budget totals £1.687M and is funded by City Deal Partner Authority Contributions and contributions from both the 2019/20 allocation of the Wider Investment Fund 'Top-Slice' Budget and from unused Top-Slice funding from 2017/18 and 2018/19 which has been carried forward.

Table 2: CCRC Joint Committee Revenue Budget 2019/20

City Deal Office (CDO)

Employee Related	£1,063,585
Premises Related	£21,000
Transport Related	£18,750
Supplies & Services	£68,695
Joint Scrutiny	£25,000
5 Year Gateway Review Support	£72,810
Assurance Framework Support	£25,000
WAO Performance Audit Fee	£15,000
Contingency	£68,576
Sub Total	£1,378,416

Accountable Body Support Services (AB)

HR People Services	£20,685
Finance & Accountancy Support	£138,293
Exchequer, Internal Audit & Insurance	£3,566
Legal & Governance Support	£80,000
ICT, Information & Governance	£13,722
External Audit Fee	£12,500
Procurement	£15,000
Contingency	£25,000
Sub Total	£308,766
Gross Expenditure	£1,687,181

Funded by:

Partner Contribution Income	-£1,089,317
WIF Top-Slice Contribution - CDO	-£148,615
WIF Top-Slice Contribution - AB	-£14,802
WIF Top-Slice Carry Forward Balance	-£434,448
Gross Income	-£1,687,182

3. Table 3 shows how the Wider Investment Fund Top-Slice annual allocation and brought forward balances are able to fund the Budgets set out above and allow for just under £0.6M to be available to fund the delivery of projects in 2019/20.

Table 3: Wider Investment Fund Top-Slice (3% Flat Profile) 2019/20

Contributions to Fund CDO Structure Increases	
Contribution to CDO	£148,615
Contribution to AB	£14,802
Balance met from WIF Reserve	£434,448
Sub Total	£597,865
Programme Development & Support Budget	£579,083
Grand Total	£1,176,948

Funded by:	
3% Top-Slice: £495M over 20 years	-£742,500
WIF Top-Slice Carry Forward Balance	-£434,448
Total	-£1,176,948

Wider Investment Fund Top-Slice Resources

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£	£	£
Opening Balance	0	-742,500	-1,328,650	-1,614,773	-1,180,325	-742,500	-295,918
Annual WIF Top-Slice Resources	-742,500	-742,500	-742,500	-742,500	-742,500	-742,500	-742,500
Contribution to JC Revenue Budget - Core	0	0	109,940	163,417	169,128	172,407	175,750
Contribution to JC Revenue Budget - C/fwd	0	0	0	434,448	437,825	446,582	295,918
Prog' Dev' & Support - ACTUAL / PROJECTED	0	156,350	346,437	0	0	0	0
Prog' Dev' & Support - Available	0	0	0	579,083	573,372	570,093	566,750
WIF Top-Slice Expenditure	0	156,350	456,377	1,176,948	1,180,325	1,189,082	1,038,418
Balance C/fwd	-742,500	-1,328,650	-1,614,773	-1,180,325	-742,500	-295,918	0

Shortfall in 2022/23

159,595

Future Generations Assessment

<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To set out two year resourcing requirements in order to establish the City Deal Office</p>
<p>Proposal: Restructure & Resourcing Plan City Deal Office</p>	<p>Date Future Generations Evaluation form completed: 4 Feb 2019</p>






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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The report sets out a proposal to create the capacity, capability and resource to deliver against the core objectives of the City Deal.</p>	<p>To develop cross-sectoral and multi-disciplinary teams that bring new knowledge and perspectives to add value.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>The report describes a commitment to fitness for the future and an emphasis on sustainable and inclusive growth</p>	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The report creates the capacity for inclusive growth a focus on social justice aspects of development.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	As above.	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The report seeks to create the conditions for global visibility and profile.	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The report seeks to create the capability to better understand and respond to the issues around social justice and more radical inclusion	Opportunity will be taken via work of Glasgow Council to understand the opportunities to develop the agenda around Inclusive Growth.

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report casts forwards two years up until Gateway Review1.</p>	<p>Seeking clarity on front-loading of top-sclice to maintain capacity levels.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The report is reflective of the partnership offer and the use of inter and multi-disciplines to add value, assets, and resources</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>As above.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>This approach creates the capacity to not just respond to, but to foresee and project challenges and shifts and changes – with a core focus on data and insight.</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>		

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	All roles will be open to all and applications welcomed from all, in accordance with skills, values and experience		Value of diversity and difference for divergent thinking – interview focus
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		
Sex	As above		
Sexual Orientation	As above		
Welsh Language	As above	As above	

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

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

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

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Sectoral analysis, 10 point plan and forward plan, ABP and work programme emands

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

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

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

The impacts of this proposal will be evaluated on:

As per annual business plan objective

18 FEBRUARY 2019 MEETING

CARDIFF CAPITAL REGION REGIONAL ECONOMIC GROWTH PARTNERSHIP – INITIAL INDUSTRIAL AND ECONOMIC GROWTH PLAN

REPORT OF PORTFOLIOS LEADS FOR INNOVATION AND BUSINESS, COUNCILLORS HUW THOMAS AND PETER FOX

AGENDA ITEM: 9

Reason for this Report

1. To seek Regional Cabinet's endorsement of the initial Cardiff Capital Region Industrial and Economic Plan - as developed by the Regional Economic Growth Partnership in conjunction with the City Deal Office.
2. To seek Regional Cabinet's agreement to the publication of the initial Industrial and Economic Plan and its launch at a Cardiff Capital Region City Deal event at Wales in London Week on 28 February 2019.

Background

3. The Regional Economic Growth Partnership was established, amongst other things, to advise the Regional Cabinet on its funding decisions from the Wider Investment Fund. To this end the Regional Economic Growth Partnership, in conjunction with the City Deal Office, has developed an Industrial and Economic Plan that takes the principles and themes within the JWA Five Year Business Plan, the Welsh Government Economic Action Plan, and the UK government Industrial Strategy, and articulates a strategic industrial and economic framework for the region. This will guide and influence future investment recommendations made by the Regional Economic Growth Partnership to Regional Cabinet and provides a proactive means of engaging with both governments and its economic investment programmes, in line with documented competitive strengths.
4. The development of the Industrial and Economic Plan has been led by the Economic Growth Partnership and builds upon the Growth and Competitiveness Commission Report (2016), and more recently, input from a comprehensive 'Sectoral Analysis' (2018) led by Professor Max Munday at Cardiff University. It has involved consultation and input from stakeholders across the region from Business, Academia and the Public Sector. The draft Plan has also been posted on the City Deal website, Twitter and has been consulted upon via the Regional Business Council to bodies such as the CBI, Institute of Directors and Chambers of Commerce.

5. The Industrial and Economic Plan (contained in Appendix 1) is consistent with the JWA Five Year Business Plan, Assurance Framework and contextualises recent developments around the Investment and Intervention Framework. The Plan sets out a bold and ambitious approach to driving economic and inclusive growth in the region and provides a framework in which the City Deal programme can advance and deliver. It provides the foundations for the development and operation of the Intervention and Investment Framework, in order that programme and investment decisions are made in line with identified 'sweet-spots'. Whilst local leadership has been a central feature of its development, the Plan is industry led, evidence-based and grounded in furthering the competitive strengths of the region
6. The document is an initial one in that it provides a framework for further engagement and work with UK and Wales Governments to align with the Industrial Strategy (and Industrial Strategy Challenge Fund) and Economic Action Plan, respectively. This sends clear signals of intent about the approach to levering in wider investment, positioning for co-investment and additional value, opportunities and networks, demonstrating the role of City Deal as a catalyst and pump-primer. There is potential for a further iteration of the Plan in order to fit with Wales Government's emerging plans around regional economic development; and, for the Plan to contribute to a wider framework to be jointly agreed with Wales Government. This is especially important and relevant given Wales Government's new approach to 'Economic Regions' and the potential to establish a joint strategic framework and structure for economic development in the region. Conversations and initial development work has begun. However, as this will take a while longer, it is considered that with key events forthcoming such as Wales in London Week (February 2019); and, MIPIM (March 2019); the production of a new Annual Business Plan (2019-20); the launch of Wave 3 Challenge Calls under the Industrial Strategy Challenge Fund and engagement activity stepping up around pipeline opportunities – it is important that an initial Industrial and Economic Growth Plan is in place soonest.

Legal Implications

7. The Cardiff Capital Region Industrial and Economic Plan ('the Plan') refers to proposals to establish an investment and intervention framework that will contain three designated and interconnected investment priorities (Innovation, Infrastructure, and Challenge). Detailed legal advice will be required on the proposed framework as it is developed to ensure that it accords with the provisions of the Joint working agreement in relation to the delivery of the Cardiff Capital Region City Deal. It is understood that further reports on the proposed investment and intervention framework will be submitted to Regional Cabinet for approval.

Wellbeing of Future Generations Act (Wales)

8. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:
 - (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and the Well Being of Future Generations (Wales) Act 2015.
9. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals.
10. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.

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

Financial Implications

12. There are no direct financial implications arising from this report. Any future report brought forward in respect of funding decisions relating to the Cardiff Capital Region Wider Investment Fund will need to give due regard and consideration to matters set-out in the Joint Working Agreement and its associated Schedules, as well as Welsh Government's funding terms and conditions in respect of the HM Treasury Contribution.

Recommendations

It is recommended that the Cardiff Capital Region Joint Cabinet:

- i.) Endorse the initial Regional Industrial and Economic Growth Plan and agree to its publication
- ii.) Agree the launch of the Plan at a Cardiff Capital Region City Deal event at Wales in London Week on 28 February 2019.

Kellie Beirne
Cardiff Capital Region Director
18 February 2019

Appendices:

Appendix 1 – Final Industrial and Economic Plan
Appendix 2 – Wellbeing / Equalities Assessment

Background Papers

The following Background Papers have been taken into consideration:

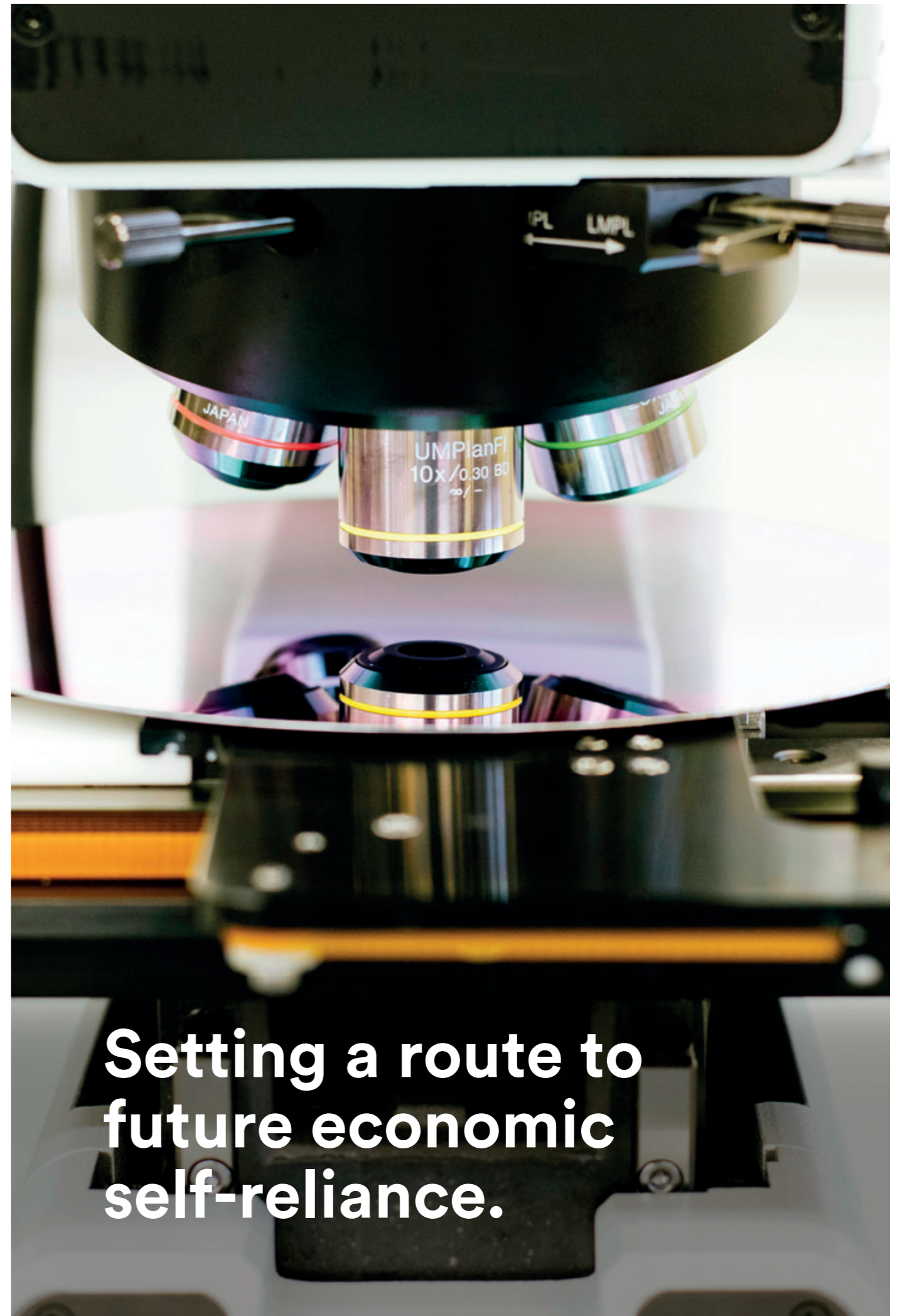
- i) Report to Regional Cabinet of 14th July 2017 – REGP
- ii) Report to Regional Cabinet of 2nd May 2017 – Grant Funding Terms and Conditions
- iii) CCR City Deal Strategic Business plan Wider Investment Fund (JWA five year Business plan)
- iv) Joint working Agreement dated 1.3.17 in relation to the delivery of the Cardiff Capital Region City Deal (including the Assurance Framework)



Cardiff Capital Region Industrial and Economic Plan

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01. Introduction

The Regional Economic Growth Partnership was established to advise on the implementation of the Cardiff Capital Region City Deal's Wider Investment funds. This Industrial and Economic Plan sets out an ambitious and long-term plan to boost productivity and accelerate economic and inclusive growth in the region by making the Cardiff Capital Region (CCR) a highly investable proposition, backing businesses to create good and sustainable jobs through targeted investments in skills, priority industries, infrastructure and innovation. This is a complete departure from siloed infrastructure and sectoral programmes of the past, and is a 20-year plan which will need to be flexible and adapt over time – it will be refreshed and updated periodically.

We are currently in an extremely dynamic and turbulent time with no more European Structural Funds, no more City Deals – the end of the allocation of public funds – and a move towards competing for funds and investments based on competitive advantage. This is a significant shift, moving away from a dependency culture to a competitive culture, where influence and excellence are core commodities. We will also need to embrace co-investment approaches, be more challenge focussed in our approach and explore what fiscal levers and incentives can be maximised to ensure the future productivity and prosperity of the region.

The purpose of the plan is to guide the deployment of funding, policy decisions, and targeted effort to ensure the future productivity and prosperity of the region. It sets out a route to future economic self-reliance.

In delivering sustainable and inclusive growth, we will address two mutually supportive objectives of boosting competitiveness and tackling inequalities. The introduction of inclusive and regenerative growth as central threads of the plan set out the case for delivering an economic agenda that drives sustainable economic growth and productivity across all of the region.

The CCR Industrial Plan is promoting a new way of working within the region, with UK Government, Welsh Government and local government working together and in partnership with the private sector, Higher Education and Further Education

institutions, third sector and other public sector bodies on boosting productivity and accelerating economic and inclusive growth. This will build on the foundations established in the CCR City Deal. Where appropriate, we will work with partners beyond the CCR in both the Swansea Bay Region, the South West of England and beyond where the critical mass across the partnerships will allow a greater strategic focus to improve productivity.

The role of government is to be a shaper of our region; to convene, facilitate and catalyse strategic interventions and investments that will deliver on our combine goals and objectives. Delivery of the plan will be a partnership between the private, public, education and third sectors.

The development of the CCR Industrial Plan has been led by the Economic Growth Partnership and has

involved partnership with the wider business community and government at all levels. It builds on the Growth and Competitiveness Commission Report (2016); is informed by the UK Industrial Strategy (2017), Welsh Government Economic Action Plan (2017) and two recent Science and Innovation Audits that cover the region – the South West England and South East Wales S&I Audit (2016) and the South Wales Crucible Audit (2018).

The Economic Growth Partnership is investing in data analysis capability to provide robust and reliable data on a series of economic and social indicators to better understand the performance of the region. This will ensure well informed decisions are taken in the delivery of the regional industrial and economic growth plan.

Our approach will be based on:



Cohesion

Policy collaboration and delivery partnerships ensuring that there is cumulative impact to the range of investments and interventions delivered by the City Deal.



Scale

Limited number of significant interventions, rather than a disparate range of loosely connected small-scale activities.



Leverage

Maximise the City Deal investments by attracting co-investors with complementary funding and resources.



Return on Investment

Demonstrable impact and benefit will be expected from all investments and interventions.

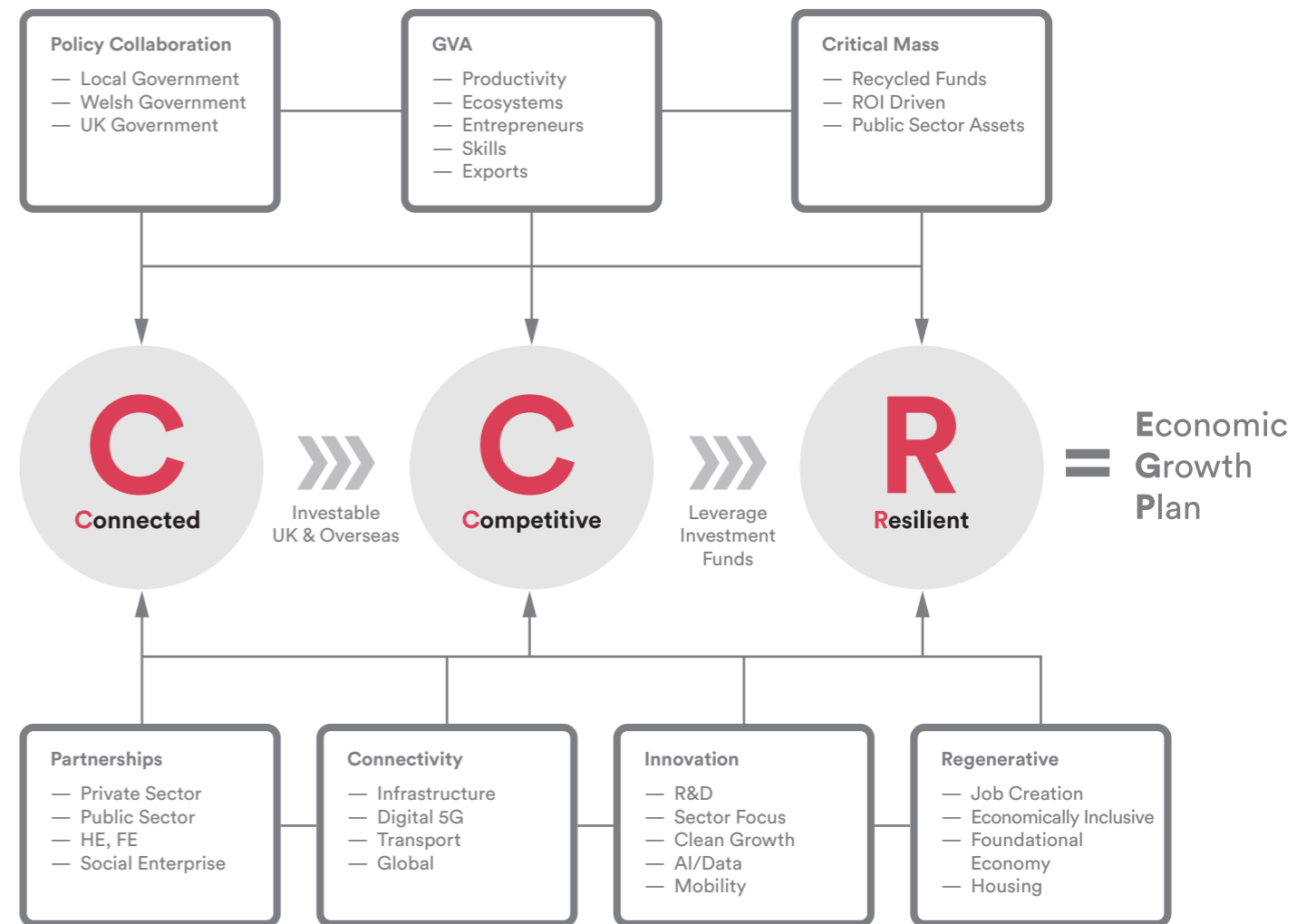


Ecosystem Development

Supporting the development of a strong economic and innovation ecosystem to deliver the plan and develop clusters of excellence within our region.

“We will address two mutually supportive objectives of boosting competitiveness and tackling inequalities.”

Title for diagram?



02. Overview of the Regional Economy

The CCR City Deal was agreed in 2016, and the Growth and Competitiveness Commission report set out a broad framework for an enabling approach that addresses the key issues of growth, inclusivity and sustainability. The Metro has been tendered, and a significant investment has been made in the Compound Semiconductor Foundry providing further stimulus to the development of the CS Cluster in the region. These investments sit alongside and are complementary to other investments made by the UK Government, Welsh Government, Welsh European Funding Office, and the Development Bank of Wales within the region.

The region is well skilled with a high proportion of the population with qualifications of degree level or equivalent, has a Capital City at its heart that has cultural and sporting facilities the envy of many other cities in the UK and further afield. The quality of life is second to none with great coastline, forests, parks and rivers, with the Brecon Beacons National Park nestling to the north of the region.

Whilst tentative progress has been made recently with a reduction in unemployment, and value added has risen, we have not seen the required

upturn in economic productivity. GVA per capita remains low, over reliance on the high proportion of public sector work, low levels of R&D, poor connectivity (transport and digital) within the region, Wales, UK and globally, lack of ambition and support for growth for our SMEs to progress into medium sized businesses, a prevailing grant culture and dependency, and proportionality high levels of economic inactivity in comparison to other City Regions and Local Enterprise Partnerships across the UK remain.

Work is ongoing to develop an analytical framework to provide evidence to identify the key inclusive growth challenges of the region, which will assist in establishing appropriate interventions to address the twin objectives of boosting competitiveness and tackling inequality.



“The region is well skilled with a high proportion of the population with qualifications of degree level or equivalent...”

03. Investment and Intervention Framework

We are establishing an investment and intervention framework that will contain three designated and interconnected investment priorities linked by common focus on securing a coherent, competitive, sustainable and fair regional economy. The region is open for business and the investment and intervention framework will outline clearly how we are conducting our business. The three designated investment priorities (Innovation, Infrastructure, and Challenge) will support the delivery of the plan and will be established in partnership with the investor community to drive forwards our economic ambitions and priorities within the region. We will have a focus on an evergreen approach to our investment funds with a strong co-investment principle.

The Innovation investments will focus on opportunities where there is demonstrable competitive strength, leveraging significant other investments which will provide direct returns to the fund. The rate of return in this category will be high and ensure an evergreen investment fund for the region whilst providing a significant contribution towards jobs growth, investment leverage and GVA uplift. The Infrastructure investments will focus mainly on infrastructure projects where the public sector creates the

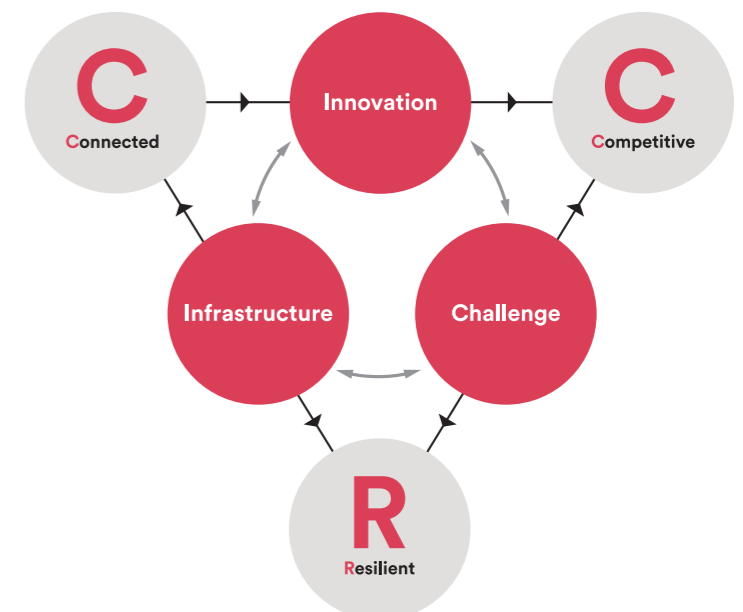
conditions for private sector success and civic benefits. The return on investment here will typically be indirect due to its enabling nature. Finally, the Challenge investments will be more competitive in process and will aim to identify the best solutions to challenges faced by the region. It is expected that there will be both direct and indirect returns on investment.

The ultimate aim of the investments will be improving the business environment within the CCR, creating rich ecosystems that stretch and support the development of key sectors in the economy, improving comparative performance against other cities and regions in the UK and internationally. We aim to make the CCR one of the most investable regions within the UK.

The Investment and Intervention Framework will build a delivery pipeline with our partners within, and beyond, the region focussed on the priorities identified within this plan. It will be a key facilitator to support an interconnected set of proposals over the next five years to deliver on the ambition and priorities outlined in this plan.

“We aim to make the CCR one of the most investable regions in the UK.”

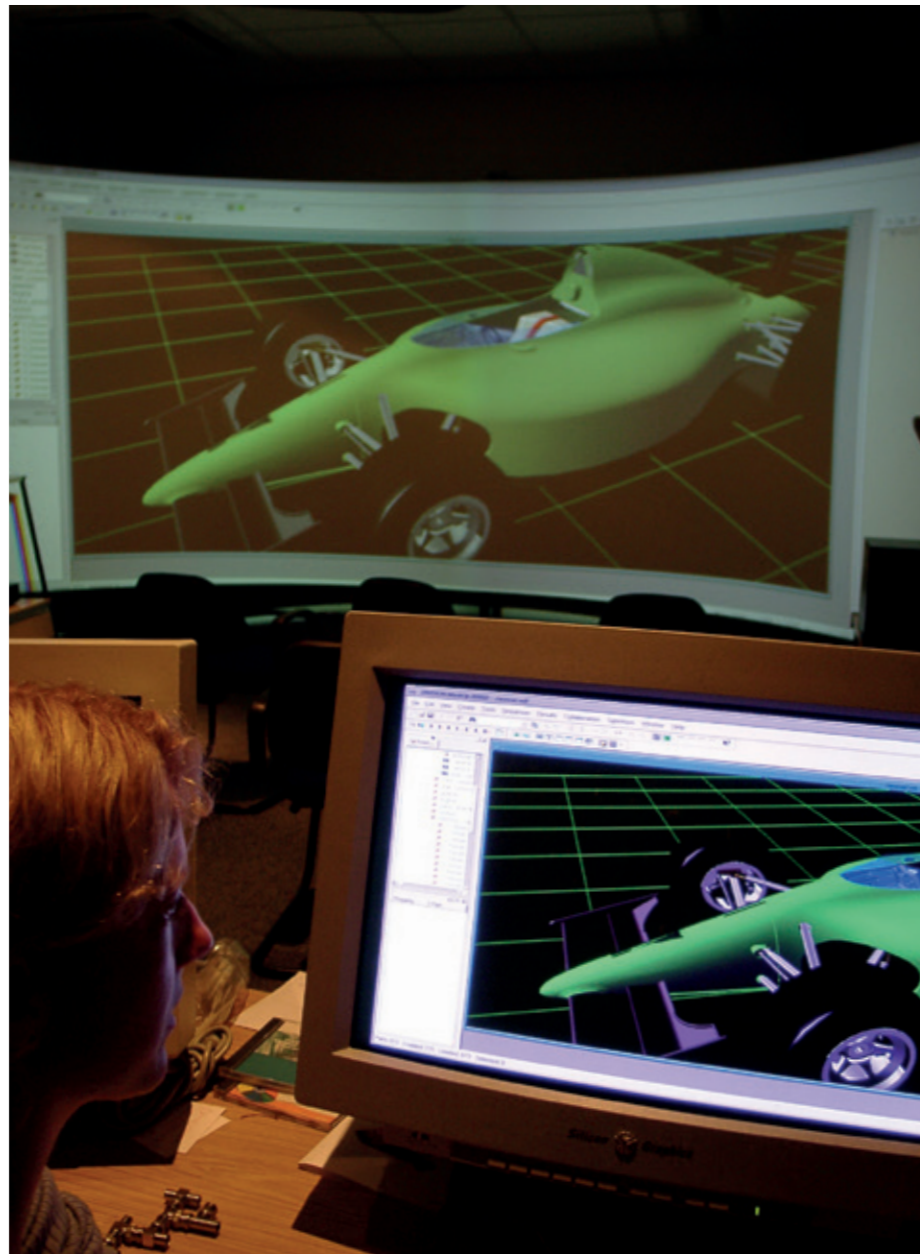
CCR Investment Fund Structure



04. Regional Priorities to Boost Productivity and Accelerate Economic and Inclusive Growth

Regional priorities to boost productivity and accelerate economic and inclusive growth have been identified to specifically build on our strengths and address our weaknesses.

We believe that this two-pronged approach will boost local productivity and overcome our local barriers within the region. The remaining sections of the plan outline our priorities.



05. Businesses that Succeed

The CCR wishes to perform economically on a par with any region in the UK and internationally. It currently sits bottom of most of the economic productivity and competitiveness tables in the UK. In order to move the needle and improve the economic prosperity of the region, we must:

- Identify areas of comparative strength in the CCR that can compete at a UK level and internationally, and invest in them;
- Create rich ecosystems that stretch and support the development of key sectors within the economy – take a challenge led approach that drives up ambition and cohesiveness;
- Encourage and support entrepreneurship so that our population not only seeks employment but creates employment within the region;
- Support and nurture the Foundational Economy;
- Target our most deprived and isolated communities and support regenerative growth;
- Turn the large public sector base within the region into an asset that adds prosperity to the region.

Building on our competitive advantage and opportunity within the economy we will strategically target the following sectors for support to grow and flourish. These are:

- Compound Semiconductors, its supply chain and applications
- FinTech
- Cyber Security Analytics
- Artificial Intelligence and Data Science
- Creative Economy
- Life sciences and more specifically the medical devices and diagnostics sub-sectors
- Transport Engineering – automotive, trains and aircraft

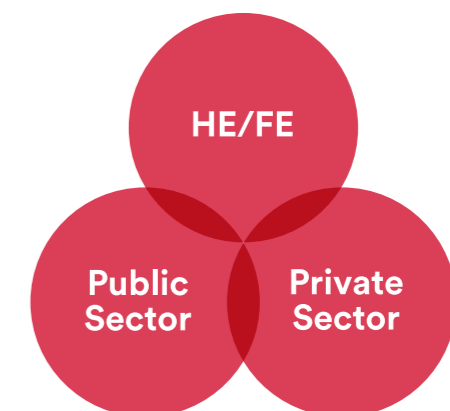
The list of strategic sectors is not exclusive, and we will support investments in other sectors such as energy and environment if a compelling case is made. Sectoral analysis work is ongoing to ensure that our focus is evidence based.

We will also promote the CCR as an attractive place for business and encourage close collaborations and partnership working across the private sector and with the public sector, Higher Education and Further Education sectors. Cross-sectoral collaboration and cohesion will be a central feature of our approach. CCR is open for business.

Sectors to strategically target:



Cross sectoral collaboration and stakeholder cohesion is a central feature:



06. Skills of the Future

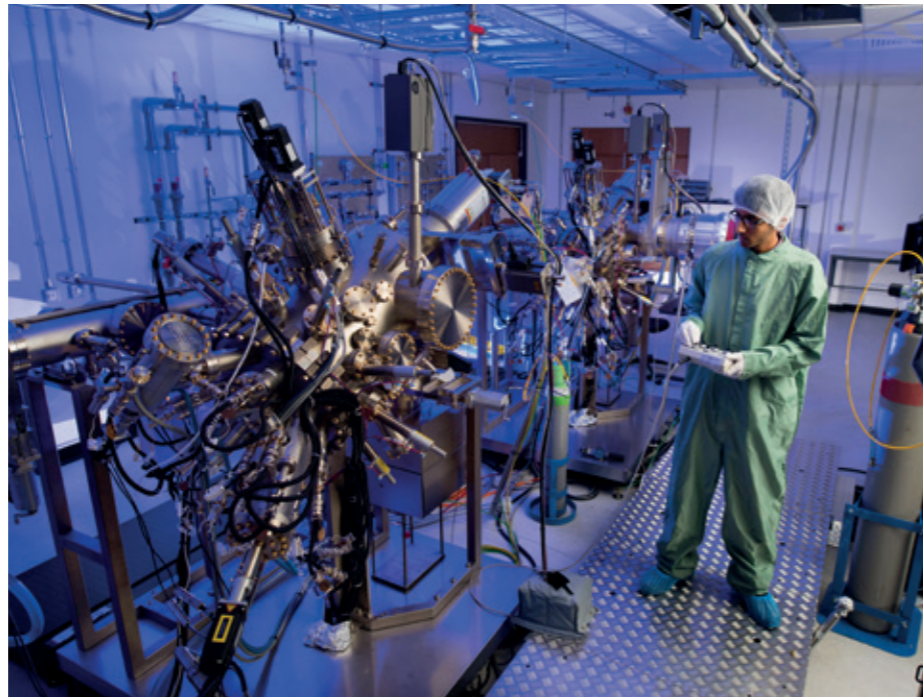
We have a skilled workforce in the region, with our Colleges and Universities playing a critical role, but there is more to be done. We need to continue to work on joining up the education, employment and skills system to meet the region's business and public sector needs of today and in the future. We must ensure that the region has a highly-skilled, motivated and forward-thinking workforce with a significant supply of critical skills to enable businesses to flourish over the next decades from entry level to masters and doctorate level qualifications.

We will look to enhance existing and develop new provisions where required to drive the priorities of our businesses in the region. Working in partnership with our education and training providers, we will:

- Develop proposals for data, cyber, digital and software scientists to exploit the potential of the new industries of the future and derive added value from existing and more traditional industries;

- Develop proposals to service the needs of our priority sectors within the region e.g. Compound Semiconductor Cluster;
- Develop proposals for a high-quality executive leadership training for business leaders across the region (targeted specifically at SME's with growth potential);
- Develop a programme of entrepreneurship across the region (targeted at 14 to 21-year olds) to inspire the next generation of entrepreneurs within the region;
- Support existing initiatives to increase apprenticeships in growth sectors across the region at all levels;
- Upskill the public sector with data literacy, research and development, procurement, and innovative leadership capacity;
- Working with current schools, colleges, universities, and private providers to ensure that sufficient local home grown talent is nurtured and trained to service the needs of our foundational economy.

“We must ensure that the region has a highly-skilled, motivated and forward-thinking workforce...”



07. Infrastructure Fit for the Future

Connectivity is critical – both digital and physical. We need a reliable infrastructure that connects the region, both within and wider afield, to boost productivity and prosperity. The current Metro plans are a significant step in this direction and we will bring forward further proposals to maximise and unlock future potential offered by its development. We will ensure that we have a road, rail, air and digital infrastructure (fixed and mobile) to connect us to the world. Working with our partners we will:

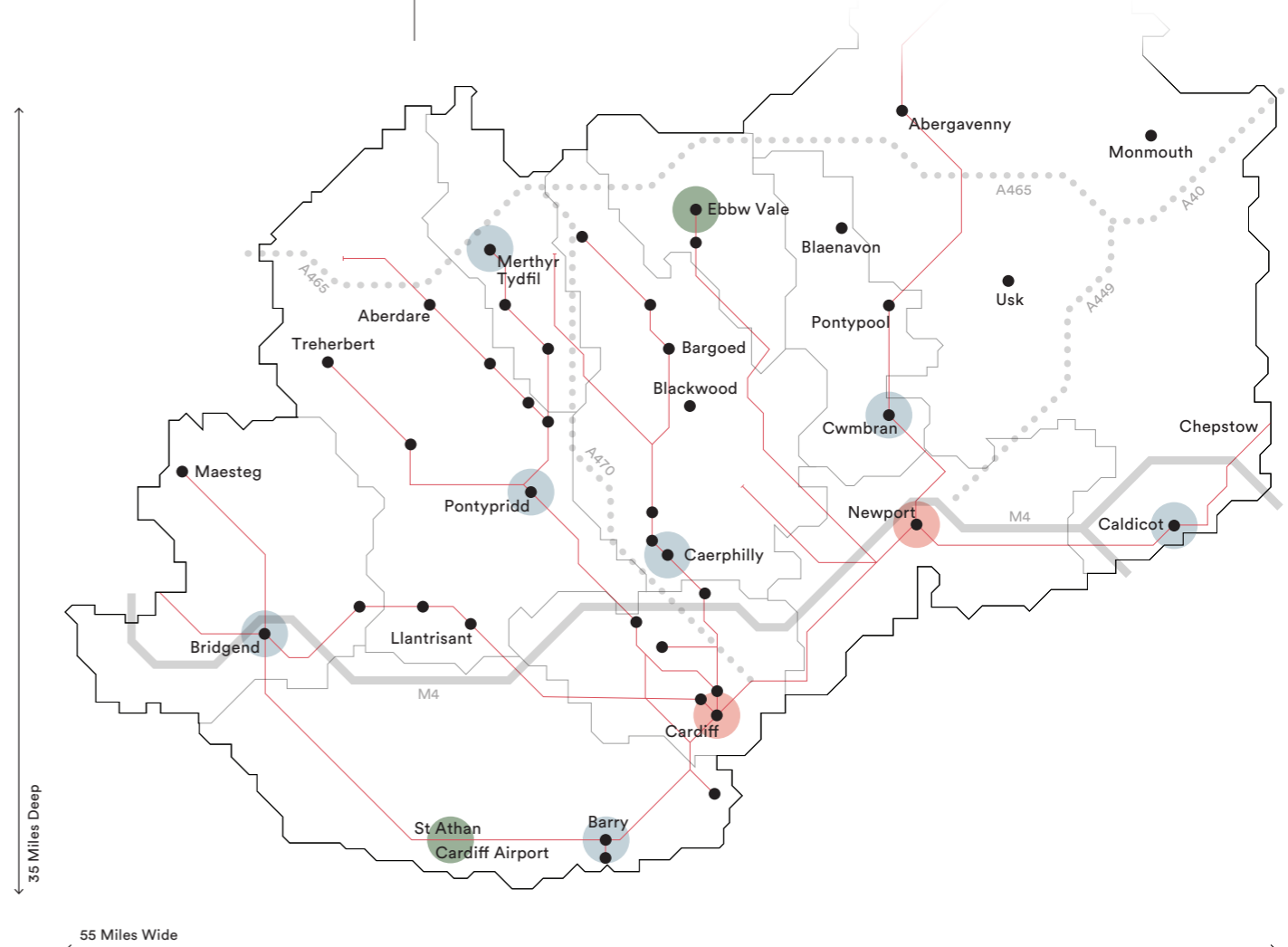
- Develop a Digital Connectivity Plan to make the region one of the most digitally advanced regions in the UK;
- Continue to work closely with the UK and Welsh Governments to further develop, enhance and implement the transport network to improve links within the region, reduce congestion and connect people;

- Embrace the Metro as a backbone to connecting CCR and shaping places on its networks;
- Develop a series of strategic employment spaces across the region to meet the needs of businesses;
- Develop proposals for energy efficient and accessible housing;
- Utilities networks – ensure, for example, we are ready for the future of electric and/or hydrogen vehicles;
- Develop the organisational and data infrastructure and capacity within the public sector to embrace the challenge led approach through a Public Services Testbed.

A region wide strategic focus will enable key towns across the region to be connected ensuring that the growth of the economy is balanced and inclusive

Strategic Hubs and Opportunity Areas

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



08. Enabling Innovation-Led Growth

The UK Government Industrial Strategy identifies four Grand Challenges signalling a shift towards a challenge led approach to driving future productivity and prosperity. The Grand Challenges are future-facing

and will shape our economic future. They are underpinned by expected developments in technology that will transform industries and societies around the world in which the UK could play a leading role.

Expected developments in technology:



AI and Data Economy
Putting the UK at the forefront of the artificial intelligence and data revolution.



Clean Growth
Maximising the advantages for UK industry from the global shift to clean growth.

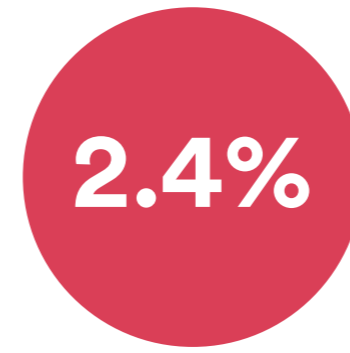


Ageing Society
Harnessing the power of innovation to meet the needs of an ageing society.



Future of Mobility
Becoming a world leader in the way people, goods and services move.

In time, other unidentified challenges will present themselves and we as a region must be able to react and address them.



Target UK GDP to be spent on R&D by 2027

We will take a broad view of innovation, focussed on innovation that increases productivity from the foundational economy, embracing innovation in public services, through to innovation in unique Intellectual Property where market leadership is evident. Successful innovation and commercialisation within this context will be critical to our success, and we will use novel instruments such as Challenge Funds to spearhead invention and promote competition for financial awards to best in class participants.

With historically low levels of competitiveness and productivity, coupled with low levels of R&D investment and intensity, we will encourage a greater focus on R&D and innovation within our region. The focus on the grand challenges within the Industrial Strategy and the target for 2.4% of UK GDP to be spent on R&D by 2027 we must support our economy to adapt and adjust to the wider economic context. Therefore, our focus on innovation-led growth will be central to our plan and we will identify our areas of competitive strength and support the establishment of clusters that can compete internationally.

Recognising that approximately two-thirds of the regional GVA is tied-up in the public sector we will establish a Public Services Testbed with a mission-driven approach to generate new collaborations and public services improvements and enable the delivery of public sector innovation and economic value. This approach involves the identification of a major 'grand challenges' and the development of 'missions' with clear and ambitious targets for improvement that form a basis upon which a number of related and complementary multi-sector (private, public, third sectors) projects may be identified in order to deliver business growth opportunities. The combination of public services innovation with new thinking in public sector procurement has the potential to generate new market opportunities, and commercial value that benefits the region.



“...we will encourage a greater focus on R&D and innovation within our region.”

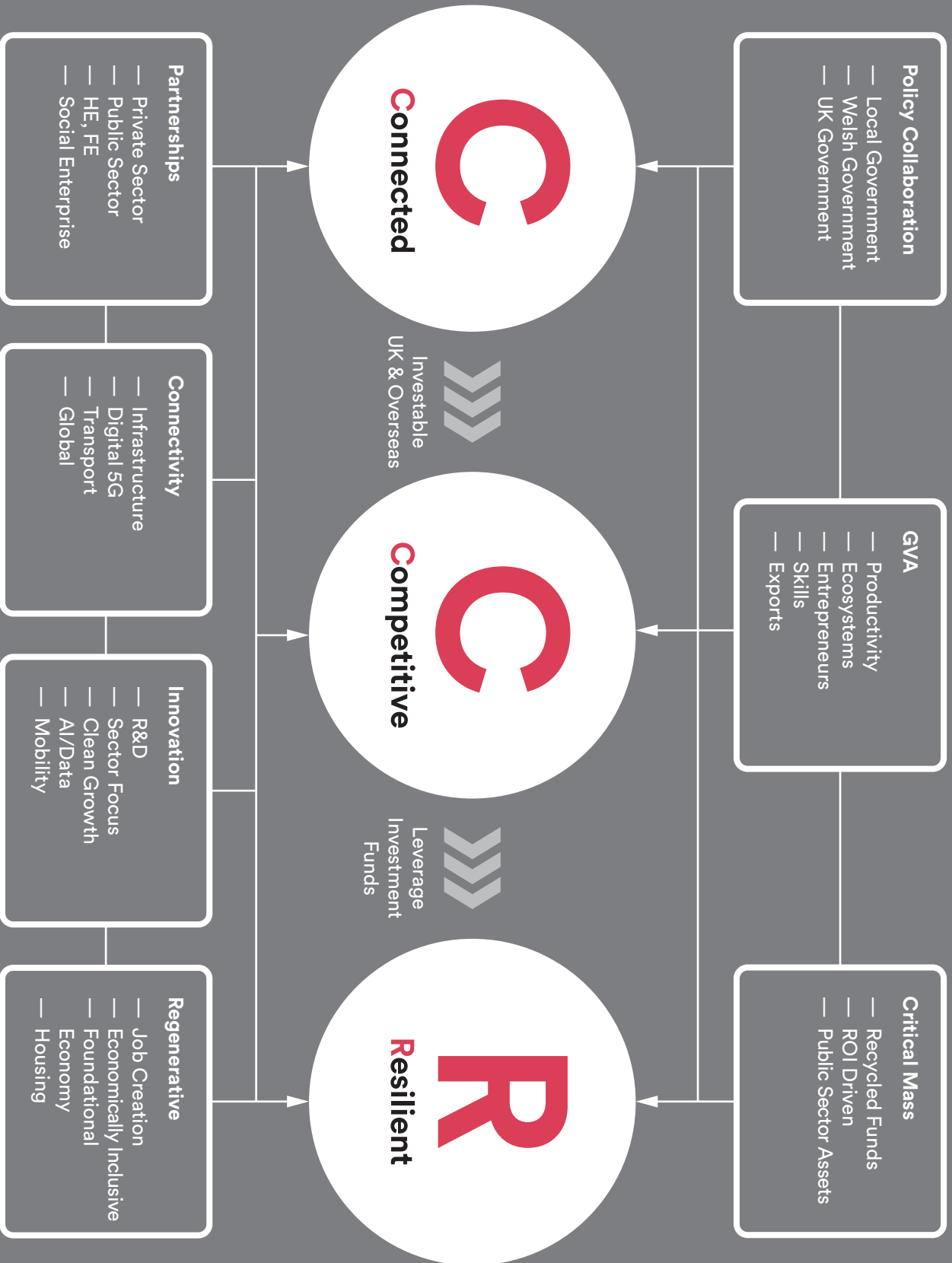




Useful
Information &
Contacts

Cardiff Capital Region

Web: www.cardiffcapitalregion.wales
Email: info@cardiffcapitalregion.wales



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Economic Growth Plan

Future Generations Assessment

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal Setting out the REGP Regional Industrial and Economic Plan
Proposal: REGP –Initial Economic and Industrial Plan	Date Future Generations Evaluation form completed: 4 February 2018






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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The Plan draws on data and evidence and seeks to set out the competitive strengths and advantages of the CCRCD	The proposal is predicated on the principles of 'good growth' and has enshrined within in it, commitments to reducing inequality and promoting social justice.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The plan promotes 'good growth' and the kind of growth that has regard to living systems and demonstrating that a healthy economy and healthy planet are not mutually exclusive.	In sub-sets of the plan e.g. mobility – enhancement sare being made to existing schemes around incorporation of Electric Vehicle and Station of the Future and Energy Revolution proposals and so on. We are taking bold steps to demonstrate value added through a focus on sustainability and resilience

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Developing the conditions, through new links and networks – and opportunities for future engagement – will make a contribution to prosperity, which in turn will support wellness and wellbeing.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The plan seeks to position our region and its competitive strengths – economic and wider and will seek to yield demonstrative legacy benefit for the country as a whole.	ROI assessments and expert advice on how to leverage opportunities and build on local social capital whilst at the same time, scanning the world for experts who can help grow high potential ideas
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The Plan has regard to the wider factors required to support a vibrant and responsible economy	Proposals emanating from the Plan will place an emphasis on new forms of procurement and support for BCorps, employee owned and public purpose organisations. For example, Public Services Testbed.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Our City Deal is uniquely Welsh – but pitches towards being world leading in areas of competitive strength. This enables a strong reflection on our rich culture and heritage.	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	City Deal is about delivering as far as possible across 10 LAs and a population of 1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people's lives.	The 'spread' and targeting of City Deal benefits in a place-based and place-led way.

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The Plan is relevant to today, but focused on foresight and what comes, tomorrow.</p>	<p>Continued work on data/ evidence and generating in equal measure, insight and foresight.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The report sets out the different partners and sectors engaged in this work</p>	<p>City Deal will be delivered by a multiplicity of diverse partners.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The report sets out the different partners and sectors engaged in this work</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The Plan seeks to stimulate economic activity in the region creating opportunities to engage people in work and develop the prosperity needed to ensure people are more economically self reliant and self sufficient.</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The REGP is not a public body. But, in working with City Deal and understanding some of the wider social and sustainability aims, seeks to make its contribution to wellbeing goals.</p>	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	As with all those categories below – the impacts will relate to specific delivery that underpins the execution and operation of this Plan	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		
Sex	As above		
Sexual Orientation	As above		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Welsh Language	As above		

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

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

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

<ul style="list-style-type: none"> • Evidence and data from other cities, regions and countries • New data emerging from the ISCF ann Innovate UK about engagement • Arloesiadur • Previous report of Economic Growth and Competiitveness Commission
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6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

As above, the main implications will be in the delivery of this work.

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

The impacts of this proposal will be evaluated on:

Quarterly 2019/20

18 FEBRUARY 2019 MEETING

STRATEGIC OUTLINE PROGRAMME FOR METRO PLUS – PHASE 1 – PROGRAMME OF LOCAL ‘FUTURE MOBILITY’ SCHEMES

REPORT OF COUNCILLOR HUW DAVID, CHAIR OF THE REGIONAL TRANSPORT AUTHORITY

AGENDA ITEM: 10

Reason for this Report

1. To establish the principle of a programme of activity complementing and enhancing proposed Metro and Metro Central investments - called Metro Plus - developed and supported by the Regional Transport Authority.
2. To provide the Strategic Outline Programme to catalyse the initial development of Metro Plus, highlighting core elements and features of the first proposed project which includes a fit for future plan for establishing comprehensive Electric Vehicle (EV) Infrastructure.
3. To secure investment to progress the development of Phase 1, comprising ten proposed local transport schemes, through a ‘Common Assessment Framework’ (underpinned by the principles of the WelTAG and five-stage business case model); and, commission further critical work to inform the wider approach to Metro Plus and innovative-transport planning in the region, through a Low Emission Vehicle Strategy, Infrastructure Income Modelling and a plan to provide charging facilities for taxis.
4. To set out the details of a bid submitted to the Welsh Government Local Transport Fund, on 18 January 2019, to provide a co-investment mechanism for meeting the eventual costs of the Phase 1 proposal.

Background – what is Metro Plus & why is it needed?

5. The South Wales Metro is a major infrastructure project and signals an ambitious ‘modal shift’ in connecting people and places and enhancing the functional economic geography of the region. It represents forward thinking on

the future of mobility and its mission it to provide contemporary public transport that will promote behavioural change. With commitments to renewable energy provision and sustaining pace of new technological developments, Metro has the potential to make a significant contribution to inclusive growth and will provide a core means of enabling sustainable business growth and facilitating shared prosperity. At a very practical level, the emphasis is on regular, reliable, and resilient infrastructure. In terms of its wider 'enabling' impact, it is set to encourage inclusion and connections – enabling people to both move around and come together.

6. Metro however, is a long-term ambition. The early phases of its roll-out will impact and benefit some areas ahead of others. The opportunity therefore exists to begin adding value much sooner and to set a standard and expectation around what 'really good' complementary infrastructure development could look like – linked to the Metro vision. Commentators and experts have long advocated the rapid implementation of a series of more localised measures, named 'Metro Plus', that could:

- begin to address some of the issues around sequence, gaps and timing in order for all administrative areas across the region to see early benefit;
- enhance, extend and add value to core Metro plans and make sense of the Metro Central development in providing a central hub in the capital city that is capable of supporting the wider region;
- lay the foundations for enabling further private sector investment and public-private joint venture infrastructure developments in line with the Metro Plus ethos;
- provide a focus on maximising contribution to the Seven Wellbeing Goals, through a fit for future EV Infrastructure plan – capable of being embedded in this - and potential future Metro Plus schemes;
- be predicated on a co-investment arrangement with Welsh Government and City Deal contributing an estimated £15m each, with additional leverage coming from local developer contributions, private sector investment and other contributions such as Council capital funds;
- place a focus on Return-on-Investment (ROI) through the income generation opportunities around infrastructure revenues; and,
- to set the course and the expected 'standard' for the longer-term roll out of integrated local transport schemes – whether by the public or private sectors – or both - and focus in on the investment opportunities within the UK-wide Industrial Strategy, particularly around the Future of Mobility.

What is the core proposal and how will we do it?

7. City Deal in collaboration with Welsh Government and Transport for Wales, has identified a proposed integrated programme of local future transport schemes that fit within a wider Metro Plus programme. A summary of each of the ten

proposed schemes that constitute phase1 and a map showing linkages to Metro are set out at Appendix 3 & 4 These proposed schemes have been drawn from the priorities surfaced by individual Councils and mirror the 'Metro spine' – creating both short and longer-term opportunities for place-shaping. They bring together a diverse range of projects, spanning regeneration, town centres, housing and economic growth, with transport as the central component or 'enabler' in allowing growth, expansion and opportunity to be unlocked. The strategic context for the schemes is established by the Industrial and Economic Growth Plan for the region, the development of which has led by the Regional Economic Growth Partnership. This reflects the priority around good infrastructure development, which supports and enables growth and sees Metro as establishing the physical development footprint for the region.

8. The proposed package of Phase 1 schemes total some £50m. Initial work on the programme to date, demonstrates that a £15m contribution from City Deal (proposed Infrastructure Fund), should lever in a potential £15m co-investment from Welsh Government's Local Transport Fund (bid submitted by Merthyr CBC on 18 January 2019 with an expectation of c£5m p/a over three years). The expectation of a full £15m 'match' from WG is strong and positive discussions are ongoing with the acceptance that this represents a strong offer to WG and a means of accelerating a wide range of projects. To date, against this requirement for £15m, £4.1m has been bid to the Local Transport Fund with further bids to follow. Through the course of business case testing and development, it is anticipated that the remaining £20m will be sourced through local developer contributions; third party and private sector funding, other potential government programmes and capital contributions from Councils. One demonstration of wider leverage potential is the work the Valleys Taskforce has commissioned on integrated transport hubs. These programmes must be joined-up in order to maximise leverage, alignment and co-ordination opportunities. In addition, there are several opportunities through bodies such as Welsh Government 'Transactional Capital' and Energy Savings Trust around investment opportunities in low carbon pathways.
9. The proposed £15m contribution therefore from City Deal is poised to leverage £35m (leverage ratio of 1: 3.3). In addition, and as part of the ongoing development of the Business Case, further work has been commissioned through environmental infrastructure experts to undertake Infrastructure Income Modelling. This will inform the position on income generation and ROI around park and ride, ticketing, renewable energy, energy storage and smart charging.
10. All of the early ingredients are in place and it is clear that significant potential now exists to convert these high-levels concepts into a business case. To date, an initial appraisal to inform the Strategic Programme has been undertaken by Redstart (Appendix 1). In addition, a CCR Infrastructure Review has been undertaken by Cenex – an independent not-for-profit low emission vehicle and energy advisory service for transport experts (Appendix 2).

11. Converting ten proposed local transport schemes, all at various stages of development and under the banner of one co-ordinated programme is a big ask. Drawing on the Five Stage Business Case Model and the WelTAG process, it is proposed that a Common Assessment Process is devised to co-ordinate and accelerate business case development in an appropriate and proportionate way. This will enable the more detailed business case to be developed in a comprehensive but streamlined way – testing for strategic fit against the Phase 1 programme and then progressing through a series of gateways, which, seek to demonstrate the core economic, deliverability and affordability aspects of each proposed local project. The Common Assessment Process will allow every project to be considered on its merits and means that those in a strong state of readiness are able to proceed quickly. Each project will still be subject to an individual business case, which will require approval, albeit, the context provided and the additional benefits will see the overall scheme develop as one coherent regional proposal.
12. The business case development will be undertaken in accordance with the new Investment and Intervention Framework (subject to its agreement by Regional Cabinet). The purpose of this framework is to ensure investment proposals are grounded in the strategic priorities of City Deal, are capable of contributing to high levels jobs, growth and leverage targets and fulfil criteria relating to other required outcomes. This Investment and Intervention Framework will essentially ‘test’ the integrity of the proposition and ensure investments are aligned and supportable.
13. Metro Plus is not a one-off. Whilst this document in the main focuses on a specific proposal for a programme of ten local future transport schemes – it is the first phase of what is anticipated to be a wider programme. Metro Plus provides the potential to develop a whole programme of activity that contributes to, complements and enhances Metro and mobility delivery in the region. Providing this foundation is key to be able to think more strategically and long-term about resources such as the Local Transport Fund, other WG Capital Funds (such as Transactional Capital) and how to develop a more considered and joined-up approach to investment planning for transport. Given the UK Government emphasis on the ‘Future of Mobility’ and the billions of pounds to be injected into this grand challenge theme, it is important to set a path for future aspiration and investment that City Deal should mobilise.

What’s the high level detail and potential for added value?

14. The Phase 1 programme of schemes include Transit Orientated Developments – such as future interchanges based around a range of uses beyond just transport; enhanced Park and Ride facilities that promote interchange and integration for all modes, and new and extended Metro networks that will open up and enable improved access to new and existing activities for work, training,

education, culture, retail, leisure and community. In addition, the opportunities provided to places to enhance resilience of town centres, viability of high streets and access to employment, are potentially significant. In this way, synergies with the Wellbeing Goals of prosperity, resilience, equality of access and community cohesion – are clear to see.

15. Beyond this, there is real scope for enhanced value through incorporation of a package of measures identified and costed through the initial review of opportunities around renewables, energy storage and smart charging. This provides potential to future-proof this and potential future proposals and to set a standard for the region. The recommendations of the review report provide information and data on forecast uptakes in ‘plug-in’ vehicles, including cars, buses and taxis and details of relevant local and national policies and investment opportunities including future consideration of local renewable energy development. This has the potential to convert into delivery of:

- Latest technological advances in vehicle charging, including energy generation and storage wherever possible
- Potential for a car-club sharing and plug-in scheme
- Potential for on-site renewables
- Opportunities to improve air quality and support clean growth
- A flexible system which responds to demand for up until 2025, with provision made for easy upgrades until 2030 in order for further demand to be seamlessly supported

16. In addition to this, scheme proposals set out further opportunity for impact around:

- Promotion of active travel and developing the proposals in line with a standard to encourage and support walking and cycling. In particular, to explore an opportunity to roll-out ‘Next Bike’ provision at scale
- Skills development and training with the potential for a Targeted Recruitment and Training programme – delivered as a core component of all works contracts
- Direct and indirect
- Income generation and ROI that is capable of being recycled through the Infrastructure Fund and reinvested into scaling and supporting future Metro Plus schemes
- Synergies with prospective plans for digital infrastructure development and potential open data challenges that support development of apps and digital tools that help consumers make best use of new provision
- Synergies with plans for future energy supply and demand needs and understanding the potential for innovative joined-up practice
- Connections with wider regional working to take forward the EV Bus initiative work to align with wider EV Strategy. Recognising that EV is an

important part of the solution – but alongside the other options and opportunities set out in this report

17. The Reports setting out the work to date are attached at Appendix 1 (Redstart) and Appendix 2 (Cenex). A summary of each of the ten proposed schemes and a map showing linkages to Metro are set out at Appendix 3 & 4. The benefits of co-ordination as a regional package will contribute to making the connections, building alignment and having a more balanced programme of activity across the region. The Redstart report in particular, evidences that the collective benefits of the programme, are far greater, than if implemented individually.

What will the impact be if successful?

18. Critical success factors for the first phase under the Metro Plus programme, include:
 - A connected programme of regional delivery that delivers targeted local impact, across ten local authority areas
 - Corresponds and connect with the Metro footprint and enables communities, businesses and residents to see and benefit from early evidence of investment in enhancements that will be fit for the future
 - Public sector lays foundations to attract new investment by the private sector and/ or, accelerate and bring forward planned longer-term activity
 - Unlocking wider plans and potential relating to viability and sustainability of place – access to development sites, town centres, high streets, retail and culture and arts
 - Contributing to core City Deal targets around direct and indirect jobs growth and strong leverage and income generation model through Park and Ride, Ticketing and EV Charging Infrastructure Income
 - Future focussed model (low emissions, renewable energy, storage and smart charging) that keeps region sustainably going and growing
 - Strong resonance with Wellbeing Goals – and particularly to maximise contributions around prosperity, health, resilience and social cohesion
 - Sets new working and progressive standard for sustainable transport development in region
 - Provides a platform for future complementary proposals and contributes evidence, expertise and insight to help make the case for those areas feeling outside of current Metro plans
 - Growth and developmental potential, particularly in regard to Stations of the Future #2 and other challenge calls under the Future of Mobility (Industrial Strategy Challenge Fund)

How will the Programme be organised to deliver and in what timeframe?

19. Project development support and co-ordination will be provided through the central (and soon to be enhanced) City Deal team, in conjunction with lead officer

support from the Regional Transport Authority. This will ensure a mix of technical expertise and leadership alongside dedicated strategic project support and co-ordination. This principally involves:

- The commissioning of expert independent support to establish the next stage of business case development, in line with a proposed Common Assessment Framework and in tandem with;
- The commissioning of expert independent advice on a low emission vehicle strategy; EV Infrastructure Income Modelling and a plan for regional roll-out of taxi-charging points.

20. The proposed timescales for delivery require that the business case is developed through the Common Assessment Framework; evaluated through the proposed Investment and Intervention framework, ahead of final decision making by Regional Cabinet in Q3 of 2019/20. Programme delivery is anticipated to commence in 2019 and straddle the period 2019-2022.

How will we measure progress?

21. The Regional Transport Authority provides enhanced capability around project support, technical support and robust assurance processes. This key step forward in governance terms will help ensure there is a co-ordinated mechanism through which to monitor and evaluate progress; holding key officers to account and managing risk and contingency. The insight, intelligence and progress fed through the RTA, will enable timely interventions to ensure project delivery is on track and in-line with stated outcomes. It is anticipated that monitoring and reporting will take place across four key areas:

- Programme delivery plan – quarterly updates will be sought and reported, to align with the quarterly performance reports, which are a key feature of the overall City Deal monitoring process. This will include development and oversight of a Project Risk Log;
- The development of a Common Assessment Framework (benchmarking, common outcome metrics), which will subscribe to the WelTAG and five stage business case process
- Application of the proposed Investment and Intervention Framework and associated toolkit; and,
- Financial monitoring and support to ensure goals around efficiency, effectiveness and targeted budget positions are maintained.

What will it cost?

22. The estimated costs of project delivery - £50m - and the breakdown of investment to support this – and the ‘ask’ and ‘offer’ of and to City Deal is set out above. In order to develop the scheme through the processes and frameworks described, there will be a need for developmental resources and support. This will

necessitate an element of external independent expert support. The costs associated with this, estimated in the region of £75k, are broken down as follows:

- Cost of commissioning Low Vehicle Emissions Report; Infrastructure Income Modelling and Taxi Charging Infrastructure - £40k (with £20k matched through Local Transport Fund). The experts proposed will be procured in accordance with Rhondda Cynon Taf County Borough Council's procurement processes and legal requirements.
- Cost of commissioning expert support for bringing business case together, due diligence and associated legal advice and support, including development of the Common Assessment Framework with key stakeholders - £55k
- A bid for £4.1m has been submitted by Merthyr CBC, on behalf of the Region, to WG for 2019/20. This will enable the progression of each scheme in the financial year 2019/20. The deliverables of each project can be seen in the LTF bid (Appendix 6). It is anticipated that the WG will fund up to £4.1m in 2019/20, with further allocations being made available in financial years 2020/21 and 2021/22

Financial Implications

23. The attached report seeks approval to allocate £75,000 to develop the strategy and business case (including associated due diligence work) for Phase 1 of the Metro Plus Programme. This sum can be met from within the Programme Development & Support budget, proposed for financial year 2019/20, subject to its approval.
24. In addition, the report outlines that the projected capital cost of Phase 1, could be in the region of £50 million. An application has been made to the Welsh Government's Local Transport Fund for £4.1 million of funding for 2019/20, with indicative allocations over the following 2 years to make up the £15m WG contribution (Appendix 6). Around £20 million of the cost envelope is expected to be secured locally, from various sources, as outlined within the body of this report. The report therefore seeks an 'In-Principle' commitment of £15 million from the City Deal Wider Investment Fund (WIF) to meet the balance of funding for the proposed programme of projects over the 3 year timescale.
25. The JWA 5 Year Business Plan contains capital funding allocations in respect of the WIF over the period to 2020/21. There are sufficient uncommitted resources available to meet the in-principle commitment being requested at this time. If approved, the WIF Funding Strategy will need to be updated to capture this commitment, along with updates from other approved projects, in order to re-profile the funding requirements over this period.
26. In respect of business case development, the report suggests the development of a 'Common Assessment Process', which will enable business cases to be

developed in a comprehensive, but streamlined way, initially testing for 'strategic fit' and then progressing through a series of gateways which seek to demonstrate the core 'economic', 'deliverability' and 'affordability' aspects of each proposed project. Such an approach will facilitate individual proposals coming forward for assessment and approval, as soon as they are in a position to do so, and not be constrained by the 'pace of the slowest'. All schemes will be required to comply with the WeITAG Process to secure public sector funding.

27. In this regard it is important that the provisions of the WIF Assurance Framework are followed, as this is a key requirement of the City Deal Funding Terms & Conditions. This sets out that business cases will be developed in line with HM Treasury Green Book (5 Case Model), although, clauses 3.5 (Appraisal Framework) and 3.7 (Business Case Development), make an important reference to the concept of 'proportionality'.
28. Work is being done with external advisors (Local Partnerships) to better understand how the issue of proportionality can be addressed through the development of a variety of approaches linked to project value, complexity and timeliness. These approaches will need to be predicated on the principles (and robustness) delivered through the 5 Case Model, with proposals undergoing the necessary consultation with key stakeholders. This latter point is important to demonstrate good governance, whilst ensuring the risk of non-compliance with Funding Terms & Conditions is minimised.
29. In addition, the terms and conditions attached to the Welsh Government's Local Transport Fund contribution will also need to be complied with. It is understood that central to this will be the need to comply with the WeITAG process, which is common to transport schemes seeking Welsh Government approval and funding.
30. A further report will be brought back to Regional Cabinet to provide an update on the outcome of the Welsh Government funding application. That report will also need to provide an update on the development of a Common Assessment Framework, project business cases and the cumulative value of funding secured locally.

Legal Implications

31. The report seeks authority for further work to be carried out to develop proposals for Metro Plus. When developing proposals for individual projects, the provisions of the Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal ('the JWA'), (in particular the provisions of the Assurance framework), and the terms attaching to the funding provided by HMT to the CCRCD must be complied with. As set out in the body of the report, to ensure compliance with the JWA, business cases will be developed for each scheme and the approach taken will be consistent with the HM Treasury Green

Book and business case appraisal process , applied in a manner that is proportionate to the scheme in question. The JWA and funding conditions further provide that the ‘purposes’ for which CCRC D monies are used must accord with those set out in the JWA Business Plan (the CCR City Deal 5 year Strategic Business Plan Wider Investment Fund) . The JWA Business Plan provides that ‘to maximise the potential benefits of the Metro to the region the Regional Cabinet are exploring a programme of complimentary transport investment, Metro plus’. This report details the proposed complimentary transport investment.

32. It is noted from the body of the report that third party funding is required for the phase 1 schemes to be implemented and pointing out the obvious decisions to implement the proposed schemes should not be sought until the required funding is secured . There is risk that expenditure on developing the metro plus proposals could provide abortive if, amongst other matters, the third party funding were not secured and the schemes do not progress. That said funding could not be secured without the business cases being developed so the risk of abortive costs incurred in developing a business case is not unique to the metro plus scheme. Consideration should be given to any conditions attached to such third party funding to ensure that CCRC D is able to comply with the same.
33. In developing the business cases, detailed legal advice should be obtained for each proposed scheme, including consideration to any consents/ permission required to facilitate the scheme.

Wellbeing of Future Generations (Wales) Act 2015

34. The Well-Being of Future Generations (Wales) Act 2015 (‘the Act’) is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC D) must set and published well-being objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national well-being goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the well-being objectives set by each Council and in so doing assist to achieve the national well-being goals.
35. The well-being duty also requires the Councils to act in accordance with a ‘sustainable development principle’. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their

decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:

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

36. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken which is attached at Appendix 5.

General advice

37. In considering this matter and in developing the proposals regard should be had, amongst other matters, to:

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

RECOMMENDATIONS

The Cardiff Capital Region Cabinet is recommended to:

- a. Agree in principle to Metro Plus, a programme of activity as set out in this report, which is designed to complement and enhance the Metro and proposed Metro Central schemes, to be further developed and supported by the Regional Transport Authority;
- b. Agree to further develop the proposals for the ten schemes comprising Phase 1 of the Metro Plus Programme (Programme of Local Future Mobility Schemes, set out in appendix 3) (including a fit for future plan for establishing comprehensive Electric Vehicle infrastructure) through the development and application of a Common Assessment Framework;
- c. To approve up to £75,000 from the Wider Investment Fund (Project Support budget) to develop the business case and further the work on the Low Emission Vehicle Strategy; Infrastructure Income Modelling and charging infrastructure for taxis;

- d. Endorse the action taken in submitting the Local Transport Fund Bid to Welsh Government on 18 January (Appendix 6); and
- e. To note that should it not prove possible to secure the full required co-investment from WG, of £15m – a further report will be brought back to Regional Cabinet, to set out options through which to progress the scheme.

Kellie Beirne
Cardiff Capital Region Director
18 February 2019

The following Appendices are attached:-

APPENDIX 1 – REDSTART REPORT – APPRAISAL OF RTA METRO PLUS PROGRAMME

APPENDIX 2 – CENEX REPORT - METRO INFRASTRUCTURE REVIEW (EV)

APPENDIX 3 – LOCAL SCHEME SUMMARY

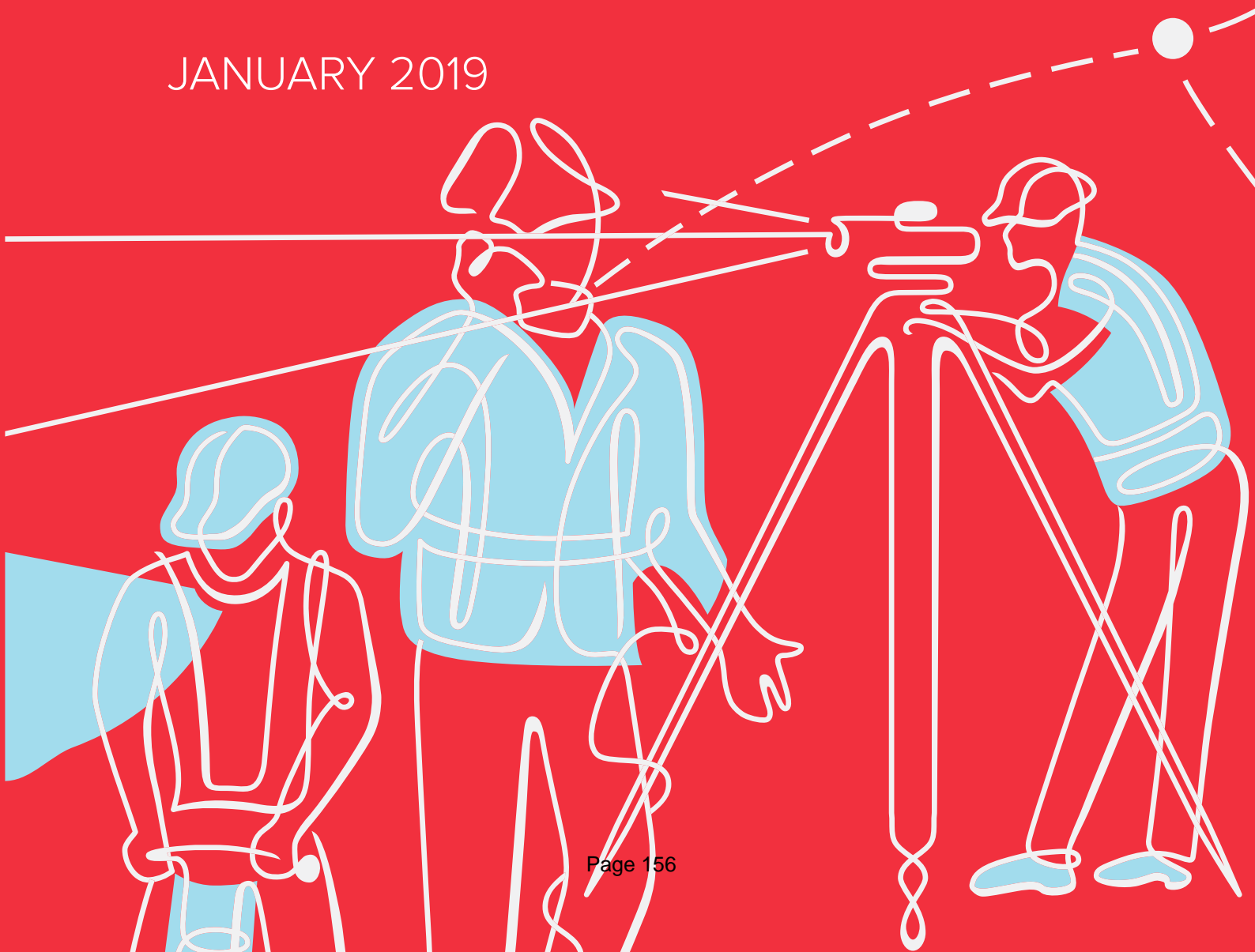
APPENDIX 4 – MAP OF PROPOSED SCHEMES

APPENDIX 5 – WELLBEING OF FUTURE GENERATIONS ASSESSMENT

APPENDIX 6 – CCR SUBMISSION TO LOCAL TRANSPORT FUND WG

CARDIFF CAPITAL REGION CITY DEAL: APPRAISAL OF METRO PLUS RTA PROGRAMME, FINAL REPORT

JANUARY 2019






CLIENT: Rhondda Cynon Taf County Borough Council

ISSUE DATE: January 2019

Cardiff Capital Region City Deal:

Appraisal of Metro plus RTA Programme, Final Report

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Appendices

Appendix A – South East Wales Metro Commitments

1. Introduction

1.1 Background

A £30 million programme of schemes has been developed (Metro Plus Regional Transport Authority (RTA) Programme), which if undertaken will support the implementation of the South Wales Metro.

The South Wales Metro is an ambitious project linking people and jobs across South East Wales in a fast, efficient and environmentally positive way. It will provide a platform to deliver sustainable economic development, by connecting people, communities and business to employment, services, facilities and markets through reliable, resilient infrastructure¹. Current rail commitments for the Metro in South Wales are detailed in Appendix A.

The Metro Plus RTA Programme would see each Local Authority within South East Wales receive a £3million share to implement a scheme. Funding is being sought from Welsh Government (£15million) and from the Cardiff Capital Region City Deal (CCRCD) (£15million) to implement this programme.

Table 1.1 outlines the schemes that make up the proposed Metro Plus RTA Programme.

¹ <https://tfw.gov.wales/projects/south-wales-metro> - date accessed - 12th November 2018

Table 1.1 – Metro Plus RTA Programme

Option Name	Local Authority	Option Description	Estimated Cost
Interchanges			
EVR/ Abertillery Spur & Interchange	Blaenau Gwent CBC	The current Ebbw Valley Railway service is 1tph, The Transport Minister announced 2nd train service per hour to be introduced by 2021 to Newport. This Abertillery Spur option is seeking to create a 3-4 mile link from Abertillery to Ebbw Valley at Aberbeeg. Previous work has been undertaken on Heavy Rail to Abertillery, however, currently work ongoing to review and revisit previous proposals through identifying transport issues from Abertillery with a range of options to be considered e.g. light rail or guided bus. Electric charging points to be included within future proposal implemented.	£12m plus
Caerphilly Rail and Bus Station	Caerphilly CBC	Developing a brief and seeking funding to develop seamless interchange between rail and bus (currently not seamless). High quality passenger facilities to be provided including electronic information etc, increase capacity from existing 280 park and ride spaces, Electric Vehicles charging for bus and private car. Will include wider goals such as tying into, business development, green hub for technology etc.	£4-5 million
Porth Interchange	Rhondda Cynon Taf CBC	Transport interchange between bus and rail services within Porth is poor. The current on street set up, with its three main bus stops being 450 metres apart and removed from the railway station, prevents a seamless transition for those who use the buses and trains for onward journeys. There is no rail link to many of the surrounding communities, such as the Rhondda Fach, Trebanog, Tonyrefail and Gilfach Goch, and interchange at Porth is vital to allow commutable journeys, particularly to Pontypridd and Cardiff in the south, to be made by public transport. The vision is to transform Porth into a prosperous and attractive town, which offers a wide range of opportunities for visitors, residents and businesses, with improved connectivity to and from the surrounding areas being anchored by a Transport Hub and a regenerated “Station Quarter”. A site has been identified that has the potential for this Transport Hub, which will house a seven bay bus interchange, taxi rank and cycle racks, and have direct, adjacent, access to the station platforms and the Park and Ride.	£4-5 million
Barry Docks	Vale of Glamorgan Council	The VoG has a bus interchange identified in its LDP for Barry Docks to include rail, Park and Ride, active travel, bus and taxi. The rail, Park and Ride and some active travel have already been provided and the bus and taxi need to be addressed to ensure a seamless interchange. The regeneration section of the VoG have also identified the area between the Docks Office and the Gladstone Bridge to be in desperate need of regeneration. The Transport Minister also announced at the Cardiff Airport Master plan launch that Barry	£3-4 million

		<p>is in need of bus interchange to feed into the airport and that TfW would be seeking to provide this. There are various options, and discussions have been ongoing with the predominant bus operator and the VoG to identify a suitable location. Feasibility is required on the specific land adjacent to the railway and Park and Ride site at Barry Docks to consider the land suitability and feasibility funding from the regional LTF pot is being allocated to carry out this work in 2018/19. It is anticipated that the bus interchange would include 4-5 bus bays, have provision for taxis and possibly extend the existing Park and Ride site which is at / overcapacity. The new rail franchise includes additional rail capacity on the line and currently all Park and Ride sites are at or over capacity within Barry. There is a regeneration intention to include a mixed use provision between the two locations identified along the rail corridor and a Targeted Regeneration Investment (TRI) bid has been submitted for this provision. A North – South Barry bus provision to link with the railway could reduce the congestion both on the Port Road / Culverhouse Cross corridor and the Dinas Powys corridor.</p>	
Merthyr Bus Station and Pentrebach Station Park and Ride	Merthyr Tydfil CBC	<p>Merthyr Bus Station: Fully developed project to deliver a new bus interchange and link between bus station and rail station (150 YARDS) within Merthyr Tydfil. New interchange to include 14 Bus stands and EV charging points.</p> <p>Pentrebach Station Park and Ride: The focus at Pentrebach is the regeneration of a significant brownfield site in Merthyr Tydfil that has been largely vacant for nearly 10 years. The South Wales Metro, with high frequency light rail connections, will be the catalyst for the development of a sustainable, mixed use, neighbourhood. Redevelopment of the area has the potential to maximise opportunities provided from planned transport infrastructure investment (increases in service capacity, Pentrebach station and park and ride improvements and a potential future new metro station) and to support 440 homes and employment land.</p> <p>Development at the ‘Hoover Strategic Regeneration Area’ will be informed by the development of a master plan. The Council has worked with Welsh Government and Transport for Wales to prepare a draft Framework Masterplan (June 2018) for the area. This has been informed by a providing a layout that indicates densities of between 30 to 45 dwellings per hectare. It has also identified 6.5 hectares of vacant and underused land for new employment use at the Willows/Abercanaid Industrial Estate. The Framework Master plan also seeks to reflect sustainable placemaking principles and reflect the legacy of the Hoover Factory site.</p>	£500,000 Merthyr Bus Station, £2.5 million Pentrebach Station Park and Ride
Park and Ride			

Pyle Park and Ride	Bridgend CBC	<p>Implementation of a Park and Ride facility as part of the development of an integrated transport hub that serves the local community of Pyle and the nearby settlements of Porthcawl, Kenfig Hill, Cefn Cribwr and Cornelly. Due to the station's proximity to the town of Porthcawl, it is ideally placed to provide access to the South East Wales Metro network for the existing residents, and those that will be attracted due to the planned regeneration proposals within the town.</p> <p>The existing 23-space car park at Pyle, including 2 disabled bays, are located on the westbound side of the railway with an informal parking area available on the eastbound side which serves Pyle RFC. An initial business case assessment was undertaken in 2013 which suggested that the formal car park was operating over capacity, and that a minimum of 75 additional spaces be considered as part of the development of any future proposals.</p> <p>The most recent figures for Pyle station usage from 2016/17 show that 118,910 journeys were made from the station, an increase of 35% from the levels recorded in 2011/12. The scheme will therefore include the design and delivery of an additional Park and Ride facility that can cater for current demand and future growth based on an updated business case.</p> <p>The proposal will also include appropriate Active Travel connections to maximise accessibility of the station for local residents, and will improve links to the nearby Village Farm Industrial Estate which is located 500m east of the station. The enhanced Park and Ride facilities will also give full consideration to the inclusion of EV charging points, and the provision of additional cycle parking facilities where deemed appropriate.</p>	£3 million
Severn Tunnel Junction	Monmouthshire County Council	<p>The scheme proposes to provide an additional 150-200 space car park on the south side of Severn Tunnel Junction station. There is currently a substantial shortfall of spaces, which creates problems within the existing car park and nearby streets. The scheme will enable reconfiguration of the existing (north-side) station car park including more than 40 additional bike & ride spaces, safer walking & cycling access, a revamped bus-rail interchange, EV charging spaces and potentially an improved station building (with ticket office, café, shop, WC).</p>	£3-4 million
Pontypool and New Inn Station	Torfaen CBC	<p>Opportunity to provide at least 200 spaces including EV charging.</p> <p>The aim of the scheme is to break the current cycle of poor facilities/services by providing an interchange provision so that the station acts as a key hub for regional travel for the area. The proposed enhancements</p>	£3-4 million

		<p>at Pontypool and New Inn Rail Station includes a new Park and Ride which will be accessed from the A4042 trunk road, DDA compliant platform access and improved station facilities including cycling facilities.</p> <p>The station is a potential interchange point with passengers from the 'Eastern Valley' including Blaenavon, Abersychan, Pontypool, New Inn, and also for Usk and the West of Monmouthshire. This station will support the nearby proposed Mamhilad development with a current allocation of 1,800 dwellings.</p> <p>The station has to date benefited from WG investment for both physical improvements and design and development works for the creation of a strategic park and ride served off the A4042(T) with associated accessibility improvements. The former has consisted of the improvement of parking, pedestrian and cycling facilities and included the provision of a bus stop and turning area to accommodate any future interchange facilities. Allied to this work, Active Travel improvements have been undertaken to better connect the station to the surrounding area and facilities.</p>	
Bus Priority			
Newport to Cardiff	Newport City Council	<p>The Newport to Cardiff Bus Corridor links a number of significant trip attractors in the Cardiff Capital Region, including:</p> <ul style="list-style-type: none"> • Cardiff City Centre • Newport Road Retail Park • St Mellons Business park • Cleppa Park/IQE Semi-conductor plant • Office of National Statistics / Patent Office • Royal Gwent Hospital • Newport City Centre • Wales International Conference Centre <p>Services on this corridor suffer from extended journey times (current schedules indicating a time of circa 1 hour to undertake the 15-mile journey), with operators confirming services are subject to considerable</p>	£3-4 million

		<p>journey time variability. There is also a lack of consistency in roadside infrastructure, which does not present a coherent offer to potential users.</p> <p>It is proposed that an improvement package is developed to address these issues to provide a high-quality public transport link that showcases bus travel in the region. This will include:</p> <ul style="list-style-type: none"> • Consistent, high-quality roadside infrastructure to promote and facilitate increased bus use. • Improved journey time and consistency resulting in reduced generalised journey times for users and operational efficiencies <p>The scheme will also provide the foundation to introduce a Park and Ride facility to the East of Newport and could be operated by vehicles using more environmentally sustainable forms of propulsion, including opportunity charging for Electric Vehicles.</p>	
East Cardiff	Cardiff City Council	<p>The City Centre East project will incorporate a series of sustainable and active travel packages that will enable improved bus connections in Cardiff City Centre, improved active travel infrastructure and pedestrian safety improvements. The infrastructure improvements will benefit local and regional transport through providing improved sustainable connections to key transport hubs, employment zones and visitor destinations. Improvements include:</p> <ul style="list-style-type: none"> • New bus priority measures to connect local and regional buses through the east and south of the city to: <ul style="list-style-type: none"> o The Enterprise Zone; o Queen Street Station; o Retail Quarter (St David's Shopping Centre); o Central Square; o The Transport Interchange; o Central Quay; o Cardiff Bay. • Bus priority measures that will allow buses to service the Transport Interchange on major event days 	£5-6 million

		<ul style="list-style-type: none"> • Installation of Central Cycle Superhighway Section that will connect and link all 4 superhighways to the city centre. • Pedestrian Crossing and Public Realm Improvements on/to: <ul style="list-style-type: none"> o Dumfries Place; o Station Terrace; o Queen St Station; o Stuttgart Strasse. • 20mph Zone and traffic calming measures • Air Quality Improvements (outside of Queen Street Station) • Cycle Parking and Next Bike • Charging Points (TBC) 	
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The collective benefits of this Metro Plus RTA Programme are greater than if implemented as individual schemes.

This report is not intended to provide evidence as to the selection process of how schemes have been chosen for the Metro Plus RTA programme. This work has already been undertaken and documented. This report provides an outline of the potential collective benefits of the programme as a whole, in supporting implementation of the South Wales Metro by outlining some of the potential outputs, outcomes and opportunities.

Evidence presented within this report will support the application for Cardiff Capital Region City Deal funding.

1.2 Wider Context

The Metro Plus RTA Programme does not operate in isolation and will impact upon and be influenced by a range of wider contextual aspects. In many cases these impacts will be positive, with The Metro Plus RTA Programme providing wide ranging benefits.

Below is a summary of some of the current wider contextual issues and how the Metro Plus RTA Programme may influence these.

Carbon Reduction, Improving Air Quality and Health Benefits; - A new report (2018) led by King's College London and published by the government's Committee on the Medical Effects of Air Pollutants (COMEAP) estimates that between 28,000 and 36,000 people die as a result of air pollution every year in the UK². The Environmental (Wales) Act places a duty on Welsh Ministers to ensure that in 2050 net CO₂ emissions are at least 80% lower than baseline set in legislation. Local authorities also have a requirement to manage air quality issues and hit targets set in plans for Air Quality Management Areas. The Metro plus programme provides a positive contribution to reducing carbon through the reduction of single occupancy car trips through facilitation of modal shift to sustainable public transport options. A reduction in car trips will also help to address improvements in Air quality leading to widespread health benefits.

Electric Vehicle Charging Opportunities –There is a separate study currently being undertaken by Cenex looking at the opportunities for how the Metro RTA Plus programme can adopt electric charging technology at all sites in the programme and how this can be integrated in to the programme for cars, and bus network, as well as defining what types of charging provision should be implemented and the operating models available. There are benefits not only in terms of sustainability and carbon reduction from the adoption of electric vehicle charging, but also to potential revenue generation and the potential to foster new innovative industries from the adoption of new technology on a wide scale across the programme (the Metro Plus RTA Programme could provide the critical mass for project start-ups in this area). This could provide employment opportunities in new innovative industries.

Issuing of White Paper on Improving Public Transport from Welsh Government³ - In December 2018 the Welsh Government issued a white paper on proposals to legislate for

² <https://www.kcl.ac.uk/news/news-article.aspx?id=41ef9e91-5796-4344-948b-8d7c0045bdfc> – date accessed 9th Jan 2019

³ Welsh Government, Consultation Document, Improving public transport, A Welsh Government White Paper on proposals to legislate for reforming the planning and delivery of local bus services and licensing of taxis and private hire vehicles, 10 December 2018

reforming the planning and delivery of local bus services and licensing of taxis and private hire vehicles. Local bus services are very important to the transport network in south wales as buses continue to account for about 100 million passenger journeys each year. This white paper highlights that improvements in the quality of bus journeys is needed across the welsh network. The Metro Plus RTA Programme includes improvements to the key Cardiff to Newport bus corridor which would see improvements in provision of facilities and journey quality, as will the East Cardiff proposals.

Industrial and Economic Plan - The Industrial and Economic Plan takes the principles and themes within the JWA Five Year Business Plan, the Welsh Government Economic Action Plan, and the UK government Industrial Strategy, and articulates an industrial and economic plan for the Cardiff Capital City region. This will guide and influence future funding recommendations made by the Regional Economic Growth Partnership to Regional Cabinet.

The Industrial and Economic Plan that is under development will set out an ambitious and long-term plan to boost productivity, accelerate economic and inclusive growth in the region. The Plan aims deliver sustainable and inclusive growth, whilst supporting the objectives of boosting competitiveness and tackling inequalities. The Metro Plus Programme will help to achieve the Plans aims through providing a sustainable transport network which will improve access and thus assist in accelerating economic growth in the region. The programme schemes will be open to all (public transport schemes) helping to tackle inequalities.

1.3 Report Structure

This report is structured as follows:

- Chapter 2 – presents an appraisal of the programme and its schemes against the CCRC Strategic Objectives and Wellbeing objectives;
- Chapter 3 – provides an outline of the potential collective benefits of the programme;
- Chapter 4 – provides a conclusion to the report.

2. Strategic Objectives

2.1 Introduction

To ensure strategic fit of the Metro Plus RTA Programme, an assessment has been undertaken as to the potential impact of the programme (and its individual schemes) in achieving the CCRCO objectives and themes and its impact on the Wellbeing of Future Generations Act (Wales) 2015.

2.2 CCRCO Objectives

Any programme seeking CCRCO funding streams need to demonstrate that it will positively impact in achieving the strategic objectives, help address the key strategic themes and aid in achieving the CCRCO measures of success such as job creation, private sector leverage, employment and skill levels, productivity levels and GVA.

CCRCO strategic objectives are split into three main themes:

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

The CCRCO strategic themes are:

- **Skills & Employment** - Developing a Skilled Workforce and Tackling Unemployment
- **Connecting the Region** - Improving Connectivity Globally, Regionally and Locally
- **Innovation** - Creating an Innovation District and Increasing Entrepreneurial Activity and Innovation
- **Regeneration & Infrastructure** - Providing the right physical place and environment to support growth

Methodology of Assessment

A qualitative appraisal has been undertaken of the impact of the Metro Plus RTA Programme (and of its individual schemes) against the CCRCO objectives. Appraisal has been based on existing known data and no new primary data has been collected.

Impact has been scored using a seven point 'Likert' scale:

Large positive (+ + +)
Moderate positive (+ +)
Slight positive (+)
Neutral (0)
Slight negative (-)
Moderate negative (- -)
Large Negative (- - -)

No weighting has been applied to any of the assessment criteria.

A qualitative appraisal has also been provided of how the programme will address the key themes of CCRCO.

Results

CCRCO Strategic Objectives

Table 2.1 outlines the results of the appraisal of the Metro Plus RTA Programme (and its individual schemes) against the CCRCO strategic objectives.

Table 2.1 - Appraisal of Schemes and Package Against Cardiff Capital Region Strategic Objectives

Option Ref.	Option	Cardiff Capital Region Strategic Objectives																					
		Prosperity & Opportunity								Inclusion & Equality						Culture, Community & Sustainability							
		Building the capacity of individuals, households, public sector & businesses to meet the challenges & grasp opportunity creating a more productive economy	Providing the right infrastructure including connectivity by means of good transport links and high-speed broadband	Encouraging a culture of innovation and entrepreneurship by providing the right skills, opportunities and support to engender a confidence to be creative	Ensuring that the city-regions labour market is equipped with the skills that businesses need	Improving public sector efficiency and effectiveness by new ways of working	Supporting all businesses to become more productive, from small retail to large advanced manufacturers	Enhancing the business climate for emerging sectors, enterprises and innovation	Encourage and promote research and development and entrepreneurial enterprise	A vibrant and sustainable economy which contributes to the well-being and quality of life of people and communities now and in the future	Access to employment and economic opportunities	Participation in the labour market for all members of society	Access to a range of housing, including affordable	Access to education and training to develop skills	Access to social and recreational opportunities	Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life	Ensure our urban centres are vibrant and vital with unique identities which all of the regions residents can use and be proud of	Respect, protect and support our rural and natural environment and use it to promote economic and social outcomes	Develop and promote our world-class cultural and recreational opportunities utilising the regions natural beauty and historic areas	Provide a quality environment across the whole region including existing and new development that attracts businesses and talented people	Demonstrate our commitment to a sustainable future and acknowledge our global responsibility	Work with political and commercial partners, at a national, regional and local level to coordinate the promotion of the region	
Interchanges																							
1	EVR / Abertillery Spur & Interchange	+	+++	0	+	0	0	++	0	++	++	+	0	+	+	+	+	+	+	++	+		
2	Caerphilly Interchange	+	++	0	+	0	0	+	0	++	++	+	0	+	+	+	++	0	+	+	++	+	
3	Porth Interchange	+	+++	0	+	0	0	++	0	++	++	+	0	+	+	+	++	0	+	+	++	+	
4	Barry Docks Interchange	+	+++	0	+	0	0	++	0	++	++	+	0	+	+	+	++	0	+	+	++	+	
5	Merthyr Bus Station / Pentrebach Park and Ride	+	++	0	+	0	0	++	0	++	++	+	0	+	+	+	++	0	+	+	++	+	
Park and Ride																							
6	Pyle Park and Ride	+	++	0	+	0	0	+	0	++	++	+	0	+	+	+	+	0	+	+	++	+	
7	Severn Tunnel Junction Park and Ride	+	++	0	+	0	0	+	0	++	++	+	0	+	+	+	+	+	+	++	+		
8	Pontypool and New Inn Park and Ride	+	++	0	+	0	0	+	0	++	++	+	0	+	+	+	+	+	+	++	+		
Bus Priority																							
9	Newport to Cardiff	+	+++	0	+	0	0	++	0	++	++	+	0	+	+	+	+	0	+	+	++	+	
10	East Cardiff	+	+++	0	+	0	0	++	0	++	++	+	0	+	+	+	+	0	+	+	++	+	
	Metro Plus RTA Programme	+	+++	0	+	0	0	++	0	++	++	+	0	+	+	+	+	+	+	++	+		

KEY

Large positive (+++)
Moderate positive (++)
Slight positive (+)
Neutral (0)
Slight negative (-)
Moderate negative (- -)
Large Negative (- - -)

Table 2.1 shows that the programme will have a positive impact on the majority of strategic objectives. It therefore has a strong strategic fit with objectives of the CCRCO. The impact of the programme on each of the strategic objective themes is discussed below.

Prosperity and Opportunity

Overall the Metro Plus RTA Programme will have a slight to large positive impact on the strategic objectives contained within the Prosperity and Opportunity theme.

In particular the programme will greatly assist in providing the right infrastructure to improve connectivity by means of good transport links. Those schemes where new links or improvements in corridors are to be implemented are likely to have the largest benefit for example, Ebbw Valley Rail / Abertillery Spur.

As a whole, connectivity across the region will improve through implementation of the programme. All of the combined improvements in interchanges, Park and Ride and bus priority will assist in creating a seamless network allowing ease of transfer between modes. This will facilitate ease of access for communities across south east Wales, for those with and without access to a private car thereby improving connectivity to a range of services.

The Metro Plus RTA Programme will also improve connectivity to the South Wales Metro, permitting regional connectivity throughout south east Wales and further beyond.

The programme will also support a more productive economy through an increase in access to the South Wales transport network. This will allow for individuals, households, public sector and businesses to grasp new opportunities, from the enhanced access provided by new and improved transport options.

All of the transport improvements contained within the programme will improve access throughout the south east Wales region. This will help increase the skills base of the labour market, through providing means of access to new educational, employment, healthcare and training opportunities.

Inclusion and Equality

The Metro Plus RTA Programme will have a moderate beneficial impact on creating a vibrant and sustainable economy which contributes to the well-being and quality of life for people and communities now and in the future.

All of the transport interventions included within the programme will support, promote and enhance sustainable travel, thus contributing to the development of a sustainable economy. Sustainable travel also promotes long term well-being and the quality of life of people and communities.

The programme will facilitate improved access to employment and therefore new economic opportunities. All of the transport interventions within the programme are public transport based, thus will provide enhanced and new employment access opportunities, particularly for those sectors of society without a private car (helping address deprivation where caused by a lack of access to transport). Improving access for those sectors of society without a private car,

demonstrates the programmes ability to contribute towards permitting participation in the labour market for all members of society.

New and enhanced public transport provision will also improve access to education and training, healthcare and social and recreational opportunities, all of which will promote inclusion and equality across south east Wales.

Culture, Community and Sustainability

The Metro Plus RTA Programme will provide new and enhanced public transport facilities, which will feed into the wider network of South Wales Metro improvements. This will collectively contribute to forging a clear identity and strong reputation as a City-Region that has a good quality of life, with an interconnected high quality transport network.

All of the schemes within the Metro Plus RTA Programme will help to ensure that urban centres are vibrant and vital with unique identities which all of the regions residents can use and be proud of. In particular Caerphilly Interchange, Porth Interchange, Barry Docks Interchange and Merthyr Bus Station will link to wider town centre regeneration schemes, to create a sense of place and identity. These key interchanges (along with the other transport improvements within the programme) will deliver people into key urban centres making them vibrant places, with transport facilities often providing the hub around which the urban centre operates and develops.

Many interventions within the programme will help to 'respect, protect and support the rural and natural environment' to promote economic and social outcomes through provision of improved sustainable transport facilities and improved transport access into and out of rural communities. For example, Severn Tunnel Junction improvements will improve access for communities within rural Monmouthshire.

In relation to this, the Metro Plus RTA Programme will have a beneficial impact on developing and promoting world- class cultural and recreational opportunities through opening up access to areas of natural beauty and historic importance, thus promoting tourism within the South Wales region. By implementing a programme of transport measures which connect into the wider Metro network, the region as a whole becomes easier to travel around thus promoting the South Wales area as a whole offering.

As the Metro Plus RTA Programme includes investment across the whole of south east Wales it will improve the quality of the region as a whole. This is likely to encourage new inward investment as businesses have access to a wide pool of potential resources, who can easily travel around the region to access new job and training opportunities.

The programme clearly demonstrates a commitment to a sustainable future, as all of the transport interventions include focus on facilitating and promoting sustainable transport access. Through a programme of measures that support the Metro, south east Wales will become a region that is easy to navigate by seamless passenger transport.

Through implementation of a programme of measures that are supported by ten local authorities, co-ordinated working between political and commercial partners will be promoted at a regional level.

The Metro Plus RTA Programme is likely to have the greatest positive overall impact on the objectives included within Culture, Community and Sustainability and Inclusion and equality.

CCRCD Strategic Themes

Skills & Employment

The Metro Plus RTA Programme of schemes will assist in tackling unemployment and growing a skilled workforce. During construction of the schemes, direct and indirect employment opportunities will be created in the form of apprenticeships within the construction sector and direct permanent employment opportunities within the programme itself. For example, a link between Abertillery and the Ebbw Valley Railway whether a heavy, light rail or guided bus option would require operators and service staff in addition to providing indirect employment opportunities throughout the construction supply chain.

Connecting the Region

The Metro Plus RTA Programme of schemes directly supports and promotes access to and usage of the Metro. Key aims to the Metro include providing a 'truly turn up and go service'. Interchange improvements along with park and ride included within the programme will permit this. Furthermore the key aim of Metro is to connect people, communities and business to employment, services, facilities and markets through reliable and resilient infrastructure. The programme (new park and ride facilities, improved interchanges and seamless interchange between modes, new and improved bus services and facilities) directly provides this reliable and resilient infrastructure to permit connected travel throughout the south east Wales region.

The Metro Plus RTA Programme will facilitate not only local connectivity but also regional and global connectivity by directly supporting access to the Metro which ties into national services at key hubs such as Newport and Cardiff, as well as internationally via Cardiff airport.

Innovation

Having a well-connected regional area which enables access to a wide range of skills, services and resources will assist in promoting entrepreneurial activity and fostering innovation. Enabling new start-up businesses access to a skills market and resources via an integrated and forward thinking transport network, attract new innovation districts to form.

The development of new transport schemes which can utilise new technologies such as electronic charging points and electronic vehicles etc within is operation and design will also allow formation of new industries to supply these services.

Regeneration and Infrastructure

Transport is key to promoting and supporting growth and providing the right physical place. Many of the elements of the Metro Plus RTA Programme will include schemes that will provide an improvement to physical place by providing a new hub to a town centre. Radiating from these hubs is wider improvements that will aid in promoting town centre growth and economic development.

The programme will supplement the Metro providing a sustainable and integrated future transport network for South Wales.

2.3 Well-being of Future Generations Act (Wales), 2015

The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals:

- (1) A globally responsible Wales;
- (2) A Wales of vibrant culture and thriving Welsh Language;
- (3) A Wales of cohesive Communities;
- (4) A more equal Wales;
- (5) A healthier Wales;
- (6) A resilient Wales; and
- (7) A prosperous Wales.

Table 2.2 shows the impact of the individual options and the Metro Plus RTA Programme as a whole against the goals of the Well-Being of Future Generations (Wales) Act 2015 (using the 7 point 'likert' scale detailed in section 2.2). Table 2.2 also includes a review of the impact of the individual schemes and the Metro Plus RTA Programme against the well-being objectives of each of the ten local authorities within which the programme will be implemented.

It can be seen that overall the Metro Plus RTA Programme will have a positive impact on the Well-being of Future Generations Act (Wales), 2015 goals. Being a programme that is focused on the provision and improvement of sustainable transport, it helps in particular to achieve the goals of a 'globally responsible Wales', 'A Wales of cohesive communities', 'a healthier Wales' and 'a prosperous Wales'.

In terms of the programme impact on local authority well-being goals, again a positive impact can be seen. In particular the Metro Plus RTA Programme will help to achieve goals that aim to tackle poverty and deprivation, improve access to skills, improve employment opportunities and also provide improved infrastructure and healthier communities.

The Well-being of Future Generations (Wales) Act 2015 also details five ways of working to enable the act. These have been considered in developing the programme:

- **Long Term** – In developing the programme long terms trends have been analysed. For example, the need to provide for electric powered vehicles at all sites with the programme has been investigated. A separate report produced by Cenex has considered how electric vehicle charging can be provided, what type of provision is required and the operating model for implementation. The Metro Plus RTA programme also looks to address future trends such as population increases and decreases, providing increased public transport capacity and helping to prevent out-migration from some communities through improved access.
- **Prevention** – The Metro Plus RTA Programme is designed to prevent further environmental damage from transport through the promotion and development of a sustainable transport network.
- **Integration** – The Metro Plus RTA Programme has been developed with consideration to a wide range of contextual factors. Strategic fit of the programme has been considered along with a number of other wider issues such as carbon reduction.

- **Collaboration** – The Metro Plus RTA Programme has been formed through collaborative working by ten local authorities (Caerphilly CBC, Cardiff CC, Bridgend CBC, Newport CC, Vale of Glamorgan Council, Rhondda Cynon Taf CBC, Merthyr Tydfil CBC, Monmouthshire CC, Torfaen CBC, Blaenau Gwent CBC). The Well-being objectives of each of the local authorities have been considered when developing the programme.
- **Involvement** – The final Metro Plus RTA Programme has been formed through a process of appraisal, with stakeholder input. A long list of options has been sifted to the final list of schemes included within the programme. The recommended final Metro Plus RTA Programme has been agreed with all ten south east Wales local authorities and will be subject to further approval with CCRCD board members and Welsh Government representatives.

Table 2.2 - Appraisal of Schemes and Package Against Well-being Objectives

Option Ref.	Option	Well-being of Future Generations (Wales) Act 2015 Goals				Monmouthshire CC Wellbeing Objectives	Rhondda Cynon Taf CBC Wellbeing Objectives	Bridgend CBC Wellbeing Objectives	Blaenau Gwent CBC Wellbeing Objectives	Caerphilly CBC Wellbeing Objectives	Cardiff CC Wellbeing Objectives	Merthyr Tydfil CBC Wellbeing Objectives	Newport CC Wellbeing Objectives	Torfaen CBC Wellbeing Objectives	Vale of Glamorgan Wellbeing Objectives
		A globally responsible Wales	A Wales of vibrant culture and thriving Welsh language	A Wales of cohesive communities	A more equal Wales	A healthier Wales	A resilient Wales	A prosperous Wales	Provide children and young people with the best possible start in life Respond to the challenges associated with demographic change Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change Develop opportunities for communities and businesses to be part of an economically thriving and well-connected county Economy – building a stronger community; People – promoting independence and positive lives for everyone; Place – creating neighbourhoods where people are proud to live and work. Wellbeing Objective: Best start in life Wellbeing Objective: Support communities in Bridgend County to be safe and cohesive Wellbeing Objective: Reduce social and economic inequalities Wellbeing Objective: Healthy choices in a healthy environment 1. Create a better, enhanced environment and infrastructure that will benefit our communities, businesses and visitors. 2. Continue to improve learner outcomes and well-being to that all children and young people thrive and realise their full potential 3. We will be a modern, smart Authority, providing leadership to enable people and communities to thrive 4. Take a preventative and early intervention approach to support the most vulnerable ensuring, where appropriate, they are protected and supported to achieve personal outcomes and well-being. 5. Maximise the employability of local people through skills development at a local and regional level 6. Enabling older people to feel valued and empowered to maximise their independence and lead healthy and engaged lives 7. Support citizens to take an active and empowered role in their communities to provide resilience 1. Tackling Poverty: Maximising Income 2. Improve Outcomes for all learners, particularly those vulnerable to under-achievement 3. Close the gap in life expectancy for residents between the most and least deprived areas in the borough 4. Carbon management: Reduce our carbon footprint 5. Investment in Council homes to transform lives and communities 1. Strengthen Cardiff's role as the economic and cultural capital city of Wales, supporting the development of the Capital Region and ensuring that the City Deal and the Cardiff Metro deliver for the people of Cardiff and Wales. 2. Seek to make sure that Cardiff has the funding and fiscal powers it needs to lead the Welsh economy and deliver capital city infrastructure and services on behalf of the people of Wales. 3. Understand the impact of Brexit on Cardiff's economy, public services and communities and develop the city's response, including the shape of any successor programmes for European funding. 4. Continue to deliver major events in the city, building on the success of the Champions League Final, in partnership with Welsh Government and the private sector. 5. Aim to double the number of Welsh speakers in Cardiff by 2050 through supporting the delivery of the Bilingual Cardiff Strategy BS 1: Children get the best start to life BS 2: Children and young people are equipped with the skills they need to be successful learners and confident individuals WL 1: Making skills work for Merthyr Tydfil: Developing the workforce of the future WL 2: Developing the environment and infrastructure for business to flourish EW 1: Communities protect, enhance and promote our natural environment and countryside EW 2: Communities protect, develop and promote our heritage and cultural assets LW 1: Developing safer communities LW 2: People have good physical and mental health LW 3: People live independently 1. People feel good about living, working, visiting and investing in Newport. 2. People have skills and opportunities to find suitable work and generate sustainable economic growth 3. People and communities are friendly, confident and empowered to improve their wellbeing 4. Newport has healthy, safe and resilient communities 1. Develop a functional, connected network of natural areas that support the current and future well-being needs of local climate change 2. Develop adaptation and mitigation responses to the impacts of climate change 3. Promote children and young people with the best possible start in life. 4. Prevent or limit the impact of chronic health conditions through supporting healthy lifestyles and enabling people to age well 5. Tackle the inter-generational patterns of poverty and develop economic resilience 6. Improve local skills through work-force planning, training, apprenticeships, and volunteering opportunities 7. Create safe, confident communities and promote community cohesion Wellbeing outcome 1: Citizens of the Vale of Glamorgan have a good quality of life and feel part of their local community 2) Reducing poverty and social exclusion 3) Providing decent homes and safe communities Wellbeing outcome 2: The Vale of Glamorgan has a strong and sustainable economy and the local environment is safeguarded for present and future generations 3) Promoting regeneration, economic growth and employment 4) Promoting sustainable development and protecting our environment Wellbeing outcome 3: All Vale of Glamorgan citizens have opportunities to achieve their full potential 5) Raising overall standards of achievement 6) Valuing culture and diversity Wellbeing outcome 4: Residents of the Vale of Glamorgan lead healthy lives and vulnerable people are protected and supported 7) Encouraging and promoting active and healthy lifestyles 8) Safeguarding those who are vulnerable and promoting independent living						
Interchanges															
1	EVR / Abertillery Spur & Interchange	+	0	++	++	+	0	++	+	++	+	++	+	++	+
2	Caerphilly Interchange	+	0	++	++	+	0	++	+	++	+	++	+	++	+
3	Porth Interchange	+	0	++	++	+	0	++	+	++	+	++	+	++	+
4	Barry Docks Interchange	+	0	++	++	+	0	++	+	++	+	++	+	++	+
5	Merthyr Bus Station / Pentrebach Park and Ride	+	0	++	++	+	0	++	+	++	+	++	+	++	+
Park and Ride															
6	Pyle Park and Ride	+	0	++	++	+	0	++	+	++	+	++	+	++	+
7	Severn Tunnel Junction Park and Ride	+	0	++	++	+	0	++	+	++	+	++	+	++	+
8	Pontypool and New Inn Park and Ride	+	0	++	++	+	0	++	+	++	+	++	+	++	+
Bus Priority															
9	Newport to Cardiff	+	0	++	++	+	0	++	+	++	+	++	+	++	+
10	East Cardiff	+	0	++	++	+	0	++	+	++	+	++	+	++	+
Metro Plus RTA Programme															
		+	0	++	++	+	0	++	+	++	+	++	+	++	+

KEY

Large positive (+++)
Moderate positive (++)
Slight positive (+)
Neutral (0)
Slight negative (-)
Moderate negative (--)
Large Negative (---)

3. Evidence of Collective Benefits

3.1 Introduction

Implementation of the Metro Plus RTA Programme of scheme will bring collective benefits. Just as the Metro is greater than the sum of its parts, so too will the proposed programme be in supporting the Metro and providing an integrated sustainable transport network across south east Wales.

This chapter presents evidence of the collective benefits of the programme helping to demonstrate the:

- Outputs;
- Outcomes; and
- Opportunities.

3.2 Outputs

Primary Outputs

The primary outputs of the programme are detailed in Table 3.1. These outputs would be achieved on completion of the programme.

Table 3.1 – Primary Outputs of the Programme

	Output
Number of interchanges improved	9
Approximate KM's of passenger transport network improved or provided	32 km (Newport to Cardiff 26km ⁴ and Abertillery Spur 6km ⁵)
Number of new park and ride spaces provided	453 ⁶

Targeted Regeneration Investment (TRI)

The Metro Plus RTA Programme also aligns with the Targeted Regeneration Investment (TRI) bids, which are for schemes to be delivered between 2018 and 2021 and beyond. Improved access provision, transport network development and transport options will help to support the regeneration of an area by attracting inward investment and enabling access to labour markets.

The outputs of the following TRI bids which would be supported by the Metro Plus RTA Programme are shown in Table 3.2.

In summary the Metro Plus RTA Programme will support via the TRI bids:

⁴ Based on journey from Newport Bus Station to Customhouse Street Cardiff using AA Route Planner for distance

⁵ Based on approx. 4 mile spur implemented

⁶ Excludes Ebbw Valley / Abertillery Spur as P&R spaces unknown at present, Caerphilly P&R where increase in numbers unknown, Pentrebach where increase in numbers unknown, Barry Docks unknown as at early stage. Estimated 156 extra at Pontypool and New Inn, 75 additional at Pyle, 150 STJ and 72 Porth.

- 393 gross jobs to be created;
- 260 construction sector jobs to be created; and
- 47 traineeships;

Table 3.2 – TRI Bids and Outputs Supported by Metro Plus RTA Programme

TRI Scheme Promoted by Metro Plus RTA Programme	Outputs
<p>CAERPHILLY / YSTRAD MYNACH CORRIDOR: Year 1 TRI Project activity will be targeted within the identified strategic hub of the Caerphilly/Ystrad Mynach Corridor as set out in the TRI Regional Regeneration Plan, specifically the "Southern Caerphilly Investment" area within Caerphilly Basin. TRI investment will focus initially within the retail core of Caerphilly Town Centre, with project activity branching out in a phased manner to surrounding areas. Priority Project for Year 1 are:</p> <p>(a) Park Lane Hotel Development – Purchase of 25 Caerphilly Rd (former SpecSavers Building) for the redevelopment of this prime site for leisure/recreational use in close proximity of the historic Caerphilly Castle and within the main retail core of the town. The project is a key element of the wider tourism regeneration strategy for Caerphilly which has the Castle as its focus. The project will bolster the tourism offer by creating a more diverse town centre that includes quality accommodation, increases dwell time and produces a strong day and night time economy.</p> <p>(b) Caerphilly Transport and Investment Hub - redevelopment of the existing station and surrounds to create a Metro "Hub" supported by mixed use development of adjacent sites and premises within Southern Caerphilly, improving connectivity to the Station and revitalising this area of the Town Centre</p> <p>(c) Caerphilly Ness Tar Site - redevelopment of a brownfield site in a prime location at the edge of the Town Centre for mixed use development, residential and B1 Class Use</p> <p>(d) Lansbury Park Estate Regeneration Stage 1: an ambitious regeneration enhancement plan for the reconfiguration of the Estate, the most deprived LSOA in Wales, including a comprehensive series of environmental and landscaping schemes, public realm improvements and improved connectivity to the Town Centre, with the aim of helping the economically and socially marginalised community reconnect with employment opportunities. Delivered in parallel to the above projects will be the TRI Thematic of the Urban Centre Property Enhancement Fund Stage 1 which will target underutilised or redundant buildings within Caerphilly Town Centre in close vicinity to the Caerphilly Castle to re-invigorate the Commercial Core and maximise the potential of key buildings creating an attractive and vibrant envelope for the Castle, specifically the proposed Pentrebanne Street development.</p>	<p>Park Lane</p> <ul style="list-style-type: none"> • Gross Jobs Created (40) • No. of Jobs Accommodated (20) • No. of Jobs Construction Sector (30) • Total Traineeships (10) • Traineeship Leavers progressing (4) • Investment Induced (£8M+) • Enterprises Accommodated (1) • Land Developed (0.2) • Non-residential Premises created (3000 M2) • Non-residential Premises Created (1 no.) • Number of SMEs securing contracts (10) • Value of contracts awarded to SMEs (£10M) <p>Caerphilly Transport and Investment Hub</p> <ul style="list-style-type: none"> • Gross Jobs Created (70+) • No. of Jobs Accommodated (20+) • No. Jobs Construction Sector (60+) • Total no. Traineeships on Project (18) • Enterprises Accommodated (15) • Land developed (1.3) • Non-residential premises created or refurbished (7500 SQM) • Non-residential premises created refurbished (3 no.) • No additional housing units (10) • No of additional social housing (4) • No. of non-residential units back into use (10) • Estimated reduction in CO2 (20%) • No. of SMEs securing contracts (10) • Value of contracts awarded to SME (£10M+) • Ness Tar Gross Jobs Created (20) • No. of Jobs Accommodated (240) • No. jobs created in construction sector (220) • / Enterprises accommodated (120) • land developed (10) • Non-residential Premises created (3000 SQM) • Non-residential premises created (124 no) • No. additional housing units (150)

	<ul style="list-style-type: none"> No. additional social housing units (50) <p><u>Lansbury Park</u></p> <ul style="list-style-type: none"> Gross Jobs Created (10) No. Of Jobs Construction Sector (10) Total Traineeships (4) Traineeship leavers progressing (25) Enterprises Accommodated (4) Land Developed (2) Non Residential Premises created/Refurbished (1) Additional Social Housing Units (30+) No. of households energy performance improvement (750) No. Completing employment related courses (25) No. of SMEs securing contracts (4)
<p>CARDIFF SOUTHERN ARC: City Centre Youth Hub - Refurbishment to extend advice & support services for young people, including into-work, training and job preparation.</p>	<ul style="list-style-type: none"> Number of additional social housing units delivered (40) Non-residential premises created or refurbished (sqm) (2800m2) Non-residential premises created or refurbished (number) (20)
<p>MERTHYR TYDFIL TOWN CENTRE: Bus Station: The project will support the creation of a new Bus Station as part of the integrated transport network for the region.</p>	<ul style="list-style-type: none"> Gross jobs created (3) Number of jobs accommodated (enabled through regeneration investment) (3) Number of jobs created in the construction sector as a result of Welsh Government Regeneration Investment (30) Total number of traineeships on the project (2) Number of traineeship leavers progressing to further learning (at a higher level) or employment (incl. employment with the contractor) (2) Enterprises accommodated (5) Hectares of Land developed (00.97HA) Non-residential premises created or refurbished (sqm) (9700 sqm)
<p>Magor and Undy Community Hub - Vision to create a Community Hub that the residents of Magor and Undy can be proud of. A place where the local communities can come together to socialise, take part in leisure, sporting and cultural activities and to be a place for meetings, events and support networks.</p> <p>The Hub will provide a range of indoor facilities and will complement both existing and new outdoor facilities in the immediate vicinity. The Hub will also support the delivery and establishment of the Magor and Undy walkway train station proposed to be located adjacent to the site as part of the CCR City Deal Metro developments.</p>	<ul style="list-style-type: none"> Non-residential premises created or refurbished (500sqm) Number completing employment related courses or gaining employment related qualification (3no) Number of SME's based in Wales successful in securing contracts / sub contracts (£1.5m)

<p>Newport CITY CENTRE PRIORITY AREA Digital Ecosystem - Market Arcade - refurbishment of Newport's grade II Listed Market Arcade, the 2nd oldest in Wales. HLF funding secured for Stage II 'Delivery'. Intention to expand project further by carrying out internal improvements to provide additional start-up and incubation space within the 'pods' formed by each unit.</p>	<ul style="list-style-type: none"> • Gross Jobs Created (TBC between 50-200); • Construction Jobs (TBC between 50-70); • Traineeships (TBC 5); • Commercial premises Brought Back into Use/Created (TBC up to 10,000 m2) ; • SMEs Securing Contracts (TBC estimate 20); • Value of Contracts to Welsh SMEs (TBC but in region of £10m)
<p>Newport CITY CENTRE PRIORITY AREA Grade A Office - maximising potential for development of Grade A office accommodation.</p>	<ul style="list-style-type: none"> • Potential job creation (200 jobs); • Construction jobs (between 70-100); • Traineeships (5); • SMEs securing contracts (25); • Potential value of contracts to Welsh SMEs (£9m);
<p>South Torfaen Settlement Area - Commercial Street: As part of the Valleys Taskforce Strategic hub, this project will involve the acquisition and conversion of a landmark town centre property as a shared space community hub for Pontypool. The proposal will bring together community and training spaces to improve access to advice, employability support, business support and community services for some of Wales' most deprived communities, helping people into training, job-readiness and employment. In addition, the project will result in some additional, attractive sites being made available for potential housing development</p>	<ul style="list-style-type: none"> • Gross Jobs (20) • Jobs accommodated (3) • Construction jobs (10) • Traineeships (3) • Trainee leavers progressing to further learning / employment (2) • Enterprises accommodated (1) • Non-res premises created or refurb (2414 sqm) • Number completing employment courses/gaining employment qualification (20) • Welsh SME's gaining contracts (1)

Direct and Indirect Employment Outputs

The Metro Plus RTA Programme will have a direct benefit on creating new employment. Both during the construction phase and through operation of the schemes, new jobs will be created. For example, the Abertillery Spur link will require construction staff to build and operating staff to implement the new service.

At present direct employment numbers for the Metro Plus RTA Programme are unknown, however, early estimations are that 4 to 8 jobs could be created by the Abertillery Spur (driver / conductors)⁷.

Indirect employment benefits will also occur, both in terms of new employment created within related industries (multiplier effect) and in new investment attracted to South Wales through improved access to the labour market created by better transport links.

The multiplier benefits within the engineering and construction industry can be very large. For example the RICS estimates the size of the construction sector's multiplier at £2.84 – which is one of the highest multiplier effects in any sector of the economy. This means that for every £1 spent on construction output, an additional £2.84 of total economic activity is generated.⁸

For every £1 in GVA generated in engineering sectors, a further £1.45 is generated elsewhere within the UK economy⁹.

This could mean that the multiplier effect of the £30 million Metro Plus RTA Programme could be in the range of **£43,500,000 and £85,200,000**.

3.3 Outcomes

Improvements in Accessibility

Improvements in accessibility can lead to a number of benefits. Improved accessibility to services, employment opportunities and cultural and social activities can have a beneficial impact on all members of community. Improvements in accessibility benefits the economic development of an area through for example improving access to jobs or higher paid employment opportunities and attracting inward investment into an area.

Accessibility is directly improved through better transport provision, particularly a network of improvements that are accessible to all. The Metro Plus RTA Programme will provide a network of sustainable transport improvements, directly improving access for communities across south east Wales.

⁷ Based on TfW aspiration for all lines to operate 4 train per hour (heavy rail option) with service requiring driver and a guard.

⁸ watts bulletin 123, July 2010) <http://www.watts.co.uk/bulletins/rics-highlights-full-value-of-construction-to-economy>, date accessed 19th Nov 2018

⁹ <https://www.engineeringuk.com/media/1323/jan-2015-cebr-the-contribution-of-engineering-to-the-uk-economy-the-multiplier-impacts.pdf>, date accessed 19th Nov 2019

The Statistical Bulletin on the regional economic and labour market profile issued by the Welsh Government in January 2018 shows the employment rate, economic inactivity rate and benefit claims and ILO unemployment rates for 16+ across Wales. Table 3.3 provides this data for south east Wales and Wales as a whole.

It can be seen that the International Labour Organisation (ILO) unemployment rate for south east Wales is higher than for Wales as a whole (5.6 compared to 4.7 for Wales as a whole). A breakdown of the data shows that the highest rate of ILP unemployment for 16+ is within Merthyr Tydfil (7.6) and second is Rhondda Cynon Taf (6.3). Both these local authority areas are within south east Wales and will directly benefit (as will all communities across south east Wales) from the improved transport provision that the Metro Plus RTA Programme would deliver.

Table 3.3 - Regional Economic and Labour Market Profile Data

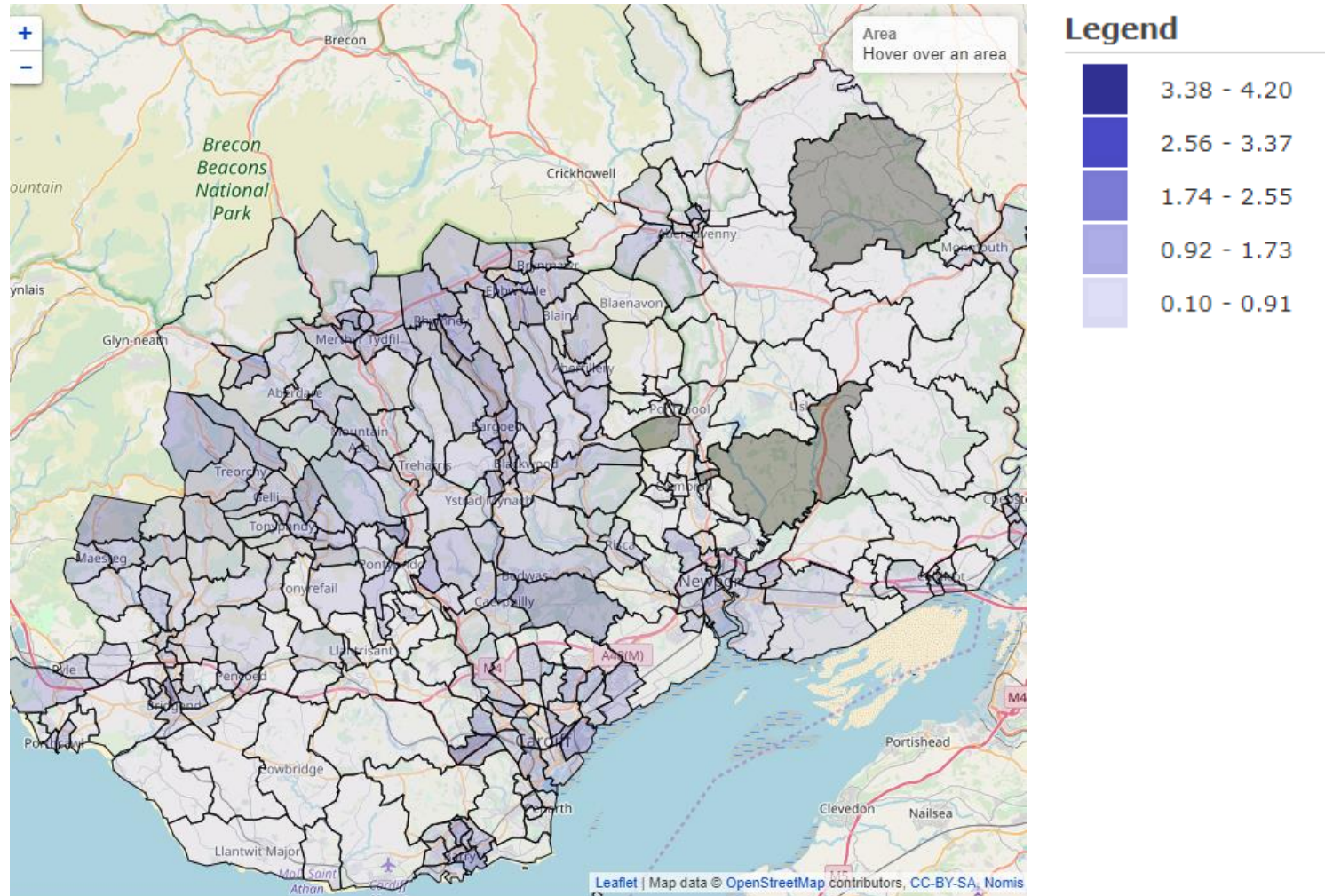
Area	ILO unemployment rate 16+ (%)	Benefit claimants rate (exc. Job Seeker's Allowance) (Nov 2016) (%)	Employment rate 16-64 (%)	Economic inactivity rate exc. students 16-64 (%)
South East Wales	5.6	10.4	71.5	20.3
Wales	4.7	9.9	71.9	20.1

Source: Regional Economic & Labour Market Profile, Welsh Government, January 2018

The Metro Plus RTA Programme will improve access to services and key employment hubs to enhance job seeking opportunities. Figure 3.1 shows the proportion of resident population aged 16 to 64 claiming job seekers allowance by ward area within South East Wales. The darker areas show the higher rates of claimants (with the exception of the dark grey areas which indicate that no data is available for that ward).

The Metro Plus RTA Programme will deliver direct transport improvements into these areas, allowing access to sustainable public transport for those seeking employment, increasing their chance of gaining employment through access to wider employment markets. This will increase their personal prosperity and the economic prosperity of the area within which they live as they spend their income on local goods and services.

Figure 3.1 - The Proportion of Resident Population aged 16 to 64 claiming Job Seekers Allowance by Ward Area within South East Wales



Improvements for Areas of Deprivation

Figure 3.2 shows the schemes included within the Metro Plus RTA Programme plotted against the areas of multiple deprivation by lower super output areas in South East Wales. The darker areas show the highest ranked areas in terms of deprivation.

It can clearly be seen that majority of the schemes included within the Metro Plus RTA Programme are located within the most deprived areas. Those that are corridor based can be seen to be passing through a number of those areas classified as the most deprived.

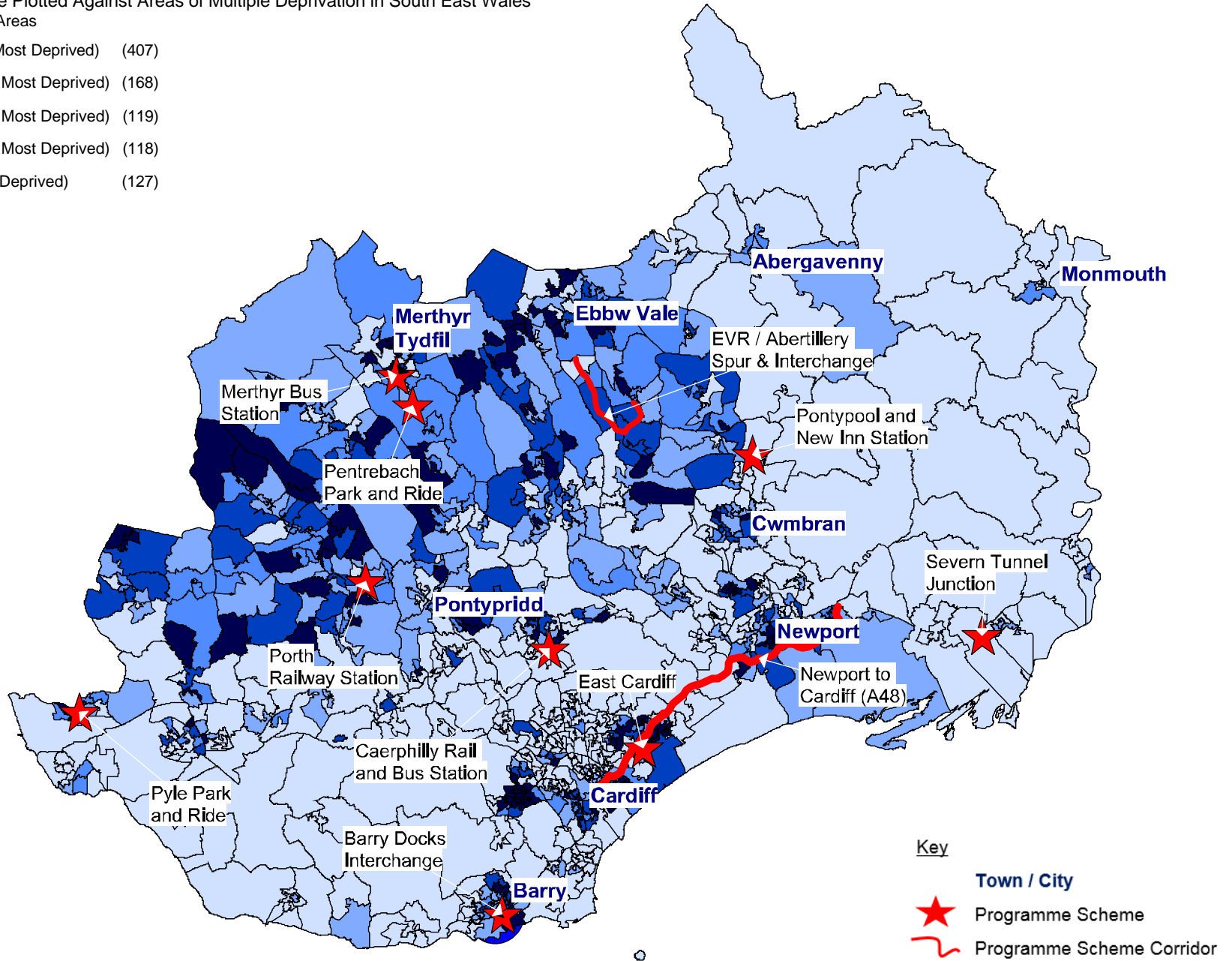
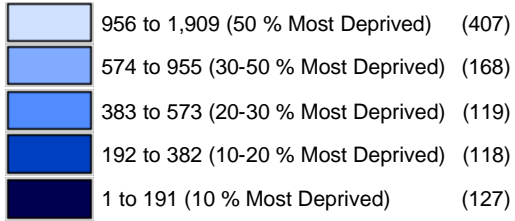
Improvements in access to sustainable public transport provided through the Metro Plus RTA Programme will help to improve levels of deprivation in these areas, where caused by a lack of transport options.

The Metro Plus RTA Programme will provide an efficient network penetrating the most deprived areas providing a means to travel to major cities such as Cardiff and Newport and a range of areas across south east Wales. Tying into the wider Metro Network this will permit access to a vast range and higher number of employment opportunities for all community members located within the most deprived areas of south east Wales.

It will not only be improvements in access provided by the Metro Plus RTA Programme that will provide benefits for those most deprived areas in South East Wales. Many of the schemes included within the programme will generate direct and indirect employment benefits during construction, providing potential means for employment for local community members. As already stated the multiplier effects from construction can be large, meaning construction of schemes within the Metro Plus RTA Programme will benefit local business and suppliers located within the most deprived communities, assisting in regenerating and spreading economic prosperity.

Figure 3.2 - Metro Plus RTA Programme against Areas of Multiple Deprivation by Lower Super Output Areas in South East Wales

Metro Plus RTA Programme Plotted Against Areas of Multiple Deprivation in South East Wales
By Lower Level Super Output Areas

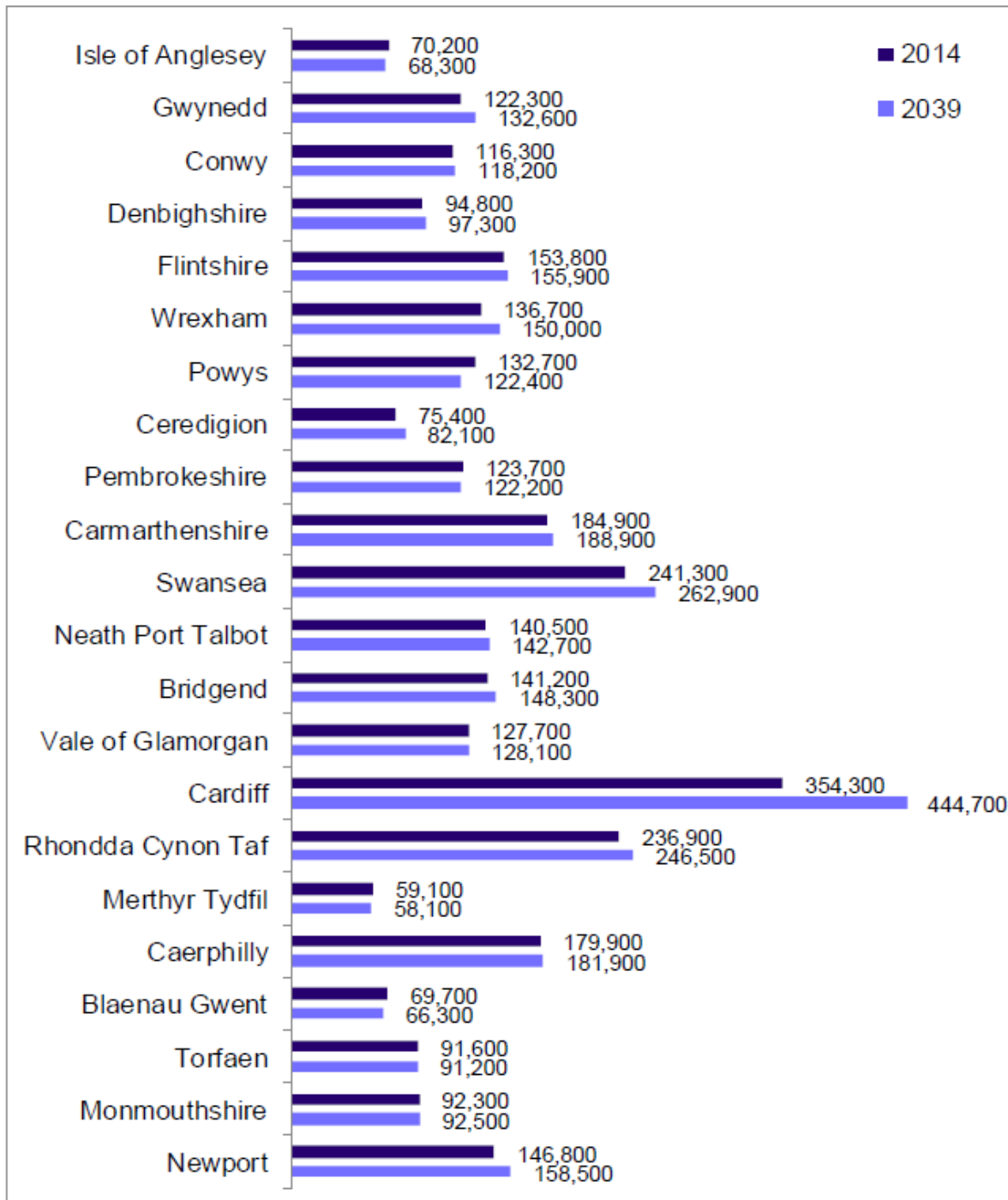


Accommodation of future Population Change

Population within some areas of South East Wales are projected to increase (see Figure 3.3). Newport, Bridgend, Cardiff, Caerphilly and Rhondda Cynon Taf are all projected to have larger populations by 2039. Providing a future focused transport network to meet the rising population will be required. The Metro Plus RTA Programme will provide increase network capacity, providing new and improved transport facilities, increasing capacity at interchanges across the rail network along with providing new capacity along transport corridors such as between Newport and Cardiff and the Abertillery to Ebbw Valley Railway line.

Population in some communities is projected to decline (such as some valleys communities, where younger members of the community leave to seek job opportunities in larger towns and cities). Figure 3.3 shows a projected declining population by 2039 for Merthyr Tydfil and Blaenau Gwent. The Metro Plus RTA Programme linking into the wider Metro network will provide an effective transport system, connecting major towns and cities across Wales for those communities where population is declining. This may permit people to stay within the community within which they have grown up, commuting to and from employment as an efficient transport network is available, rather than needing to relocate to seek employment.

Figure 3.3 – Population by Local Authority in 2014 and Project Population in 2039



Source: Local Authority Population Projections for Wales 2014 base: Principal Projections, Statistical First Release, Welsh Government

Supporting Thriving Towns and Communities

Many towns within the Valley communities of South East Wales were once thriving areas of industry. However, due to a decline in the manufacturing and heavy industries that were located within these areas, many communities have suffered from high levels of unemployment.

Research undertaken into the regeneration of Post Industrial town shows that many of these towns begin to thrive again when they have transport investment and transport hubs are created. Not only does this provide improved access to new and wider employment opportunities, but research found transport investment can create a sense of pride and place back into the town centre.

A report 'About Towns: How Transport Can Help Towns Thrive' undertaken by the Urban Transport Group¹⁰ found that, *'in a post industrial age, transport has a key role to play in putting these towns back on the map. After all, it is transport that can plug towns into larger city regions and national economies, and in doing so widen labour markets; meet housing demand; draw in investment; and open up access to opportunity.'*

The report also emphasises that a package or programme of transport measures is important for making towns successful, it states that *'one-off investments in capital projects on transport are unlikely to be enough in themselves for towns to thrive. These need to be part of wider and coordinated packages of transport measures which in turn are integrated with crosssector initiatives in areas like education, housing and economic development'*. This supports the collective benefits of implementing the Metro Plus RTA as a programme, providing support to the wider Metro network investment, thus helping to ensure maximum benefit.

The study highlights that *'new high quality interchanges in towns can provide destinations in their own right. These can instil a renewed sense of civic pride, provide an engine for wider regeneration, become a welcoming gateway for visitors and investors, as well as celebrate the history and heritage towns have to offer.'* The Metro Plus RTA Programme includes investment in new state of the art interchanges at Caerphilly, Porth, Merthyr, Barry Docks and Abertillery, all of which have the potential to provide wide ranging regeneration benefits to these towns.

The report states that transport improvements must be part of a bigger plan to stimulate activity, optimism and investment in towns, whilst giving their communities greater access to the possibilities that arise from being part of a well-connected, sustainable and forward thinking city region or sub-region. This is exactly what the Metro Plus RTA Programme provides – transport investment which links to wider Cardiff Capital Region City Deal investment projects such as the TRI bids and the wider South Wales Metro.

Improvements for all Modes of Transport

Investment in a sustainable public transport network has benefits for all other forms of transport. For example, the Metro Plus RTA Programme will provide a better integrated public

¹⁰ About Towns: How Transport Can Help Towns Thrive, Urban Transport Group, Jake Thrush, Rebecca Fuller and Jonathan Bray November 2018

transport network across south Wales supporting the wider Metro network. New infrastructure and enhancement of provision will open up journey alternatives for commuters, business users and leisure users. Instead of automatically undertaking a journey by car, the Metro Plus RTA Programme will promote and provide an alternative thereby encouraging modal shift to public transport for a range of journey types.

This could help to reduce the number of car journeys undertaken, helping to reduce congestion and improve other environmental factors such as an improvement in air quality. Currently most travel-to-work trips into Cardiff are made by car (58%), while the proportion of sustainable travel-to-work trips diminishes with the distance of commuting¹¹. The Metro Plus RTA Programme provides an alternative for access into areas such as Cardiff from all areas of south east Wales helping to facilitate modal shift. This could lead to journey time savings on the road network across south east Wales helping businesses and promoting economic development. Journey time savings could also be achieved for users of the public transport network, as the Metro Plus RTA Programme promotes the co-locating of modes via seamless interchanges.

The Metro Impacts Report states that on the basis of 100,000 commuters gaining an average 5 minutes reduction of journey and/or waiting times (resulting from improved frequency and/or reliability) across the entire commuter network for Cardiff and Newport (both for public transport, rail and road users), the potential benefits could be nearly £30 million per year, in current prices¹²

A potential reduction in car trips may make the roads safer, thus opening them up for more Active Travel journey opportunities. There is also likely to be growth in active travel journeys undertaken to interchanges to access the Metro Plus RTA Programme of schemes.

This potential increase in active travel journeys could have associated health benefits leading to cost savings across a range of health service provisions (a 2012 meta-analysis estimated physical inactivity to be responsible for 5.3 million (of 57 million) deaths worldwide, similar to the burden of tobacco smoking and obesity¹³). There can also be economic benefits for the region from increasing active travel. It has been quoted in a recent report by the 'Transport Fit for Future generations Report' that *'expanding the investment programme in Active Travel out to the whole Cardiff Capital Region would cost approx. £290 million but would result in economic benefits of £2.5bn over 20 years, delivering a 19% and 82% increase in walking and cycling trips respectively'*¹⁴.

There is also potential within the Metro Plus RTA Programme to implement electric car clubs at interchanges, to permit the last few miles of a journey to be undertaken by an electric vehicle.

¹¹ A Cardiff Capital Region Metro: Impact Study', October 2013

¹² Assuming return trips 232 days of year and DfT value of time for commuting, taken from A Cardiff Capital Region Metro: Impact Study', October 2013

¹³ Lee et al (2012): Impact of Physical Inactivity on the World's Major Non-Communicable Diseases, available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3645500/>, quoted in, TAG Unit 4.1, Social Impact Appraisal, Dec 2017, Department for Transport

¹⁴ Transport Fit for Future Generations Report, Future Generations Commissioner for Wales, Sep 2018

3.4 Opportunities

Maximising the Benefits of the South Wales Metro

In 2013 'A Cardiff Capital Region Metro: Impact Study'¹⁵ detailed some of the key outputs that the South Wales Metro would deliver. The Metro Plus RTA Programme provides the opportunity to maximise the delivery of these key outputs. Key outputs quoted are:

- 'Delivering the Cardiff Capital Region Metro by 2030 will:
 - Support the creation of 7,000 jobs.
 - Over 30 years contribute an additional £4bn to the regional economy.
 - Deliver a one-off construction impact from Metro and contingent developments of £4bn
- Environmental and Sustainability Benefits - through modal shift and reduced car journeys, road congestion and CO2 emissions; by 2030 the Metro could support over 80,000 daily passengers vs 40,000 today, contributing to greater use of public transport.
- The Metro will increase by 60% the number of people who can easily access the regional public transport network; this will benefit both commuters by increasing their employment choices and employers by increasing their catchment area, reducing churn in recruitment and improving staff retention.
- Commuting benefits from generalised journey time savings of approx. £30m/yr

Support Implementation Outcomes of Our Valleys, Our Future Delivery Plan, Nov 2017 (Welsh Government)

There is an opportunity through delivery of the Metro Plus RTA Programme to support the implementation of the Our Valleys, Our Future Delivery Plan. This Plan sets out three priorities:

- Priority 1 - Good-quality jobs and the skills to do them;
- Priority 2 - Better public services;
- Priority 3 - My local community.

The aim of priority 1 is to, '*close the employment gap between the South Wales Valleys and the rest of Wales. This means helping an extra **7,000** people into fair work and that thousands of new, fair, secure and sustainable jobs will be created in the Valleys. People living in the Valleys will have access to the right skills to gain work. Businesses will be fully supported to grow and thrive in the South Wales Valleys.*'

Table 3.4 outlines some of the actions and outcomes that will help to achieve this priority along with how the Metro Plus RTA Programme provides the opportunity to support delivery of these outcomes.

¹⁵ A Cardiff Capital Region Metro: Impact Study', October 2013,

Table 3.4 - Our Valleys, Our Future Delivery Plan, Priority 1 Action and Outcomes Supported by the Metro Plus RTA Programme

Priority 1 Action	Priority 1 Outcome	How Supported by Metro Plus RTA Programme
<p>JS1: Seven strategic hubs will be created across the South Wales Valleys to focus public money and provide opportunities for the private sector to invest and create new jobs</p>	<p>The strategic hubs will act as a focus for job creation by attracting private sector investment, allowing existing businesses to grow and promoting business start-ups. This will include realising economic regeneration opportunities through housing delivery and public service provision, while increasing connectivity through the South Wales Metro.</p>	<p>The Metro Plus RTA Programme will provide the opportunity to directly support this outcome through, maximising the benefits of the South Wales Metro and delivering increased connectivity realising economic regeneration. A number of the Metro Plus RTA Programme schemes are located within valley communities providing a network of improvements for this area (schemes include, Caerphilly Bus and Rail station, EVR / Abertillery Spur, Porth Interchange and Merthyr Bus Station).</p>
<p>JS2: Relocate more public sector jobs into the Valleys, including at the seven strategic hub locations, where appropriate. For example, Transport for Wales is committed to establishing its new headquarters in Pontypridd.</p>	<p>Public sector bodies and departments will relocate to parts of the South Wales Valleys, helping to support the local economy and provide a basis to develop job opportunities locally.</p>	<p>Metro Plus RTA Programme will provide an enhanced sustainable transport network providing access to the new public sector jobs for communities across the South Wales Valleys</p>
<p>JS7: Exploit the job creation potential from major infrastructure investment, including the South Wales Metro, the M4 and the ongoing work to dual A465 and new affordable housing.</p>	<p>New supply chains will be developed and funding from infrastructure projects in the Valleys will be retained to create local jobs.</p>	<p>Metro Plus RTA Programme will provide direct and indirect employment opportunities within the South Wales valleys, with a strong multiplier effect into the local supply chain network.</p>
<p>JS21: Target investment to support apprenticeship delivery in regional growth and shortage sectors.</p>	<p>Apprenticeship opportunities will be created in regional priority sectors.</p>	<p>Metro Plus RTA Programme will provide opportunities for the creation of apprenticeships within the construction and engineering sector within the South Wales Valleys.</p>

Three of the schemes included within the Metro Plus RTA Programme are located within the Severn Strategic Hubs which are being promoted in the delivery plan. Table 3.5 outlines the proposal for these three strategic hubs and how the Metro Plus RTA Programme will help to achieve these.

Table 3.5 – Strategic Hubs

Strategic Hub	Proposals	How Metro Plus RTA Programme Will Support
Caerphilly/ Ystrad Mynach	<ol style="list-style-type: none"> 1. Strategic employment and residential site 2. Employment hubs linked to strategic transport infrastructure improvements 3. Town centre redevelopment 4. Tourism and cultural development 5. Residential development 	Provision of strategic transport infrastructure improvements through the delivery of the Caerphilly Bus and Rail Interchange.
Ebbw Vale	<ol style="list-style-type: none"> 1. Technology Park, as announced on October 1, 2017 2. Employment sites 3. Digital infrastructure 4. Residential developments 5. Energy project 	Provision of a new integrated transport link from Abertillery to EVR, thus providing better connections for communities within this area to Ebbw Vale to access strategic hub opportunities. New transport link will encourage inward investment into Ebbw Vale Strategic hub.
Merthyr Tydfil	<ol style="list-style-type: none"> 1. Transport infrastructure improvements 2. Strategic residential and employment sites 3. Tourism development 4. Wellbeing centre 5. Town centre regeneration 	Provision of transport infrastructure improvements with the delivery of the Merthyr Bus Station with increased integration with Merthyr Railway Station. This will increase access to the strategic hub and also aid in town centre regeneration.

The aim of Priority 2 is that by 2021 ‘Public services will be working with the third sector and local communities to respond to people’s needs. Support will be available to help people lead healthier lifestyles, improving their physical and mental wellbeing and addressing health inequalities. Public transport will be joined-up, affordable and help people get to work, school or training and to leisure facilities. We will improve education outcomes for all children and close the attainment gap.’

Table 3.6 outlines some of the actions and outcomes that will help to achieve this priority along with how the Metro Plus RTA Programme provides the opportunity to support delivery of these desired outcomes.

Table 3.6 - Our Valleys, Our Future Delivery Plan, Priority 2 Action and Outcomes Supported by the Metro Plus RTA Programme

Priority 2 Action	Priority 2 Outcome	How Supported by Metro Plus RTA Programme
PS12 : As part of a Clean Air Plan for Wales, actions will be taken to tackle the serious risks to the health of people in Valleys communities from poor air quality caused by emissions from industry, traffic and domestic houses.	People in local communities are fully aware of the dangers of air pollution and of the measures they can take to prevent and/or avoid it. Improved levels of health over time and a reduction in cardiovascular and respiratory problems attributable to or exacerbated by air pollution	Metro Plus RTA Programme will provide an enhanced sustainable transport network across south east Wales enabling a real alternative to private car for a range of journey types. This could lead to a reduction in traffic and thus an improvement in air quality.
PS14: Use the opportunities provided by the South Wales Metro to reinvigorate housing in the Valleys through cross government working to support housing provision around transport networks.	Brownfield sites will be regenerated. Housing provision, which addresses specific housing needs in local areas, close to services such as transport networks, will be increased.	Metro Plus RTA Programme will tie into South Wales Metro providing transport access to key housing development sites.
PS18: Ensure the proposed South Wales Metro hubs act as key community points, providing a focus for housing, health, education and other public service investments.	Better capacity and quality of travel and improved frequency of travel. Integrated transport hubs will be placed in the top 20 busiest stations in the Metro area (including Bridgend, Treforest, Pontypridd, Caerphilly, Merthyr Tydfil, Aberdare, Treherbert, Pengam and Cwmbran).	Metro Plus RTA Programme directly support this priority action by providing new integrated transport hubs in Caerphilly and Merthyr Tydfil.
PS19: Work with rail and bus providers to ensure public transport throughout the Valleys is more frequent and affordable and that it links to active travel – cycling and walking – as part of the development of the South Wales Metro.	More frequent and affordable rail and bus routes will be provided across the Valleys through partnership working between operators and public authorities to reflect the current legislation	Metro Plus RTA Programme provides the opportunity to access more rail and bus services enhancing the benefit of any improvements in frequency. Metro Plus RTA Programme support the South Wales Metro implementation.

<p>PS20: Improve public transport services to better reflect the needs of local communities and businesses, including people who work irregular and part-time hours.</p>	<p>Public transport will reflect and serve the needs of each community.</p>	<p>Metro Plus RTA Programme will increase access to the South Wales Metro for local communities through provision of enhanced interchange facilities.</p>
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The aim of Priority 3 is that by 2021, *'Valleys Landscape Park will have been set up to help local communities celebrate and maximise the use of the natural resources and heritage. Valleys town centres will be vibrant places, with attractive green spaces, which support local economies. The Valleys will be a recognised tourist destination, attracting visitors from across the UK and beyond.'*

As already highlighted research has shown that provision of new transport hubs and interchanges can help in promote town centre vibrancy. The Metro Plus RTA Programme will assist in delivering town centre vibrancy through the creation of new and improved town centre transport hubs such as Caerphilly train and bus interchange, Porth Interchange, Merthyr Bus Station and Abertillery Interchange and Spur.

Improve Skills of Workforce

Promoting and supporting the development of apprenticeships is a major aim for Welsh Government. The document *'Aligning the Apprenticeship model to the needs of the Welsh Economy'* February 2017, outlines how Welsh Government will promote and develop the apprenticeship model in the future.

There are a range of benefits of Apprenticeships. The *'Aligning the Apprenticeship model to the needs of the Welsh Economy'* documents states that *'Skills that are developed through Apprenticeships contribute to higher value-added economic activity. They are good for growth and social mobility. There is evidence that during the course of a lifetime, apprentices receive higher earnings and the economy benefits significantly through increased Gross Domestic Product (GDP). A National Audit Office (NAO)² study has calculated that Apprenticeships provide an average return of £18 per £1 spent on them by Government'*.

Implementation of the Metro Plus RTA Programme will provide opportunity for provision of Apprenticeships during construction of schemes both directly within those companies employed as contractors and within the local supply chain industry. This will help to grow the skills of the workforce within the local community of each of the interventions included within the programme.

Implementation of the Metro Plus RTA interventions as a whole programme will further opportunity for growth in skills, as economies of scale may permit opportunities for contractors to work together during construction of the programme to cross train employees in a range of skill areas.

In addition the Metro Plus RTA programme could promote apprenticeships in the STEM industries through creating opportunity in those organisations involved in the planning and design of the programme interventions e.g. Civil Engineering and Architecture. Promoting more higher skilled apprenticeships in STEM industries is an aim of the Welsh Government, with the *'Aligning the Apprenticeship model to the needs of the Welsh Economy'* documents stating that *'Action will be taken to increase Apprenticeships in Science Technology Engineering and Mathematics (STEM) occupations'*.

Network Benefits

Provision of a programme of schemes implemented as a network of improvements gives the opportunity to reduce the impact of cross demand. For example, when just one interchange on a network is improved, this can in some cases take demand from another existing interchange.

Provision of a co-ordinated programme of network improvements such as the Metro Plus RTA Programme, which supports and directly connects to the South Wales Metro improvements will reduce the effect of cross demand and maximise the opportunity for new demand, as users see the benefits of a network of improvements, not just one off isolated improvements.

Creating a network of improvements via a programme of investment could also attract more inward investment by creating an identity for the region. This gives business the confidence of access to a wide labour market and movement for goods, services and employees.

Technology Advancement and Supporting New Industries

As part of the Metro Plus RTA Programme, it is hoped that maximum benefit can be made of adopting new technology. This may include for example how the latest electric vehicle technology can be incorporated across the Metro Plus RTA Programme.

Adoption of a new technology on a mass scale such as inclusion within all schemes in the Metro Plus RTA Programme, may also help provide traction to developing new technology industries within south east Wales, by providing the critical mass required to launch into a new area. This will not only promote sustainability and wellbeing for future generations, but also provide employment opportunities for South East Wales in new technology areas.

4. Conclusion

4.1 Summary

A £30 million programme of schemes has been developed (Metro Plus RTA Programme), which if undertaken will support the implementation of the South Wales Metro.

This report has demonstrated how the Metro Plus RTA Programme fits with the key strategic objectives of the Cardiff Capital Region City Deal (Propensity and Opportunity, Inclusion & Equality and Culture, Community & Sustainability). The Programme also has good strategic fit with the key themes of Skills & Employment, Connecting the Region, Innovation and Regeneration & Infrastructure and well-being objectives (see chapter 2).

The Metro Plus RTA Programme has a range of collective benefits, with the outputs, outcomes and opportunities of the Programme presented within Chapter 3 of this report.

The report outlines the following key outputs of the Metro Plus RTA Programme:

	Output
Number of interchanges improved	9
Approximate KM's of passenger transport network improved or provided	32 km (Newport to Cardiff 26km ¹⁶ and Abertillery Spur 6km ¹⁷)
Number of new park and ride spaces provided	453 ¹⁸

- Supporting outputs of the TRI bids, including:
 - 393 gross jobs created;
 - 260 construction sector jobs created; and
 - 47 traineeships;
- Direct and Indirect Employment Outputs including the potential multiplier effect of the £30 million Metro Plus RTA Programme in the range of £43,500,000 and £85,200,000

Key outcomes of the Metro Plus RTA Programme include:

- Improvements in Accessibility;
- Improvements for areas of Deprivation;
- Accommodation of future Population Change;
- Supporting thriving towns and communities;
- Improvements for all Modes of Transport.

¹⁶ Based on journey from Newport Bus Station to Customhouse Street Cardiff using AA Route Planner for distance

¹⁷ Based on approx. 4 mile spur implemented

¹⁸ Excludes Ebbw Valley / Abertillery Spur as P&R spaces unknown at present, Caerphilly P&R where increase in numbers unknown, Barry Docks unknown as at early stage and Pentrebach. Estimated 156 extra at Pontypool and New Inn, 75 additional at Pyle, 150 STJ and 72 Porth.

Key opportunities that the Metro Plus RTA programme presents include:

- Maximising the Benefits of the South Wales Metro;
- Support Implementation Outcomes of Out Valleys, Our Future Delivery Plan (Welsh Government);
- Improving the Skills of the Workforce;
- Network co-ordination Benefits; and
- Permitting Technological Advancement and Supporting new Industries.

Appendix A

South East Wales Metro Commitments¹⁹:

- Remove Pacer trains by December 2019.
- Introduce a Central Metro that improves journey times and increases frequency to at least four trains per hour from the head of each using new trains.
- Introduce new Metro Vehicles with level boarding by December 2022, which will provide a modern metro-style service to the Treherbert, Aberdare and Merthyr valleys.
- Retain the link from Penarth, Barry and Bridgend to destinations north of Cardiff Central using new tri-mode trains (overhead electric, battery and diesel) from December 2023.
- Invest in Cardiff Central station from April 2025, Abergavenny station from April 2023, Chepstow from April 2025 and Merthyr Tydfil from April 2020.
- Build new stations at Crwys Road, Loudoun Square and Cardiff Bay by December 2023, and Gabalfa by 2028. We will relocate Treforest Estate station by December 2025 to improve safety and convenience.
- Simplify the Cardiff Valley fare structure from January 2020, reducing Anytime Return fares by 12.5% and Weekly Season tickets by 14% for 33 of the outer stations.
- Develop a fleet maintenance depot at Taff's Well and a dedicated Infrastructure Management depot in the Valleys. Both will use local training and development facilities such as Coleg y Cymoedd.
- Introduce three new Community Rail Partnerships, recruiting a Community and Stakeholder Manager and nine Community and Customer Ambassadors by 2021.
- Eliminate diesel use on the Central Metro lines by 2024.
- Provide ticket machines at all South Wales Metro stations by April 2019.
- Introduce pay-as-you-go for users of smartcards by April 2020.

Train service improvements include:

- A new 1 train per hour (tph) Ebbw Vale to Newport service by May 2021
- 2tph between Cardiff and Bridgend via Vale of Glamorgan from December 2023.
- 4tph throughout the Rhymney route from December 2023.
- 4tph to Treherbert from December 2022.
- 6tph to Cardiff Bay from December 2022.
- 4tph between Merthyr Tydfil, Aberdare and Cardiff from December 2022.
- 1tph between Cardiff and Cheltenham from December 2022.
- 4tph between Cardiff and Bridgend (direct, Monday to Saturday) from December 2019.

¹⁹ <https://tfw.gov.wales/whats-happening-south-east-wales>, accessed 7th Nov 2018

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Independent, not-for-profit, low emission
vehicle and energy for transport experts

PROJECT REPORT

Cardiff Metro Infrastructure Review

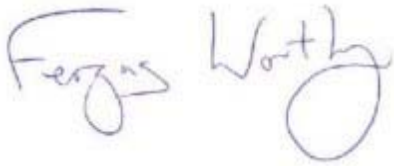
Programme Support Phase 1

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Document Revisions

No.	Details	Date
1	Initial draft for customer review	16/12/2018
2	Final draft for review	22/01/2019

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Table of abbreviations

PiVs	Plug-in Vehicles
CO ₂	Carbon Dioxide
DNO	Distribution Network Operator
DfT	Department for Transport
EV	Electric Vehicle
V2G	Vehicle-to-grid
OLEV	Office for Low Emission Vehicles
ULEB	Ultra-low emission buses
WPD	Western Power Distribution

1 Executive summary

Cardiff Capital Region commissioned Cenex to assess the potential impact of zero emission capable vehicles on the recharging infrastructure and energy requirements at 11 metro sites located across South East Wales.

This report presents:

- Forecast uptake of plug-in vehicles, including cars, buses and taxis.
- Estimated charging infrastructure requirements to support these vehicles.
- Preliminary assessment of potential for a plug-in car club scheme.
- Infrastructure considerations, including onsite renewables, energy storage, capital costs, operating models, and policy and planning requirements.
- Details of relevant local and national policies, developments and funding opportunities including consideration to local renewable energy developments.

Cardiff Capital Region specified 11 locations to be in the scope of this project: East Cardiff Bus Corridor, the Newport to Cardiff bus corridor, Barry Docks Interchange, Caerphilly Transport Hub, Ebbw Vale Abertillery Spur, Merthyr Tydfil Bus Station, Pentrebach Station and Park & Ride, Pontypool and New Inn Park & Ride, Porth Interchange, Pyle Park & Ride and the Severn Tunnel Junction Park & Ride.

1.1 Infrastructure and plug-in vehicle forecasts

Cenex estimated the base number of metro car parking spaces requiring charging infrastructure for customers by establishing a ratio of plug-in vehicles (PiVs) to conventional vehicles and then calculating the peak power requirements and associated installation costs. Cenex also undertook a higher-level estimation of the future demand from plug-in taxis, car clubs, buses and the potential for the metro sites to host a limited number of rapid chargers for wider community use (non-rail service users) with PiVs – these high level estimates should be subject to further study before infrastructure purchase decisions are made.

Table 1 displays the resultant estimates for each site to support expected demand in 2025 under a high PiV adoption scenario. The report also details expected infrastructure requirements to 2030. Providing enough chargepoint infrastructure is one of the key factors that will determine whether this scenario is achieved, so it is advisable to set a high target initially. It is recommended that infrastructure to support PiV demand for 2025 is installed, along with providing passive chargepoint provision¹, which involves providing cabling to parking bays and carrying out any network upgrades to support 2030 demand so that chargepoints can easily be added later.

The provision of charging infrastructure across all sites to meet the anticipated 2025 demand for standard charging (7kW) of rail users' PiVs is estimated at £191k. To future proof the installations for an increased demand, the addition of passive infrastructure to support anticipated 2030 needs would cost an additional £110k. When infrastructure provision to supply other PiVs (taxi, car club, bus and public rapid chargers, the estimated costs for provision rises to £3,135k.

¹ Passive chargepoint provision involves installing the necessary underlying infrastructure (including capacity in the connection to the local electricity distribution network and electricity distribution board, as well as cabling to bays) to enable simple installation and activation of a charge point at a future date.

Metro site	2025 Base provision for metro rail customers			2025 Potential provision for other services (car club, taxi, public rapid charge point, passive bus)				2025 Total peak power requirement (kW)	2025 Total estimated cost
	7kW charge outlets	Peak power requirement (kW)	Estimated cost	22kW fast chargers for car clubs	50kW rapid chargers for taxi	50kW rapid chargers for public use	50kW passive provision for bus use		
Bridgend	2	14	£14.6k	1	1	2	2	286	£252k
Vale of Glamorgan	2	14	£14.6k	1	1	2	5	436	£347k
Cardiff	6	42	£29.8k	2	5	5	14	586	£433k
Rhondda Cynon Taf	2	14	£14.6k	1	2	0	2	286	£252k
Merthyr Tydfil	2	14	£14.6k	1	1	2	14	586	£443k
Pentrebach	2	14	£14.6k	1	0	1	3	236	£220k
Caerphilly	3	28	£22.2k	1	3	1	6	550	£418k
Blaenau Gwent	2	14	£14.6k	1	1	1	2	186	£189k
Torfaen	2	14	£14.6k	1	0	1	1	136	£157k
Monmouthshire	3	28	£22.2k	1	1	0	2	222	£203k
Newport	2	14	£14.6k	1	2	2	0	236	£221k
Total	28	210	£191k	12	17	17	51	3,746	£3,135k

Table 1. Infrastructure estimates required to achieve 2025 PiV adoption, by target location.

1.2 Car clubs

We interviewed two car club representatives for this research. Car clubs provide a cost-effective and flexible alternative to owning a car, and can help alleviate parking congestion, pollution and transport poverty. The feasibility of a car club typically depends on three conditions: a relatively affluent, young local population; high population density; and a location near major public transport routes or key destinations. Based on these factors we estimated the potential success of electric cars clubs at each metro site. We recommended providing 22kW chargepoints for car clubs, as they strike a balance between providing a fast charge to top up vehicles between bookings, while hardware and installation costs are lower than for 50kW rapid chargers.

1.3 Renewables, energy storage and smart charging

Clean, smart and integrated technology can transform the metro sites' electrical and recharging network into a modern low emission and profitable energy system. Individually or combined renewables, energy storage and smart charging of vehicles can be integrated into the electrical network upgrades. Solar PV installations are characterised by long payback periods but can enable local authorities to meet CO₂ reduction targets and access low cost borrowing and grant funding. The greater economic benefit of adding PV is available when off-setting grid electricity costs and reducing any capacity upgrade costs (and providing a zero-carbon energy supply).

1.4 Supporting national and local policy and funding

There are several Welsh Government strategies that strongly support the development of PiV infrastructure, most notably, the recent strategy to support implementation of Environment Act targets for decarbonisation; 'Achieving our low carbon pathway to 2030' on which consultation has recently closed. The document details proposed actions to 2030 including; develop a charging network that encourages early take-up of electric vehicles (EVs). It also echoes a target set out in the Economic Action Plan (2017) to reduce the carbon footprint of taxis and buses to zero within 10 years. The National Assembly has also recently (2018) consulted on

EV charging infrastructure in Wales to which there have been several useful responses, notably, Western Power.

Policy at the local authority level is less advanced except for Caerphilly and Cardiff City Council which have adopted an electric vehicle strategy and action plan (2018) and low emission transport strategy (2018) respectively.

The options for Local Welsh funding to deliver PiV infrastructure would be to incorporate the PiV infrastructure as part of the development costs and therefore access the various infrastructure and regeneration sources being used to develop the metro sites. There is a limited direct £2m fund being administered by Welsh Government for the development of PiV infrastructure on key strategic routes and the Welsh public sector also has access to national OLEV funding both directly or in partnership with private sector stakeholders such as the bus providers.

1.5 Recommendations and conclusions

This study provides a review of potential electric vehicle infrastructure requirements and provisions across 11 metro sites setting out the potential power requirements, infrastructure numbers, and potential supporting technologies such as renewables, energy storage and smart charging. Recommendations are provided below to enable the progression of the infrastructure upgrades at each of the metro sites. Cenex can also provide further support in all the following areas.

Car park infrastructure (7kW): It is recommended that the 2025 infrastructure provision is installed in full, with passive infrastructure provision provided for the anticipated use in 2030.

Other charging services (22kW – 50kW): A high-level estimate has been provided for infrastructure provision for other types of charge point users (car club, taxi, public rapids and bus) representing the scale of the provision. These services should be subject to a specific study before further consideration.

Refine chargepoint costs and select service model: The costs provided for chargepoint hardware, installation and Distribution Network Operator (DNO) services are best estimates based on our experience of working with other local authorities. Cost should be further refined through establishing connection costs with the DNO, undertaking a detailed siting study to allow a tender specification for chargepoint infrastructure. This report sets out the various operating models available, with some benefits and drawbacks of each. The next step is to draw up a joint procurement and contracting framework and carry out market research into the hardware options and network services available.

Renewable energy and energy storage: The report discusses the use of renewable (both on-site and linking to off-site) energy developments, battery storage and smart charging. Further exploration of the benefits of these technologies should be undertaken, especially where they allow avoided network upgrade costs, which will provide a strong business case.

Co-ordinated approach: A working group attended by representatives of each of the 10 local authorities (and external actors where necessary) should be set-up to co-ordinate PiV actions plans, funding plans, bids, infrastructure procurement strategies and frameworks.

2 Introduction

2.1 Background

The Environment (Wales) Act places a duty on Welsh Ministers to ensure that in 2050 net carbon dioxide (CO₂) emissions are at least 80% lower than the baseline set in legislation. This will be achieved through interim targets for 2020, 2030 and 2040 and five yearly carbon budgets up to 2050. Decarbonising transport by investing in zero emission capable public transport and chargepoint infrastructure for fleets and private car owners will be essential to help achieve these targets. Improved access to a connected, affordable, low carbon multi-modal transport network can help regenerate South East Wales and attract inward investment in the local economy.

2.2 Scope and approach

Cardiff Capital Region commissioned Cenex to assess the potential impact of zero emission capable vehicles on the recharging infrastructure and energy requirements at 11 metro sites.

This report presents:

- Forecast uptake of plug-in vehicles, including cars, buses and taxis.
- Estimated charging infrastructure requirements to support these vehicles.
- Preliminary assessment of potential for a plug-in car club scheme.
- Infrastructure considerations, including onsite renewables, energy storage, capital costs, operating models, and policy and planning requirements
- Details of relevant local and national policies, developments and funding opportunities

Cardiff Capital Region specified 11 locations to be in the scope of this project: East Cardiff Bus Corridor, the Newport to Cardiff bus corridor, Barry Docks Interchange, Caerphilly Transport Hub, Ebbw Vale Abertillery Spur, Merthyr Tydfil Bus Station, Pentrebach Station and Park & Ride, Pontypool and New Inn Park & Ride, Porth Interchange, Pyle Park & Ride and the Severn Tunnel Junction Park & Ride.

The scope was specifically limited to considering the infrastructure requirements at these Metro sites. Cenex was not asked to look at the more general patterns of plug-in vehicle uptake and charging infrastructure requirements across the region. For many vehicle types, particularly buses and taxis, a strategic, regional approach should be taken. This would involve considering how the fleet will change across a wider geographical area, and then determining potential chargepoint locations. This work could be undertaken as a follow-on to this study, subject to further discussions with the Cardiff Capital Region.

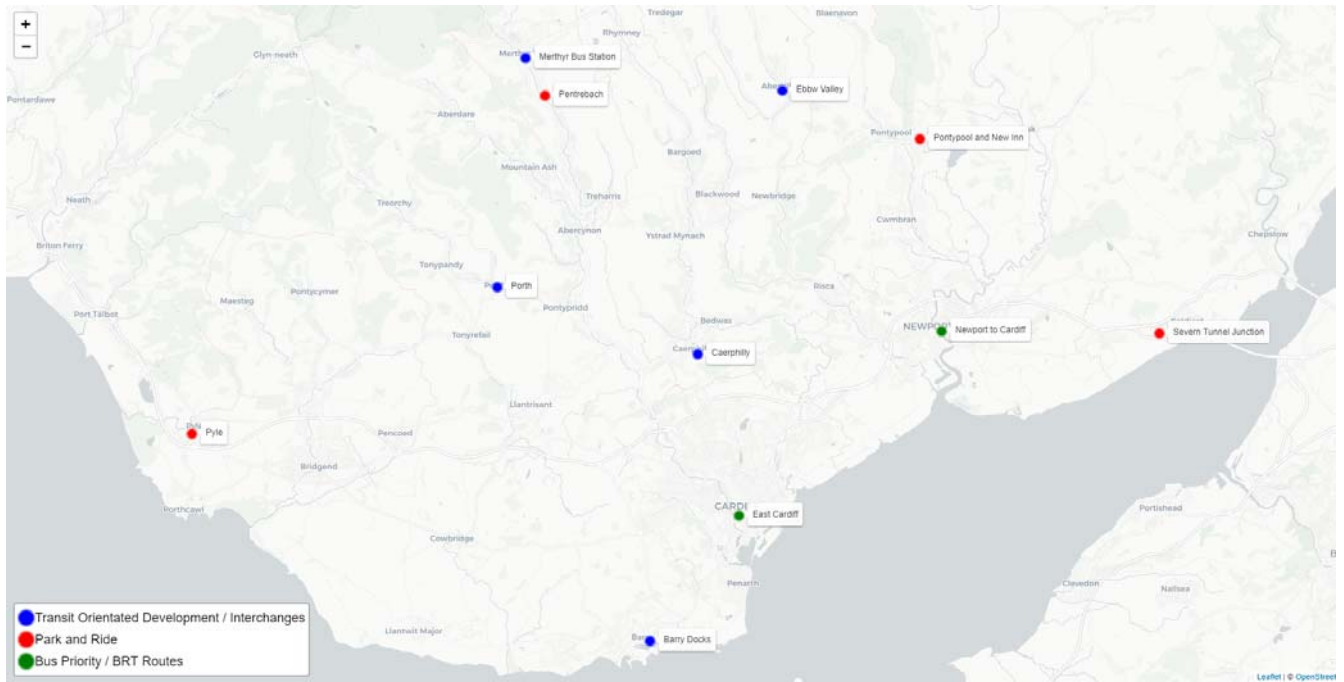


Figure 1. Map of sites in scope of this report.

3 Vehicles and infrastructure scenario development

This section explains how we estimated chargepoint numbers for private cars, car clubs, taxis and buses. It then includes 11 single page overviews of each site, showing key characteristics of the local area, development opportunities and constraints, forecasts for PiV uptake and chargepoint requirements, and preliminary car club suitability assessment.

We have a higher level of confidence around estimates provided for 7kW chargepoints for metro site users parking their private cars as these are based on a robust dataset and well understood assumptions. Estimates for rapid chargepoints for private cars, car clubs, taxis, and buses, are provided with a lower degree of confidence as they rely on more complex methodologies and less certain assumptions.

3.1 Infrastructure for rail customers' privately-owned cars

3.1.1 Proportion of PiVs in each local authority

To understand how many rail users may wish to charge EVs at each metro site, we first need to establish the proportion of PiVs in the local areas. A brief summary of the methodology is provided here and is provided in full in Appendix **Error! Reference source not found.**

We developed three scenarios for the uptake of privately-owned plug-in cars in each local authority area through to 2030. These scenarios are summarised below.

1. **Business as usual:** uptake of PiVs continues to be slow. Figures were estimated by extrapolation from the number of PiVs currently registered in the relevant local authority for each site².
2. **Medium:** PiV uptake accelerates in line with the 'low' scenario in the Department for Transport (DfT)'s *Road to Zero*³ strategy, i.e. at least 30% of new car sales will be PiVs in 2030.

² DfT table VEH0130/1

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739460/road-to-zero.pdf

3. High: PiV uptake accelerates in line with the 'high' scenario in *Road to Zero*, i.e. at least 70% of new car sales will be PiVs in 2030.

The proportion of PiVs in each local authority is not equal and is weighted by the current relative performance of uptake between authorities and the UK overall.

We believe the high scenario described above is achievable, given appropriate national and local support, and should be used as the basis for chargepoint network planning. There are several reasons for this assertion:

- Access to enough chargepoint infrastructure, of the right type and rate, at the right locations, is one of the most significant factors influencing plug-in vehicle uptake. If chargepoint provision is not planned based on the high scenario, plug-in vehicle uptake will always be constrained. The only way to achieve this high forecast is by making enough infrastructure available.
- If vehicle uptake falls behind forecasts, local authorities can focus on providing passive chargepoint provision, which involves providing cabling to parking bays and carrying out any network upgrades^{Error! Bookmark not defined.}. This will deliver a better and more cost-effective outcome than providing enough chargepoints for a low or medium scenario and then carrying out additional network upgrades later.
- Even with the high scenario applied, forecast numbers are low in many instances and, based on our experience, would appear to be achievable targets.
- The baseline of current plug-in vehicle ownership is low, partly reflecting limited support for purchase and use. Our choice of the high scenario assumes that the Welsh Government will enact policies to deliver on its ambitions for decarbonising road transport.

For the reasons outlined above, we use our high scenario for plug-in car uptake to calculate infrastructure requirements and estimate costs throughout this report.

Uptake figures in this scenario for each local authority are shown in Table 2.

	2020		2025		2030	
	PiVs (% of all cars)	All cars	PiVs (% of all cars)	All cars	PiVs (% of all cars)	All cars
Bridgend	626 (0.8%)	77,617	3,841 (4.6%)	83,841	12,878 (14.3%)	90,065
Vale of Glamorgan	547 (0.8%)	70,012	3,357 (4.4%)	75,626	11,254 (13.9%)	81,240
Cardiff	994 (0.7%)	148,746	6,096 (3.8%)	160,674	20,437 (11.8%)	172,601
Rhondda Cynon Taf	367 (0.3%)	116,508	2,255 (1.8%)	125,851	7,559 (5.6%)	135,193
Merthyr Tydfil	68 (0.2%)	27,750	418 (1.4%)	29,975	1,400 (4.3%)	32,200
Caerphilly	248 (0.3%)	90,343	1,520 (1.6%)	97,588	5,095 (4.9%)	104,832
Blaenau Gwent	63 (0.2%)	34,333	384 (1.0%)	37,086	1,288 (3.2%)	39,839
Torfaen	180 (0.4%)	48,521	1,102 (2.1%)	52,412	3,695 (6.6%)	56,303
Monmouthshire	506 (0.9%)	56,779	3,107 (5.1%)	61,332	10,414 (15.8%)	65,885
Newport	397 (0.5%)	75,056	2,438 (3.0)	81,075	8,175 (9.4%)	87,093

Table 2. Cumulative forecast of plug-in car uptake in each local authority in 2020, 2025 and 2030 in the high uptake scenario (based on PiVs accounting for 70% of new car sales)

3.1.2 Infrastructure for rail customers' privately-owned cars

The ratio of PiVs to conventional vehicles in each local authority, established in the table above, was used to estimate the number of PiVs using the metro sites car parks, with appropriate adjustments as detailed below:

1. **Off-street parking:** PiV owners with off-street parking will primarily charge their vehicles at home as costs will be lower. Therefore, adjustments were made based on the estimated proportion of local households with off-street parking:
 - a. High availability of off-street parking: 20% of PiV customers standard rate charging events will take place at the Metro site.
 - b. Medium availability of off-street parking: 50% of PiV customers standard rate charging events will take place at the Metro site.
 - c. Low availability of off-street parking: 80% of PiV customers standard rate charging events will take place at the Metro site.
2. **Technology selection:** PiV registrations will be 50% plug-in hybrid (PHEV) and 50% pure battery electric vehicle (BEV). This split is modified from the Committee on Climate Change's central scenario⁴ which estimates 70% PHEV and 30% BEV. However, more recent evidence suggests PHEVs are not plugged in, reducing their benefits, and UK Government subsidies for them have been reduced. The relative proportion of BEV sales is therefore expected to increase.

⁴ This split may change due to the introduction of the World Harmonised Light Vehicle Test Procedure (WLTP), recent changes to OLEV's Plug-in Car Grant, and improvements to BEV technology.

3. **Charging events:** PHEVs will need to recharge every day, and BEVs will be recharged on average twice weekly⁵. BEV battery capacities are expected to continue increasing, so their requirement for frequent charging events will reduce.
4. **Parking spaces:** the planned number of parking spaces, as provided by Cardiff Capital Region, was multiplied by the proportion of cars expected to be PiVs (derived from the assumptions above) to estimate the number of chargepoints required at each site.

Cars which are parked for more than a couple of hours, for example for shopping and commuting trips, can be charged using a 7kW (standard rate) unit. The assumptions above allow us to calculate with reasonable confidence the number of 7kW chargepoints required at each site.

3.1.1 *Infrastructure metro sites rapid charging customers*

The metro sites may also act as a charging hub for the general PiV users, and could encourage the use of PiVs, especially in areas with low availability of off-street parking. Rapid (50kW) chargepoints, able to charge vehicle in 30 to 60 mins could also be provided where needed for use by the local community. These chargepoints will be used by residents who visit the Metro site primarily in order to recharge their vehicle. Accurately forecasting the number of rapid chargepoints required for this use case is not possible at this time as it will require a more detailed study of the availability of other rapid chargepoints in the area, for example at a fuel forecourt or supermarket.

For the purposes of this high-level report, we estimated rapid chargepoint requirements based on the following assumptions:

1. **Off-street parking:**
 - a. High availability of off-street parking: 0% of potential rapid charging events will take place at the Metro site.
 - b. Medium availability of off-street parking: 50% of potential rapid charging events will take place at the Metro site.
 - c. Low availability of off-street parking: 100% of rapid charging events will take place at the Metro site.
2. **Vehicle type.** Only BEVs (rather than PHEVs) will use rapid chargepoints.
3. **Charging frequency.** Vehicles will require an average of two rapid charges per week in 2020, and one per week in 2025 and 2030. This reflects expected increases in battery capacity. Rapid chargers will be able to deliver up to 12 charging events per day.
4. **Capping parking bay reallocation.** The designated spaces for public rapid charging bays have been capped at each site due to the uncertainty of future rapid charge provision in the wider area (e.g. supermarkets, petrol forecourts, public car parks etc.) and the fact that rapid chargers provisioned for the general public reduce the capacity of the car park for public transport users. The local authority should ensure that rapid chargepoint provision is capped so that the car park can serve its primary function and protect parking revenue. Ultimately this cap will need to be set individually for each site. For this report, we set an arbitrary limit of two per cent of car park spaces to be reassigned for rapid charging.

3.1.2 *Car clubs*

Car clubs provide a cost-effective and flexible alternative to owning a car, and can help alleviate parking congestion, pollution and transport poverty. Car clubs are typically provided

⁵ Based on an average PHEV electric-only range of 20 miles, average BEV range of 250 miles, and national average daily mileage of 23 miles per day. We also assume BEV drivers will keep batteries topped up rather than running them almost to empty and then fully recharging.

by a private sector operator, although they can be run in-house by a local authority. Operating models vary, but typically users will pay a monthly or annual subscription plus a fee per hour of vehicle rental.

The feasibility of a car club depends on the characteristics and demographics of the local area. Typically, three conditions are required for a viable car club scheme: a relatively affluent, young local population; high population density; and a location near major public transport routes or key destinations. The relative importance of these factors varies for different car club operators; for example, some place little importance on the socio-economic group of the local area.

The most successful schemes have demand from public or private sector organisations during the day and residential demand during evenings and weekends. Many car clubs rely on an anchor client, often a local authority or other large public sector employer, to supply much of the weekday demand. New housing developments will often generate residential demand and improve viability.

We interviewed two car club representatives for this research: Keith Kelly, Head of Projects and Partnerships from Enterprise Car Club and Russell Fenner, Head of Innovation from E-Car Club. Enterprise primarily provide petrol and diesel vehicles but are increasingly offering plug-in hybrid and pure battery electric cars. E-Car Club only offers plug-in vehicles. We used qualitative data from these interviews, together with our experience and understanding of car clubs from undertaking other work in this sector, to make a preliminary assessment of the suitability of each site for a plug-in car club. Sites were categorised as high, medium or low, defined as follows:

- High: relatively high population density, relative medium or highly affluent population⁶, and large residential, commercial or mixed development planned in the area
- Medium: lower population density and affluence and smaller developments planned
- Low: low population density and affluence and no significant developments planned

We recommend providing 22kW chargepoints for car clubs, as they strike a balance between providing a fast charge to top up vehicles between bookings, while hardware and installation costs are lower than for 50kW rapid chargers. (See Section 4.1.1 for more on the benefits and drawbacks of different charging speeds). The car club industry interviewees also proposed providing 22kW units.

It is beyond the scope of this review to undertake a detailed appraisal for the potential for car clubs at each site, using the criteria outlined here. Primarily this is because such review would need to be area-based, with the metro sites used as potential host locations, rather than working upwards on a site-specific basis. Based on discussions with Cardiff Capital Region, and our understanding of the car club market, we would recommend provisional deployment of at least one chargepoint at each site to support a car club vehicle. East Cardiff, which we expect would have the type of characteristics to support car club use, should consider making additional infrastructure available.

These recommendations are shown on the one-page overview for each site. We emphasise that further work would be required to refine these estimates, considering the factors discussed above. Car club operators would be able to undertake a more detailed demand assessment, or an independent assessment could be provided by Cenex.

⁶ Affluence estimated using the Welsh Index of Multiple Deprivation

3.1.3 Buses

For this report we assessed each site to determine whether any of the proposed developments include a new or substantially rebuilt bus interchange. Where such developments are taking place, the local authority should mandate passive chargepoint provision, which involves installing the necessary underlying infrastructure (including capacity in the connection to the local electricity distribution network and electricity distribution board, as well as cabling to bays) to enable simple installation and activation of a charge point at a future date.

We recommend that all new bays at sites undergoing redevelopment are provided with passive charging capability to support charging at 50kW. It is possible that buses will be able to accept charging at faster rates; use of smart charging and energy storage (explained in Section 5) can be used to facilitate this without requiring an over-specified grid connection. Refer to the one-page overviews for each site for the number of passive bays needed at each site.

From an operational perspective it is not practical to provide charging infrastructure at all sites. Those where buses are stationary for at least 15 minutes, i.e. park & ride and layover sites should have passive infrastructure installed. At other sites, such as East Cardiff, vehicles are only stationary for a couple of minutes, and therefore it would not be practical to provide chargepoints. Bus operators should primarily use overnight charging at depots. For certain routes, opportunity charging may be required if the distance exceeds the vehicle's range. Technologies such as pantograph (overhead) and inductive charging are in development, and it may be useful to trial these, subject to funding. Further discussion of these technologies is in Section 4.

Providing passive capacity now allows a potential revenue stream from bus operators in the future as they look to incorporate plug-in buses. This will increase the bus operator's choice of plug-in technology and alleviate the need for buses to return to base for charging, increasing operating efficiency and reducing the power demand on bus depots as electrification increases.

Cardiff, Caerphilly and Newport Local Authorities have recently submitted low carbon bus bids to the Office for Low Emission Vehicles (OLEV) in partnership with the local private bus providers.

3.1.4 Taxis

DfT figures⁷ show that the current provision of taxis and private hire vehicles licenced in each local authority is as shown in Table 3:

⁷ TAXI 0105 <https://www.gov.uk/government/statistical-data-sets/taxi01-taxis-private-hire-vehilces-and-their-drivers>

	Taxi and private hire vehicles
Bridgend	460
Vale of Glamorgan	288
Cardiff	2,162
Rhondda Cynon Taf	462
Merthyr Tydfil	174
Caerphilly	427
Blaenau Gwent	157
Torfaen	201
Monmouthshire	212
Newport	885

Table 3. Current provision of taxi and private hire vehicles in each local authority.

Local authorities are responsible for taxi licensing and are therefore able to mandate the uptake of PiVs by amending local policies. Cardiff Council already has a six-year age limit in place for saloon Hackney taxis and private hire vehicles, which means any policy changes would alter the fleet composition relatively quickly. However, others have much less restrictive age limit policies. We have therefore made two assumptions to inform development of a ‘high’ scenario for plug-in taxi uptake which attempts to balance the different policy baselines of the various local authorities:

- All local authorities adopt a ten year age limit policy for Hackney and private hire vehicles.
- All 10 local authorities implement a policy which requires newly licensed Hackney and private hire vehicles to be plug-in (PHEV or BEV) from January 2022.

These assumptions are made to show what would be required in order to achieve a ‘high’ scenario of plug-in vehicle uptake. We are not assessing their feasibility as part of this report. Further work would be required to appraise them and propose policy levers to support their implementation, such as in-service financial support for drivers or tools and guidance to help with the transition to plug-in vehicles.

Aside from a small number of exemptions such as limousines and classic cars, the policies detailed above would transition approximately 30% of the taxi fleet to plug-in by the start of 2025 and around 80% by the start of 2030, as shown in Table 4. Note that these outcomes fall short of the Welsh Government’s ambition (announced in 2017) to move buses and taxis to zero-carbon alternatives within 10 years.

	Plug-in taxi and private hire vehicles	
	2025	2030
Bridgend	138	368
Vale of Glamorgan	86	230
Cardiff	649	1730
Rhondda Cynon Taf	139	370
Merthyr Tydfil	52	139
Caerphilly	128	342
Blaenau Gwent	47	126
Torfaen	60	161
Monmouthshire	64	170
Newport	266	708

Table 4. Forecast uptake of plug-in taxi and private hire vehicles in each local authority.

In order to estimate chargepoint requirements at each site we would need detailed information on taxis in each area, including number of trips to and from each site, dwell time, and total daily mileage. Sourcing this data was outside the scope of this report. However, we were able to make a high-level assessment of likely charging needs, using the following assumptions:

- 30% of taxis being plug-in by 2025, and 80% by 2030, as discussed above
- 20% of taxis in each local authority will frequent the specific Metro site and require access to rapid charging. This assumes that each local authority will have five rapid charging hubs available for taxis, which we estimate would be enough to give good geographical coverage. Further work is needed to refine this estimate; as with the car clubs this work needs to be undertaken on an area-led, rather than site-specific basis.
- One rapid chargepoint is needed per 25 plug-in taxis in the fleet. This is the ratio calculated by Cenex for Kent County Council following in-depth analysis of their taxi parc.

Results are shown on the one-page overviews for each site.

3.2 Infrastructure requirements and costs

The following pages present the results of our analysis for all 11 sites for 2025 and 2030, for the high uptake scenario⁸. The first page is a template provided to define key terms and explain how results were calculated or estimated. Each page includes the following:

- **Site characteristics:** type, catchment areas, estimated catchment population, catchment affluence, off-street parking availability, planned parking spaces, development opportunities and potential constraints.
- **Graph:** forecast cumulative plug-in car uptake in the relevant local authority.
- **High confidence results:** a table showing the results in which we have a high degree of confidence, i.e. number of 7kW chargepoints required at each site and costs (including installation and DNO costs).
- **Low confidence results:** a table showing the results in which we have a lower degree of confidence: number of rapid chargepoints required for cars, car clubs and taxis; passive chargepoint requirement for buses; peak power requirements; and total costs

⁸ Sensitivity analysis, plus figures for 2020, can be found in Appendix B.

for 7kW and rapid chargepoints (including installation and DNO costs). This also includes total power provision and estimated costs of all infrastructure provision.

DNO costs are the most significant cost element for medium and high capacity installations. A low capacity installation, up to 70kVA, would typically cost around £3,000. A medium capacity installation, between 70 and 1,000 kVA, may incur costs in the region of £75,000. A high capacity installation, above 1,000 kVA, could incur costs of around £200,000. Since only two rapid chargers at one site would require a medium capacity installation, it is clear that DNO costs across the region will be substantial.

Please note the following when interpreting the results:

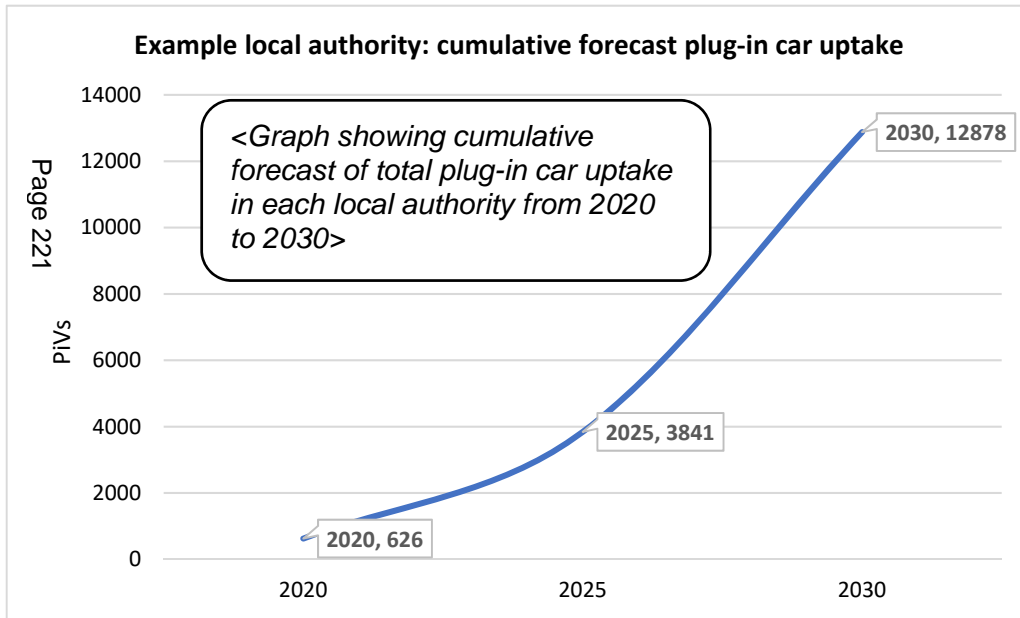
- Chargepoint forecasts for metro rail customers requiring standard charging (7kW) have been provided with a high level of confidence.
- Lower confidence estimations of the future demand from plug-in taxis, car clubs, buses and the potential for the metro sites to host rapid chargers for wider community use (non-rail service users) with PiVs have also been provided – these should be subject to further study before infrastructure purchase decisions are made. Cost and infrastructure provision are provided in 2 scenarios:
 - 2025 scenario includes all installation costs relating to infrastructure to support 2025 PiV usage estimations.
 - 2025 & 2030P scenario includes all 2025 infrastructure costs plus the provision of passive (P) infrastructure to support expected infrastructure requirements for 2030 PiV usage estimations.
- Costs for chargepoint hardware and installation are industry averages: individual site surveys and quotes will be required to obtain accurate prices. See Section 5 for more information.
- Costs for DNO services are 'worst typical case'. They assume that peak power cannot be offset by Smart Charging or energy storage, and they assume the highest end of the cost range for typical network connections and upgrades. See Section 5 for more information on infrastructure cost factors.
- Summary cost tables breaking down costing assumptions at each site are provided in Appendix B.

Site: <Example>

Local authority: <Example>

Type: <Type of site, e.g. park and ride or bus priority route>

Catchment areas: <Names of local towns or areas which provide demand for transport services at this site>	Planned parking spaces: <Provided by Cardiff Capital Region, or plans that are in the public domain>
Catchment affluence: <Categorised using the Welsh Index of Multiple Deprivation as low (below 700), medium or high (above 1,000)>	Off-street parking availability: <Estimated availability of off-street parking, taken from Google Earth, and categorised as high, medium or low. This was used to help estimate demand for charging as explained in Section 3.2.1>
Opportunities: <Qualitative assessment of local considerations e.g. planned developments that could impact demand or changes to local public transport services>	
Constraints: <Qualitative assessment of any constraints that may impact plans for plug-in vehicles, such as potential land ownership or planning permission issues>	

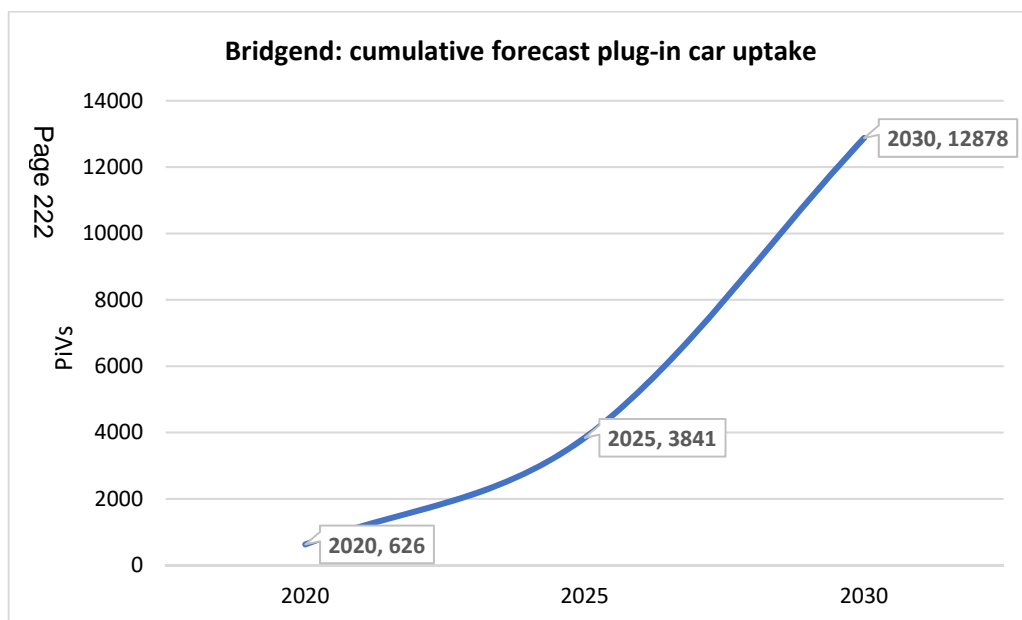


Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	<Forecast 7kW chargepoints for rail users' private cars. Numbers are for total outlets, but costs assume double head units will be installed. Costs include installation and DNO services 2030 provision is for passive (P) installations only.>	
Cost of 7kW chargepoints		
7kW peak power requirement	<Peak power requirement for rail user private car provision>	

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	<Forecast fast and rapid chargepoint requirements for all vehicles, peak power requirement (total amount of power needed to serve all chargepoints), and total estimated costs including installation and DNO services. 2030 provision is for passive (P) installations only >	
50kW chargepoints (taxis)		
22kW chargepoints (car clubs)		
Passive 50kW provision (buses)		
Peak power requirement (kW)		
Total costs (7kW, 22kW and 50kW including passive)		

Site: Pyle **Local authority:** Bridgend **Type:** Park and ride

Catchment areas: Pyle, Porthcawl, Kenfig Hill, Cefn Cribwr and Cornelly	Planned parking spaces: 75
Catchment affluence: Medium	Off-street parking availability: Medium
<p>Opportunities: The demand for park and ride (P&R) spaces at Pyle station is increasing in line with station usage data: journeys increased 35% between 2011/12 and 2016/17. The expanded integrated transport hub will serve Pyle and its catchment area, improve links to Village Farm Industrial Estate and provide P&R facilities for commuting to Swansea and Cardiff. The station's proximity to Porthcawl provides access to the Metro network for current residents and those that will be attracted by the regeneration of the town. The 23-space car park operates over capacity; at least 75 additional spaces should be considered as part of any future development, subject to an updated business case. The proposal will also include Active Travel connections and consider including EV charging points and cycle parking facilities where appropriate.</p>	
<p>Constraints: Ownership of land extending from the current car park to the West alongside the train station should be investigated. As with all sites, availability of Western Power Grid Connection and cost of any required reinforcement will need to be determined via a budget estimate request and subsequent application.</p>	



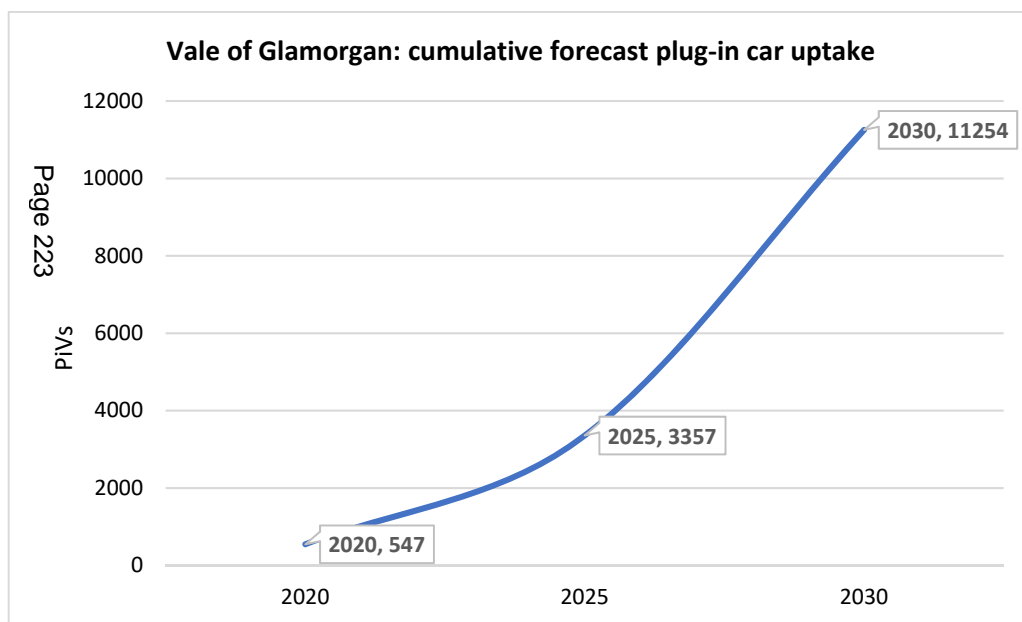
Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 2P
Cost of 7kW chargepoints	£14,600	£16,300
Peak power requirement (kW)	14	28

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	2	2 & 2P
50kW chargepoints (taxis)	1	1 & 3P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	2	2 & 2P
Peak power requirement (kW)	286	500
Total costs (7kW, 22kW and 50kW including passive)	£252,100	£259,000

The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Barry Docks **Local authority:** The Vale of Glamorgan **Type:** Transit Orientated Development / Interchange

Catchment areas: Barry, Barry Waterfront, Cardiff Airport	Planned parking spaces: 100
Catchment affluence: Medium	Off-street parking availability: Medium
<p>Opportunities: A proposed bus interchange would include four or five bus bays, provision for taxis and possibly a 60 space extension to the existing P&R which is at capacity. The new rail franchise includes additional line capacity and all P&R sites within Barry are at or over capacity. Phase 2 of the Barry Waterfront development will include over 1,500 new houses, a school and retail units. Additional regeneration is planned to include a mixed use provision between two locations identified along the rail corridor and a Targeted Regeneration Investment (TRI) bid has been submitted for this provision. A North–South Barry bus provision to link with the railway could reduce the congestion on the Port Road / Culverhouse Cross corridor and the Dinas Powys corridor. EV chargepoints will be included in any future proposal implemented.</p>	
<p>Constraints: A feasibility study is required to identify the most suitable location and to also assess suitability of the land adjacent to the railway and park & ride site, which would be the most obvious strategic location. Local Transport Fund is being allocated to carry out this work in 2018/19.</p>	



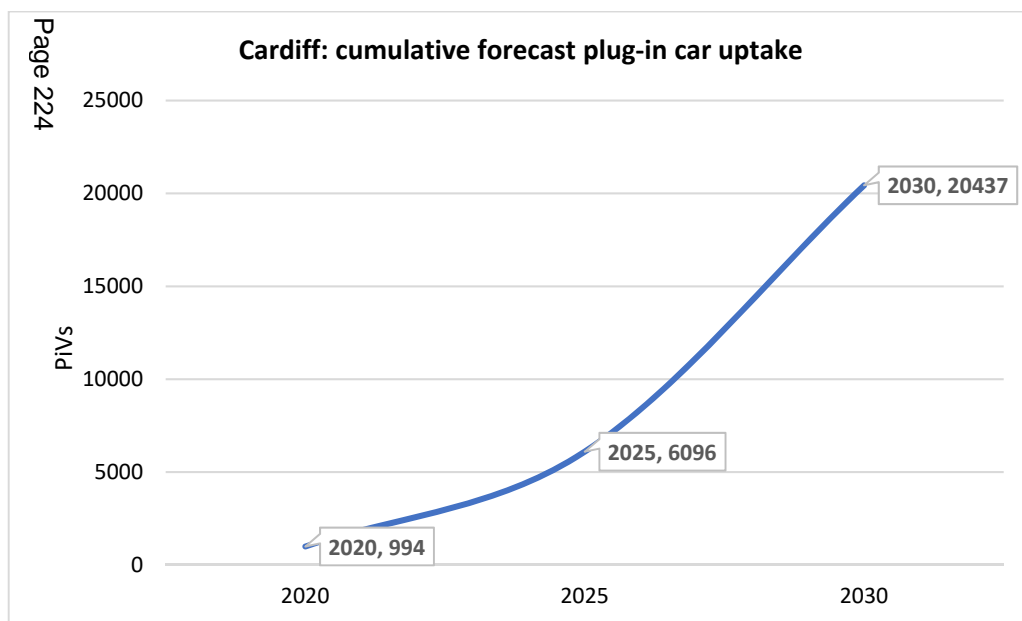
Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 4P
Cost of 7kW chargepoints	£14,600	£18,000
Peak power requirement (kW)	14	42

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	2	2 & 0P
50kW chargepoints (taxis)	1	1 & 1P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	5	5 & 0P
Peak power requirement (kW)	436	514
Total costs (7kW, 22kW and 50kW including passive)	£347,350	£352,050

The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: East Cardiff **Local authority:** Cardiff **Type:** Bus priority route

Catchment areas: Cardiff	Planned parking spaces: 269
Catchment affluence: High	Off-street parking availability: Low
<p>Opportunities: Planning permission has been granted for a new transport interchange opposite Cardiff Central station. This is part of a larger mixed use scheme providing retail, offices and flats. The nearest large development is 7,000 houses at Radyr on the outskirts of North East Cardiff. The City Centre East project will incorporate a series of sustainable and active travel packages that will enable improved bus connections in Cardiff City Centre, improved active travel infrastructure and pedestrian safety improvements. The infrastructure improvements will benefit local and regional transport through providing improved sustainable connections to key transport hubs, employment zones and visitor destinations. Improvements include new bus priority measures to connect local and regional buses through the east and south of the city to the Enterprise Zone, Queen Street Station, Retail Quarter (St David's Shopping Centre), Central Square, The Transport Interchange, Central Quay, and Cardiff Bay; bus priority measures that will allow buses to service the Transport Interchange on major event days; installation of Central Cycle Superhighway Section that will connect and link all 4 superhighways to the city centre; pedestrian crossing and public realm improvements on/to Dumfries Place, Station Terrace, Queen St Station, Stuttgart Strasse; 20mph Zone and traffic calming measures; air quality improvements (outside Queen Street Station); cycle parking and Next Bike; and EV chargepoint infrastructure.</p>	
<p>Constraints: The willingness of the developer to integrate zero emission infrastructure into the scheme could be a constraint, although Section 106 could be used to help mitigate this. Electricity capacity is likely to be a constraint, given the scale of chargepoint infrastructure required.</p>	



Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	6	6 & 14P
Cost of 7kW chargepoints	£29,800	£113,700
Peak power requirement (kW)	42	140

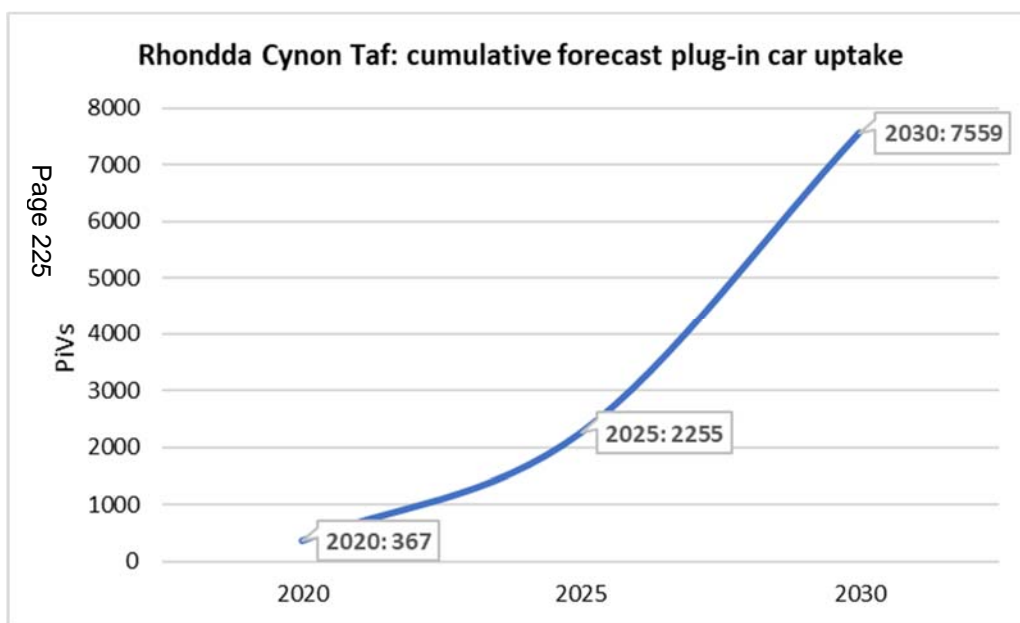
All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	5	5 & 0P
50kW chargepoints (taxis)	5	5 & 9P
22kW chargepoints (car clubs)	2	2 & 0P
Passive 50kW provision (buses)	14	14 & 0P
Peak power requirement (kW)	586	1127
Total costs (7kW, 22kW and 50kW including passive)	£432,800	£581,400

The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Porth **Local authority:** Rhondda Cynon Taff

Type: Transit Orientated Development / Interchange

Catchment areas: Porth, Rhondda Fach, Trebanog, Tonyrefail, Gilfach Goch	Planned parking spaces: 150
Catchment affluence: Low	Off-street parking availability: Medium
Opportunities: A modern transport hub and station quarter is proposed to present a transformational change for Porth and improve connectivity in the Town Centre. The strategy identifies the Alec Jones Day Centre site for a new Transport Hub, – including a seven bay bus interchange, taxi rank, cycle stores, park and ride and train station links. The current interchange between bus and rail services is poor. The vision is to transform Porth into a prosperous and attractive town, with improved connectivity to and from surrounding areas, anchored by a Transport Hub and a regenerated “Station Quarter”. Electric chargepoints will be included within any future proposal implemented.	
Constraints: There is no rail link to many of the communities surrounding Porth, such as the Rhondda Fach, Trebanog, Tonyrefail and Gilfach Goch, and interchange at Porth is vital to allow commutable journeys, particularly to Pontypridd and Cardiff, to be made by public transport. The current on-street set up has three main bus stops 450 metres apart and removed from the railway station, thus preventing a seamless transition between the two modes.	



Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 2P
Cost of 7kW chargepoints	£14,600	£16,300
Peak power requirement (kW)	14	28

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	0	0 & 1P
50kW chargepoints (taxis)	2	2 & 1P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	2	2 & 0P
Peak power requirement (kW)	286	450
Total costs (7kW, 22kW and 50kW including passive)	£252,100	£257,700

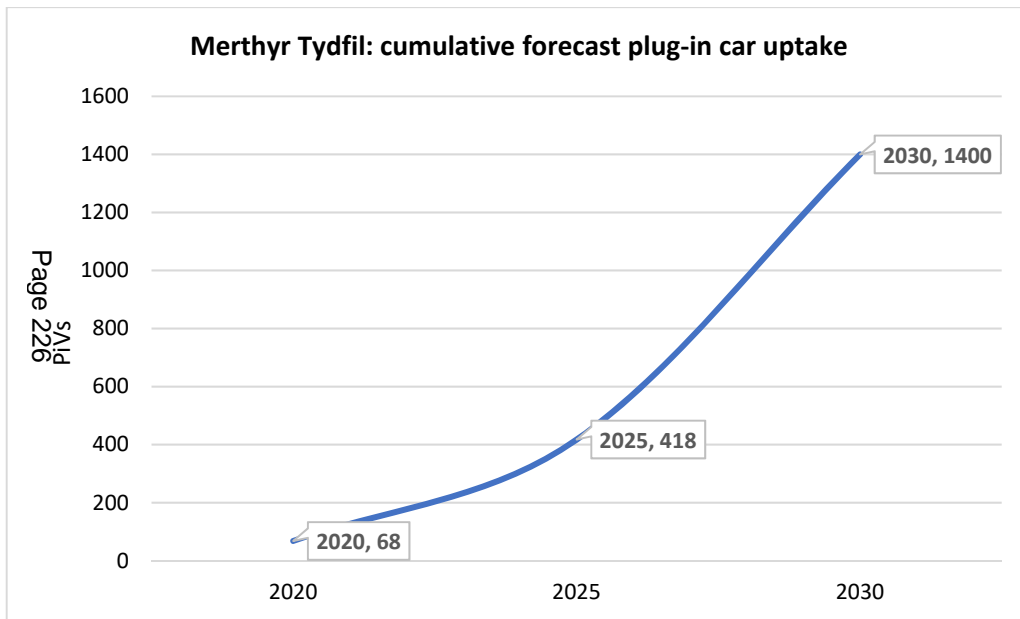
The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Merthyr Bus Station

Local authority: Merthyr Tydfil

Type: Transit Orientated Development / Interchange

Catchment areas: Merthyr Tydfil, including Dowlais and Treharris	Planned parking spaces: 76 (+33 at the rail station)
Catchment affluence: Low	Off-street parking availability: Low
Opportunities: Merthyr Bus Station is a fully developed project comprising a new 14 bay bus interchange and link between bus and rail. Project managers are reconsidering renewable energy provision to support zero emission capable buses (and possibly taxis) at the station. Large developments in the area include Goat Mill Road mixed use and plans for a large leisure facility at Rhydycar West.	
Constraints: If local renewable energy provision is not included in the scheme, electricity demand could exceed local grid capacity and therefore power could be a constraint here.	



Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 2P
Cost of 7kW chargepoints	£14,600	£16,300
Peak power requirement (kW)	14	28

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	2	2 & 0P
50kW chargepoints (taxis)	1	1 & 1P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	14	14 & 0P
Peak power requirement (kW)	586	686
Total costs (7kW, 22kW and 50kW including passive)	£442,600	£446,900

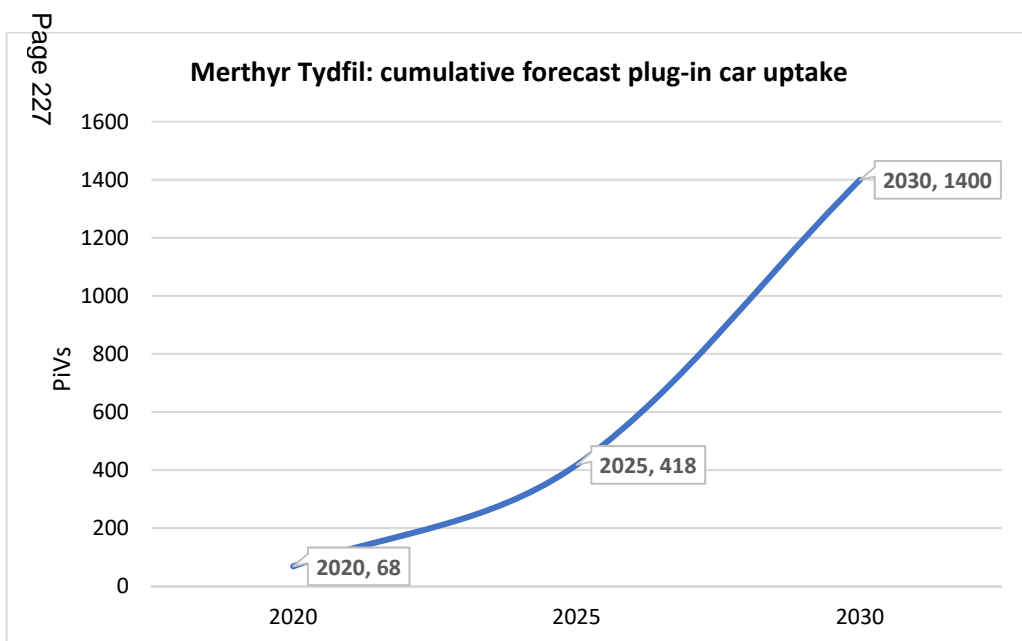
The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Pentrebach

Local authority: Merthyr Tydfil

Type: Park & ride

Catchment areas: Merthyr Tydfil, including Dowlais and Treharris	Planned parking spaces:
Catchment affluence:	Off-street parking availability:
<p>Opportunities: A brownfield site that has been largely vacant for nearly 10 years is being regenerated. The South Wales Metro, with high frequency light rail connections, will catalyse development of a sustainable, mixed use neighbourhood with excellent links to the local area and Merthyr Tydfil Town Centre. The redevelopment can maximise opportunities from planned transport infrastructure investment, i.e. increases in service capacity, Pentrebach station and park and ride improvements and a potential future new metro station. It would provide approximately 20% of the identified housing requirement over the LDP Plan period, new employment and local retail provision and offer opportunities for improved green infrastructure along the River Taf corridor. The Hoover Strategic Regeneration Area is a major mixed-use development comprising 440 new homes, local convenience retail provision of 409m², new employment development on 6.5 hectares of land, Pentrebach Station Park and Ride, a new footbridge to Abercanaid, and safeguarded land for a new Metro station. The Council has worked with Welsh Government and Transport for Wales to prepare a draft Framework Masterplan (June 2018) for the area. This has been informed by providing a layout that indicates densities of between 30 to 45 dwellings per hectare. It identified 6.5 hectares of vacant and underused land for new employment use at the Willows/Abercanaid Industrial Estate and reflects sustainable placemaking principles and the Hoover Factory site legacy.</p>	
<p>Constraints: No significant constraints identified</p>	



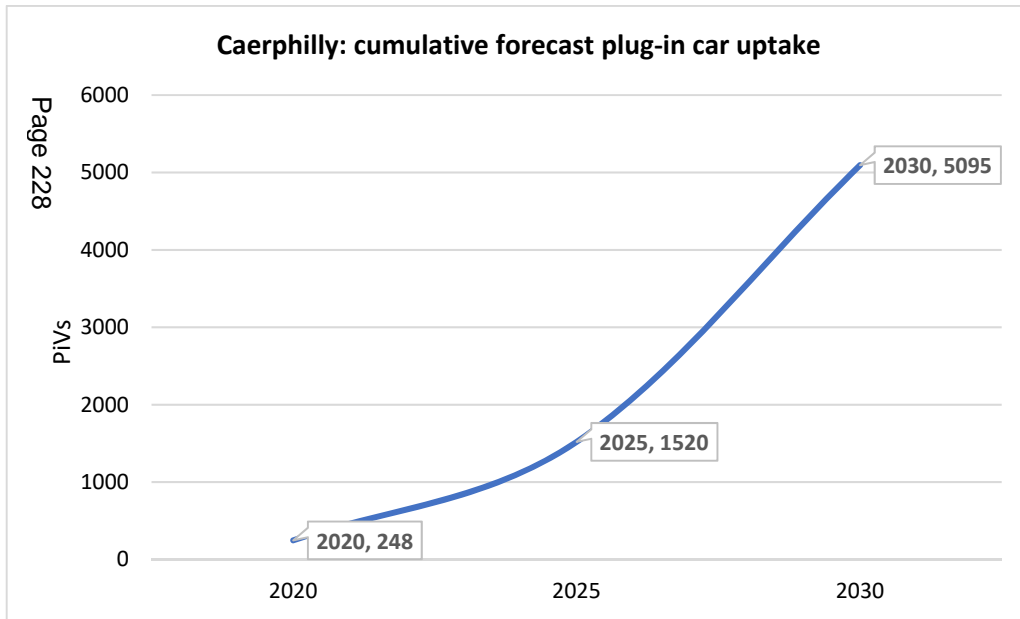
Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 2P
Cost of 7kW chargepoints	£14,600	£17,200
Peak power requirement (kW)	14	28

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	1	1 & 1P
50kW chargepoints (taxis)	0	0 & 1P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	3	3 & 0P
Peak power requirement (kW)	236	350
Total costs (7kW, 22kW and 50kW including passive)	£220,350	£224,650

The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Caerphilly **Local authority:** Caerphilly **Type:** Transit Orientated Development / Interchange

Catchment areas: Caerphilly, Bedwas, Trethomas, Machen and Abertridwr (Aber Valley)	Planned parking spaces: 280
Catchment affluence: Medium	Off-street parking availability: Medium
Opportunities: Caerphilly is an interchange where the frequency of bus and rail services promotes natural integration. Caerphilly is developing a brief to implement a seamless interchange between rail and bus. High quality passenger facilities will be provided, including electronic information, increased capacity with 280 park and ride spaces, and electric vehicle chargepoints for buses and private cars. A bid has been submitted to OLEV for electric buses with the local commercial operator and the results of the bid are due imminently. If successful, the town would benefit from fully electric buses, including charging infrastructure at the commercial operator's depot. A town centre clean air zone will be created, affecting buses and taxis; the project will include wider goals such as tying into business development and a green hub for technology.	
Constraints: No significant constraints were identified.	



Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	4	4 & 4P
Cost of 7kW chargepoints	£22,200	£25,600
Peak power requirement (kW)	28	56

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	1	1 & 3P
50kW chargepoints (taxis)	3	3 & 3P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	6	6 & 0P
Peak power requirement (kW)	550	828
Total costs (7kW, 22kW and 50kW including passive)	£418,450	£428,350

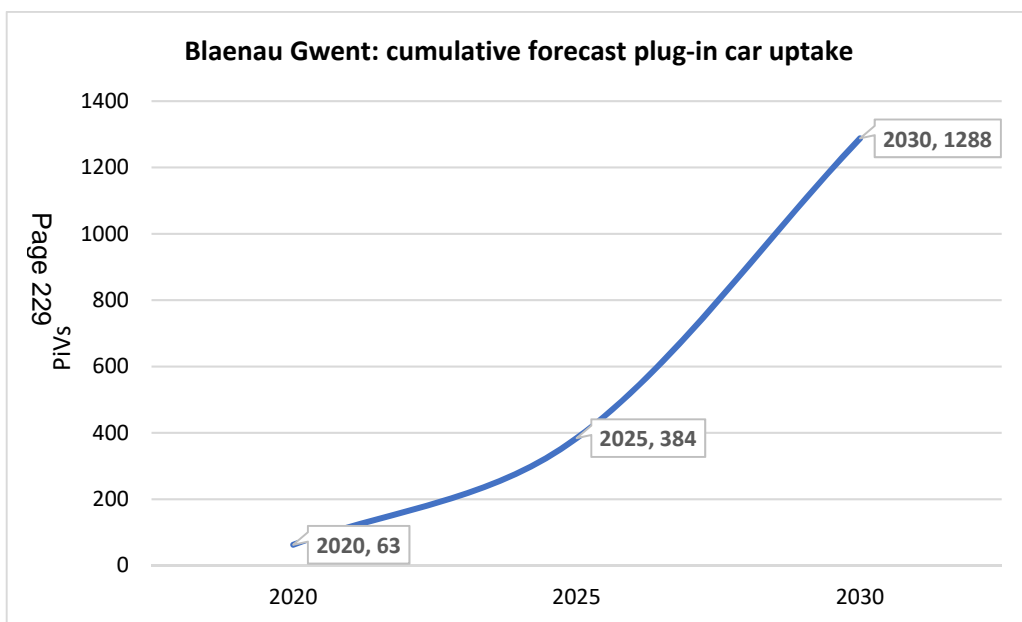
The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Ebbw Valley/Abertillery

Local authority: Blaenau Gwent

Type: Transit Orientated Development / Interchange

Catchment areas: Abertillery, Cwmtillery, Blaina, Nantyglo and Six Bells	Off-street parking availability: 100
Catchment affluence: Low	Off-street parking availability: Low
Opportunities: The current Ebbw Valley Railway service is one train per hour. The Transport Minister made a commitment for a second train service per hour to Newport to be introduced by 2021. The Abertillery Spur option will create a link from Abertillery to Ebbw Valley at Aberbeeg. Previous proposals regarding Heavy Rail to Abertillery are being reviewed with a range of options being considered, e.g. light rail or guided bus. Electric vehicle chargepoints will be included within any future proposals implemented. Trains from Llanhilleth take around 48 minutes to Cardiff Central (with onward connections to Bristol and London Paddington).	
Constraints: Currently, the proposed site is a Tesco including a fuel forecourt.	



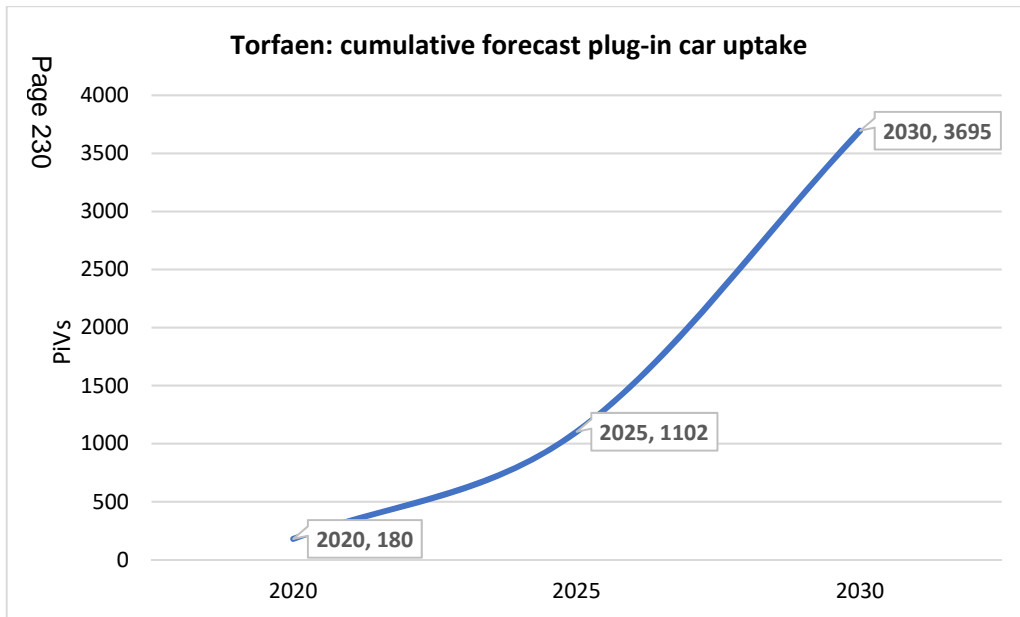
Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 2P
Cost of 7kW chargepoints	£14,600	£16,300
Peak power requirement (kW)	14	28

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	1	1 & 1P
50kW chargepoints (taxis)	1	1 & 1P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	2	2
Peak power requirement (kW)	186	400
Total costs (7kW, 22kW and 50kW including passive)	£188,600	£195,500

The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Pontypool/New Inn **Local authority:** Torfaen **Type:** Park and ride

Catchment areas: Blaenavon, Abersychan, Pontypool (including Trevethin), New Inn, Little Mill and Usk	Planned parking spaces: 200
Catchment affluence: Low	Off-street parking availability: Medium
<p>Opportunities: The scheme is for provision of a Park & Ride facility with a minimum of 200 spaces including electric vehicle chargepoints on the South Side of A4042 at Pontypool and New Inn Rail Station, which has DDA compliant platform access and improved station facilities including cycling facilities. The aim is to develop the station as a key regional travel hub. The station is a potential interchange point for passengers from the 'Eastern Valley' (including Blaenavon, Abersychan, Pontypool, New Inn), Usk and the West of Monmouthshire. The station has good connections to the North of England, e.g. Crewe and Manchester. The station will support the proposed Mamhilad development with a current allocation of 1,800 dwellings and up to 12,000 houses planned at Llanfrechfra. The station has already benefited from WG investment for physical improvements and design and development works for the current park and ride served off the A4042(T), with associated accessibility improvements. The former project consisted of the improvement of parking, pedestrian and cycling facilities and included the provision of a bus stop and turning area to accommodate any future interchange facilities. Active Travel improvements have been undertaken to better connect the station to the surrounding area and facilities.</p>	
<p>Constraints: No significant constraints identified.</p>	



Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 4P
Cost of 7kW chargepoints	£14,600	£18,000
Peak power requirement (kW)	14	42

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	1	1 & 2P
50kW chargepoints (taxis)	0	0 & 1P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	1	1
Peak power requirement (kW)	136	414
Total costs (7kW, 22kW and 50kW including passive)	£156,850	£166,750

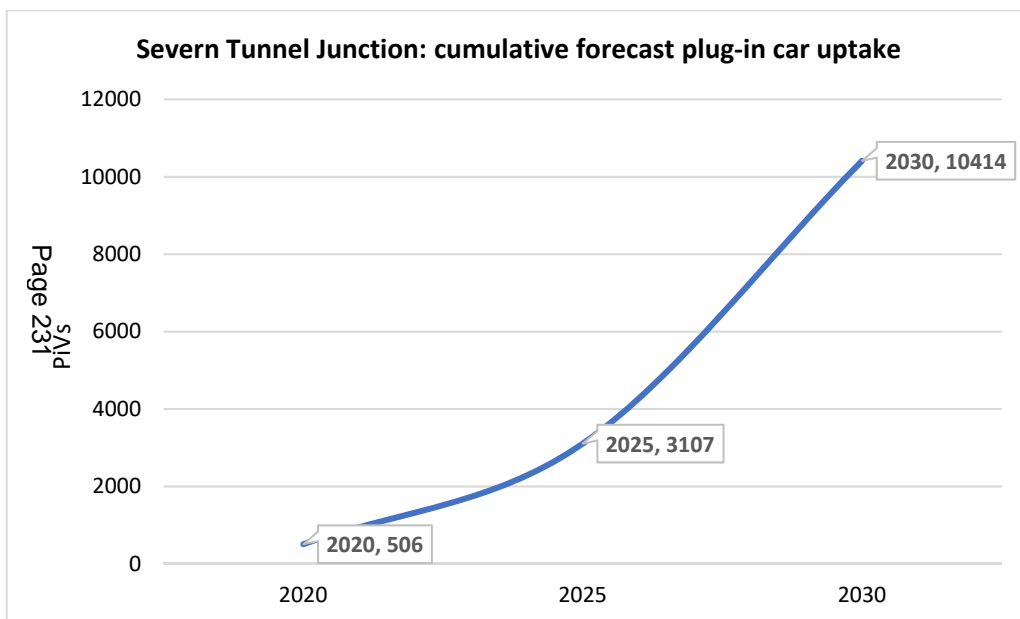
The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Severn Tunnel Junction

Local authority: Monmouthshire

Type: Park and ride

Catchment areas: Rogiet, Caldicot, Magor & Undy, Shirenewton, Chepstow and Caerwent	Planned parking spaces: 314
Catchment affluence: High	Off-street parking availability: High
Opportunities: The scheme includes a proposal for 200 additional parking spaces. The existing car park will be repurposed to provide 40 additional bike and ride spaces, safer walking and cycling access, a revamped bus-rail interchange and plug-in vehicle chargepoints. The Severnside development near Chepstow will include 13,000 new homes; developments are also planned for Crick and Caldicot.	
Constraints: There are possible land issues, but no details have been made available.	



Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	4	4 & 4P
Cost of 7kW chargepoints	£22,200	£25,600
Peak power requirement (kW)	28	56

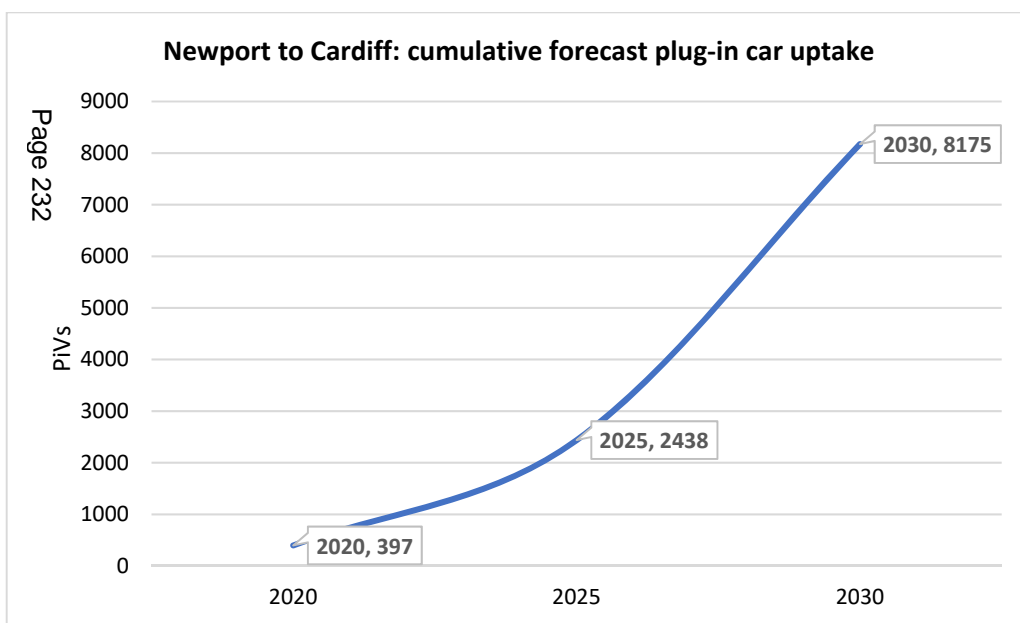
All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	0	0 & 0P
50kW chargepoints (taxis)	1	1 & 1P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	2	2
Peak power requirement (kW)	222	350
Total costs (7kW, 22kW and 50kW including passive)	£202,950	£208,950

The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

Site: Newport to Cardiff **Local authority:** Newport

Type: Bus priority corridor

Catchment areas: Newport and Cardiff	Planned parking spaces: 100
Catchment affluence: Medium	Off-street parking availability: Medium
<p>Opportunities: The Newport to Cardiff Bus Corridor links several significant trip attractors in the Cardiff Capital Region. A large scale mixed use development is planned between St Mellons and Duffryn, to include a new railway station. Residential developments include Glan Llyn (4,000 houses) and Llanwern (1,100 houses). The new International Convention Centre Wales is being developed at Celtic Manor. With a total cost of £83.7m including car parking and external landscaping, ICC Wales will be capable of accommodating up to 5,000 delegates with a total floor space exceeding 26,000 square metres. Services on this corridor currently suffer from extended journey times (around one hour for a 15 mile journey). The scheme would provide new bus priority measures from Newport to Cardiff along the M4 and A48 corridors, including consistent, high-quality roadside infrastructure to promote and facilitate increased bus use. This will improve journey times and reliability. The scheme will also provide the foundation to introduce a Park and Ride facility to the East of Newport, including charging for electric vehicles.</p>	
<p>Constraints: Land ownership along the route and current traffic flows and congestion could potentially be constraints: further work is required to understand these issues.</p>	



Metro customer user private car provision		
High confidence results	2025	2025 & 2030P
7kW chargepoints (cars)	2	2 & 2P
Cost of 7kW chargepoints	£14,600	£16,300
Peak power requirement (kW)	14	28

All infrastructure provision		
Low confidence results	2025	2025 & 2030P
50kW chargepoints (private cars)	2	2 & 0P
50kW chargepoints (taxis)	2	2 & 4P
22kW chargepoints (car clubs)	1	1 & 0P
Passive 50kW provision (buses)	0	0
Peak power requirement (kW)	236	450
Total costs (7kW, 22kW and 50kW including passive)	£220,950	£227,250

The infrastructure estimates and associated costs must be subject to further study before investment decisions are made. Site specific installation and connection costs have not been determined.

3.1 Site attribute summary

Target Location	Type	Catchment areas	Catchment affluence	Off-street parking availability	Planned parking spaces	Bus Interchange
Bridgend	Park & Ride	Pyle, Porthcawl, Kenfig Hill, Cefn Cribwr & Cornelly.	Medium	Medium	75	Yes
Vale of Glamorgan	Transit Oriented Development /Interchange	Barry, Barry waterfront, Cardiff Airport	Low	Low	100	Yes
Cardiff	Bus priority route	Cardiff	Medium	Low	269	Yes
Rhondda Cynon Taf	Transit Oriented Development /Interchange	Porth, Rhondda Fach, Trebanog, Tonyrefail, Gilfach Goch	Low	Medium	150	Yes
Merthyr Tydfil	Transit Oriented Development /Interchange	Merthyr Tydfil, including Dowlais and Treharris	Low	Low	76(+73 rail station)	Yes
Merthyr Tydfil (Pentrebach)	Park & Ride	Merthyr Tydfil, including Dowlais and Treharris	Low	Low	100	Yes
Caerphilly	Transit Oriented Development /Interchange	Caerphilly, Bedwas, Trethomas, Machen and Abertridwr (Aber Valley)	Medium	Low	280	Yes
Blaenau Gwent	Transit Oriented Development /Interchange	Abertillery, Cwmtillery, Blaina, Nantyglo and Six Bells	Low	Low	100	Yes
Torfaen	Park & Ride	Blaenavon, Abersychan, Pontypool (including Treveithin), New Inn, Little Mill and Usk	Low	Medium	200	Yes
Monmouthshire	Park & Ride	Rogiet, Caldicot, Magor & Undy, Shirenewton, Chepstow and Caerwent	High	High	314	Yes
Newport	Bus Priority Corridor	Newport & Cardiff	Medium	Medium	100	Yes

Table 5. Summary of target location catchments & proposed infrastructure.

3.2 Site infrastructure and power requirements summary

Metro site	2025 Base provision for metro rail customers			2025 Potential provision for other services (car club, taxi, public rapid charge point, passive bus)				2025 Total peak power requirement (kW)	2025 Total estimated cost
	7kW charge outlets	Peak power requirement (kW)	Estimated cost	22kW fast chargers for car clubs	50kW rapid chargers for taxi	50kW rapid chargers for public use	50kW passive provision for bus use		
Bridgend	2	14	£14.6k	1	1	2	2	286	£252k
Vale of Glamorgan	2	14	£14.6k	1	1	2	5	436	£347k
Cardiff	6	42	£29.8k	2	5	5	14	586	£433k
Rhondda Cynon Taf	2	14	£14.6k	1	2	0	2	286	£252k
Merthyr Tydfil	2	14	£14.6k	1	1	2	14	586	£443k
Pentrebach	2	14	£14.6k	1	0	1	3	236	£220k
Caerphilly	3	28	£22.2k	1	3	1	6	550	£418k
Blaenau Gwent	2	14	£14.6k	1	1	1	2	186	£189k
Torfaen	2	14	£14.6k	1	0	1	1	136	£157k
Monmouthshire	3	28	£22.2k	1	1	0	2	222	£203k
Newport	2	14	£14.6k	1	2	2	0	236	£221k
Total	28	210	£191k	12	17	17	51	3,746	£3,135k

Table 6. 2025 Installed infrastructure & charge points values and costs.

Local authority metro site	2025 & 2030P Base provision for metro rail customers			2025 & 2030P Potential provision for other services (car club, taxi, public rapid charge point, passive bus)				2025 Total peak power requirement	2025 Total estimated cost
	7kW charge posts	Peak power requirement	Estimated cost	22kW fast chargers for car clubs	50kW rapid chargers for taxi	50kW rapid chargers for public use	50kW passive provision for bus use		
Bridgend	2 & 2P	28	£16.3k	1 & 0P	1 & 3P	2 & 2P	2 & 2P	500	£259k
Vale of Glamorgan	2 & 4P	42	£18.0k	1 & 0P	1 & 1P	2 & 0P	5 & 0P	514	£352k
Cardiff	6 & 14P	140	£113.9k	2 & 0P	5 & 9P	5 & 0P	14 & 0P	1127	£581k
Rhondda Cynon Taf	2 & 2P	28	£16.3k	1 & 0P	2 & 1P	0 & 1P	2 & 0P	450	£258k
Merthyr Tydfil	2 & 2P	14	£14.6k	1 & 0P	1 & 1P	2 & 0P	14 & 0P	686	£445k
Pentrebach	2 & 2P	28	£17.2k	1 & 0P	0 & 1P	1 & 1P	3 & 0P	343	£225k
Caerphilly	4 & 4P	56	£25.6k	1 & 0P	3 & 3P	1 & 3P	6 & 0P	828	£428k
Blaenau Gwent	2 & 2P	28	£16.3k	1 & 0P	1 & 1P	1 & 1P	2 & 0P	400	£196k
Torfaen	2 & 4P	42	£18.0k	1 & 0P	0 & 1P	1 & 2P	1 & 0P	364	£167k
Monmouthshire	4 & 4P	56	£25.6k	1 & 0P	1 & 1P	0 & 0P	2 & 0P	350	£209k
Newport	2 & 2P	28	£16.3k	1 & 0P	2 & 4P	2 & 0P	0 & 0P	450	£227k
Total	30 & 42P	504	£299.6k	11 & 0P	17 & 26P	17 & 10P	51 & 2P	5,999	£3.348k

Table 7. 2025 infrastructure & charge points + 2030 passive (P) infrastructure values & costs.

4 Chargepoint installation and operation

Installing and operating chargepoint infrastructure is complex and has multiple risks that need to be considered and managed. This section explains some of the issues to be aware of and makes recommendations for setting up a cost-effective, reliable network. More information on funding options is provided in section 6.

4.1 Introduction to electric vehicle charging

4.1.1 Charging speeds

Chargepoints are specified by the power (kW) they produce and therefore the speed at which they can charge a vehicle.

- Slow charging (up to 3kW) is supplied via a three pin socket. Charging can take 10 to 12 hours or more and is less safe than using a dedicated outlet. However, it can be used if no other charging points are available.
- Standard charging (3.5 to 7kW) can supply a typical electric vehicle (EV) battery (15 to 60 kWh) with a full charge in two to eight hours from a 3.6kW unit or three to four hours from a 7KW unit.
- Fast Charging (above 7 and below 25kW) typically provides an 80% charge in three to five hours from a 7kW unit and one to two hours from a 22kW unit.
- Rapid charging is typically supplied at either 43kW (AC units) or 50kW (DC units). This can supply most EVs with an 80% charge in around half an hour, depending on battery capacity. We have recommended the installation of 50kW rapid chargers.
- Ultra-rapid charging refers to even higher rates of charging, such as the 120kW Tesla Supercharger units. Higher rates are in trials for use with buses. As vehicle battery sizes increase, and to overcome barriers to widespread EV adoption, automotive manufacturers are keen to support wider deployment of ultra-rapid charging units. Any passive charging provision provided at the metro site should also enable larger cables to be run through ducting to allow for higher capacity cables should ultra-rapid charging become prevalent for buses in the future.

The table below shows indicative costs of standard chargers, excluding installation costs.

Chargepoint Type	Cost Range
Type 2 3.6kW Wall Mounted	£300-£500
Type 2 Wall Mounted 7kW	£750-1,500
Dual Type 2 Wall Mounted 7 kW	£1,700-2,700
Dual Ground Mounted 7kW	£1,700-5,000
Dual Type 2 Wall Mounted 22kW	£1,800-4,000
Dual Type 2 Ground Mounted 22kW	£3,000-5,000
Triple outlet 25kW Ground Mounted	£12,000 - £18,000
Dual Outlet 43-50 kW, Type 2 and CHAdeMO	£15,00-26,000
Triple outlet 43-50kW, Type 2, CHAdeMO and CCS	£16,000-30,000

Table 8: Indicative costs of standard chargers, excluding installation costs.

4.1.2 Mounting and siting

Chargepoints can be wall or floor mounted, depending on availability of space and ventilation. Air flow to charging equipment is critical to prevent overheating and ensure safe and effective

working of the power electronics, although this is generally only an issue for rapid chargepoints. The chargepoint should be sited to avoid obstructing walkways, passages, fire escapes or any other high footfall areas. Wireless or inductive charging systems can overcome some of the issues associated with charging via a cable, but are currently only available for slow charging, and are more costly than conventional chargepoints.

4.1.3 *Charging connectors*

In the UK, slow and standard charging (3kW and 7kW) is supplied by either a Type 1 AC or a Type 2 AC connector. Electric vehicles will be supplied with the appropriate lead for connecting to these chargepoints, which are typically installed at residential or workplace sites, and kerbside public chargepoints.

Fast and rapid charging (20kW and above) can be supplied by either alternating current (AC) or direct current (DC). AC rapid charging is always supplied via a Type 2 connector. DC rapid charging has two connector types, depending on the vehicle:

- Japanese vehicle manufacturers such as Nissan and Mitsubishi use the CHAdeMO connector.
- European vehicle manufacturers use the Combined Charging System (CCS)

Rapid chargepoints have tethered cables for both DC protocols, and often for AC Type 2 as well, so it is not necessary to carry a cable in the vehicle. AC charging requires an on-board charger on the vehicle to convert the current to DC; therefore, DC is more suitable for very fast charging rates.

4.1.4 *Alternative charging options*

The use of cable charging at bus stations may not be appropriate in all cases. This could be because buses don't have enough dwell time to plug-in, there isn't enough space for charging hardware, or due to electricity supply constraints. There are two dynamic charging technologies being developed which could help overcome this limitation: overhead catenary cables with pantographs, and wireless inductive charging.

Pantograph charging involves power being supplied to the vehicle from an overhead catenary cable. Several trials are underway around the UK, primarily involving Volvo, which is working with Kent County Council and Merseytravel to demonstrate this technology. In addition, we understand that the Newport bus bid proposes opportunity charging during layover time at the end of the route to minimise impact on journey time. Power would be supplied by a pantograph that deploys automatically. Theoretically, this technology has the potential to allow electrification of longer bus routes that exceed current EV bus ranges. It could also allow smaller battery packs to be specified on the vehicle, reducing weight and costs. Currently this technology is expensive, so deployment is only possible as part of a funded trial.

Wireless inductive charging works by power being transmitted from a primary coil buried in the road and being picked up by a secondary coil on the vehicle. This allows charging to take place at locations where the vehicle will stop at a predictable place for a short period of time, such as a bus stop. This technology is also at demonstration stage; Arriva has trialled eight Wrightbus StreetLite electric buses with inductive charging in Milton Keynes. Inductive charging allows substantial theoretical rates of power transfer – up to 200kW – but transfer losses are higher than for wired charging.

4.2 **Cost and ownership**

4.2.1 *Hardware costs*

A chargepoint's power rating has a near exponential impact on the cost of the hardware. It is therefore crucial to select the appropriate power rating for each location and scenario,

considering expected dwell time⁹ for each vehicle type and the distance travelled between charges. Examples of how to determine the charger power rating required are given below:

- **Example 1:** a commuter owns an electric car and wants to charge it at a rail station then take the train to their office. The vehicle will be on charge for eight hours while the employee is at work. A 7kW charge point would supply c.50kWh during that time. This is the equivalent of 200 miles range in a typical EV and exceeds the battery capacity of many cars. Therefore, a 7kW charge point is enough and it may be worth considering 3kW.
- **Example 2:** A car club operating from a metro site wishes to switch to electric vehicles. Cars will be returned to the metro site between rentals. The car club operator has calculated that the vehicle needs to have a maximum 100 mile range for customers to have confidence that it will meet their requirements. A 22kW charger would support this duty cycle, assuming vehicles can stay at the metro site for an hour to recharge between bookings. A 50kW charger would halve this downtime, increasing vehicle productivity, and allowing more vehicles to be charged from a single point. The organisation will need to assess the costs of the upgraded hardware against the forecast increased revenue.

4.2.2 Installation costs

Chargepoint installation costs vary significantly depending on the site, the hardware, and the ownership model. Detailed site surveys are required in order to provide accurate quotes. As this was outside the scope of this report, we have used indicative costs and provide information on what you need to consider below. This is broken down by the five key stakeholder groups you are likely to encounter: DNOs, energy suppliers, landlords, internal partners, and chargepoint installers.

1. **Distribution Network Operators.** DNOs are responsible for ensuring that the local electrical network has the capacity and reliability to meet demand. Increases in demand by a customer can require the DNO to carry out network upgrades. Costs are passed to the end customer and vary significantly depending on the characteristics of the network and the additional demand required. Upgrades can take six months or more and be very costly, so it is vital to engage with the DNO as early as possible to agree a timescale and secure funding. There are steps you can take to reduce costs associated with the DNO:
 - Investigate ‘timed-profile connections’, which have set times when demand must be below a certain level but permit higher demand at other times. This would minimise the DNO upgrade work required to meet demand.
 - A large site may be supplied by more than one substation, so the DNO may be able to provide the capacity at a cheaper cost elsewhere on the estate.
 - Consult local organisations who may also need extra capacity, with a view to spreading costs.
 - Consider smart charging or vehicle-to-grid (V2G) services (see Section 4.3.2).

Figure 2 illustrates example costs and timescales.

⁹ The amount of time an electric vehicle will remain stationary at a charge point.

Small (up to 70kVA)	Medium (200kVA – 1,000kVA)	Large (above 1,000kVA)
Number of charge points		
1-3 Fast or 1 Rapid	10-50 Fast, 4-20 Rapid or 1-6 Ultra-Rapid	50+ Fast, 20+ Rapid or 6+ Ultra-Rapid
Approximate Connection Time		
8-12 Weeks	8-12 Weeks	6 Months +
Approximate Connection Cost		
£1,000 - £3,000	£4,500 - £75,000	£60,000 - £2 million
Other Consideration Affecting Cost		
<ul style="list-style-type: none"> Street work costs 	<ul style="list-style-type: none"> Street work costs Legal costs for easement and wayleaves 	<ul style="list-style-type: none"> Street work costs Legal costs for easement and wayleaves Planning Permission Space for a Substation

Figure 2. Example costs and timescales of small, medium and large-scale projects.

2. **Energy suppliers.** Installations may require a new electrical supply point and meter point administration number (MPAN). This must be provided by the relevant energy supplier. This is a free service; however, the customer and energy supplier need to agree a tariff for the supply point or add it to an existing tariff. Engage with the energy supplier early in the installation process to avoid delays to the timescale.
3. **Landlords.** Landlords' permission should be sought for any charge point installations prior to starting work. This may require updates to legal agreements which can incur costs and will take anywhere from a few weeks to a year.
4. **Internal partners.** Effective engagement with internal stakeholders is an essential part of a successful installation. The health and safety team must be consulted as the installation contractor will be subject to their rules and processes, so these must be set out during the procurement process. Ensure you have considered the management sign-off needed and the timescales involved.
5. **Chargepoint installers.** Determine the location and power of chargers required before engaging an installer. This will streamline the procurement process by ensuring tenders meet requirements. Source quotes from at least three suppliers as services offered and prices can vary significantly. Installation consists of the purchase of the charge point and the associated enabling activities. The charge point hardware typically accounts for up to 50% of the total budget, although costs and this split can vary significantly. Factors to consider include:
 - Costs for excavations and cabling increase with distance between the electrical supply (distribution board, MPAN, transformer and/or substation) and the chargepoint site. These are generally the most expensive aspects of an installation and should therefore be minimised, for example by selecting an appropriate parking bay for the chargepoint.
 - Different ground types can have a significant impact on the cost of underground cabling; the cost of excavating a road is more than double that of turf or soil.
 - Demarcation of parking bays with paint, protective barriers and signage must be considered prior to engaging an installer.

Examples of typical costs¹⁰ for installations are illustrated in Figure 3, with details of typical component costs shown in Table 8.

¹⁰ Prices exclude chargers and are based on 5-10m travel from supply to charge position.



Installation Component	Typical Costs
Excavations	Turf: up to £120 per meter, Pavement: up to £200 per meter, Road: up to £250 per meter
Earthing	£300 - 500 per pit
Electrical Cabling	£40 - 50 per meter
Signage	£75 – 100 per sign
Road Markings	£75 - 150 per bay
Protective Barriers	£200 – 300 per bay

Table 8. Typical installation cost breakdown per component.

4.2.3 Ownership and operating models

Choosing the right ownership model is important to ensure the financial viability of a chargepoint infrastructure project. There is a trade-off to consider as increased financial returns typically come with increased risk. There are three categories of ownership model, each with its own benefits and drawbacks:

1. **Own and operate:** the local authority installs and operates the chargepoints themselves. They have full responsibility for the network including maintenance and back-office systems.
 - **Benefits:** this approach offers the highest potential returns as there are limited third party costs and all revenue goes to the local authority.
 - **Drawbacks:** requires substantial upfront capital to procure and install the network. Local authorities may not have the necessary expertise to install and operate a chargepoint network.
 - **Example:** Somerset County Council.
2. **Third party operator:** the local authority installs the network and procures a contractor for operations and maintenance.
 - **Benefits:** outsources the expertise needed to run a network
 - **Drawbacks:** requires substantial upfront capital and reduces revenue compared to the own and operate model, making it harder to recover the initial investment.
 - **Example:** Plymouth City Council.
3. **Concessionaire model or lease ownership:** a third-party operator funds the hardware and installation costs and runs the network. The authority should take responsibility for ensuring that sites have sufficient electricity supply and are suitable for installation.
 - **Benefits:** upfront costs are reduced, making it a good option for local authorities facing budgetary challenges, and risk is similarly reduced. It is flexible: for example, the supplier can rent equipment to the local authority and split the profits. It is also relatively easy to transition to a new supplier once the first lease agreement expires.

- **Drawbacks:** the authority's share of revenue is reduced and would be zero in a concessionaire model. If the authority doesn't ensure that sites have enough electrical capacity, network operators may target sites where installation costs are low, leading to low utilisation rates.
- **Examples:** Transport for London (concessionaire); Nottingham City Council (lease ownership)

Private sector funding can be sought to offset the costs of the outright ownership and third-party operator models. Mid Devon District Council used this approach for its chargepoint network, allowing infrastructure to be rolled out without the authority facing substantial upfront costs. However, this option lacks flexibility, as sites can be tied up for long lease periods.

Cenex would generally recommend a concessionaire or lease ownership model, as the capital investment and risk involved in the other options are too high for many local authorities. A detailed network feasibility study was not in the scope of this project: however, Cenex has completed such studies for other authorities and would be pleased to submit a proposal to Cardiff Capital Region.

Whichever approach is taken, it is important to consider service level agreements (SLAs) and key performance indicators (KPIs) for network reliability. These should cover proactive and reactive maintenance, and phone or online customer support.

A standard framework should be established for the Welsh public sector to support procurement and installation of infrastructure.

4.3 Planning considerations

It is not always necessary to secure planning consent for chargepoints – they can often be installed under permitted development rights, as detailed in Statutory Instrument 2056.

Planning permission will generally be required if the chargepoint:

- Is wall mounted at an off-street location and exceeds 0.2 cubic metres
- Is ground mounted at an on-street location and the height exceeds 1.6 metres
- Faces onto and within two metres of the highway
- Is within a site designated as a scheduled monument or within the curtilage (open space surrounding) of a listed building

Usually only rapid charge points (20kW or above) exceed the height and volume criteria detailed above. At the time of writing, planning regulations are undergoing revision to make streamline the process for installing chargepoints, including allowing rapid chargepoints to exceed the 1.6 metre restriction.

If you are unsure whether you need planning permission, check with the local authority planning department. You will need to supply details of the equipment and a map of the location. Ordinance Survey maps may be available from the Council or you may have site plans if the installation is on your estate.

5 Renewables, energy storage and smart charging

Clean, smart and integrated technology can transform the metro sites' electrical and recharging network into a modern low emission and profitable energy system. Individually or combined renewables, energy storage and smart charging of vehicles can be integrated into any electrical network upgrade.

The following subsections give a very high-level overview of the benefits and barriers of integrating clean technology into the metro-site. Each of these must be assessed in more detail and on a site-specific basis to determine the costs and benefits.

5.1 Renewables and energy storage

5.1.1 On-site renewables

Description Generating renewable energy on-site can reduce peak demand for grid electricity, reducing total CO₂ emissions and saving money. Solar PV panels can be installed on a solar car port or on nearby land. Wind generation requires far less space than a comparable solar PV system. Cardiff is a good location for generating electricity from wind as the average annual wind speed exceeds 4m/s. It can be challenging to secure planning permission, particularly in urban areas.

Economics Capital and installation costs vary greatly depending on the size of the system. Potential costs of a solar installation are shown in Table 9. Solar PV installations are characterised by long payback periods but can assist enable local authorities to meet CO₂ reduction targets and access low cost borrowing and grant funding. The greater economic benefit of adding PV is off-setting grid electricity costs and reducing any capacity upgrade costs (and providing a zero carbon energy supply). Therefore, for maximum economic benefit PV arrays should be sized to allow a high level of avoided electricity purchase.

PV Array Size	CAPEX ¹¹	Balance of system	Development fees	OEPX
7kWp	£5,390.00	£2,198.00	£6,160.00	£1,512.00
10kWp	£7,700.00	£3,140.00	£8,800.00	£2,160.00
15kWp	£11,550.00	£4,710.00	£13,200.00	£3,240.00
20kWp	£15,400.00	£6,280.00	£17,600.00	£4,320.00

Table 9. Potential costs and benefits of a solar PV array

Opportunity Whilst the income from the sale of electricity does not make a compelling case for installation, offsetting electricity purchased from the grid for site use and vehicle charging may form an attractive business case. Clearly electricity generation and demand do not always match, therefore energy storage could be used to store wrong time renewable generation.

5.1.1 Off-site renewables

Local renewable developments being established by the private and public sector have been identified in relation to the 11 sites. Further feasibility work should be undertaken to understand the potential for integration of renewable electricity supply from these schemes to the metro but there are potentially significant mutual benefits to utilising energy from these schemes in the metro development.

A summary of the known developments in relation to each site is given below.

¹¹ Pricing taken from Solar Trade Association¹¹ £/kW installed, as such is an approximation.

	Local Authority Area	Related Hub	Planned (& Existing) renewable energy schemes nearby
1	Blaenau Gwent	Ebbw Valley Line/Abertillery Spur and Interchange	Planned Caerphilly 2MW Trinant Solar PV in close proximity to Llanhilleth. Torfaen local authority site 'The British' is in close proximity to Abertillery; 8MW wind and solar option on the table.
2	Caerphilly	Caerphilly	Nothing known of near-by (but their might be renewable developments in and around Caerphilly we're unaware of to be further explored).
3	RCT	Porth	RCT Local Authority are reviewing a wind development at Lewis Merthyr (4MW wind adjacent to Porth) and Wattstown (6MW wind 1.7 miles away)
4	Vale of Glamorgan	Barry Docks	Existing private 5MW solar farm on Barry Docks (ABP development) ABP have previously expressed interest in adding value to their scheme which is currently supplying electricity directly to the grid.
5	Merthyr	Merthyr Bus Station	Merthyr CBC could incorporate solar into the bus station roof and Capita have now been asked to review, further exploration of the potential for hydro on the adjacent river taff should be explored.
6	Bridgend	Pyle	Private renewables nearby; Private solar farm around 1.5miles away (to the North West of Pyle). A full asset review hasn't been undertaken with Bridgend Local Authority to identify options for renewable developments.
7	Monmouthshire	Severn Tunnel Junction	Monmouthshire Local Authority own Crick solar farm (5MW) 4 miles from STJ.
8	Torfaen	Pontypool and New Inn	A private solar farm is located opposite the Mamhilad development site. Torfaen local authority don't have any sites in proximity identified as having potential for renewables.
9	Newport	Newport to Cardiff	Newport County Borough Council have a ~ 2.5MW 'East of Ebbw' solar PV project which is likley to progress. Cardiff Local Authority have 5MW solar progressing at Lamby Way (Cardiff) Newport also have Duffryn Solar opportunity (West Newport) and docksway opportunities. Llanmartain (Newport East) is identified as a potential solar site, and an existing solar farm has been privately developed in Langstone. Private developments: The recently consented 50MW Gwent Farmers Community Solar Scheme and the proposed 50MW Wentlooge solar and wind project. These have a combined capacity of 100MW and when combined with batteries, which are proposed for both schemes, could make an important contribution to the Metro.
10	Cardiff	East Cardiff	Lamby way 5MW solar scheme is currently being developed.

5.2 Energy storage

Description Renewable generation is unpredictable and often happens when vehicles aren't available for charging. Therefore, it can be used in conjunction with a battery energy storage system to maximise income. This allows energy to be stored during off-peak times and then fed into vehicles as required. This has several potential benefits for the metro sites:

- Provide load management services by charging when electricity demand is low and discharging to offset demand at peak times.
- Increase self-sufficiency through reduced reliance on the grid.
- Revenue can be produced by providing network flexibility to aggregators which manage supply and demand.

Further feasibility work needs to be undertaken to cost out the benefits of renewable installations and energy storage at each of the site.

5.3 Smart charging and V2G

Charging large numbers of vehicles at the same time can have a significant impact on site and local electricity network supply, particularly at peak times. Smart charging and V2G can help manage this demand and offset the need for costly network upgrades.

5.3.1 Smart charging

Description Smart charging is the ability for electric vehicle supply equipment to control the timing of charging and the power output level in response to a user-defined input or signal. At the most basic level, this allows charging to be scheduled for times when grid demand is lower. Dynamic demand shifting can also be used to provide energy services including time of use tariff optimisation, peak demand shaving, network constraint management and simple renewable electricity generation optimisation.

Economics Network upgrade costs for multiple charge points can run to tens of thousands making network connection unviable. Smart charging capability is an embedded functionality in all modern charge points. The functionality will be dependent upon the capability of the charge point management system. But the charge across a group of charge points can be limited so that at times of low EV demand chargepoints operate at full power but at times of high EV demand charge rates to all the points is limited. This allows the avoidance of network upgrade costs in some cases.

Opportunity At a rail site carpark, it is likely that users will leave vehicles to charge for a long amount of time. Therefore, smart charging can reduce the power rating of the chargers to allow the installation of many charge points but allow charging times to be increased to avoid costly network upgrades.

5.3.2 V2G

Description V2G is a system whereby vehicles can provide bi-directional flows of energy when connected to electric vehicles supply equipment. Energy can be discharged from the EV to meet on-site demand or to export electricity to the network.

Economics This allows the energy stored in an EV to be traded in electricity markets to generate income from the vehicle whilst it is not in use. Because the electricity can be dispatched when the grid needs it most, it can be sold at a profit. V2G is not yet fully developed or commercially viable, current V2G charging units cost around £10k, with prices expected to fall by around 70% over the next 2-3 years. The revenue models available to EV owners through V2G activity is also not well proven.

Opportunity The development of V2G equipment and business models is an active and well-funded area of R&D at the moment. Long stay car parks, such as rail, multi-story, airport could form part of the power stations of the future using EV batteries. There is a potential opportunity for Cardiff and the metro sites to bid for innovation funding to showcase new technology from the sites.

6 Policy and funding

There is a complex national and local policy landscape which could affect, and ideally help support the uptake of PiVs and provision of chargepoint infrastructure. There are also various funding opportunities that Cardiff Council and the other local authorities may wish to investigate. The sections below summarise key supporting policy and known potential funding opportunities.

6.1.1 UK policy

- Air quality plan for nitrogen dioxide. The UK Government's most recent air quality plan, published in 2017, states that the UK will end the sale of new conventional petrol and diesel cars and vans by 2040. The Road to Zero (see below) provides more detail on how this will be achieved.
- Road to Zero. Published in July 2018, Road to Zero sets out the UK Government's ambition for at least half of new cars to be ultra-low emission by 2030. Specific proposals and measures include:
 - All new homes and offices to have chargepoints installed, subject to consultation in 2019.
 - A £400 million charging infrastructure investment fund to help new and existing companies that produce and install charge points.
 - Up to £500 for electric vehicle owners to put in a charge point in their home through the Electric Vehicle Homecharge Scheme.
 - The continuation of the plug-in car and van grants until at least 2020.
 - The launch of an electric vehicle energy taskforce to bring together the energy and automotive industries to plan for the increase in demand on energy infrastructure that will result from a rise in the use of EVs.
 - New powers through the Automated and Electric Vehicles Bill to ensure chargepoints are easily accessed and used across the UK, available at motorway service areas and large fuel retailers.

The full document is available on the [UK Government website](#)¹².

6.1.2 Welsh policy

- Clean Air Zone Framework for Wales. The Clean Air Zone Framework for Wales provides guidance to local authorities who are considering options to address local air quality issues. The framework, which was consulted on in 2018, is available [online](#)¹³.
- Achieving our Low Carbon Pathway to 2030. At the time of writing, the consultation on this strategy had just closed. Proposed actions to 2030 include developing a chargepoint network to encourage early take-up of plug-in vehicles and exploring the merits of measures such as access to bus lanes and free municipal parking. If the strategy is translated into policy, it will provide national support for Cardiff Capital Region's plans.
- National Assembly consultation on EV charging in Wales, 2018. Western Power Distribution's response stated that the South Wales distribution network has enough capacity to connect additional electric vehicle chargers without the need for intervention

¹² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739460/road-to-zero.pdf

¹³ <https://beta.gov.wales/sites/default/files/consultations/2018-04/180424-clean-air-zone-framework-en.pdf>

or reinforcement. There will however be some occasions where clusters of connections, for example at some of the sites in scope of this report, exceed available capacity and therefore the network would need to be reinforced.

- Local Air Quality Management (LAQM) requires local authorities to undertake regular air quality assessments against common standards and objectives. Where standards and objectives are unlikely to be met, authorities must designate air quality management areas (AQMAs) and implement remedial action plans. AQMAs have been identified in multiple areas in scope of this report: Caerphilly town centre, Cardiff (four areas including city centre and key arterial roads), Newport (including George Street near the new bus route) and Rhondda Cynon Taf (Cymmer, adjacent to Porth).
- Prosperity for All: Welsh Government Economic Action Plan 2017. This plan sets out what the Welsh Government is seeking to achieve including building a connected infrastructure that supports growth and investment.

“Our roads, railways, ports, airports, energy infrastructure and digital networks form the arteries that enable our economy to function. Fit for purpose and resilient energy networks will be essential for accommodating the future growth expected in EVs as well as to respond to wider changes in the energy system. We will decarbonise our transport networks and improve the air quality of the communities they serve. To support this, we will introduce a range of measures whose aim is that all taxis and buses in Wales will have a zero-carbon footprint within 10 years”. This is echoed in the strategy ‘Achieving our low carbon pathway to 2030’.

- Improving Public Transport is a White Paper which was released for consultation in December 2018. The purpose is to set out the Welsh Government’s proposals for improving the legislative framework in Wales for how local bus services are planned and delivered, together with reform of the licensing regime for taxis and private hire vehicles. The paper sets out a recommendation for establishing Joint Transport Authorities (JTAs) to establish a distinct regional approach linked to the national context. It reiterates the Welsh Government’s aim for all taxis to have a zero carbon footprint within 10 years.
- South East Wales Regional Transport Strategy: we understand that Cardiff Capital Region has been tasked with preparing a regional Transport plan which presents the opportunity to identify and deliver regional charging infrastructure.
- Planning Policy Wales (PPW) is the Welsh Government’s national land use planning policy and was first published in 2002. It’s the first point of call for Welsh planning policy and is supported by a suite of Technical Advice Notes (TANs) and other guidance. PPW is being updated to align with the Well Being of Future Generations (Wales) Act 2015 and includes policy changes including thresholds for the provision for electric vehicle charging infrastructure.
- The National Development Framework (NDF) will set out a 20 year land use framework for the whole of Wales and will direct the development plans that sit below it – Strategic Development Plans (SDPs) and Local Development Plans (LDPs). It will also support decisions on large scale infrastructure projects through the Developments of National Significance (DNS) process. The final NDF is due to be published in early 2020, following an extensive consultation period which will include scrutiny by the Assembly and will replace the current Wales spatial plan. The NDF will:
 - Set out where nationally important growth and infrastructure is needed and how the planning system - nationally, regionally and locally - can deliver it.
 - Provide direction for Strategic and Local Development Plans and support the determination of Developments of National Significance.

- Sit alongside Planning Policy Wales, which sets out the Welsh Government's planning policies and will continue to provide the context for land use planning.
- Support national economic, transport, environmental, housing, energy and cultural strategies and ensure they can be delivered through the planning system

6.1.3 Local authority policy

Our review found a lack of local policies and strategy documents which specifically relate to the uptake of plug-in vehicles and associated infrastructure. Local policies should explicitly set out how they contribute to national policy ambitions, such as the intention to decarbonise taxis and buses within 10 years. All policies should be updated once the Welsh Government finalises its *Achieving our Low Carbon Pathway* strategy, with clear targets set and measures planned for plug-in vehicle and chargepoint infrastructure deployment.

The white paper currently out for consultation on improving public transport will support a better and more informed regional delivery approach addressing capacity, skills and knowledge challenges, but timeframes need to be expedited to align with delivery of the metro hubs. There's also potentially scope to utilise S106 agreements to support the delivery of some of the infrastructure.

We identified just two documents (out of around 20 reviewed) that specifically mention plug-in vehicles:

- Caerphilly's *Electric Vehicle Strategy and Action Plan* (2018) includes a vision for the introduction of EV infrastructure across Caerphilly to maximise the economic, social and environmental benefits and opportunities of plug-in vehicles.
- Cardiff City Council's *Low Emission Transport: a strategy for cleaner, greener transportation fuels* (2018) sets targets for a pathway to zero emission transport including fleet, infrastructure, renewable technologies, procurement, local partners and supporting innovation.

6.1.4 National and local funding

There are multiple funding sources which Cardiff Capital Region should investigate further. It should develop a coherent funding strategy for each of the 11 sites, with synergies identified and an exploitation plan in place.

- **Plug-in car and van grants:** government grants administered by OLEV to support the uptake of plug-in vehicles. Grants are applied at the point of purchase so there is no need to apply. Refer to the [OLEV website](#)¹⁴ for the latest grant values and eligible vehicles.
- **Electric Vehicle Homecharge and Workplace Charging Schemes:** government grants administered by OLEV to support the wider use of electric and hybrid vehicles. Refer to the [OLEV website](#)¹⁵ for the latest grant values and eligibility criteria.
- **Ultra-Low Emission Bus Scheme:** an OLEV and DfT fund to support the purchase of new buses. The £48m scheme is available to local authorities and bus operators in England and Wales to help purchase Ultra Low Emission Buses (ULEBs) and supporting infrastructure between 2018-2021.
 - Grants can be provided for up to 75% of the cost difference between a ULEB and a Euro VI diesel equivalent model. All pure electric buses will technically qualify for this scheme, though manufacturers need to test the vehicle on the UK Bus

¹⁴ <https://www.gov.uk/plug-in-car-van-grants>

¹⁵ <https://www.gov.uk/government/collections/government-grants-for-low-emission-vehicles>

Cycle and submit the results to the Low Carbon Vehicle Partnership to gain certification.

- Successful grant applicants can also apply for up to 75% of the cost of installing electric charge point infrastructure.
- **City Deal Capital Finance:** a £30m City Deal and Welsh Government fund to 2021 for delivery of these initial 11 schemes. Provisionally £3m has been allocated to each development but this will be managed on a portfolio basis.
- **Local Transport Fund:** £26m available annually for 2018-19, 2019-20 and 2020-2021 from the Welsh Government via the local transport fund. Funding is generally limited to £1.5m per scheme.
- **Targeted Regeneration Funding:** a £100m fund with £44m allocated to SE Wales. Projects must secure 30% match funding. Cardiff Capital Region City Deal has been asked to prepare a regional development plan that could support an application to this funding pot for mutual transport and regeneration schemes.
- **Wales Infrastructure Investment Plan:** Funding allocated for delivery of the Cardiff interchange
- **Building for the Future:** a £120m EU-funded programme which runs to 2023 and which aims to regenerate town centres by investing in under-utilised land or buildings.
- **Transport for Wales:** Within funding to upgrade the rail network, 1,500 additional park and ride spaces have been allocated; this could be a source of funding for the park and ride facilities planned as part of the metro upgrades.
- **Local Authority Capital Reserves:** Rhondda Cynon Taf County Borough Council is contributing capital reserves towards the Porth interchange. Similarly, Caerphilly has committed £8m to an all-electric public transport network.
- **Welsh Government fund for EV charging infrastructure:** the £2million funding will help create a publicly accessible national network of rapid charging points by 2020, focusing on locations on or near strategic Welsh road networks. The Transport Secretary Ken Skates has asked officials to explore the feasibility of funding chargepoints at park and ride facilities and taxi ranks, to be operated via a national concession model.
- **Bus Operator Contributions:** For example, Stagecoach is supporting Caerphilly's town centre electrification ambitions.
- **OLEV:** funding bids have been submitted for electric buses and associated infrastructure by Cardiff, Newport and Caerphilly.
- **InnovateUK:** Abercynon Park and Ride and Maesteg are applying for funding to procure and install chargepoints.
- **Welsh Government Invest to Save:** This is a fund to support deployment of low carbon technology across the public sector and is based on criteria of an 8 year payback and carbon savings of £200/tonne carbon saved over the life of the project. Typically, the fund is used for energy efficiency measures and is administered by SALIX, however, the fund can be used in conjunction with other funding if a project payback exceeds 8 years but still meets the carbon criteria.
- **Public Works Loan Board:** The public sector has unique access to low cost finance via the PWLB. This funding stream is being utilised by Local Authorities to take forward several large-scale renewable energy developments across South East Wales and might be considered as a funding option for an own and operate infrastructure model.

- **Section 106 agreements** between local authorities and developers can be attached to planning permission to make a development proposal acceptable in planning terms that would not otherwise be acceptable. Section 106 funding from private sector development could be channelled towards delivery of infrastructure. With the right planning conditions in place, Section 106 agreements can also be used to require charging infrastructure in new developments, PiV-only parking bays and taxi ranks.

7 Recommendations and conclusions

This study provides a review of potential electric vehicle infrastructure requirements and provisions across the 11 metro sites setting out the ball park power requirements, infrastructure numbers, and potential supporting technologies such as renewables, energy storage and smart charging. Recommendations are provided below to enable the progression of the infrastructure upgrades at each of the metro sites in a co-ordinated manner.

7.1 Recommendations

7.1.1 *Set up a cross-authority working group*

The first step should be to set up a working group attended by representatives of each of the 10 local authorities. This should be attended by environmental or sustainability officers and transport planners or project managers responsible for each site. Currently there is a risk that efforts to increase plug-in vehicle uptake is not coordinated across the 10 authorities; it is therefore possible that some of these may compete with others for funding and resources. There are multiple benefits to closer collaboration, including improving the strategic case to support funding bids, pooling resources, and sharing best practice.

The working group should develop a regional plug-in vehicle and infrastructure strategy with a focus on the 11 metro sites for the period 2020 to 2030. This should include a detailed roadmap for plug-in vehicle uptake and plans for implementing or facilitating provision of chargepoint infrastructure. Some local authorities have already published strategies, such as Caerphilly County Borough Council's Electric Vehicle Strategy and Action Plan, and we would recommend drawing from these to produce the regional document. The working group should consider setting up sub-groups for specific vehicle types (cars, buses, taxis and car clubs).

7.1.2 *Develop a regional strategy*

Undertake a strategic appraisal of the fuels and technologies that Cardiff Capital Region should consider for all vehicle types, with indicative analysis and discussion of environmental performance, cost and implementation timelines. The proposed low emission vehicle strategy would complement existing strategies and policies to promote uptake and use of plug-in vehicles in South East Wales. The objectives should be to improve air quality, reduce carbon dioxide emissions, and encourage regional economic development. It would also form an evidence base that can be used to support local, national and European funding bids.

The strategy should be broader in scope than this Infrastructure Review, encompassing more vehicle types (such as vans and HGVs) and more fuel types, including gas and hydrogen. The primary outputs will be a low emission vehicle and fuels road transport strategy and recommendations on the implementation steps, timelines and benefits of the strategy.

This strategy should seek to develop scenarios for low emission vehicle uptake: low (business as usual), medium (in line with best practice), and high (exemplar region), and equivalent scenarios for likely recharging and refuelling requirements. It may then be possible to assess the potential impact on local economic growth, investment and employment.

7.1.3 *Coordinate funding bids*

The areas could benefit from the coordinated development of a funding plan for each of the metro sites in partnership with the local stakeholders, and coordination of funding applications. Some bids have already been submitted; for example, Caerphilly County Borough Council, Newport CBC and Cardiff City Council have submitted OLEV bids in conjunction with local bus operators. We are not aware of the extent to which these submissions were aligned, but it is likely that bids would be strengthened by referring to a coherent and strategic regional approach to plug-in vehicle uptake. Section 6 of this report identified several additional funding streams from which the 11 sites could potentially benefit. The working group should discuss the best way of securing funding and maximising its use.

7.1.4 Refine chargepoint cost estimates

The costs provided in Section 4 for chargepoint hardware, installation and DNO services are best estimates based on our experience of working with other local authorities. However, hardware costs vary for different chargepoint types and manufacturers, and installation and DNO costs are highly site specific. Cardiff Council, working with the other nine local authorities, should obtain quotes to refine these estimates.

The first step is to contact the local DNO, Western Power Distribution (WPD). It is vital to engage with the DNO as early as possible and work closely with them throughout the journey from initial strategy to chargepoint operation. For larger installations, DNO services will be the most expensive and time consuming part of the process.

Apply to WPD for an initial budget estimate, providing details of the location and the required power. An indicative location for installation will need to be supplied for each site. The DNO will use the cumulative maximum capacity of all the chargepoints to determine the total load and estimate costs for upgrades and connection. Any capacity identified is not reserved until a formal quotation is supplied. This should be requested once the type and number of chargepoints has been finalised and a provisional date set for network operation to start.

7.1.5 Select and implement a chargepoint operating model

Section 4.2.3 of this report sets out the various operating models available, with some benefits and drawbacks of each. Cardiff Capital Region should review these with respect to their own objectives and budgets and select the most appropriate approach. We recommend developing a bespoke cost tool to compare the various models and produce a cash flow based on inputted values. Scenarios and sensitivity analysis could then be used to show payback and risk under the different ownership models and to understand if scale plays a part in the appropriate ownership models.

The next step is to draw up a procurement strategy and contracting framework carry out market research into the hardware options and network services available. Cenex has substantial experience and industry contacts and can advise on this step.

The working group should support development of a procurement framework across all 11 local authorities which could be managed centrally by Cardiff Capital Region with engagement from National Procurement Service to support this approach. This approach has been successfully implemented by Nottingham City Council in conjunction with 15 other local authorities. Cenex may be able to facilitate sharing of best practice and lessons learned from this innovative scheme. Additionally, there is an opportunity to up-skill locally for the installation and management of charge point infrastructure as supported by the Valley's Task Force Regional skills partnerships.

7.1.1 Renewable and energy storage

Section 5 discussed the use of renewable (both on-site and linking to off-site) energy developments, battery storage and smart charging. Further exploration of the benefits of these technologies should be undertaken. The economic case for the technology will be greater where upgrade constraints exist and a higher level of PiV charging is expected. Following DNO feedback a more detailed feasibility study can be undertaken, looking at the most appropriate sites for technology integrations. The available mechanisms (physical or contractual) which can link into the planned public sector renewable energy developments should also be further explored.

7.1.2 Assess car club feasibility

The car club suitability assessments provided in Section 3.1.2 are based on incomplete information and should be treated as indicative at this stage. We recommend Cardiff Capital Region undertake feasibility studies to address these knowledge gaps. Cenex has developed a

bespoke car club feasibility methodology based on the Public Transport Accessibility Levels approach. Enterprise Car Club and E-Car Club both have bespoke software to help estimate demand and viability. Cenex would be pleased to make the relevant introductions and help Cardiff Capital Region scope and undertake a feasibility study, to include:

- An assessment of the local demographics and likely impact on car club feasibility.
- A preliminary cost model of a car club scheme.
- Quantification of the environmental benefits in terms of pollutant and CO₂ emissions.
- A bespoke assessment of the various car club operating models, with recommendations for the most appropriate for each site.
- Strategies to improve car club utilisation rates and therefore viability

7.1.3 Assess bus infrastructure requirements

Requirements for charging infrastructure for buses should be assessed on a regional, or at least route-specific basis, rather than working upwards from individual sites. This will involve reviewing available technology, determining which routes are good candidates for electrification, and deciding on an appropriate combination of at depot, wired rapid, and other opportunity charging technologies.

Feasibility work will be required to determine what charging requirements are appropriate at each site. The two main points to consider are route length and dwell time at each site, to estimate whether charging is required and feasible. A more detailed study, looking at bus provision and talking to bus operators, can then be undertaken to estimate the number and type of chargepoints required. This can in turn feed into bids to OLEV and the Welsh Government to support deployment of vehicles and infrastructure.

Where passive charging has been recommended, local authorities should consider this as part of ongoing or planned site developments. Providing electricity capacity and carrying out major cabling and groundworks will be more cost effective and less disruptive if carried out as part of a new development, rather than as a retrofit project in the future.

7.1.4 Refine taxi forecasts

Plug-in taxi uptake and infrastructure requirements need to be considered on a regional basis (rather than at individual metro site level). We recommend developing a taxi strategy for South East Wales, encompassing the 10 local authorities in scope of this original report. This would involve collating data to better understand the current taxi fleet and vehicle movements, estimating the potential for plug-in vehicle uptake, determining the level of chargepoint infrastructure required, and making recommendations for supporting policies and incentives.

A feasibility study should include the following:

- Fleet benchmarking and technology review.
- Driver survey and cost modelling.
- Licensing policy review.
- Infrastructure requirements review.

7.2 Conclusions

This report provides estimates for plug-in car uptake and demand for charging infrastructure at each site, and Cenex has a good degree of confidence in these figures. High level assessments of the potential for plug-in taxi, bus and car club fleets have also been put forward, with recommendations for refining these estimates.

The South East Wales region has a good opportunity to tackle multiple challenges including congestion, pollution and transport poverty, while also stimulating economic growth. A coordinated strategic approach, closer ways of working, and joint funding bids will be key to helping this region achieve its policy goals.

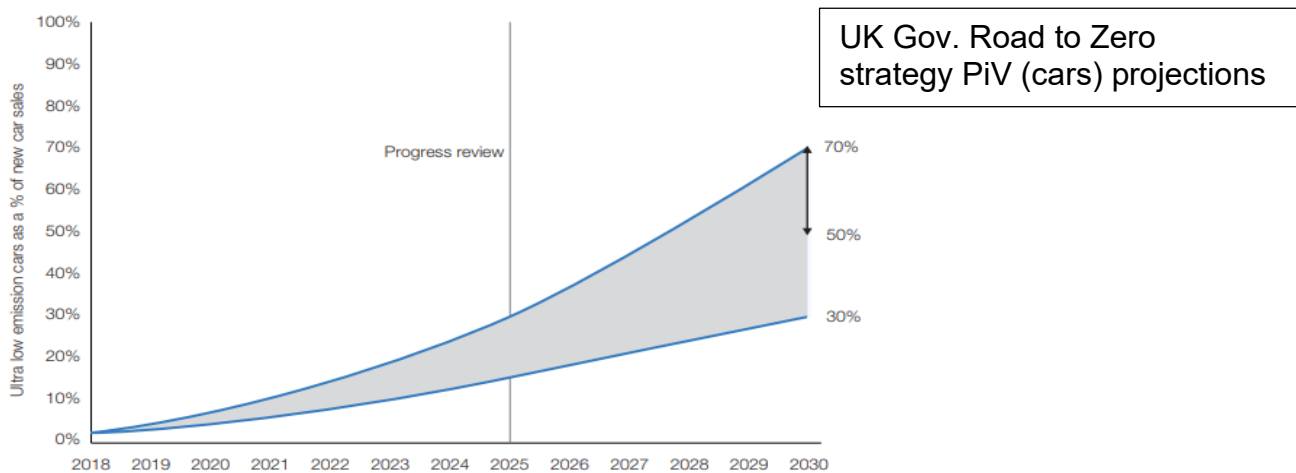
The local authorities involved should consider how to lead by example by focusing on their own transport needs and impacts. For example, reducing grey fleet use by switching to an electric pool car fleet can help create demand for charging infrastructure. Finally, we encourage Cardiff Capital Region to ensure it strikes the right balance between supporting plug-in vehicle uptake by private car owners and encouraging a shift to public transport and active travel. The additional benefits from improved public health and reduced congestion must be considered as part of the policy mix.

A. Appendix A: Methodologies

Establishing the number of PiVs in each local authority area

1. Establish the total number of cars registered in the UK, Wales, and at each Metro site local authorities per quarter since 2014 (from DfT- veh0105)
2. Establish the total number of PiV cars registered in the UK, Wales, and at each Metro site local authorities per quarter since 2014 (from DfT- veh0130/1)
3. Establish number of annual new vehicle registrations each year base on historic trends (from DfT – veh0150)
4. Establish PiV uptake scenarios to 2030
 - a. Low – exponential increase based on PiV historic vehicle registration trends
 - b. Medium – apply Road-to-Zero projections of % of new registrations being PiVs to 2030, which equates to 30% in 2030
 - c. High – apply Road-to-Zero projections of % of new registrations being PiVs to 2030, which equates to 70% in 2030

Figure 1: Illustrative ultra low emission car uptake trajectory as a percentage of new car sales



5. Using the High scenario (for the purpose of this study), calculate the % PiVs per year as % of UK cars.
6. Apply weighting to PiVs by each local authority (established in No.1 above), so that the same proportion of current UK PiVs is applied to future vehicle projections.

B. Appendix B: Cost tables

	Local Authority:	Bridgend		The Vale of Glamorgan		Cardiff		Rhondda Cynon Taf		Merthyr Tydfil		Merthyr Tydfil		Caerphilly		Blaenau Gwent		Torfaen		Monmouthshire		Newport		
	Site:	Pyle		Barry Docks		East Cardiff		Porth		Merthyr bus station		Pentrebach		Caerphilly		Ebbw Valley/ Abertillery		Pontypool/New Inn		Severn Tunnel Junction		Newport to Cardiff		
Charge point type	Cost per unit	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	
Dual ground mounted (7kW)	£5,000 per charger	1	£5,000	1	£5,000	3	£15,000	1	£5,000	1	£5,000	1	£5,000	2	£10,000	1	£5,000	1	£5,000	2	£10,000	1	£5,000	
Rapids (50kW) for cars	£30,000 per charger	2	£60,000	2	£60,000	5	£150,000	2	£60,000	1	£30,000	1	£30,000	3	£90,000	1	£30,000	1	£30,000	0	£0	2	£60,000	
Fast (22kW) for car clubs	£5,000 per charger	1	£5,000	1	£5,000	2	£10,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	2	£10,000	1	£5,000	
Rapids (50kW) for taxis	£30,000 per charger	1	£30,000	1	£30,000	5	£150,000	1	£30,000	0	£0	0	£0	1	£30,000	0	£0	0	£0	1	£30,000	2	£60,000	
Passive bays (50kW) for buses	£30,000 per charger	2	£60,000	5	£150,000	0	£0	2	£60,000	10	£300,000	3	£90,000	6	£180,000	2	£60,000	1	£30,000	2	£60,000	0	£0	
Installation (inc. rapids)																								
Excavations	£200 per meter	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	
Earthing	£400 per earth pit	8	£3,200	11	£4,400	18	£7,200	8	£3,200	14	£5,600	7	£2,800	15	£6,000	6	£2,400	5	£2,000	9	£3,600	7	£2,800	
Electrical cabling	£45 per meter	140	£6,300	200	£9,000	300	£13,500	140	£6,300	260	£11,700	120	£5,400	260	£11,700	100	£4,500	80	£3,600	140	£6,300	120	£5,400	
Signage	£75 per sign	8	£600	11	£825	18	£1,350	8	£600	14	£1,050	7	£525	15	£1,125	6	£450	5	£375	9	£675	7	£525	
Road markings	£125 per bay	8	£1,000	11	£1,375	18	£2,250	8	£1,000	14	£1,750	7	£875	15	£1,875	6	£750	5	£625	9	£1,125	7	£875	
Protective barriers	£250 per bay	8	£2,000	11	£2,750	18	£4,500	8	£2,000	14	£3,500	7	£1,750	15	£3,750	6	£1,500	5	£1,250	9	£2,250	7	£1,750	
DNO costs inc. rapids and passive																								
	Min	Max																						
Small (up to 70kVA)	£1,000	£3,000	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	
Medium (up to 1000kVA)	£4,500	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000
High (above 1000kVA)	£60,000	£200,000	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	
Costs for 7kW for cars only	Hardware costs:		£5,000		£5,000		£15,000		£5,000		£5,000		£5,000		£10,000		£5,000		£5,000		£10,000		£5,000	
	Installation costs:		£6,600		£6,600		£11,800		£6,600		£6,600		£6,600		£9,200		£6,600		£6,600		£9,200		£6,600	
	DNO costs:		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000	
	TOTAL COST:		£14,600		£14,600		£29,800		£14,600		£14,600		£14,600		£22,200		£14,600		£14,600		£22,200		£14,600	
Costs for 7kW for cars, 22kW for car clubs, 50kW for taxis and 50kW passive for buses	Hardware costs:		£160,000		£250,000		£325,000		£160,000		£340,000		£130,000		£315,000		£100,000		£70,000		£110,000		£130,000	
	Installation costs:		£17,100		£22,350		£32,800		£17,100		£27,600		£15,350		£28,450		£13,600		£11,850		£17,950		£15,350	
	DNO costs:		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000	
	TOTAL COST:		£252,100		£347,350		£432,800		£252,100		£442,600		£220,350		£418,450		£188,600		£156,850		£202,950		£220,350	
Peak power requirement (kW) inc. buses			286		436		586		286		586		236		550		186		136		222		236	
Power requirement for 7kW only			14		14		42		14		14		14		28		14		14		28		14	

Table 10. 2025 costs per targeted area of charge points and infrastructure.

Charge point type	Cost per unit	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost		
Dual ground mounted (7kW)	£5,000 per charger	2	£5,000	3	£5,000	10	£15,000	2	£5,000	2	£5,000	4	£10,000	2	£5,000	3	£5,000	4	£10,000	2	£5,000	2	£5,000				
Rapids (50kW) for cars	£30,000 per charger	2	£60,000	2	£60,000	5	£150,000	3	£60,000	2	£30,000	2	£30,000	6	£90,000	2	£30,000	4	£30,000	0	£0	2	£60,000				
Fast (22kW) for car clubs	£5,000 per charger	1	£5,000	1	£5,000	2	£10,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	2	£10,000	1	£5,000				
Rapids (50kW) for taxis	£30,000 per charger	3	£30,000	2	£30,000	14	£150,000	3	£30,000	1	£0	1	£0	3	£30,000	1	£0	1	£0	1	£30,000	6	£60,000				
Active bays (50kW) for buses	£30,000 per charger	2	£60,000	5	£150,000	0	£0	2	£60,000	10	£300,000	3	£90,000	6	£180,000	2	£60,000	1	£30,000	2	£60,000	0	£0				
Passive bays (50kW) for buses	£0 per charger	2	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	2	£0	1	£0	2	£0	0	£0				
Installation (inc. rapids)																											
Excavations	£200 per meter	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000
Earthing	£400 per earth pit	14	£5,600	16	£6,400	41	£16,400	13	£5,200	18	£7,200	11	£4,400	24	£9,600	12	£4,800	14	£5,600	15	£6,000	13	£5,200				
Electrical cabling	£45 per meter	240	£10,800	260	£11,700	620	£27,900	220	£9,900	320	£14,400	180	£8,100	400	£18,000	200	£9,000	220	£9,900	220	£9,900	220	£9,900	220	£9,900	220	£9,900
Signage	£75 per sign	14	£600	16	£825	41	£1,350	13	£600	18	£1,050	11	£525	24	£1,125	12	£450	14	£375	15	£675	13	£525				
Road markings	£125 per bay	14	£1,000	16	£1,375	41	£2,250	13	£1,000	18	£1,750	11	£875	24	£1,875	12	£750	14	£625	15	£1,125	13	£875				
Protective barriers	£250 per bay	14	£2,000	16	£2,750	41	£4,500	13	£2,000	18	£3,500	11	£1,750	24	£3,750	12	£1,500	14	£1,250	15	£2,250	13	£1,750				
DNO costs inc. rapids and passive																											
	Min	Max																									
Small (up to 70kVA)	£1,000	£3,000	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	
Medium (up to 1000kVA)	£4,500	£75,000	1	£75,000	1	£75,000	0	£0	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	
High (above 1000kVA)	£60,000	£200,000	0	£0	0	£0	1	£200,000	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	
Costs for 7kW for cars only	Hardware costs:		£5,000		£5,000		£15,000		£5,000		£5,000		£5,000		£10,000		£5,000		£5,000		£10,000		£5,000		£5,000		
	Installation costs:		£8,300		£10,000		£23,700		£8,300		£8,300		£9,200		£12,600		£8,300		£10,000		£12,600		£8,300		£8,300		
	DNO costs:		£3,000		£3,000		£75,000		£3,000		£3,000		£75,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		
	TOTAL COST:		£16,300		£18,000		£113,700		£16,300		£16,300		£17,200		£25,600		£16,300		£18,000		£25,600		£16,300		£16,300		
Costs for 7kW for cars, 22kW for car clubs, 50kW for taxis and buses, plus additional passive for buses	Hardware costs:		£160,000		£250,000		£325,000		£160,000		£340,000		£130,000		£315,000		£100,000		£70,000		£110,000		£130,000		£130,000		
	Installation costs:		£24,000		£27,050		£56,400		£22,700		£31,900		£19,650		£38,350		£20,500		£21,750		£23,950		£22,250		£22,250		
	DNO costs:		£75,000		£75,000		£200,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		
	TOTAL COST:		£259,000		£352,050		£581,400		£257,700		£446,900		£224,650		£428,350		£195,500		£166,750		£208,950		£227,250		£227,250		
Peak power requirement (kW) inc. active and passive for buses			500		514		1134		450		700		350		828		400		414		350		450		450		
Power requirement for 7kW only			28		42		140		28		28		28		56		28		42		56		28		28		

Table 11. 2025 costs per targeted area of charge points and infrastructure. Also includes additional passive costs for 2030 chargepoints. The additional values (+nP) represent the additional passive infrastructure prepared for each charge point as expressed in additional installation costs (earthing, cabling).

	Local Authority:		Bridgend		The Vale of Glamorgan		Cardiff		Rhondda Cynon Taf		Merthyr Tydfil		Merthy Tydfil		Caerphilly		Blaenau Gwent		Torfaen		Monmouthshire		Newport			
	Site:	Pyle	Barry Docks	East Cardiff	Porth	Merthyr bus station	Pentrebach	Caerphilly	Ebbw Valley/ Abertillery	Pontypool/New Inn	Severn Tunnel Junction	Newport to Cardiff														
Charge point type	Cost per unit	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	No. units	Cost	
Dual ground mounted (7kW)	£5,000 per charger	2	£10,000	3	£15,000	10	£50,000	2	£10,000	2	£10,000	2	£10,000	4	£20,000	1.5	£7,500	3	£15,000	4	£20,000	2	£10,000	2	£10,000	
Rapids (50kW) for cars	£30,000 per charger	2	£60,000	2	£60,000	5	£150,000	3	£90,000	2	£60,000	2	£60,000	6	£180,000	2	£60,000	4	£120,000	0	£0	2	£60,000	2	£60,000	
Fast (22kW) for car clubs	£5,000 per charger	1	£5,000	1	£5,000	2	£10,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	1	£5,000	2	£10,000	2	£10,000	1	£5,000	
Rapids (50kW) for taxis	£30,000 per charger	3	£90,000	2	£60,000	14	£420,000	3	£90,000	1	£30,000	1	£30,000	3	£90,000	1	£30,000	1	£30,000	1	£30,000	1	£30,000	6	£180,000	
Active bays (50kW) for buses	£30,000 per charger	2	£60,000	5	£150,000	0	£0	2	£60,000	10	£300,000	3	£90,000	6	£180,000	2	£60,000	1	£30,000	2	£60,000	0	£0	0	£0	
Passive bays (50kW) for buses	£0 per charger	2	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	2	£0	1	£0	2	£0	0	£0	0	£0	
Installation (inc. rapids)																										
Excavations	£200 per meter	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	20	£4,000	
Earthing	£400 per earth pit	14	£5,600	16	£6,400	41	£16,400	13	£5,200	18	£7,200	11	£4,400	24	£9,600	11	£4,400	14	£5,600	15	£6,000	13	£5,200	13	£5,200	
Electrical cabling	£45 per meter	240	£10,800	260	£11,700	620	£27,900	220	£9,900	320	£14,400	180	£8,100	400	£18,000	190	£8,550	220	£9,900	220	£9,900	220	£9,900	220	£9,900	
Signage	£75 per sign	14	£1,050	16	£1,200	41	£3,075	13	£975	18	£1,350	11	£825	24	£1,800	11	£825	14	£1,050	15	£1,125	13	£975	13	£975	
Road markings	£125 per bay	14	£1,750	16	£2,000	41	£5,125	13	£1,625	18	£2,250	11	£1,375	24	£3,000	11	£1,375	14	£1,750	15	£1,875	13	£1,625	13	£1,625	
Protective barriers	£250 per bay	14	£3,500	16	£4,000	41	£10,250	13	£3,250	18	£4,500	11	£2,750	24	£6,000	11	£2,750	14	£3,500	15	£3,750	13	£3,250	13	£3,250	
DNO costs inc. rapids and passive																										
	Min	Max																								
Small (up to 70kVA)	£1,000	£3,000	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	
Medium (up to 1000kVA)	£4,500	£75,000	1	£75,000	1	£75,000	0	£0	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000	1	£75,000
High (above 1000kVA)	£60,000	£200,000	0	£0	0	£0	1	£200,000	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0	0	£0
Costs for 7kW for cars only	Hardware costs:		£10,000		£15,000		£50,000		£10,000		£10,000		£10,000		£20,000		£7,500		£15,000		£20,000		£10,000		£10,000	
	Installation costs:		£9,200		£11,800		£30,000		£9,200		£9,200		£9,200		£14,400		£7,900		£11,800		£14,400		£9,200		£9,200	
	DNO costs:		£3,000		£3,000		£75,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000		£3,000	
	TOTAL COST:		£22,200		£29,800		£155,000		£22,200		£22,200		£22,200		£37,400		£18,400		£29,800		£37,400		£22,200		£22,200	
Costs for 7kW for cars, 22kW for car clubs, 50kW for taxis and buses, plus additional passive for buses	Hardware costs:		£225,000		£290,000		£630,000		£255,000		£405,000		£195,000		£475,000		£162,500		£200,000		£120,000		£255,000		£255,000	
	Installation costs:		£26,700		£29,300		£66,750		£24,950		£33,700		£21,450		£42,400		£21,900		£25,800		£26,650		£24,950		£24,950	
	DNO costs:		£75,000		£75,000		£200,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000		£75,000	
	TOTAL COST:		£326,700		£394,300		£896,750		£354,950		£513,700		£291,450		£592,400		£259,400		£300,800		£221,650		£354,950		£354,950	
Peak power requirement (kW) inc. active and passive for buses			500		514		1134		450		700		350		828		393		414		350		450		450	
Power requirement for 7kW only			28		42		140		28		28		28		56		21		42		56		28		28	

Table 12. 2030 cost per targeted area of charge points & infrastructure.

C. Appendix C: Local policy and funding

1. Welsh Government Policy & Strategy

Document Reference	Purpose	Reference to supporting zero emissions transport
Welsh Transport Appraisal (WeITAG) guidance used to assess applications to the Local Transport Capital Grants 2018-19	WeITAG should be used in the development and appraisal of transport proposals promoted or funded by Welsh Government	WFGA guidance provided to support project appraisal, also requirement to reference active travel plan and the environment act re carbon emissions. No specific mention of ZE capability. Essentially a 5 case business model.
Environment (Wales) Act 2016 PART 2 Climate Change	The purpose of Part 2 is to require Welsh Ministers to meet targets for reducing emissions of greenhouse gases from Wales. The achievement of this aim is set out in 'Achieving our Low Carbon Pathway to 2030' Strategy document.	Emissions of GHG from sources in Wales. Hopefully Welsh Government Transport Policy Leads can provide more detail on how the transport emission reductions set out in the strategy will be supported by policy.
Achieving our Low Carbon Pathway to 2030 (2018) consultation has recently closed.	This strategy sets out target for achieving decarbonisation and covers Transport. The report makes recommendations for decarbonisation including provision of infrastructure. In relation to Transport, 14% of Welsh emissions are from transport (significantly less than the UK average at 33%)	Proposed actions to 2030 include; Develop a charging network that encourages early take-up of electric vehicles (EVs) and explore the merits of other measures, including access to bus lanes and free municipal parking; Reduce the carbon footprint of taxis and buses to zero within 10 years to achieve the aim in the Economic Action Plan (from 2017);

Prosperity for All: Welsh Government Economic Action Plan	Includes ambition to 'Drive sustainable growth and combat climate change' and 'Deliver Modern and Connected Infrastructure'.	The document sets out what Welsh Government is seeking to achieve including; We will build a connected infrastructure that supports growth and investment. Our roads, railways, ports, airports, energy infrastructure and digital networks form the arteries that enable our economy to function. Fit for purpose and resilient energy networks will be essential for accommodating the future growth expected in take up of electric vehicles as well as respond to wider changes in the energy system. <i>We will decarbonise our transport networks and improve the air quality of the communities they serve. To support this, we will introduce a range of measures whose aim is that all taxis and buses in Wales will have a zero carbon footprint within 10 years.</i>
Well Being of Future Generations Act (2015)	The Well-being of Future Generations (Wales) Act 2015 sets the framework for the Welsh Government's approach to sustainability and how this will improve the social, economic, environmental and cultural well-being of Wales. The aim of the Act and its local interpretation will be to create an environment that is sustainable both now and into the future.	The WFGA Commissioner recently released a report challenging the proposed £1.4bn investment in the proposed M4 relief road, planned to ease congestion on the M4 at Newport tunnels. The report 'Transport Fit for Future Generations' sets out proposals for an alternative sustainable transport strategy. We set out 3 case study ideas of public transport schemes to complement the South Wales Metro at a cost of approximately £460m. This could be complemented by additional active travel measures (in the 3 local authorities) at a cost of £118m. The total cost of our package would be approximately £578m, delivering an integrated system of public transport and active travel infrastructure to complement the planned Metro phases 2 and 3, at a fraction of the proposed £1.4bn investment on the Black Route.
National Assembly has consulted on EV charging in Wales (2018)	To understand the gaps in EV infrastructure and progress against the recommendations in the low carbon vehicle report (Sept 2015)	Useful responses so far including WPD with estimates of EV uptake in South Wales for reference. http://www.senedd.assembly.wales/mglIssueHistoryHome.aspx?Ild=22874
Low carbon vehicle report (Sept 2015)	The Group's remit is to provide the Minister with advice and recommendations on the development of the LCV sector in Wales to maximise the sector's opportunities for growth and jobs and to support social and environmental benefits.	Includes recommendations on improving infrastructure (that haven't been delivered). https://gov.wales/docs/det/publications/160322-lcv-steering-group-report.pdf

Active Travel (Wales) Act 2013	With the Active Travel (Wales) Act 2013, we have set Wales on a path to help transform our country into an 'active travel nation'. Focuses on increasing walking and cycling as modes of transport and requires consideration within LDP's of active travel options.	Link to accessing the transport hubs and a more integrated transport system. https://beta.gov.wales/sites/default/files/publications/2017-09/active-travel-action-plan.pdf
National Transport Finance Plan 2017 Update	Sets out in detail how WG propose to deliver the outcomes set out in the Wales Transport Strategy from 2015 and beyond. The Plan includes all transport interventions financed by the Welsh Government. No mention of ZE transport.	References air quality management areas and 'Measures to reduce our energy consumption such as low energy lighting and innovative techniques to manage the network will be rolled out where specific business cases allow'
Integrated Transport in Wales report 2013	Focus on integration of transport to facilitate an end to end journey	Relevant to the ZE as the hubs should cater for the integration of all transport solutions (focus in the report on public transport bus and rail links)
The Wales Transport Strategy (2008)	References climate change and environmental benefits but seems out of date now.	
The Air Quality Standards (Wales) Regulations 2010:	These regulations bring into the law in Wales the limits set out in European Union Directives on Air Quality. The regulations require that Welsh Ministers divide Wales into air quality zones.	Requires action to improve air quality standards.
Air Quality Strategy 2007	The UK Government and Devolved Administrations have to produce a national ambient air quality strategy containing objectives and standards for improving air quality.	

Local Air Quality Management (LAQM)	Local Authorities must carry out regular reviews and assessments of air quality in their area against standards and objectives. Where these standards and objectives are unlikely to be met authorities must: designate air quality management areas (AQMAs); and prepare and implement remedial action plans.	With the scope of the Metro, Air Quality Management Areas have been identified in; Caerphilly town centre, Cardiff (x 4 areas including city centre and key arterial roads), Newport (x14 but George street nearest to the route of the new bus route), RCT (x14 nearest is Cymmer, adjacent to Porth) https://airquality.gov.wales/laqm/air-quality-management-areas
Our Valleys, Our Future delivery plan	The Valley's Task Force is an arm's length body to Welsh Government (it's not a separate organisation) that is made up of Valley's stakeholders that inform Welsh Government policy and will work with existing programmes and partners to deliver objectives. Its delivery plan includes 7 strategic sites, some of which include the Metro sites (Merthyr and Caerphilly).	P.29 list of key milestones NB Regional skills partnerships - opportunity to up-skill local people re installation of EV and infrastructure associated with the hub upgrades. https://gov.wales/docs/dsjlg/publications/comm/171107-our-valleys-our-future-delivery-planv3-en.pdf
Wales Infrastructure Investment Plan – Project Pipeline Update 2018	Include allocated funding £738m for delivery South Wales Integrated Transport – Metro (This include funding for the newly established Transport for Wales).	

2. Local Policy and Strategy

Local Authority Area & Related Hub	Any adopted Strategies or work to date?	Planning policy requirements to support delivery of Zero Emission Transport and Infrastructure
Blaenau Gwent: Ebbw Valley Line/Abertillery Spur and Interchange	South East Wales Valleys Local Transport Plan (Jan 2015)	Objectives of the local transport plan; No. 8 To achieve a modal shift towards more sustainable forms of transport for moving people and freight. 9. To reduce significantly carbon emissions from transport. Lists out issues, opportunities and interventions across the SE region - key schemes. No mention of zero emissions. NB: These plans are expected to be updated every 3-5 years.
	BG LDP 2012 - 2021	No mention or consideration to ZE in the current plan
Caerphilly: Caerphilly Town Centre	South East Wales Valleys Local Transport Plan (Jan 2015)	As above
	Electric Vehicle Strategy and Action Plan (Sept 2018)	Vision: Introduce an electric vehicle infrastructure across Caerphilly county borough, to maximise the economic, social and environmental benefits and opportunities that the electric vehicle agenda will provide.
RCT: Porth	South East Wales Valleys Local Transport Plan (Jan 2015)	As above
	RCT LDP (2006 - March 2021)	No mention or consideration to ZE in the current plan
	Porth Town Centre Strategy	Sets out ambition to develop Porth as a strategic transport hub. No mention of ZE transport or infrastructure.
Merthyr: Merthyr Bus Station	South East Wales Valleys Local Transport Plan (Jan 2015)	As above
Torfaen: Pontypool and New Inn	South East Wales Valleys Local Transport Plan (Jan 2015)	As above

Vale of Glamorgan: Barry Docks	Local Transport Plan 2015-2030	This Local Transport Plan (LTP) seeks to identify the sustainable transport measures required to ensure the Vale of Glamorgan Council adheres to current requirements and good practices to allow for a sustainable transport environment for the period 2015 to 2020 as well as looking forward to 2030. No mention of ZE (although includes air quality and active travel)
Bridgend: Pyle	Local Transport Plan 2015-2031	However, the Local Development Plan does not contain all the transport measures that address local transport issues in the County Borough. Instead, it addresses transport schemes that are of a strategic nature and which are necessitated by land-use developments' Also no mention of ZE in the plan.
Monmouthshire: Severn Tunnel Junction	Monmouthshire local transport plan	No mention of ZE in the plan. NB all plans set out the same objectives around "To achieve a modal shift towards more sustainable forms of transport for moving people and freight. 9. To reduce significantly carbon emissions from transport" but the focus is on active travel rather than a shift towards ZE.
Newport: Newport to Cardiff	Newport City Council Local Transport plan (2015-2020)	No mention of ZE in the plan although recognition of changing working patterns (for example)
Cardiff: East Cardiff	Cardiff Transport Strategy 2017	Our transport strategy is underpinned by two main plans – the Local Development Plan (LDP) and Local Transport Plan (LTP) – which are also the main tools for securing the transport improvements needed to help Cardiff grow and become a truly liveable city. Focus is on moving around the city sustainably (walking, cycling and public transport) rather than ZE. 'Investigate green buses' is the most related statement.
	Local Transport plan 2015-2020	No mention of ZE
	Low Emission Transport: A Strategy for Cleaner, Greener Transportation Fuels. Approved April 2018	Sets out targets for facilitating and speeding up a pathway to zero emission transport including fleet, infrastructure, renewable technologies, procurement, local partners, city growth (an ensuring new infrastructure is fit for purpose) and supporting innovation.

3. Potential Funding Opportunities by Local Authority

	Local Authority Area	Related Hub	Funding Options											
			City Deal Capital Finance (£3m per scheme)	Local Transport Fund (Usually capped at around £1.5m per scheme)	Targeted Regeneration Funding (£100m 70% fund)	Building for the Future (EU funded) running to 2023 (£120m) Town Centre Regen	Infrastructure Investment Plan	Transport for Wales P&R	£2m WG Electric Vehicle Fund	OLEV	SALIX	PWLB	Own Capital Reserves	Innovate UK
1	Blaenau Gwent	Ebbw Valley Line/Abertillery Spur and Interchange	✓	✓	✓	✓		✓	To be determined	✓	To be determined	✓	Unknown	To be determined
2	Caerphilly	Caerphilly	✓	✓	✓	✓		✓		✓		✓	Unknown	
3	RCT	Porth	✓	✓	✓	✓		✓		✓		✓	✓	
4	Vale of Glamorgan	Barry Docks	✓	✓	✓	✓		✓		✓		✓	Unknown	
5	Merthyr	Merthyr Bus Station	✓	✓	✓	✓	✓ (?)			✓		✓	No	
6	Bridgend	Pyle	✓	✓	✓	✓		✓		✓		✓	Unknown	
7	Monmouthshire	Severn Tunnel Junction	✓	✓				✓		✓		✓	Unknown	
8	Torfaen	Pontypool and New Inn	✓	✓				✓		✓		✓	Unknown	
9	Newport	Newport to Cardiff	✓	✓						✓		✓	Unknown	
10	Cardiff	East Cardiff	✓	✓			✓			✓		✓	Unknown	



Independent, not-for-profit, low carbon
vehicle technology experts



Research



Programme Development



Consultancy



Low Carbon Vehicle Event

Cenex
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Local Scheme Summary

Interchanges

EVR/ Abertillery Spur – Estimated Cost £12m - Blaenau Gwent Council

The Abertillery Spur & Interchange proposal is seeking to create a 3-4 mile link from Abertillery to Ebbw Valley at Aberbeeg, including a park & ride for 100 vehicles. The current Ebbw Valley Railway service is 1tph and the Transport Minister announced that a 2nd train service per hour will be introduced by 2021 to Newport.

Work is ongoing to review and revisit previous proposals that included a Heavy Rail to Abertillery option, through identifying current transport issues from Abertillery. This will include consideration of a range of options such as light rail or guided bus.

Electric charging points will be included within any future proposal implemented.

Caerphilly – Estimated Cost £4-5m - Caerphilly CBC

Funding has recently been awarded from Targeted Regeneration Investment Fund (TRI) to develop a proposal to implement seamless interchange between rail and bus, including high quality passenger facilities, electronic information, increased capacity from existing 280 park and ride spaces, and Electric Vehicles (EV) charging for bus and private car. Wider goals will be sought, such as tying into business development, green hub for technology etc.

Porth – Estimated Cost £4-5m - RCTCBC

Transport interchange between bus and rail services within Porth is poor. The current on street set up, with its three main bus stops being 450 metres apart and removed from the railway station, prevents a seamless transition for those who use the buses and trains for onward journeys. There is no rail link to many of the surrounding communities, such as the Rhondda Fach, Trebanog, Tonyrefail and Gilfach Goch, and interchange at Porth is vital to allow commutable journeys, particularly to Pontypridd and Cardiff in the south to be made by public transport. The vision is to transform Porth into a prosperous and attractive town, which offers a wide range of opportunities for visitors, residents and businesses, with improved connectivity to and from the surrounding areas being anchored by a Transport Hub and a regenerated “Station Quarter”. A site has been identified that has the potential for this Transport Hub, which will house a seven bay bus interchange, taxi rank and cycle racks, and have direct, adjacent, access to the station platforms and the Park and Ride. Electric charging points will be included within future proposal implemented.

Barry Docks – Estimated Cost £3-4m - VOGC

The VoG has identified a bus interchange for Barry Docks to include rail, Park and Ride, active travel, bus and taxi. The rail, Park and Ride and some active travel have already been provided and the bus and taxi need to be addressed to ensure a seamless interchange. The Council has also identified the area between the Docks Office and the Gladstone Bridge to be in desperate need of regeneration. The Transport Minister announced at the Cardiff Airport Masterplan launch that Barry is in need of bus interchange to feed into the airport and that TfW would be seeking to provide this. There are various options, and discussions have been ongoing with the predominant bus operator and the VoG to identify a suitable location. Feasibility and optioneering are ongoing to consider land suitability. It is anticipated that the bus

interchange would include 4- 5 bus bays, have provision for taxis and extend the existing Park and Ride site which is at / overcapacity. The new rail franchise includes additional rail capacity on the line and currently all Park and Ride sites are at or over capacity within Barry. There is a regeneration intention to include a mixed use provision between the two locations identified along the rail corridor and a TRI bid has been submitted for this provision. A North – South Barry bus provision to link with the railway could reduce the congestion both on the Port Road / Culverhouse Cross corridor and the Dinas Powys corridor. Electric charging points will be included within any future proposal implemented.

Park & Ride

Pentrebach Station – £4-5m – Merthyr CBC

The focus at Pentrebach is the regeneration of a significant brownfield site in Merthyr Tydfil that has been largely vacant for nearly 10 years. The South Wales Metro, with high frequency light rail connections, will be the catalyst for the development of a sustainable, mixed use, neighbourhood in which new businesses, homes, shops and parkland will flourish in a riverside environment with excellent links to the green hillsides, the Taff & Trevithick trails and the amenities of Merthyr Tydfil Town Centre. Redevelopment of the area has the potential to maximise opportunities provided from planned transport infrastructure investment (increases in service capacity, Pentrebach station and park and ride improvements and a potential future new metro station) and to support 440 homes and employment land. The regeneration of the area would provide approximately 20% of the identified housing requirement over the LDP Plan period as well as new employment and local retail provision. The site also provides significant opportunities to provide improved open space and green infrastructure along the River Taf corridor.

The Hoover Strategic Regeneration Area is identified to facilitate a major mixed-use development comprising of 440 new homes, local convenience retail provision of 409 sqm, new employment development on 6.5 hectares of land, Pentrebach Station Park and Ride, provision of a new footbridge to Abercanaid; and safeguarded land for a new Metro station.

Development at the 'Hoover Strategic Regeneration Area' will be informed by the development of a master plan. The Council has worked with Welsh Government and Transport for Wales to prepare a draft Framework Masterplan (June 2018) for the area. This has been informed by providing a layout that indicates densities of between 30 to 45 dwellings per hectare. It has also identified 6.5 hectares of vacant and underused land for new employment use at the Willows/Abercanaid Industrial Estate. The Framework Master plan also seeks to reflect sustainable placemaking principles and reflect the legacy of the Hoover Factory site.

Pyle – Estimated Cost £3m - Bridgend CBC

This proposal includes the implementation of a Park and Ride facility as part of the development of an integrated transport hub that serves the local community of Pyle and the nearby settlements of Porthcawl, Kenfig Hill, Cefn Cribwr and Cornelly. Due to the station's proximity to the town of Porthcawl, it is ideally placed to provide access to the South East Wales Metro network for the existing residents, and those that will be attracted due to the planned regeneration proposals within the town. The existing 23-space car park at Pyle, including 2 disabled bays, are located on the westbound side of the railway with an informal parking area available on the

eastbound side which serves Pyle RFC. An initial business case assessment was undertaken in 2013 which suggested that the formal car park was operating over capacity, and that a minimum of 75 additional spaces be considered as part of the development of any future proposals. The most recent figures for Pyle station usage from 2016/17 show that 118,910 journeys were made from the station, an increase of 35% from the levels recorded in 2011/12. The scheme will therefore include the design and delivery of an additional Park and Ride facility that can cater for current demand and future growth based on an updated business case. The proposal will also include appropriate Active Travel connections to maximise accessibility of the station for local residents, and will improve links to the nearby Village Farm Industrial Estate which is located 500m east of the station. The enhanced Park and Ride facilities will also give full consideration to the inclusion of EV charging points, and the provision of additional cycle parking facilities where deemed appropriate.

Severn Tunnel Junction – Estimated Cost £4-5m - Monmouthshire CC

The scheme proposes to provide an additional 150-200 space car park on the south side of Severn Tunnel Junction station. There is currently a substantial shortfall of spaces, which creates problems within the existing car park and nearby streets. The scheme will enable reconfiguration of the existing (north-side) station car park including more than 40 additional bike & ride spaces, safer walking & cycling access, a revamped bus-rail interchange, EV charging spaces and potentially an improved station building (with ticket office, café, shop, WC).

Pontypool and New Inn Station – Estimated Cost £3-4m - Torfaen CBC

Opportunity to provide at least 200 spaces including EV charging. The aim of the scheme is to break the current cycle of poor facilities/services by providing an interchange provision so that the station acts as a key hub for regional travel for the area. The proposed enhancements at Pontypool and New Inn Rail Station includes a new Park and Ride which will be accessed from the A4042 trunk road, DDA compliant platform access and improved station facilities including cycling facilities. The station is a potential interchange point with passengers from the 'Eastern Valley' including Blaenavon, Abersychan, Pontypool, New Inn, and also for Usk and the West of Monmouthshire. This station will support the nearby proposed Mamhilad development with a current allocation of 1,800 dwellings. The station has to date benefited from WG investment for both physical improvements and design and development works for the creation of a strategic park and ride served off the A4042(T) with associated accessibility improvements. The former has consisted of the improvement of parking, pedestrian and cycling facilities and included the provision of a bus stop and turning area to accommodate any future interchange facilities. Allied to this work, Active Travel improvements have been undertaken to better connect the station to the surrounding area and facilities.

Bus Priority

Newport to Cardiff - £3m - Newport CC

The Newport to Cardiff Bus Corridor links a number of significant trip attractors in the Cardiff Capital Region, including: Cardiff City Centre, Newport Road Retail Park, St Mellons Business park, Cleppa Park/IQE Semi-conductor plant, Office of National Statistics / Patent Office, Royal Gwent Hospital, Newport City Centre and Wales International Conference Centre.

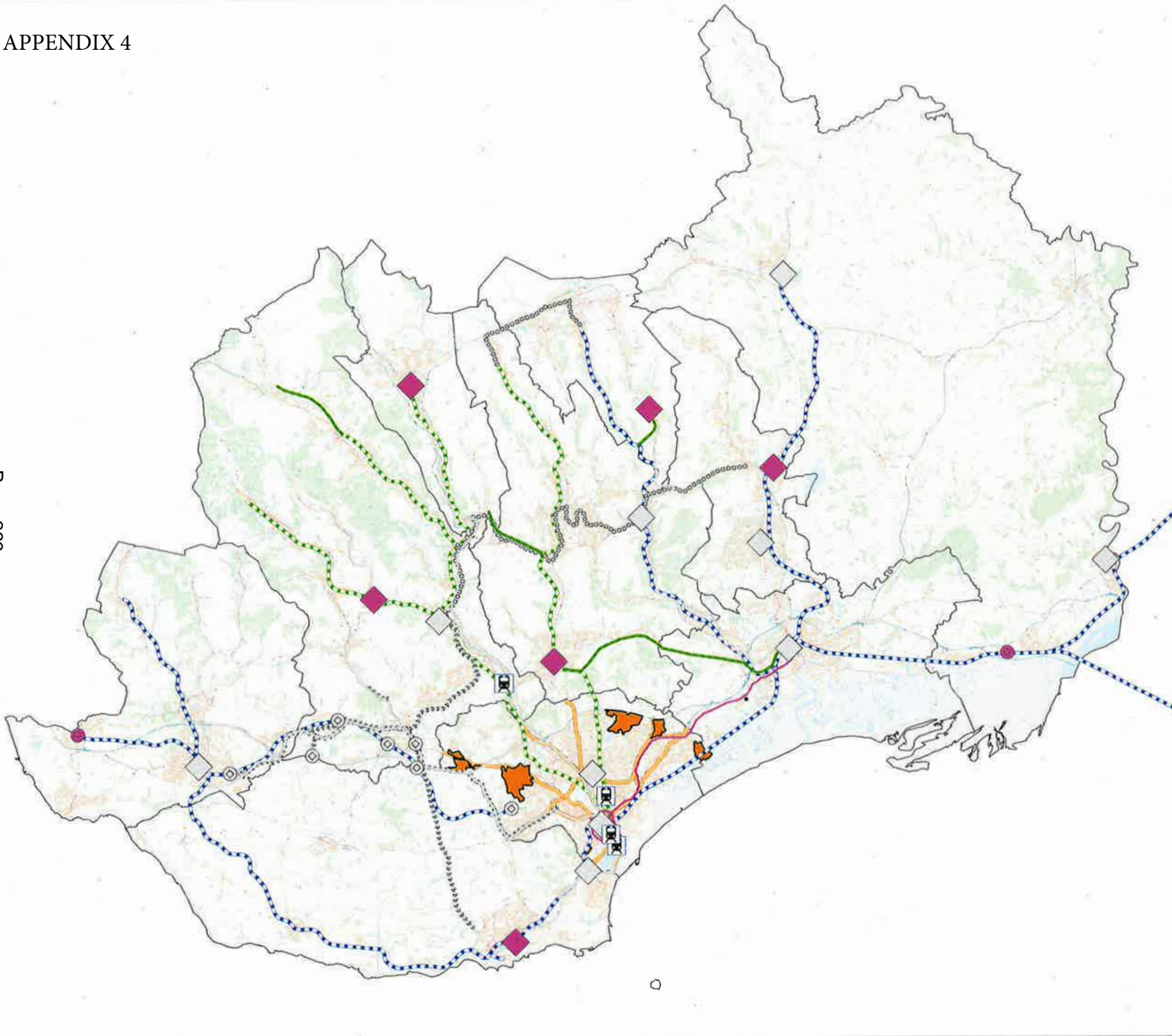
Services on this corridor suffer from extended journey times (current schedules indicating a time of circa 1 hour to undertake the 15-mile journey), with operators confirming services are subject to considerable journey time variability. There is also a lack of consistency in roadside infrastructure, which does not present a coherent offer to potential users. It is proposed that an improvement package is developed to address these issues to provide a high-quality public transport link that showcases bus travel in the region. This will include consistent, high-quality roadside infrastructure to promote and facilitate increased bus use, improved journey time and consistency resulting in reduced generalised journey times for users and operational efficiencies. The scheme will also provide the foundation to introduce a Park and Ride facility to the East of Newport and could be operated by vehicles using more environmentally sustainable forms of propulsion, including charging for electric vehicles.

East Cardiff – Estimated Cost £5-6m - Cardiff CC

The City Centre East project will incorporate a series of sustainable and active travel packages that will enable improved bus connections in Cardiff City Centre, improved active travel infrastructure and pedestrian safety improvements. The infrastructure improvements will benefit local and regional transport through providing improved sustainable connections to key transport hubs, employment zones and visitor destinations. Improvements include new bus priority measures to:

- Connect local and regional buses through the east and south of the city to the Enterprise Zone, Queen Street Station, Retail Quarter (St David's Shopping Centre), Central Square, The Transport Interchange, Central Quay and Cardiff Bay;
- Bus priority measures that will allow buses to service the Transport Interchange on major event days;
- Installation of Central Cycle Superhighway Section that will connect and link all 4 superhighways to the city centre;
- Pedestrian Crossing and Public Realm Improvements on/to Dumfries Place, Station Terrace, Queen St Station and Stuttgart Strasse;
- 20mph Zone and traffic calming measures;
- Air Quality Improvements (outside of Queen Street Station);
- Cycle Parking and Next Bike; and
- Charging Points.

Cardiff Capital Region City Deal



- ★ IQE Centre
- Strategic_Development_Sites
- BRT**
- Pontypridd, Abertillery, Ystrad Mynach, Blackwood, Newbridge, Pontypridd
- Rhyimney to Ebbw Vale via A465
- 🚉 New Train Stations
- Potential Rail Extensions
- Schemes**
- ⊙ Corner Park Garage J1
- ⊙ J34 Parkway Station
- ⊙ J34A
- ⊙ Park and Ride Llanharan
- ⊙ Park and Ride Pontyclun
- ⊙ Rail Station Brackla
- ⊙ St Fagans New Station
- Severn Tunnel Junction
- Park and Ride Pyle
- Bus Priority**
- A470 Merthyr-Pontypridd-Cardiff
- Abertillery - Blackwood - Newport
- Barry - Cardiff via Barrage
- Cardiff - Newport (A48) - Malpas Main Corridor
- Dinas Powys - Cardiff
- M4 Junction 36
- Newport City Centre - Old Green Central Bus Circular
- Tonyrefail - Llanharan - Cardiff
- Schemes**
- ▶▶▶ Bus Lane J34 - Corner Park
- ▶▶▶ Bus Priority A473 Talbot Green - Bridgend
- ▶▶▶ Bus Priority Talbot Green to Pontypridd
- ▶▶▶ By-pass to new Park and Ride J34
- ▶▶▶ Castle Mynach J.1 Increase Capacity
- ▶▶▶ Five Mile Lane
- ▶▶▶ J34 - A48
- ▶▶▶ Llanharan By-Pass
- ▶▶▶ Llanharan By-Pass to J34A
- ▶▶▶ New Rail Link for Light Rail or Bus Rapid Transit
- ▶▶▶ Option for Tidal Lane A4119
- ▶▶▶ Road Link Corner Park A4119
- ▶▶▶ Stinkpot Hill Dualling
- ▶▶▶ Western Cardiff Bus Corridor
- Rail**
- Diesel
- Electric
- Cardiff Bus Routes
- Interchanges**
- ◇ Cwmbran
- ◇ Heath Hospital
- ◇ Merthyr
- ◇ Newbridge
- ◇ Newport
- ◇ Pontypool and New Inn
- ◇ Pontypridd
- ◇ Porth
- ◇ Abergavenny
- ◇ Abertillery
- ◇ Barry Docks
- ◇ Bridgend
- ◇ Caerphilly
- ◇ Cardiff
- ◇ Chepstow
- ◇ Cogan

Future Generations Assessment

<p>Name of the Officer completing the evaluation:</p> <p>Clare Cameron</p> <p>Phone no: 07976 708539 E-mail: clare.cameron@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Setting out substantive performance and progress against the Metro Plus (Wave 1) Programme of Local Future Mobility Schemes</p>
<p>Proposal: Quarter 1 Performance</p>	<p>Date Future Generations Evaluation form completed: 25 Jan 2019</p>

Page 270 1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Assessing progress with City Deal and the targets set around GVA, jobs and leverage – is our key means of securing greater prosperity. Reporting progress in this way contributes to a growing sense of self awareness.</p>	<p>Proposals to improve progress against each of the projects currently in progress – are set out in the report. This report does not seek to simply report progress – but to address the actions needed to drive it.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>New infrastructure and enhancement of provision will open up journey alternatives for commuters, business users and leisure users. Instead of automatically undertaking a journey by car, the Metro Plus Programme will promote and provide an</p>	<p>This activity will be driven up in future. In addition as physical infrastructure schemes enter delivery – more comprehensive assessments will need to be carried out in full.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	<p>alternative thereby encouraging modal shift to public transport for a range of journey types.</p> <p>This could help to reduce the number of car journeys undertaken, helping to reduce congestion and improve other environmental factors such as an improvement in air quality.</p> <p>The development of new transport schemes which can utilise new technologies such as electronic charging points and electronic vehicles etc within its operation and design will also allow formation of new industries to supply these services. A report prepared by Cenex demonstrates the need for a Programme of Electric Vehicle Infrastructure within the Programme and has proposed the level of infrastructure likely to be required up to 2030. The delivery of this programme will seek to expand on this provision for the region as a whole, which will help combat climate change.</p>	
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>A potential reduction in car trips may make the roads safer, thus opening them up for more Active Travel journey opportunities. There is also likely to be growth in active travel journeys undertaken to interchanges to access the Metro Plus Programme of schemes.</p> <p>This potential increase in active travel journeys could have associated health benefits leading to cost savings across a range of health service provisions (a 2012 meta-analysis estimated physical inactivity to be responsible for 5.3 million (of 57 million) deaths</p>	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	<p>worldwide, similar to the burden of tobacco smoking and obesity¹¹).</p> <p>There can also be economic benefits for the region from increasing active travel. It has been quoted in a recent report by the 'Transport Fit for Future Generations Report' that 'expanding the investment programme in Active Travel out to the whole Cardiff Capital Region would cost approx. £290 million but would result in economic benefits of £2.5bn over 20 years, delivering a 19% and 82% increase in walking and cycling trips respectively'.</p>	
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The programme will greatly assist in providing the right infrastructure to improve connectivity by means of good transport links. Those schemes where new links or improvements in corridors are to be implemented are likely to have the largest benefit for example, Abertillery Interchange.</p> <p>All of the combined improvements in interchanges, Park and Ride and bus priority will assist in creating a seamless network allowing ease of transfer between modes. This will facilitate ease of access for communities across south east Wales, for those with and without access to a private car thereby improving connectivity to a range of services.</p> <p>The Metro Plus Programme will also improve connectivity to the South Wales Metro, permitting regional connectivity throughout south east Wales and further beyond.</p>	<p>A greater contribution will be made to this by the aforementioned data capability, sectoral analysis and place assessments.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	<p>Currently most travel-to-work trips into Cardiff are made by car (58%), while the proportion of sustainable travel-to work trips diminishes with the distance of commuting. The Metro Plus Programme provides an alternative for access into areas such as Cardiff from all areas of south east Wales helping to facilitate modal shift. This could lead to journey time savings on the road network across south east Wales helping businesses and promoting economic development. Journey time savings could also be achieved for users of the public transport network, as the Metro Plus Programme promotes the co-locating of modes via seamless interchanges.</p>	
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The Metro Plus Programme includes investment across the whole of south east Wales and it will improve the quality of the region as a whole. Therefore it is likely to encourage new inward investment as businesses have access to a wide pool of potential resources that can easily travel around the region and wider, to access new job and training opportunities.</p>	<p>Develop the legacy impact of the event, sustaining new connections, sharing great practice and potentially securing propositions and deals that support economic growth.</p>
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>Providing new and improved sustainable transport infrastructure across the Region will help increase the means of access to sport and recreation.</p> <p>All signage will be bilingual and buses are already equipped with AudioVisual (AV) for those vehicles younger than 2012 to enable them to deliver bilingual messaging.</p>	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>City Deal is about delivering as far as possible across 10 LAs and a population of 1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people’s lives.</p> <p>The programme will support a more productive economy through an increase in access to the South Wales transport network. This will allow for individual, households, public sector and business to grasp new opportunities, from the improved access provided by new and improved transport options.</p> <p>Transport improvements that improve access throughout the south east Wales region will help increase the skills base of the labour market, through providing means of access to new educational, employment, healthcare and training opportunities.</p> <p>The Metro Plus Programme will deliver direct transport improvements into those areas where evidence shows high rates of claiming job seekers allowance, allowing access to sustainable public transport for those seeking employment, increasing their chance of gaining employment through access to wider employment markets. This will increase their personal prosperity and the economic prosperity of the area within which they live as they spend their income on local goods and services.</p>	

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
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Balancing short term need with long term and planning for the future


The Metro Plus Programme assists Government with delivering on the four Grand Challenges within the UK Industrial Strategy - Future of Mobility; Artificial Intelligence and Big Data; Clean Growth and Meeting the Needs of an Ageing Society.


Table 2.2 of the attached Redstart report shows the impact of the individual options and the Metro Plus Programme as a whole against the goals of the Well-Being of Future Generations (Wales) Act 2015. It can be seen that overall the Metro Plus Programme will have a positive impact on the Well-Being of Future Generations Act (Wales), 2015 goals.


Being a programme that is focused on the provision and improvement of sustainable transport, it helps in particular to achieve the goals of a 'globally responsible Wales', 'A Wales of cohesive communities', 'a healthier Wales' and 'a prosperous Wales'.


The Metro Plus Programme will provide increase network capacity, providing new and improved transport facilities, increasing capacity at interchanges across the rail network along with providing new capacity along transport corridors such as between Newport and Cardiff and the Abertillery to Ebbw Valley Railway line.

In developing the programme long terms trends have been analysed. For example, the need to provide for electric powered vehicles at all sites with the programme has been investigated. A separate report produced by Cenex has considered how electric vehicle charging can be provided, what type of provision is required and the operating model for implementation. The Metro Plus programme also looks to address future trends such as population increases and decreases, providing increased public transport capacity

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
	and helping to prevent out-migration from some communities through improved access.	
 <p>Working together with other partners to deliver objectives</p>	<p>The Metro Plus Programme has been formed through collaborative working by ten local authorities (Caerphilly CBC, Cardiff CC, Bridgend CBC, Newport CC, Vale of Glamorgan Council, Rhondda Cynon Taf CBC, Merthyr Tydfil CBC, Monmouthshire CC, Torfaen CBC, Blaenau Gwent CBC). The Well-being objectives of each of the local authorities have been considered when developing the programme.</p> <p>The inclusion of EV Charging is also supported by WG and work has been undertaken by Cenex to assess the demand up to 2030 at the locations identified.</p>	<p>Public consultation will take place through the WelTAG process as each scheme develops through the WelTAG stages, and, as the proposal includes all schemes identified within individual LA LDPs, the public will have been made aware of the proposals and would have already had an opportunity through the LDP consultation process to consider the principle of individual schemes.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Involving those with an interest and seeking their views</p> <p><small>Involvement</small></p>	<p>The Metro Plus Programme has been formed through collaborative working by ten local authorities (Caerphilly CBC, Cardiff CC, Bridgend CBC, Newport CC, Vale of Glamorgan Council, Rhondda Cynon Taf CBC, Merthyr Tydfil CBC, Monmouthshire CC, Torfaen CBC, Blaenau Gwent CBC). The Well-being objectives of each of the local authorities have been considered when developing the programme.</p> <p>Genex were commissioned to consider EV Charging to be included within the Programme and to assess likely demand up to 2030.</p> <p>REDSTART were commissioned to appraise the Programme, and the is working with TfW to develop the Programme and ensure that the proposal fits with TfW's vision and Metro Programme.</p>	<p>More needs to be done to develop engagement platforms – beyond formal partnerships – to reach communities, hard to reach groups and those who currently have a limited understanding of City Deal. Improving social media, web presence and marketing materials will increasingly make a contribution to this.</p> <p>The RTA will ensure that all partners are included whilst delivering the Programme.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The Metro Plus Programme is designed to prevent further environmental damage from transport through the promotion and development of a sustainable transport network.</p> <p>Population in some communities is projected to decline (such as some valleys communities, where younger members of the community leave to seek job opportunities in larger towns and cities). The Metro Plus Programme linking into the wider Metro network will provide an effective transport system, connecting major towns and cities across Wales for those communities where population is declining. This may permit people to stay within the community within which they have grown up, commuting to and from employment as an efficient transport network is available, rather than needing to relocate to seek employment.</p>	<p>This will be an increasing focus of scheme and programme delivery.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The Metro Plus Programme has been developed with consideration to a wide range of contextual factors. Strategic fit of the programme has been considered along with a number of other wider issues such as carbon reduction.</p> <p>Table X.X in the REDSTART Report includes a review of the impact of the individual schemes and the Metro Plus RTA Programme (Wave 1) against the wellbeing objectives of each of the ten local authorities which the programme will be implemented.</p> <p>In terms of the programme impact on local authority wellbeing goals, a positive impact can be seen. In particular the Metro Plus Programme will help to achieve goals that aim to tackle poverty and deprivation, improve access to skills, improve employment opportunities and provide improved infrastructure and healthier communities.</p>	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	<p>The report is an overview of performance in all of the relevant aspects of the projects, partnership, governance and investment.</p> <p>The Metro Plus Programme will help to achieve goals that aim to tackle poverty and deprivation, improve access to skills, improve employment opportunities and provide improved infrastructure and healthier communities for all characteristics as all infrastructure included within the projects will be designed in accordance with current inclusive design.</p>	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		

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

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

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

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

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

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

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

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

The impacts of this proposal will be evaluated on:

Quarter 3

**WELSH GOVERNMENT CAPITAL TRANSPORT GRANTS FY2019-20
SCHEME APPLICATION FORM**

Local Authorities shall complete one form per scheme. A scheme may comprise a single project or package of associated projects

Local Authority	Merthyr Tydfil CBC
Scheme Name	RTA Metro Plus Programme
Scheme Priority Rank Number	1
Existing or New Scheme	Existing
Grant (please select one)	Local Transport Fund
Date of Scheme	Start April 2018 Estimated Completion March 2023
Scheme Category (please select one)	Integrated Transport / Highways / Rail / Active Travel Strategic Scheme / Active Travel Local Scheme / Safe Routes in Communities
Funding required for 2018-19	£4,269,000
Total funding required to complete scheme from 2019-20 onwards	£10,731,000 (plus total match funding of £15m by City Deal)
Project Manager Contact Name	Alun Evans
Contact Telephone	01495 355363
Contact email	alun.evans@blaenau-gwent.gov.uk
Authorised by (e.g. Head of Finance or Transport Services)	Name: Chris Long Job Title: Economic Development and Strategic Tourism Manager Signature:

SCHEME DESCRIPTION

Please provide a brief description of the scheme. If your application is for a scheme that will take longer than a financial year to complete, we require a description of the whole scheme and the elements to be delivered in each financial year. Applications for a package of schemes should contain a costed list of the associated projects in priority order.

Attach A4 location maps, project(s) drawing(s) and any other supporting information separately.

OS GB grid reference:

The Cardiff Capital Region City Deal in collaboration with Welsh Government and Transport for Wales has identified a package of schemes to a value of c£50M that will enhance, extend, add value and future proof commitments to the south east Wales Metro. The package has been developed on the basis that both the Welsh Government and City Deal will commit, subject to full business case, a contribution of £15M each for scheme delivery. Additional funding will be secured from a number of sources, including; developer contributions, third party and private sector funding, other government grants and the councils' own capital programmes.

The individual schemes include Transit Orientated Developments (interchanges of the future based around a range of uses beyond transport), enhanced park and ride facilities that promote interchange and integration for all modes, and new and extended Metro networks that allow the wider community to access sustainable opportunities to travel for work, education, retail or leisure purposes.

This exciting package of Metro+ schemes will be future proofed by the inclusion of the latest technological advances in vehicle charging for bus, taxis, car clubs and cycles, including energy generation where possible. In addition, the wider City Deal priorities around economic growth, the skills agenda, digital inclusion and open data will form a key aspiration.

The programme comprises the following projects:

Abertillery Interchange – the current Ebbw Valley Railway service is one train per hour, with a further hourly service committed as part of the new rail partnership. A long standing aspiration of local residents of the Ebbw Fach and Abertillery is the provision of a link to the EVR, so the initial work is focussed on identifying the current accessibility problems and issues, identifying smart,

strategic objectives and developing a short list of options to provide this link. Electric charging points will be included within any future proposal implemented.

Caerphilly Interchange – at an early stage of development, the provision of a new transport interchange for Caerphilly, on the site of the current bus and rail stations. High quality passenger facilities to be provided including electronic information, EV charging for buses and a larger park and ride facility. The initial stage development will also consider the wider business and green technology hub opportunities.

Porth Interchange – the vision is to transform Porth into a prosperous and attractive town, which offers a wide range of opportunities for visitors, residents and businesses, with improved connectivity to and from the surrounding areas being anchored by a Transport Hub and a regenerated “Station Quarter”. A site has been identified for this Transport Hub, which will house a seven bay bus interchange, taxi rank and cycle racks, with direct access to the rail station platforms and the Park and Ride, which will be further extended. Electric charging points will be included within the future proposal.

Barry Docks Interchange – the development of bus and rail interchange at Barry is a key aspiration, especially given its location in relation to Cardiff Wales Airport. It is anticipated that the interchange would include 4- 5 bus bays, have provision for taxis and potentially extend the existing Park and Ride site (currently at capacity) as the new rail partnership includes line frequency enhancement. Electric charging points will be included within any future proposal implemented.

Pyle Interchange - implementation of a Park and Ride facility as part of the development of an integrated transport hub that serves the local community of Pyle and the nearby settlements of Porthcawl, Kenfig Hill, Cefn Cribwr and Cornelly. The existing 23-space car park at Pyle is currently at capacity and a minimum of 75 additional spaces are being considered as part of the future development. The scheme will include the design and delivery of an additional P&R facility that can cater for current demand and future growth based on an updated business case. The proposal will also include appropriate Active Travel connections and will also give full consideration to the inclusion of EV charging points, and the provision of additional cycle parking facilities.

Pentrebach Station and Park and Ride – the focus at Pentrebach is the regeneration of a significant brownfield site (Hoovers) that has been largely vacant for 10 years. The South Wales Metro, with high frequency light rail connections, will be the catalyst for the development of a sustainable, mixed use, neighbourhood with new businesses, homes, shops and parkland, the Taff &

Trevithick trails and on the doorstep of Merthyr Tydfil Town Centre. Redevelopment of the area has the potential to maximise opportunities provided from planned transport infrastructure investment (increases in service capacity, Pentrebach station and park and ride improvements and a potential future new metro station) and to support 440 homes and employment land. Electric charging points will be included within any future proposal implemented.

Severn Tunnel Junction Park & Ride - an additional 150-200 space park & ride facility on the south side of Severn Tunnel Junction station. There is currently a substantial shortfall of spaces, which creates problems within the existing car park and nearby streets. The scheme will enable reconfiguration of the existing (north-side) station car park including more than 40 additional bike & ride spaces, safer walking & cycling access, arevamped bus-rail interchange, EV charging spaces and potentially an improved station building (with ticket office, café, shop, WC).

Pontypool and New Inn Station Park and Ride – the proposed enhancements at Pontypool and New Inn Rail Station include a new Park and Ride (200 spaces) which will be accessed from the A4042 trunk road, DDA compliant platform access and improved station facilities including cycling facilities. The station is a potential interchange point with passengers from the ‘Eastern Valley’ including Blaenavon, Abersychan, Pontypool, New Inn, and also for Usk and the West of Monmouthshire. This station will support the nearby proposed Mamhilad development with a current allocation of 1,800 dwellings. EV charging spaces provided within the new P&R.

Newport to Cardiff Bus Priority - the Newport to Cardiff Bus Corridor links a number of significant trip attractors - Cardiff City Centre, the St Mellons Business park, Cleppa Park/IQE Semi-conductor plant, the Office of National Statistics and Patent Office, the Royal Gwent Hospital, Newport City Centre and the Wales International Conference Centre. Services on this corridor suffer from extended journey times (current schedules indicating a time of circa 1 hour to undertake the 15-mile journey), with operators confirming services are subject to considerable journey time variability. Initial work is ongoing on an improvement package that includes high-quality roadside infrastructure to promote and facilitate increased bus use. The scheme will also provide the foundation for a Park and Ride facility to be developed on the eastern side of Newport, where EV charging could figure prominently.

East Cardiff Bus Priority – this project incorporates a series of sustainable and active travel packages that will enable improved bus connections in Cardiff City Centre, improved active travel infrastructure and pedestrian safety improvements. The infrastructure

improvements will benefit local and regional transport through providing improved sustainable connections to key transport hubs, employment zones and visitor destinations. Improvements include new bus priority measures to connect local and regional buses through the east and south of the city, installation of Central Cycle Superhighway that will connect and link all 4 cycle superhighways to the city centre, 20mph Zone and traffic calming measures, air quality Improvements, cycle parking and Next Bike, and EV charging points.

REDSTART Stage 1 Draft Report attached.

Genex Stage 1 Draft Report attached.

Safe Routes in Communities Schemes ONLY

Name of school/s on which the scheme is focused	Number of pupils

Is the scheme included in your Existing Routes Map or your Integrated Network Map? If yes, please show the route reference, taken from the Active Travel Mapping System and describe how the scheme fits into your existing or planned active travel network.

Route Reference:

If the scheme does not fall within a designated locality, as per the Active Travel (Wales) Act 2013, does it serve one or more schools that were included in the list of schools which required improvements to routes, as submitted by your local authority in July 2014?

Yes

If neither of the above apply, please provide evidence why your scheme should be considered for funding:

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Sustainable Development Principle

The Well-Being of Future Generations (Wales) Act 2015, places a duty on public bodies to apply the sustainable development principle in everything they do, through the five ways of working. Please describe how you have followed the five ways of working in the development and appraisal of your scheme. Please use the Future Generations Framework <https://futuregenerations.wales/wp-content/uploads/2017/12/FGCW-Framework.pdf>

PLEASE ONLY PROVIDE INFORMATION RELATED TO YOUR SCHEME

The Five Ways of Working	
<p>Long Term – please describe how you have considered long term needs related to your scheme. What are the impacts of your scheme on future generations?</p>	<p>The Metro Plus RTA Programme assists Government with delivering on the four Grand Challenges within the UK Industrial Strategy - Future of Mobility; Artificial Intelligence and Big Data; Clean Growth and Meeting the Needs of an Ageing Society.</p> <p>Table 2.2 of the attached Redstart report shows the impact of the individual options and the Metro Plus RTA Programme as a whole against the goals of the Well-Being of Future Generations (Wales) Act 2015. It can be seen that overall the Metro Plus RTA Programme will have a positive impact on the Well-Being of Future Generations Act (Wales), 2015 goals.</p> <p>Being a programme that is focused on the provision and improvement of sustainable transport, it helps in particular to achieve the goals of a 'globally responsible Wales', 'A Wales of cohesive communities', 'a healthier Wales' and 'a prosperous Wales'.</p>

	<p>The five ways of working of the WCFG (Wales) Act have been considered in developing the programme and long term trends have been analysed. For example, the need to provide for electric powered vehicles at all sites with the programme has been investigated.</p> <p>A separate report produced by Cenex has considered how electric vehicle charging can be provided, what type of provision is required and the operating model for implementation.</p> <p>The Metro Plus RTA programme also looks to address future trends such as population increases and decreases, providing increased public transport capacity and helping to prevent out-migration from some communities through improved access.</p> <p>Population within some areas of South East Wales are projected to increase. Newport, Bridgend, Cardiff, Caerphilly and Rhondda Cynon Taf are all projected to have larger populations by 2039. Providing a future focused transport network to meet the rising population will be required. The Metro Plus RTA Programme will provide increase network capacity, providing new and improved transport facilities, increasing capacity at interchanges across the rail network along with providing new capacity along transport corridors such as between Newport and Cardiff and the Abertillery to Ebbw Valley Railway line.</p>
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<p>Prevention – please describe how you considered options to prevent the problems that your scheme is addressing, from getting worse or occurring in the first place.</p>	<p>The Metro Plus RTA Programme is designed to prevent further environmental damage from transport through the promotion and development of a sustainable transport network.</p> <p>Population in some communities is projected to decline (such as some valleys communities, where younger members of the community leave to seek job opportunities in larger towns and cities). The Metro Plus RTA Programme linking into the wider Metro network will provide an effective transport system, connecting major towns and cities across Wales for those communities where population is declining. This may permit people to stay within the community within which they have grown up, commuting to and from employment as an efficient transport network is available, rather than needing to relocate to seek employment.</p>
<p>Integration – please describe how you have considered the well-being objectives of other public bodies.</p>	<p>The Metro Plus RTA Programme has been developed with consideration to a wide range of contextual factors. Strategic fit of the programme has been considered along with a number of other wider issues such as carbon reduction.</p> <p>Table X.X attached includes a review of the impact of the individual schemes and the Metro Plus RTA Programme against the wellbeing objectives of each of the ten local authorities which the programme will be implemented.</p> <p>In terms of the programme impact on local authority wellbeing goals, a positive impact can be seen. In particular the Metro Plus RTA Programme will help to achieve goals that aim to</p>

	<p>tackle poverty and deprivation, improve access to skills, improve employment opportunities and provide improved infrastructure and healthier communities.</p>
<p>Collaboration – please describe who you collaborated with and how, in the development and appraisal your scheme.</p>	<p>Through implementation of a programme of measures that are instigated in ten local authorities, co-ordinated working between political and commercial partners is being promoted at a regional level. The schemes stem from a list of schemes identified by the Regional Transport Authority and in discussion with WG and TfW to enhance the current Metro Programme.</p> <p>The inclusion of EV Charging is also supported by WG and work has been undertaken by Cenex to assess the demand up to 2030 at the locations identified.</p> <p>REDSTART was also commissioned to appraise the Programme in terms of Strategic Fit and Wellbeing and Future Generations considerations. The Stage 1 Draft Report is supplied for information.</p> <p>The WB&FG Office has also been approached and will be included in the development of the Programme.</p> <p>Public consultation will take place through the WeITAG process as each scheme develops through the WeITAG stages, and, as the proposal includes all schemes identified within individual LA LDPs, the public will have been made aware of the proposals and would have already had an opportunity through the LDP consultation process to consider the principle of individual schemes.</p>

<p>Involvement – please describe who you have involved and how, in the development and appraisal of your scheme</p>	<p>The final Metro Plus RTA Programme has been formed through a process of appraisal, with stakeholder input. A long list of options has been sifted to the final list of schemes included within the programme. The recommended final Metro Plus RTA Programme has been agreed with all ten south east Wales local authorities and will be subject to further approval with CCRC board members and Welsh Government representatives.</p> <p>Cenex were commissioned to consider EV Charging to be included within the Programme and to assess likely demand up to 2030.</p> <p>REDSTART were commissioned to appraise the Programme, and the RTA is working with TfW to develop the Programme and ensure that the proposal fits with TfW's vision and Metro Programme.</p> <p>WBFG has been included in the discussion and will be actively involved in considering the proposal and ensuring its fit to the WB&FG Act goals and objectives.</p> <p>The RTA will ensure that all partners are included whilst delivering the Programme.</p>
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SCHEME BUSINESS CASE

1. STRATEGIC CASE

The case for change, fit with policies and objectives.

The Case for Change	
<p>Current and Future Situation and Issues What are the local and wider issues that this scheme will address? Include baseline data where available. What will happen if no action is taken?</p>	<p>The collective benefits of a Metro Plus RTA Programme are greater than if implemented as individual schemes. All of the transport interventions included within the programme will support, promote and enhance sustainable travel, thus contributing to the development of a sustainable economy.</p> <p>Sustainable travel also promotes long term well-being and the quality of life of people and communities. The programme will facilitate improved access to employment and therefore new economic opportunities.</p> <p>All of the transport interventions within the programme are public transport based, thus will provide enhanced and new employment access opportunities, particularly for those sectors of society without a private car (helping address deprivation where caused by a lack of access to transport). Improving access for those sectors of society without a private car, demonstrates the programmes ability to contribute towards</p>

permitting participation in the labour market for all members of society.

The programme will also support a more productive economy through an increase in access to the South Wales transport network. This will allow for individual households, public sector and business to grasp new opportunities, from the improved access provided by new and improved transport options.

All of the transport improvements contained within the programme will improve access throughout the south east Wales region. This will help increase the skills base of the labour market, through providing means of access to new educational, employment, healthcare and training opportunities. New and enhanced public transport provision will also improve access to education and training, healthcare and social and recreational opportunities, all of which will promote inclusion and equality across south east Wales.

Through a programme of measures that support the Metro, south east Wales will become a region that is easy to navigate by seamless passenger transport. The Metro Plus RTA Programme will provide new and enhanced public transport facilities, which will feed into the wider network of South Wales Metro improvements. This will collectively contribute to forging a clear identity and strong reputation as a City-Region that has a good quality of life, with an interconnected high quality transport network.

All of the schemes within this Programme will help to ensure that urban centres are vibrant and vital with unique identities which all of the regions residents can use and be proud of. In particular Caerphilly Interchange, Porth Interchange, Barry Docks Interchange and Merthyr Bus Station will link to wider town centre regeneration schemes, to create a sense of place and identity. These key interchanges (along with the other transport improvements within the programme) will deliver people into key urban centres making them vibrant places, with transport facilities often providing the hub around which the urban centre operates and develops.

Many interventions within the programme will help to respect, project and support the rural and natural environment to promote economic and social outcomes through provision of improved sustainable transport facilities and improved transport access into and out of rural communities. For example, Severn Tunnel Junction improvements will improve access for communities within rural Monmouthshire. In relation to this, the Programme will have a beneficial impact on developing and promoting world- class cultural and recreational opportunities through opening up access to areas of natural beauty and historic importance, thus promoting tourism within the South Wales region.

By implementing a programme of transport measures which connect into the wider Metro network, the region as a whole

	<p>becomes easier to travel around thus promoting the South Wales area as a whole offering.</p>
<p>Scheme outputs What are the specific outputs that the scheme will deliver? (objectives and outcomes should be set out in the next section)</p>	<p>Key outputs of the Metro Plus RTA Programme:</p> <ul style="list-style-type: none"> • Number of interchanges improved = 9 • Approximate KM's of passenger transport network improved or provided = 32 km (Newport to Cardiff 26km and Abertillery Spur 6km) • Number of new park and ride spaces provided is estimated to be 453, but will increase following development of the individual schemes <p>The outputs of the following TRI bids which would be supported by the Metro Plus RTA include</p> <ul style="list-style-type: none"> • 393 gross jobs to be created; • 260 construction sector jobs to be created; and • 47 traineeships.
<p>Fit with Policies and Plans Please indicate where this scheme fits with local policies and plans such as the Local Transport Plan and any other related policies and plans. Please also indicate the Integrated Network Map route reference for this scheme, taken from the Active Travel Mapping System.</p>	<p>Each of the schemes identified in this Programme have evolved through the RTA and have been identified in individual LDPs and LTPs for each of the 10 LAs.</p> <p>All Active Travel elements delivered within the schemes, will have been included in the individual LAs Integrated Network Maps.</p>

	<p>The EV Charging element within the Programme fits with the WG Carbon agenda and the Programme strategically fits with the Cardiff Capital Region, WG and TfW plans and objectives for a seamless sustainable transport network for the region.</p>
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Fit with Well-being Objectives

The Well-Being of Future Generations (Wales) Act 2015, places a duty on public bodies to seek to achieve the well-being goals and objectives in everything they do. Please outline below how your scheme fits with the Welsh Government's Well-being Objectives:

<http://gov.wales/docs/dsjlg/publications/150623-guide-to-the-fg-act-en.pdf>

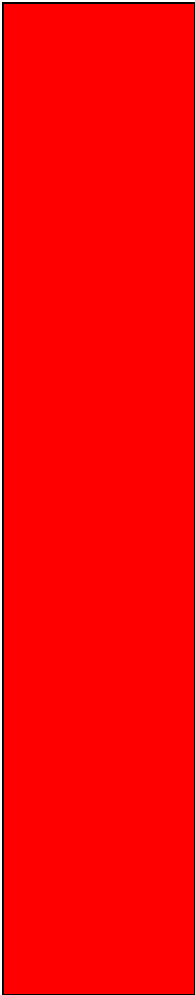
<http://gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf>

Prosperity for All	Well-being Objectives	Scheme contribution
<p>Prosperous & Secure</p>	<ul style="list-style-type: none"> • Support People and businesses to drive prosperity • Tackle regional inequality and promote fair work • Drive sustainable growth and combat climate change 	<p>Overall the Metro Plus RTA Programme will have a slight to large positive impact on the strategic objectives contained within the Prosperity and Opportunity theme.</p> <p>In particular, the programme will greatly assist in providing the right infrastructure to improve connectivity by means of good transport links. Those schemes where new links or improvements in corridors are to be implemented are likely to have the largest benefit for example, Abertillery Interchange.</p> <p>As a whole, connectivity across the region will improve through implementation of the programme. All of the combined improvements in interchanges, Park and Ride and bus priority will assist in creating a seamless network allowing ease of transfer between modes. This will facilitate ease of access for communities across south east Wales, for those with and without access to a private car thereby improving connectivity to a range of services.</p>

		<p>The Metro Plus RTA Programme will also improve connectivity to the South Wales Metro, permitting regional connectivity throughout south east Wales and further beyond.</p> <p>The programme will also support a more productive economy through an increase in access to the South Wales transport network. This will allow for individual, households, public sector and business to grasp new opportunities, from the improved access provided by new and improved transport options.</p> <p>All of the transport improvements contained within the programme will improve access throughout the south east Wales region. This will help increase the skills base of the labour market, through providing means of access to new educational, employment, healthcare and training opportunities.</p> <p>As the Metro Plus RTA Programme includes investment across the whole of south east Wales it will improve the quality of the region as a whole. This is likely to encourage new inward investment as businesses have access to a wide pool of potential resources that can easily travel around the region to access new job and training opportunities.</p> <p>The programme clearly demonstrates a commitment to a sustainable future, as all of the transport interventions</p>
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		<p>include focus on facilitating and promoting sustainable transport access.</p> <p>The Statistical Bulletin on the regional economic and labour market profile issued by the Welsh Government in January 2018 shows the employment rate, economic inactivity rate and benefit claims and ILO unemployment rates for 16+ across Wales. It can be seen that the International Labour Organisation (ILO) unemployment rate for south east Wales is higher than for Wales as a whole (5.6 compared to 4.7 for wales as a whole).</p> <p>A breakdown of the data shows that the highest rate of ILP unemployment for 16+ is within Merthyr Tydfil (7.6) and second is Rhondda Cynon Taf (6.3). Both these local authority areas are within south east Wales and will directly benefit (as will all communities across south east Wales) from the improved transport provision that the Metro Plus RTA Programme would deliver.</p> <p>The Metro Plus RTA Programme will deliver direct transport improvements into those areas where evidence shows high rates of claiming job seekers allowance, allowing access to sustainable public transport for those seeking employment, increasing their chance of gaining employment through access to wider employment markets.</p> <p>The majority of the schemes included within this Programme are located within the most deprived areas.</p>
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		<p>Those that are corridor based can be seen to be passing through a number of those areas classified as the most deprived. Improvements in access to sustainable public transport provided will help to improve levels of deprivation in these areas, where caused by a lack of transport options.</p> <p>The Programme will provide an efficient network penetrating the most deprived areas providing a means to travel to major cities such as Cardiff and Newport and a range of areas across south east Wales. Tying into the wider Metro Network this will permit access to a vast range and higher number of employment opportunities for all community members located within the most deprived areas of south east Wales. This will increase their personal prosperity and the economic prosperity of the area within which they live as they spend their income on local goods and services</p> <p>The development of new transport schemes which can utilise new technologies such as electronic charging points and electronic vehicles etc within is operation and design will also allow formation of new industries to supply these services. A report prepared by Cenex demonstrates the need for a Programme of Electric Vehicle Infrastructure within the wider RTA Programme and has proposed the level of infrastructure likely to be required up to 2030. This proposal will include the provision of this infrastructure in its delivery programme and will seek to</p>
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		<p>expand on this provision for the region as a whole and which will help combat climate change.</p> <p>New infrastructure and enhancement of provision will open up journey alternatives for commuters, business users and leisure users. Instead of automatically undertaking a journey by car, the Metro Plus RTA Programme will promote and provide an alternative thereby encouraging modal shift to public transport for a range of journey types. This could help to reduce the number of car journeys undertaken, helping to reduce congestion and improve other environmental factors such as an improvement in air quality.</p> <p>Currently most travel-to-work trips into Cardiff are made by car (58%), while the proportion of sustainable travel-to-work trips diminishes with the distance of commuting. The Metro Plus RTA Programme provides an alternative for access into areas such as Cardiff from all areas of south east Wales helping to facilitate modal shift. This could lead to journey time savings on the road network across south east Wales helping businesses and promoting economic development. Journey time savings could also be achieved for users of the public transport network, as the Metro Plus RTA Programme promotes the co-locating of modes via seamless interchanges.</p>
	<p>Healthy & Active</p>	<ul style="list-style-type: none"> • Deliver quality health and care services fit for the future • Promote good health and well-being for everyone • Build healthier communities and better environments

		<p>active travel journeys undertaken to interchanges to access the Metro Plus RTA Programme of schemes.</p> <p>This potential increase in active travel journeys could have associated health benefits leading to cost savings across a range of health service provisions (a 2012 meta-analysis estimated physical inactivity to be responsible for 5.3 million (of 57 million) deaths worldwide, similar to the burden of tobacco smoking and obesity¹¹).</p> <p>There can also be economic benefits for the region from increasing active travel. It has been quoted in a recent report by the 'Transport Fit for Future Generations Report' that 'expanding the investment programme in Active Travel out to the whole Cardiff Capital Region would cost approx. £290 million but would result in economic benefits of £2.5bn over 20 years, delivering a 19% and 82% increase in walking and cycling trips respectively'.</p>
<p>Ambitious & Learning</p>	<ul style="list-style-type: none"> • Support young people to make the most of their potential • Build ambition and encourage learning for life • Equip everyone with the right skills for a changing world 	<p>Implementation of this Programme will provide opportunity for provision of Apprenticeships during construction of schemes both directly within those companies employed as contractors and within the local supply chain industry. This will help to grow the skills of the workforce within the local community of each of the interventions included within the programme. Implementation of the Metro Plus RTA interventions as a whole programme will offer further opportunity for growth in skills, as economies of scale may permit opportunities for contractors to work together</p>

		<p>during construction of the programme to cross train employees in a range of skill areas.</p> <p>In addition, the programme could promote apprenticeships in the STEM industries through creating opportunity in those organisations involved in the planning and design of the programme interventions e.g. Civil Engineering and Architecture.</p> <p>Promoting more higher skilled apprenticeships in STEM industries is an aim of the WG, with the 'Aligning the Apprenticeship model to the needs of the Welsh Economy' documents stating that 'Action will be taken to increase Apprenticeships in Science Technology Engineering and Mathematics (STEM) occupations'.</p>
<p>United & Connected</p>	<ul style="list-style-type: none"> • Build resilient communities, culture and language • Deliver modern and connected infrastructure • Promote and protect Wales' place in the world 	<p>Transport is key to promoting and supporting growth and providing the right physical place. Many of the elements of the Metro Plus RTA Programme will include schemes that will provide an improvement to physical place by providing a new hub to a town centre. Radiating from these hubs is wider improvements that will aid in promoting town centre growth and economic development.</p> <p>The Metro Plus RTA Programme also aligns with the Targeted Regeneration Investment (TRI) bids, which are for schemes to be delivered between 2018 and 2021 and beyond. Improved access provision, transport network development and transport options will help to support the</p>

		<p>regeneration of an area by attracting inward investment and enabling access to labour markets.</p> <p>The outputs of the following TRI bids which would be supported by the Metro Plus RTA include</p> <ul style="list-style-type: none">• 393 gross jobs to be created;• 260 construction sector jobs to be created; and• 47 traineeships. <p>The Programme will facilitate not only local connectivity but also regional and global connectivity by directly supporting access to the Metro which ties into national services at key hubs such as Newport and Cardiff, as well as internationally via Cardiff airport.</p> <p>Having a well-connected regional area which enables access to a wide range of skills, services and resources will assist in promoting entrepreneurial activity and fostering innovation. Enabling new start-up businesses access to a skills market and resources via an integrated and forward thinking transport network, attract new innovation districts to form.</p>
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Scheme Objectives

Please outline below how your scheme fits with the relevant grant objectives. Please only fill in for the grant that you are applying for and leave the other blank.

Grant name	Grant objectives	Scheme Contribution
Local Transport Fund	<ul style="list-style-type: none"> • Support WG economic priorities for jobs and growth, in particular for City Regions, Enterprise Zones, North Wales Economic Ambition Board, local growth zones and regeneration areas • Reduce economic inactivity by delivering safe and affordable access to employment sites • Encourage active and sustainable travel • Improve quality of life particularly those living in disadvantaged and rural communities by delivering safe and easy to use transport to key facilities and services • Connect communities and enable access to key services 	<p>All of the transport improvements contained within the programme will improve access throughout the south east Wales region. This will help increase the skills base of the labour market, through providing means of access to new educational, employment, healthcare and training opportunities.</p> <p>The Programme is likely to encourage new inward investment as businesses have access to a wide pool of potential resources, who can easily travel around the region to access new job and training opportunities. The programme clearly demonstrates a commitment to a sustainable future, as all of the transport interventions include focus on facilitating and promoting sustainable transport access.</p>
Local Transport Network Fund	<ul style="list-style-type: none"> • Improve public transport journey time reliability • Reduce public transport journey times • Connect communities and enable access to employment, education and key services 	

Active Travel Fund	<ul style="list-style-type: none"> • Improve active travel access to employment, education, key services, destinations and public transport • Increase levels of active travel • Connect communities 	
Safe Routes in Communities	<ul style="list-style-type: none"> • Increase levels of active travel among children travelling to school • Increase levels of active travel in the wider community (Please indicate the position of the community in the Welsh Index of Multiple Deprivation) 	

2. TRANSPORT CASE

Contribution to Well-being Goals

Transport schemes must seek to maximise their contribution to the well-being goals. Please provide a summary of the impacts of the scheme to the well-being goals. This should be informed by the statutory and non-statutory impact assessments of the scheme.



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Well-being Goal	Impact (select one for each goal)
A prosperous Wales	Positive
A resilient Wales	Positive
A healthier Wales	Positive
A more equal Wales	Positive
A Wales of cohesive communities	Positive
A Wales of vibrant culture and thriving Welsh language	neutral
A globally responsible Wales	Positive

Value for Money

Please explain what steps have been taken to ensure costs have been kept as low as possible and to quantify if the funding requested will represent value for money. Include Benefit Cost Ratio (BCR) if known:

Each scheme will be peer reviewed and value engineered to ensure maximum benefits. All schemes will be procured using each Council's procurement rules.

Impact Assessment

Please provide a summary of the social, cultural, environmental, and economic impacts of the scheme, who is affected, how, and key qualitative/ quantitative supporting evidence.

<p>Social Impacts Please consider physical activity, journey quality, number and severity of accidents, security, access to employment, access to services, affordability, severance.</p>	<p>Improved access to the rail stations and bus services and improved infrastructure at the interchanges and park and ride sites will encourage greater use of public transport. The schemes will provide improved accessibility to employment opportunities, education facilities and health services through the interchange of bus and rail.</p>
<p>Cultural Impacts Please consider cultural impacts including welsh language.</p>	<p>The aims of the schemes seek to ensure a positive impact on organisations and individuals who have protected characteristics.</p>
<p>Environmental Impacts Please consider noise, air quality, greenhouse gases, landscape, townscape, historic environment, biodiversity, water environment.</p>	<p>The schemes will encourage car users to use public transport and therefore reduce congestion on the highway network and</p>

	<p>improve the efficiency of public transport journey times along the strategic transport corridors.</p> <p>This will have a positive impact on local air quality, biodiversity, heritage and noise.</p> <p>The provision of EV Charging at park and ride sites will allow those without off-street parking provision to consider changing to EVs.</p> <p>Landscape and townscape will also be positively impacted through the regeneration of unoccupied land for the park and rides.</p>
<p>Economic Impacts Please consider journey time, journey time reliability, transport costs, accident costs, productivity, local economy, land, capital costs, and revenue costs. Include evidence on Transport economic benefits and on wider economic benefits including jobs created.</p>	<p>Many of the schemes are currently within the top 25% and 50% most deprived areas in Wales (WIMD 2014), and between 35-45% of households in these areas have access to a vehicle (2011 Census). Therefore by improving accessibility to public transport, residents of these areas and beyond will benefit from its connectivity to services.</p> <p>The park and ride sites will complement the anticipated frequency enhancements to the core valley lines that are being delivered as part of the Metro.</p> <p>By providing park and ride on strategic locations, it will aid in unlocking other brownfield sites for housing, commercial and mixed use development.</p>

	<p>The schemes will reduce the level of traffic on the strategic highway network, which will have a positive impact on public transport journey time and reliability, as well as reducing the potential for accidents.</p> <p>The bus corridor improvements will allow for easier, faster and more efficient movement of buses into Cardiff and around the City Centre and will enable regional routes to operate more effectively.</p>
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3. MANAGEMENT CASE

Can the scheme be delivered? What are the risks?

A project plan identifying timelines for activities and key milestones must be provided for each scheme appropriate to the scale, complexity and risks associated with the scheme. Where key stages / milestones have been reached / completed, give date when reached where applicable. As a minimum, information should be provided on design; timing of statutory processes/planning consent, land acquisition, procurement, construction, scheme opening and completion where these apply to the scheme.

Information on risks to delivery and mitigation measures in place or proposed must be included.

The Metro Plus RTA programme includes 10 individual schemes at varying stages of development:

Strategic Outline Case development stage – Abertillery, Pentrebach, Caerphilly, Barry Docks, Newport to Cardiff

Outline Business Case development stage – Pyle, Porth

Full Business Case stage – East Cardiff

Implementation stage – New Inn & Pontypool, Severn Tunnel Junction

Future costs have only been included at this stage for schemes at either Full Business or Implementation Stage. Further information will be provided as schemes develop.

Caerphilly Interchange

4. FINANCIAL CASE

Financial expenditure profile

Overall Programme

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys	136	835	22				993
Design	410	1646	35				2091
Land Purchase	150	180					330
Accommodation Works	44	315	123	15			497

Construction		1015	4727	3000			8742
Project Management		256	327	243			826
Monitoring and Evaluation		17	10		20		47
Promotion		5	15				20
GROSS TOTAL	740	4269	5259	3258	20		13546
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>	255 CCC 100%	120 VTF 20 WG 40 CCBC	City Deal TBC	City Deal TBC	City Deal TBC		City Deal TBC
NET TOTAL	485	4089					

Abertillery Interchange

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys	15	100					
Design		200					
Land Purchase							
Accommodation Works							
Construction							
Project Management		20					

Monitoring and Evaluation							
Promotion							
GROSS TOTAL	15	320					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>							
NET TOTAL	15	320	TBC	TBC	TBC		TBC

Caerphilly Interchange

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys							
Design (including feasibility/studies)	20	180					
Land Purchase							
Accommodation Works							
Construction							
Project Management							

Monitoring and Evaluation							
Promotion							
GROSS TOTAL	20	180					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>		120 VTF 20 WG 40 CCBC					
NET TOTAL	20	0	TBC	TBC	TBC		TBC

Porth Interchange

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys	15	20					
Design	60	564					
Land Purchase	150	150					
Accommodation Works		200					
Construction							
Project Management		50					

Monitoring and Evaluation							
Promotion							
GROSS TOTAL	225	984					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>							
NET TOTAL	225	984					

Barry Docks Interchange

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys	10						
Design		90					
Land Purchase							
Accommodation Works							
Construction							
Project Management		10					

Monitoring and Evaluation							
Promotion							
GROSS TOTAL	10	100					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>							
NET TOTAL	10	100					

Pentrebach Station & Park & Ride

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys		160					
Design							
Land Purchase							
Accommodation Works							
Construction							
Project Management		20					

Monitoring and Evaluation							
Promotion							
GROSS TOTAL		180					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>							
NET TOTAL		180					

Pyle Interchange

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys		30					
Design		175					
Land Purchase		30					
Accommodation Works		40					
Construction							
Project Management		20					

Monitoring and Evaluation							
Promotion							
GROSS TOTAL		295					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>							
NET TOTAL		295					

Severn Tunnel Junction Park & Ride

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys			2				2
Design		30	35				65
Land Purchase							
Accommodation Works		25	15				40
Construction		615	1015				1630
Project Management		46	46				92

Monitoring and Evaluation		17	10				27
Promotion		5	5				10
GROSS TOTAL		738	1128				1866
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i> CCRCD							
NET TOTAL		738	1128				1866

Pontypool & New Inn Station Park & Ride

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys							
Design		150					150
Land Purchase							
Accommodation Works		50					50
Construction		490	712				1202
Project Management		60	38				98

Monitoring and Evaluation							
Promotion							
GROSS TOTAL		750	750				1500
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i> CCRCD							
NET TOTAL		750	750				1500

Newport to Cardiff Bus Priority

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys	15	15					
Design	200	100					
Land Purchase							
Accommodation Works							
Construction							
Project Management		10					

Monitoring and Evaluation							
Promotion							
GROSS TOTAL	215	125					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>							
NET TOTAL	215	125					

East Cardiff Bus Priority & Cycle Super Highway (£3m bus priority to be funded from this grant, cycle superhighway to be funded separately)

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys	81	330	20				131
Design	130	157					287
Land Purchase	0						0
Accommodation Works	44		108	108			260
Construction	0		3000	3000			6000

Project Management	0	23	243	243			509
Monitoring and Evaluation	0				20		20
Promotion	0		10				10
GROSS TOTAL	255	510	3381	3351	20	0	7517
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>	255 CCC 100%						255 CCC 100%
NET TOTAL	0	510	3381	3351	20	0	7262

Regional Development Fund

£000s, Outturn prices (gross of grant / contributions shown separately below)

	Pre 2019/20	2019/20 projected	2020/21	2021/22	2022/23	Later	Total
Surveys		180					
Design							
Land Purchase							
Accommodation Works							
Construction							

Project Management		20					
Monitoring and Evaluation							
Promotion							
GROSS TOTAL		200					
Match funding amount, percentage contribution and funding source(s) <i>(insert name of organisation)</i>							
NET TOTAL		200					

Quarterly Expenditure Profile

(Expenditure should be planned as early as possible in the financial year to ensure confidence in a full spend. Expenditure planned for Quarter 4 should be limited to minimise the risk of underspend)

Quarterly Expenditure Profile

	Forecast FY2019-20 Expenditure (in £000s)			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Surveys	200	200	200	235
Design	400	400	400	446
Land Purchase	40	40	40	40
Accommodation Works	80	80	80	75
Construction	250	250	250	265
Project Management	64	64	64	64
Monitoring and Evaluation				17
Promotion				5
GROSS TOTAL	1034	1034	1034	1147
Match funding amount, percentage contribution and source(s) <i>(insert name of organisation)</i>	40	40	40	40
NET TOTAL	994	994	994	1107

5. COMMERCIAL CASE

How will the scheme be procured? What is the number and experience of the likely suppliers? What are the key contractual arrangements, what is the contract length?

<p>Where appropriate commissions will utilise the National Procurement Service framework for the provision of appropriate professional services / contractor's or other approved procurement routes.</p> <p>The appointment of the consultants to undertake the design will be in accordance with the procurement policy of the Council.</p>	
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MONITORING AND EVALUATION

How and when will you measure if the scheme has been successful? Post delivery monitoring plan, data collection, and relevant targets?

<p>The monitoring will be undertaken by the promoting Council of the main outputs of the scheme. Park and ride usage will be monitored by means of site surveys and satisfaction will be monitored by means of user feedback through customer surveys. Bus services reliability will be monitored by the bus operators.</p>	
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18 FEBRUARY 2019 MEETING

WALES AUDIT OFFICE (WAO) REVIEW OF THE ARRANGEMENTS THAT SUPPORTED THE CARDIFF CAPITAL REGION CITY DEAL'S FIRST INVESTMENT DECISION

REPORT OF THE CITY DEAL DIRECTOR & ALISON WARD, LEAD CEO TORFAEN COUNTY BOROUGH COUNCIL

AGENDA ITEM: 11

Reason for this Report

1. To formally receive the final version of the WAO Report on the review of arrangements supporting the decision to invest in the Compound Semiconductor project.

Background

2. The WAO first stated their intention to review the arrangements surrounding Regional Cabinet's decision to invest in the Compound Semiconductor project and commenced their field work in February 2018. A draft version of the Report was provided in September 2018. A comprehensive list of comments, proposed amendments and assertions was put back to WAO soon after. A final report was issued by WAO on 23 December 2018 (attached at Appendix 1).
3. Whilst the report has not addressed all of the views, imprecisions and comments made – it is accepted that the report represents the view of the WAO. Their summary paragraph under 'Key Findings' states '*Our review found that due to commercial and political considerations, the newly formed Cardiff Capital Region City Deal partners decided they had to move quickly to take advantage of the compound semiconductor foundry investment opportunity before its own agreed assurance framework was fully in place. Although the City Deal partners were satisfied that high level risks were identified and mitigated, there are lessons to be learnt for future investment decisions by the Cardiff Capital Region City Deal and other similar partnerships.*'

4. The report recognises the ambition of the City Deal partners to move quickly and take advantage of an opportunity in the compound semiconductor sector, at a time when the partnership was in its infancy. In the main, the report highlights points for future learning and does reflect on the growing maturity of the partnership as a result of such experiences. Many of the suggested 'lessons' however, stem from reflections and observations of the embryonic and 'start up' nature of City Deal at that time. Assertions have therefore been made based on the unique circumstances of a fledgling partnership, at the very early stages of its development. Given City Deal is now up and running, with all of the relevant processes, procedures and structures in place and signed off by both UK and Wales Governments – many of these issues and lessons highlighted have been addressed as a result of the sequence of natural growth, development and progression. They are therefore not so much 'lessons to be learned' but inevitable points of progression. It should be noted that any 'lessons' believed to be outstanding will be captured within the Governance strand of the Annual Business Plan 2019/20.
5. Whilst the report makes many fair and valid reflections and highlights many of the benefits associated with the process, the reference to 'aspects of the decision-making process being compromised' is unfortunate. The five stage business model was adhered to with an outline case preceding the full business case in May 2017 and the management case (establishment of Special Purpose Vehicle) and reserved matters presented in July 2017. The report does highlight that this assertion is based around the move to a full business case and the compression of a part of the process. Recent government guidance issued to English LEPs and Combined Authorities (National Growth Assurance Framework) sets out the 'proportionate' ways in which the Green Book process should be applied. It is not clear from WAO's assertion if, how or where they feel this perceived flaw in process has resulted in additional risk exposure to City Deal and project delivery itself.
6. The National Growth Assurance Framework also sets out a further point of relevance in regard to review and evaluation processes being capable of testing the counterfactual – the impact on the outcomes if the intervention hadn't taken place. It is not clear from the report if this was tested as a result of the WAO's work. In any event, the report in itself and the views expressed within come as a result of decisive action taken by City Deal – preferable to inaction.
7. The outcomes of the project to date, demonstrate growing success around private sector leverage and jobs safeguarded and created. This is currently the subject of a deep dive review by SQW – consultants appointed on behalf of UK Government to collate and collect evidence to inform the first Gateway Review. In 2018 alone, noteworthy developments have occurred in:

- The development of a £44m+ proposal around growing and developing the Compound Semiconductor Cluster in the region – for which a submission has been made by a consortium led by Cardiff University to the UK Industrial Strategy Strength in Places Fund
- The UK Government has approved the five year £50m business plan for the CSA Catapult and co-location within the Foundry is imminent
- The European Commission has approved a plan to recognise the Compound Semiconductor sector as an important sector of common interest, allowing 1.75bn (EURO) to be unlocked for research activities across the European regions identified leveraging a further 6bn (EURO) to help bring new technology innovations in the sector to market.

Reasons for Recommendations

8. The reasons for the recommendations are:

- The report provides a view based on work undertaken by WAO on the arrangements supporting the decision to invest in Compound Semiconductors. In the spirit of absolute openness and transparency, this report should be published in full.
- There are no issues of commercial sensitivity in the report and IQE Plc has signalled they are content for the report to be made publicly open and available.

Financial Implications

9. There are no direct financial implications arising from this report. However, in respect of business case development, it is important that the requirements of the Wider Investment Fund (WIF) Assurance Framework are met, as this a key requirement of the City Deal Funding Terms & Conditions.
10. The Assurance Framework sets-out that business cases will be developed in-line with HM Treasury Green Book (5 Case Model) requirements, although, clauses 3.5 (Appraisal Framework) and 3.7 (Business Case Development), highlight the need to consider the concept of ‘proportionality’ on a case by case basis.
11. Work is being done with external advisors (Local Partnerships) to better understand how the issue of proportionality can be addressed through the development of a variety of bespoke approaches linked to project value and complexity, whilst recognising the importance of sequential development, even where time constraints are in play.
12. These approaches will need to be predicated on the principles (and robustness) delivered through a traditional 5 Case Model. Any proposals developed will need to undergo the necessary consultation with all key stakeholders, including Wales Audit Office. This latter point is important to demonstrate good governance, whilst ensuring the risk of non-compliance with Funding Terms & Conditions is minimised.

Legal Implications

13. The WAO report on the Review of arrangements that supported the Cardiff Capital Region City Deal's First investment Decision sets out the WAO's conclusions about the arrangements that supported the City Deals' decision to invest in the project, together with 'lessons' for this and other City Deal and Regional Growth Partnerships. It is important that the report is submitted to members for consideration. As stated in the body of this report further work is underway in respect of business case development and any 'lessons' believed to be outstanding will be captured within the Governance strand of the Annual Business Plan 2019/20

Wellbeing of Future Generations (Wales) Act 2015

14. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing assist to achieve the national wellbeing goals.
15. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.
16. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken which is attached at Appendix 2.

General advice

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

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- a) Note the report and its contents;
- b) Note the 'lessons' identified in the WAO report and inclusion of any steps judged to be outstanding within the Annual Business Plan 2019/20; and
- c) Note the WAO report will be made separately available on the CCRCD website thereby ensuring it is publicly and openly available and accessible.

Kellie Beirne
Cardiff Capital Region City Deal Director
18 February 2019

Appendices:

Appendix 1 – WAO Report – Review of Arrangements Supporting CCR City Deal's First investment

Appendix 2 – Wellbeing of Future Generations Assessment

Background Papers

The following Background Papers have been taken into consideration:

National Local Growth Assurance Framework

<https://www.gov.uk/government/publications/national-local-growth-assurance-framework>

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Review of Arrangements that Supported the Cardiff Capital Region City Deal's First Investment Decision



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU



I have prepared and published this report in accordance with the
Public Audit (Wales) Act 2013

The Wales Audit Office study team was managed by Sara-Jane Byrne and comprised Alastair McQuaid, Ian Phillips and Emma Woodcock, under the direction of Ann-Marie Harkin.

Adrian Crompton
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

The Auditor General is independent of the National Assembly and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the National Assembly on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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What this report is about

- 1 In March 2016, ten Welsh Council leaders¹, the Secretary of State for Wales, the Chief Secretary to the Treasury and the First Minister for Wales all signed a Heads of Terms². This Agreement established the Cardiff Capital Region City Deal ('the City Deal'); Wales' first such partnership³.
- 2 Over a 20-year period, as stated within the Heads of Terms, the City Deal aims to invest £495 million within the Region to:
 - increase connectivity;
 - improve physical and digital infrastructure; and
 - improve regional business governance.

The £495 million comprises contributions from the ten constituent local authorities totalling £120 million, together with £375 million from Her Majesty's Treasury (HM Treasury).

- 3 In addition, the Welsh Government is procuring the South-East Wales Metro Scheme, which is outside the Cardiff City Deal Joint Working Agreement. The £734 million cost of the Metro brings the City Deal fund total to £1.229 billion.
- 4 After signing the deal, the ten local authorities established a joint committee ('the Regional Cabinet'), comprising the ten council leaders. This Regional Cabinet is the decision-making body for the City Deal partnership.
- 5 The Regional Cabinet established a Programme Office to support it and determined that Cardiff Council should be the 'Accountable Body' ([Appendix 4](#) provides further details of the governance structure). The Accountable Body manages the financial, legal and governance arrangements of the Regional Cabinet.

1 The ten local authorities are: Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen and Vale of Glamorgan.

2 The document setting out the main areas of the agreement between the constituent local authorities and governments.

3 Further partnerships have now been established with the Swansea Bay City Deal and the North Wales Growth Deal.

- 6 In May 2017, the Regional Cabinet made its first investment decision. It invested £38.5 million to establish a compound semiconductor⁴ manufacturing facility in Newport and lease it to a leading-edge technology company⁵. The investment in CSC Foundry Limited, a company created for the project, amounted to around 8 per cent of the total investment fund. This was the first project investment undertaken by a City Deal or Growth Partnership within Wales.
- 7 Joint committees fall within the definition of 'local government bodies in Wales' provided by section 12 of the Public Audit (Wales) Act 2004 (PAWA 2004). Joint committees, therefore, fall within the Auditor General's duty to audit the accounts of local government bodies under section 13 of PAWA 2004. Under section 17 (2) (d) of PAWA 2004, the Auditor General is also required to satisfy himself, by the examination of the accounts and otherwise that the bodies concerned have made 'proper arrangements' for securing economy, efficiency and effectiveness in their use of resources.
- 8 We undertook a review to determine whether appropriate governance arrangements were in place to support the Cardiff Capital Region City Deal decision to fund the compound semiconductor foundry project. In addition, we sought to identify whether there were any lessons and areas for improvement for future City Deal decisions.
- 9 This report sets out our conclusions about the arrangements that supported the City Deal's decision to invest in the project, together with useful lessons for this and other City Deals and Regional Growth Partnerships. We did not examine whether the investment decision itself was the right decision or not, as the Auditor General's statutory remit does not include examining the merits of policy decisions.

4 Devices made of semiconductors, notably silicon, are essential components are most electronic circuits – see Appendix 5 for more detail.

5 Established as Epitaxial Products International Limited in Cardiff in 1988, IQE PLC was incorporated in April 1999 with headquarters at St. Mellons, Cardiff. It is a leading global supplier of advanced wafer products and wafer services to the Compound Semiconductor industry.

Key findings






- 10 Our review found that due to commercial and political considerations, the newly formed Cardiff Capital Region City Deal partners decided they had to move quickly to take advantage of the compound semiconductor foundry investment opportunity before its own agreed assurance framework was fully in place. Although the City Deal partners were satisfied that high level risks were identified and mitigated, there are lessons to be learnt for future investment decisions by the Cardiff Capital Region City Deal and other similar partnerships.
- 11 We came to this conclusion because:
- the foundry project presented the Regional Cabinet with what they saw as a compelling opportunity which is consistent with its priority to invest in the compound semiconductor sector. The City Deal partners felt that the timescale for the decision to invest was tight due to commercial pressures and the impending local government elections ([paragraphs 1.16 to 1.24](#)).
 - aspects of the City Deal's investment decision-making process were compromised, and reporting and record keeping were not consistently comprehensive or transparent ([paragraphs 1.25 to 1.38](#)).
 - the accountable body and a member of the Programme Board recorded their concerns about whether the City Deal partners had sufficient time and enough information to come to a sound decision ([paragraphs 1.39 to 1.41](#)).
 - the Regional Cabinet felt unable to make a final decision on 2 May 2017; instead they agreed in principle to invest in the foundry, subject to resolving outstanding matters, and made the final decision on 14 July 2017 ([paragraphs 1.42 to 1.50](#)).
 - most of the City Deal partners felt that high level risks were managed appropriately to enable them to make an informed decision, however they had very limited time to consider large amounts of complex information ([paragraphs 1.51 to 1.61](#)).
- 12 We recognise the ambition of the City Deal partners to take advantage of the compound semi-conductor foundry investment opportunity, especially at a time when the partnership was still in its infancy, to work with the private sector to secure a project which has the potential to deliver significant benefits to the region.

- 13 For the City Deal partners, the experience of going through the foundry project investment decision-making process has helped the Partnership to mature and the City Deal partners identified a number of key benefits from going through this process. These are set out below in **Exhibit 1**:

Exhibit 1: key benefits identified by City Deal partners



The **City Deal Partners** identified **5 key benefits** arising from making the Cardiff Capital Region City Deal's **1st investment**

1		'Getting a project under our belt' and the focus necessary to achieve this helped the relationships within the partnership to mature and gave it a sense of purpose, and of achievement.
2		Regular briefings and updates for Chief Executives and Leaders outside of the usual meeting cycle gave all councils the opportunity to discuss any concerns and come to an agreed position.
3		Making a significant investment outside Cardiff itself helped the City Deal focus on regional benefits and wider opportunities, despite the differing political administrations.
4		The decision was made quickly by public sector standards, showing that it is possible to take well-managed risks.
5		The deal was an investment rather than grant model, which means that the money invested will be returned to the Deal and therefore it can be used for other projects in the future.

- 14 The City Deal is an enormous investment vehicle and the level of public monies involved is significant. The deal will be used to attract at least £4 billion of investment from local partners and the private sector by 2036 on top of its £1.2 billion investment fund, as set out in the Cardiff Capital Region City Deal Heads of Terms. Given the scale of public monies involved, it is important that City Deals adhere to the principles of good governance as set out in [Appendix 1](#).
- 15 The City Deal partners interviewed acknowledge that there are lessons to be learnt from the process of going through the first investment decision for future investment decisions. Our consideration of the arrangements in place at the time of the investment has highlighted areas for improvement. These are relevant for other City Deals and Growth Partnerships, as well as future projects undertaken by the Cardiff Capital Region City Deal. The lessons we have identified are set out in [Exhibit 2](#):

Exhibit 2: lessons identified from making the first City Deal investment.



8 lessons

arising from making the Cardiff Capital Region City Deal's 1st investment

1		Provide written rather than verbal updates to meetings, whenever possible
2		Maintain a record of all amendments to reports and detailed records of meetings
3		Members receive all reports within an adequate timeframe to be able to read and understand them
4		Ensure opportunities for challenge and scrutiny in between proposal development and the due diligence processes
5		Ensure that there is sufficient capacity to deliver projects
6		Allow Senior Officers within its partner organisations the time to complete appropriate tasks for the Deal or Partnership
7		A thorough assessment against HMT guidance and adherence to the Assurance Framework
8		To ensure that WFG is considered throughout the project appraisal process rather than after the event

- 16 The key questions that our review sought to answer are set out in [Appendix 2](#), and [Appendix 3](#) shows a timeline of key events.
- 17 [Appendix 4](#) describes the governance structure of the City Deal, including the roles played by the advisory bodies, [Appendix 5](#) explains what a Compound Semiconductor is, and [Appendix 6](#) provides a map of the Cardiff Capital Region City Deal area.

The Cardiff Capital Region City Deal was first considered in 2011 and was established in 2017

- 1.1 In 2011, the then Welsh Government Minister for Economy, Science and Transport⁶ set-up a task and finish group to consider evidence for city regions as economic drivers. The group's first recommendation was:

'The group strongly recommends that a City Region be recognised in South East Wales on the basis of existing patterns of movement and the potential for increased interconnectivity together with the tradition of both social and economic interdependence.'
- 1.2 In response, in November 2013 the Welsh Government commissioned a South-East Wales City Region Board, comprising individuals drawn from the public and private sectors. This advisory Board met each month up to January 2015 and provided leadership, vision and strategic direction.
- 1.3 In March 2015, the Chancellor of the Exchequer announced in his Budget Statement that:

'We're giving more power to Wales. We're working on a City Deal.'
- 1.4 On 21 May 2015, the Chief Executive of Cardiff Council wrote to the nine other South-East Wales local authorities, see [Footnote 1](#) suggesting that they collectively formulate a City Deal proposal to submit to the UK Government.

- 1.5 On 15 March 2016, the ten council leaders, 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 City Deal Heads of Terms. This represented a significant step towards a City Deal for South East Wales. The Heads of Terms identified that City Deal projects must fit within one of these strategic themes:
- connecting the region;
 - innovation;
 - regeneration and infrastructure;
 - skills and employment; and
 - a commitment to developing a compound semiconductor cluster within the region.

After signing the Heads of Terms, joint shadow cabinet arrangements were put in place.

- 1.6 The joint shadow cabinet signed off the Joint Working Agreement ('the Agreement') on 18 January 2017. Incorporated within this document were the City Deal's Heads of Terms, the Assurance Framework and the 2016-2020 Implementation Plan. The Assurance Framework details arrangements for governance and decision making on project appraisal, selection and management.
- 1.7 Between 25 January and 9 February 2017, Full Council approval was received from each of the ten partner local authorities for the establishment of a Cardiff Capital Region Joint Committee to deliver the Agreement.
- 1.8 The ten partner councils formally ratified the City Deal on 1 March 2017 and then formed the Joint Committee, which approved a plan to move from joint shadow cabinet arrangements to a full Regional Cabinet. The Regional Cabinet considers investment projects for approval in accordance with the Agreement.
- 1.9 The Regional Cabinet set up a programme office with a programme director to support the City Deal. During the first year of the City Deal, known as the 'transition year', an outline staff structure was developed.

- 1.10 As part of the governance arrangements, the Regional Cabinet set up a Programme Board to act as a sounding board for potential investment projects. The Programme Board is made up of Strategic Directors and subject experts, but Chief Executives have a standing invitation to attend.
- 1.11 The City Deal partners agreed that Cardiff Council would be the accountable body, given its capacity and experience of large capital projects. Cardiff Council also had experience of procuring expert advice through its framework contracts, which the City Deal could draw upon, avoiding the need for fresh tenders. Further information about the governance structure of the City Deal is set out in [Appendix 4](#).

The £1.229 billion Cardiff Capital Region City Deal comprises investment from UK Government, Welsh Government and the ten Cardiff Capital Region City Deal partners

1.12 The City Deal agreement between the UK Government, Welsh Government and ten constituent local authorities totals £1.229 billion over a 20-year period. The City Deal has confirmed that £734 million of the £1.229 billion is for the South-East Wales Metro Scheme⁷. The balance of £495 million is available as the 'Wider Investment Fund'. The City Deal receives the UK Government's funding contribution (totalling £375 million) via the Welsh Government in annual tranches, as follows:

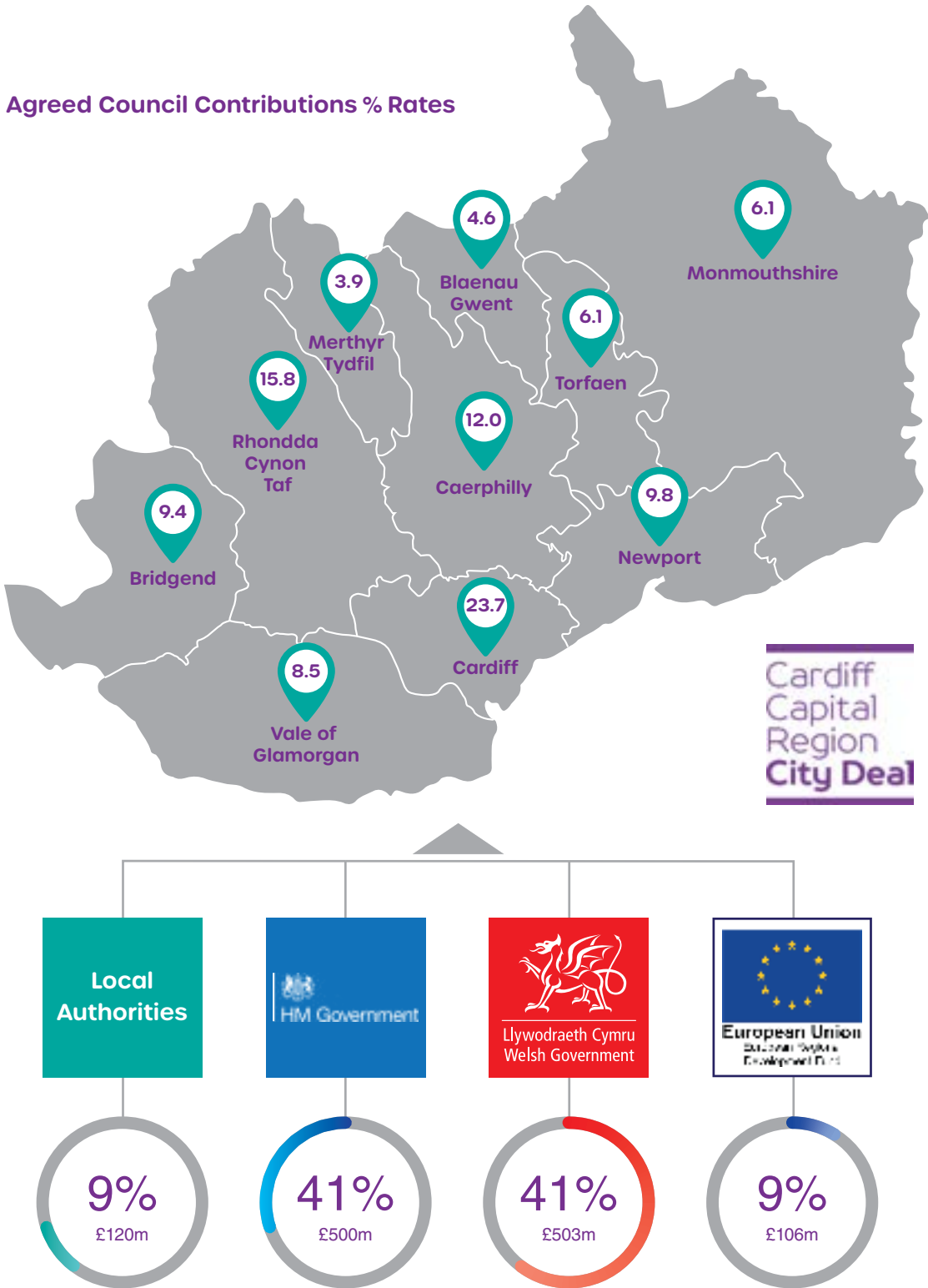
- 2016-17 to 2020-21: £10 million revenue funding per year (£50 million total)
- 2021-22 to 2030-31: £22 million capital funding per year (£220 million in total)
- 2031-32 to 2035-36: £21 million capital funding per year (£105 million in total)

The balance of the City Deal funding (£120 million) is provided by the ten local authority City Deal partners as required.

1.13 **Exhibit 3** below shows how the funding is broken-down per organisation. In line with the City Deal ethos of local accountability, the Welsh Government did not impose any additional terms and conditions on the City Deal's use of its funding beyond those required to ensure financial propriety and good governance.

⁷ The South Wales Metro is a major rail infrastructure investment project to link people and jobs across South East Wales in a fast, efficient and environmentally positive way. There will be better integration with other modes of transport, including buses, and flexible ticketing options. Travellers will be able to move easily across the south-east Wales region with improved capacity, improved quality and improved passenger information. Source: City Deal documentation.

Exhibit 3: the breakdown of funding per organisation



Source: Cardiff Capital Region City Deal Heads of Terms

- 1.14 The UK Government stipulated that the Wider Investment Fund should create 25,000 new jobs and £4 billion of private sector investment to support the City Deal's objectives. The UK Government's expectations are that any City Deal investment decisions would have regard to the 'Green Book'⁸, based upon the HM Treasury five-case business model. The City Deal's Assurance Framework is designed to reflect 'Green Book' requirements.
- 1.15 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.

8 The 'Green-Book' is guidance issued by HM Treasury on how to appraise policies, programmes and projects and to help officials develop transparent, objective, evidence-based appraisal and evaluation of proposals to inform decision-making, based on a **five-case model**.

The foundry project presented the Regional Cabinet with what they saw as a compelling opportunity which is consistent with its priority to invest in the compound semiconductor sector. The City Deal partners felt that the timescale for the decision to invest was tight due to commercial pressures and the impending local government elections

- 1.16 Before the City Deal was finalised, in January 2016, the Chancellor of the UK Government had announced £50 million of funding support, to back cutting-edge science and innovation by establishing a national semiconductor innovation centre, the Compound Semiconductor Applications Catapult, in Wales. Earlier, in November 2015, the Welsh Government announced a £12 million funding package and the UK Research Council Partnership Investment Fund invested £17.3 million. The Centre, spearheaded by Cardiff University and IQE⁹, was established to develop and build next generation compound semiconductor technologies. The City Deal recognised that these investments aligned with one of its priorities and therefore reflected the semiconductor industry within its Heads of Terms.
- 1.17 On 5 January 2017¹⁰, the Chief Executive of Monmouthshire Council informed the Programme Board that IQE was considering expanding to a vacant factory in Newport, owned by the Welsh Government. The expansion would establish a compound semiconductor foundry and create approximately 4,000 to 5,000 jobs with a salary range of between £40,000 and £50,000. The project would also bring in £375 million private sector investment and would generate returns on public investment for use on future other City Deal projects. The project was, therefore, consistent with the City Deal Heads of Terms.
- 1.18 The minutes of the 5 January 2017 Programme Board meeting stated ‘... timescales are tight as investors will need to commit in 2017’. The Programme Board agreed to put the foundry project forward for discussion by the shadow cabinet on 6 January 2017. However, the shadow cabinet minutes do not indicate that any discussion took place. We have been unable to establish why this was the case.

⁹ Established as Epitaxial Products International Limited in Cardiff in 1988, IQE PLC was incorporated in April 1999 with headquarters in St Mellons, Cardiff. It is a leading global supplier of advanced wafer products and wafer services the Compound Semi conductor industry.

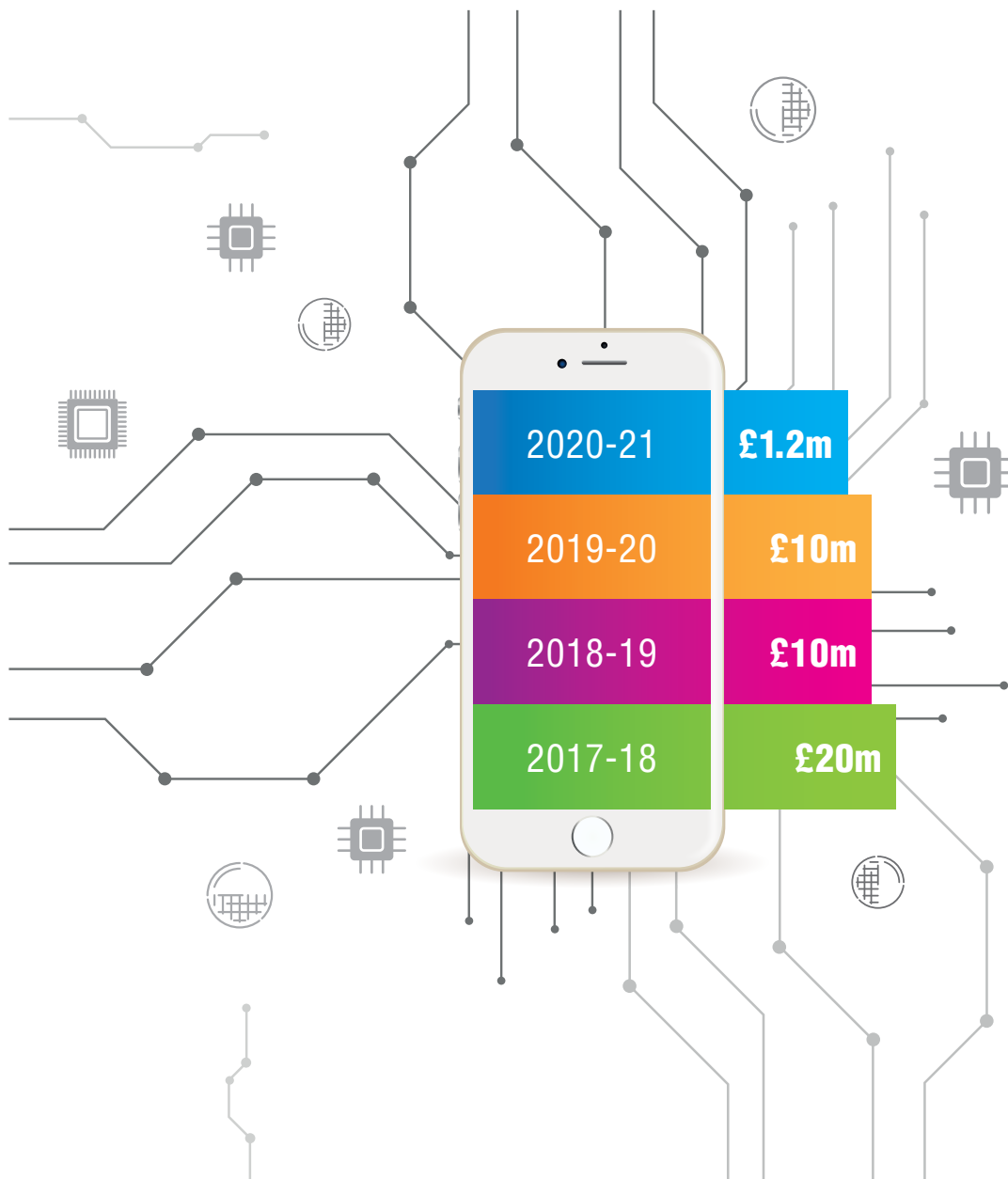
¹⁰ Before the City Deal was ratified.

- 1.19 On 10 February 2017, the Chief Executive of Newport City Council presented a briefing paper on the compound semiconductor cluster concept to the Programme Board. The paper provided information on reasons for establishing a compound semiconductor cluster, the current position and the potential way forward given the limited timeframe. The paper also listed potential risks and mitigations associated with the compound semiconductor industry and the foundry project, and an associated timeframe.
- 1.20 Monmouthshire Council agreed to take on the lead authority role in relation to the foundry project, as it had chief officers with prior knowledge of the compound semiconductor concept. Monmouthshire had also led on the early stages of the work and developed the proposal with key stakeholders.
- 1.21 On 17 March 2017, the Regional Cabinet agreed a Transition Plan 2017-18, which provided Regional Cabinet with details of the tasks and activities required in the coming year to efficiently address the requirements of the Joint Working Agreement and the Assurance Framework. At the same meeting, the chief executive of Monmouthshire Council presented a paper covering:
- the need for the Regional Cabinet to make a quick decision, as IQE had secured a major contract with one of the leading global technology giants. IQE therefore required a production facility to be set up by July 2017, in readiness for testing and validation of the technology.
 - the size and timeframe of the deal. The City Deal would invest between £37 million and £40 million over 3 years to acquire and fit-out the property; including installing a specialist 'clean room' facility.
 - confirmation that the Joint Working Agreement allows the Regional Cabinet to make the decision.
 - the Regional Cabinet could decide during the period preceding the Local Government election in May 2017.
 - value for money considerations. The foundry investment would represent value for money because it would yield annual interest and would be repaid in full when the building is sold. The project would create 4,000 – 5,000 jobs and would signal the City Deal's clear intent to invest in industries of the future.

- 1.22 A specially convened Programme Board meeting on Friday 21 April 2017 considered the foundry investment, which required City Deal investment to convert the former LG Packaging & Testing building in Newport, into a Compound Semiconductor foundry. The Programme Board would need to recommend the proposal to the Regional Cabinet for it to approve, as required under the Assurance Framework.
- 1.23 The City Deal partners recognised the importance of deciding in the period before the local government elections in May 2017. This was because of the possibility that the election results could affect the Regional Cabinet's composition¹¹. The City Deal was concerned that the opportunity to invest in the foundry project could therefore be missed, due to the tight approval timetable necessitated by the commercial pressures. However, although the in-principle decision was made prior to the elections, the actual approval was not given until July 2017.
- 1.24 IQE had commissioned a comprehensive building survey and a leading firm of accountants had produced an independent commercial and financial due diligence advice report. The four-year investment is shown in **Exhibit 4**.

¹¹ If any of the existing council leaders lost their seats, then their councils would need to appoint new leaders before they could participate in the City Deal, most AGM's for appointment were scheduled for July. The new leaders would then have to be brought up to speed in relation to the potential investment. This would result in delaying a decision for potentially several months, thus missing the July 2017 deadline.

Exhibit 4: the compound semiconductor foundry project four-year investment requirement from the City Deal, as per the 21 April 2017 Programme Board minutes, these differ to those discussed at the March 2017 meeting



Source: Programme Board minutes, dated 21 April 2017

Aspects of the City Deal's investment decision-making process were compromised, and reporting and record keeping were not consistently comprehensive or transparent

1.25 The City Deal is required to follow the same rules, regulations and principles of good governance as all other Welsh Local Government bodies, including in relation to transparency, reporting and accountability. We found that:

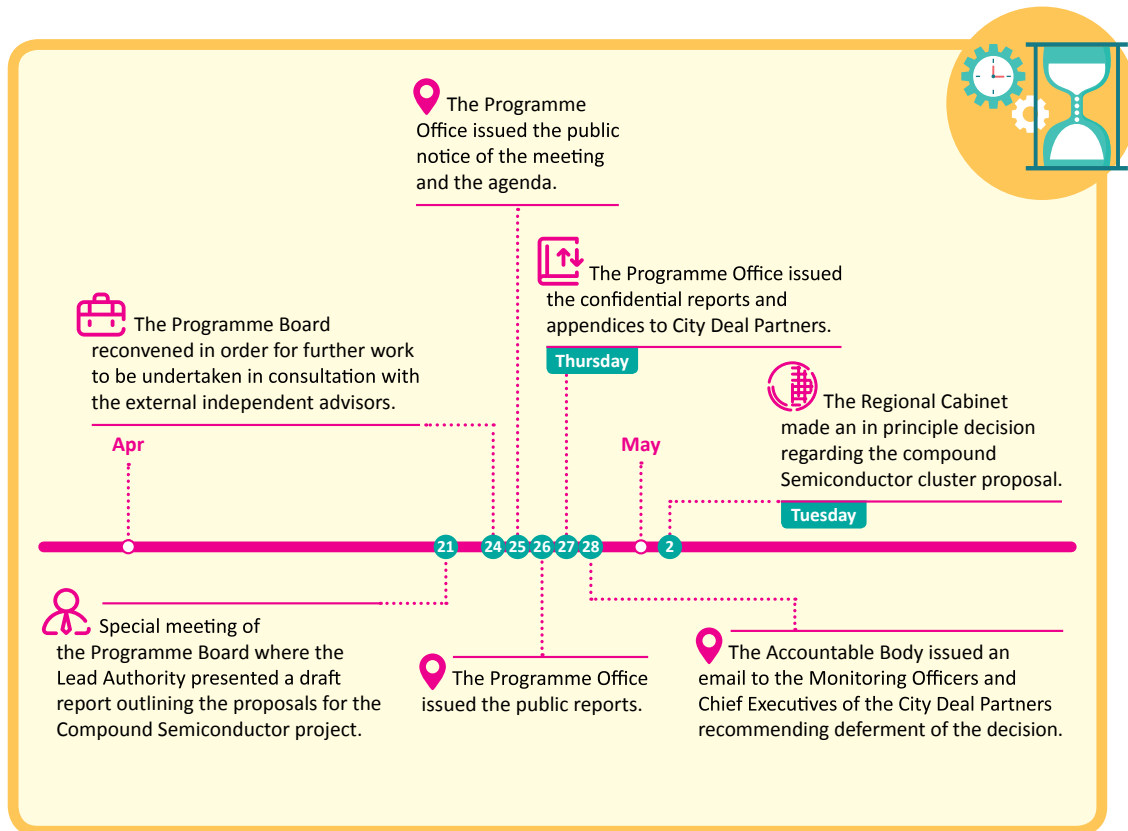
- the on-line record of meeting minutes is incomplete;
- updates to key meetings were provided verbally and discussions were not recorded appropriately and consistently;
- information was provided to the Programme Board without supporting documentation ([Exhibit 6](#));
- complex expert opinions were provided to the Regional Cabinet without adequate explanatory reports from the Lead Authority, Programme Board and Accountable Body¹²;
- risk assessment ratings¹³ were reduced without the documentation clearly showing what assurance had been received;
- elements of the decision process that should have been undertaken sequentially were undertaken simultaneously ([paragraph 1.37](#)); and
- the same officers from the Lead Authority were significantly involved in both developing and appraising the project proposal rather than there being a separation of responsibilities.

1.26 A specially convened Programme Board met on Friday 21 April 2017 to consider whether they could recommend the foundry investment to the Regional Cabinet. The Programme Board felt they did not have enough information to be able to recommend the investment to the Regional Cabinet. The Lead Authority and Programme Office agreed to work over the weekend to provide the Programme Board with further information for another meeting on Monday 24 April 2017.

¹² The City Deal's Annual Governance Statement 2017-18 recognises that 'on occasions the draft [officers'] reports had been provided with insufficient time for the written comments included in the reports to be as comprehensive as is ideal'.

¹³ The City Deal's Annual Governance Statement 2017-18 acknowledges that 'the City Deal has a limited level of assurance of its risk management arrangements and that this is an area for improvement'.

Exhibit 5: timescale of the compound semiconductor foundry investment decision



Source: Programme Board and Regional Cabinet minutes

1.27 On 24 April 2017, the Programme Director reminded the Programme Board that the City Deal was unable to adhere strictly to its agreed Assurance Framework¹⁴ because the Assessment Toolkit¹⁵ was still in development and the Advisory Bodies (see [Appendix 4](#)) were yet to be put in place. She stated:

‘...in this transition period the Board are requested to prepare their observations and recommendations based on the available information within the Candidate Scheme Observation Record¹⁶ and Project Proposal Assessment’.

1.28 The partnership was very new, relationships were still developing and the governance arrangements to support the City Deal were not all in place, specifically:

- five-year business plan¹⁷ and regional economic strategy¹⁸;
- assessment toolkit;
- advisory and consultation groups; and
- the Programme Office, which supported the Regional Cabinet was not fully staffed.

1.29 The City Deal partners, therefore, recognised that the foundry investment decision would not fully follow the processes set out in its agreed Assurance Framework.

1.30 The minutes of the Programme Board held on Monday 24 April 2017 provide an example of how verbal updates were given in relation to key risk areas and the level of information recorded in the minutes, see [Exhibit 6](#).

14 The Assurance Framework agreed within the Joint Working Agreement, sets out a wider investment fund scheme appraisal framework against which candidate schemes like the foundry project should be assessed. The Assurance Framework also identifies a Gateway system, which includes a three-stage business case: development; consultation, assessment process; and a decision-making protocol. These are sequential, with proposal, business case development and due diligence needing decision following on from each other only if a project is successful at each stage. This is in line with HM Treasury Green Book requirements.

15 The Assessment Toolkit measures the extent to which a project supports delivery of Joint Working Agreement Business Plan targets and assesses value for money.

16 The “Candidate Scheme Observation Record and Project Proposal Assessment” is the form used to record comments from the Programme Board.

17 The Regional Cabinet and each of the 10 constituent local authorities agreed the five-year joint working agreement Strategic Business Plan on 28 March 2018.

18 The Assurance Framework states:

‘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.’

Exhibit 6: verbal updates provided to the Programme Board at its meeting on 24 April 2017

Update

State Aid



Expert legal advice on State Aid, including on meeting the Market Economy Investor Principle Test¹⁹.

The City Deal would receive the written advice on letterhead shortly.

Legal advice on the ability of the Regional Cabinet to create a Special Purpose Vehicle.



Special Purpose Vehicle²⁰

Procurement



Legal advice on the City Deal procuring a building; there is no time to issue an Official Journal of the European Union (OJEU) notice²¹. However, the Board can consider a Voluntary Ex Ante Transparency²² notice.

¹⁹ The Market Economy Investor Principle Test is applied to establish whether the recipient of an aid will derive a “selective advantage” from receipt of an economic advantage which could not have been obtained under normal market conditions.

²⁰ A Special Purpose Vehicle (SPV) is an off-balance sheet legal entity created to fulfil a temporary objective. SPV’s can disaggregate risks and reallocate them to investors willing to take them on. This allows investors access to investment opportunities and provides a new source of revenue generation for the sponsoring firm.

²¹ The OJEU is the publication in which all tenders from the public sector, which are valued above a certain financial threshold according to EU legislation, must be published.

²² A means of advertising the intention to let a contract without opening it up to formal competition.

Impact of land value increases in reducing financial risk. Use of prudential borrowing²³ by the ten constituent local authorities to cover a potential funding gap.

It was noted that it was important to have sight of the assurance obtained from Welsh Government relating to the acquisition of the building.

Questions were raised on the due diligence report specifically with reference to agreements with a high-street bank.



The Lead for Place²⁴ confirmed that the project sponsor was IQE and that officers from Monmouthshire and Rhondda Cynon Taf councils were carrying out an assessment role. Therefore, no declarations of interest or involvement were required.

On the matter of compliance with the Assurance Framework, the Lead for Place stated that the report to Regional Cabinet must include the observations and recommendations of the Programme Board.

The Programme Office must publish the report tomorrow afternoon, if the meeting is to go ahead on 2 May. Therefore, the Board must undertake an assessment of the proposal in line with the Assurance Framework on the assumption that, and subject to, the Board receiving positive responses to the further information requested (see paragraph 1.42).

Source: Minutes of the Cardiff Capital Region Programme Board

23 The Local Government Act 2003 sets the legal framework within which local government may undertake capital expenditure. The Act also empowers the National Assembly for Wales to further regulate capital finance matters as appropriate. Section 3 of the Act requires all borrowing to be subject to an affordability assessment by a Local Authority. Section 12 also provides for a general power that allows an authority to invest resources in support of their services or for sensible treasury management activities.

24 An officer from the Programme Office.

- 1.31 The Programme Board minutes record that four queries relating to the verbal updates were raised at the meeting. These queries could have been dealt with before the meeting if timescales had allowed papers to be provided and considered properly:
- a one member wanted the Board to see the State Aid legal advice.
 - b one member suggested that the Special Purpose Vehicle may need to be considered by individual Authorities. Therefore, the Board can only agree in-principle at this time.
 - c one member wanted the Board to see the Welsh Government assurance relating to the building acquisition.
 - d the Board raised questions on the accountant's due diligence report, specifically in relation to the high-street bank agreements.
- 1.32 At the meeting on 24 April 2017, the Programme Board received a lot of information verbally and still had several queries. As the agreed Assurance Framework was not fully in place, the Programme Board undertook a high-level assessment of the foundry project proposal against HM Treasury's Five Case Business Model (see [footnote 8](#)) at its meeting on 24 April 2017.
- 1.33 The Programme Office led the Programme Board through the Five Case Business Model, explaining that it was usual for there to be three iterations²⁵ of a business case to support a proposal. However, due to time constraints the Programme Office and Lead Authority had moved directly to the final iteration, a full business case²⁶, for the foundry project proposal. The Programme Board's assessment of the proposal against the Five Case Business Model is set out in [Exhibit 7](#).

25 The three iterations are: Scoping the proposal and preparing the Strategic Outline Case; Planning the proposal and preparing the Outline Business Case; and Procuring the proposal and preparing the Full Business Case.

26 In its Annual Governance Statement 2017-18, the City Deal recognises that business case development is an area for improvement.

Exhibit 7: the Programme Office’s assessment of the foundry project proposal against the five-case business model as recorded within the Programme Board minutes of 24 April 2017

Case	Risk Assessment presented	Following discussions
Strategic	Clearly established	No change
Economic	Three red rated areas: <ul style="list-style-type: none"> • only one option has been considered and developed • had a value for money assessment of the preferred option been undertaken? • lack of benefits/realisation plan 	All reds moved to amber or green, subject to receiving written responses.
Commercial	Considered positive	No change
Financial	Two red rated areas: <ul style="list-style-type: none"> • is the scheme affordable? • impact on income/ expenditure on the overall budget specifically related to development and implementation of other proposals 	Given the considerations earlier on in the meeting all reds moved to amber.

Source: Minutes of the Cardiff Capital Region Programme Board 24 April 2017

1.34 Only four of the five business case areas in the model were assessed according to the minutes. It is not clear why the management element of the five-case business model was not considered. In addition, we have not seen the evidence to support the changes in red ratings for:

- options appraisal and opportunity costs²⁷; and
- scheme affordability, value for money and benefits realisation.

These missing elements focus on whether the preferred option can be delivered, benefits realised, and risks managed. It is noted, however, that the papers provided to the Regional Cabinet on 2 May 2017, included the management case aspect of the five-case business model.

1.35 After reassessing their compliance, against the five-case business model on 24 April 2017, the Programme Board recommended the foundry project investment to the Regional Cabinet for their consideration on 2 May 2017²⁸. This was because red ratings, showing areas at risk of non-compliance with the five-case model ([Exhibit 7](#)), were amended to amber or green.

1.36 The five-case model is intended to test all aspects of a funding proposal from inception through to delivery and benefits realisation. The model requires each stage to be completed satisfactorily before proceeding to the next. The model ensures that decisions are transparent because they are based upon complete information, proper documentation and a robust process.

1.37 The City Deal moved straight to a full business case, without a preceding outline case ([see paragraph 1.33](#)) and undertook due diligence at the same time as developing the final proposal. Because these stages were taken simultaneously rather than sequentially, each stage was not fully documented, compromising the City Deal partners' ability to robustly scrutinise and challenge the proposal. This affected the transparency of the decision-making process. Furthermore, the Assurance Framework anticipated, and the HM Treasury Green Book advises, separation between project sponsorship and appraisal processes, to safeguard independence. However, the same officers from the Lead Authority were significantly involved in both developing and appraising the foundry project proposal.

²⁷ Opportunity cost is the benefit that the City Deal would miss out on when choosing one alternative over another.

²⁸ The Board also decided to put back the Regional Cabinet meeting to 2 May 2017 to comply with the three-working day statutory publication requirement (Local Government Act 1972 s100B).

1.38 In line with the HM Treasury Green Book, organisations should identify a range of options and assess the viability of these against an intended outcome or objective, value for money, affordability and achievability. However, the City Deal focussed solely on the foundry project investment proposal and did not consider any other options other than IQE as the private sector provider. Other options were not considered because of the risk that benefits would be lost to Wales if IQE established overseas production to fulfil a supply contract with a leading global technology firm.

The Accountable Body and a member of the Programme Board recorded their concerns about whether the City Deal partners had sufficient time and enough information to come to a robust decision

1.39 On 28 April 2017, the Accountable Body (Cardiff Council) wrote to the 10 Chief Executives stating that it would support a proposal made by a member of the Programme Board to defer the Regional Cabinet decision on the foundry project investment. By deferring the decision for a short while, the Accountable Body was confident that the highest standards of governance would be more attainable. The Regional Cabinet would be able to ensure that the decision was robust and defensible in the face of any reasonable challenge. The length of deferral was not specified in the letter, but any delay would have meant that the decision could not have been taken until after the local government elections on 4 May 2017. Given the need for councils to hold annual general meetings after the elections, it is likely that the decision would then not have been taken until the early summer.

1.40 Two members of the Programme Board informed us that the Programme Board considered the letter and weighed-up the legal advice obtained by the Accountable Body.

1.41 After consideration, the Programme Board decided that the Regional Cabinet meeting to consider the proposal scheduled for 2 May should go ahead. The Accountable Body's letter of 28 April was not considered at the Regional Cabinet meeting on 2 May 2017, according to the agenda or minutes.

The Regional Cabinet felt unable to make a final decision on 2 May 2017; instead they agreed in principle to invest in the foundry project, subject to resolving outstanding matters, and made the final decision on 14 July 2017.

1.42 The Lead Authority, Monmouthshire (see paragraph 1.20) supported by the Rhondda Cynon Taf Chief Executive prepared the foundry project decision report for the Regional Cabinet to consider on 2 May 2017. This report highlighted the matters material to the decision that had not been resolved sufficiently for a final decision to be made at the 24 April meeting. These were:

- Ministerial approval had not yet been received of:
 - the Welsh Government contribution to the project;
 - the Welsh Government full agreement to transfer the factory and allocate land to the Cardiff Capital Region City Deal; and
 - the lease agreement with the foundry.
- finalisation in writing had not been received for:
 - gas safety storage (Welsh Government); and
 - utilities and future power supply beyond phases 1 and 2 of the project (tenant and private energy provider).
- advice around Corporation Tax, Value Added Tax and Stamp Duty Land Tax implications required to ensure the most tax efficient structure for the Special Purpose Vehicle and the City Deal had not been finalised.
- details of the breakdown of expenditure within the £37.9 million required for the project had not been finalised; and
- external experts' reports had not been signed-off and agreed.

1.43 Instead of deferring a decision, on 2 May 2017, the Regional Cabinet agreed (with Cardiff Council abstaining), to support the foundry investment, subject to the matters recognised within the Lead Authority's foundry project decision report being addressed satisfactorily.

1.44 The Regional Cabinet also agreed, in principle, to establish a Special Purpose Vehicle to implement the proposal and that the Lead Authority would report the detailed arrangements to it for approval later.

- 1.45 Rhondda Cynon Taf County Borough Council agreed to provide £9.9 million of bridging finance to meet a cash flow shortfall, which would arise because the full contributions from the constituent local authorities could not be accessed until the five-year business plan had been agreed. This was also in recognition that the HM Treasury contributions were in annual tranches and only years one and two (£20 million) could be accessed.
- 1.46 On 14 July 2017, the Regional Cabinet met to consider whether sufficient progress had been made against the outstanding matters, which the 2 May 2017 decision to invest in the foundry project was subject to, **Exhibit 8** shows whether the papers and minutes reflect progress against the outstanding matter.

Exhibit 8: this table shows how the matters identified at the 2 May 2017 Regional Cabinet meeting were addressed at the 14 July 2017 Regional Cabinet meeting

Outstanding matters from the papers and minutes of the 2 May 2017 Regional Cabinet meeting	Evidence of discussion from the papers and minutes of the 14 July 2017 Regional Cabinet meeting
Ministerial approval of: the Welsh Government contribution to the project; the Welsh Government full agreement to transfer the factory and allocate land to the Cardiff Capital Region City Deal; and the lease agreement with the foundry.	Yes, Point 1 completed. Points 2 and 3 in progress.
Finalisation in writing had not been received for: Gas safety storage (Welsh Government); and Utilities and future power supply beyond phases 1 and 2 of the project (tenant and private energy provider)	Yes. Point 1 completed. Points 2 in progress.
The City Deal partners had not yet approved its five-year business plan, so could not access the £120 million of councils' contributions required to finance the foundry project.	No.

Outstanding matters from the papers and minutes of the 2 May 2017 Regional Cabinet meeting	Evidence of discussion from the papers and minutes of the 14 July 2017 Regional Cabinet meeting
Advice around Corporation Tax, Value Added Tax and Stamp Duty Land Tax implications required to ensure the most tax efficient structure for the Special Purpose Vehicle and the City Deal had not been finalised.	Yes, for Corporation Tax. No for Value Added Tax or Stamp Duty Land Tax.
Details of the breakdown of expenditure within the £37.9 million required for the project had not been finalised.	Yes, but not clear whether the breakdown has been finalised.
External experts' reports had not been signed-off and agreed.	No.

Source: Minutes and papers from the Regional Cabinet meetings dated 2 May 2017 and 14 July 2017

1.47 It is clear from the documentation that some outstanding matters were complete, and some were in progress. However, for a few matters it is unclear from the documentation whether they were resolved or not. The paper presented at the 14 July 2017 Regional Cabinet, identifies further matters in addition to those outstanding on 2 May 2017 and sets out progress to date against them.

1.48 Notwithstanding these issues, on 14 July 2017 the Regional Cabinet agreed:

- that sufficient progress had been made on the outstanding matters detailed on 2 May 2017 to finalise approval for the foundry investment;
- to increase the project investment from £37.9 million to £38.5 million²⁹, this included £0.45 million for the Special Purpose Vehicle Programme Budget;
- to set up a Special Purpose Vehicle, called 'CSC Foundry Ltd' and authorised the Accountable Body to release funding to the Special Purpose Vehicle; and
- that Monmouthshire County Council would continue to be the Lead Authority for the foundry investment.

1.49 Papers were sent in advance of the meeting, some of which were public, but others were restricted and kept private because of commercial considerations. A restricted paper showed that the outstanding matters had not all been addressed fully. However, the Regional Cabinet felt that enough progress had been made to confirm release of the first tranche, a payment of £6.5 million was made on 4 August 2017.

1.50 As a local government joint committee, the Regional Cabinet is a public body and is required to publish its agendas and papers unless they are restricted. However, the publicly available records of Regional Cabinet meetings on the City Deal website are incomplete and do not include any information relating to the 14 July 2017 meeting.

²⁹ Figures taken from minutes of 14 July 2017. However, the Accountable Body has informed us that the figures should have been from £38.4 million to £38.5 million.

Most of the City Deal partners felt that high level risks were managed appropriately to enable them to make an informed decision, however they had very limited time to consider large amounts of complex information

1.51 As part of our review, we interviewed key individuals within the City Deal partnership who were involved in foundry project investment decision:

- Chief Executives of Monmouthshire, Rhondda Cynon Taf and Cardiff
- Leaders of Rhondda Cynon Taf and Monmouthshire
- Officers from the Lead Authority (Monmouthshire)
- Officers from the Accountable Body (Cardiff)
- Programme Office Director

1.52 We also contacted all Council Chief Executives and current Leaders within the partnership to see if they had any comments. All Leaders who expressed a view felt sufficiently informed before coming to the decision to invest in the foundry. They also emphasised the extent to which they had considered the consequences of not exploring the opportunity when it arose, and of a decision not to invest.

1.53 From January 2017, Chief Executives and Leaders were meeting regularly, formally and informally to discuss the City Deal; frequently including the potential benefits of Compound Semiconductor investment. Each month, Chief Executives met formally as the Programme Board and Leaders also met initially as the shadow joint cabinet, subsequently as the Regional Cabinet. Councils were also able to consult their own statutory officers for advice. The Programme Office Director, representatives from the Accountable Body and Lead Authority officers attended the meetings and produced reports on the foundry project, this included a risk register. Risks included:

- the commercial risks associated with the investment decision;
- the legal powers and regulatory requirements for the decision; and
- the deliverability of a decision within the timescale required.

- 1.54 The City Deal needed to gather and consider an extensive range of complex information necessary for the Regional Cabinet to satisfy itself that the risks were managed appropriately. This involved commissioning professional opinions from external experts as the project evolved, including:
- legal advice about company law, constitutional law, contract and property law, and State Aid;
 - financial advice about accounting treatments, investment decisions and taxation; and
 - property advice about valuation and lease arrangements.
- 1.55 The City Deal put in place a range of other mitigating actions to manage the risks set out in the risk register, including:
- mobilising resources within the partner authorities to focus on the project, including dedicating senior officers to the project; and
 - providing regular briefings between leaders and chief executives of the City Deal partners.
- 1.56 Frequently expert opinion would identify new risks and issues which needed to be addressed. The large volume of complex information involved stretched the capacity of the Programme Office, Accountable Body and Lead Authority. The Programme Office was not fully staffed at this point. In turn, this placed a significant burden upon the Programme Board and Regional Cabinet. Often very little time was available to read and understand lengthy and complex information; in two instances this was limited to 30 minutes³⁰. Therefore, the Regional Cabinet needed to place a high degree of trust in the Programme Board, key officers and external advisors. The Programme Office checked the non-public papers on 26 April 2017 and sent them out to the Regional Cabinet members on 27 April 2017. The Regional Cabinet's 'in-principal decision' to invest in the proposal was made on 2 May 2017, just seven working days after Programme Board's initial consideration on 21 April 2017.
- 1.57 The City Deal's Annual Governance Statement for 2017-18 acknowledges that the City Deal's risk management arrangements provided a limited level of assurance³¹, and that this is an area for improvement.

³⁰ Programme Board held on 24 April 2017 and Regional Cabinet papers for 2 May 2017

³¹ Some significant matters require management attention, with moderate to high risk exposure until resolved.

- 1.58 Under the Well-being of Future Generations (Wales) Act 2015, each of the 10 City Deal authorities is required to carry out sustainable development, which is defined as: ‘...the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals’³². The Well-being of Future Generations Act defines the sustainable development principle as acting in a manner: ‘...which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs’³³. To act in this manner, public bodies must take account of the ‘five ways of working: collaboration, integration, involvement, prevention and long-term’³⁴.
- 1.59 The intended long-term benefits of the investment, particularly in terms of the economy and job creation, are set out in the semi-conductor proposal report considered by the Joint Cabinet on 2 May 2017. These are also supported by due diligence reports commissioned from a series of external advisers. However, the Lead Chief Executive of the City Deal requested a review of how the Equality Act 2010 and the Well-being of Future Generations Act was addressed in relevant reports relating to the semi-conductor proposal. The report acknowledges that advice given by external experts provided a high-level consideration of the two acts but did not address all the issues relevant to the acts. The review highlighted that ‘it would have been appropriate for a proposal/ investment of this nature and scale to undertake an equalities and wellbeing impact assessment to ensure all issues, both high level and detailed, were fully explored. However, with the external time constraints applied, which meant that detailed reports were being received even on the day of publication of the Regional Cabinet report, there was no opportunity to undertake such an assessment.’ The review recommended that a Well-being and equality assessment form be developed and completed where appropriate. The Future Generations Commissioner advised the Joint Cabinet that in her view the City Deal’s Well-being of Future Generations assessment relating to the investment was not reflective of the duties under the Act and wrote to the Chair to that effect.

32 Part 2 2 Well-being of Future Generations (Wales) Act 2015.

33 Part 2 5(1) Well-being of Future Generations (Wales) Act 2015.

34 Welsh Government, Shared Purpose: Shared Future Statutory Guidance on the Well-being of Future Generations (Wales) Act 2015, 2016.

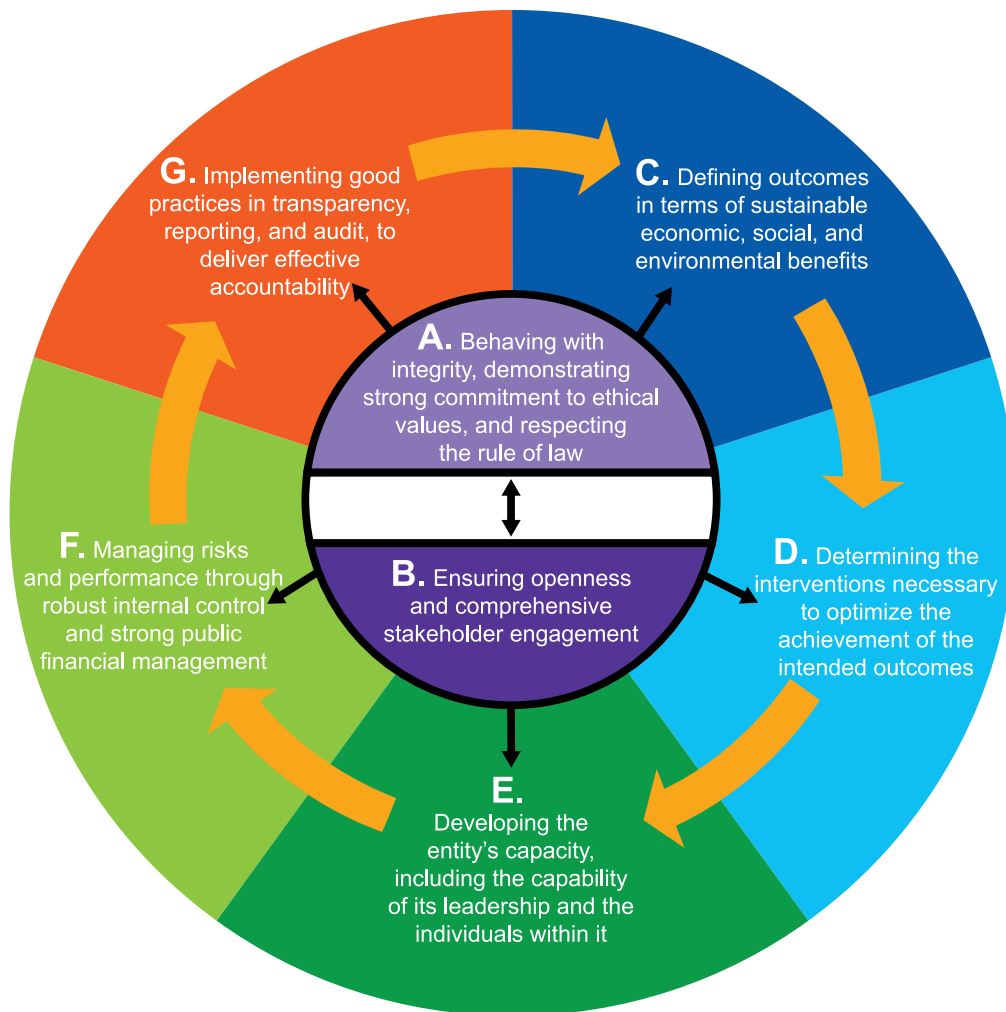
- 1.60 However, we recognise the ambition of the City Deal partners to take advantage of the compound semi-conductor foundry investment opportunity, especially at a time when the partnership was still in its infancy, to work with the private sector to secure a project which has the potential to deliver significant benefits to the region. [Exhibit 1](#) sets out the benefits identified by the City Deal partners of having gone through the experience of its first investment decision.
- 1.61 At the same time, given the scale of public monies involved, it is important that City Deals adhere to the principles of good governance and learn from the lessons of the process of making this first investment decision. We set out these lessons in [Exhibit 2](#) and these are relevant for other City Deals and Growth Partnerships, as well as future projects undertaken by the Cardiff Capital Region City Deal.

Appendix 1: Good Governance in the Public Sector: An International Framework

The International Framework: Good Governance in the public sector³⁵ developed by the International Federation of Accountants and the Chartered Institute of Public Finance and Accountancy sets out how the principles of good governance relate to each other as set out below:

Exhibit 9: achieving the intended outcomes while acting in the public interest at all times

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



35 International Framework: [Good Governance in the public sector](#)

Appendix 2: Our audit approach and methods

Scope

Since the UK Government's announcement in March 2015 that work was underway to establish City Deals within Wales, the Auditor General has envisaged undertaking value for money reviews at Welsh City Deal partnerships, focusing upon governance arrangements to support their initial project decisions. The scope of this review was to determine whether the governance arrangements expected by HM Treasury to support decision-making were in place when the Cardiff Capital Region City Deal took the foundry project investment decision.

Methods

We conducted our review under section 17 (2) (d) of PAWA 2004. In undertaking the review, we:

- reviewed documentary evidence provided by the Welsh Government and the Programme Office;
- interviewed the following key players in the foundry investment decision, based on the main questions, see [Exhibit 10](#);
- opened the invite to all the Leaders and Chief Executives' from the ten Local Authorities; and
- prior to issuing the final report to the City Deal partners, we agreed the factual accuracy of our report with the Cardiff Capital Region City Deal partners and other named parties.

Exhibit 10: main review questions

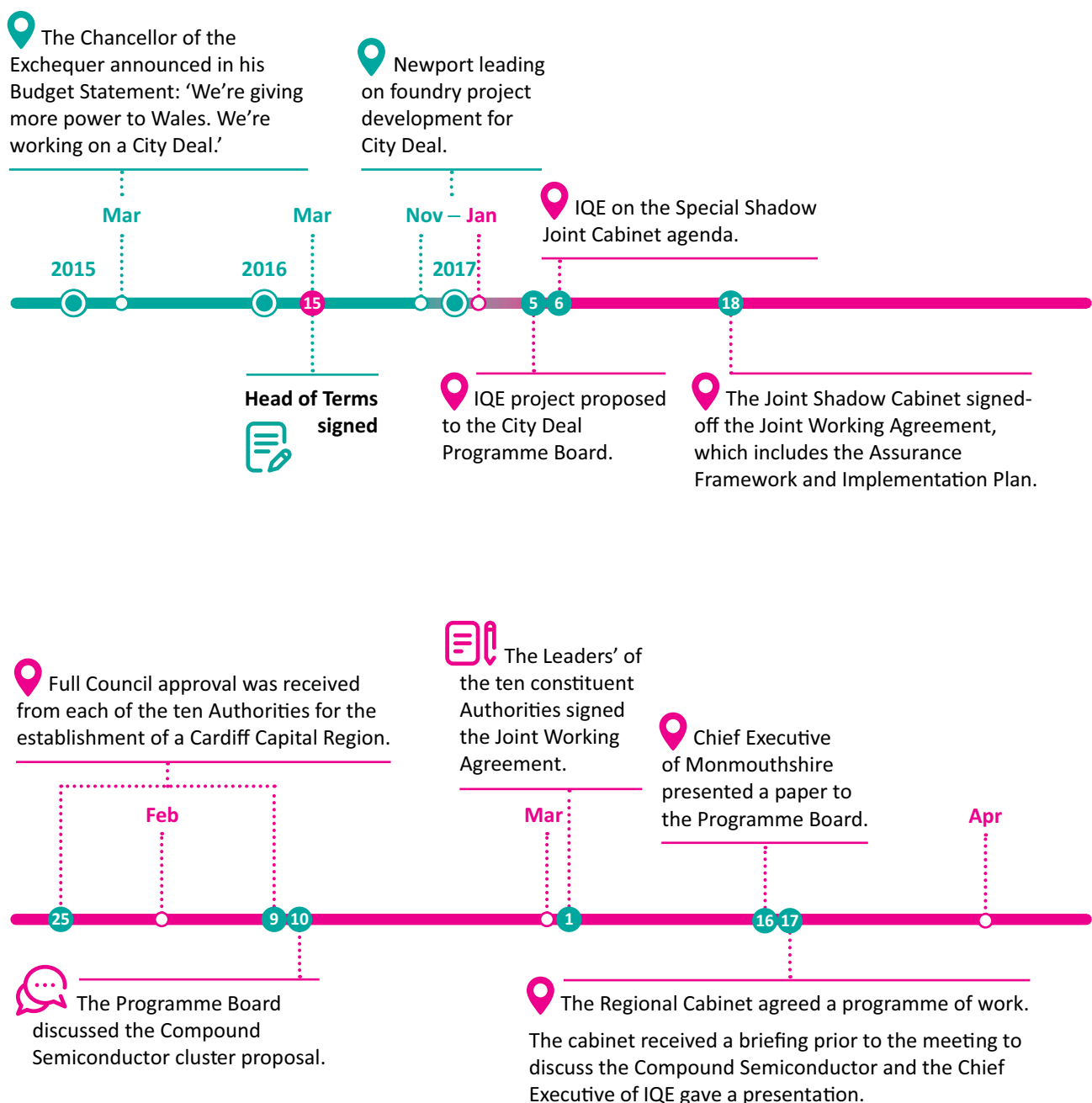
Overarching question
Were appropriate governance arrangements in place to support the Cardiff City Deal decision to fund the foundry project?
Sub-questions
Does HM Treasury have clear expectations of City Deal governance arrangements, which should be in place before funding decisions are taken?
Were HMT expectations relating to governance arrangements communicated to the Cardiff City Deal partnership?
Were the expected arrangements in place when the foundry project investment funding decision was taken?
Was the foundry project investment funding decision taken in accordance with the expected arrangements?
<ul style="list-style-type: none">• Did the foundry project funding decision process include an appropriate consideration of the risks involved?
<ul style="list-style-type: none">• Did HMT seek assurance about the Cardiff City Deal's governance arrangements before releasing the funds?

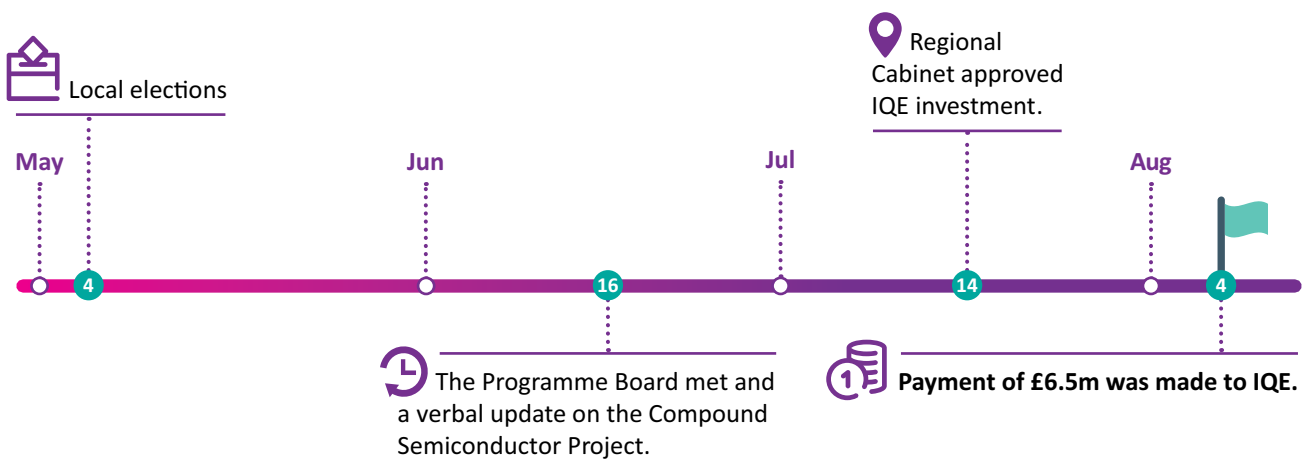
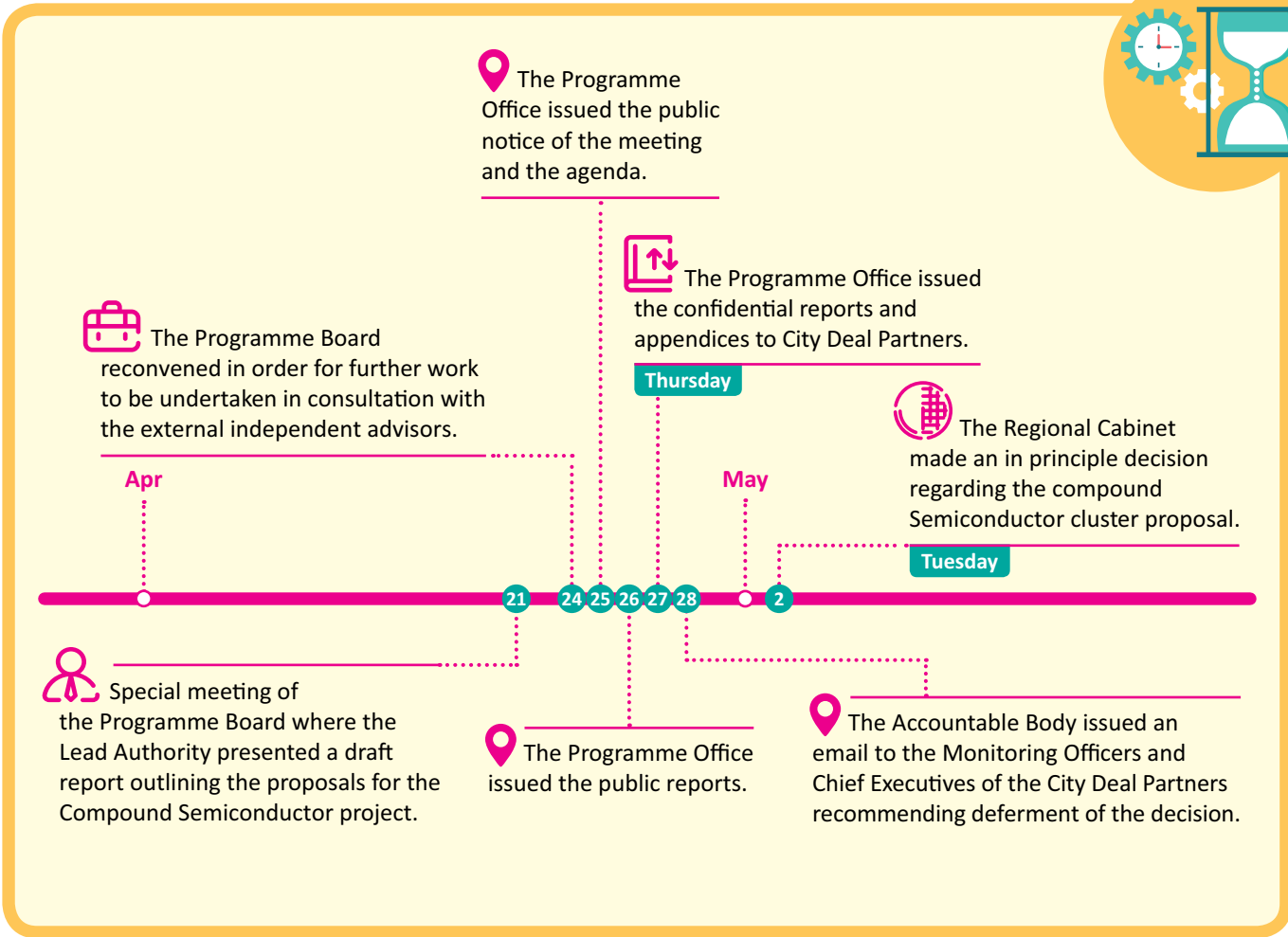
Appendix 3: Timeline of events

Exhibit 11: timeline of events



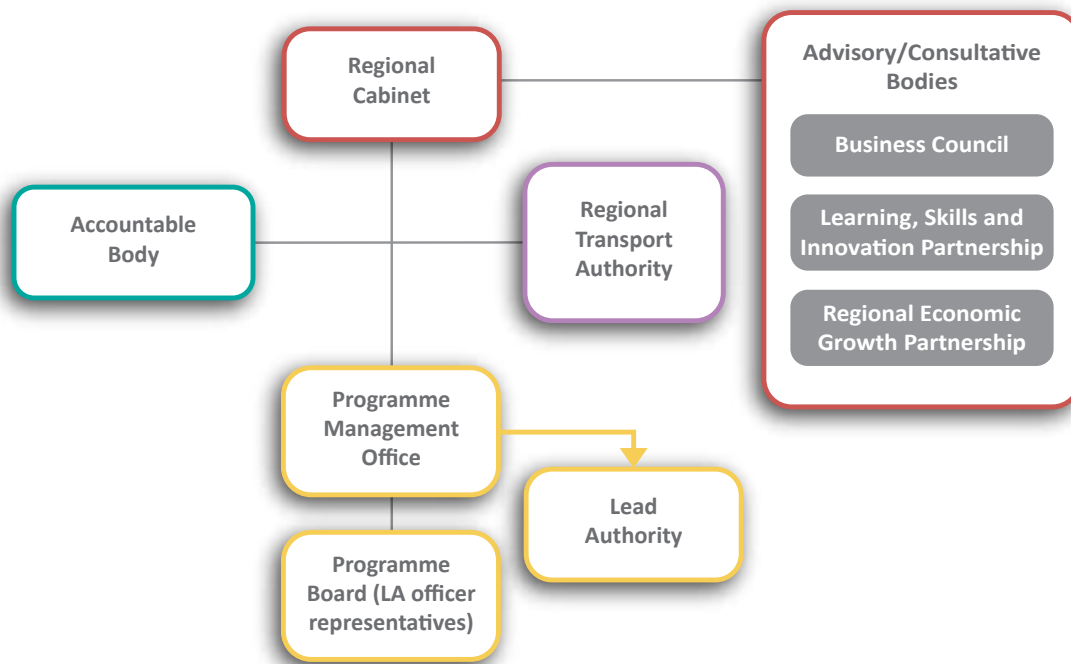
Timeline of events





Appendix 4: the governance structure of the City Deal, including the advisory bodies

Exhibit 12: the governance structure of the City Deal, including the advisory bodies



Programme Management Office: Responsible for providing the Regional Cabinet, UK Government and Welsh Government with quarterly performance reports, performance management and support to the Regional Cabinet.

Programme Board: provides support and challenge to the Portfolios and Themes and to provide recommendations to the Regional Cabinet. Membership of the Programme Board is: City Deal Programme Director (Chair), City Deal Programme Manager, Strategic Directors or equivalent from each constituent authority, Specialist Officers and Legal and Financial representatives from the Accountable Body (also, the Chief Executives/Managing Directors, or nominated substitutes, of each of the constituent authorities will be standing invitees). The Programme Board appoints Theme Leads from its membership.

Lead Authority: responsible for delivering projects approved by the Regional Cabinet.

Accountable Body: Responsible for discharging the ten Councils' obligations in relation to the Cardiff Capital Region City Deal and ensuring that decisions made by the Regional Cabinet are lawful, appropriate and within budget. The Accountable Body manages the financial, legal and governance arrangements of the Regional Cabinet.

Regional Transport Authority: co-ordinates transport planning and investment in partnership with the Welsh Government. Slightly different from the other advisory/consultation bodies as although it advises the Regional Cabinet it also reports directly to them and is chaired by a member of the Regional Cabinet. Met in Shadow form for the first time in October 2016 and was chaired by Cllr Huw David.

Business Council: consists of business stakeholder groups across the city region. It provides a business voice to influence and shape business support programmes.

Learning, Skills and Innovation Partnership: responsible for producing an annual regional plan for employment and skills and influencing and monitoring the delivery and impact of employment and skills programmes across the region. The Board will represent a wide range of stakeholders, including: business organisations; higher and further education; local authorities and the Welsh Government.

Regional Economic Growth Partnership: established to bring together business, higher education and local government. It is responsible for setting the overarching city-region economic development strategy, as well as monitoring and making recommendations to the Cabinet about City Deal implementation. The partnership will have a specific role to provide advice on investment decisions.

Source: Cardiff Capital Region City Deal documentation

Appendix 5: What Are Compound Semiconductors?

Exhibit 13: what are compound semiconductors?

Our business

Epitaxy 101

The elements

Everything in the universe is made of 118 known elements. The periodic table, first published in 1869 by Dmitri Mendeleev, shows the elements arranged in groups or columns according to their properties.

In terms of electrical properties, the elements up to and including those in group III are in general, known as metals and tend to be good conductors of electricity, whilst those from group V and above are generally non-metals and tend to be poor conductors of electricity.

Between the metals and non-metals, (and generally in group IV), are elements whose electrical properties are somewhere between conducting and non-conducting (insulating). These elements, which include silicon and germanium, are known as semiconductors.

The behaviour of semiconducting elements was discovered during the 19th century and it later became known through experimentation that their electrical properties could be altered by adding very small amounts of different impurities and that by placing together two pieces of material with different impurities, an electrical current could be controlled by allowing it to flow in one direction but not the other.

The semiconductor age is born

It was in 1947 that William Shockley, John Bardeen and Walter Brattain, working at Bell Labs, built the World's first transistor using the element germanium.

During the two decades that followed, the ability to control electrical currents using semiconductors allowed engineers to develop a range of new electronic technologies.

The evolution of silicon

Whilst germanium is a very efficient semiconductor material, the ready availability of silicon (basically sand) made for a compelling low-cost alternative and hence a new industry was born that has, for the last five-decades, transformed our lives in so many ways.

Silicon has been the backbone of the electronics revolution from the 1960s, largely by virtue of continuous

miniaturisation which has led to an exponential increase in technological performance – a concept notably observed by one of the founders of Intel, Gordon Moore, and known as "Moore's Law".

Bring on the compound semiconductors

Impressive as the impact of silicon has been on our lives, being a single element, it has a very basic and limited set of properties that restricts its application in many new and emerging technology areas that demand ultra-high performance levels along with sensing and other capabilities.

By atomically engineering crystal structures that combine elements either side of those in group IV of the periodic table (eg groups III and V), a set of new semiconductor materials has emerged whose enhanced properties offer significant capability and performance improvements over those of silicon alone.

These compound semiconductors enable high speed processing in excess of 100 times that of silicon, as well as an array of other properties including the ability to emit and sense light, all the way from the infrared, through the visible and into the ultra-violet part of the spectrum.

Compound semiconductors have already complimented silicon in areas such as wireless communications, where chips made from material combinations such as gallium and arsenic (gallium arsenide, or GaAs) are found in virtually every smartphone where they enable high speed, high efficiency wireless communications in cellular and WiFi networks.

Other properties offered by compound semiconductor materials include the ability to emit and sense light in the form of general lighting (LEDs) and communications (lasers and receivers for fibre-optics).

The photonic and power efficiency properties offered by compound semiconductors that could not be achieved with silicon alone, will enable technologies essential in areas such as safety and security systems, healthcare technologies, aerospace and automotive applications including electrically powered and autonomous vehicles. It is our ability to harness the advanced properties of the full range of semiconducting materials that will drive

the digital revolution for generations to come. Welcome to the world of advanced, compound semiconductors. Compound semiconductors are the DNA of next generation technologies.

Epitaxy

IQE's core business is the manufacture of compound semiconductor wafers or "epiwafers" using a process called epitaxy.

The epitaxial growth process is a nanotechnology whereby complex atomic structures are produced under strictly controlled conditions. The end product is a pure, crystalline, semiconductor wafer upon which complex structures comprising many individual atomic layers are grown.

These epitaxial layers uniquely define the wireless, photonic and electronic performance of our epiwafers which are then processed by our customers to produce the "chips" that are found in virtually all of today's technology devices and gadgets.

Epitaxy is the first key stage in the process of manufacturing the critical components in a wide range of devices from mobile handsets to solar cells, lasers and LEDs, and it requires high specification cleanrooms, sophisticated production tools and high levels of process knowhow and intellectual property.

IQE produces atomically engineered layers of crystalline materials containing a variety of semiconductor materials such as gallium, arsenic, aluminium, indium and phosphorous. The layers are grown onto a crystal substrate or wafer and the finished product containing the wafer and its atomically modified surface is known as an epiwafer. It is the number of layers, their atomic composition and the order in which they are grown that determines the precise physical, electronic and optical properties of the material. An epiwafer can include hundreds of individual layers, each of which may be as thin as two or three atoms.

IQE's IP and process know-how is the science and technology behind the materials and the way in which the atomic structures can be manufactured to yield the wide range of wireless, photonic and electronic properties that are essential in today's electronically enabled age.

The stage is set

Change is a constant in our world. The inexorable drive for electronic devices to continue to achieve higher levels of functionality, speed, performance and efficiency will unquestionably necessitate the increasing use of more sophisticated semiconductor materials. These advanced semiconductors are enabling a range of new mass market applications such as gesture recognition and short range optical communication and at the same time disrupting some existing large markets such as solar energy and power switching. We expect that this rate of change will continue to accelerate.

We have established a global manufacturing platform and a breadth of IP and know how relating to the design and manufacture of advanced materials that is second to none. We have been unwavering in our vision and have developed a robust strategy which gives us confidence over the growth prospects of the business and our ability to create shareholder value.

Enabling new and emerging technologies

Semiconductors in the form of both silicon and compound semiconductors, form the heart of many of today's technologies. Without semiconductors, many devices and applications that we rely on simply would not exist, yet these atomically engineered materials go largely unnoticed amongst the end user brands with which we are so familiar.

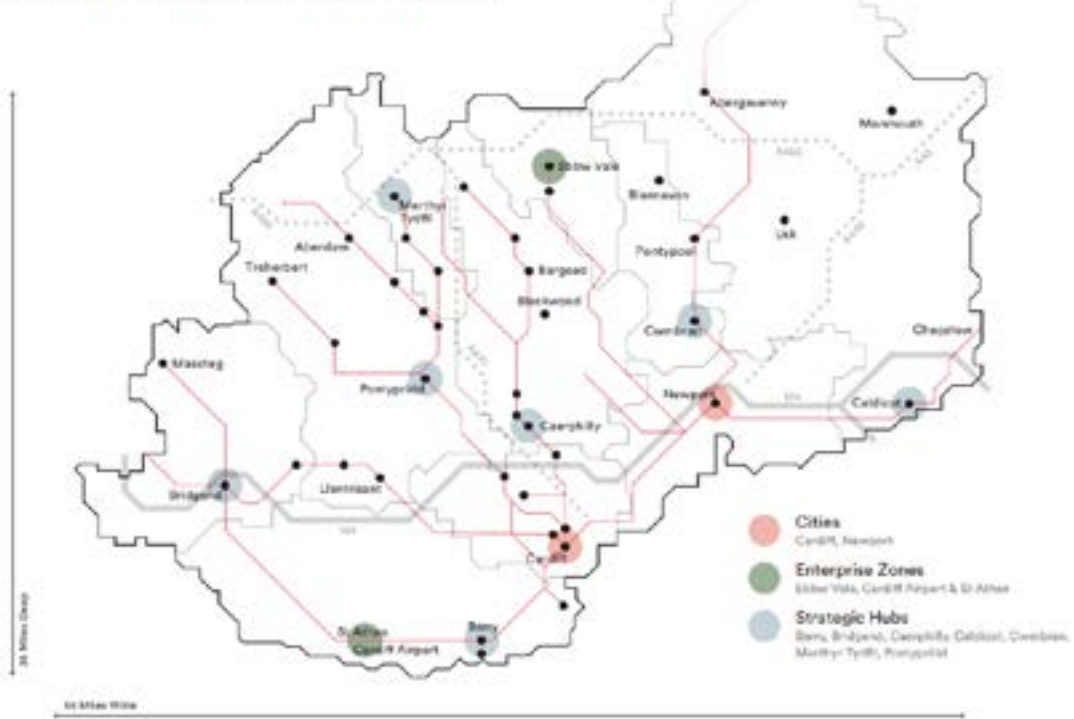
Semiconductors are a key enabling technology that feed into multiple supply chains feeding a wide range of market sectors including: aerospace, healthcare technologies, safety & security, big data and the Internet of Things (IoT), energy efficiency (generation and consumption), robotics and automotive products.

Source: IQE's Annual Report 2017

Appendix 6: Cardiff Capital Region City Deal area

Exhibit 14: Cardiff Capital Region City Deal area

Strategic Hubs and Opportunity Areas



Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

We welcome telephone calls in
Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

Rydym yn croesawu galwadau
ffôn yn Gymraeg a Saesneg.

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

Future Generations Assessment

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To provide a response to WAO review of the first City Deal investment
Proposal: WAO CSC Investment Review	Date Future Generations Evaluation form completed: 4 Feb 2019






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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The response describes how the original report has led to outcomes around future development, investment and job creation	Proposals are developing all of the time around strands such as atregted sectoral skills development – as the programe evolves and unfolds
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The report describes an investment in a sector that seeks to grow a cluster and a eco-system fit for skills and work of the future	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood		
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The cluster opportunity underpinning the investment will connect and grow a supply network	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Is a globally significant sector in which City Deal could develop comparative advantage	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Developing the investment and cluster opportunity for the whole region is the long-term goal	EOI to the Strength in Places fund

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Not relevant in this context as describes a response to a review report. However underpinning investment principle makes a long term commitment to anchoring an economy of the future into the region.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>Not relevant – however expanding frame of reference/ knowledge about the CSC project is a critical next stage of development.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>As above.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>		
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>		

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The report is a response to a regulatory review – not relevant at this time	The report is a response to a regulatory review – not relevant at this time	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		
Sex	As above		
Sexual Orientation	As above		
Welsh Language	As above	As above	

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

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

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

Review report and original due diligence

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

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

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

The impacts of this proposal will be evaluated on:	As per annual business plan objective
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