

Pecyn Dogfennau Cyhoeddus



- 1 CYD-BWYLLGOR CRAFFU CYTUNDEB DINESIG PRIFDDINAS-RANBARTH
CAERDYDD - 24 MEHEFIN 2019 AR 10.30 AM

Monday, 24 June 2019

*Rydym yn croesawu gohebiaeth yn Gymraeg.
Rhowch wybod i ni os mai Cymraeg yw eich
dewis iaith.*

*We welcome correspondence in Welsh. Please
let us know if your language choice is Welsh.*



**Cyfarwyddiaeth y Prif Weithredwr / Chief
Executive's Directorate**

Deialu uniongyrchol / Direct line /:
Gofynnwch am / Ask for: Michael Pitman

Ein cyf / Our ref:
Eich cyf / Your ref:

Dyddiad/Date: Tuesday, 18 June 2019

Dear Councillor,

CARDIFF CAPITAL REGION CITY DEAL JOINT SCRUTINY COMMITTEE

A meeting of the Cardiff Capital Region City Deal Joint Scrutiny Committee will be held in the Committee Room 4 - Cardiff Council, County Hall, Atlantic Wharf, Cardiff, CF10 4UW on **Monday, 24 June 2019** at **10:30**.

AGENDA

1. Election of Chairperson (from Bridgend County Borough Council Member)
2. Election of Vice-Chairperson (from Caerphilly County Borough Council Member)
3. Apologies for Absence
To receive apologies for absence from Members.
4. Declarations of Interest
To receive Declarations of personal and prejudicial interest (if any) from Members / Officers.
5. Approval of Minutes 3 - 6
To receive for approval the Minutes of 28/03/2019
6. 2018-19 Annual Business Plan - Quarter 4 Performance Report 7 - 50
7. Investment and Intervention Framework and Toolkit 51 - 128
8. Establishment of the City Deal Office - Restructure and Resourcing Plan - 2019/20 - 2020/21 129 - 152
9. Forward Work Programme, Training and Schedule of Meetings 153 - 160
10. Exclusion of the Public
The minutes relating to the following item are not for publication as they contain exempt information as defined in Paragraph 12 of Part 4 and/or Paragraph 21 of Part 5 of Schedule

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12A of the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation)(Wales) Order 2007.

If following the application of the public interest test the Committee resolves pursuant to the Act to consider this item in private, the public will be excluded from the meeting during such consideration.

11. Approval of Exempt minutes

161 - 162

To receive approval the exempt minutes of 28/03/2019

Yours faithfully

K Watson

Head of Legal and Regulatory Services

Councillors:

JPD Blundell

B Brookes

P Jones

L Parsons

Councillors

R Patel

P Pavia

M Rahman

J Ridgewell

Councillors

D Roberts

G Thomas

Invitee:

Kellie Beirne - Programme Director CCRCD

MINUTES OF A MEETING OF THE CARDIFF CAPITAL REGION CITY DEAL JOINT SCRUTINY COMMITTEE HELD IN COMMITTEE ROOMS 2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON THURSDAY, 28 MARCH 2019 AT 14:00

Present

Councillor P Edwards – Chairperson

V Bailey
G Thomas

JPD Blundell

M Rahman

J Ridgewell

Apologies for Absence

P Jones, R Patel, P Pavia and D Roberts

Officers:

Sarah Daniel Democratic Services Officer – Scrutiny
Rachel Keepins Democratic Services Officer – Scrutiny

Invitees:

Cllr Andrew Morgan Chairman CCRCD Joint Cabinet
Kellie Beirne Programme Director
Peter Davies CSC Project Executive - Monmouthshire Council

13. DECLARATIONS OF INTEREST

None

14. APPROVAL OF MINUTES

RESOLVED: That the minutes of the CCRCD JOSC of the 5 February 2019 were approved as a true and accurate record of the meeting.

15. WIDER INVESTMENT FUND - ANNUAL BUSINESS PLAN 2019/20

The Programme Director CCRCD presented a report to the JOSC in respect of the effective operation of its wider Investment Fund. She explained to members that the WIF totalled £495m and comprises HM Treasury Grant Funding amounting to £375m over 20 years and Council contributions of £120m. She advised members that the UK Competitive index was set out earlier this week and showed that Caerphilly was out of the bottom 10, however Merthyr and Blaenau Gwent were still there and this had not changed for 25 years. The City Deal has three major targets to meet – a 5% GVA increase, 25,000 new high skill jobs and leverage of £4bn additional private investment.

The Programme Director advised that within the report there were 40 activities in accordance with the provisions of the JWA in relation to the delivery of the Cardiff Capital Region City Deal that were deliverable.

A member asked how the impacts of the CCRCD can be measured against other planned projects.

The Programme Director stated that they were unable to differentiate targets, however they can look at interventions and undertake economic impact assessments and competitive assessments so they are able to measure the impact on GVA. The

Programme Director advised that leverage was easier to calculate and relate back to the CCRCD

A member asked what the CCRCD are going to do differently to previous investments to improve impact. The Programme Director advised that the Business Plans set out what we have to do differently and that included competing for new funds to unlock wider regeneration. She added that installing a digital infrastructure would also maximise the benefits of the CCRCD.

A member stated that within the plans there were no markers, targets or figures and asked how we would be able to mark ourselves

The Programme Director stated that National Government would mark us on the investment and intervention framework and there was certain criteria and targets that needed to be met. She advised that the Framework and impacts would be set out to the Joint Cabinet on the 10 June 2019. She added that specific figures and targets would be included in the individual business plans once individual projects had been approved by the Joint Cabinet.

The Chair of the Joint Cabinet added that the model for the CCRCD was different in that there was no set list of projects but that the funds were open for people to approach them with propositions.

A member asked what the key risks were with regards to internal resources and what was needed for the CCRCD to succeed.

The Chair of the CCRCD Joint Cabinet advised that additional resource had just been approved by the joint Cabinet and the advertising of posts had already begun.

A member asked how the high level of social exclusion would be managed. The Programme Director explained that the Regional Skills Partnership were exploring this through investing into targeted industry based apprenticeship schemes. She added that whilst there was a gap currently she was positive that the gap could be closed through carefully managed recruitment process.

A member referred to the creation of expert panels to influence UK Government – in particular UKRI and Innovate UK and what the membership of these panels would look like. The Programme Director stated that the membership would be varied in the way of Leaders, private sector experts and education experts and was hoped that they would have more influence towards funding bodies.

A member asked about the location of a new CCRCD office. The Programme Director explained that it would be based in Tredomen in Caerphilly and they were also exploring the opportunity to co-locate at the foundry building in Newport to spread to the CCRCD presence and benefits.

A member referred to the innovation investment projects and asked for further information on it.

The Programme Director stated that they were trying to create a cluster at the Foundry and developing an apprenticeship scheme around compound semi-conductor engineering.

16. FORWARD WORK PROGRAMME, TRAINING AND SCHEDULE OF MEETINGS

The Scrutiny Officer presented the report to Members.

Members recommended that the Joint Overview and Scrutiny Committee have pre-meetings before the officers come in for discussion.

Members requested that an executive summary should be included on all future reports to the JOSOC.

Members also requested that at the next meeting that the Committee revisit their Terms of Reference.

Members requested that the following items are explored to be included in the Forward Work Programme:

- Developing a skilled workforce
- Performance reports alongside business plans
- Investment and Intervention Framework
- Structure and Governance of City Deal

17. EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, the public be excluded from the meeting during consideration of the following items of business as they contain exempt information as defined in Paragraph 12 of Part 4, and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

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

18. CSC PROJECT: THE PROTECTION OF CITY DEAL FUNDS

The meeting closed at 16:35

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24 June 2019

2018-19 ANNUAL BUSINESS PLAN - QUARTER 4 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

Reason for this Report

1. To inform key stakeholders, principally, Regional Cabinet and also, Wales and UK Governments of the Quarter 4 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 4 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 4 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. In September 2018, the ten point plan to evolve the City Deal, in the light of new challenges and opportunities, was implemented. In the intervening seven to eight months, huge strides forward have been made in 2018/19, the most notable of which include:
- The undertaking of comprehensive **sectoral analysis** by Prof Max Munday at Cardiff University, which has established a clear evidence base, knowledge of key sectoral strengths and priorities and potential for comparative advantage. Coupled with this has been success in securing two KESS PhD studentships to develop the CCR data competency and dashboard facility and two MSc Data Science students who will join the team for the summer to work on specific projects;
 - The first city region in UK Government's City Deal Cohort 2 participants to have a full and agreed **Locality Evaluation Framework** in place. We have also received our first (of three) Baseline Report from National Evaluation Panel, Consortium Lead, which will inform the Gateway Review process in 2021.
 - Industry-led leadership of CCR's first **Economic and Industrial Growth Plan** which sets out priority sectors for intervention, signals the importance of inclusive economic growth and commits to growing eco-systems and industrial scale clusters. The Plan was launched in three locations (Caerphilly, London and Cannes) to a diverse audience of investors, businesses, public bodies, community organisations and academic institutions
 - The development of the **Investment and Intervention Framework** in close collaboration with the Regional Economic Growth Partnership in order to complete the Assurance Framework; establish three funds for priority intervention (Innovation, Infrastructure and Challenge) and set out the way in which City Deal intends to do business through the principles of 'evergreen', co-investment and challenge-led approaches
 - Extending **reach and influence** – developing closer links with Innovate UK through co-investment; UKRI Board through membership of the WG Science Advisory Council, links with the Royal Society and the Wales Government's London Office; the UK2070 Commission and, stepping up substantially social media reach and press reports, marketing activity and creating the CCR brand and reaching new audiences and investors through keynote addresses at scores of conferences, events and networks
 - **Accelerating delivery:** successful notification of SIPP ph 1 for the Compound Semiconductor Cluster; development of medical tools and diagnostics bid for Wave

2 SIPF; development and launch of CCR Graduate Scheme, approval of the case for Metro Plus and the energy, skills and digital model to support it (Low Vehicle Emissions, on-site renewables and Electric Vehicle Infrastructure). Two successful SBRI bids and three successful Govtech bids as well as the initial procurement work on a Housing Catalyst Fund. CCR has also received successful notification via WEFO for its first stage submission under the Institutional Capacity Call for a Public Services Testbed

- **Progress against targets:** with the first investment made by City Deal in the CSC Foundry, 60 new high-skill jobs have been created and recruited to, with a further 55 in progress in the CSA Catapult Centre. According to the UK Competitive Index 2019, Cardiff Capital Region is the second most improved region in competitiveness terms and ONS figures published on workplace analysis through the Annual Population Survey (April 2019) shows there are now c700,000 jobs in the Cardiff Capital Region.
- Establishing the **City Deal Office** with a new base in Tredomen, agreement of a new fit for purpose resourcing plan and the development of expertise, resources and assets across multiple partners, collaborations and networks
- **Strengthening the back office** – City Deal budget is on target; performance monitoring is consistently demonstrating key points of progress; the local evaluation framework is agreed; the Annual Governance Statement is in place as well as a comprehensive Risk Register and regular reports and updates are made to government colleagues and partners
- **Withstanding key governance tests** - City Deal has committed to developing a Strategic Development Plan – a first regional land use framework – reported to Regional Cabinet on 10 June 2019.
- **Internationalisation** – a good deal of focus has been spent on building the brand and developing a profile through engagement in shaping Wave 3 of Ser Cymru, launching the Industrial Growth Plan at Wales in London Week and participating in MIPIM 2019. Added to this are the developing links with the South West of England and membership of GW4
- **Building a region** – City Deal as seen against the backdrop of new challenges and tests takes on a greater significance. Beyond delivering a funding programme, developments such as Brexit and the loss of EU funding means that City Deal is our key means through which to build a sustainable, resilient and more self-reliant future for the region. In this respect, City Deal has started to carve out new principles and ways of working (co-investment, evergreen and challenge led investment) the practice for which is being sought after and replicated by others. CCR officers are in knowledge transfer discussions with several other City Deals ongoing across all parts of the UK.

9. It should be further noted that these changes and the furtherance of the above outcomes has 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 4 Performance 'Balanced Scorecard'
- Appendix 2: CCR City Deal Quarter 4 detailed Work Programme Update
- Appendix 3: AGS Quarter 4 Update (containing the Risk Log)
- Appendix 4: Internal Audit Action Plan
- Appendix 5: Wider Investment Funds Budget Quarter 4 Update

- Appendix 6: Wellbeing of Future Generations Assessment

Legal Implications

10. The report sets out the Quarter 4 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

11. 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.
12. 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.

13. 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

14. 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 4, which in summary indicates:

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

15. The final 2018/19 underspend against this budget amounts to -£571,493. 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) as approved by Regional Cabinet.
16. The underspend consists of -£110,184 against the budget set aside for Regional Bodies and -£350,366 against the Programme Development & Support Budget (to support the 'Project Delivery Pipeline'. In addition, investment income totalling -£110,943 was received during the year in respect of unspent HMT revenue grant funding.

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

17. Due to changes in the project's programme of work, there is slippage of £1,381,600 (or 10.1%) against the CSC Foundry Ltd's approved capital budget. Based on the revised programme, this amount is expected to be drawn down and fully utilised in 2019/20.

2018/19 In-Year Project Approvals

18. 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.
19. On 17th December 2018, Regional Cabinet approved the CCR Graduate Scheme with an indicative 2018/19 budget requirement of £31,450 to be funded from the revenue resources set aside in the 2018/19 Business Plan. As at the 31st March 2019, £7,034 had been spent against this budget, with the remaining £24,416 being carried forward to fund costs which will now be incurred in 2019/20. There were no other revenue resource commitments identified during 2018/19.
20. As outlined in previous monitoring reports, no in-year capital resource requirements have been identified during 2018/19. Given the current status of the Project Delivery Pipeline, Regional Cabinet at its meeting of the 18th February approved the slipping of this capital sum (£4.015M) forward, two years to financial year 2020/21, based on the projected out-turn positions at that time. 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.

21. 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

22. It is recommended that the Cardiff Capital Region Joint Cabinet:
 1. Note the overall progress at Quarter 4 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
 2. Consider and if deemed acceptable, approve the Quarter 4 performance report
 3. Authorise th Director of the Cardiff Capital Region City Deal to formally submit the Quarter 4 performance report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet.

Kellie Beirne
Director, Cardiff Capital Region City Deal

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

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

- STRATEGY & DIRECTION**
- CCR competitiveness analysis produced
 - Industrial and Economic Growth Plan launched and published
 - X4 reports commissioned and underway to inform long-term energy planning around sustainable transport (Metro Plus)
 - Written/verbal evidence given to EIS Committee on RSPs in March 19
 - Draft final version of the Intervention and Investment framework produced and awaiting decision (June 2019)
 - Work nearing completion (May 2019) on Skills for Future, Strategic Sites and Premises and Digital Framework & procurement of Housing Fund
 - Strength in Places – phase 2 ‘seed’ approval notified
 - Work commissioned to inform a Clean Growth mission for CCR
 - Framework and governance arrangements for SDP agreed in principle
 - CCR response to WG proposals for creation of Joint Transport Authorities

- FINANCE & ASSURANCE**
- Three meetings held of CCR City Deal Overview and Scrutiny meeting now held and external training session delivered, with an agreed annual work plan in place
 - Investment and Intervention enhancements to governance suggested by Investment Framework (establishment of Investment Panel and refreshed Programme/ CEX Board) underway
 - 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
 - Work on Metro Plus ‘Common Assessment Framework’ underway
 - Production of consolidated Statement of Accounts underway
 - Financial reporting for Q4 – posted and on budget
 - Outturn report – awaiting approval (June 2019) and containing comprehensive Annual Governance Statement and updated Risk Log
 - Agreed Local Evaluation Framework for SQW ‘one year out’ report to inform Gateway Review – awaiting formal approval (June 2019)
 - 2019/20 Cabinet and Partnerships planner produced and operational

PROGRAMME PIPELINE & DELIVERY

- Draft project pipeline in development to underpin Investment framework
- Strategic Outline Programme approved for Metro Plus – programme management underway and all relevant supporting studies commissioned
- Graduate scheme operational with staff appointed and all promotional material underway
- Procurement of Housing Catalyst Fund underway
- Business case production for Strength in Places CS Cluster bid underway with economic analysis commissioned for submission in Sept 2019
- Work underway on Strength in Places 2 for CCR bid on Medical Tools and Diagnostics
- CSA Catapult co-located with CSC Foundry May’19 with 5 year business plan and budget in place
- Outline submission to WEFO ‘Building Institutional Capacity’ for Public Services Testbed
- LFFN submission revisions pending with agreement to work with WG on a regional scheme
- Interest expressed on £400m EV scheme, transport SBRI & 2 successful SBRI for Bridgend (energy) and Monmouthshire (food security)
- Torfaen successful Govtech bid addition to Monmouthshire
- Scheme proposal CS Cluster received

PARTNERSHIPS

- Regional Economic Growth Partnership:
- Regional Industrial Plan launched in Caerphilly, London and Cannes
 - Formation of Investment Panel
 - Secured PhD studentships to inform data insight & foresight
 - Commitment for bi-annual reports secured from Board of UKRI
 - Assistance to Swansea Bay CD
 - Secured speaking slot at CBI Spring event
 - Institutional Investor meetings lined up
 - Dinner with Ian Campbell and IUK – co-investment and delivery
- Regional Business Council:
- Sectoral groups now established
 - Communications plan established
 - Post MIPIM event planned for 1 May
 - New member appointment process
 - Roundtable event with BSA
 - Business Plan prepared and awaiting approval – June 2019
- Regional Skills Partnership
- Q2 performance report approved
 - Scheme developments on STEM & hard to reach young people underway
 - Stakeholder workshops held and evidence to EIS Committee
 - Planning for a youth regional forum
- RTA:
- SOP approved for Metro Plus
 - Response to JTA consultation

COMMUNICATIONS, MARKETING & REACH

- Press: Coverage has increased significantly, from 7 pieces in Q3 to 46 in Q4. Direct coverage by CCR has quintupled from Q3-Q4
- Website: Website has received more traffic – 2,000 clicks up on Q3
- Website: Overall page views has increased by 10,000 from Q3-Q4
- Website: Biggest news story: 50m Metro Plus Plans
- Social Media: 13% increase in followers; number of posts from CCR City Deal account has tripled, & there are more frequent posts (328% increase)
- Social Media: More engagement, which has quintupled and was over 10K in Q4
- Website: 4803 overall visitors & page views 18869
- Twitter: 2565 followers
- Twitter: 346.9k impressions
- Twitter engagement: 10,773
- City Deal featured in top 20 Women in Business and Wales’ most influential women (Western Mail)
- MIPIM coverage report appended to MIPIM Report

INFLUENCE & ENGAGEMENT

- CCRCDC keynote speeches/ inputs to:
 - Various keynotes and panel contributions at MIPIM 2019
 - Science Advisory Council for Wales
 - UKRI Meeting with Cardiff University and Rebecca Endean
 - CS Connected
 - Royal Society events on net zero carbon and 2.4% R&D target
 - Study trip Belfast 2019 – invite received
 - Innovation Point Board, Caerphilly CBC & Monmouthshire CC
 - National Infrastructure Commission
- Commitment from UKRI Board members to provide bi-annual updates from UKRO direct to REGP
- Representation on Regional Investment Panel, Valleys Taskforce, Foundational Economy Advisory Group
- Selected to run Wales event on UK Commission 2070
- Request for City Deal to take on lead responsibility for Valleys Taskforce Regional Park programme

ACTIONS PENDING

- Operationalise Innovation and Investment framework with all related governance enhancements
- CCR MIPIM Launch 2020
- Compete all outstanding commissions to further the delivery programme – skills, energy, digital and housing and sites and premises
- Comprehensive proposals pending on SIPF 1 & 2 Compound semi-conductors and medical tools and diagnostics
- Respond to formal Shared
- 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 and target revision
- Focus work of s151 group on making progress with wider fiscal programme and measures - NNDR
- Production of Investment Prospectus now in train along with Investment Guidance and Manual
- Launch CCR Energy Mission
- Launch CCR Foundational Economy Challenge

KEY ACTIVITIES

- CULTURE, CAPACITY & LEADERSHIP**
- PhD KES studentships to commence in May 2019
 - Additional support secured for expert programme management
 - Prince2 Training for all City Deal Office staff
 - Challenge prize training – delivered
 - Knowledge development: KTN and bi-weekly team briefings
 - CCRCDC role in assessing current round of SBRI Accelerator bids
 - CCRCDC 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 and embedded into Economic and Industrial Growth Plan
<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 and expected in Q2 2019/20
<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 – awaiting cabinet approval
<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/ May 2019	

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"> Complete the work commenced by Data Cymru on the Regional Skills database 			Completed	Now being amalgamated with sectoral analysis work

(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 launched in Caerphilly, London and Cannes
<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	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	Agreement reached with WG to produce single economic framework for region
<ul style="list-style-type: none"> Demonstrate increased number of submissions into the Industrial Strategy Challenge Fund 			Submissions made to: Energy Revolution	Notification of successful phase 1

			SIPF Stations of Future	SIPF for CS Connected. Final submission underway. Second submission into SIPF 2 underway for Medical Tools
<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	Awaiting cabinet approval
<ul style="list-style-type: none"> Once approved, launch the three funds in early 2019 – Regional Infrastructure Fund, Challenge Fund and Innovation Investment Fund 				Q1 & 2 2019/20
<ul style="list-style-type: none"> Preparation of the Annual Business Plan for 2019/20 				Completed & approved in Feb '19

KEY PROGRAMMES (lifted from Annual Business Plan)			
<p>Regional Skills Partnership</p> <ul style="list-style-type: none"> Redesign LSKIP to become CCR Employment and Skills Board Plan delivery of WG contractual requirements 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 		<p>Reg Skills Partnership – now to be Transferred to NCC, Skills lead</p> <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>CITB secondment in place</p> <p>As above</p> <p>Underway under auspices of RSP</p> <p>Prog of quick wins underway Graduate Scheme approved and operational</p> <p>Nesta report due in Q1 2019/20</p> <p>Metro Plus SOP approved Feb '19 Cabinet and scheme development underway. Update pending Metro Central</p>

<ul style="list-style-type: none"> • 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>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>			<p>Underway OBC in draft and consultation day with EGP 12.12 Completed</p> <p>Business case underway with Dev Bank</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>Revision work to Digital framework underway – contained in ABP 2019/20</p> <p>Discussion commenced with WG re: regional infrastructure plan and trunk road opportunity</p> <p>Procurement advert devised – report to Cabinet Q1 2019/20</p> <p>Interim report on Phase 2 work due in May 2019</p> <p>Site list and data visualisation to be complete</p> <p>To be completed. Interim report is ready</p>
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<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> <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>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>MIPIM report supported 09.18 Superseded by Investment Framework Not relevant at this time</p> <p>SIPF bid submitted</p>	<p>Energy workshops held March and April 2019. Clean Growth mission work underway – as per ABP 2019/20</p> <p>2018/19 TRI schemes underway with 90% spend on target</p> <p>Ongoing. Tech fund incorporated into IIF</p> <p>EOI to be submitted to WEFO</p> <p>SIPF – notification and seed award secured</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 			Under-way	Awaiting approval
<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	Complete
<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. 				Underway
<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	Risk register in place and shared with WAO
<ul style="list-style-type: none"> Develop and implement a comprehensive Annual Governance Statement 			Actioned	Actioned and 2018/19 update pending
<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
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(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 20 events	15 events supported and attended
<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	Support for Royal Society events and CSA Panel
<ul style="list-style-type: none"> Further develop relationship with WG and regional working structures and strategies 			Director appointed to CSA Council	Appointment to Reg Inv Panel
<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	Invite to support Swansea
<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
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<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 approved and recruitment underway
<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 Readiness for MIPIM 2019 and all branding in place
<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	Complete
<ul style="list-style-type: none"> Develop a comprehensive Communications plan and set targets for reach, profile and sentiment assessment 			Draft developed	ongoing
<ul style="list-style-type: none"> Develop a targeted social media campaign 				Ongoing – significantly improved results reported in Q4

(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 – awaiting approval
<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 & dedicated post and role
<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 – Q1 2019/20
<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 for 2019/20 produced
<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
<ul style="list-style-type: none"> Develop a challenge-fund to align with UKRI and UKIS 4 Grand Challenges 			Underway as part of investment	Draft produced and Challenge Prize Centre

			framework work	training delivered. Discussion with WG re: collective challenge prize on Foundational Economy
• 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 SBRI 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

<ul style="list-style-type: none"> 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	Complete
<ul style="list-style-type: none"> Support and sponsor Wales Week in London 2019 			Confirmed	Launch event successful in for 28 Feb & at Cannes in March 2019
<ul style="list-style-type: none"> Develop links with the Vanguard and Manumix and the wealth of Knowledge Transfer Partnerships & programmes, bringing global great practice into the region 			KTN participation with Innovate UK	Underway through 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
<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	Awaiting approval
<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	Agreement in principle on SDP process

			Partnership and SDP	and governance
<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 4 Update

Table 1 below outlines the baseline position that was included in the audited version of the 2017/18 Statement of Accounts. 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 (2017/18 Audited Statement of Accounts)

	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 tracks quarterly updates against the baseline position through the financial year 2018/19, with progress being reported to Regional Cabinet as part of the Quarterly Performance Reports.

Table 2: AGS Action Plan Progress Overview Table - Qtr 4 RAG assessment

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.				OA
3	We are committed to openness and acting in the public interest.				OA
4	We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.				OA
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.				OA
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.				OA
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.				OA
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.				

OA – Outstanding Actions. Following the completion of a Status Review during Quarter 3, these assurance statements were identified as having actions identified, either to improve or to maintain the level of assurance provided.

Performance monitoring conducted at Quarter 4 indicated that of the twenty assurance statements, 17 were rated 'green', whilst 3 remained at an 'amber' rating.

There are 6 Actions ongoing where work towards achieving a higher level of assurance is being undertaken. These actions relate to the 'amber' statements outlined above, as well as a number of 'green' statements, in order to maintain and enhance the level of assurance provided. The position is summarised in below.

Updates on Agreed Actions – Qtr 4

Assurance Statement 2 – Amber rating	
<i>Statement</i>	<i>We need to ensure compliance with all relevant laws, regulations and internal policies.</i>
Agreed action	Need to remind City Deal partnering authorities of the Governance Protocol approved by the Joint Committee in relation to the decision making framework.
Update Qtr 4	<p>Cabinet briefing and meeting dates for 2019/20 are agreed and in place.</p> <p>However, further work required on developing the Regional Cabinet 'Forward Plan' and communicating this to relevant officers and stakeholders to ensure that draft reports are developed and circulated for advice and comment in a timely manner, allowing sufficient time for officer consideration and input. Therefore, the rating remains amber at this time.</p>

Assurance Statement 3 – Green rating	
<i>Statement</i>	<i>We are committed to openness and acting in the public interest.</i>
Agreed action	It is recognised that the arrangements for Welsh Language need to be more visible and therefore, need to be strengthened.
Update Qtr 4	<p>Cabinet agendas and minutes are produced in Welsh as standard and all other reports and items are available in Welsh upon request. This protocol is applied to all policies, strategies, plans and consultation papers etc. as mandated by regulation.</p> <p>Policies and procedures will be constantly updated to reflect the latest guidance and to ensure there is clarity regarding the services that are available in Welsh and accessibility is clearly visible to all.</p> <p>The action in respect of the 'Register of Members Interests' is now complete and the relevant link is included under each Cabinet Member's profile within the City Deal website.</p> <p>Regional Cabinet meetings are not held in fixed locations and it is our aim to hold meetings in a variety of locations</p>

	and venues across the region in order to maximise accessibility and opportunity across the region's geography.
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Assurance Statement 4 – Green rating	
<i>Statement</i>	<i>We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.</i>
Status review	<p>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.</p> <ol style="list-style-type: none"> 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.
Update Qtr 4	<p>Website relaunched to improve accessibility and navigation and to assist with information being located quickly. New Marketing & Communications post (once in place) will undertake an audit of the new website to assess the impact of the changes made to to-date.</p> <p>Develop further the working relationships and understanding with the Skills Partnership Board and the Regional Business Council.</p>

Assurance Statement 6 – Green rating	
<i>Statement</i>	<i>We have translated the vision into courses of action for our function, its partnerships and collaborations.</i>
Status review	<p>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.</p> <p>As a minimum these KPIs will need capture progress against the key criteria such as:</p> <ol style="list-style-type: none"> (i) £4bn of private sector leverage; (ii) creation of 25,000 jobs;

	<p>(iii) 5% uplift in GVA in the region.</p> <ol style="list-style-type: none"> 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.
Update Q4	<p>Approved 5 year JWA Business Plan is in place with the 2019/20 Annual Business Plan being approved by Regional Cabinet during Qtr 4.</p> <p>Work is being progressed on developing the Investment & Intervention Framework and associated Toolkit, including application of the HMT five-case business model. This work will need to recognise that a range of approaches will need to be developed that are ‘proportional’ to the value, complexity, timescales etc. of the proposal being evaluated.</p> <p>Furthermore, whilst the five-case approach naturally lend itself to typical infrastructure projects, the work outlined above will also need to consider business case development approaches for non-infrastructure type projects e.g. those coming forward under the Challenge Fund.</p>

Assurance Statement 7 – Green rating	
<i>Statement</i>	<i>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.</i>
Status review	<p>The Joint Working Agreement (JWA) contains the appropriate mechanisms to review the effectiveness of the decision making framework.</p> <ol style="list-style-type: none"> 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

	<p>make strategic interventions that are likely to have the greatest impact. The first draft of the sectoral analysis report was received in January 2019.</p>
Update Qtr 4	<p>The 2019/20 Work Programme will be monitored in respect of the ‘delegation arrangements’ action.</p> <p>First ‘State of the Region’ report is due w/c 01/04/2019. The report will bring together the sectoral analysis work undertaken during the second half of 2018/19 and inform the economic baseline against which future performance can be measured and assessed. This will be key to inform decision making going forward.</p> <p>REGP to formally consider the report during Qtr 1 2019/20. It will be important to ensure continuity of this workstream and provide regular update reports going forward. Bid submitted to KESS for PHD student support to assist with continuing this work over the medium term.</p>

Assurance Statement 14 – Amber rating	
Statement	<i>We have mechanisms to review the effectiveness of our framework for identifying and managing Risks.</i>
Agreed action	Programme Director to lead on putting in place the appropriate arrangements in respect of Strategic Risk Management.
Update Qtr 4	<p>A ‘Risk Register’ has been in place since the latter part of 2018/19 and work now needed to develop the wider Risk Management Strategy, including an assessment of the risk environment, appetite, monitoring and escalation processes.</p> <p>The Programme Director is in the process of implementing the City Deal Office restructure approved by Cabinet. Once in place, this will provide additional capacity and allow the next stage of the Risk Management Strategy to be developed through-out 2019/2020.</p> <p>In preparation for the above, the Programme Director is engendering a risk / performance culture to ensure risks are managed effectively and reported accordingly. This will be achieved through regular performance /risk management reviews taking into account the Investment & Intervention Framework and wider strategic risks that the City Deal programme of delivery may be exposed to.</p>

Appendix 4 - Internal Audit Action Plan: Quarter 4 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 'rolling' audit plan has been prepared covering the period from 2018-19 to 2022-23 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 4, three of the four actions have been completed and the 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 develop the wider Risk Management Strategy, including an assessment of the risk environment, appetite, monitoring and escalation processes.

The Programme Director is in the process of implementing the City Deal Office restructure approved by Cabinet. Once in place, this will provide additional capacity and allow the next stage of the Risk Management Strategy to be developed through-out 2019/2020.

In preparation for the above, the Programme Director is engendering a risk / performance culture to ensure risks are managed effectively and reported accordingly. This will be achieved through regular performance /risk management reviews taking into account the Investment & Intervention Framework and wider strategic risks that the City Deal programme of delivery may be exposed to.

R2. Establishment of a Joint Scrutiny Committee – Complete. Three Joint Scrutiny meetings have now taken place and a Work Programme has also been developed.

R3. Establish and maintain a register of declared interests – [Complete](#). A link has been added to the Cardiff Capital Region's website directing the user to the 'declarations of interest forms' home website for each Cabinet Member.

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 4 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
<u>Indicative Programme Expenditure</u>	
Wider Investment Fund Top Slice	742.5
Approved Projects	13,840.0
In Year Revenue Project resources	1,000.0
In Year Capital Project resources	4,015.0
Total Investment	19,597.5
<u>Funded by</u>	
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.
3. Regular updates have been provided to Regional Cabinet throughout the year via the Quarterly Performance reporting mechanism. As at Quarter 3 there was a projected under-spend of £286,123. Details of agreed budgets and final expenditure for 2018/19 are shown in Table 2.

Table 2. 2018/19 WIF 3% Top-Slice – Quarter 4 Update

	2018/19 Budget £	2018/19 Outturn £	2018/19 Variance £
<u>Regional Bodies</u>			
Regional Transport Authority	52,193	46,020	-6,173
Regional Skills Partnership	102,193	65,169	-37,024
Regional Economic Growth Partnership	70,000	19,316	-50,684
Regional Business Council	50,000	33,697	-16,303
Sub-total	274,386	164,202	-110,184
<u>Programme Development & Support</u>			
-			
<u>In-Principle Projects</u>			
Digital Strategy	130,000	81,958	-48,042
Metro Plus	0	1,634	1,634
Housing Investment Fund	100,000	2,388	-97,612
-			
Programme Dev' & Support (Un-allocated)	238,114	31,768	-206,346
Sub-total	468,114	117,748	-350,366
Investment Income	0	-110,943	-110,943
Total	742,500	171,007	-571,493

Regional Bodies: (-£110,184)

4. 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 Partnership (RSP), the Regional Economic Growth Partnership (REGP) and the Regional Business Council (RBC).
5. 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 Partnership (underspend £715). These underspends are mainly due to a delay in recruitment to the Regional Transport Authority post.
6. As part of the RSP budget, £50,000 was allocated to Strategy Development. £13,446 of this budget has been used to fund the work of NESTA to inform the next steps of the Skills for the Future business case.
7. In terms of the REGP budget, expenditure to date 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. This work is partly complete, with £15,000 spent in 2018/19 and the balance of the commission (£15,000) will be met from the 2019/20 allocation.

8. The RBC's Annual Business Plan was approved by Regional Cabinet at its meeting of the 17th December 2018. The expenditure for the year consists of the RBC's contribution (£33,697) to the City Deal's presence at MIPIM in March 2019, resulting in an underspend of -£16,303 against the approved budget.

Programme Development & Support Budget: (-£350,366)

9. A total budget of £468,114 was approved across Programme Development & Support and is allocated between projects that had secured an 'In-Principle' approval (£230,00) and with the balance (£238,114) being available to support emerging projects and initiatives during the year.
10. Work is ongoing on the Digital Strategy project with total spend in 2018/19 of £81,958. Of this, £79,000 was spent on business case development costs and the remaining budget will be carried forward to contribute towards further work planned for 2019/20. The £100,000 allocation approved in respect of the Housing Fund project was largely not utilised in 2018/19 and the balance will be available in 2019/20 to continue the work.
11. With regard to in year emerging projects and initiatives, a budget of £29,172 was approved to support a part-time secondment to lead the work on data analytics, economic forecasts and sectoral assessments. The actual cost for this support amounted to £31,768 in 2018/19.

Investment Income: (-£110,943)

12. In line with the Accountable Body's approved treasury management strategy for City Deal, balances held in respect of unspent HMT revenue funding has been invested, with net interest received during the year amounting to -£110,943.

Qtr 4 WIF Top-Slice Summary

13. In summary, a total of £117,748 was spent against the £468,114 budget approved for Programme Development & Support (including In-Principle projects), resulting in an under-spend of -£350,366. Once the under-spend on Regional Bodies is factored in, coupled with the unbudgeted investment income of -£110,943, the total net underspend for the year amounts to -£571,493.
14. As set in previous reports, the underspend reflects the reduced level of activity which has taken place during the due to the transition to the City Deal Office (restructure) and the development of the Investment & Intervention Framework, which is due to be considered by Regional Cabinet at their June meeting.
15. The full value of this underspend is available to support the WIF Top-Slice in future years, subject always to observing any caps approved by Regional Cabinet from time to time and compliance with grant funding terms and conditions.

2018/19 Approved Project Budgets

16. 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

	2018/19 Budget £'000	2018/19 Outturn £'000	2018/19 Variance £'000
CSC Foundry Site Funding	13,690	12,308	-1,382
CSC Project Delivery & Implementation	150	150	0
Total	13,840	12,458	-1,382

17. At 31st March 2019, the majority (90.0%) of the budget has been released to Monmouthshire County Council as Lead Authority for 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. The balance of £1.38 million represents budget slippage to financial year 2019/20.

2018/19 In Year Revenue and Capital Project Approvals

18. 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.
19. Regional Cabinet were advised at Quarter 3, given the development of Investment & Intervention Framework referred to above, it was unlikely that any new commitments would crystallise in 2018/19, over and the approved Graduate Pilot Scheme. Table 4 outlines the position in respect of In-Year Approvals.

Table 4: 2018/19 In-Year Project Approvals

	Budget	Qtr 4	Variance
	£'000	Outturn	£'000
	£'000	£'000	£'000
<u>In Year (Revenue) Project Resources</u>			
Graduate Pilot Scheme	31	7	-24
Unallocated	969	0	-969
Total Revenue Resources	1,000	7	-993
In Year (Capital) Project Resources	4,015	0	-4,015

20. The Graduate Pilot Scheme was approved by Regional Cabinet at its meeting on 17th December 2018 and has incurred costs of £7,034 during 2018/19. Costs relate to some initial staffing resources and the setup of a bespoke website and are less than the £31,450 that had been estimated. Any unspent budget will be made available in 2019/20 to ensure the pilot scheme is fully resourced as set-out in the cabinet report.

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 4 Performance</p>	<p>Date Future Generations Evaluation form completed: 28 May 2019</p>

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.

<p>Well Being Goal</p>	<p>Does the proposal contribute to this goal? Describe the positive and negative impacts.</p>	<p>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</p>
<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 work to underpin the roll out of LEV. 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 MIPIM, Wales in London week and CS Mantech 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. New role around Inclusive Growth will make a contribution to this as well as work to support the Foundational Economy.	The new Investment Framework is underpinned by criteria that focuses on economic inclusion – seeking to achieve shared prosperity and the spread of benefits across the region.

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. As with this and all the categories below, as work continues on data development and data analysis, we will glean better insights into our employment base and working demographic profiles.
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:

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SUMMARY SHEET TO CCR CITY DEAL SCRUTINY COMMITTEE – Q4 PERFORMANCE 2018/19

PURPOSE

The purpose of the quarterly monitoring report is to inform key stakeholders – Regional Cabinet and UK and Wales governments of progress with performance against the Annual Business Plan, thus discharging the requirements of the Assurance Framework.

KEY AREAS OF CONTENT

The report provides a 'balanced scorecard' approach to performance and a summary perspective on key areas of progress and reporting. This further includes:

- The detailed work programme update
- The Annual Governance Statement update
- Internal Audit action plan
- Wider Investment Fund budget update

HEADLINE ISSUES AND POINTS OF PROGRESS:

In September 2018, the ten point plan to evolve the City Deal, in the light of new challenges and opportunities, was implemented. In the intervening seven months, strides forward have been made in 2018/19, the most notable of which include:

- The undertaking of comprehensive **sectoral analysis** by Prof Max Munday at Cardiff University, which has established a clear evidence base, knowledge of key sectoral strengths and priorities and potential for comparative advantage. Coupled with this has been success in securing two KESS PhD studentships to develop the CCR data competency and dashboard facility via Cardiff University. Two additional MSc students (Data Science and Analytics) will join the City Deal Office for the summer to work on specific projects;
- The first city region in UK Government's City Deal Cohort 2 participants to have a full and agreed **Local Evaluation Framework** in place and receipt of the first 'Baseline Report' which indicates progress is being made in key areas, namely around i) impact: delivery of the Compound Semiconductor project which, in City Deal investment profile terms is 87% delivered and ahead of target on job creation and ii) progress: the view of key stakeholders that City Deal is making a difference and that key foundations are being laid.
- Industrial leadership of CCR's first **Economic and Industrial Growth Plan** which sets out priority sectors for intervention, signals the importance of inclusive economic growth and commits to growing eco-systems and industrial scale clusters. The Plan was launched in three locations (Caerphilly, London and Cannes) to a diverse audience of investors, businesses, public bodies, community organisations;
- The development of the **Investment and Intervention Framework** in close collaboration with the Regional Economic Growth Partnership in order to complete the Assurance Framework; establish three funds for priority intervention (Innovation, Infrastructure and Challenge) and set out the way in which City Deal intends to do business and grow its investment potential through the principles of 'evergreen', co-investment and challenge-led approaches
- Extending **reach and influence** – developing closer links with Innovate UK through co-investment; UKRI Board through membership of the WG Science Advisory Council,

links with the Royal Society and the Wales Government's London Office; the UK2070 Commission and, stepping up substantially social media reach and press reports, marketing activity and creating the CCR brand and reaching new audiences and investors through keynote addresses at scores of conferences, events and networks;

- **Accelerating delivery:** successful notification of Strength in Places Wave 1 for the Compound Semiconductor Cluster; development of medical tools and diagnostics bid for Wave 2 SIPF (and potentially, support for Fintech Wales); development and launch of CCR Graduate Scheme, approval of the case for Metro Plus and the energy, skills and digital model to support it (Low Vehicle Emissions, on-site renewables and Electric Vehicle Infrastructure). Two successful SBRI bids and three successful Govtech bids as well as the initial procurement work on a Housing Catalyst Fund. CCR has also received successful notification via WEFO for its first stage submission under the Institutional Capacity Call for a Public Services Testbed;
- **Progress against targets:** with the first investment made by City Deal in the CSC Foundry, 60 new high-skill jobs have been created and recruited, with a further 55 in the CSA Catapult Centre. According to the UK Competitive Index 2019, Cardiff Capital Region is the second most improved region in competitiveness terms and ONS figures published on workplace analysis through the Annual Population Survey (April 2019) shows there are now c700,000 jobs in the Cardiff Capital Region;
- Establishing the **City Deal Office** with a new base in Tredomen, agreement of a new fit for purpose resourcing plan and the development of expertise, resources and assets across multiple partners, collaborations and networks. This includes approved plans to imminently appoint both a Chief Operating Officer and a Chief Investment Officer. The 'City Deal Team' extends beyond the office and the partnership support through the Regional Economic Growth Partnership, the Business Council and Skills Partnership continues to grow and develop;
- **Strengthening the back office** – City Deal budget is on target; performance monitoring is consistently demonstrating key points of progress; the local evaluation framework is agreed; the Annual Governance Statement is in place as well as a comprehensive Risk Register and regular reports and updates are provided to government colleagues and partners;
- **Withstanding key governance tests** - City Deal has committed to developing a Strategic Development Plan – a first regional land use framework. This will be reported to Regional Cabinet in June 2019;
- **Partnership support** – The Regional Economic Growth Partnership has provided invaluable business leadership on the Industrial Growth Plan and the Investment and Intervention Framework in 2018/19;
- **Internationalisation** – a good deal of focus has been spent on building the brand and developing a profile through engagement in shaping Wave 3 of Ser Cymru, launching the Industrial Growth Plan at Wales in London Week, sponsorship of the CS Mantech and Co-Innovate conferences in the US and participating in MIPIM 2019. Added to this are the developing links with the South West of England and membership of GW4 and a developing network with Scotland and N Ireland; and,
- **Building a region** – City Deal as seen against the backdrop of new challenges and tests takes on a greater significance. Beyond delivering a funding programme, developments such as Brexit and the loss of EU funding means that City Deal is our key means through which to build a sustainable, resilient and more self-reliant future for the region. In this respect, City Deal has started to carve out new principles and

ways of working (co-investment, evergreen and challenge led investment) the practice for which is being sought after and replicated by others. CCR officers are in knowledge transfer discussions with several other City Deals ongoing across all parts of the UK, including both Swansea Bay and the SW of England regions; are informing the approach to planning new frameworks for regional investment and plans are afoot with Wales Government to co-deliver significant programmes of shared strategic importance.

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24 June 2019

INVESTMENT AND INTERVENTION FRAMEWORK AND TOOLKIT

REPORT OF CLLR PETER FOX AND CLLR HUW THOMAS

Reason for this Report

1. To present to Regional Cabinet a proposal to establish the Investment and Intervention Framework and Toolkit (IIF) providing an objective and robust evaluation procedure to assess and prioritise deliverable investment projects funded from the Wider Investment Fund. The report sets out that the Investment and Intervention Framework and Toolkit is part of the overall Assurance Framework and is the means through which the principles of the Assurance Framework can be practically applied.
2. To outline proposals for setting-up a new Investment Panel as part of the Investment and Intervention Framework and Toolkit and detail arrangements for the transition of the existing Programme Board.
3. To provide details of how the Investment and Intervention Framework and Toolkit is to be marketed and launched.

Background

4. The Cardiff Capital Region City Deal is a £1.229bn investment over twenty years that is expected to create 25,000 new jobs, leverage an additional £4bn of investment in the region and provide a 5% Gross Value Added (GVA) uplift.
5. There are two components to the Deal – the £734m investment in the South Wales Metro and the £495m Wider Investment Fund (WIF). The delivery of the Metro programme is being overseen by Transport for Wales and the deployment of the WIF is the responsibility of Regional Cabinet. When comparing the City Deal core aims and objectives with other comparable city deals in the UK, it is reasonable to assume that the targets are for the entirety of the City Deal funding and not only the WIF. Discussions are ongoing with UK Government to clarify this position.

6. Governance arrangements for the City Deal are set out in the Joint Working Agreement (JWA) which amongst other matters contained an Assurance Framework. The Assurance Framework was approved by UK Government, Welsh Government and by each of the ten local authorities comprising the CCRC when approving the JWA. The Assurance Framework provides an overarching process for funding decisions to be made by Regional Cabinet.
7. The Assurance Framework requires investment decisions to be guided by the JWA Business Plan and recommends that a 'Regional Impact Assessment Toolkit' (Investment and Intervention Framework and Toolkit) should be developed and supported by a 'Prospectus for Growth and Prosperity' (CCR Industrial and Economic Plan – endorsed by Regional Cabinet in February 2019). This approach was required due to timescales and the absence of a detailed pipeline of investment projects at the inception of the City Deal, and serve to provide an objective and robust evaluation procedure to assess and prioritise deliverable investment projects.
8. Building on the JWA and JWA Business Plan, the Investment and Intervention Framework and Toolkit (IIF) will further define the core aims and objectives of the WIF, establish the investment criteria and financial criteria and provide a tool for Regional Cabinet to formally evaluate and prioritise investment projects.

Investment and Intervention Framework and Toolkit

9. The 'Regional Impact Assessment Toolkit' as outlined in the Assurance Framework will be referenced and known as the Investment & Intervention Framework and Toolkit (IIF) – a strategic but practical 'how to' guide for the deployment of the WIF. The IIF will illustrate that the region is open for business and further, will clearly state how the region wishes to conduct its business.
10. The IIF is designed to evolve throughout the lifespan of the City Deal as local priorities change, the public funding landscape evolves, and lessons are learnt from early investments. As such the IIF will be kept under annual review, through the annual business planning process, to ensure it continues to meet the specified needs of Regional Cabinet. The IIF is based on an evergreen principle – an investment focus with return on investment high on the agenda. The return on investment will take one or more of three primary forms:
 - economic growth – delivering against the City Deal core aims and objectives of job creation, investment leverage and GVA uplift;
 - economic inclusion – creating opportunity for all and to distribute the dividends of increased prosperity fairly to encourage and enable participation in the economic life of the region as employers, entrepreneurs, consumers and citizens; and
 - financial return on investment – repayable investments – generating an evergreen investment fund for Regional Cabinet that is focussed on 'pull' investment and regenerative growth, enabling Regional Cabinet to live off the interest and not the capital.

11. The purpose of the IIF is to ensure the delivery of the core objectives of the City Deal (job creation, investment leverage, and GVA uplift); driving economic growth and economic inclusion across the region, enhancing productivity and prosperity by reducing the restrictions to economic growth, addressing economic disparities across the region, and delivering the priorities as set out in the CCR Industrial and Economic Plan.
12. Objective criteria, as set out in the Sift Questionnaire, will be used to initially assess and score a wide range of projects in an independent way providing Regional Cabinet with the best means of receiving clear and impartial advice on which projects to take forward for detailed consideration. Projects taken forward will then be evaluated following an appraisal process consistent with HM Treasury's Green Book and Business Case Appraisal Process, applied in a proportionate manner. The advice for Regional Cabinet will be via the CCR Director, the Economic Growth Partnership and Programme Board, all of which will be further advised by an Investment Panel – a mix of public and private sector representatives. Regional Cabinet will retain decision making responsibilities, for approving projects, as set out in the Assurance Framework and JWA. The key operating principles, key features and process for the IIF are outlined in appendices 2 and 4.
13. The approach of the IIF exemplifies the appraisal outlined in the Assurance Framework and is consistent with the HM Treasury's Green Book and Five Case Model. Advice has been sought from advisors on how we implement a proportional approach to the investment appraisal process to ensure that the principles of the Five Case Model are adhered to. We will assess proposals on a case-by-case basis taking into account scale, value and complexity – see Financial Implications. The judgement of the proportionality of the approach to the development of the Full Business Case will be taken when appraising the Strategic Outline Case.
14. The development of the IIF proposals have included discussions with both the Welsh and UK Governments, and both are supportive of the progressive principles that underpin the IIF. Both governments are also comfortable that the approach outlined is consistent with the governance arrangements set out in the JWA. The early and ongoing engagement with both Welsh and UK Governments has been imperative to manage and mitigate the risks of establishing and operationalising key aspects of the Assurance Framework.

Investment priority areas and indicative allocations

15. In order to consider the range of projects across the investment portfolio, the IIF will have three interconnected investment priorities to allow fair and transparent comparison of projects to be undertaken, ensuring they are aligned to CCR priorities as outlined in the Industrial and Economic Plan. These are:
 - infrastructure priorities – public sector led and public-private infrastructure projects that create conditions for private sector success and civic benefits such as transport, digital infrastructure, skills, and sites;

- innovation priorities – propositions that focus on innovation that increases productivity from the foundational economy through to propositions that demonstrate unique Intellectual Property, market leadership and competitive strength; and,
 - challenge priorities – seeking to attract the best solutions for specific challenges faced by the region, and opportunities within the UK Industrial Strategy.
16. The evergreen principle applies to the fund as a whole across the three investment priority areas. It is acknowledged that not all projects will directly meet this criteria (that is, provide a financial return on investment), but such projects may be taken forward if they provide important returns such as economic growth and economic inclusion. With the Innovation priorities it is clear to see how the evergreen principle will apply, as these investments will be made via repayable instruments. There are also a number of potential alternative mechanisms available for deployment for innovative return on investments on infrastructure projects, for example, Investment Recovery Charge, Joint Venture Investments, and other fiscal income streams. The Challenge priorities return on investment will be through a mixture of repayable and risk investment returns by fostering a wider ecosystem development benefit.
17. The WIF has a total allocation of £495m, however, Regional Cabinet have resolved that up to 3% of the fund is to be ‘top-sliced’ to provide financial support to a range of Regional Bodies and to progress the detailed work on individual projects (Programme Development and Support). The balance (circa £480m) will need to be allocated across the three investment priorities. Following an initial assessment of what contributions the various investment priorities will make to the core aims and objectives of the City Deal the following indicative allocations are proposed:
- infrastructure priorities - £200m
 - innovation priorities - £200m
 - challenge priorities - £80m
18. These initial allocations are based on (i) the JWA Business Plan and (ii) a set of base assumptions around the contribution and deliverability that each investment priority of innovation, infrastructure and challenge will make to the City Deals core aims and objectives (jobs, leverage and GVA uplift) against the wider aims of the economic inclusion and financial return on investment. The current balance is considered appropriate at this stage. These allocations will need to be kept under review in light of actual projects approved by Regional Cabinet and the achievability of the core aims and objectives. Therefore it is fully envisaged that allocations from one priority area to another will change over time.
19. Appropriate investor readiness support will be signposted and provided to project proposers on a case-by-case basis to ensure that the investment propositions being considered by Regional Cabinet are mature and robust and ready for investment.

Sift Questionnaire

20. The Sift Questionnaire (attached as appendix 1) will be used to assess the applicant's outline project proposal to determine its 'in principle' suitability for funding support from a strategic fit perspective. The questionnaire will identify the suitability of the applicant and project proposal against the core aims and objectives, alignment with the Industrial and Economic Plan, and deliverability of the proposal. Initial assessment work will be led by the Chief Officer (Investment) with support from the Office of the City Deal, under delegated authority provided to the Director in consultation with the Investment Panel.
21. The Strategic Outline Case in the Five Case Model will result from an assessment of the Sift Questionnaire and the applicant's outline project proposal.

Overarching Funding Agreement

22. The Overarching Funding Agreement (attached as appendix 2) sets out in detail how the Investment and Intervention Fund and Toolkit will operate in practice, the delegations and processes required for it to be operationalised under the oversight of Regional Cabinet, how it refers back to the Assurance Framework and the JWA, and the duties of the Accountable Body.

Portfolio Leads for Regional Cabinet

23. The Assurance Framework provided that, in order to focus activity and promote delivery, a portfolio arrangement would be introduced. At the time the Assurance Framework was prepared a number of portfolios were identified, some of which were shared. Given the work done on preparing the IIF it seems opportune to review and revise the Cabinet Portfolio areas. The proposed Cabinet Portfolios have been designed to align with the priorities identified and the implementation of the IIF. The proposed portfolios are set out in full at Appendix 5.
24. There are 9 new portfolio areas identified with the Chair having an open portfolio, reflecting the requirement for overall oversight, policy and strategy development and the need for liaison with UK and Wales Governments. It is suggested that one Council Leader is appointed to each portfolio (though two or more members could be appointed to a portfolio if they have a particular interest in that area) and that the portfolio appointments are reviewed at the first meeting of Regional Cabinet in each Municipal year, or at any other meeting of Regional Cabinet, upon request of a Cabinet Member. If the recommendations in this report are approved then a further report will be brought to the next meeting of Regional Cabinet to seek nominations for and agree the allocation of portfolios.
25. Under the terms of the JWA no individual member has decision making authority, decisions being made at meetings of Regional Cabinet or under delegation to an officer. It is not proposed to alter this, in the change to portfolio arrangements. The revision of the portfolio arrangements is not seen as a substantive amendment to the JWA and is within the remit of Regional Cabinet to agree, if members find the proposals acceptable

Investment Panel

26. As part of the IIF, Regional Cabinet are asked to establish an advisory group, referred to as the Investment Panel to add further robustness to the advice received by the Director and Regional Cabinet when considering project applications. The Investment Panel will be advisory and will give independence, technical support and expertise to the process of project appraisal, including consideration of recommendations being made to the Regional Economic Growth Partnership and Programme Board. It will also have an active role in reviewing live projects ensuring deliverability against agreed criteria.
27. The Investment Panel will be made up of ten members; five from the Regional Economic Growth Partnership, and five representatives from public bodies with the relevant commercial and financial expertise. It is proposed that the Chief Executives Group/Programme Board will recommend the five public body representatives and the Regional Economic Growth Partnership will recommend its five representatives to the Director, who will approve their nominations in consultation with the Chair and Vice-Chairs of Regional Cabinet.
28. In addition to the core ten members of the Investment Panel, the Investment Panel will have the ability to co-opt members to the panel with specialist expertise to assist with their project appraisal as and when required – for example specialist expertise in transport for transport-related schemes.
29. The Investment Panel role is advisory to the Economic Growth Partnership, Programme Board and the Regional Director. The detailed meeting procedure rules and terms of reference for the Investment Panel are being developed but this Panel will not have any decision making powers and is not intended to be a sub-committee of Regional Cabinet. Due to its role in providing investment appraisal advice on specific project applications, where financially-sensitive information relating to third parties will be considered, it is likely that its meetings will not be open public meetings. The outcomes of its discussions will, however, be captured in the Quarterly Performance Reports of the Director to Regional Cabinet and in project specific reports to Regional Cabinet, to ensure transparency. The meeting rules will contain provision as regards conflict and declarations of interests.

Programme Board

30. The role of the local authority Chief Executives will be formalised by becoming the core component of the Programme Board. This will provide additional assurance to the project appraisal process. The Terms of Reference for the Programme Board will be reviewed and updated as necessary upon establishment of the Investment Framework.

Procurement of External Advisors

31. The project appraisal process will have a robust due diligence aspect, and external advisors will need to be procured via a framework agreement to call upon, as and when required, to provide in-depth specialist due diligence advice covering legal, financial, commercial and technical advice.
32. Due diligence will principally be undertaken at two stages of the project appraisal process. Initial due diligence will be undertaken as required to ensure that the Strategic Outline Case adequately assesses the Sift

Questionnaire and applicant's outline project proposal. Delegated authority to the City Deal Director is requested as part of this report to procure initial due diligence advice and where the estimated value of the appointments for any one project proposal does not exceed £100,000. Full due diligence costs will be a consideration of Regional Cabinet in approving the Strategic Outline Case.

Launch and Marketing of the Investment and Intervention Framework

33. Subject to Regional Cabinet approval, it is proposed that the Investment and Intervention Framework and Toolkit is launched during Wales Festival of Innovation (15-29 June 2019) in a location within the Cardiff Capital Region. An Investment Fund manual will be developed to support stakeholder awareness, communication and engagement with the IIF.

Delegations

34. In order to complete the IIF, the report recommends that delegated authority is granted to the City Deal Director to finalise the Overarching Funding Agreement Sift Questionnaire and other associated documentation, including completion of the following:

- Investment Manual – working draft included in appendix 3;
- KPI assessment model – to ensure that across the portfolio of projects funded from the IIF that appropriate and proportional contribution is made to the overall aims and objectives of the City Deal; and
- Sift Questionnaire – weightings and scores for each question,

subject to such delegation being exercised:

- (i) in consultation with the Chair of Regional Cabinet and the S151 Officer for Regional Cabinet; and
- (ii) such that the substance of the Overarching Funding Agreement and IIF approach shall not differ in any material respect to that outlined in this report.

35. To facilitate the IIF process this report seeks that delegated authority is granted to the Director to:-

- (i) procure and appoint a panel of advisers to provide in-depth specialist due diligence advice covering legal, financial, commercial and technical advice that may be required in order to assess a project that is being considered for CCRCD funding;
- (ii) engage any individual, person, firm, partnership or company (and determine the terms of the contract), where the estimated value of the appointments for any one project proposal does not exceed £100,000 and costs can be met from within approved budgets (and note that the delegation set out in Schedule 1 of the Joint working Agreement (Delegations Policy) paragraph 27 is so amended;

- (iii) to appoint, from time to time, the members of the Investment Panel, in accordance with the nomination process set out in paragraph 27 of this report; and
- (iv) carry out such tasks as are required and allocated to the Director under the Overarching Funding Agreement,

subject to such delegations being exercised: (i) in consultation with the Chair of Regional Cabinet and the S151 Officer for Regional Cabinet; and (ii) any resultant costs incurred being within approved budgets.

Reasons for Recommendations

- 36. To seek Regional Cabinet's approval to establish the Investment and Intervention Framework and Toolkit as set-out in the WIF Assurance Framework.
- 37. To create the new Investment Panel as detailed in the Overarching Funding Agreement to support the implementation of the IIF and to transition the current Chief Executive's group to the Programme Board in order for Chief Executives to have a formal role in the process.
- 38. To seek approval of the IIF marketing and its launch.

Declarations of Interest

- 39. The development and implementation of the IIF offers a timely opportunity to review and refresh process and practice around Declarations of Interest. In respect of Regional Cabinet, individual members are subject to their authority's respective Code of Conduct for members and declarations of interests are made via the policies and procedures in place with individual Councils. Advice on Declarations of Interest is to be sought from the individual Council's Monitoring Officer. At the start of every Regional Cabinet Meeting, provision is made to declare any interest held in relation to matters that are on the agenda for that meeting and to not take part (leave the meeting) where interests are 'prejudicial'. These same procedures also apply to the Regional Transport Authority as a sub-group of the Regional Cabinet.
- 40. For all partnerships that sit within the City Deal governance structure, particularly the Economic Growth Partnership, Declarations of Interest is one of the first items on every agenda with a paragraph to denote the responsibility placed upon the individual to make the necessary disclosures and what this involves – similar to the above process for Regional Cabinet.
- 41. The City Deal Director will undertake a review of current processes in conjunction with advice from the Accountable Body Monitoring Officer and will recommend enhancements and reinforcements as and where they are deemed necessary. Beyond proposing that disclosures are up-to-date and published in accordance with individual Council's own guidelines, this will also include re-issuing to members and partnerships alike, guidance from the Public Services Ombudsman for Wales and the enhanced Nolan Principles.

Scrutiny

42. It will be a matter for joint scrutiny to determine if it wishes to carry out scrutiny of any proposed projects as it proceeds through the IIF. However, the City Deal Director will work with the Joint Scrutiny Committee to inform and shape its forward work programme.

Wellbeing Future Generations Implications

43. In developing the IIF 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 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 and in so doing achieve the national well-being goals.

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 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.

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.

Legal Implications

44. External legal advice (from Pinsent Masons) has been sought on developing the Investment and Intervention Framework ('IIF') and toolkit, drafting of the Overarching Funding agreement, and on the holding of the fund (either as fund or series of funds).

Overarching Funding Agreement

- A. The report seeks approval to the conclusion of the Overarching Funding Agreement (a comprehensive draft of which is attached at appendix 2 to this report) and to delegate authority to the City Deal Director to finalise the Overarching Funding Agreement and associated documentation.
- B. Put simply, the Overarching Funding Agreement confirms the procedure for the initial evaluation of applications for City Deal funding (SIFT); the process for implementing the Investment Framework (the framework for assessing and evaluating applications); the interplay between the Joint Committee and relevant parties; and confirmation of the decision making process.
- C. It is not practical in this legal advice to consider the agreement clause by clause and it is noted that the body of the report outlines the IIF process. The following points are, however, noted:-
- (I) As members will be aware, the Councils established the Cardiff Capital Region City Deal ("City Deal") and entered into the Joint Working Agreement on 1 March 2017 ("JWA") to formalise their respective roles and responsibilities in relation to the City Deal. The JWA, amongst other matters, established the Joint Committee ('Regional Cabinet') that is responsible for overseeing and co-ordinating the discharge of the Councils' obligations in relation to the City Deal and sets out the decision making powers of the Joint Committee. It is important to note that the Overarching Funding Agreement is not intended to replace the JWA. The Overarching Funding Agreement specifically provides that it shall not serve to amend or in any way take priority over the terms of the JWA.
 - (II) Decision making in respect of approving applications (including the decision to progress applications through various stages in the process) remains with Joint Committee.

- (III) The fund will continue to be held by the Accountable Body, targeted at the three investment priorities (Innovation, infrastructure and Challenge) referred to in the report.
- (IV) The Overarching Funding Agreement importantly sets out the investment criteria, which will be used to initially assess applications at the SIFT stage.
- (V) Applications taken forward for consideration will be the subject of detailed due diligence undertaken in accordance with the Assurance Framework and the Investment Framework, which framework is predicated on a 'Proportionate Business Case Development Process, which is in turn a due diligence process based on the HM Treasury Green Book (using the Five Case Model) as amended, on a proportionate basis to reflect the scale, nature and complexity of the relevant application.

It is appreciated that the Overarching Funding Agreement, which lists each Council as a party, may be seen as a complex way of dealing with matters and may beg the following questions:-

Whether the decision on to conclude the Overarching Funding Agreement needs to be referred back to each Council, given that each Council is named and will be requested to seal the document? Having considered matters with external legal advisers, the advice is that this matter falls within the remit of the Joint Committee and does not need to be reported back to each Council for decision, given the purpose of the agreement (see 2 (B) above) and the caveats contained in the agreement (see 2 (C) (i) above).

Whether matters could have been dealt with in a different manner, through the Annual Business Plan process? Clause 8 of the JWA providing that

8.2 The Regional Programme Director shall procure the preparation of an Annual Business Plan for the development of the Cardiff Capital Region Wider Investment Fund(s), in accordance with Clause 7 (Business Plans and Progress Monitoring), to determine, amongst other matters, the following:-

8.2.1 the legal structure of the Cardiff Capital Region Wider Investment Fund and whether it shall comprise of a single or series of funds;

8.2.2 the investment criteria and investment policy;

8.2.3 the governance structure for the investment board;

8.2.4 the approach to performance reporting and the interplay with the Gateway Review; and

8.2.5 the procedure for the appointment of a fund manager

In this case the advice received was that it was thought prudent to set matters out in an agreement, given the detail of the arrangements proposed and that the arrangements are anticipated to apply year on year and require longevity. That said, given the decision to conclude the Overarching Funding Agreement is a matter for the joint committee, it is always open to the Joint committee to determine at any time to revoke or amend the Overarching Funding Agreement.

Delegations

45. The recommendations seek that delegated authority be granted to the City Deal Director in respect of a number of specified matters. The JWA provides that the Joint Committee may delegate any of the powers which are conferred on them under the JWA to such person (which would include officers), to such extent, in relation to such matters and on such terms and conditions as they think fit.

Financial Implications

46. The attached report seeks approval of the Investment & Intervention Framework (IIF) and related documentation, to support the objective and robust evaluation of proposals seeking funding from the Cardiff Capital Region City Deal – Wider Investment Fund. The report outlines that the IIF seeks to address the current gaps in the Assurance Framework, and that consultation has taken place with both UK and Welsh Governments, regarding the proposed framework. This matter is important, as compliance with the Assurance Framework is a key condition of HM Treasury funding, which underpins the Wider Investment Fund.
47. 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.
48. In line with the requirements of the Assurance Framework, the IIF will require proposals that have passed the 'Sift Stage' to be subject to a 'Proportionate Business Case Development Process' in line with the HM Treasury Green Book (5 Case Model). Clauses 3.5 (Appraisal Framework) and 3.7 (Business Case Development) of the Assurance Framework outlines the concept of 'proportionality'.
49. The early stages of the IIF process will provide an initial view around how proportionality is to be addressed for each proposal on a 'case-by-case' basis, assessing matters such as project value, complexity, timescales etc. However, in all cases, the approach adopted will need be predicated on the principles (and robustness) delivered through the 5 Case Model, with proposals undergoing the necessary consultation with stakeholders at key intervals. This latter point is important to comply with the principles of good

governance and minimise the risk of non-compliance with HM Treasury funding terms and conditions.

50. At its meeting on 8th February 2019, Regional Cabinet approved 'The Wider Investment Fund – Annual Business Plan 2019/20' (ABP). The ABP includes a range of revenue and capital budgets in respect of the Wider Investment Fund (WIF) to support the project delivery pipeline. Budgets are set out for the current year and also cover the medium term, in line with the approved 5 year Joint Working Agreement Business Plan. In summary, resources have been approved to support:

WIF Top-Slice - through an annual sum of £742,500, which is allocated between known initiatives (forward commitments), with the balance (uncommitted sum) being available to fund new initiatives. The IIF outlines that the Sift Stage and the production of the Strategic Outline Case for a project proposal may require initial due diligence costs of up to £100,000 being incurred to support the City Deal Director's recommendation to Regional Cabinet in respect of new proposals. These sums will be met from the WIF Top-slice Budget. New proposals will be met from the balance of funding available against the uncommitted sum and once approved, will represent a forward commitment against this budget.

In-principle Project – proposals which have secured Regional Cabinet approval to proceed, subject to the preparation and approval of their business cases, are categorised as In-principle Projects. There are revenue resources amounting to £856,000 available in 2019/20 to support In-principle Projects. This budget available to meet cost of developing business cases, as well as carrying out the required level of due diligence as the proposal is developed and moves through the IIF process.

Approved Project Budget – projects that have satisfactorily met all the requirements of the IIF process and which are subsequently approved by Regional Cabinet i.e. 'Approved Project', will be allocated an 'Approved Project Budget', as set out in the accompanying Funding Letter. Approved Project Budgets will be met from resources allocated over the medium term as most projects are likely to straddle a number of financial years. For example, there is £26.1m of capital resources available in 2019/20 to fund approved projects. In addition, resources amounting circa £120.0m have been included in the medium-term budget covering the following three financial years to 2022/23.

51. The reports seeks approval to identify or establish a framework agreement from which external advisors can be procured and that will support the IIF process. The cost of running the procurements will be met from within existing City Deal Office and Accountable Body resources. In addition, the City Deal Office has an approved budget in place to support the launch and marketing of the IIF.
52. Further financial advice will be provided throughout the year as proposals are brought forward for assessment under the IIF. In addition, the quarterly performance reports will provide Regional Cabinet with regular updates in respect of the sift stage, progress against proposals moving through the

business case development process as well as the position against approved 2019/20 WIF budgets.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Regional Cabinet:

1. approve the establishment of the Investment and Intervention Framework ('IIF') and the priority investment strands of Infrastructure, Innovation, and Challenge on the basis set out in this report;
2. endorse the initial investment apportionment across the three investment priorities as set out in paragraph 17 of this report which will be reviewed annually as part of the annual business plan process;
3. approve the conclusion of the Overarching Funding Agreement (a draft of which is attached at appendix 2 to this report) and delegate authority to the City Deal Director to finalise the Overarching Funding Agreement and associated documentation, including completion of the following:
 - Investment Manual – in development – to follow;
 - KPI assessment model – to ensure that across the portfolio of projects funded from the IIF that appropriate and proportional contribution is made to the overall aims and objectives of the City Deal;
 - Sift Questionnaire – weightings and scores for each question, and

subject to such delegation being exercised: (i) in consultation with the Chair of Regional Cabinet and the S151 Officer for Regional Cabinet; and (ii) such that the substance of the Overarching Funding Agreement and IIF process shall not differ in any material respect to that outlined in this report.
4. Approve the establishment of the Investment Panel as an advisory board to the Cardiff Capital Region Director, as detailed in paragraph 26 of this report and delegate authority to the City Deal Director to appoint, from time to time, the members of the Investment Panel, in accordance with the nomination process set out in paragraph 27 of this report and subject to such delegations being exercised in consultation with the Chair and Vice Chairs of Regional Cabinet.
5. Approve the proposed revised Regional Cabinet Portfolio Roles as set out in Appendix 5 to this report.
6. Approve proposals for the launch and marketing of the Investment and Intervention Framework during the Wales Festival of Innovation.
7. To facilitate the effective operation of the IIF delegate authority to the City Deal Director to:-
 - (i) identify or establish a framework agreement from which external advisors can be procured as and when required, to provide in-depth specialist due diligence advice covering legal, financial,

commercial and technical advice in order to assess a project that is being considered for CCRCD funding;

- (ii) engage any individual, person, firm, partnership or company (and determine the terms of the contract), where the estimated value of appointments for any one project proposal does not exceed £100,000 and costs can be met from within approved budgets and note that the delegation set out in Schedule 1 of the Joint working Agreement (Delegations Policy) paragraph 27 is so amended, and
- (iii) carry out such tasks as are required and allocated to the Director under the Overarching Funding Agreement,

subject to such delegations being exercised: (i) in consultation with the Chair of Regional Cabinet and the S151 Officer for Regional Cabinet; and (ii) any resultant costs incurred being within approved budgets.

- 8. To note and endorse the work of the Cardiff Capital Region City Deal Director in undertaking a review of the process and procedures for Declarations of Interest.

Kellie Beirne
Director, Cardiff Capital Region City Deal

- Appendix 1 Sift Questionnaire
- Appendix 2 Overarching Funding Agreement
- Appendix 3 *Investment Fund Manual – to follow*
- Appendix 4 Investment and Intervention Framework – Regional Cabinet Briefing 20 May 2019
- Appendix 5 Proposed Revised Cabinet Portfolios
- Appendix 6 Wellbeing of Future Generations Assessment

CARDIFF CAPITAL REGION CITY DEAL

DRAFT: FUNDING SUPPORT SIFT QUESTIONNAIRE

Introduction

This initial questionnaire ("**Questionnaire**") assesses the Applicant's outline Project Proposal to determine its 'in principal' suitability for funding support under the Cardiff Capital Region City Deal ("**City Deal**") under either the: 'Innovation', 'Infrastructure' or 'Challenge' investment priorities under the City Deal. This is intended to operate as an initial gateway process to enable the City Deal Partners to prioritise its resources around those projects that are sufficiently mature, developed and demonstrate strategic fit to warrant a detailed due diligence exercise (to be undertaken with external advisor support) and are most closely aligned with the City Deal's Core Objectives (as detailed in the Cardiff Capital Investment Prospectus).

The City Deal Partners are keen to stress that unsuccessful Applicants at this initial stage will be provided with feedback to hopefully enable a more developed/suitable application to be submitted to the City Deal in the future. Full details of the subsequent stages of the selection procedure are outlined in the Cardiff Capital Investment Prospectus.

In this questionnaire, the "**Applicant**" refers to the organisation or group of promoters that would, if successful, enter into the legally binding contractual agreement with the City Deal Partners (or their nominee).

No offer or request for funding is deemed to have been made or accepted until the relevant contractual documentation has been duly signed by all relevant parties and declared unconditional. No discussion or communication with the City Deal Partners whether prior to, during or subsequent to this selection procedure will imply acceptance of any offer or request for funding or constitute an indication that the Applicant will be awarded funding support. Once the Applicant's proposal has been formally approved following satisfactory conclusion of the subsequent evaluation stages, the City Deal Partners will issue a formal 'Funding Letter' to confirm its decision. Such decision shall be subject to the express terms of the 'Funding Letter' (to be issued by the City Deal Partners following formal approval of the detailed Project Proposal) and the relevant contractual documentation which will need to be agreed and signed for and on behalf of the relevant parties to have contractual and binding effect.

Any costs or expenses incurred by the Applicant (or any other person engaged by the Applicant) will not be reimbursed by the City Deal Partners and City Deal Partners will not be liable in any way to the Applicant or any other person for any costs, expenses or losses incurred by the Applicant or any other person in connection with this Questionnaire.

Background

Please refer to the 'Investment' section of the Cardiff Capital Region City Deal website for further details of the City Deal and the Funds.

The City Deal Partners will need to be satisfied that the Applicant has the appropriate qualities, financial standing, track record and resources to successfully deploy City Deal funds and deliver upon its stated objectives. The City Deal Partners reserve the right to reject any Applicant that fails to satisfy and fully comply with the requirements of the selection process set out in this Questionnaire. If you misrepresent any factual information in completing this Questionnaire, there may be significant consequences and you may be excluded from submitting another application for City Deal support for 2 (two) years.

To reduce the administrative burden of this selection procedure, **documentary evidence is not required when this Questionnaire is submitted**. However, the City Deal Partners reserve the right to ask any Applicant at any time during the selection process to submit all or part of the evidence if considered necessary to verify any statement made and to ensure the proper conduct of the application procedure. **As a minimum, such information/documentary evidence will be provided prior to entry into any funding commitment with the City Deal Partners.**

Structure of Questionnaire

This Questionnaire is divided into the following sections:-

- **Section A: Details of the Applicant** - provided for information only;
- **Section B: Suitability of the Applicant and Project Proposal** – compliance pass/fail requirement;
- **Section C: Details of the Project Proposal and Funding Support Requirements** – to be scored in accordance with Section D below and the City Deal Partners reserve the right to reject any Applicant that fails to achieve a minimum overall score of 6 (Satisfactory); and
- **Section D: Scoring and Evaluation Framework** – scoring methodology and relevant weighting for each Section C question.

Section A: Details of the Applicant

Please answer the following questions in full.

Question number	Question	Response
A1	Full name of the Applicant ¹	
A2	Registered office or principal office	
A3	Registered website address (if applicable)	
A4	Trading status:- (i) Public limited company (ii) Limited company (iii) Limited liability partnership (iv) Other partnership (v) Sole trader (vi) Local authority / public body / Further Education or Higher Education Institutions (vii) Third sector (viii) Other (please specify)	
A5	Date of registration in country of origin (if applicable)	
A6	Company registration number (if applicable)	
A7	Charity registration number (if applicable)	
A8	Registered VAT number (if applicable)	

¹ In the case of a local authority or other public body Applicant, please also provide details of the senior officer leading the application.

Question number	Question	Response
A9	Status of Applicant:- (i) Single Applicant (ii) Consortium (iii) Other joint venture	
A10	Are you considered to be a small, medium or micro enterprise (ie SME where the number of employees does not exceed 250)?	
A11	Please provide details of 'Persons of Significant Control' (PSC) ² , where appropriate:- <ul style="list-style-type: none"> • Name • Date of birth • Nationality • Country, state or part of the UK where the PSC usually lives • Service address • Date s/he became a PSC in relation to the company (for existing companies the 6 April should be used) • Which conditions for being a PSC are met:- <ul style="list-style-type: none"> • over 25% and up to (and including) 50% • more than 50% but less than 75% • 75% or more Please enter N/A if not applicable	
A12	Please provide full details of your immediate parent company and, if applicable, full details of your ultimate parent / holding company.	
A13	Please confirm your annual turnover for each of the previous financial accounting years.	
A14	Please provide full details of all key personnel nominated by the Applicant to support the development of and implementation of the Project Proposal (to include full CVs).	

² Please refer to Companies House Website for fuller details.

Question number	Question	Response
A15	<p>Please refer to the background/supporting documents referred to above and confirm which of the City Deal's three specific investment priorities (or combination thereof) your Project is most closely aligned and outline the rationale and justification for the selection:</p> <ul style="list-style-type: none"> • Innovation • Infrastructure • Challenge 	

Section B: Suitability of the Applicant & Project Proposal

Please note that your response to this section shall be evaluated on a compliance pass/fail basis such that any negative response may entitle the City Deal Partners to reject the application.

Question number	Question	Response
Financial Standing		
B1	<p>Please provide a statement of any material litigation or other legal proceedings (pending, threatened or determined) relating to the Applicant or any Relevant Party within the last 3 years that may affect the Applicant's ability to deliver this Project.</p>	
B2	<p>Please confirm that the Applicant or any Relevant Party has not, within the past 5 years, been convicted anywhere in the world of any of the following offences:-</p> <ul style="list-style-type: none"> • participation in a criminal organisation • corruption • fraud • terrorist offences or offences linked to terrorist activities • money laundering or terrorist financing • child labour or any other form of trafficking in human beings 	
B3	<p>Please confirm that the Applicant is not (and nor is any Relevant Party) bankrupt or is not the subject of insolvency or winding up proceedings, where the organisation's assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any</p>	

Question number	Question	Response
	analogous activities arising from a similar procedure under the laws and regulations of any state.	
Conflicts		
B4	Please identify any actual or potential conflicts of interests that may arise if the Applicant were successful in securing City Deal funding support for the Project and, if any, how any such conflicts will be dealt with. In particular, please declare any interest with any City Deal Partner (including any employee or member) and provide full disclosure of the nature of such interest.	
Alignment with City Deal		
B5	Please confirm and provide details of how your Project will contribute towards the objectives under the Welsh Government Wellbeing of Future Generations (Wales) Act 2015 (full details are accessible via [redacted] ³).	
B6	Please outline how and to what extent the Project is aligned with and will help to promote the furtherance of City Deal's Core Objectives. In particular, please outline the specific demonstrable benefits you anticipate the Project will deliver to the City Deal region. Max 2 page limit.	

Section C: Details of the Project Proposal and Funding Support Requirements

Please note your response to the following questions will each be scored (0-10) and then weighted in accordance with the terms of the Scoring and Evaluation Framework set out at Section D. Please note that the following questions are not equally weighted and greater emphasis has been placed on certain questions to reflect the broad and diverse nature of the Applicants across the City Deal's stated investment priorities. Once a score has been awarded for each question, weighting will be applied in order to calculate the weighted score for that question. The sum of these weighted scores will be added to calculate the total weighted score for the Project Proposal.

The City Deal Partners are keen to attract the widest pool of Applicants and recognise that certain investment priorities (e.g. Challenge) may require a greater degree of intervention and naturally attract less experienced Applicants. With that in mind, weightings have been applied to the questions below to help diversify and promote Project Proposals of varying scale and complexity across each of the City Deal's investment priorities.

Any incomplete response will score nil for the relevant question and the City Deal Partners reserve the right to request further clarification in the event of any ambiguity or inconsistency/conflict. [The City Deal Partners reserve the right to reject any Applicant that fails to score a minimum overall score of 6 (Satisfactory)]⁴.

³ PM: Council to advise how fuller details may be accessed (e.g. City Deal or Welsh Government Websites).

⁴ PM: To be tested and confirmed against the proposed weightings.

Question number	Question	Response
C1	<p>Please provide an outline business plan detailing the core elements of the Project and, in particular, highlight any perceived barriers that may impact on successful delivery and identify the metrics by which success will be measured. Please include the following within your business plan:-</p> <ul style="list-style-type: none"> • Project objectives and deliverables • Evidence of market demand and/or market failure for your Project • Outline delivery/contractual structure (to include proposed corporate structure, all relevant stakeholders, contractors/sub-contractors and supply chain members) • Resourcing and management structure (to include details of all key personnel and relevant experience of delivering similar projects) • Outline risk register (highlighting key delivery risks and mitigation measures) • Alignment with the City Deal's Core Objectives and the identified specific investment priority (pursuant to your response to Question B6 above) • Total sums requested and indicative drawdown profile (together with a breakdown of the capital and, if applicable, revenue split) • Anticipated payback period and return on investment • An indicative drawdown profile and details of the repayment profile • Target market and competitors • Marketing plan (if applicable) • Implementation strategy (to include anticipated build phase and operational phase, if applicable) • Anticipated Economic Inclusion Benefits (as defined in the Cardiff Capital Investment Prospectus)⁵ 	

⁵ PM: Councils to confirm suitable definition has been included in the Prospectus and advise how this shall be measured/assessed.

Question number	Question	Response
	<ul style="list-style-type: none"> Summary of all assumptions upon which the Business Plan is based <p>Max 10 page limit.</p>	
C2	Please outline the Project's anticipated total capital investment requirements and detail how such investment is anticipated to be contributed via equity, shareholder/external loans and City Deal investment element over the Project term.	
C3	Please provide details of the track record and previous experience of the key personnel nominated by the Applicant to develop/implement the Project (pursuant to your response to question A.14 above).	
C4	Please provide details of the Applicant's experience of raising finance on relevant projects over the past five years (by completing the following table):	

Project Name/Description	Finance Raised (£m)	Lender Details	Type of Finance (bank/bond)	Date of Financial Close

Question number	Question	Response
C5	Please outline the value of the total investment the Applicant has made to date into the development of the Project and, in particular, what level of external advisor support has been commissioned and tangible outputs (eg due diligence reports, site surveys, legal opinions).	
C6	Please provide details of engagement (if any) with external/alternative finance sources and explain the reasons why the Project cannot be delivered (or detail any perceived barriers to delivery) in the absence of City Deal support.	
C7	Please detail the anticipated optimal structure for the City Deal funding support (eg form, term, repayment provisions and security package) cognisant of the City Deal Partner's wider state aid and regulatory requirements.	
C8	Please refer to the Cardiff Capital Investment Prospectus and outline the anticipated tangible and measurable outcomes the Project will deliver to the City Deal region in furtherance of the City Deal's Core Objectives and full details of the assumptions upon which such statement is	

	<p>based.</p> <p>In particular and to the extent applicable, please set out:</p> <ul style="list-style-type: none"> • impact on jobs (i.e. number of new jobs created and/or safeguarded); • leverage of external funding and private/public sector value/mix; • anticipated [GVA uplift]⁶. <p>Please note it is the City Deal Partners' clear expectation that such assumptions and proposed outcomes will be robustly tested and verified during the subsequent evaluation stages and further details of the methodology for such verification (which may include, amongst other measures, a GVA model) will be provided to the Applicants during the next evaluation stage.</p>	
C9	<p>Please provide a Project Delivery Plan detailing the timeline to conclude the due diligence exercise; secure all required funding; award all contracts following any required procurement exercise; and target completion date. Please include within such Project Delivery Plan the anticipated level and timings for City Deal engagement and participation in the due diligence exercise and contract finalisation stage.</p>	
C10	<p>Please refer to the guidance/practice notes accessible via [insert website link to State Aid Practice Notes (reference BIS/15/417)] and provide details of your assessment of any applicable State Aid considerations and how such matters may be addressed within the Project Proposal.</p>	

Section D: Scoring and Evaluation Framework

Section C of this Questionnaire will be evaluated by the City Deal Partners and each question will be scored (0-10) and then weighted in accordance with the terms of the Scoring and Evaluation Framework set out below to arrive at an overall score for the Project Proposal. [The City Deal Partners will determine if a minimum overall score of 6 (Satisfactory) has been achieved. The City Partners reserve the right to reject an Applicant that fails to achieve that score mindful that it must prioritise applications for funding support and not deploy the required external resources to commence the detailed due diligence stage of the selection procedure until the Project Proposal is reasonably mature and developed.]

⁶ PM: Councils to provide further details and metrics to assess the achievement of City Deal KPIs.

Scoring Table⁷

Score	Term	Explanation
0	Unacceptable	Insufficient or incomplete response received. Overall proposal is entirely underdeveloped or unacceptable to the City Deal Partners. The City Deal Partners would not be willing to support the Project on this basis.
2	Poor	The information submitted does not demonstrate: (i) a sufficiently mature investment proposition; and/or (ii) the City Deal Partners have serious concerns about supporting the Project on this basis.
4	Fair	The information submitted contains unsupported / unrealistic assumptions or risk positions that demonstrate only limited: (i) maturity of the investment proposition and/or grounds to accept the risk profile; or (ii) little evidence of alignment with the City Deal's Core Objectives.
6	Satisfactory	The submission confirms: (i) a reasonably mature investment proposition that does not expose the City Deal Partners to an unreasonable risk profile; and (ii) reasonable supporting evidence demonstrating a reasonable basis for alignment with the City Deal's Core Objectives.
9	Very Good	The submission confirms (i) an acceptance and mature investment proposition that provides an acceptable risk profile for the City Deal Partners; and (ii) good evidence demonstrating a strong alignment with the City Deal's Core Objectives.
10	Excellent	The submission provides (i) a strong investment proposition supported by a detailed due diligence report / supporting information which demonstrates deliverability and provides an acceptable risk profile for the City Deal Partners; and (ii) clear and unambiguous evidence demonstrating a strong alignment with the City Deal's Core Objectives and/or individual investment priority.

Weightings for each Section C Question:

Question	Relative Weighting ⁸
C1 (Outline Business Plan)	25%
C2 (Capital requirements / risk profile)	5%
C3 (Key Personnel track record / previous experience)	10%
C4 (Experience of raising finance)	5%
C5 (Investment in the Project Proposal)	10%
C6 (Engagement external/alternative finance)	5%

⁷ PM: Councils to assess if generic scoring framework is sufficient or whether bespoke scoring required to certain questions.

⁸ PM: Relative weightings to be confirmed by the Councils and scenario tested to ensure no unintended outcomes.

C7 (Loan Structure)	5%
C8 (City Deal KPIs)	25%
C9 (Delivery Plan)	5%
C10 (State Aid)	5%

PM Draft: 30.05.19

DATED _____ **2019**

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

OVERARCHING FUNDING AGREEMENT
in relation to funding support for approved projects under the
Cardiff Capital Region City Deal



Pinsent Masons

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BETWEEN

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

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

BACKGROUND

- (A) The Councils established the Cardiff Capital Region City Deal ("**City Deal**") and entered into the joint working agreement on 1 March 2017 ("**JWA**") to formalise their respective roles and responsibilities in relation to the City Deal.
- (B) The JWA, amongst other matters, established the Joint Committee that is responsible for overseeing and co-ordinating the discharge of the Councils' obligations in relation to the City Deal. The JWA further provides that sub-committees may be established to delegate any of the Joint Committee's powers relating to the City Deal (provided the scope of such delegation follows, as far as they are applicable, the decision making provisions under the JWA).
- (C) The Councils have determined that the City Deal's objectives will be best served through the establishment of the Fund to target the 'Innovation', 'Infrastructure' and 'Challenge' investment priorities (as contemplated under Clause 8 (Cardiff Capital Region Wider Investment Fund(s)) of the JWA). The Fund will initially be established under this Agreement as a ring-fenced 'block of finance' held by the Accountable Body with the intention to evolve over time into a corporate 'evergreen' fund structure which will enable the funds deployed to be recycled and re-invested via the Fund at a greater pace (on terms to be agreed by the Joint Committee).
- (D) This Agreement confirms the procedure for the evaluation and approval by the Joint Committee of all Approved Projects and the allocation of investment support under the Fund in furtherance of the City Deal objectives. In particular, this Agreement outlines

the respective evaluation stages for each Application; the process for implementing the Investment Framework; the interplay between the Joint Committee and relevant parties; and confirmation of the decision making process. This Agreement shall not serve to amend or in any way take priority over the terms of the JWA.

- (D) The Councils have agreed to appoint the City of Cardiff Council to act as the Accountable Body for and on behalf of the Councils and to discharge the Councils' obligations in relation to the management of the Fund and the investment into any Approved Projects under this Agreement.
- (E) [The Councils wish to enter into this Agreement in furtherance of the objectives of the City Deal pursuant to the powers conferred on them by Sections 101, 102, 111 and 113 of the Local Government Act 1972, Section 1 of the Local Authority (Goods & Services) Act 1970, Section 25 of the Local Government (Wales) Act 1994, Section 2, 19 and 20 of the Local Government Act 2000, Section 9 of the Local Government Wales Measure 2009 and all other enabling powers now vested in the Councils.]

1. DEFINITIONS AND INTERPRETATION

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

"Accountable Body"	means the Council appointed under Clause 5 (Accountable Body) who shall be responsible for receiving and investing funds into Approved Projects via the Fund for and on behalf of the Councils in accordance with Clause 6 (Duties of the Accountable Body) or such replacement Accountable Body appointed in accordance with Clause 5.2 or 5.3 (as applicable)
"Applicant"	means any person or body who submits an Application and may include (without limitation) an individual, corporate entity, Council(s), college, university or other public body
"Application"	means any application for investment by an Applicant via the Fund
"Application Budget"	means the budget approved by the Joint Committee for undertaking the Proportionate Business Case Development Process (above the threshold approved under Clause 4.3(a)) in relation to an Application pursuant to Clause 7.8 and shall be drawn from the relevant Budget
"Approved Project"	means any project proposed pursuant to an Application and approved by the Joint Committee following a recommendation by the Regional Programme Director (in conjunction with the relevant lead cabinet portfolio holder) pursuant to Clause 7.17
"Assurance Framework"	has the meaning given to it in the JWA
"Budget"	means the City Deal budget held under the JWA and comprising of the following: (a) 'WIF Top Slice Budget' from which the initial budget of up to £100,000 (one thousand pounds)

pursuant to Clause 4.3(a) will be drawn;

(b) '**In-Principle Budget**' from which the Application Budget will be drawn; and

(c) '**Approved project Budget**' from which the funds for any Approved Project will be drawn,

provided such funds are uncommitted and made available pursuant to the terms of the JWA

"Business Day"	means any day other than a Saturday or Sunday or a public or bank holiday in England and/or Wales
"Cardiff Capital Investment Prospectus"	means the investment prospectus for the Fund attached at Schedule 5
"CEDR"	means the Centre for Dispute Resolution
"Chief Officer of Investment"	means such person appointed to that post from time to time (or in the absence of the Chief Officer of Investment such other person formally instructed by the Regional Programme Director to carry out the tasks of the Chief Officer of Investment during such absence)
"Commencement Date"	means the date of this Agreement
"Confidential Information"	all know-how and other information relating to the subject matter of this Agreement (including any information contained in or relating to an Application) whether commercial, financial, technical or otherwise relating to the business, affairs or methods of all or any Council or third party, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media and all personal data within the meaning of the Data Protection Legislation) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure
"Data Protection Legislation"	means all legislation and regulatory requirements in force from time to time relating to the protection and handling of personal data and the privacy of electronic communications, including, without limitation (i) any data protection legislation from time to time in force in the UK including the Data Protection Act 2018 or any successor legislation, as well as (ii) the General Data Protection Regulation ((EU) 2016/679) and any other directly applicable European Union regulation relating to data protection and privacy (for so long as and to the extent that the law of the European Union has legal effect in the UK)
"Financial Criteria"	means the merit based assessment criteria forming part of the Investment Framework which shall be applied as part of the overall assessment and due

diligence exercise to determine if an Application should proceed to the next stage or, as applicable, be recommended to the Joint Committee as an "Approved Project"

"Fund"	means the single ring-fenced 'block of finance' fund held by the Accountable Body pursuant to the terms of this Agreement and which shall target the following three investment priorities: (a) 'Innovation'; (b) 'Infrastructure'; and (c) 'Challenge', each as more particularly described in the Cardiff Capital Investment Prospectus
"Funding Letter"	means the funding letter confirming the Joint Committee's decision and the terms upon which it has agreed to invest into an Approved Project
"Investment Board"	means as defined in Clause 8.1 (Investment Board)
"Investment Criteria"	means the minimum requirements for any Application as assessed pursuant to the terms of the Sift Questionnaire and forming part of the Investment Framework
"Investment Framework"	means the framework for the Councils to assess and evaluate Applications and which, in accordance with the Assurance Framework, will be predicated on a business case approach (applied in a proportionate manner) in accordance with the Proportionate Business Case Development Process and shall include, amongst other matters, the Investment Criteria and the Financial Criteria, and is attached at Schedule 1 to this Agreement
"Joint Committee"	means the joint committee set up by the Councils pursuant to Clause 10 (Joint Committee) of the JWA
"Local Authority"	means a principal council (as defined in Section 270 of the Local Government Act 1972) or any body of government of Wales established as a successor of a principal council
"Matter Reserved to the Councils"	has the meaning given to it in the JWA
"Proportionate Basis"	has the meaning given to it in the JWA
"Proportionate Business Case Development Process"	means the detailed due diligence process for an Application to be undertaken in accordance with the Assurance Framework and the Investment Framework, based on the HM Treasury Green Book (using the Five Case Model) as amended on a proportionate basis to reflect the scale, nature and complexity of the relevant Application and as

determined by the Regional Programme Director (in conjunction with the relevant lead cabinet portfolio holder and having due regard to the recommendations of its advisors)

"Regional Programme Director"

means such person appointed to that post from time to time or in the absence of the Regional Programme Director such other person formally instructed by the Joint Committee to carry out the tasks of the Regional Programme Director during such absence

"Sift Questionnaire"

means the questionnaire attached at Schedule 2 (Sift Questionnaire) as may be amended from time to time with the approval of the Joint Committee following a recommendation by the Regional Programme Director (in conjunction with the relevant lead cabinet portfolio holder)

1.2 Interpretation

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

- 1.2.1 the singular includes the plural and vice versa;
- 1.2.2 a reference to any clause, sub-clause, paragraph, Schedule, recital or annex is, except where expressly stated to the contrary, a reference to such clause, sub-clause, paragraph, schedule, recital or annex of and to this Agreement;
- 1.2.3 any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;
- 1.2.4 any reference to legislation shall be construed as a reference to any legislation as amended, replaced, consolidated or re-enacted;
- 1.2.5 a reference to a public organisation (to include, for the avoidance of doubt, any Council) shall be deemed to include a reference to any successor to such public organisation or any organisation or entity which has taken over either or both functions and responsibilities of such public organisation;
- 1.2.6 a reference to a person includes firms, partnerships and corporations and their successors and permitted assignees or transferees;
- 1.2.7 the schedule, clause, sub-clause and (where provided) paragraph headings and captions in the body of this Agreement do not form part of this Agreement and shall not be taken into account in its construction or interpretation;
- 1.2.8 words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words; and
- 1.2.9 any reference to the title of an officer or any of the Councils shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Council as that Council may from time to time appoint to carry out the duties of the officer referred to.

1.3 Schedules

The Schedules to this Agreement form part of this Agreement.

2. COMMENCEMENT, DURATION AND TERMINATION

2.1 Duration of the Agreement

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

- 2.1.1 the Councils agree to the establishment of a corporate evergreen fund(s) which will superseded and replace the Fund under this Agreement (in whole or in part);
- 2.1.2 all the Councils agree in writing to its termination; or
- 2.1.3 the JWA is terminated for any reason.

3. PRINCIPLES AND KEY OBJECTIVES

- 3.1 The Councils intend this Agreement to be legally binding.
- 3.2 The Councils agree to work together to discharge the obligations delegated to them by the Joint Committee in relation to the Fund pursuant to and in accordance with this Agreement.
- 3.3 Without prejudice to the terms of this Agreement, the Councils agree that they shall conduct their relationship in accordance with the objectives and principles set out in the JWA and, in the event of any conflict or inconsistency relating to the subject matter of this Agreement, the terms of the JWA shall prevail.

4. INVESTMENT FRAMEWORK AND THE FUND

The Councils have agreed, with effect from the Commencement Date, to:-

- 4.1 adopt and comply with the terms of the Investment Framework to evaluate and prioritise Applications;
- 4.2 adopt the Sift Questionnaire and apply such questionnaire to any Application;
- 4.3 commission advisors, as determined by the Regional Programme Director (in conjunction with the relevant lead cabinet portfolio holder), from time to time to:
 - (a) help evaluate a Sift Questionnaire response and any initial due diligence exercise considered necessary prior to the commencement of the Proportionate Business Case Development Process provided such costs do not exceed £100,000 (one hundred thousand pounds);
 - (b) undertake detailed due diligence on any Application which has satisfactorily passed the Sift Questionnaire as part of the Proportionate Business Case Development Process provided that the Joint Committee has approved such Application to proceed and authorised the Application Budget.

5. THE ACCOUNTABLE BODY

- 5.1 The Councils (acting severally) have agreed, with effect from the Commencement Date, the City of Cardiff Council will act as the Accountable Body responsible for discharging the Councils' obligations in relation to the Fund pursuant to and in accordance with this Agreement and the JWA for and on behalf of the Councils and

the City of Cardiff Council agrees to act in that capacity subject to and in accordance with the terms and conditions of this Agreement.

- 5.2 If the Accountable Body withdraws from the City Deal for any reason pursuant to the terms of the JWA, then a replacement Accountable Body will be appointed by the Joint Committee pursuant to the terms of the JWA.
- 5.3 The Councils agree and acknowledge that the long term nature of this Agreement should entitle the City of Cardiff Council to withdraw from its role as Accountable Body without having to withdraw from the City Deal by providing not less than 12 months written notice to each of the Councils to that effect and such notice shall expire on the last Business Day of the relevant financial year and, in such case, the Councils shall agree and nominate a replacement Accountable Body to assume that role without any interruption.
- 5.4 Where a replacement Accountable Body is appointed pursuant to Clause 5.2 or 5.3 above, any reference to the City of Cardiff Council (in its capacity as the initial Accountable Body) shall be read with reference to the replacement Accountable Body.

6. DUTIES OF THE ACCOUNTABLE BODY

- 6.1 For the duration of this Agreement, the Accountable Body shall:
- 6.1.1 act as the Accountable Body to hold any funds received directly or indirectly from the Welsh Government, the UK Government (if any), the European Regional Development Fund (if any), the Councils and/or any other sources (if any) in relation to the City Deal which have been allocated for investment via the Fund in accordance with the terms of the JWA and only release such funds as permitted in accordance with the terms of this Agreement;
- 6.1.2 to ring-fence and hold any funds allocated pursuant to Clause 6.1.1 within its wider financial management for and on behalf of itself and the Councils for investment strictly in accordance with the terms of this Agreement;
- 6.1.3 directly invest monies held in the Fund into Approved Project once approved by the Joint Committee in accordance with the terms of this Agreement;
- 6.1.4 receive the returns from the investments in the Approved Projects and to re-invest such funds in further Approved Projects;
- 6.1.5 unless another Council is nominated and agrees to fulfil this role on behalf of itself and the other Councils, issue the Funding Letter and enter into the loan/contractual documentation with any Applicant for an Approved Project (on terms approved by the Joint Committee pursuant to Clause 7.17 provided always that such terms shall not expose the Accountable Body/nominated Council to any risks not otherwise shared by the Councils under this Agreement and/or the JWA) to give effect to the decision of the Joint Committee;
- 6.1.6 regularly report to the Joint Committee on a quarterly basis on:
- (a) the performance of the Fund;
 - (b) the progress of any Approved Projects;
 - (c) the status of any Applications Budgets; and
 - (d) the status of the Budgets.

7. APPLICATION APPROVAL PROCESS

- 7.1 The Chief Officer of Investment will undertake a preliminary appraisal of any Application to determine whether it is suitably developed and appropriate for consideration by the Investment Board and the Regional Programme Director. If the Chief Officer of Investment is so satisfied, s/he shall issue the Sift Questionnaire to the Applicant and provide any supporting information considered relevant to the Application.
- 7.2 If, at any time, the Chief Officer of Investment is concerned that s/he could be seen as 'sponsoring the Application' then the functions of the Chief Officer of Investment in respect of such Application shall be assumed and undertaken by the Regional Programme Director (following written notice to that effect from the Chief Officer of Investment).
- 7.3 Prior to completing any Sift Questionnaire, the Applicant shall be required to complete a conflict of interests declaration in the form attached at Schedule 4 to this Agreement. If an actual or potential personal or financial interest relating to any Council(s) or any individual (including for this purpose the Chief Officer of Investment and the Regional Programme Director) is declared then, unless the Joint Committee declares otherwise (having considered the nature and extent of such interest), representatives from that Council(s) and the relevant individual(s) (if applicable) shall be excluded from any discussions or decision making relating to that Application.
- 7.4 The Sift Questionnaire shall be completed by the Applicant and duly returned to the Chief Officer of Investment for evaluation in consultation with the Regional Programme Director and under the oversight of the Investment Board.
- 7.5 The Chief Officer of Investment may (acting at the direction of the Regional Programme Director and subject to Clause 4.3) seek advice from any advisor(s) before making a recommendation to the Regional Programme Director to approve or reject the Application pursuant to the terms of the Sift Questionnaire. The Regional Programme Director may seek further advice (subject always to Clause 4.3) if considered necessary to assess the recommendation.
- 7.6 As part of assessing such recommendation, the Regional Programme Director shall consult with the relevant lead cabinet portfolio holder and shall request an initial view from the advisor(s) on the scope of the Proportionate Business Case Development Process to be undertaken if the Applicant satisfactorily passes the Sift Questionnaire stage. Such initial view shall include an opinion on:
- 7.6.1 how many formal stages may be required prior to final approval (i.e. strategic outline case, outline business case and/or financial business case); and
 - 7.6.2 the level of detail that may be required under each of the 'Five Cases' and a view on whether an options appraisal is appropriate / relevant and how the preferred option represents value for money
- 7.7 If the Regional Programme Director (in conjunction the relevant lead cabinet portfolio holder) rejects the Application for any reason, s/he shall instruct the Chief Officer of Investment to provide reasonably detailed feedback to the Applicant to enable him/her to understand the grounds for rejection and areas where improvements may be made to the Application. The Regional Programme Director shall also report to the Joint Committee on the reasons for such rejection.
- 7.8 If the Regional Programme Director (in conjunction with the relevant lead cabinet portfolio holder) approves the Application to proceed to the next stage, s/he shall present such recommendation, along with full details of the proposed Proportionate Business Case Development Process and the required budget ("**Application Budget**"), to the Joint Committee for a decision.

- 7.9 If the Joint Committee rejects the Application for any reason, it shall instruct the Regional Programme Director to provide reasonably detailed feedback to the Applicant to enable him/her to understand the grounds for rejection and areas where improvements may be made to the Application.
- 7.10 If the Joint Committee approves the Application to proceed to the Proportionate Business Case Development Process and the Application Budget (with or without any conditions), the Regional Programme Director shall commission such exercise.
- 7.11 The Regional Programme Director shall not:
- 7.11.1 proceed to any subsequent stage within the Proportionate Business Case Development Process;
 - 7.11.2 permit any material variation to the terms of the Application; or
 - 7.11.3 exceed the approved Application Budget,
- without the prior approval of the Joint Committee.
- 7.12 The Regional Programme Director shall, subject to Clause 7.11.3, commission such advisor support (to include any FCA authorised regulatory advice) as is considered appropriate to undertake such Proportionate Business Case Development Process to satisfy the terms of the Financial Criteria and the Investment Framework.
- 7.13 The Regional Programme Director shall regularly report to the Investment Board and the Joint Committee on the progress of the Proportionate Business Case Development Process.
- 7.14 Following conclusion of the Proportionate Business Case Development Process for the Application, the Regional Programme Director (in conjunction with the relevant lead cabinet portfolio holder) shall evaluate the Application in accordance with the Financial Criteria and the terms of the Investment Framework. The Regional Programme Director may, subject to Clause 7.11.3, request further clarification from the Applicant or instruct further advisor input as part of the final evaluation of the Application.
- 7.15 The Regional Programme Director (in conjunction with the relevant lead cabinet portfolio holder) shall provide a written recommendation to the Joint Commitment following such evaluation to confirm whether, based on the outturn of the Proportionate Business Case Development Process and the Investment Framework, the Application should be recommended to the Joint Committee as an Approved Project.
- 7.16 The Joint Committee shall consider the Regional Programme Director's recommendation and determine whether or not the Application should proceed as an Approved Project.
- 7.17 If the Joint Committee approves the Application as an Approved Project, it shall:
- 7.17.1 instruct the Accountable Body (or any other nominated Council) to issue the Funding Letter to confirm the decision and the terms upon which the investment shall be made;
 - 7.17.2 instruct the Regional Programme Director to settle the loan/contractual documentation to give effect to terms contained in the Funding Letter; and
 - 7.17.3 delegate authority to the Accountable Body (or any other nominated Council) to enter into such loan/contractual documentation (subject always to Clause 6.1.5).

7.18 The Regional Programme Director shall notify the Joint Committee immediately upon it becoming aware of:

7.18.1 any breach by the Applicant of the terms of the Funding Letter or the Investment Framework;

7.18.2 any material change to the terms of the Application;

7.18.3 any new information that may impact on the decision to approve the Application as an Approved Project,

and following such notification, the Joint Committee may:

(a) reconfirm its decision to approve the Application as an Approved Project;

(b) revoke its decision to approve the Application as an Approved Project; or

(c) impose any additional conditions on the decision to approve the Application as an Approved Project.

7.19 If the Joint Committee reject the Application for any reason, it shall instruct the Regional Programme Director to provide reasonably detailed feedback to the Applicant to enable him/her to understand the grounds for rejection and areas where improvements may be made to the Application or, where considered appropriate, instruct the Regional Programme Director to repeat or undertake further stages under the Proportionate Business Case Development Process to help further develop the Application or address any areas of concern (and in which case Clauses 7.12 to 7.18 shall be repeated).

8. INVESTMENT BOARD

Constitution and Role of the Investment Board

8.1 The Councils shall, with effect from the Commencement Date, form the advisory investment board ("**Investment Board**") for the purpose of:

8.1.1 overseeing the evaluation of the Sift Questionnaire;

8.1.2 monitoring the progress of the Proportionate Business Case Development Process;

8.1.3 monitoring the performance of the Fund and any Approved Projects ; and

8.1.4 carrying out the role set out in Schedule 3 (Investment Board Terms of Reference).

8.2 The Investment Board shall only operate in an advisory capacity and shall not have any decision making function in relation to the Fund or any Application.

8.3 The Investment Board shall comprise of up to 10 (ten) representatives appointed by the Regional Programme Director following consideration of:

8.3.1 up to 5 (five) nominations for suitable senior officers from the Councils (in consultation with the chair and vice-chair of the Joint Committee); and

8.3.2 up to 5 (five) nominations for suitable members from the Regional Economic Growth Partnership.

- 8.4 The chairperson shall be the Regional Programme Director or such other representatives as the Investment Board may determine from time to time.
- 8.5 The nominating party may, subject to the approval of the Regional Programme Director, replace their representatives (and their respective deputies, if applicable) appointed to the Investment Board provided that such replacement shall be on the same basis as the original appointed.
- 8.6 The Investment Board shall meet as and when required to fulfil their role pursuant to this Agreement and, in any event, at appropriate times and on reasonable notice (to be issued through the Regional Programme Director). Unless otherwise determined by the Regional Programme Director, such meetings shall be open and papers shall be published (unless commercially sensitive).

9. **DUE DILIGENCE COSTS**

General

The Councils agree that, subject always to the terms of the JWA, all costs associated with the assessment and evaluation of any Application in accordance with this Agreement shall be drawn from the relevant Budget.

10. **LIABILITY OF THE COUNCILS**

- 10.1 The Accountable Body shall indemnify and keep indemnified each of the other Councils to this Agreement against any losses, claims, expenses, actions, demands, costs and liability suffered by that Council to the extent arising from any wilful default or breach by the Accountable Body of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of the Accountable Body or matters arising from any negligent act or omission in relation to such obligations).
- 10.2 No claim shall be made against the Accountable Body to recover any loss or damage which may be incurred by reason of or arising out of the carrying out by the Accountable Body of its obligations under this Agreement unless and to the extent such loss or damage arises from a wilful default or breach by the Accountable Body under Clause 10.1 (Liability of Councils).
- 10.3 Each of the other Councils (acting severally) shall indemnify and keep indemnified the Accountable Body against all losses, claims, expenses, actions, demands, costs and liabilities which the Accountable Body may incur by reason of or arising out of the carrying out by the Accountable Body of its obligations under this Agreement for that Council or arising from any wilful default or breach by a Council of its obligations under this Agreement (and wilful in this context shall, for the avoidance of doubt, not include matters which are outside the reasonable control of that Council or matters arising from any negligent act or omission in relation to such obligations) unless and to the extent that the same result from any breach by the Accountable Body of any such obligations.
- 10.4 The Councils agree and acknowledge that the amount to be paid to the Accountable Body by any of the other Councils under Clause 10.3 (Liability of Councils) shall be borne by each of the Councils to the extent of its responsibility, however in the event that the responsibility is a shared one between the Councils (so that it is not reasonably practicable to ascertain the exact responsibility between the Councils) then the amount to be paid shall be divided between the Councils on a Proportionate Basis.
- 10.5 In the event of a claim under this Clause 10 (Liability of Councils) in which it is not reasonably practicable to determine the extent of responsibility as between the Councils (including the Accountable Body), then the amount shall be divided amongst the Councils (including the Accountable Body) on a Proportionate Basis. For the

avoidance of doubt, any claim arising otherwise than through the wilful default or breach by the Accountable Body or the other Councils shall be divided amongst the Councils (including the Accountable Body) on a Proportionate Basis.

- 10.6 A Council who receives a claim for losses, expenses, actions, demands, costs and liabilities shall notify and provide details of such claim as soon as is reasonably practicable the other Councils.
- 10.7 No Council shall be indemnified in accordance with this Clause 10 (Liability of Councils) unless it has given notice in accordance with Clause 10.6 (Liability of Councils) to the other Council(s) against whom it will be enforcing its right to an indemnity under this Agreement.
- 10.8 Each Council ("**Indemnifier**") shall not be responsible or be obliged to indemnify the other Councils (including the Accountable Body) ("**Beneficiary**") to the extent that any insurances maintained by the Beneficiary at the relevant time provide an indemnity against the loss giving rise to such claim and to the extent that the Beneficiary recovers under such policy of insurance (save that the Indemnifier shall be responsible for the deductible under any such policy of insurance and any amount over the maximum amount insured under such policy of insurance).

11. **CONFIDENTIALITY AND ANNOUNCEMENTS**

- 11.1 Each Council ("**Covenanter**") shall, both during the currency of this Agreement and at all times following its termination or expiry, keep private and confidential and shall not use or disclose (whether for its own benefit or that of any third party) any Confidential Information relating to any other Council or third party (including any Applicant) which has come to its attention as a result of or in connection with this Agreement.
- 11.2 The obligation set out in Clause 11.1 (Confidentiality and Announcements) shall not relate to information which:-
- 11.2.1 comes into the public domain or is subsequently disclosed to the public (other than through default on the part of the Covenanter or any other person to whom the Covenanter is permitted to disclose such information under this Agreement); or
 - 11.2.2 is required to be disclosed by law; or
 - 11.2.3 was already in the possession of the Covenanter (without restrictions as to its use) on the date of receipt; or
 - 11.2.4 is required or recommended by the rules of any governmental or regulatory authority including any guidance from time to time as to openness and disclosure of information by public bodies; or
 - 11.2.5 is necessary to be disclosed to provide relevant information to any insurer or insurance broker in connection with obtaining any insurance required by this Agreement.
- 11.3 Where disclosure is permitted under Clause 11.2.4 or 11.2.5, the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Clause 11 (Confidentiality and Announcements) and the disclosing Council shall make this known to the recipient of the information.
- 11.4 No Council shall (and shall procure that no Applicant shall) make any public statement or issue any press release or publish any other public document relating, connected with or arising out of this Agreement, any Approved Project or any other agreement relating to the Fund (and shall procure that no Applicant shall) without the prior written consent of the other Councils.

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

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

13. **DISPUTE RESOLUTION**

- 13.1 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this Clause 13 (Dispute Resolution). The Councils undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this partnership) to identify a solution which avoids legal proceedings and maintains a strong working relationship between the Councils.
- 13.2 In the event of any dispute or difference between the Councils relating to this Agreement (whether this may be a matter of contractual interpretation or otherwise) then save in relation to disputes or disagreements relating to a Matter Reserved To The Councils, the matter shall be dealt with as follows by referral in the first instance to the Joint Committee who shall meet within ten (10) Business Days of notification of the occurrence of such dispute and attempt to resolve the disputed matter in good faith.
- 13.3 In relation to a dispute or disagreement relating to a Matter Reserved To The Councils, or if the Joint Committee fails to resolve a dispute or disagreement within five (5) Business Days of meeting pursuant to Clause 13.2 (Dispute Resolution), or fails to meet in accordance with the timescales set out in Clause 13.2 (Dispute Resolution), then the Councils in dispute or the Joint Committee (as the case may be) may refer the matter for resolution to:-
- 13.3.1 the Chief Executive(a) or Council Leader(s) (as appropriate) of the Councils;
or
 - 13.3.2 mediation by such party as the Councils may agree; or
 - 13.3.3 the exclusive jurisdiction of the Courts of England and Wales otherwise.
- 13.4 Any dispute and/or disagreement to be determined by the Chief Executive(s) or Council Leaders (as appropriate), mediation or the Courts of England and Wales or such other body as agreed by the Councils (as the case may be) under this Agreement shall be promptly referred for determination to them.
- 13.5 The Councils shall on request promptly supply to the Chief Executive(s) or Council Leaders or mediator or the Courts of England and Wales (as the case may be) all such assistance, documents and information as may be required for the purpose of determination and the Councils shall use its reasonable endeavours to procure the prompt determination of such reference.
- 13.6 If a mediator is appointed to determine in dispute pursuant to Clause 13.3 (Dispute Resolution), then the mediator shall be deemed to act as an expert and not as an arbitrator and his determination shall (in the absence of manifest error) be conclusive and binding upon the Councils.
- 13.7 The costs of the resolution of any dispute and/or disagreement between the Councils under this Agreement shall be borne by the Councils on a Proportionate Basis to the dispute in question save as may be otherwise directed by the Chief Executive(s) or Council Leaders (as appropriate), the mediator or the Courts of England and Wales (as the case may be).

14. DATA PROTECTION LEGISLATION

14.1 Each Council shall at all times comply with all applicable Data Protection Legislation relating to the activities to be performed in connection with this Agreement.

14.2 [Each Council:¹

14.2.1 shall process Personal Data belonging to any other Council only on the instructions of that Council (subject to compliance with applicable law);

14.2.2 shall only undertake processing of Personal Data reasonably required in connection with the City Deal and shall not transfer any Personal Data to any country or territory outside the European Economic Area; and

14.2.3 shall use its reasonable endeavours to procure that all relevant professional advisers, sub-contractors and third parties comply with this Clause 14.2 (Data Protection). For the avoidance of doubt a relevant sub-contractor is one which processes Personal Data belonging to the one or any of the Councils.

14.3 The Councils shall not disclose Personal Data to any third parties other than:

14.3.1 to employees, external professional advisers and sub-contractors and third parties to whom such disclosure is reasonably necessary in order for the Councils to discharge the Councils' obligations in relation to this Agreement; or

14.3.2 to the extent required under a court order or to comply with any applicable laws including (but not limited to) any statute, bye law, European Directive or regulation.

provided that any disclosure to any external professional adviser, sub-contractor or any third parties under Clause 14.3.1 (Data Protection) shall be made subject to written terms substantially the same as, and no less stringent than, the terms contained in this Clause 14 (Data Protection) and that the Councils shall give notice in writing to all other Councils of any disclosure of Personal Data belonging to them which they or a sub-contractor or third parties are required to make under Clause 14.3.2 (Data Protection) immediately they are aware of such a requirement.

14.3.3 The Councils shall bring into effect and maintain and shall use its reasonable endeavours to ensure that all relevant sub-contractors and any third parties have in effect and maintain all reasonable technical and organisational measures necessary to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including but not limited to taking reasonable steps to ensure the reliability and probity of any employee or agent of a relevant sub contractor or any third parties having access to the Personal Data.

14.3.4 Any Council may, at reasonable intervals, request a written description of the technical and organisational methods employed by any other Council and the relevant professional adviser/sub-contractors referred to in Clause 14.2.3 (Data Protection) Within five (5) Business Days of such a request, the Council requested to do so shall supply written particulars of all such measures as it is maintaining detailed to a reasonable level such that the requesting Council can determine whether or not, in connection with the Personal Data, it is compliant with the DPA. All Councils shall use its reasonable endeavours to ensure that the professional advisers,

¹ To be reviewed against GDPR obligations to assess if applicable or if general catch-all obligation suffices.

sub-contractors and any third parties also comply with such request from any other Council.

14.4 All Councils shall ensure that any Personal Data they obtain and provide to any other Council has been lawfully obtained and complies with the DPA and that the use thereof in accordance with this Agreement shall not breach any of the provisions of the DPA.

14.5 If:-

14.5.1 under the DPA any Council is required to provide information to a data subject (as defined in the DPA) in relation to Personal Data when such data is in the possession or under control of any other Council; and

14.5.2 the required Council informs the controlling Council in writing that this is the case,

then the controlling Council shall guarantee reasonable and prompt co-operation to the required Council in meeting its obligations under the DPA including making copies of the relevant Personal Data to the extent the same are in its possession.

14.6 Each Council shall provide the other as soon as reasonably practicable, with such information in relation to Personal Data and their processing as the other Council may reasonably request in writing and the party asked to provide the relevant data may reasonably be able to provide in order for the other Council to:-

14.6.1 comply with its obligations under this Clause and the DPA; and

14.6.2 assess whether the processing of the relevant Personal Data in connection with this Agreement is breaching or may breach the DPA in a manner which is material and not effectively sanctioned by any guidance statement issued by the Information Commissioner.

14.7 The Councils shall each take reasonable precautions (having regard to the nature of their respective obligations under this Agreement) to preserve the integrity of any Personal Data.

14.8 The Councils shall continually review any existing information sharing protocols being used in relation to this Agreement to ensure they remain relevant to the subject matter of this Agreement and to identify which Personal Data needs to be processed and on what basis to ensure compliance with this Clause 14 (Data Protection).]

15. **FREEDOM OF INFORMATION AND ENVIRONMENT INFORMATION**

15.1 Each Council acknowledges that the other Councils are subject to the requirements of the Freedom of Information Act 2000 ("**FOIA**") and the Environmental Information Regulations 2004 ("**EIR**") and the Councils shall comply with the Accountable Body's policy on FOIA in respect of these information disclosure obligations to the extent they relate to the subject matter of this Agreement.

15.2 Where a Council receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of any of the other Councils in relation to this Agreement, it shall:

15.2.1 transfer the request for information to the Accountable Body as soon as practicable after receipt and in any event within two (2) Business Days of receiving a request for information;

15.2.2 provide the Accountable Body with a copy of all information in its possession or power in the form the Accountable Body reasonably requires within ten

(10) Business Days (or such longer period as the Accountable Body may specify) of the Accountable Body requesting that information; and

- 15.2.3 provide all necessary assistance as reasonably requested by the Accountable Body to enable the Accountable Body to respond to a request for information within the time for compliance set out in the FOIA or the EIR.
- 15.3 The Councils agree and acknowledge that the Accountable Body shall be responsible for co-ordinating any response on behalf of the relevant Councils to the extent they relate to this Agreement and all costs incurred shall be accounted for as Joint Committee Costs under the JWA.
- 15.4 The Accountable Body shall be responsible for determining in their absolute discretion whether any information requested under the FOIA or the EIR:
- 15.4.1 is exempt from disclosure under the FOIA or the EIR;
- 15.4.2 is to be disclosed in response to a request for information.
- 15.5 Each Council acknowledges that the Accountable Body may be obliged under the FOIA or the EIR to disclose information:
- 15.5.1 without consulting with the other Councils where it has not been practicable to achieve such consultation; or
- 15.5.2 following consultation with the other Councils and having taken their views into account.
16. **NOTICES**
- 16.1 Any notice or demand in connection with this Agreement to any Council shall be in writing and may be delivered by hand, prepaid first class post, special delivery post or email, addressed to the recipient at their principal office as the case may be or such other recipient address as may be notified in writing from time to time by any of the Parties to this Agreement to all the other Councils to this Agreement.
- 16.2 Any notice or demand in connection with this Agreement to the Joint Committee shall be in writing and may be delivered by hand, prepaid first class post, special delivery post or email, addressed to the Regional Programme Director at the address as the case may be notified in writing from time to time by the Regional Programme Director to all the Councils to this Agreement.
- 16.3 The notice or demand shall be deemed to have been duly served:-
- 16.3.1 if delivered by hand, when left at the proper address for service;
- 16.3.2 if given or made by prepaid first class post or special delivery post, forty-eight (48) hours after being posted (excluding days other than Business Days);
- 16.3.3 if given or made by email, at the time of transmission,
- provided that, where in the case of delivery by hand or email such delivery or transmission occurs either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.
- 16.4 For the avoidance of doubt, where proceedings to which the Civil Procedure Rules apply have been issued, the provisions of the Civil Procedure Rules must be complied with in respect of the service of documents in connection with those proceedings.

17. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in all respects in accordance with the laws of England and Wales. Subject to Clause 13 (Dispute Resolution), the English and Welsh Courts shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

18. **ASSIGNMENTS**

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

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

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

19. **WAIVER**

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

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

20. **ENTIRE AGREEMENT**

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

21. **COUNTERPARTS**

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

22. **RELATIONSHIP OF COUNCILS**

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

23. **STATUTORY RESPONSIBILITIES**

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

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

SCHEDULE 1
INVESTMENT FRAMEWORK

SCHEDULE 2
SIFT QUESTIONNAIRE

SCHEDULE 3
INVESTMENT BOARD TERMS OF REFERENCE

SCHEDULE 4
CONFLICTS OF INTERESTS DECLARATION

SCHEDULE 5
CARDIFF CAPITAL INVESTMENT PROSPECTUS

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

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

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

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

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

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

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

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

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

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

Draft – No Status

Investment and Intervention Framework and Toolkit

Regional Cabinet Briefing 20 May 2019

Purpose of session

- 1) Why we need the Investment and Intervention Framework
- 2) Journey so far
- 3) Clarity & focus
- 4) Key operating principles
- 5) Cabinet leadership; role, touchpoints and decision-making
- 6) Delegations and role for portfolio 'lead' Leaders
- 7) Investment Panel and governance enhancements
- 8) Role of key officers
- 9) Link into Gateway Review & evaluation & monitoring
- 11) Conflicts of interest

Why we need an Investment & Intervention Framework

- Currently a gap in the Assurance Framework
- Have not set out **how** we are going to do business
- Open to speculative & mis-aligned ‘applications’
- Give confidence we are acting strategically and in evidence-based way...
- ...to achieve our GVA, leverage and jobs growth targets
- Set expectations in terms of ambition, priorities & timeframes
- Without such an approach, impossible to ‘size the wider pot’ and think beyond £495m and to build portfolio approach
- ‘Evergreen’ – living off interest, not capital

Journey to date

- Joint Working Agreement establishes an enabling framework - the Assurance Framework
- Assurance Framework is approved document and aligns with JWA Business Plan
- Requires that investment decisions appraised through a 'Regional Impact Assessment Toolkit' (***Investment and Intervention Framework & Toolkit***) and supported by a 'Prospectus for Growth and Prosperity' (***CCR Industrial and Economic Plan***)
- Required due to the absence of detailed pipeline of investment projects at the inception of the City Deal. Provides an objective and robust evaluation procedure to assess and prioritise deliverable investment projects

Clarity & focus

- Industrial and Economic Growth Plan – priorities:
 - CSC
 - Fintech
 - Life sciences
 - Cyber and digital
 - Creative
 - Public services & foundational economy
- Political and industrial leadership
- Economic inclusion and place-sensitive approach
- Wealth creation – wealth distribution - whole of region and not just parts of it
- Clusters and connections
- Evergreen, co-investment, leverage & challenge approach – building resilience
- Range of ‘live projects’ developed/ developing in spirit of principles – Metro Plus, Graduate Scheme, SIPF, CSC & Housing Catalyst Fund
- Backed by Govts & foregrounds ‘three streams’ – Innovation, Infrastructure & Challenge

Key Operating Principles

- Will need the ability to evolve throughout the life of the City Deal as local priorities change, public funding landscape shifts and lessons learnt from early investments
- Formulation of objective criteria that is capable of assessing and scoring a wide range of projects in an independent way
- Best means of giving clear & impartial advice to Regional Cabinet as ONLY decision-makers in process
- Investment Panel (advisory) to be established to assess and make recommendations to Regional Cabinet
- CEX Board becomes Programme Board (additional assurance)
- Provides confidence all investments aligned to City Deal stated goals and core objectives

Key Features – Cabinet role

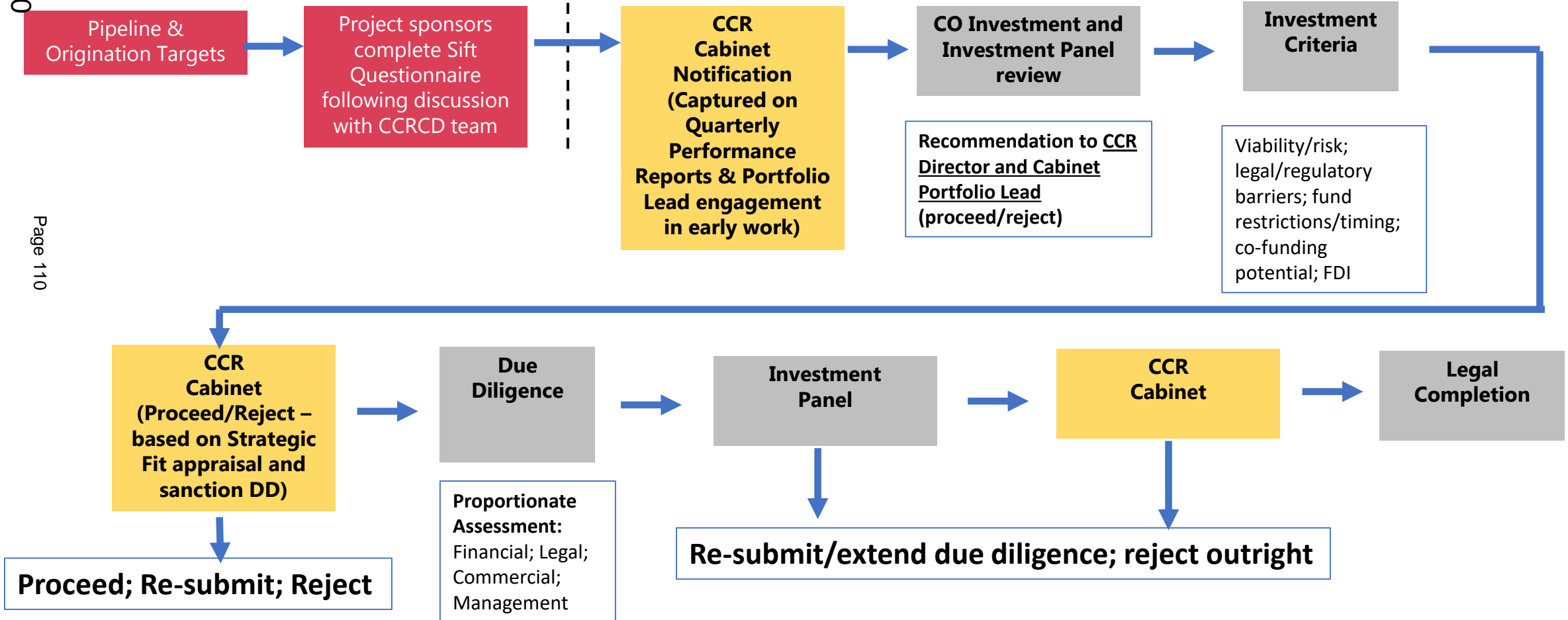
- Project pipeline – formally enter the process by completion of Sift Questionnaire to be reviewed by Chief Investment Officer and Investment Panel.
- Initial exploration needed by the Investment Officer/ Panel to inform sift process (up to set £ amount) to be agreed by Director in conjunction with lead Portfolio Leader – delegated provision
- **Project notification to Regional Cabinet** via Quarterly Performance Report
- Should project ‘pass’ sift and align with an investment priority (Innovation, Infrastructure & Challenge) – **full report to Regional Cabinet to endorse and sign off due diligence costs**
- CIO and Investment Panel oversee technical assessment process
- Use of informal **Cabinet briefings** to engage and inform as required
- **Leadership role of lead portfolio leader** – ongoing
- Investment Panel advises Director who makes **recommendations to Regional Cabinet**
- **Final report to Regional Cabinet to approve/ reject project** (initiate legal completion and award of funds)

Process

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Informal engagement / pre-IIF

Formal IIF engagement



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CCR Cabinet – full line of sight via Quarterly Performance Reports, Informal Cabinet Briefings, and role of Portfolio Lead

Investment Guidelines

Investment Priority	CCR Targets	ROI	Audience	% Investment (indicative)	Indicative Range	Investment
Innovation £200m Unique IP/ Market Leadership	Jobs, growth & leverage	Direct	<ul style="list-style-type: none"> Private sector led R&D Organisations HE FDI 	10-30%	£15-£50m	Repayable instruments
Infrastructure £200m Foundations to enable private sector success & Civic Benefit	Leverage, jobs & indirect growth, address economic disparities	Indirect	<ul style="list-style-type: none"> Public Sector led Public-private schemes FE & HE (skills) 	50% Max	£10-£50m	Repayable through fiscal, income streams/ gain-share/other socio-economic benefits
Challenge £100m Competitive, aligned to CCR Priorities	New market creation, shaping places, IP Commercialisation	Enhance	<ul style="list-style-type: none"> R&D intensive businesses HE/FE Social Enterprise Foundational Economy 	10-50%	£2-£10m	Repayable and/or risk investment returns

Enhance Productivity & Economic Inclusion

Reduce Economic Growth Inhibitors

Address Place based disparities & spatial benefit

Role of Cabinet & Lead Portfolio-holders

- Take advice, evidence and input from experts and make decisions
- Strategic leadership role
- Appropriate space between Cabinet and technical and operational assessment processes
- But opportunity to get into detail if/ when needed – Investment Panel are **your** advisors
- Requires more strategic role of portfolio leads
- You can still say NO

Investment Panel & Governance

- Gives independence, technical support and expertise and balance
- Advising on suitability of investments, overseeing assessment process and ongoing monitoring and review of live projects
- Proposed 10 strong membership
- 5 LA (or public body) reps – with commercial/ financial pedigree and expertise
- 5 Regional Economic Growth Partnership reps
- Nominations to be sought from CEX Group and REGP and submitted to Director
- Representation to be agreed by Cabinet Chair and Vice Chairs
- CEX board to become Programme Board – formal role for CEXs

Role of key officers

- Appropriate separation of duties
- Clear water between roles of Director/Deputy and Chief Investment Officer
- In order to provide separation across technical and strategic/ policy advisory roles and support
- Legal and professional advice taken to ensure synergies are maximised in small team environment, but at same time, proper distance & impartiality is preserved
- Probity – accountability – clarity

Gateway Review

- Endorsement of Wales and UK Govts
- Flagged up by WAO in 18/19 audit review as key factor
- Central to local evaluation framework
- Recognised as good practice, setting right principles and foundations and 'self aware'
- Demonstrates science to approach
- Ongoing monitoring and evaluation – built in rather than after thought

Conflicts of Interest

- Process relies upon Register of Interest in individual LAs
- Refresh and review with commencement of Investment Process
- Process for Partnerships, in particular, REGP
- Open register is suggested and signing up to enhanced Nolan Principles
- Small region with connections across the place – open, up-front and visible

CCR Regional Cabinet Portfolios

Current Portfolio Area	Current Leader/s	Revised Portfolio Area	Proposed Leader
Housing and Planning	Cllr D Poole Cllr J Thomas / Cllr Neil Moore	Housing, Planning & Clean Growth Includes: <ul style="list-style-type: none"> • Strategic Development Plan • Sites and Premises • Housing Investment Fund • TRI • Low carbon future • Climate change • LEV & EV • Energy mission and net zero carbon 	?
Work and Skills	Cllr Debbie Wilcox	Learning, Skills and Talent Includes: <ul style="list-style-type: none"> • Regional Skills Partnership • Skills for Future • GW4 • HE and FE engagement • TERCW/ curriculum change • Employability and welfare to work 	?
Business and Innovation	Cllr Peter Fox and Cllr Anthony Hunt	Innovation, Research and Business Includes: <ul style="list-style-type: none"> • Research base • Innovation and R&D programmes • Knowledge economy • Sectors • Business engagement 	?

Current Portfolio Area	Current Leader/s	Revised Portfolio Area	Proposed Leader
		<ul style="list-style-type: none"> • Business Council and REGP • Digital economy 	
Business and Growth	Cllr Huw Thomas	Economic Strategy & Internationalisation Includes: <ul style="list-style-type: none"> • Industrial Growth Plan • Sectors analysis & data • Business Council and REGP • Expert panels • UKRI and WG strategy • Internationalisation strategy • Investment prospectus 	?
Transport	Cllr Huw David	Transport and Infrastructure Includes: <ul style="list-style-type: none"> • Regional Transport Authority • Digital connectivity • Sustainable transport • Active travel • Air quality • Environment • Transport Plan • JTA 	
Governance	Cllr Kevin O'Neil	Governance, Assurance & Local Evaluation Includes: <ul style="list-style-type: none"> • Joint committee governance/ JWA • Delegations • 5 year business plan • Annual business plan • Scrutiny • Gateway Review 	?

Current Portfolio Area	Current Leader/s	Revised Portfolio Area	Proposed Leader
		<ul style="list-style-type: none"> • Assurance Framework and Investment Framework 	
Finance	Cllr Nigel Daniels	Resources and Risk <ul style="list-style-type: none"> • Financial planning • Audit and risk • People • Back office • Risk Plan • Funding T&Cs • Fiscal levers 	?
Chair – City Deal Oversight	Cllr Andrew Morgan	Chair Carries no portfolio – role is one of oversight, leadership overall, direction and policy/ cabinet	?
		Engagement, Marketing and Communications Includes: <ul style="list-style-type: none"> • Marketing plan • Branding • Events • Civic engagement • Communications • Partnerships and networks • Social media 	?
		Inclusive Growth Includes: <ul style="list-style-type: none"> • Foundational economy • Wellbeing of Future Generations • Place based strategies • Economic inclusion • Anti-poverty • Mutuals/ co-ops • Economic vibrancy and ‘better lives’ • Shared prosperity 	?

Future Generations Assessment

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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 new Investment and Intervention Framework that aligns with Regional Industrial and Economic Growth Plan and thus, completes the full Assurance Framework.
Proposal: Investment and Intervention Framework	Date Future Generations Evaluation form completed: 28 May 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 IIF sets out the framework for testing, assessing and appraising proposals in an independent, fair and balanced way, in order to ensure the proposals that develop are those that best contribute to wealth creation and prosperity.	The proposal is predicated on the principles of 'good growth' and has enshrined within in it, criteria focused on economic inclusion. An Investment Panel will be convened enabling a balance of expertise and inputs across public and private sectors.

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 resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The IIF is underpinned by the four Industrial Strategy Grand Challenges, included in which is clean growth.	Assessment process will be focused on green and clean growth and it is envisaged that proposal coming forward will be in this territory – Metro Plus is but one example.
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.	Inclusive growth and sharing prosperity are key principles.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The IIF 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 IIF has regard to the wider factors required to support a vibrant and responsible economy	
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	The ‘spread’ and targeting of City Deal benefits in a place-based and place-led way.

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?
	gains – but importantly how this will convert as tools for improving people’s lives.	

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>	The IIF is relevant to today, but focused on foresight and what comes, tomorrow.	Continued work on data/ evidence and generating in equal measure, insight and foresight.
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	The report sets out the different partners and sectors engaged in this work	City Deal will be delivered by a multiplicity of diverse partners.
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	The report sets out the different partners and sectors engaged in this work	

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 framework operationalizes the process for stimulating 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>Considering impact on all wellbeing goals together and on other bodies</p>	<p>This will be undertaken on a case by case basis through the new assessment process.</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	

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?
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		

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 data from other cities, regions and countries
- New data emerging from the ISCF and Innovate UK about engagement
- Arloesiadur
- Previous report of Economic Growth and Competitiveness Commission
- Examples of frameworks from other regions
- Proposals developed to date

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

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SUMMARY SHEET TO CCR CITY DEAL SCRUTINY COMMITTEE – INVESTMENT AND INTERVENTION FRAMEWORK (IIF)

PURPOSE

The purpose of the report is to establish the IIF providing an evaluative and objective means of appraising projects and proposals to be funded from the Wider Investment Fund. This is part of the overall Assurance Framework and is the means through which to give it, practical effect.

KEY AREAS OF CONTENT

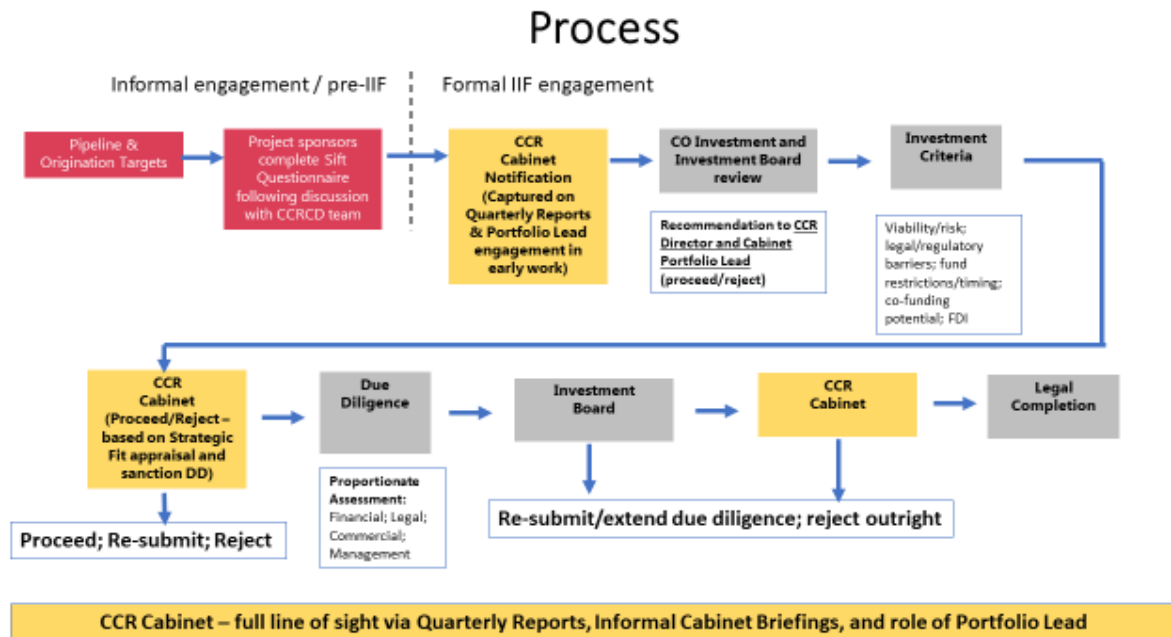
The report provides the new process for appraising and evaluating proposals with enhanced governance mechanisms and proposals for launch and marketing. This further includes:

- The SIFT questionnaire
- Overarching funding agreement
- Investment Manual
- Proposed Revised Cabinet Portfolios
- Delegations

HEADLINE ISSUES AND POINTS OF PROGRESS:

- **Need for the IIF** – currently gap exists in the Assurance Framework around *how* CCRC will do business. This has led to open and speculative applications. We need to provide confidence we are acting strategically and in evidence-based ways and to show things are on course to achieve key targets. There is a need to set expectations in terms of ambition, priorities & timeframes & size the wider pot.
- **Journey to date** – has involved the Joint Working Agreement establishing an enabling framework - the Assurance Framework. Assurance Framework is approved document and aligns with JWA Business Plan. This requires that investment decisions appraised through a 'Regional Impact Assessment Toolkit' (*Investment and Intervention Framework & Toolkit*) and supported by a 'Prospectus for Growth and Prosperity' (*CCR Industrial and Economic Plan0*). Required due to the absence of detailed pipeline of investment projects at the inception of the City Deal. Provides an objective and robust evaluation procedure to assess and prioritize deliverable investment projects
- **Clarity and focus** – The Industrial Growth Plan focuses on priority sectors and interventions bringing together political and industrial leadership. It prioritises a place sensitive approach and economic inclusion. This focuses on how we can create clusters and connections and also promote 'evergreen' investment, co-investment and a challenge approach. It further promotes the three investment streams the IIF will promote – Innovation, Infrastructure and Challenge
- **Key Operating Principles and Process** – include the ability for the IF to be iterative as we learn. It will be based upon objective criteria that can assess and score project impartially and give clear advice to Regional Cabinet as decision makers. It establishes an advisory Investment Panel to assess and make recommendations to Regional Cabinet and re-purposes the CEX Group as the new Programme Board. See Fig 1. It proposes that each of the Infrastructure and Innovation funds comprise £200m investment resources with a further £80m going into a Challenge Fund.

Fig 1.



- **Role of Cabinet and Lead Portfolio-holders** – to take advice and input from experts and make key decisions enacting a strategic leadership role. This will ensure the appropriate space between Regional Cabinet and the technical assessment process. Opportunity will be there to delve into detail as required given the Investment Panel are advisors to Cabinet – the ultimate decision makers.
- **Key governance proposals** - the Investment Panel will provide technical support and expertise into the process. The membership is set at 10 members with 5 LA or public body representatives and 5 nominees of the Regional Economic Growth Partnership. The CEX Group will become the Programme Board.
- **Role of key officers** – will become marked by appropriate separation of duties with the Chief Investment Officer providing investment support as distinct from cabinet and policy advisory roles of the Director and Deputy.
- **Gateway Review** – IIF has endorsement of Wales and UK Governments and is flagged up as a step forward in the WAO Audit Report for 18/19. This is central to the local evaluation work as it demonstrates science to the approach and a clear platform for evaluation and monitoring.
- **Declarations of Interest** – process relies upon a Register of Interest in individual LAs and the opportunity to refresh and review this with the commencement of the IIF. The process will apply to linked bodies and partnership also. An open register is suggested as well as endorsement of Nolan principles.



24 June 2019

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

REPORT OF THE CITY DEAL, DIRECTOR

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

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.

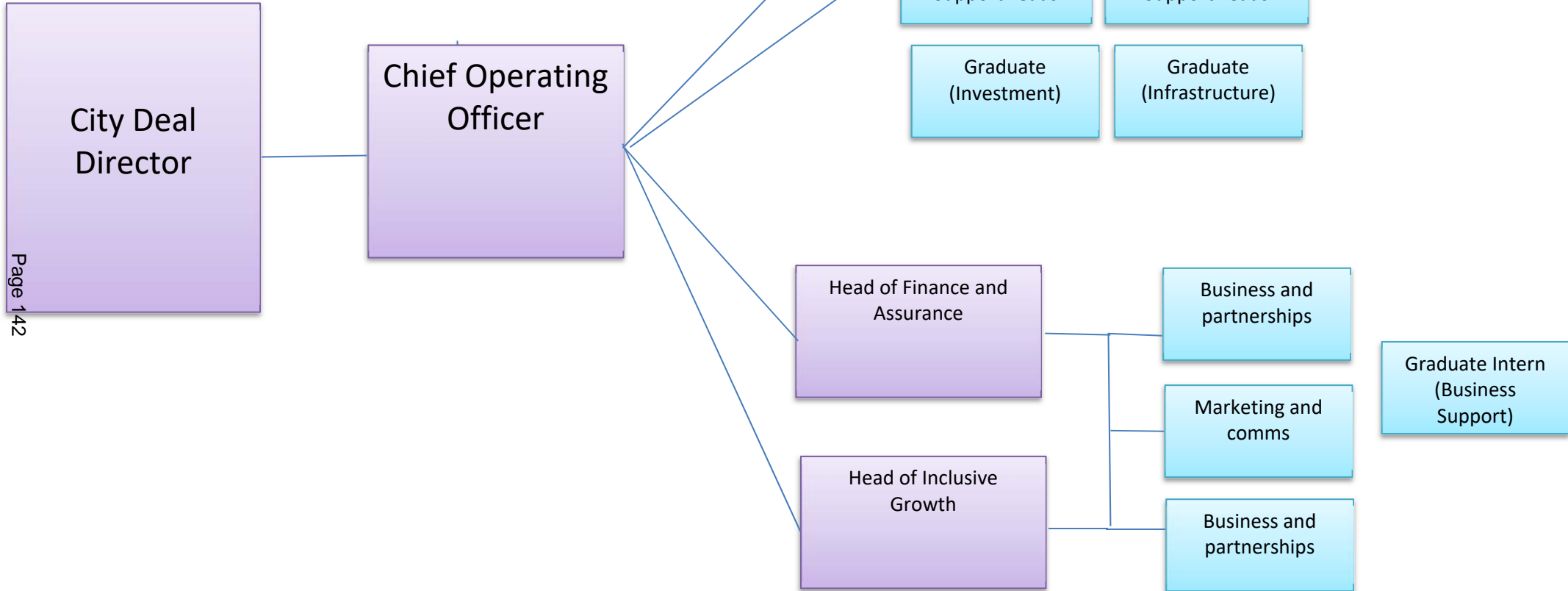
Table 1: Current Structure – Programme Management Office

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: CCRCJ 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

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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 two year resourcing requirements in order to establish the City Deal Office
Proposal: Restructure & Resourcing Plan City Deal Office	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 report sets out a proposal to create the capacity, capability and resource to deliver against the core objectives of the City Deal.	To develop cross-sectoral and multi-disciplinary teams that bring new knowledge and perspectives to add value.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The report describes a commitment to fitness for the future and an emphasis on sustainable and inclusive 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 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 mult-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.

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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	

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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?

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



CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW AND SCRUTINY COMMITTEE

24 June 2019

TITLE: FORWARD WORK PROGRAMME, TRAINING AND SCHEDULE OF MEETINGS

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

Reason for Report

1. The purpose of the report is:
 - a) To develop a Forward Work Programme (FWP) of items for future prioritisation and consideration by the Joint Overview and Scrutiny Committee (JOSC);
 - b) To ask the JOSC to identify any invitees to attend future meetings to contribute to discussions and deliberations;
 - c) To identify any training requirements required by the JOSC and;
 - d) To agree a schedule of meetings of the JOSC

Background

2. An effective FWP will identify the issues that the JOSC wishes to focus on throughout the year and provide a clear rationale as to why particular issues have been selected, as well as the approach that will be adopted.
3. The FWP will remain flexible and will be revisited at each JOSC meeting with input from Members and officers on suggested topics for consideration.

Proposal

4. Attached at **Appendix A** is the JOSC Draft Forward Work Programme. The JOSC is asked to first consider and determine an item to be considered at their next meeting to be held in September 2019. It is proposed that the JOSC agrees one item for consideration to each meeting to allow sufficient time for possible training sessions, Forward Work Programme planning, site visits and/or presentations from Officers at CCRCD. Members should also consider what further detail they would like the report to detail, including a list of potential questions they wish to be addressed, and who they would like to invite to attend the meeting to assist Members in their investigation.
5. It should be noted that in a meeting of the CCRCD Joint Cabinet on the 20 November 2017 it was recommended that the Joint Cabinet minutes are included on agendas of the JOSC and also that the Chairperson (or nominated representative) of the Joint Cabinet is invited to attend all meetings of the JOSC.

Training requirements

6. To assist Members in their role as a JOSC Member the Members are asked to consider any training requirements they have in relation to the Cardiff Capital Region City Deal. Scrutiny Officers will develop a schedule of training for JOSC Members which will also remain flexible and brought back to each meeting for consideration and scheduling.

Future Meetings

7. Whilst it has previously been agreed that Bridgend County Borough Council is to act as the Host Local Authority for the administration of the CCRCD JOSC meetings, Members have previously requested that where possible the location of future meetings of the JOSC should be held, where possible throughout the regional offices of those Authorities that are part of the CCRCD, taking into consideration that all meetings of the JOSC are to be held in public. Based on what the JOSC agree for their Forward Work Programme, officers will look at appropriate timings for these items and look to schedule them in calendars in the near future. It is envisaged that for the forthcoming year 2019/20 we will increase the number of meetings to 4. The number of meetings and budget for the JOSC will be considered on an annual basis.

Financial Implications

8. The 2018/19 Joint Cabinet Budget contains a contingency budget in the sum of £69,500, an element of which has been set aside to meet the cost of developing the Joint Scrutiny Committee arrangements. Based on initial

estimations provided for the first year, it was agreed that an amount of £25,000 would be allocated to the host authority to carry out the Joint Scrutiny role. From 2019/20 the budget headings will be realigned to separately identify the pre-determined sum from the remaining contingency budget.

Legal Implications

9. General advice:

In considering this matter regard should be had, amongst other matters, to:

- (i) The Councils' duties under the Well-being of Future Generations (Wales) Act 2015 and;
- (ii) 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.

Reason for Recommendations

To determine a clear Forward Work Programme, schedule of future meetings, and training requirements for the JOSOC.

Recommendations

The JOSOC is recommended to:

- (i) Consider and discuss items to include on their FWP taking into consideration the draft Forward Work Programme attached at **Appendix A**
- (ii) Consider and develop a schedule of training requirements for the JOSOC.
- (iii) Consider the schedule of future meetings of the JOSOC including frequency of meetings and location of venue.

Kelly Watson
Head of Legal and Regulatory Services

Contact Officer: Sarah Daniel

Telephone: 01656 643 387

Email: scrutiny@bridgend.gov.uk

Postal Address Bridgend County Borough Council,
Civic Offices,
Angel Street,
Bridgend.
CF31 4WB

The following Appendices are attached:-

Appendix A – Draft Forward Work Programme

The following background papers have been taken into account:-

CCRCD Joint Cabinet Report on the Governance Arrangements for the Regional Scrutiny Committee 20 November 2017

Cardiff Capital Region City Deal - Forward Work Programme

CCRCD 10 point Plan

- Driving insight and foresight – what sectors to invest in/ where best to invest?
- Regional industrial strategy – to engage at UK-level and led by industry and business
- Delivery pipeline ‘eco-system’ – leveraging added value
- through connecting our projects & outcomes
- Consolidated governance network - using skills in right places
- An ‘expert’ panel strategy for influence and leverage – how do we lay claim to large slice of £6.4bn industrial strategy fund?
- Create an Office for the City Deal and operate it as an investment fund. We are all ‘Team City Deal’
- Strengthen industrial lead and reinforce the market creating/ risk-sharing/ interventionist role of local government
- Be more competitive and challenge-driven in levering in investment & opportunities
- Grow an international focus & shout about our unique competitive advantage
- Be more than just a City Deal – we are a City Region

CCRCD Joint Scrutiny Forward Work programme

Date	Item	Information Request/Purpose/ Rationale	Invitees
24 June 2019	CCRCD Governance Structure	<ul style="list-style-type: none"> • Report detailing the structure and governance arrangements, including who sits where, what and where responsibilities lie and how the decision making process takes place. 	
24 June 2019	CCRCD End of Year/Quarter 4 Performance Report	<ul style="list-style-type: none"> • To monitor and scrutinise the CCRCD end of year/Quarter 4 Performance report. 	
24 June 2019	Investment and Intervention Framework	<ul style="list-style-type: none"> • The ‘Investment and Intervention Framework’ report – to receive detailed information on targets, PIs and expected outcomes for CD 	
Late Sep (TBC 23/9/19)	Transport Authority - Metro Plus	<ul style="list-style-type: none"> • Strategic Outline Programme (<i>Training prior to meeting*</i>) 	

<i>Late Sep (TBC 23/9/19)</i>	Q1 Performance Report	<ul style="list-style-type: none"> To monitor and scrutinise the CCRCQ1 Performance report. 	
<i>January 2020 TBC</i>	Economic Growth Partnership – Industrial and Economic Growth Plan	<ul style="list-style-type: none"> Business Plan as approved by Cabinet on 18 February 2019 What are targets? Expected outcomes? etc 	
<i>January 2020 TBC</i>	Q2 Performance Report	<ul style="list-style-type: none"> To monitor and scrutinise the CCRCQ2 Performance report. 	
<i>Late March 2020 TBC</i>	Skills Partnership – <i>(Plan?)</i> Developing a Skilled Workforce and Tackling Unemployment	<ul style="list-style-type: none"> A key part of the CCRCQ2 remit is to add 5% to GVA for the region, increase productivity and promote equality of outcomes so that the benefit of growth is shared more equally within the population. This will not be possible without developing a skilled workforce and tackling unemployment. How will this be achieved? Education – How are CCRCQ2 liaising with schools, colleges and universities to ensure that students are aware of the potential opportunities and apprenticeships available to them <i>(Skills Partnership Business Plan? - What are targets? Expected outcomes? etc)</i> 	
<i>Late March 2020 TBC</i>	Q3 Performance Report	<ul style="list-style-type: none"> To monitor and scrutinise the CCRCQ3 Performance report. 	
	Regional Business Council	<ul style="list-style-type: none"> <i>Business Plan?- What are targets? Expected outcomes? etc)</i> 	
	Supporting Enterprise and Business Growth	<ul style="list-style-type: none"> How do we achieve an increase in productivity and business growth while maximising equality outcomes 	

		<ul style="list-style-type: none"> • More information on what activity is being undertaken regarding the £4bn of private leverage 	
TBC	South Wales Metro	<p>Report to include the following:</p> <ul style="list-style-type: none"> • Timescales, CCRCDC, implementation plan • Outline Plans – concern that some more rural areas are not included within the plan • What investment opportunities are available? 	
TBC	Housing Development Fund	<ul style="list-style-type: none"> • £30million investment. Is this enough to meet housing development targets? • Where are the priority areas? • £30m does not seem a lot when all LA's in the JWA have targets to meet with regards to housing development. 	

* Metro Central Update – it was reported that an update on the Metro Central project was to be provided to Cabinet at its June 2019 meeting. The Committee requested that they also receive this and that this be provided as part of a training/briefing session on the Metro and Metro Plus in order to assist them in their understanding of both projects and also in readiness for detailed consideration of Metro Plus.

Other areas for further exploration

- Town centres appear to be suffering across the region. Is there anything planned to invest in these areas?
- Alternative methods for energy such as hydro and solar as these are cost saving potentials.
- There is great potential across the region to increase tourism and this also links into the infrastructure.
- Education
- Marketing

Training Requirements

The Committee requested that a future workshop be held to revisit and reconsider their own Terms of Reference and processes with the view to improving the ways of working of the Joint Committee.

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By virtue of paragraph(s) 12 of Part 4 of Schedule 12A of the Local Government Act 1972.

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