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- 1 Cardiff Capital Region City Deal - Regional Joint Cabinet - Thursday 19th December 2019

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Cardiff Capital Region City Deal Regional Cabinet Meeting

10.30am-12.30pm on Thursday 19 December 2019
Ebbw Room, Penalta House, Caerphilly County Borough Council,
Tredomen Park, Ystrad Mynach, CF82 7FQ

Agenda

1. Welcome and Apologies
2. Declarations of Interest
3. Minutes of the meeting held on 21 October 2019 Attached
4. 2019/20 Month 08 Joint Committee Revenue Budget Monitoring Position Attached
5. 2019-20 Annual Business Plan - Quarter 2 Performance Report Attached
6. The Wider Investment Fund - Annual Business Plan 2020/21 Attached
7. Proposed 2020/21 Joint Committee Revenue Budget
8. Investment Panel Recommendations to Regional Cabinet Attached
9. Strength in Places Fund – Wave 2 EoI Submission Medical Devices And Diagnostics Attached
10. CCR Energy Vision and Delivery Approach - Early Work Attached
11. CCR Pilot Graduate Scheme Update Attached

**Kellie Beirne
CCR Director
19 December 2019**



Bargen Ddinesig Prifddinas-Ranbarth Caerdydd Cyfarfod Cabinet Rhanbarthol

10.30am-12.30pm Ddydd Iau 19 Rhagfyr 2019
Ystafell Ebwy, Tŷ Penalltau, Cyngor Bwrdeistref Sirol Caerffili,
Parc Tredomen, Ystrad Mynach, CF82 7FQ

Agenda

- 1 Croeso ac Ymddiheuriadau
2. Datgan Buddiannau
3. Cofnodion y cyfarfod a gynhaliwyd ar 21 Hydref 2019 Atodedig
4. Sefyllfa Monitro Cyllideb Refeniw Cydbwyllgor Mis 08 2019/20 Atodedig
5. Cynllun Busnes Blynyddol 2019-20 – Adroddiad Perfformiad Chwarter 2 Atodedig
6. Cronfa Fuddsoddi Ehangach - Cynllun Busnes Blynyddol 2020/21 Atodedig
7. Cyllideb Refeniw Cydbwyllgor Arfaethedig 2020/21
8. Argymhellion y Panel Buddsoddi i'r Cabinet Rhanbarthol Atodedig
9. Cronfa Cryfder mewn Lleoedd - Ton 2, Dyfeisiau a Diagnosteg Feddygol Eol Atodedig
10. Gweledigaeth Ynni a Dull Cyflawni P-RC - Gwaith Cynnar Atodedig
11. Diweddariad Cynllun Graddedigion Peilot P-RC Atodedig

**Kellie Beirne
Cyfarwyddwr P-RC
19 Rhagfyr 2019**

Cardiff Capital Region City Deal Special Regional Cabinet Meeting

9.30am on Monday 21 October 2019
Ebbw Room, Penallta House, Caerphilly County Borough Council,
Tredomen Park, Ystrad Mynach, CF82 7FQ

Minutes

Present

Leaders and Chief Executives

Cllr Nigel Daniels	Leader	Blaenau Gwent CBC
Michelle Morris	Chief Executive	Blaenau Gwent CBC
Cllr Huw David	Leader	Bridgend CBC
Mark Shephard	Chief Executive	Bridgend CBC
Cllr Barbara Jones	Interim Leader	Caerphilly CBC
Cllr Sean Morgan	Cabinet Member	Caerphilly CBC
Christina Harrhy	Chief Executive	Caerphilly CBC
Cllr Caro Wild	Cabinet Member	Cardiff Council
Cllr Kevin O'Neill	Leader	Merthyr Tydfil CBC
Ellis Cooper	Assistant Director	Merthyr Tydfil CBC
Cllr Peter Fox	Leader	Monmouthshire CC
Paul Matthews	Chief Executive	Monmouthshire CC
Cllr Debbie Wilcox	Leader	Newport CC
Will Godfrey	Chief Executive	Newport CC
Cllr Andrew Morgan (Chair)	Leader	Rhondda Cynon Taf CBC
Chris Bradshaw	Chief Executive	Rhondda Cynon Taf CBC
Cllr Anthony Hunt	Leader	Torfaen CBC
Alison Ward	Chief Executive	Torfaen CBC
Cllr Neil Moore	Leader	Vale of Glamorgan Council
Rob Thomas	Chief Executive	Vale of Glamorgan Council

Officers

Jenna Walters	Solicitor	Accountable Body
Anil Hirani	Accountancy Manager	Accountable Body
Gareth Gates	Accountant	Accountable Body
Christopher Lee	Section 151 Officer	Accountable Body
Kellie Beirne	Director	City Deal Office
Rhys Thomas	Chief Operating Officer	City Deal Office
Nicola Somerville	Head of Inclusive Growth & Business Development	City Deal Office
Liz Fitzgerald	Business Development & Partnerships Officer	City Deal Office
Mari Lowe	Business Development & Partnerships Officer	City Deal Office
Nicola Butler	Business Support	City Deal Office

Guests and Observers

Victoria Robinson	Operational Manager for Planning & Building Control	Vale of Glamorgan Council
Alastair Milburn	Managing Director	Effective
Ffion Pocock	Senior Account Manager	Effective
David Rosser	Regional Manager	Welsh Government
Dr Angharad Penny Evans	South East Regional Team	Welsh Government

Apologies

Cllr Huw Thomas	Leader	Cardiff Council
Paul Orders	Chief Executive	Cardiff Council
Cllr Kevin O'Neill	Leader	Merthyr Tydfil CBC

ACTION

1. Welcome and Apologies

- (1) Cllr Andrew Morgan opened the meeting and apologies were noted.
- (2) Attendees observed a minute's silence for the anniversary of the Aberfan disaster.

2. Declarations of Interest

- (1) Cllr Sean Morgan declared his interests as a member of the Regional Transport Authority and CSC Foundry Boards.
- (2) Michelle Morris, Rob Thomas and Paul Matthews declared their interests as members of the CCR Investment Panel.
- (3) Cllr Barry declared his interest in respect of the Metro.
- (4) Mark Shephard declared a personal interest as a Director of CSC Foundry having been appointed to that body by his authority, Bridgend CBC.
- (5) Cllr Jones apologised to all members of the City Deal for any inconvenience caused by the actions of the Member for Caerphilly CBC.

3. Minutes of the Previous Meeting

- (1) The minutes of the meeting held on 12 September 2019 were agreed as accurate.

4. Disclosure of Interests – Addressing Proposals Related to WAO Audit of Financial Statements 2018-19

- (1) Kellie Beirne introduced the report. The WAO had written to Kellie and Christina Harray. The response sets out what the WAO had said and that regard must be had to proper processes and disclosures of

KB

ACTION

interest. Members and officers are reminded of their responsibilities under the Code of Conduct.

- (2) The CCR Regional Cabinet fully endorsed all the recommendations and suggestions. Training for officers and members was recommended.
- (3) Christina advised that the authority had dealt with the issues formally and robustly.

CDO

- (4) Kellie confirmed that paragraph 5 in the Joint Working Agreement would be updated to take account of the WAO's explicit recommendations. Kellie said that the Accountable Body had advised that as it was not a substantive matter it did not require authorisation by the CCR Regional Cabinet.

- (5) It was **RESOLVED** that the Cardiff Capital Region Joint Cabinet:

- (1) considered and noted the recommendations made by the WAO in respect of Registrations of Interest;
- (2) endorsed and approved the proposed responses and actions set out above in respect of addressing the recommendations made;
- (3) agreed to receive updates as part of ongoing quarterly performance monitoring in respect of progress on the key proposed actions set out above and;
- (4) approved the proposed amendment to the JWA as set out in paragraph 5 to the report.

5. Investment Panel Recommendations to Regional Cabinet – Sift Approvals to Next Stage

- (1) Cllr Morgan reminded members that Appendix 2 was exempt.
- (2) Kellie introduced the report. There was a brief discussion around projects and progress.
- (3) It was **RESOLVED** that the Cardiff Capital Region Joint Cabinet:
 - approved the Terms of Reference for the Investment Panel, which are in line with the previously agreed 'advisory' function of the group;
 - approved the recommendations made by the Investment Panel (set out in full in the attached Recommendation Log) in respect of approving the three projects at SIFT phase;
 - in respect of the proposals to develop i) a Housing Investment Fund and ii) Transport Interchange at Cardiff 'Metro Central';
 - (1) noted and approved the attached conditions and

- (2) approved the release of £198,000 of Programme Development Support Budget to enable the commencement of due diligence and the next phase of business case development;
- in respect of the proposal to fibre enable Core Valleys Lines noted further details on any proposals would be reported back to the Regional Cabinet;
- endorsed the need for a member of the Investment Panel to attend in an observational capacity, meetings of the Regional Transport Authority in respect of the process of assessing investment submissions against the Common Assessment Framework and,
- considered and agreed the proposal of Investment Panel to nominate the Chief Executive of Cardiff Council as the new representative of the Chief Executive's Group/ Programme Board in order to complete the line-up and ensure constancy and continuity.

Cllr David joined the meeting.

6. Regional Response to Welsh Government Consultation on Draft National Development Framework 2020-2040

- (1) Vicky Robinson introduced the report.
- (2) Kellie clarified the recommendations as some last-minute changes had been made. She confirmed a letter would be sent to the Minister on behalf of the Portfolio Lead to highlight items at a regional level.
- (3) Discussions took place around concerns that the consultation did not address all the issues of the region or that matters were not adequately joined up. Whilst some authorities would be writing to the Minister directly, Cllr Morgan agreed to draft a letter on behalf of the CCR Regional Cabinet.
- (4) It was **RESOLVED** that the Cardiff Capital Region Joint Cabinet:
 - noted the content of this report and the discussion paper at Appendix 1 and endorsed the CCR Chair and Portfolio Lead, Cllr Neil Moore, in responding formally to the consultation with the CCR response.
- (5) Cllr Morgan noted that this was Cllr Wilcox's last formal meeting as she would be attending the House of Lords full-time from 1 December. Cllr Morgan thanked Cllr Wilcox for all her support and efforts for the CCR City Deal. Cllr Wilcox in turn thanked colleagues for their support and the progress and direction of the CCR City Deal; she hoped that the regional working that had been established would continue to grow.

Bargen Ddinesig Prifddinas-Ranbarth Caerdydd **Cyfarfod Cabinet Rhanbarthol Arbennig**

9.30am dydd Llun 21 Hydref 2019
Ystafell Ebbw, Tŷ Penalltau, Cyngor Bwrdeistref Sirol Caerffili,
Parc Tredomen, Ystrad Mynach, CF82 7FQ

Cofnodion

Presennol

Arweinwyr a Phrif Weithredwyr

Y Cyng. Nigel Daniels	Arweinydd	CBS Blaenau Gwent
Michelle Morris	Prif Weithredwr	CBS Blaenau Gwent
Y Cynghorydd Huw David	Arweinydd	CBS Pen-y-bont ar Ogwr
Mark Shephard	Prif Weithredwr	CBS Pen-y-bont ar Ogwr
Y Cyng. Barbara Jones	Arweinydd Dros Dro	CBS Caerffili
Y Cyng. Sean Morgan	Aelod Cabinet	CBS Caerffili
Christina Harrhy	Prif Weithredwr	CBS Caerffili
Y Cynghorydd Caro Wild	Aelod Cabinet	Cyngor Caerdydd
Y Cynghorydd Kevin O'Neill	Arweinydd	CBS Merthyr Tudful
Ellis Cooper	Cyfarwyddwr Cynorthwyol	CBS Merthyr Tudful
Y Cynghorydd Peter Fox	Arweinydd	CS Sir Fynwy
Paul Matthews	Prif Weithredwr	CS Sir Fynwy
Y Cynghorydd Debbie Wilcox	Arweinydd	CS Casnewydd
Will Godfrey	Prif Weithredwr	CS Casnewydd
Y Cynghorydd Andrew Morgan (Cadeirydd)	Arweinydd	CBS Rhondda Cynon Taf
Chris Bradshaw	Prif Weithredwr	CBS Rhondda Cynon Taf
Y Cynghorydd Anthony Hunt	Arweinydd	CBS Torfaen
Alison Ward	Prif Weithredwr	CBS Torfaen
Y Cynghorydd Neil Moore	Arweinydd	Cyngor Bro Morgannwg
Rob Thomas	Prif Weithredwr	Cyngor Bro Morgannwg

Swyddogion

Jenna Walters	Cyfreithiwr	Corff Atebol
Anil Hirani	Rheolwr Cyfrifeg	Corff Atebol
Gareth Gates	Cyfrifydd	Corff Atebol
Christopher Lee	Swyddog Adran 151	Corff Atebol
Kellie Beirne	Cyfarwyddwr	Swyddfa'r Fargen Ddinesig
Rhys Thomas	Prif Swyddog Gweithredol	Swyddfa'r Fargen Ddinesig
Nicola Somerville	Pennaeth Twf Cynhwysol a Datblygu Busnes	Swyddfa'r Fargen Ddinesig
Liz Fitzgerald	Swyddog Datblygu Busnes a Phartneriaethau	Swyddfa'r Fargen Ddinesig
Mari Lowe	Swyddog Datblygu Busnes a Phartneriaethau	Swyddfa'r Fargen Ddinesig
Nicola Butler	Cymorth Busnes	Swyddfa'r Fargen Ddinesig

Gwesteion ac Arsylwyr

Victoria Robinson	Rheolwr Gweithredol dros Reoli Cynllunio ac Adeiladu	Cyngor Bro Morgannwg
Alastair Milburn	Rheolwr Gyfarwyddwr	Effective
Ffion Pocock	Uwch Reolwr Cyfrifeg	Effective
David Rosser	Rheolwr Rhanbarthol	Llywodraeth Cymru
Dr Angharad Penny-Evans	Tîm Rhanbarthol y de-ddwyrain	Llywodraeth Cymru

Ymddiheuriadau

Y Cyngorydd Huw Thomas	Arweinydd	Cyngor Caerdydd
Paul Orders	Prif Weithredwr	Cyngor Caerdydd
Y Cyngorydd Kevin O'Neill	Arweinydd	CBS Merthyr Tudful

**CAM
GWEITH
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1. Croeso ac Ymddiheuriadau

- (1) Agorodd y Cyngorydd Morgan y cyfarfod a nodwyd yr ymddiheuriadau fel yr uchod.
- (2) Cafwyd munud o dawelwch dros drychineb Aberfan.

2. Datgan Buddiannau

- (1) Bu i'r Cyng. Sean Morgan ddatgan ei fuddiant fel aelod o'r Awdurdod Trafnidiaeth Rhanbarthol a Byrddau Ffowndri CDC
- (2) Datganodd Michelle Morris, Rob Thomas a Paul Matthews eu buddiannau fel aelodau Panel Buddsoddi P-RC.
- (3) Datganodd y Cyng. Barry ei fuddiant mewn cysylltiad â'r Metro.
- (4) Datganodd Mark Shephard fuddiant personol fel Cyfarwyddwr Ffowndri CDC gan ei fod wedi cael ei benodi i'r corff hwnnw gan ei awdurdod, CBS Pen-y-bont ar Ogwr.
- (5) Ymddiheurodd y Cyng. Jones wrth holl aelodau'r Fargen Ddinesig am unrhyw anghyfleustra a achosir gan weithredoedd yr Aelod dros CBS Caerffili.

3. Cofnodion y Cyfarfod Blaenorol

- (1) Cytunwyd bod cofnodion y cyfarfod a gynhaliwyd ar 23 Medi 2019 yn gofnod cywir.

4. Datgan Buddiannau - Cyfeirio at Gynigion Cysylltiedig ag Archwiliad Swyddfa Archwilio Cymru o Ddatganiadau Ariannol 2018-19.

(1) Cyflwynodd Kellie Beirne yr adroddiad. Mae Swyddfa Archwilio Cymru wedi ysgrifennu at Kellie a Christina HARRY. Mae'r ymateb yn nodi beth ddywedodd SAC a bod yn rhaid ystyried y prosesau cywir a datganiadau buddiannau. Atgoffir aelodau a swyddogion o'r cyfrifoldebau sydd arnynt dan y Cod Ymddygiad.

KB

(2) Cymeradwyodd Cabinet Rhanbarthol P-RC yr holl argymhellion ac awgrymiadau. Argymhellwyd hyfforddiant ar gyfer swyddogion ac aelodau.

(3) Dywedodd Christina fod yr awdurdod wedi trin y materion yn ffurfiol ac yn drylwyr.

(4) Cadarnhaodd Kellie y byddai paragraff 5 y Cytundeb Cydweithio yn cael ei ddiweddarau i ystyried argymhellion Cyhoeddedig SAC. Dywedodd Kellie fod y Corff Atebol wedi dweud nad oedd yn fater mawr ac nad oedd angen awdurdodiad Cabinet Rhanbarthol P-R.

CDO

(5) **PENDERFYNWYD** y byddai Cyd-gabinet ar y cyd Prifddinas-Ranbarth Caerdydd:

- (1) yn ystyried ac yn nodi'r argymhellion a wnaed gan SAC mewn perthynas â Chofrestrau Buddiannau;
- (2) yn cymeradwyo ac yn cefnogi'r ymatebion a awgrymwyd a'r camau gweithredu uchod o ran mynd i'r afael â'r argymhellion a wnaed;
- (3) yn cytuno derbyn diweddariadau fel rhan o fonitro chwarterol parhaus o ran cynnydd mewn perthynas â'r camau gweithredu allweddol a gynigwyd, a nodwyd uchod;
- (4) yn cymeradwyo'r diwygiad a gynigir i'r Cytundeb Gweithio Ar y Cyd fel y nodir ym mharagraff 5 yr adroddiad.

5. Argymhellion y Panel Buddsoddi i'r Cabinet Rhanbarthol - Hidlo Cymeradwyaethau i'r Cam Nesaf

(1) Atgoffodd y Cyng. Morgan aelodau bod Atodiad 2 wedi ei eithrio.

(2) Cyflwynodd Kellie'r adroddiad. Bu trafodaeth fer ynghylch projectau a chynnydd.

(3) **PENDERFYNWYD** y byddai Cyd-gabinet Prifddinas-Ranbarth Caerdydd:

- yn cymeradwyo Cylch Gorchwyl y Panel Ymchwilio, sydd yn unol â swyddogaeth 'gynghorol' y grŵp y cytunwyd arni yn flaenorol;
- yn cymeradwyo'r argymhellion a wnaed gan y Panel Buddsoddi (a gyflwynir yn llawn yn y Gofrestr Argymhellion atodol) o ran cymeradwyo'r tri phroject yn y cyfnod hidlo;
- mewn perthynas â'r cynigion, datblygu i) Cronfa Fuddsoddi Tai a ii) y Gyfnewidfa Drafnidiaeth yn Nghalonfan Fetro Caerdydd;
 - (1) yn nodi ac yn cymeradwyo'r amodau atodol ac
 - (2) yn cymeradwyo rhyddhau £198,000 o Gyllideb Cynorthwyo Datblygu i alluogi cychwyn diwydrwydd dyladwy a cham nesaf datblygu'r achos busnes;
- mewn perthynas â'r cynnig i alluogi Llinellau Craidd y Cymoedd â ffibr, nodi y câi rhagor o fanylion ar unrhyw gynigion eu hadrodd yn ôl wrth y Cabinet Rhanbarthol;
- cefnogi'r angen i gael aelod o'r Panel Buddsoddi i fynychu, mewn rôl arsylwi, cyfarfodydd yr Awdurdod Trafnidiaeth Rhanbarthol mewn perthynas â phroses asesu ceisiadau am fuddsoddiad yn ôl y Fframwaith Asesu Cyffredin ac
- ystyried cynnig y Panel Buddsoddi, a chytuno arno, i enwebu Prif Weithredwr Cyngor Caerdydd fel cynrychiolydd newydd Grŵp y Prif Weithredwr/Bwrdd Rhaglen i gwblhau'r grŵp a sicrhau cysondeb a pharhâd.

Ymunodd y Cyng. David â'r cyfarfod.

6. Ymateb Rhanbarthol i Ymgynghoriad Llywodraeth Cymru ar Fframwaith Datblygu Cenedlaethol Drafft 2020-2040.

- (1) Cyflwynodd Vicky Robinson yr adroddiad.
- (2) Eglurodd Kellie yr argymhelliad oherwydd bod rhai newidiadau munud olaf wedi eu gwneud. Cadarnhaodd yr anfonid llythyr at y Gweinidog ar ran Arweinydd y Portffolio i amlygu eitemau ar lefel ranbarthol.
- (3) Bu trafodaethau ynghylch pryderon nad oedd yr ymgynghoriad yn mynd i'r afael â'r holl faterion yn y rhanbarth neu nad oedd y materion yn ddigon cydlynol. Er y byddai rhai awdurdodau yn ysgrifennu at y Gweinidog yn uniongyrchol, cytunodd y Cyng. Morgan ysgrifennu llythyr drafft ar ran Cabinet Rhanbarthol P-RC.
- (4) **PENDERFYNWYD** y byddai Cyd-gabinet Prifddinas-Ranbarth Caerdydd:
 - yn nodi cynnwys yr adroddiad hwn a'r papur trafod yn Atodiad 1 a chefnogi Cadeirydd P-RC ac Arweinydd y Portffolio, y

Cyng. Neil Moore, i ymateb yn ffurfiol i'r ymgynghoriad ag ymateb P-RC.

- (5) Nododd y Cyng. Morgan mai hwn oedd cyfarfod ffurfiol olaf y Cyng. Wilcox oherwydd y byddai'n mynd i Dŷ'r Arglwyddi yn llawn amser o 1 Rhagfyr. Diolchodd y Cyng. Morgan i'r Cyng. Wilcox am ei chymorth a'i hymdrechion dros Fargen Ddinesig P-RC. Yna diolchodd y Cyng. Wilcox hithau i gydweithwyr am eu cymorth a chynnydd a chyfeiriad Bargen Ddinesig P-RC; gobeithiodd y byddai'r gwaith rhanbarthol sydd wedi ei sefydlu yn parhau i dyfu.

19 DECEMBER 2019

**2019/20 MONTH 08 JOINT COMMITTEE REVENUE BUDGET
MONITORING POSITION**

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

AGENDA ITEM 4

Reason for this Report

1. To provide the Cardiff Capital Region Joint Committee (Regional Cabinet) with details of actual expenditure, income and the projected full year outturn position as at the 30th November 2019 (Month 08), against its approved 2019/20 Joint Committee Revenue Budget.

Background

2. At its meeting of the 18th February 2019, Regional Cabinet approved its 2019/20 Joint Committee Revenue Budget. The budget supports the City Deal Office (CDO) and the Accountable Body (AB) support arrangements for the work of the Regional Cabinet.
3. The budget is funded from local authority Revenue Contributions and the Wider Investment Fund 'Top-Slice'.
4. Earmarked Reserves of £85,495 and a General Reserve of £123,498 are also available to fund future approved Regional Cabinet expenditure.

Issues

5. At Month 08 actual expenditure incurred is £427,560 which represents just over 25% of the annual budget, with the projected outturn position indicating an underspend of £286,498 at year end. Table 1 summarises the position at Month 08 and a narrative summary is outlined below.

Table 1: Month 08 Joint Committee Revenue Budget Monitoring Position

	Budget	Mth 08 Actual	Projected Year End	Variance
	£	£	£	£
<u>City Deal Office (CDO)</u>				
Employee Related	1,063,585	265,518	823,472	(240,113)
Premises Related	21,000	8,908	16,000	(5,000)
Transport Related	18,750	4,834	18,750	0
Supplies & Services	68,695	29,045	135,065	66,370
Joint Scrutiny	25,000	0	25,000	0
5 Year Gateway Review Support	72,810	0	72,810	0
Assurance Framework Support	25,000	7,299	25,000	0
WAO Performance Audit Fee	15,000	0	15,000	0
Contingency	68,576	0	21,000	(47,576)
Sub Total	1,378,416	315,604	1,152,097	(226,319)
<u>Accountable Body Support Services</u>				
HR People Services	20,685	13,741	18,563	(2,122)
Finance & Accountancy Support	138,296	48,362	114,580	(23,716)
Exchequer, Internal Audit & Insurance	3,566	1,550	3,100	(466)
Legal & Governance Support	80,000	40,000	73,410	(6,590)
ICT, Information & Governance	13,722	5,801	11,437	(2,285)
External Audit Fee	12,500	0	12,500	0
Procurement	15,000	2,500	5,000	(10,000)
Contingency	25,000	0	10,000	(15,000)
Sub Total	308,769	111,956	248,590	(60,179)
Gross Expenditure	1,687,185	427,560	1,400,687	(286,498)
<u>Funded by:-</u>				
Partner Contribution – Blaenau Gwent (4.6%)	(50,324)	0	(50,324)	0
Partner Contribution – Bridgend (9.5%)	(102,821)	0	(102,821)	0
Partner Contribution – Caerphilly (12.0%)	(130,371)	0	(130,371)	0
Partner Contribution – Cardiff (23.7%)	(258,452)	0	(258,452)	0
Partner Contribution – Merthyr Tydfil (3.9%)	(42,928)	0	(42,928)	0
Partner Contribution – Monmouthshire (6.1%)	(66,918)	0	(66,918)	0
Partner Contribution – Newport (9.8%)	(106,929)	0	(106,929)	0
Partner Contribution – RCT (15.8%)	(171,796)	0	(171,796)	0
Partner Contribution – Torfaen (6.1%)	(66,455)	0	(66,455)	0
Partner Contribution – Vale of Glam (8.5%)	(92,328)	0	(2,328)	0
WIF 'Top-Slice' Contribution	(597,865)	0	(371,546)	226,319
Gross Income	(1,687,185)	0	(1,460,866)	0
Net Position	0	427,560	(60,179)	(60,179)

City Deal Office: Underspend (£226,319)

6. The Month 04 Monitoring Position approved by Regional Cabinet at its meeting of 12th September 2019 assumed that the City Deal Office Budget would be fully spent over the course of the financial year. It did so while noting that significant underspends were likely against the staffing budget for the year which were to be retained in order to allow the City Deal Director the flexibility to secure short term resources to meet staffing gaps in the interim.
7. Resources have since been put in place which cover part of the approved staffing structure and it is now anticipated that these underspends will be realised. Accordingly, the budgeted contribution to the City Deal Office from the Wider Investment Fund Top-Slice will not be required in full.

Employee Related Budgets: (£240,113)

8. The Employee Related budget of £1,063,585, is based on 15 FTEs and has been partly filled.
9. In determining the forecast of expenditure at Month 04, assumptions were made in respect to when the new structure would be in place. As stated above, it is now expected that an underspend will be realised in this financial year.

Premises Related Budgets: (£5,000)

10. The premises related budgets include a contingency of £5,000 which was in place to cover potential office re-modelling costs at the Tredomen office and is no longer required.

Supplies & Services: £66,370

11. A net overspend of £66,370 is being incurred on costs relating to External Communications and Media support while in-house employee related resources have been in the process of being put in place.

Contingency Budget: (£47,576)

12. Costs amounting to £21,000 are being funded from the contingency budget of £68,576. These relate to unbudgeted costs for initiatives such as Energy Mission and the British American Project, while there are currently no other commitments against the remainder of the budget.

All other City Deal Office Budgets: On Target

13. All other City Deal Office budgets are projected to be on target at year-end.

Accountable Body Support & Related Services: Underspend (£60,179)

14. At Month 08, actual costs amounting to £111,956 have been incurred in relation to the Accountable Body Support and Related Services budget.
15. Service Level Agreements (SLAs) are in place for all aspects of the Accountable Body's support to the City Deal Office and Regional Cabinet. Costs incurred to date against these have been reviewed at the end of Quarter 2 and these indicate that a number of the approved budgets will be underspent at the financial year end. As approved by Regional Cabinet at its meeting of 10th June 2019, this underspend will be carried forward as a 'General Reserve' to assist with budget management in future years.
16. The underspends reported are mainly as a result of temporary staffing changes within the teams providing Finance & Accountancy and Legal & Governance support.
17. In addition to this, Procurement support costs are now projected to be significantly under budget and the contingency budget held can be largely released.

Month 08 Summary

18. Forecast expenditure for 2019/20 indicates an underspend against approved budgets of £286,498 which, if realised, will result in a reduction in the required drawdown of Wider Investment Fund Top-Slice funding of £226,319 and an increase of £60,179 to the Regional Cabinet General Reserve. These will then be available to fund future approved Regional Cabinet expenditure.
19. Further drawdowns against Accountable Body SLAs and contributions from Partner Authorities will be actioned and the budget will continue to be monitored and reviewed through the rest of the financial year and reported back to Regional Cabinet at appropriate intervals.

Reasons for Recommendations

20. To provide Regional Cabinet with an update of the monitoring position against its approved 2019/20 Joint Committee Revenue Budget, as at 30 November 2019 (Month 08).

Financial Implications

21. As stated in the main body of the report, there is an underspend projected at year end.
22. This underspend has an impact on the Wider Investment Fund (WIF) 'Top Slice' contribution to the Joint Committee Revenue Budget and the General and Earmarked Reserves held, as set out above.

Legal Implications

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

Well-being of Future Generations Act 2015 (Wales)

24. 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 duty' and in so doing assist to achieve the national well-being goals.
25. The well-being duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires 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.
26. Regional Cabinet must be satisfied that the proposed decision accords with the principles above
27. 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 as an appendix to this report (Wellbeing of Future Generations Assessment) for member's consideration
28. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

29. In considering this matter regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:

- age;
- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATION

30. It is recommended that Cardiff Capital region Regional Cabinet notes the actual expenditure, income and projected full year out-turn position as at 30 November 2019 (Month 08) against its approved 2019/20 Revenue Budget.

Christopher Lee
Section 151 Officer, CCR Regional Cabinet
19 December 2019

Appendix

Appendix 1 Future Generations Assessment Evaluation

Future Generations Assessment Evaluation






Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To provide details of expenditure, income and projected full year outturn position against the approved 2019/20 Joint Committee revenue budget.
Proposal: 2019/20 Month 08 Joint Committee Revenue Budget Monitoring Position	Date Future Generations Evaluation form completed: 06 Dec 2019

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

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

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

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

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

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

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

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

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

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

Page 23

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

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

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

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

The impacts of this proposal will be evaluated on:	Quarter 3
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19 DECEMBER 2019

2019-20 ANNUAL BUSINESS PLAN - QUARTER 2 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM 5

Reason for this Report

1. To inform key stakeholders, principally, Regional Cabinet and also, Wales and UK Governments of the Quarter 2 reporting position against the 2019/20 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 as at Quarter 2 against the approved Wider Investment Fund budgets as set out in the Annual Business Plan for the financial year 2019/20.
3. To recommend that Regional Cabinet approve the Quarter 2 report, 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 relevant to the performance targets set – and their dates for completion/ achievement – as set out in Annual Business Plan.

Background

5. Regional Cabinet approved its 2019/20 Annual Business Plan at its meeting on the 19th February 2019, which included details of the Wider Investment 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 in accordance with key priorities. This consolidated Annual Business Plan sets out the activities, tasks and objectives to be delivered in 2019/20; alongside an assessment of the resources required to deliver.
6. That Annual Business Plan for 2019/20 and the priority action contained within it, now forms the basis of the Quarterly Performance Monitoring Reports which are issued to the UK and Welsh Governments. Ongoing changes have been made to the structure, format and shape of the Performance report in order to situate plans and priorities in the context of the targets City Deal must deliver against;

reduce extraneous information volume; provide a high-level account of strategy and direction; alongside measures of Finance, Risk and Assurance; and, set out performance against key priority areas such as Programme Delivery and Pipeline – which are relevant to the new Investment and Intervention Framework. Also included are priorities around Partnerships, Communications, Influence/Engagement and Culture, Capacity and Leadership.

7. In addition to this, now that the Investment and Intervention Framework (IIF) is activated, further enhancements to the process have been made. In the main, this includes:

- A revised version of the ‘balanced scorecard’ that relates to the targets specifically set for delivery in the relevant quarterly period – in this case – Q2;
- A copy of Q2 Performance on the Compound Semi-conductor (CSC) Project – the single ‘live’ investment of CCRDCD. This Q2 update is in the format required by National Evaluation Leads, SQW and is presented as an update to the agreed Logic Model. This will keep reporting consistent, connected into all main reporting outlets – Cabinet, CSC Foundry Board and SQW;
- As stated in the Q1 report, now attached is the most up-to-date version of the IIF ‘Current Status’ tracker document; enabling Regional Cabinet and partners to understand the status and progression of schemes through the Framework. This is attached at Appendix 5;
- Progress tracker for ‘in principle’ projects – Skills for Future, Digital, Metro Plus, Metro Central and Housing Investment Fund;
- A rolling tracker of progress overall, that shows the quarterly delivery targets in the context of the objectives of the Annual Business Plan – in order to provide both a backwards and forwards-looking assessment of progress.

8. It should be further noted that whilst the quarterly performance reporting information will be focussed and pertain only to those tasks embodied in the Annual Business Plan – there is a wider programme of activity ongoing. The Annual Business Plan represents the core tasks and activities crucial to making strategic progress in 19/20. In addition to this, there is work underway to:

- Contribute to current policy debates and developing thought leadership role:
 - keynote at City Regions in Wales conference;
 - keynote at Ser Cymru celebration event;
 - keynote at EstNet networking event;
 - keynote at UK Shared Prosperity Fund hosted by Cardiff University and Lord Heseltine and input into resulting report;
 - hosted BSA Roundtable event in conjunction with Regional Business Council;
 - hosted and presented to Industrial Communities Alliance;
 - delivery of both written and verbal evidence to Welsh Affairs Select Committee with a positive focus on CCR in resultant report (attached at Appendix 6);

- participation in Regional Investment Board and ministerial task and finish groups.
 - Promote the investment framework and originate quality projects:
 - first projects submitted into Investment and Intervention Framework;
 - inaugural meeting of the Investment Panel;
 - Regional Business Council hosted summer roadshows in four locations across region attracting 300+ delegates;
 - development of the SIPF network and consortium for Devices and diagnostics and address at the first Medical Monday event.
 - Develop the International presence – sourcing for UKRI board positions; hosting Singapore and Xiamen delegations connected to CS Cluster; partner launch of MIPIM 2020 and, delivery of two CCR and Department for International Trade UKRI/ workshops;
 - Building the Team – key appointments to City Deal Office to establish core structure and resources; and,
 - Targeting external investment – full business case submission to SIPF for CS Connected; submission of SIPF 2 for Devices and Diagnostics; and, stage 2 submission to WEFO P5 on building Institutional Capacity
9. The detail attached to the report, sets out the core activity in priority areas:
- Appendix 1 CCR City Deal Quarter 1 Performance ‘Balanced Scorecard’
 - Appendix 2 CCR City Deal CSC Project Quarter 1 Logic Model
 - Appendix 3 AGS Quarter 1 Update (containing the Risk Log) and Internal Audit Action Plan
 - Appendix 4 Wider Investment Fund Finance Update
 - Appendix 5 IIF Current Status Tracker
 - Appendix 6 House of Commons Welsh Affairs Committee – City Deals and Growth Deals in Wales
 - Appendix 7 Wellbeing of Future Generations Assessment

Financial Implications

10. Regional Cabinet approved its 2019/20 Annual Business Plan and its associated budgets at its meeting of 18th February 2019. Appendix 4 provides an update as at Quarter 2.
11. Wider Investment Fund Top-Slice expenditure is projected to exceed the approved budget of £742,500 by £42,195 with this amount able to be funded by an additional draw down from the Wider Investment Fund made possible by prior-year Top-Slice underspends carried forward.
12. In terms of Approved Projects, i.e. those that are in delivery stage, a sum of £1,381,600 is in place against the CSC Foundry Ltd.’s approved capital budget and this is now expected to be paid in 2020/21. There is also a budget of

£143,550 in place to complete the Graduate Pilot Scheme which is currently expected to be fully required.

13. In addition to this, the Annual Business Plan contains currently uncommitted revenue and capital resources of £0.856 million and £26.110 million respectively. These resources are in place to provide Regional Cabinet with a level of flexibility to approve additional expenditure during the year in the event that In-Principle and/or emerging projects find themselves in a position to be allocated approved project funding during 2019/20. There are currently no extant decisions which would lead to draw down of these amounts.
14. It is important to note Paragraph 17 of Appendix 4 of this report which draws attention to the fact that, depending upon the nature and timing of any in-year project expenditure approvals, the components of the 'funding mix' may vary and subsequently impact upon the funding requirements of the Partner Authorities. The established stakeholder networks will be used to provide updates on this as and when necessary.
15. Regional Cabinet will be provided with regular project performance reports, supplemented by quarterly budget monitoring statements, where matters such as progress against the Project Delivery Pipeline and associated budgets can be assessed and the proposed funding arrangements can be reviewed as appropriate.

Legal Implications

16. The report sets out the Quarter 2 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 attached, then legal advice on those projects will be reflected in the relevant reports as and when such matters are reported to Regional Cabinet.

Well-being of Future Generations (Wales) Act 2015

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19. The Regional Cabinet must be satisfied that the proposed decision accords with the principles above.
20. To assist the Regional Cabinet to consider the duties under the Act in respect of the decision sought an assessment has been undertaken, which is attached as an Appendix to this report (Well-being of future generations assessment) for Member's consideration.
21. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

22. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:
- age;
 - gender reassignment;
 - sex;
 - race – including ethnic or national origin, colour or nationality;
 - disability;
 - pregnancy and maternity;
 - marriage and civil partnership;
 - sexual orientation;
 - religion or belief – including lack of belief

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- (1) note the overall progress at Quarter 2 2019/20, including the budget position reported at Appendix 5;
- (2) consider and if deemed acceptable, approve the Quarter 2 performance report;
- (3) authorise the Director of the Cardiff Capital Region City Deal to formally submit the Quarter 2 performance report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet.

Kellie Beirne
Director, Cardiff Capital Region
19 December 2019

Appendices

- Appendix 1 CCR City Deal Quarter 1 Performance 'Balanced Scorecard'
- Appendix 2 CCR City Deal CSC Project Quarter 1 Logic Model
- Appendix 3 AGS Quarter 1 Update (containing the Risk Log) and Internal Audit Action Plan
- Appendix 4 Wider Investment Fund Finance Update
- Appendix 5 IIF Current Status Tracker
- Appendix 6 House of Commons Welsh Affairs Committee – City Deals and Growth Deals in Wales
- Appendix 7 Future Generations Assessment Evaluation

Annual Business Plan Balanced Scorecard

Actions Due:	Q1	Q2	Status
Activities on Schedule	8	14	✓
Activities In progress with some issues	4	8	-
Activities Failing to Progress	0	0	✗

ACTION POINT	DUE DATES	Q1	Q2	Status	ASSURANCE STATEMENT	ASSURANCE LEVEL
4	Q1/4	ON TARGET	ON TARGET	✓	7	STRONG/MODERATE
5	Q2/3	C/F TO NEXT Q	ON TARGET	✓		
7	Q2	C/F TO NEXT Q	COMPLETED	✓		
9	Q1	PROGRESSING - SOME ISSUES	ON TARGET	✓	2	MODERATE
13	Q2	C/F TO NEXT Q	COMPLETED	✓		
16	Q2	C/F TO NEXT Q	COMPLETED	✓		
19	Q2/4	PROGRESSING - SOME ISSUES	PROGRESSING - SOME ISSUES	-		
21	Q1/3	ON TARGET	ON TARGET	✓		
22	Q1/2	PROGRESSING - SOME ISSUES	PROGRESSING - SOME ISSUES	-	20	STRONG/MODERATE
23	Q2/3	C/F TO NEXT Q	ON TARGET	✓	20	STRONG/MODERATE
24	Q2/3	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	-		
25	Q1/4	ON TARGET	ON TARGET	✓		
26	Q2	C/F TO NEXT Q	ON TARGET	✓		
30	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	-	9	STRONG/MODERATE
31	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	-		
32	Q2/4	C/F TO NEXT Q	ON TARGET	✓		
33	Q1/4	ON TARGET	ON TARGET	✓		
35	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	-		
36	Q1	COMPLETED	COMPLETED	✓		
37	Q1	COMPLETED	COMPLETED	✓		
39	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	-	13	MODERATE
40	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	-		

Quarter 2 Project Pipeline Update

Deliverable	ABP Action	Progress Update	Status	When Completed
CSC Cluster (subject to SIPF outcome)	18a	<ul style="list-style-type: none"> SIPF submissions to UKRI Full business plan submitted for the CSCConnected project c£45m Wave 2 EOI submitted for Medical Diagnostics and Devices Wave 2 EOI supported for Creative Clwster and Fintech 	PROGRESSING - SOME ISSUES	-
Metro Central	19a	<ul style="list-style-type: none"> Investment Panel recommended to Regional cabinet release of £100k for feasibility work and to inform scope of FBC subject to 5 conditions being satisfied DfW approvals in principle for the outline business case related to the Cardiff Railway Central Station 	PROGRESSING - SOME ISSUES	-
Metro Plus & EV Strategy	19b	<ul style="list-style-type: none"> Delegations to RTA for scheme approvals against City Deal Requirements City Deal Requirements set out in the approved Common Assessment Framework Metro Enhancement Framework adopted and approved by RTA to complement the above First 'approved' schemes coming forward for initial funding approval of RTA on 13 November 2019 Taxi LEV strategy going for RTA approval on 13 November 	PROGRESSING - SOME ISSUES	-
Housing Investment Fund (including Sites and Premises assessment)	19c	<ul style="list-style-type: none"> Investment Panel recommended to Regional cabinet release of £100k for FBC development Workshop events with partners to inform the stalled sites and SME aspects of fund Sites and premises work being synched with the principles of the fund 	PROGRESSING - SOME ISSUES	-
Digital Infrastructure	19d	<ul style="list-style-type: none"> CVL fibre project has in principle status as part of the IIF – with developmental work ongoing with proposers Fibre enablement of 'core towns' project is at SIFT 1a stage of the IIF Two further discussions underway on IIF proposals regarding market opportunities around digital infrastructure Digital infrastructure requirements and opportunities embedded within the Metro Plus Common Assessment Framework LFFN Wv 2 project re-purposed to deliver across all CCR LAs – anticipated to be c£6-7m 5G Blueprint for CCR submission to DCMS led by Innovation Point, CCR, WG and academic and private industrial partners Digital demand report commissioned as a frame for regional digital investments 	PROGRESSING - SOME ISSUES	-
Skills for the Future	19e	<ul style="list-style-type: none"> Work is underway to establish a Youth Cabinet/ Forum – with partnerships, youth councils and organisations from across the region MSC data science students are working across the CDO and RSP to augment capacity for regional skills 'live' data capture. PhD data science students start in January 2020 (through the KES scheme) and skills intelligence will feature in this work A brief has been drawn up to appraise existing shared apprenticeship schemes in the region with a view to scaling up a scheme for the region The Common Assessment Framework is now adopted and embeds skills opportunities through social value clauses and Targeted Recruitment and Training as core requirements of contracts CSC engagement is taking place through CSCConnected to establish one integrated plan for training, learning and skills development In relation to inclusive growth around skills development, several of the IIF pipeline schemes originated relate to young people outside of the system and in particular, care leavers The Annual Employment and Skills Plan was produced and published in October 2019 CCR supported pupils to participate in the STEM Royal Military Academy at Sandhurst September 2019. This was in conjunction with Innovate UK and the leaders of the Faraday Challenge 	ON TARGET	✓
Graduate Placement Scheme	19f	<ul style="list-style-type: none"> 13 graduates are now in place in locations such as Newport, Monmouthshire, Cardiff and Bridgend. 2 further posts are out to advert and with the commitments in the pipeline now working through, it is estimated that 47 graduates will be in place as at 31 March 2020. 	ON TARGET	✓
Public Services testbed submission to WEFO institutional capacity	19g	<ul style="list-style-type: none"> WEFO P5 Institutional Capacity InFuSe bid submitted £8m with match funding requirement Additional bid into SBRI for £1.6m Target commencement date April 2020 	PROGRESSING - SOME ISSUES	

Quarter 2 Detailed Work Programme Update

Logic model title	Compound Semiconductor Cluster		
Logic model type	Hybrid 4A: Sites and premises for enterprise and innovation and 4C: Science & R&D capacity		
Interventions / projects covered by logic model	Compound Semiconductor Project		
Theory of change			
<p>Investment Fund monies will be used to support the development of a compound semiconductor cluster in South Wales, centred on the former LG site between Cardiff and Newport. Monies will be used specifically to redevelop the facility to modern standards, including a clean room facility for the production of compound semiconductors, which is anticipated to leverage substantial private investment, by a single tenant (IQE), of £375m to kit out the factory. A Special Purpose Vehicle (SPV) has been set up as the site owner, and it will receive rental income for 11 years at which point IQE has an option to acquire the site. Through this arrangement, the expectation is that the Investment Fund monies would be repaid.</p> <p>It is expected that the facility, and IQE's location in South Wales, will act as anchor in the region for high end compound semiconductor production. The investment is expected to complement other investments in the compound semiconductor sector locally, including ERDF funding for Cardiff University's Institute for Compound Semiconductors. The long-term intention is to create a cluster at the forefront of R&D in this technology area, and at the forefront of production of compound semiconductors, although this would rely on non-investment Fund activities (unless additional Investment Fund monies are committed to other projects to develop the cluster).</p> <p>Key assumptions underlying the ToC: site's tenant could not have found alternative space locally, and would have moved production overseas without the intervention; retention and expansion of firm's production in Wales results in jobs safeguarded and created as expected; the modernised factory and clean room facility is attractive as a property resulting in enhanced value; the development of this facility and its primary lessee is an essential component in the development of the cluster resulting, alongside other interventions, in helping current semiconductor firms in south Wales to move up the value chain, and attracting other new companies and activities.</p> <p>Other factors: complementary activities, e.g. of Cardiff University and the Compound Semiconductor Applications Catapult; market demand for compound semiconductors and the continuing growth of the sector; and development of the necessary skills.</p>			
Inputs	Activities	Outputs	Outcomes
<p><u>Investment Fund inputs</u></p> <ul style="list-style-type: none"> £38.4m <p><u>Other inputs (including staffing and in-kind)</u></p> <ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Construction activities in relation to development of a clean room facility for the production of compound semiconductors at the former LG site between Cardiff and Newport Establishment of a Special Purpose Vehicle for the site 	<ul style="list-style-type: none"> Ha land acquired (LS) Ha land assembled for commercial development Commercial floor space developed (5,900 sq. m) Construction years of employment No. of learners enrolling/ completing course (i.e. apprentices in construction) (LT) 	<p>Theme-specific outcomes</p> <ul style="list-style-type: none"> Private sector leverage up to the value of £375m for kit out of the facility (LS) Secure a £50m investment from the Compound Semiconductor Catapult (LS) Increase in premises with access to connectivity infrastructure (one) – <i>Celtic Way, Newport has since seen improved road infrastructure and fibre connectivity</i> Positive property market sentiment survey Uplifted commercial sale value (£6m) Land value uplift Floor space occupied by firms at the facility

- Direct creation of new jobs at the site (501 - achieved over time) [65 direct jobs created to date]
- Safeguarding jobs (156 at head lessee company, 390 jobs at wafer fabrication plant)
- Indirect and Induced jobs (1088 - achieved over time) [259 indirect and induced jobs created to date]
- Apprenticeships [8 new apprenticeship opportunities created to date]
- Growth in employment of business located in the facility by number of employees
- Growth in turnover of business located in the facility
- Improved business survival rate of business located in the facility
- Increased expenditure on business R&D (tenant + subsequently in wider sector)
- Increase in exports (tenant + subsequently in wider sector)
- New/improved processes adopted (tenant + subsequently in wider sector)
- New/improved products entering the market (tenant + subsequently in wider sector)
- Intellectual Property (IP) registered (e.g. patents) within the cluster
- Improved attractiveness as a location for inward investment

Broader outcomes

- Return on investment up to the value of £33,108,000 (LS) [*anticipated that tenant will exercise option to purchase ahead of year 6 with full return of investment resulting*]
- A total of 259 indirect jobs have been created off the back of the foundry through local supply chain and household effects, with particular impacts in the construction and higher education sectors and the catapult, along with the creation of a further 8 apprenticeship opportunities.
- A further 697 jobs indirectly supported to date within the semiconductor sector in SE Wales since the commencement of the Foundry.
- Enhancement of local innovation ecosystems
- Increase in the number of businesses that are innovation active (i.e. in the wider compound semi-conductor sector)
- As of Oct 2019 it is estimated that IQE supports direct and indirectly around £22m of Welsh GVA and with much of this supported in the Cardiff City Region. Over the same period the wider semiconductor cluster has estimated to support direct and indirectly around £158m of GVA. The commercial fundamentals of the sector are strong and we are fortunate to have so many good companies in this area with the potential for further job creation and enhanced GVA support for the region.

Expected timescales for inputs / activities / delivery of outputs and outcomes

<u>Investment Fund inputs</u>	<ul style="list-style-type: none"> • 2017-18 	<ul style="list-style-type: none"> • Achieved on completion of the project and tenant moving into the facility. 	<ul style="list-style-type: none"> • Impacts to be realised over time. Some will be realised on or soon after completion of the project e.g. investment leveraged, improved attractiveness of the site, development of floor space.
<ul style="list-style-type: none"> • 2017-18 		<ul style="list-style-type: none"> • Project delivery, including site occupation, phased so outputs achieved incrementally over time 	<ul style="list-style-type: none"> • Others will be realised as the principal beneficiary develops its business • Yet others will take longer, e.g. development of the ecosystem and outcomes relating to the wider sector.
<u>Other inputs (including staffing and in-kind)</u>			
<ul style="list-style-type: none"> • None 			

Relationship to other interventions

Other Investment Fund logic models:

- Unknown at this stage – further interventions (and logic models) to be confirmed

Other non-Investment Fund activities:

- Wider development of the Compound Semiconductor sector in Cardiff e.g. EU funding for Cardiff University's Institute for Compound Semiconductors

AGS 2018/19 Action Plan Q2 update

The tables below outline a progress summary of the actions that have been captured as part of a formal 2018/19 Action Plan.

As at Quarter 2, 18 actions are on target and 2 actions are progressing with some minor issues. There are no actions failing to progress.

New Risk Management and Assurance monitoring procedures have been created and are due for implementation in Quarter 3.

The first team Risk and Assurance review meeting is due to take place at the beginning of Quarter 3.

Appendix 3(c) contains the initial risks identified by the City Deal team which form the current City Deal Risk Register.

These risks will be reviewed at the Risk and Assurance review meeting in Quarter 3.

Table 1

ASSURANCE LEVEL	Actions on Target	Actions progressing – some issues	Actions Failing to progress
STRONG	9	0	0
STRONG/MODERATE	4	2	0
MODERATE	4	0	0
MODERATE/LIMITED	1	0	0
LIMITED	0	0	0
TOTAL	18	2	0

Table 2

Appendix 3(a)

No.	Assurance Statement	2018-19	2019-20		Progress status
		Q4	Q1	Q2	
		Assurance Rating	Assurance Rating	Assurance Rating	
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.	MODERATE	MODERATE	MODERATE	ON TARGET
2	We ensure: a) Compliance with relevant laws and regulations, b) Compliance with internal policies and procedures, and c) that expenditure is lawful.	MODERATE	MODERATE	MODERATE	ON TARGET
3	We are committed to openness and acting in the public interest.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	ON TARGET
4	We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.	MODERATE/LIMITED	MODERATE/LIMITED	MODERATE/LIMITED	ON TARGET
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.	STRONG	STRONG	STRONG	ON TARGET
6	We have translated the vision into courses of action for our function, its partnerships and collaborations.	STRONG	STRONG	STRONG	ON TARGET
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.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	ON TARGET
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.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	ON TARGET
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.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	PROGRESSING - SOME ISSUES
10	Our financial management arrangements conform to all relevant legislative and best practice requirements.	STRONG	STRONG	STRONG	ON TARGET
11	We have effective arrangements in place to discharge the monitoring officer function.	STRONG	STRONG	STRONG	ON TARGET
12	We have effective arrangements in place to discharge the head of paid service function.	STRONG	STRONG	STRONG	ON TARGET
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.	MODERATE	MODERATE	MODERATE	ON TARGET
14	We have mechanisms to review the effectiveness of our framework for identifying and managing risks and performance and for demonstrating clear accountability.	MODERATE	MODERATE	MODERATE	ON TARGET
15	We ensure effective counter fraud and anti-corruption arrangements are developed and maintained.	STRONG	STRONG	STRONG	ON TARGET
16	We have an effective scrutiny function in place.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	ON TARGET
17	Our internal audit assurance arrangements conform to Public Sector Internal Audit standards and relevant best practice.	STRONG	STRONG	STRONG	ON TARGET
18	We have arrangements in place for the delivery of the core functions of an audit committee.	STRONG	STRONG	STRONG	ON TARGET
19	We provide timely support, information and responses to external auditors and properly consider audit findings and recommendations.	STRONG	STRONG	STRONG	ON TARGET
20	We incorporate good governance arrangements in our partnerships and other joint working arrangements.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	PROGRESSING - SOME ISSUES

Internal Audit Schedule 2017/18 to 2021/22

Subject	Audit Focus	Y1	Y2	Y3	Y4	Y5
		2017-18	2018-19	2019-20	2020-21	2021-22
Governance, transparency and effective decision-making	Governance Structures					
	Arrangements for business cases					
	Managing and reporting on projects	✓	✓	✓	✓	✓
	Performance reporting					
	Registers of Business Interests					
Financial Management	Review of SAP systems and controls					
	Budgetary control and monitoring		✓		✓	
	Security of Assets					
Payroll and Personnel	Review of pay and payroll costs			✓		
Commissioning and Procurement	Review of procurement arrangements and payment procedures	✓		✓		✓
	Tenders and Contracts					
Income collection and debt management	Review of income collection (incl. grant income)		✓		✓	
Best value/ value for money	Benefit realisation	✓	✓	✓	✓	✓
	Performance indicators and evaluation methodology					
Review of Joint Committee statement	Review statement for annual accounts	✓				

CCR City Deal Risk Register

Ref	Risk Title	Inherent Risk		Residual Risk	
		Risk Score	Priority	Risk Score	Priority
CDR1	Business Plan Delivery	B1	High	C2	Medium/ High
CDR2	Governance & Effective Decision Making	C2	Medium/ High	D2	Medium/ High
CDR3	City Deal Programme Scope & Funding	B1	High	C2	Medium/ High
CDR4	Financial Affordability	C2	Medium/ High	D2	Medium/ High
CDR5	Funding Terms & Conditions	C1	High	C2	Medium/ High
CDR6	Workforce	C3	Medium/Low	D3	Medium/Low
CDR7	Further Regional Working	D2	Medium/ High	D3	Medium/Low
CDR8	Specific Project Delivery	B2	High	C3	Medium/Low
CDR9	Brexit	B2	High	C2	Medium/ High

2019/20 Wider Investment Fund Budget: Quarter 2 Update

1. The Wider Investment Fund (WIF) 2019/20 Budgets were approved by Regional Cabinet at its meeting of 18th February 2019, and included a programme of activity as detailed in Table 1 below, along with the proposed funding priority.

Table 1: 2019/20 Approved WIF Expenditure & Funding (and Medium Term Overview)

	2019/20 £'000	Medium Term Overview		
		2020/21 £'000	2021/22 £'000	2022/23 £'000
<u>Indicative Programme Expenditure</u>				
Wider Investment Fund Top-Slice	743	743	743	743
Approved Projects - Revenue	144	0	0	0
Approved Projects - Capital	1,382	0	0	0
Revenue Resources Available	856	1,600	1,000	1,000
Capital Resources Available	26,110	31,325	42,964	45,663
Total Resources	29,235	33,668	44,707	47,406
<u>Funded by</u>				
HMT Contribution (Revenue)	(1,743)	(1,743)	(1,743)	(1,743)
HMT Contribution (Capital)	0.0	0.0	(22,000)	(22,000)
Total HMT Contribution	(1,743)	(1,743)	(23,743)	(23,743)
LA Contribution (£120M)	(6,418)	(9,073)	(7,964)	(7,964)
LA Funding 'Cost of Carry'	(21,074)	(21,052)	(11,146)	(11,146)
CSC Loan Funding Repayment	0.0	(1,800)	(1,854)	(4,553)
Total Funding	(29,235)	(33,668)	(44,707)	(47,406)

Wider Investment Fund Top-Slice

2. The WIF Top-Slice revenue budget is set at £742,500 and supports the work of the Regional Bodies, as well as including a range of budgets in respect of Programme Development & Support activity.
3. At the time when the budget was set, known commitments were identified which totalled £504,417, with the balance (£283,083) being available to fund new initiatives approved during the year.
4. The actual expenditure at Quarter 2 against the WIF Top-Slice budget is £239,695. Details of this expenditure to date and full year Outturn projections are shown in Table 2 below.

Table 2: 2019/20 Wider Investment Fund Top Slice Budget Monitoring Position

	2019/20 Budget £	2019/20 Q2 Actual £	2019/20 Outturn £	2019/20 Variance £
Forward Commitments:				
Contribution to Joint Committee Revenue Budget	163,417	0	163,417	0
Development of Metro Plus Programme	75,000	29,018	75,000	0
REGP PHD Student support	15,000	0	15,000	0
Housing Investment Fund	80,000	65,000	163,000	83,000
REGP Costs (Chair Expenses)	1,000	0	1,000	0
REGP Costs (MIPIIM 2020)	0	54,883	59,883	59,883
Regional Business Council	15,000	7,500	24,100	9,100
Challenge Fund Set-Up and Management Support	25,000	0	0	(25,000)
Investment Fund Set-up / Manager	40,000	0	0	(40,000)
Emerging Projects	90,000	0	100,000	10,000
Sub Total	504,417	156,401	601,400	96,983
Programme Development & Support:				
Uncommitted Sum	238,083	83,295	183,295	-54,788
Sub Total	238,083	83,295	183,295	-54,788
Total	742,500	239,696	784,695	42,195

5. This expenditure and outturn position reflects the ongoing work against both emerging and approved in-principle projects, which have been approved by relevant Regional Cabinet decisions. These include the following:
- £50,000 for MIPIIM 2020, approved 10th June 2019
 - £9,100 overspend on Regional Business Council Business Plan, approved 15th July 2019
 - £50,000 for Expression of Interest costs for Strength in Places Fund Wave 2, approved 15th July 2019
 - £59,000 for ongoing costs relating to the Digital Strategy, approved 15th July 2019
 - £50,000 for the support of Local Sustainable Growth in Bridgend, approved 12th September 2019
 - £98,000 for ongoing costs relating to the Housing Investment Fund, approved 21st October 2019
 - £100,000 for ongoing costs relating to the Metro Central Project, approved 21st October 2019
6. The projected year end expenditure in excess of the agreed budget allocation for the year can be covered by a draw down from Wider Investment Fund balances carried forward. Any future decisions made by Regional Cabinet which would further increase expenditure during this year will need to be considered within the confines of the funding available.

Approved Projects (Revenue & Capital)

7. Table 3 below sets out the budgets for Approved Revenue and Capital Projects for 2019/20. These are projects which are in their delivery stage.

	2019/20 Budget £'000	2019/20 Q1 Actual £'000	2019/20 Outturn £'000	2019/20 Variance £'000
Graduate Pilot Scheme (Revenue)	143.6	42.9	143.6	0.0
CSC Foundry Site Funding (Capital)	1,381.6	0.0	0.0	(1,381.6)
Total	1,525.2	42.9	143.6	(1,381.6)

8. The 2019/20 Annual Business Plan included a budget of £143,600 to fund the remaining aspect of the Graduate Pilot Scheme, which was approved during 2018/19. Recruitments have been completed and officers are in post, marketing and publicity work to advertise the scheme to both employers and graduates has been undertaken and graduate appointments have been facilitated. This budget must retain the flexibility to be able to respond to the needs of the Graduate programme and any underspend to this allocation within 2019/20 will be available to be carried forward to complete the scheme. A further report on this is being considered by Regional Cabinet on 19th December 2019. For this reason, and until any potential underspends are realised, the full allocation is shown as being required.
9. The balance of £1.382M from the £38.5m budget approved in respect of the CSC Foundry Ltd project is now expected to be paid in 2020/21.

Status of Delivery Pipeline and Revenue & Capital Resources Available

10. In addition to the sums outlined above, the 2019/20 Annual Business Plan included uncommitted revenue and capital resources which provide Regional Cabinet with the ability to make new project funding approvals during the year, subject to their approval via the Investment and Intervention Framework (IIF) Process.
11. A narrative update in respect of the Project Delivery Pipeline is provided in Appendix 2a and the resources available to support any projects coming through the IIF process are set out below.

Revenue Resources Available

12. 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 set aside to support In-principle Projects. This budget was set-out to meet the cost of developing business cases, as well as carrying out the required level of due diligence as proposals are developed and move through the IIF process.

13. It should be noted that Regional Cabinet does have further flexibilities to supplement in-year revenue resources via the HM Treasury Grant funding, should this need arise.
14. It is not currently anticipated that any revenue resources over and above those set-out above under the Top-Slice allocation will be required in Financial Year 2019/20. There are, however a number of projects which are at a stage in the pipeline which could lead to Regional Cabinet or those bodies with the delegated powers to do so to approve expenditure during 2019/20. Further updates will be brought to Regional Cabinet in this regard.

Capital Resources Available

15. Projects that have satisfactorily met all the requirements of the IIF process and which are subsequently approved by Regional Cabinet i.e. 'Approved Projects', will be allocated an 'Approved Project Budget', as set out in the project's 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. There is £26.1M of capital resources available in 2019/20 to fund projects during the year, whilst the sums available over the Medium Term amount to a further £120.0M.
16. There are currently no extant Regional Cabinet decisions which would lead to any drawdown of these capital resources in the Financial Year 2019/20. It should, however, be noted that, subject to compliance with the Investment and Intervention Framework, Regional Cabinet has the ability to make appropriate investment decisions. As stated above, there are a number of projects which are at a stage in the pipeline which could lead to Regional Cabinet or those bodies with the delegated powers to do so to approve expenditure during 2019/20. Any such decisions would be subject to the approval or noting of by Regional Cabinet as part of further reports.
17. Depending upon the nature, value and timing of any in-year project expenditure approvals, the components of the 'funding mix' may vary and subsequently impact upon the funding requirements of the Partner Authorities. The established stakeholder networks will be used to provide updates on this as and when necessary.

Pipeline - current status (12/19)

15 Sift Questionnaires at Stage 1a & b

- FTTP Project – 300k premises
- Public Services Testbed
- Centre for Neurology
- FTTP projects x 2
- Life Sciences park
- Aquaculture services
- Tidal energy project
- U220 Project
- Moving Forward project
- 5G Testbed
- AI & Data Science Centre
- CS Campus & CS Connected
- SME Competitiveness & Co-fund



We aim to provide an indicative view of whether or not to proceed with Investment Panel review of projects with 2 weeks of receipt of completed Sift Questionnaire

Challenge Innovation Infrastructure

Proceed; Re-submit; Reject based on strategic fit, sanction due-diligence



28 known projects covering a range of areas across the investment priorities

- Metro Central
- Core Valley Lines fibre project
- Strength in Places - CS Connected

- Housing Catalyst Fund
- Metro Plus (+ EV renewables)
- CCR Graduate Placement Scheme
- LFFN DCMS scheme



Welsh Affairs Committee

Oral evidence: [City Deals and Growth Deals in Wales](#), HC 2095

Tuesday 2 July 2019

Ordered by the House of Commons to be published on 2 July 2019.

[Watch the meeting](#)

Members present: David T.C. Davies (Chair); Guto Bebb; Geraint Davies; Jonathan Edwards; Susan Elan Jones; Jack Lopresti.

Questions 32 - 63

Witnesses

I: Kellie Beirne, Director, Cardiff Capital Region City Deal, and Councillor Peter Fox, Vice Chair, Cardiff Capital Region Board

Examination of Witnesses

Witnesses: Kellie Beirne and Councillor Peter Fox.

Q32 **Chair:** A very good afternoon to Councillor Peter Fox and Kellie Beirne, who have come to talk to us today about the Cardiff capital region city deal. Thank you both very much for coming up.

Perhaps I could start off the evidence session. I have a feeling I know what the answer to this is going to be but I am going to put it to you anyway. What has been the total spend, actual and committed, on the south Wales metro and what are the different sources for its funding?

Councillor Fox: It is great to be here. Thanks for asking us to come up. You will probably recall that the city deal equates to a £1.229 billion deal, made up of £0.5 billion from the Welsh Government, £0.5 billion from the UK Government and the balance from 10 local authorities. £734 million has been pre-allocated to the metro project. The bulk of that is made up of the Welsh Government's £500 million and the balance from the UK Government, which also incorporates some European moneys. That leaves the £495 million for the likes of me, where we get involved.

That £734 million project will be administered by Transport for Wales, so there is an area we do not get so close to within the deal. It is managed by Transport for Wales, even though we do have a non-statutory transport authority made up from 10 cabinet members from councils who have some input into that.

Q33 **Chair:** I understand. We probably should put detailed questions on that point to Transport for Wales. Do you have any further idea of how much of that money has been spent so far or where the money has been spent?

Councillor Fox: I understand that we will see real, tangible trains on the tracks in 2022. On the Transport for Wales website recently there was an announcement—actually, only over the last few days—that £100 million has been committed to the first step of a depot at Taff's Well. That is where I think they are going to home all of the new trains, where a lot of the maintenance and the co-ordination of a lot of the projects will emanate from. I don't know any greater detail of what they have committed additionally to that. There have been certain works along the metro side but Kellie might have a deeper insight than me.

Kellie Beirne: Yes. There has been some early progress, so I know there has been renewal of some trains early on. As you will be aware, there is a commitment to 100% renewable energy as part of the metro rollout. I know some good progress has been made with that as well.

Of real significance is this £100 million investment in the command centre at Taff's Well, which is in Rhondda Cynon Taf. It is significant because it has potential to drive wider economic impact. I think that is



the real potential of the metro. Yes, it is a transport infrastructure project, it is about sustainability, it is about driving modal shift, but our specific interest, from the wider investment fund point of view, is how do we optimise and maximise the wider economic benefits so that we are not just moving people around but focusing on bringing people together. We are thinking about some of the links and the connections. For example, with a commitment to 100% renewable energy, how do we anchor that and grow a whole industry on the back of it in the region? I think that, beyond the technicalities, that is where our strong interest lies.

Q34 Susan Elan Jones: As the flagship project, are you confident that the south Wales metro will help bring about the positive impacts that the region has aimed for? As a north Walian I am interested in all your answers on all of this.

Councillor Fox: Yes. It was an absolute fundamental strand of the city deal that we negotiated. Connectivity was going to be fundamental to driving the economic change we needed to see across the region. Seeing four trains an hour—or whatever modal method of communication it will be—is going to be a massive change to the region. It is going to really drive opportunity, to try to readdress some of the balance that has shifted out of the region, where you are seeing all of the opportunities in the south and very little up in the valleys. Hopefully, that connectivity and the nodes of innovation and opportunity we can create around that connectivity in the valleys will really drive something.

We are absolutely hopeful that that will deliver what it is expected to deliver. Without that connectivity we will struggle to bring that real change that is needed in the region. You will remember that the Cardiff capital region is only about 60 miles across lengthwise. It is about 30 miles high but it has half of the Welsh population in it, and if we can help mobilise those young people and give them aspirations in all parts of the region we can certainly start redressing the balance.

That was some of the moral business case that many of us politicians had to try to address that imbalance there. I am absolutely hopeful it will do what it will do, but it is too early to say yet, because we are not seeing the actual physical stuff rolling out. We are seeing all of the ground work. If that question is asked again in 2022 we should be able to start seeing how it might really make an impact.

Q35 Susan Elan Jones: We know that the metro constitutes a significant proportion of the city deal's total spend. I think you have three-quarters answered this. I was going to ask about the rationale of putting so many eggs in one basket, but you have sort of said it in terms of connectivity and life chances so I will not ask for any further ones on that one, but if I could ask Councillor Fox: how will the metro ensure that areas—such as yours in Monmouthshire—benefit in addition to the hub area in Cardiff? Then if I could just ask Ms Beirne if she would like to make any other points in general.



Kellie Beirne: Yes, of course.

Councillor Fox: It is a good question. It is a question I get asked many times by our own residents: how will the metro benefit Monmouthshire? It is very difficult to say at this time because my mindset right from the beginning has been that the 10 constituent councils have to start thinking of themselves as one—one with 10 constituent parts.

If we can benefit any part of that region, the whole region benefits. If we are focused only on our own patch, we may as well have stayed at home and not got involved in that regional picture if we really want to create change. If we can drive opportunities and create high quality jobs in, say, Blaenau Gwent, and they are accessible to people in Monmouthshire, where we have an aging population, and we can keep our skilled young people in our county and let them live and grow and bring their families up there, that is better than seeing them go to Bristol, Swindon and Reading and never come back, so metro, lots of opportunities and creating jobs will be really great.

Physically communicate, connectivity-wise, I think we are unlikely in a county like Monmouthshire to see rail tracks driven all the way across it. We are more likely to see other shapes of modal shift, such as rapid bus transit and similar opportunities that can give a high-quality, reliable service not on tracks but with integrated ticketing and those sorts of things. In a county like Monmouthshire, we will be a long way behind seeing the physical benefits of metro compared with somewhere like RCT or Merthyr Tydfil.

Kellie Beirne: To give you some confidence around the wider activity attached to metro, the Welsh Government are leading some really good work at the moment on strategic hubs, so using metro stations to drive different kinds of regeneration, opening up areas that perhaps need a bit of love, care and attention, and thinking about the kind of investment that we can bring in. We are aligning different sources of investment. We are not just relying on a single source.

There is some stuff on strategic hubs and makerspaces, which is a concept that we have spoken about previously, thinking about the metro as a real driver of data. Generating data of patterns of behaviour can really drive different kinds of behavioural change, to understand what it takes to get cars off the road, to get people thinking about active travel and sustainability. That data in itself, both in terms of data analysis and data science could be a real economic driver for the Cardiff capital region, and we are doing some work with our university colleagues on that at the moment.

In terms of the wider impact of metro, one of the significant things that the regional cabinet has signed off recently is a scheme called Metro Plus. What we are trying to do is to ensure that every single place in the Cardiff capital region—those 10 local authority areas—has a modal shift transport scheme, whether it is park and ride or a new bus depot, to



drive different kinds of behaviour and to think about electric vehicle charging infrastructure, on-site renewables, digital connectivity, car sharing, taxi sharing and home-to-school transport. It has given us a real impetus to think about the big challenges that we have to respond to. In solving some of those challenges, we can drive new kinds of economic ambition.

Chair: Do you have a supplementary, Jonathan?

Q36 **Jonathan Edwards:** Councillor Fox partly answered the question. I was going to say that it takes about two hours on public transport to travel between Merthyr and Abergavenny, so can we expect improvements or is it just going to be about driving people into Cardiff?

Councillor Fox: I would sincerely hope that we will see a system that joins at the top as well, so we will see it coming across the heads of the valleys down to Monmouthshire.

I met Professor Stuart Cole, who came to look at what a later phase of metro could look like. It could create a high-quality rapid bus transit that could run across the top and join us all up, pick up Monmouthshire and circulate the region. Absolutely, it cannot be just taking people up and down the valleys; there needs to be connectivity across the top. At what stage we will see that develop? The key areas at the moment are going to be to do those lines up through the valleys.

Q37 **Guto Bebb:** Just a quick supplementary and it follows on from the hearing we had in north Wales, a week and a half to two weeks ago, where obviously the main arguments were presented by the north Wales growth bid. We asked them why they thought they would be very successful. The answer was that they came together before any opportunity to access funding was in place. To what extent is the metro—which is obviously the flagship project within the capital city region growth deal—actually gluing the 10 counties together in terms of your reasons for being involved?

Councillor Fox: It is a good point because I would say that the metro, while it is going to be fundamental for the wider region—I believe it was one of the key things laid down—as I said earlier, Transport for Wales will be dealing with that. What we are left with is: how do we utilise the £495 million left? How do we create or lever in the £4 billion additional inward investment and create the lion's share of the 25,000 jobs? That is the challenge that the 10 leaders are mainly engaged with.

Apart from that we have cabinet members who may be in the transport authority who are working with Transport for Wales. The focus of the 10 leaders, which has gelled us together and driven us, is our work around the £495 million and how we can unlock innovative opportunities, things like the advancement of compound semiconductors and those sorts of things. I think that is what gels us more.



Obviously, it is intrinsically linked to the metro because all of this stuff has to fit together. It cannot be something happening over there and something happening over here. That is what has brought us together and bound us together. The speed it emerged—the city deal emerged quite quickly—has been a catalyst to pull 10 authorities together. There is a great trust base built across the 10 authorities. We have had changes of political leaders as well over the last few years but we have kept solid to those principles of trying to drive up the benefit for the area. The GVA in our region is the second lowest in the UK alongside South Yorkshire. Is it South Yorkshire?

Kellie Beirne: Yes, it is.

Councillor Fox: It is really low and we can see the massive imperative—it does not matter what political party you are in—of actually doing something here. The tools we have now and the creation of a joint cabinet have gelled us together in a strong partnership. That enables us to do things outside of the city deal now, to take forward more of a regional agenda on other things as well.

Chair: Anymore supplementaries? If not we will move on.

Q38 **Jack Lopresti:** In March Ken Skates claimed that a no-deal Brexit could impact on the south Wales metro if the transfer of track to the Welsh Government wasn't sped up. Is this a legitimate concern or is it the usual nonsense?

Councillor Fox: It has not been put to me that Ken Skates said that. I have not been part of any conversation where he shared that and I am not quite sure what is driving that perspective. I can only make a stab. As I talked about earlier, originally the package around the metro was predicated on having about £106 million of European money. I suppose if there was a no deal and there was no substitute for those moneys, could a deficit in the global package threaten the delivery of metro? I don't know if that is where he is coming from or not.

As 10 leaders, we have not considered the effect of a no-deal Brexit on the outcomes of metro or, indeed, any of our projects. We are marching ahead believing very strongly that, whatever happens, this country is strong enough to come through it. We are focusing hard on driving up the opportunities we have in our area but, like I say, I have not been part of a conversation with Ken where he has explained that to us.

Q39 **Jack Lopresti:** Rail projects in particular do tend to run over time and over budget. Are you convinced or comfortable that the metro will be completed on time?

Councillor Fox: It is very difficult—and Kellie will have a perspective as well—as with any of these projects there is so much ground work and so many people think, "Oh, this is never going to happen", but there are pieces to put in place and I suppose the announcement that some



tangible stuff will be going on the ground and the £100 million commitment to that new depot.

As we see these tangible things roll out, it will give me and fellow leaders the confidence that those things are happening, because sometimes, as 10 leaders, we do get a bit frustrated at not being close enough to understand what is happening with Transport for Wales and the progress it is planning to make. Indeed, you try to hunt down the timeline of stuff and it is not very clear, but I am an optimist and I am confident that things will move forward at a pace.

Kellie Beirne: I think it is a really good point. We have been working very closely with Transport for Wales and that has developed very quickly, in a short space of time, a good engagement strategy and strong communication. We have seen the £100 million commitment to the command centre in Taff's Well. The stuff around renewable energy is great. It is inspiring loads of confidence.

From what we see, I think we have high degrees of confidence. An area that has been much more uncertain is that with our £500 million wider investment fund we are subject to a gateway review. I think what we are saying is: how does the metro aspect of the project also get evaluated and assessed? I believe that is under discussion at the moment.

It is important that the whole of the package is considered as one and that evaluation is right across the piece. I think that will start to give confidence that things are running to time.

Q40 **Jack Lopresti:** Do you have confidence?

Kellie Beirne: Based on what I have seen, yes, I do.

Jack Lopresti: That is good. Thank you.

Q41 **Jonathan Edwards:** Another major project is the IQE semiconductor cluster. The cabinet allocated around £38.5 million to start it off. It is highly ambitious, isn't it?

Kellie Beirne: It is, yes.

Q42 **Jonathan Edwards:** To bring it about they need £400 million of public investment and to create 2,000 high-tech jobs, which is exactly what we want to see from these city deals. Can you give us a brief outline of progress so far, especially in drawing down the private money? Also, what do you hope that the cluster will achieve?

Kellie Beirne: This is a project that I was very closely involved with, as was Councillor Fox as the portfolio holder for innovation. The reason that this project was brought forward is that it has the potential to be a game changer. We are not talking about semiconductors here; we are talking about next generation advanced compound semiconductors. The chips that you have in all of your smart phones, in all of your devices, the chips that are central to the operation of 5G telecommunications, energy



portals, everything you see in the environment around you, are powered by next generation power electronics.

The chip that IQE makes is totally unique. It is world leading. The regional cabinet was so attracted to this project because we could have the only place in the world that could boast the first compound semiconductor cluster, which is the significance of this investment.

The proposition was that for nearly £39 million we would invest in purchasing the old LG building in Newport, which was provided originally for semiconductors. We would buy the building from the Welsh Government. That building has been kitted out with clean rooms, into which IQE are spending—and they are about halfway through—nearly £411 million in kitting that building out with reactors, which are about £3 million apiece. Those reactors are the things that generate the end product, which we can clearly sell and commercialise to wider markets.

It is a fantastic project. The foundry in itself, which is the building that the Cardiff capital region has invested in, will create about 550 jobs. We are up to 60-something already in the very initial period, and we are in the process of capturing all of the other jobs indirectly formed in the supply chain. I think the significance of the project is that the foundry is a manufacturing building where this activity goes on.

We have other companies in the region that form part of this cluster, so IQE are in the foundry in Newport. They are also in St Mellons. They have a compound semiconductor centre of excellence with Cardiff University. They have a compound semiconductor institute as well with Cardiff University. There is SPTS, a semiconductor company in Newport. There is Microsemi, which is based in Caldicot. We also have the Compound Semiconductor Applications Catapult, also based in our foundry, which the UK Government were the major investor in with £50 million.

All of a sudden you can start to see that there are key anchor companies here that have real potential to grow the cluster on a globally significant scale. What we are working through at the moment is how we can create the conditions to develop that cluster.

One of the things that we have done, which we have been working on, is a bid to the industrial strategy challenge fund. We are seeking a package of £44 million under the strength in places fund to create the conditions to properly grow that cluster, to give it an international profile, to make sure it can do FDI and inward investment, because every day we are picking up the phone to people who want to be part of this cluster, whether it is graphene or different chemical compositions. The new one is a silicon product that they can do on compound semiconductors. I know that sounds boring but believe me it is really interesting because it has lots of capabilities.

We are trying to drive skills in this area to make sure that we are growing the technicians, the engineers, the apprentices and the trainees, because



it is quite difficult to recruit to the skill level that we need at the moment. It is about: how can we grow the whole package that will bring this cluster to life?

Q43 Jonathan Edwards: The other question I was going to ask on top—you have just answered in your last bit about the skills and education pathways—is: are educational institutions identifying this as a clear pathway? Is it joined up?

Kellie Beirne: Yes. It is starting to be, I think, because it is quite a new area. The ambition of the cluster is to grow the 550 jobs in the foundry. The independent economic impact assessment said that we could grow up to 7,000 jobs in this industry if we get it right. It is really important that those pathways are co-ordinated. It is harder than it sounds. The universities have developed a master's degree in compound semiconductors and there is some talk about PhDs.

What we are trying to do at the moment is get, at the other end of the scale, the apprenticeships in place, because the contention that the regional cabinet has—a very strong one—is that this has to be about inclusive growth. It cannot just be for the best engineers or the brightest graduates. It has to be about some of the young people that have innate technological skills but may not have the academic grounding or training. The difficult bit, but the thing that is really important, is to make sure that we are doing it at all levels and that we are creating opportunities right across the piece.

Councillor Fox: IQE is very conscious of the need to engage with local people as well and with the schools. I think it will be doing a lot of in-house training, because there are some skills that are required within that business that we do not have provision for. It has to be in-house grown. Talking to the chief executive, it is very keen to grow some of that talent locally and within the organisation itself.

However, I know from talking to the chief executive only a few days ago that, with the terrible situation in Bridgend, for instance, there are going to be a lot of high-skilled engineers there who could probably adapt to many of the roles that are growing in some of that modern technology and other areas. I know he is already looking at how he can talk to some of those people to see if there are opportunities.

The skills gap is one of the biggest worries for all of us in the region, especially seeing how far this cluster could grow and the requirement to service all of that growth. How can we make sure that local people or Welsh people manage to satisfy those jobs? We may not be able to do all that straight away. It could be a lot of people coming in from all over the place, but eventually I would be hopeful that a lot more of our local people could have what they are talking about as being £45,000 jobs on average. If we can anchor those high-quality jobs in the south of Wales, we could anchor a lot of young people we would otherwise lose. That is what we have to aspire to.



Q44 **Guto Bebb:** Just quickly, I was very pleased to hear that you are currently bidding in for the industrial strategy challenge fund, with a £44 million bid. I take it that that bid has gone in but it is not yet decided? That is not my question, by the way.

Kellie Beirne: We got through the first stage. We have been awarded some seed core funding and we have to develop a full business plan for 15 September.

Q45 **Guto Bebb:** That is great. The question I was going to ask is you have been successful in extracting money, £6 million from DCMS in terms of digital connectivity and so forth.

Kellie Beirne: Yes.

Q46 **Guto Bebb:** To what extent are you looking for these opportunities to bid into Welsh Government or, indeed, UK Government funding streams, and how important is that for the partnership?

Kellie Beirne: Absolutely. I always say that our city deal is not £1.3 billion but £5.3 billion. It is just that £1.3 billion is coming from public contributions. We have to go out there and we have to be much more active in levering in not just other public sector investment but private investment. In the example of the compound semiconductor, for every pound we invested we got £8 or £9 back in terms of private leverage.

One of the things that we have done recently is to establish a proper investment framework for our investment fund. That investment framework is divided into three funds: an innovation investment fund, an infrastructure fund and a challenge fund because we have to find better answers to some of the questions that we have at the moment.

Every single one of those funds comes with an expectation that there will be returns on investment and that we will co-invest, leverage maximum investment and, where possible, create an evergreen environment, where we don't give grants but always look for returns that we can keep reinvesting, because this isn't just delivering a city deal. It is delivering sustainability and resilience for our economy. We have to be able to withstand future shocks. We can only do that if we can control our own destiny.

Q47 **Guto Bebb:** I would not disagree with any of that. In terms of the fact that you are happily looking at other Government funding streams, in addition to private sector investment as well obviously, how easy do you find the whole process of bidding for public sector funding? Is it frustrating occasionally?

Kellie Beirne: Yes. What we really welcome—and the Welsh Government have adopted this approach with the economic action plan and the industrial strategy—is a challenge fund, which is great. It is more about the problems that we can solve rather than just applying for money to do more of the same.



Under the industrial strategy and the four grand challenge areas, what we are trying to do is not go for everything, to try to be really focused on our sectoral strands but be sympathetic to the needs of our place. That does not mean chasing everything that comes out. It means being quite considered and picking fewer priorities but going at them in a more strategic way.

Councillor Fox: One of the challenges that we have had in south-east Wales is to embody the understanding that the city deal is not a grant fund; it is an evergreen fund. There are not going to be any further city deals, so we need to keep that £495 million circulating and growing. I want to still see it there in a while because it is generating and it is drawing in that 8:1 ratio or whatever we accept in time. I think we have that mindset there.

When we were talking to the UK and Welsh Governments when we were setting this up, there was also an importance that we were to corral all of the various resources and get them focused in the same direction. Too often we see pots of funding trying to do the same thing, and we need to corral all these together as a greater good. Kellie is absolutely brilliant in pursuing these funds when they are there and hopefully we will continue to be successful.

Kellie Beirne: I would just add that one of the issues that we have had is around influence. Just thinking about the UK Research and Innovation Board, for example, we have not had a Welsh representative. We have struggled as well in terms of Welsh representation on the eight funding councils that sit underneath UK Research and Innovation, including Innovate UK.

We have raised this at a very high level because we believe that we should be around the table. We should be influencing. We should have a voice. We should have a perspective. It was gratifying to see that when UK R&I were recruiting two additional board members, it was trying in particular to target the regions and so was Innovate UK. We are working very hard at the moment to make sure that we can put some Welsh names into the hat, just so we have that representation, just so Wales is visible and we are able to articulate what we are about. That is quite important to that whole question around funding and seeking new investment. You have to be at the table in order to be able to attract it.

Councillor Fox: To add to that, we can contrast how well Scotland have done in managing to lever research and development moneys in; far better than we have in Wales, so—exactly as Kellie says—we have to get closer to that agenda and we have to start leveraging our fair share into Wales, or we are getting short changed.

Q48 **Chair:** The gateway assessments are due to take place every five years, to evaluate the impact of the investment fund and ensure value for money. Are you confident, Councillor Fox, that they will deliver on that and that they will be adequate to ensure that value for money is taking



place?

Councillor Fox: We are a couple of years off—is it a couple of years now?—from our first gateway review. I personally know the leaders have been interviewed about where we have been along our journey to date. I believe there is confidence in what we are doing. I have to take confidence that the gateway system, which has been agreed by Government, is going to be robust enough. I want it to be robust enough because I want confidence that we are doing the right thing.

Kellie might have a different perspective as she is a lot closer to how the gateway process will work, but I have to be assured that it is a robust enough programme and it needs to be. The interface I have had personally with it is via an interview. It is quite light really.

Kellie Beirne: The gateway review is scheduled to take place in March 2021 but the process has changed. Rather than having one watershed moment, the gateway review is now a continuous process. Between now and March 2021, three reports will be produced by SQW, the national consortium lead, which will inform the gateway review.

We have had our first report and I am pleased to report that I think it was a very good and very fair and accurate report. It illustrated real strengths in terms of our industrial growth plan, our sectoral analysis and our investment framework. There were some real positives around delivery of the compound semiconductor project being on target and ahead on things like job creation.

It highlighted some major strengths around industrial leadership, which is one of the things that we have really worked on. It did highlight that we need to do better in terms of broader business engagement, which is a priority for us now.

The one frustration that I have with the gateway review process—and I have tried to express this on previous occasions—is that the gateway review process assesses how we spend money, how money goes out of the door. Our investment fund is different. It is about money back in, and that does not form part of the criteria for assessment at the moment. As this is very much about mindset and culture and thinking about how we build resilience and sustainability in our economy, it would be good if that could be recognised as part of the gateway process. Not just how money has gone out and gone into projects. We are talking about investment here, which I think is a very different proposition.

Chair: Can I just pause for a moment? I know that you have very kindly said you could probably do an hour—between 45 minutes and an hour—and time is pressing. We are only about half way through the questions, so we might try to speed that up. Also, we are joined by Geraint Davies, a distinguished member of this Committee. With the consent of the other members, what I may do is suggest that you move to question 7 and then continue around the room with everyone being one question back, if



everyone is happy with that. It should make sense, hopefully, but I will gesticulate if it doesn't. Would you like to come in on question 7, Geraint?

Q49 **Geraint Davies:** There is a specific question I am going to ask but I want to add something in. The question that we want to ask as a Committee is: you aim to achieve a 5% gross value added uplift and create 25,000 new jobs with £4 billion of additional investment by 2036. Are you confident that you are going to reach these targets?

Councillor Fox: They are huge targets. When we originally brought the proposition up here and played it out to Ministers, we were suggesting at that point that we would still lift GVA by 5% but we were looking to lever in £3 billion of inward investment and create 17,000 jobs. On consideration of that evidence, the deal that was put back to us was that we create 25,000 jobs and lever in £4 billion, so that is what we have committed to do.

We do not know how all of that will manifest over the 20 years because some of the industries that are going to create those jobs have not even been created yet—you know, the technology. It is going to be technology based. A lot of them will be but many of those things are going to evolve quite rapidly.

One of the most important things was the anchoring of the compound semiconductor foundry and our relationship with IQE, because without that anchor and the creation of the cluster, which is going to grow around there, I think we would have been struggling to get towards 25,000 jobs. Of course, the expectation in the deal that we struck was to build strong relationships around compound semiconductors. It was identified early on that this was a growth area. Indeed, the Chancellor came to Cardiff after we had secured the deal and said that he wanted to put £50 million into the Compound Semiconductor Applications Catapult, which is now located in our foundry.

All of the ingredients that we were looking to pull together are coming together. We have the absolute foundations that will satisfy that growth, but I cannot—hand on heart—guarantee that 25,000 jobs will definitely be in place in 10 years or 15 years or 20 years. It may be a lot more than that because the thing is things move on so fast, don't they? The deal is a picture in time and it has some expectation around it, but how do we know how levering in other moneys through other opportunities that are going to flow could create even bigger opportunities and 25,000 jobs? I have to be confident. If I will see it out or not, I don't know, but I think we are on course to do what was expected of us.

Geraint Davies: When you spoke to the Assembly's Economy, Infrastructure and Skills Committee, you talked about alternative measures apart from the bottom line, which is about the quality and location of jobs. I guess the other thing is that there are certain things changing outside your control, not least Brexit and the prospect of a no deal and all this stuff, as well as the relative connectivity of Cardiff—



obviously I am speaking down the line again, in terms of electrification versus HS2—and the rebalancing of the UK’s structural fund to the so-called prosperity fund, which again is bad news for south Wales. I am not trying to give you excuses here, but it seems to me that from the time of the original forecast there has been a change in the weather that may not bring out a lot of sun in your direction.

Councillor Fox: That is a fair challenge and assumption. There are some changes, and I concede there will always be changes as different things come along. We as 10 leaders have not sat down and had alarm bells ringing, saying, “Look, you are not going to be able to deliver on this stuff”. Actually, as I shared just now, we are in a positive place, with all of those foundational bits coming together.

We need to see the metro element delivered. It worries me, the statement of Ken Skates saying, “Well, this is a threat perhaps if we have a no-deal Brexit”. I hope that isn’t the case because all of these pieces are intrinsic to that bigger picture. There will be challenges and burdens that we have to come over and we have to adapt to in our thinking and our review of our strategies as we move along. I think that is absolutely expected.

With all of this deal I have been driven by hope and lots of evidence around to say we are doing the right thing, but we keep optimistic that we are going to deliver on this. We have to because the economy of south-east Wales is in a poor shape and if we—

Q50 **Geraint Davies:** Do you feel that the overall deal is a coherent set of proposals that may be slightly bigger or smaller according to the conditions outside, or is it a mosaic of different ideas, like Swansea?

Councillor Fox: We are nothing like Swansea. Funnily enough, I read again—obviously, while preparing for today—our original document signed by Greg Clark and many others at the time, along with the Welsh Government and 10 leaders. I read through that to see if we were achieving every bit we laid down in that, the governance structures and all those elements, and word for word pretty well we have completed each bit of that, so I am really confident we are heading absolutely in the right direction.

Our anchor piece, alongside the metro, the compound semiconductor—which I outlined all through that—is taking shape exactly in line with what we were hoping it would be. While there are going to be things that are happening outside that will alter it, I am confident that we are heading in the right direction. What we have to do is embrace the opportunities of change and see if we can enhance the deal but, as it stands now, I am confident that we are heading in the right direction to deliver, but the gateway review will be the real challenge to us of where we have got to.

Q51 **Geraint Davies:** Do you have a comment, Kellie, on whether we get anywhere close to the 25,000 £4 billion mark, or will it be closer to the



17,000 £3 billion?

Kellie Beirne: I hope we exceed all of those figures. If you take the example of the compound semiconductor 9:1 intervention rate, we get all of our money back. We get a full return on investment plus compound interest, £230 million per year GVA payroll contribution. That is where we have set the bar.

Going back to your point about whether this a mosaic of projects, under our wider investment fund we only have three priorities: an innovation investment fund, an infrastructure investment fund and a challenge driven fund. That should give us coherence.

The point that I made previously about the targets that we have been set by the UK Government, around GVA, jobs and growth, is we could hit every single one of those targets but we could fundamentally miss the point. We still have to do the right thing and tackle the right issues in our region. We can have 25,000 jobs in call centres. We would hit the target but it wouldn't be the right thing, not just for our economy but for our communities. We have to have our own set of measures based on what really matters too.

Chair: I am going to appeal to everyone that we probably need to be quite concise now or we will be keeping you from your important work for longer than you expect.

Q52 **Susan Elan Jones:** I am going to be very concise. I just want to refer to a press statement on your website last month that labelled the proposed Ford closure in Bridgend as a "challenge for us all". Can I ask you, first, could the city deal do anything to prevent the closure and, secondly, if the closure does go ahead, what could you do to mitigate the effects?

Kellie Beirne: The press release did go out a couple of weeks ago. I think with changes in the automotive industry, advanced manufacturing, it is very difficult to see how that choice by that company could have been prevented or, indeed, mitigated and I was at the first meeting of the Ford taskforce yesterday.

What I think the city deal can do—to go back to my earlier point—is build resilience. We have to be able to withstand these future shocks. We have to develop the foresight so that we can see what is coming, what are the vulnerable industries and what the new industries of the future are.

To give you a very quick example, in our economy in the south-east Wales region in the last few weeks, some of the colleagues—some are part of the semiconductor cluster, while others work much more widely—won several contracts around EV and LEV transmissions and infrastructure. So if we are able to drive that link to Aston Martin and TVR—we also have an announcement on the advanced propulsion centre, which our catapult is project managing—we could do the whole value chain from R&D to production in our region. That is an economy of the future and that is exactly the kind of thing we need to get behind to



make sure that we are resilient in the face of those shocks that will inevitably come.

Q53 **Jack Lopresti:** What was your reaction to the decision taken recently not to proceed with the M4 relief road and—I will just come in now rather than wait for your answer—will there be a negative effect on the region because of the cancellation?

Councillor Fox: I was very, very disappointed, certainly from my own council's perspective, but I think all 10 leaders across the region were equally concerned. I raised it directly with the First Minister, face to face in a meeting of WLGA Council recently. I think it was absolutely the wrong decision to make. It will hold back our economy significantly in the long term.

We have great news in the bridge tolls being released, but we are going to see probably by 2030—I think it is 2037 or something—they say 36% more traffic on the M4. It is all coming through the tunnels, and I think when he visited the tunnels David Cameron said they were like a foot on the windpipe on the Welsh economy. That is exactly what it is like. It really describes it well.

While we are in the region, we are all recognising a need for longer-term sustainable transport for all those things. We are not at the point where that can replace what roads can at the moment. We need to see further infrastructure to be able to unlock the opportunities in south-east Wales and yet we have seen that in place now.

The First Minister shared with me that it was due to costs as well as some environmental issues, because the cost was projected to head towards £1.6 billion. I put it to him, and I have made that point several times, that if it was a cost issue there could have been a toll put on that road for a period to alleviate some of that pressure. I never had a response to that challenge.

Now we have to move on and work closely with the commission that is being put into place to try to find some solutions. Many of us are really worried, especially within the business community, that that commission will take years to come forward with options that will not satisfy the big issues we are facing now. I believe that decision will have a profound effect on unlocking the opportunities in our region. We now have to work with that decision and find other ways to somehow compensate for that. It was absolutely a disappointing decision. I certainly think the majority of politicians in the south of Wales would agree with that.

Q54 **Jack Lopresti:** Do you have a view on that?

Kellie Beirne: I think the view was really set out in the press release. The important thing is the challenge back: okay, so if it is not an M4 relief road, what is it? We are talking about renewable energy and behaviour change. We have an industrial strategy that focuses on the future of mobility. It focuses on clean growth. The challenge that we have put back



appropriately is: well, what is it then? We are happy to inform and contribute to that.

Q55 **Jack Lopresti:** Is there a realistic timescale maybe to get the decision reversed? Is there a mechanism?

Kellie Beirne: I am not sure at this time.

Councillor Fox: Elections are good times to change things, so—

Jack Lopresti: We might have one soon. That would be great. Okay.

Councillor Fox: We could say anything when they were talking about a Welsh Assembly in 2022 but that could change. Let's hope that there is some deeper thinking. We saw an admission last week that the Welsh Government did not know what they were doing on the economy for the last 20 years. That was a really interesting statement to be made. I think some of us are feeling that that decision played into that.

Susan Elan Jones: They made subsequent amendments.

Chair: Now this is getting lively. We don't want to get too lively.

Q56 **Jonathan Edwards:** How important is Cardiff International Airport as an asset in the region, and do you support the recommendation of this Committee that APD is devolved to the Welsh Government?

Councillor Fox: To have an international airport within the region has to be a massive selling point. How do we utilise that in the best way to drive up the opportunities for Wales? How do we get greater use of the airport? How do people start seeing it as a real benefit to fly in and out of Cardiff as opposed to going to Bristol, or up to Heathrow? We need to do that. The Welsh Government has it in their hands. I agree with your recommendation. Anything that can create more use of that airport and use it as a key selling point to Wales and the region, because if it benefits the region it will benefit all of Wales, I absolutely go with it.

Q57 **Chair:** There does seem to be a widespread cross-party view and, surprisingly, the Welsh Assembly, lots of Members of Parliament all say that we should devolve it. I am usually totally opposed to devolving powers to the Assembly but I can see very strong arguments on this occasion for doing it. Are you saying that you would tend to go with the consensus view on this?

Councillor Fox: I certainly would, if it can create more use of that airport—and that is what it needs. If you go to Bristol it is buzzing. You go to Cardiff it is not very busy.

Chair: No. Thanks for that. I think we all agree.

Q58 **Guto Bebb:** The city deal has received significant funding from the UK Government and the Welsh Government. Is it your view that the funding provided by the UK Government is sufficient in relation to the ambitions that you have for the region?



Kellie Beirne: No. Our ambition is much bigger.

Guto Bebb: I was almost bowling that one underarm at you.

Kellie Beirne: I think that is great. That is the challenge and it is also the opportunity. We have a £4 billion private leverage target and I hope that we will smash that.

Going back to my point about trying to build a more self-sufficient, self-reliant future, this city deal is just a platform to enable that. It isn't a programme. It is about building the future of a region and I think that is very much how regional cabinets see the opportunity.

Q59 **Guto Bebb:** Obviously the funding is one aspect of the support that you are getting from both Governments but, in terms of the practical supports that can be offered, is there any more that can be offered specifically by the UK Government? Obviously, we are in a position to influence the UK Government in a manner that is not quite the same in relation to the Welsh Government. What would you like the UK Government to be offering in addition to the financial support that has already been made available?

Kellie Beirne: A co-investment proposition on areas of shared interest would be very interesting. It is something we have been talking to Innovate UK and others about. If we have a sector of strength that aligns with one of the four grand challenges and there is an investment call, can we co-invest? Can we put our money together to have a much bigger impact in solving some of the problems that are of shared interest? This whole proposition around co-investment, being partners to the pot or enabling other means of delivery, is the key.

Secondly, I would say just sharing best practice because one of the areas that we are keen to develop is, beyond investment, what are the fiscal tools and incentives that we could put in place? For example, how creative can we be with our business rates? Can we look at pooling or redistribution? Can we do tax increment financing? If we are going to create additional benefits, can they be recycled into doing more and scaling more of the same? Can we look at enhancing R&D tax credits? What are the different levers that we could pull on to generate wealth in our region and to do so much more?

Things like R&D tax credits are undersubscribed at the moment. What do we need to do to get the message out there and to enhance them? Can we think about the pattern box in a different way? Things like tax increment financing happen in other places. What do we need to do to make them happen in Wales, across both the Welsh and UK Governments?

There are some very specific things but, in general, we need to do a lot better at sharing practice. We get together with the other cohort to city regions periodically to think about our gateway review and our evaluation processes, but that could be widened and expanded to talk about sharing



practice and sharing schemes, replicating the stuff that works. There is a saying that good practice isn't a good traveller, but how can we make some of this stuff around scaling and replicability much easier?

Q60 Geraint Davies: That was a very interesting answer. I wonder whether you feel we are getting our fair share in Cardiff and, indeed, in Swansea versus Manchester, for example or elsewhere, given that we are going to see HS2 reduce the time from London to Manchester from two hours 10 to one hour 10, and the issues with speed of the rail. You have mentioned the issue about congestion and the fact that Wales has 70% GVA, low pay and all of that, so we need the money. Do you think there is a strong case that we should get more than we have relative to what other people have?

Councillor Fox: It is a challenge. At the time, our deal was the biggest deal that had been struck in the UK, but that disguises recognition that the £734 million is already spent. For the agenda, many leaders are focusing on that other £495 million. I would have loved to have seen £1 billion around that agenda, because £495 million is a very small amount of money to do what we are charged to do with it, but I don't know if Kellie has a better perspective.

Kellie Beirne: The money is there. There is £6.5 billion set aside for delivery of the industrial strategy. That is the combined annual budget of UK Research and Innovation. The difference for us in Wales is we have to compete to secure that investment, and I think the question is: do we have the resilience and confidence to go into that space and compete to secure resources rather than just have them allocated to us? That is the big challenge for us. We are engrossed in it.

Of course, we would like more resources and I think we have the scale of ambition to match that but I think the industrial strategy, the challenge fund and shared prosperity is where we have to try to focus our efforts for the future.

Q61 Chair: The regional cabinet is the decision-making body for the city deal. Who scrutinises the regional cabinet? Also, given that it is made up of mainly Labour members, although it is cross-party, are there any issues with you working together across party lines on that?

Councillor Fox: I have to say the relationship we have within the 10 leaders has been great, even when we have had changes. I am the only Conservative leader at the moment. There were two. We have Independents and Labour and we all get on extremely well because we are united on that bigger goal. I don't think we have ever had to get to a point where there has been a vote and a majority has had to carry it. It has always been unanimous on every front and we find a way to get to that point.

Scrutiny is evolving, so there is a scrutiny committee now that is made up of other members from all of the 10 authorities. They are robust in



their challenge and we have been scrutinised—well, you have been scrutinised a lot more than I have—and they have a strong work plan and they are carrying out that function robustly.

Q62 Geraint Davies: The Auditor General for Wales has released a report on your first investment decision. Some aspects of it were quite critical. How have you responded to the report and changed your processes?

Councillor Fox: I accept the auditor's finding, and what drove that, I suppose, was that not every element of our governance structure was in place when we made that first investment opportunity. That is not to say it was made recklessly. It was done with all of the due diligence and everything we needed, but some of the elements of governance were not established.

If I come back to where we started, the fundamental anchor for our region being compound semiconductors, the investment opportunity was presented there at that time. The 10 leaders felt that it was so important that we did all we could to anchor that, because it was so fundamental to the rest of the deal. We were content with all of the due diligence that was done. We were content to make that decision.

However, we acknowledge that some areas of our governance structure and processes were not totally in place. They are now, as Kellie talked about. We do have the investment intervention framework for how we will assess all investment opportunities as they come forward. It was a hands up at that time, but it was a decision that I and the other nine leaders do not regret. We absolutely stand by and it has proven to have been the right decision, but we acknowledge where our shortcomings were and where they are right now.

Chair: We have pretty well run out of time, to be honest with you. We can ask that last question quickly if you want.

Q63 Susan Elan Jones: I will be very quick on it. Can I ask two parts very quickly? What did representatives of Cardiff city region learn on their recent visit to the business conference in Cannes? Can I also ask—I am very interested, Ms Beirne, on what you said about sharing practice, sharing schemes and things—have you drawn any lessons from any of the city or growth deals in England? I am happy for you both to chip in on both parts.

Councillor Fox: I will do the first bit. Yes, there was a bit of media coverage because a few of the leaders and chief execs and officers wanted to go to MIPIM. I am sure you will know it is an event that attracts probably upwards of 30,000 key investors across the world. If we are serious about selling our region and sharing what we have to offer, it is absolutely appropriate that we have a presence there. We learned a lot. Cardiff is a regular attendee and we went as a region, attached to Cardiff, to learn.



HOUSE OF COMMONS

We have since evaluated that and we have learned that it is a place that regions need to be. It is not a place where a city on its own, unless it is a very big city, wants to be. It should be a country or a regional presence there. What was conspicuous by its absence is that there was no Welsh Government representation there. That was missed by a lot of delegates.

We have agreed as a region that we want to participate in that event for the next three years. It is important that if you go there, you do it well. I have been challenged because it cost about £1,800 for each member to go there. I think that was absolutely money well spent. If the region doesn't look to sell its wares on the global stage, it is never going to succeed. We need to make Wales internationally recognisable and investable. That has not been done well over many years. Hopefully, we are going to break that mould.

Chair: Thank you very much. That is excellent. Thank you both for coming in. I am sorry we overran slightly, but it is a very interesting issue and I wish you a safe journey back.

Future Generations Assessment

<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 919286 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 2 Performance</p>	<p>Date Future Generations Evaluation form completed: 17 Dec 2018</p>





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

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

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

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report describes performance in the round. It sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	
 <p>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>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>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	<p>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.</p>	<p>None arising at this time.</p>	
Disability	<p>As above</p>	<p>As above</p>	

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	Not at this time but the situation will be kept under review.	

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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?

- 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

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

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

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

The impacts of this proposal will be evaluated on:	Quarter 3
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19 DECEMBER 2019

THE WIDER INVESTMENT FUND - ANNUAL BUSINESS PLAN 2020/21

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM 6

Reason for this Report

1. For Regional Cabinet to consider and approve its 2020/21 Annual Business Plan in respect of the effective operation of its Wider Investment Fund.
2. To provide Regional Cabinet with a comprehensive and detailed account of proposed Business Plan activity in 2019/20, related to the use and application of the Wider Investment Fund.
3. In the run-up to Gateway 1, to demonstrate impact in line with Gateway Review objectives through the inclusion of a draft self-assessment covering the period October 2018-October 2019.

Background

4. The Joint Working Agreement (JWA) governing the delivery of the Cardiff Capital Region City Deal, requires that an Annual Business Plan be prepared to set out activity relating to the proposed management of the Wider Investment Fund (WIF). The Plan should set out key targets, goals and anticipated outcomes as well as proposed investment for approved projects to be developed over the course of the year. The Plan should enable the distillation of the five year JWA Business Plan approved by Cabinet on 23 February 2018.
5. A copy of the proposed draft Annual Business Plan 2020/21 is attached to this report at Appendix 1. This, the fourth Annual Business Plan to be considered and recommended for approval by Regional Cabinet, establishes direction of travel for the year ahead, as well as the programmes, activities and projects proposed to be developed and delivered from the WIF. The WIF totals some £495m and comprises HM Treasury grant funding amounting to £375m over 20 years and Council Contributions of £120m.

Key Issues

6. As the fourth iteration of the Annual Business Plan, the format and structure continues to evolve in line with the dynamic operating environment and policy backdrop. This is in keeping with the wider evolution of the City Deal Programme. In October 2019, Regional Cabinet and the City Deal Office held a planning day. A number of themes, issues, challenges and opportunities were considered and discussed and whilst a number of principles and priorities emerged, in the round, they fit under the following four headings:
 - Leveraging the foundational capacity put in place to leverage through-put and output of the delivery pipeline and Investment Framework
 - Gateway Ready and able to tell the story of the journey to date in a compelling way
 - Engaging and influencing to leverage new partnerships, potential and sources of sustainable investment
 - Moving beyond the parameters of the City Deal – to looking ahead and building a resilient future for a City Region
7. Strong political leadership in setting direction and optimising delivery of City Deal is critical against the backdrop of a turbulent and unstable macro-political environment, shifting economic landscape and environmental and climate risks, is critical. The sense of shared purpose around ‘no-one gets left behind’ and ensuring the City Deal enhances the prospects of the whole region, remains a core driver.
8. The Annual Business Plan sets out at a high-level the key success factor and results sought in each of the four priority headings set out above. Contained at Appendix 1 is a more detailed breakdown of the tasks and activities need to deliver core objectives and translate into real outcomes. The draft self-assessment is attached at Appendix 3. It should be noted, that the draft self-assessment covers the period October 2018-October 19 since this is the period over which, the ‘ten point plan’ introduced in October 2019 to evolve the direction of City Deal – was underway.this simply establishes the principle of self-assessment, ahead of formal self-evaluation and provides an overview of significant achievements over this period.
9. This sets out key outcomes in relation to development of evidence, data and intelligence; the Regional Economic and Industrial Growth Plan; the Investment and Intervention Framework; good governance; establishing the City Deal Office; shifting to challenge and mission driven approaches and leveraging opportunity from sources such as UK Research and Innovation, private equity, institutional wealth and international partners
10. The Business Plan further sets out the Funding Strategy and establishes the budget for the Joint Committee for 2020/21.

Legal Implications

11. The JWA provides that the Programme Director shall procure a draft Annual Business Plan for consideration and, if deemed suitable, approval by the Regional Cabinet. The Annual Business Plan is defined as meaning the plan in relation to the annual spend for approved projects to be implemented in the accounting period to which the report relates.
12. The JWA provides timescales in which the Annual Business Plan should be prepared and the periods of notice to be given to the parties, which have been complied with.
13. Detailed legal advice should be obtained on the various activities listed, as matters progress. In developing the Annual Business Plan and in carrying out the activities listed regard should be had, amongst other matters, to:
 - a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
 - b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and
 - c) the Well Being of Future Generations (Wales) Act 2015 –

Financial Implications

14. This report seeks approval of the 2020/21 Annual Business Plan (Appendix 1) and details the current position in respect of approvals to-date, in-principle commitments and sums available for future revenue and capital projects.
15. In-line with the Investment and Intervention Framework (IIF), all investment proposals will be subject to business case development and approval. The business case will provide detailed information on matters such as; expenditure profile (and whether it is revenue and/or capital in nature), and the proposed funding streams. The business case will also need to be clear on the proposed delivery mechanism and how risks will be allocated and managed.
16. The approved affordability envelope has been set at £210.8 million and is based on the indicative modelling that was undertaken in January 2017 and informed the reports approved by each constituent council in January/February 2017.
17. The Joint Working Agreement (JWA) defines the Affordability Envelope as:

“the overall costs and investment by each Council pursuant to their proportion of the Councils' Contribution under this Agreement over the evaluation period, which shall not exceed in aggregate £210,800,000 (two hundred and ten million eight

hundred thousand pounds) and shall include, without limitation, all interest, inflation and UK Government cost to carry and shall be updated and will be reflected within the terms of the JWA Business Plan (as part of its approval by the Councils) to include, amongst other matters, the annual spend profile for each Council”

18. The JWA Business Plan acknowledges that the affordability implications arising from the ‘wholelife cost’ of the Wider Investment Fund will change over time, as investment decisions are made and projects are implemented. Therefore, the affordability model is updated periodically to reflect the latest known position. In this regard, the affordability model has been updated to capture the following:
- (i) the reported position as at Quarter 2 in respect of the WIF Top-Slice Budget and the Wider Investment Fund allocations for the current year;
 - (ii) the anticipated movements in respect of projects that have In-Principle approval;
 - (iii) allocations in respect of Revenue and Capital sums for new approvals in year, which are largely in-line with the Wider Investment Fund expenditure profiles set-out in the agreed 5 Year JWA Business Plan.
19. On this basis the 2020/21 council contributions and indicative revenue implications for each partnering authority are set-out in Table 1.

Table 1: Proposed 2020/21 Council Contributions and Indicative Revenue Implications

Local Authority Partner	%	Council Contribution (from £120m) £'000	Indicative Revenue Implications (Inc. Cost of Carry) £'000
Blaenau Gwent	4.62%	715.64	57.30
Bridgend	9.44%	1,462.19	117.10
Caerphilly	11.97%	1,853.97	148.40
Cardiff	23.73%	3,675.33	294.10
Merthyr Tydfil	3.94%	610.47	48.90
Monmouthshire	6.14%	951.62	76.20
Newport	9.82%	1,520.61	121.70
Rhondda Cynon Taff	15.77%	2,443.06	195.60
Torfaen	6.10%	945.03	75.70
Vale of Glamorgan	8.48%	1,312.98	105.10
Total	100.00%	15,490.90	1,240.10

20. Regional Cabinet will receive regular revenue and capital monitoring reports throughout the year advising on matters such as: Approved Budget, Actual Position To-Date, Commitments and Projected Out-turn. These reports will be supplemented by the appropriate Project Performance Reports, advising on all aspects of the Wider Investment Fund.

21. It should be noted that the actual funding applied will be dependent on the nature and timing of project expenditure and may differ from the proposed sums outlined above.
22. 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.
23. In this regard it is important that the provisions of the IIF are followed, as this is a key requirement of the City Deal Funding Terms & Conditions. This sets out that business cases will be developed in line with HM Treasury Green Book (5 Case Model), although, clauses 3.5 (Appraisal Framework) and 3.7 (Business Case Development), make an important reference the concept of 'proportionality'.
24. Work continues with external advisors (Local Partnerships) on how the issue of proportionality can be addressed through the development of a variety of approaches linked to project value, complexity and timeliness. These approaches will need to be predicated on the principles (and robustness) delivered through the 5 Case Model, with proposals undergoing the necessary consultation with key stakeholders. This latter point is important to demonstrate good governance, whilst ensuring the risk of non-compliance with Funding Terms & Conditions is minimised.
25. Further financial advice will be provided throughout the year as regular Project Update reports are brought back to Regional Cabinet for detailed consideration and approval.

Well-Being of Future Generations (Wales) Act 2015

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

their decisions on people living their lives in Wales in the future. In doing so, the 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 seven 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.

28. The Regional Cabinet must be satisfied that the proposed decision accords with the principles above.
29. To assist the Regional Cabinet to consider the duties under the Act in respect of the decision sought an assessment has been undertaken, which is attached as an Appendix to this report (Well-being of future generations assessment) for Member's consideration.
30. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

31. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:
 - age;
 - gender reassignment;
 - sex;
 - race – including ethnic or national origin, colour or nationality;
 - disability;
 - pregnancy and maternity;
 - marriage and civil partnership;
 - sexual orientation;
 - religion or belief – including lack of belief

Reasons for Recommendations

32. The reasons for the recommendations are as follows:
 - to enable Cabinet to discharge the requirements of the JWA in relation to the production of a comprehensive Annual Business Plan relating to the operation and application of its WIF;

- to distil and enact the objectives set out in the five-year JWA Business Plan;
- to establish direction of travel for the coming year and provide an overview of activities, objectives and anticipated outcomes;
- to set forward planning clearly against the backdrop of activity and outcomes to date;
- to ensure consistency across key pillars and strands of the Annual Business Plan and performance reporting and monitoring frameworks.

RECOMMENDATIONS

33. It is recommended that Regional Cabinet:

- (1) endorse and approve the Annual Business Plan 2020/21 and
- (2) note the self-assessment and the principle of ongoing self-evaluation ahead of gateway 1.

Kellie Beirne
Director, Cardiff Capital Region
19 December 2019

Appendices

- Appendix 1 Annual Business Plan 2020/21
- Appendix 2 Work Programme 2020/21
- Appendix 3 Self Assessment Oct 19 – Oct 20
- Appendix 4 Future Generations Assessment Evaluation

Background Papers

- The Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal
- Regional Industrial and Economic Growth Plan
- Investment and Intervention Framework



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The £1.3bn Cardiff Capital Region City Deal (CCRCD) is growing, maturing and beginning to scale outcomes - both in terms of its impact as an investment instrument and more importantly, in building a resilient future for the region. The CCRCD is distinctive in that unlike growth or devolution deals – there are no prescribed projects. Instead, the last few years have been characterised by laying essential foundations in terms of a credible evidence base; developing an industry-led growth plan; establishing an ‘evergreen’ investment framework and mobilising the wider resources, assets and local and global partners, to create the conditions for sustainable delivery and success.

All this means that as we exit the ‘start-up’ phase and head into ‘scale-up’ – we are genuinely open for business – but not in a business-as-usual way. Our work to date has been an investment in maximising the ways in which industry, researchers, government and community partners can deliver. This has been embedded in an approach that feels right and authentic for our region. We are committed to shaping an economy that is genuinely more inclusive and meaningful to all parts of our region and the 1.5m people who live here.

Our targets remain front and centre: GVA growth, high skills jobs, private leverage and economic inclusion and, now we have a framework that makes sense of sectoral priorities and has proper regard to place, we are positioned to ramp up delivery right across the Cardiff Capital Region (CCR).

This pivotal Investment and Intervention Framework, was launched in June 2019, in close collaboration with our Regional Economic Growth Partnership. This signalled a workable framework to guide investment, apply criteria and assess the quality, scope and impact of the schemes we want to support. With an infrastructure, innovation and challenge fund now all in operation, we have created a system-wide approach. With our commitment to strengthening priority sector ‘clusters’, this year has seen CCR directly involved in and

supporting more proposals to UK Research and Innovation (UKRI) than before. Key to this has been a sense of focus, mobilising wider resources and putting ‘money in’ before ‘money out’ to build competitiveness and confidence.

Both of which are needed in greater supply than ever before. Post-cessation of EU funds, there is little doubt that CCR will be required to compete for not just UKRI investment; but potentially, successor EU funds. With the prospect of a stronger connection between CCR and the SW of England through the Great Western Gateway, there are opportunities to build scale around the prospects that will best serve the CCR economy and community. There is a real opportunity for this to be reinforced and supported through new statutory joint committees and reporting set to be enabled by WG which will cement accountability and good governance.

The Business Plan for 2020/2021 doesn’t thus just come at a time of political change and economic flux – but in the year leading up to our first Gateway Review. We hope that our thoughtful approach to laying the foundations for delivery of the right outcomes – and not just the easy ones – will be recognised. As political leaders of 10 local authority areas, we stand firm as a network and stand together as trusted partners with a commitment to the future of the Cardiff Capital Region.

Andrew Morgan
Chair, CCR City Deal Joint Cabinet
Committee and Leader RCTCBC



Market and Policy Context

This business plan marks the fourth Annual Business Plan of the Regional Cabinet, in respect of the activities it will progress through the Wider Investment Fund (WIF) – the last Plan being approved in February 2019. The WIF totals £495m and consists of HMT grant funding in the order of £375m over 20 years and Council contributions of over £120m. The Annual Business Plan must be prepared in the context of the overarching five-year Joint Working Agreement Business Plan, which was approved by Regional Cabinet in February 2018 and all ten Councils in and around March 2018.

As the fourth iteration of the Annual Business Plan, the format and structure is in keeping with the evolution of the City Deal programme and its priorities and critical success factors. This takes into account, the evidence base and better data; the context of the regional Economic and Industrial Growth Plan, the Investment and Intervention Framework, the City Deal office team and resources and the emergent policy agenda.

Our Challenges

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

- Low levels of competitiveness and productivity
- Low levels of R&D investment and intensity
- High growth and competitiveness areas cheek by jowl with some of the most deprived and impoverished places in the UK
- Dependency mind-set has limited choices and eroded self-esteem

Our Policy Backdrop

With deadlock over exiting the EU, cessation of EU funds and establishment of a successor fund (Shared Prosperity), the focus on maintaining the Union and now upon us, a General Election – there are multiple complex factors shaping the macro-domestic policy agenda.

At a Wales-level, devolution offers opportunities and presents challenges – all of which have to be managed amidst a turbulent backdrop. The EU-exit impasse and continued fiscal and economic uncertainty looks set to be a continuing feature. Added to this, is the new tax-raising power regime introduced in Wales. Whilst this almost certainly brings opportunity, it brings challenges too. Like City Deal, it is predicated on GVA growth at a time when well-being and GVA alternatives are being supported and promoted.

The mood music is further influenced by public service reform via proposed new Statutory Joint Committees, national frameworks and regional delivery; assessments of the quality of economic governance (The Organisation for Economic Co-operation and Development {OECD}) and the more recent emergence of a UK Government-led venture ‘The Great Western Gateway’.

Our role is to continue to deliver in the midst of trying to making sense of this ever-complex and dynamic environment.

The growing governance and political maturity of CCR offers something of a buffer to this external change. That is not to say its heads down – heads are up, informing, shaping and engaging – but also staying focussed on core priorities and aims. It could be easy to become distracted. It is harder but necessary to lock-in, finish what has been started and stay true to the commitments made. CCR continues to show ambition and whilst it has to have regard to risk and issues – it will not be paralysed by them.

Ensuring no-one gets left behind – across the ten local bodies that enact and deliver this City Deal and in the ten communities that are represented in this programme – continues to inspire our strong sense of shared purpose

Economic Inclusion by Design – Not Default

We continue to design and iterate aspects of our operating model. This is in response to the significant shifts, changes and disruption seen both locally and in the world around. From huge shifts in domestic and global politics with Brexit, global trade wars and a turbulent global political backdrop – the operating environment is complex and working effectively within it, requires the ability to respond to tough challenges. Overall, the region in 2018/19 has seen some of the highest levels of relative GVA growth in the UK. However parts of the region remain stubbornly low in competitiveness with the UK Competitiveness Index showing Blaenau Gwent and Merthyr remaining at the bottom.

It is for this reason, the approach taken through the Regional Economic and Industrial Plan and the Investment and Intervention framework, is focussed on what we will do – but perhaps most importantly – where we will do it. Sustainable, inclusive and distributed growth is a key aim, ensuring we make sincere attempts to share and spread prosperity.

The introduction of a challenge fund, to drive experimentation, R&D and to ensure better answers are informed by better questions is key to this. Compatible with the ‘economic contract’ introduced in the Economic Action Plan by WG and the four grand challenges of the UK Industrial Strategy (Clean Growth, Future of Mobility, Ageing Society and AI and Data) – CCR could play a pioneering role in shaping and solving the big industrial and societal challenges of the day.

Building Clusters and Eco-Systems

The 'Priority Sectors' work and the Industrial Growth Plan has informed a focus not just on the key sectors present in the CCR, but on the opportunity to develop the 'eco-system' environment in which companies, firms, the research base and entrepreneurs can connect, inter-act and spur each other on.

Key Principles



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



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.



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



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



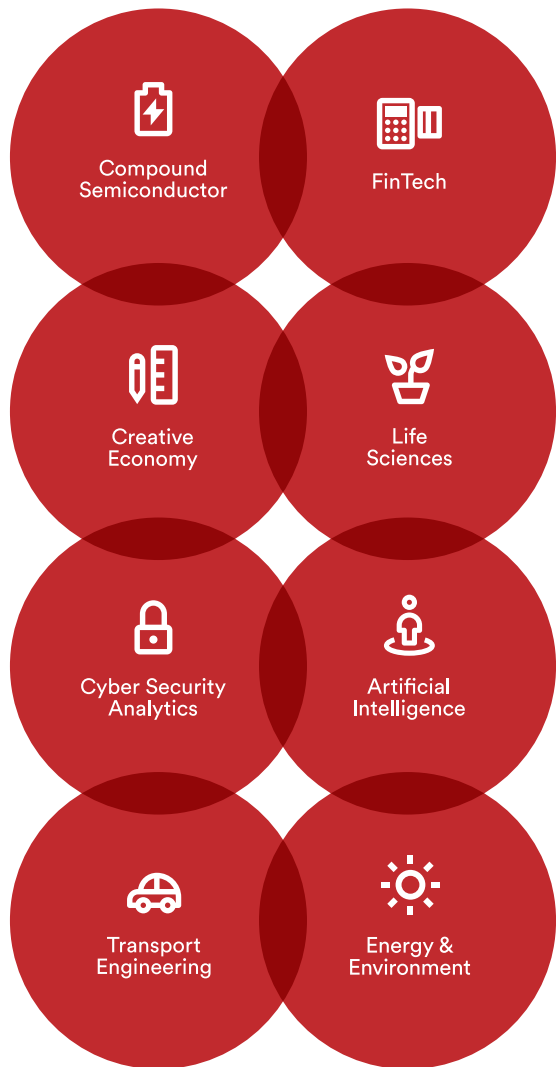
Ecosystem Development
Supporting the development of a strong economic and innovation ecosystem to deliver the plan and develop clusters of excellence within our region.



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



Priority Sectors



Investment and Intervention Framework

Having this clarity of purpose and focus is critical to the way in which the Investment Framework, assesses, evaluates, prioritises and operates. The Investment Panel has been established as an advisory board to provide further assurance and safeguards for Regional Cabinet – the ultimate decision-makers in the process.




The Investment and Intervention Framework was established to close the gap in the Assurance Framework and provide a tool-kit through which to guide operation of the Wider Investment Fund.

In brief, it provides the core mechanism through which CCR will do its business and achieve its targets, preventing speculative and misaligned ‘applications’ and giving confidence that operations are strategic, independent and evidence-based.

Without such an approach it is impossible to ‘size the wider pot’ and think beyond the £495m Wider Investment Fund and build a growing portfolio approach.



Investment Guidelines

Investment Priority	CCR Targets	ROI	Audience	% Investment (Indicative)	Indicative Range	Investment	Leverage
 <p>Innovation Unique IP/Market Leadership</p>	Jobs, growth and investment leverage	Direct	<ul style="list-style-type: none"> — Private sector led — R&D Organisations — HE — FDI 	10-30%	£15-£50m	Repayable Instruments	<div style="background-color: #c00000; color: white; padding: 5px; text-align: center;">Leverage</div> <div style="background-color: #f0c0a0; padding: 10px; text-align: center; margin-top: 10px;"> <p>Enhance Productivity and Economic Inclusion</p> </div> <div style="background-color: #f0c0a0; padding: 10px; text-align: center; margin-top: 10px;"> <p>Reduce Economic Growth Inhibitors</p> </div> <div style="background-color: #f0c0a0; padding: 10px; text-align: center; margin-top: 10px;"> <p>Address Industrial Challenges and Place Based Disparities</p> </div>
 <p>Infrastructure Foundations to enable private sector success and Civic Benefit</p>	Leverage, jobs and indirect growth, address economic disparities	Indirect	<ul style="list-style-type: none"> — Public Sector led — Public-private schemes — FE & HE (skills) 	10-50%	£10-£50m	Repayable through fiscal levers, income streams, gain share, other socio-economic benefits	
 <p>Challenge Competitive, aligned to CCR Priorities</p>	New market creation, shaping places, IP Commercialisation, Addressing identified regional challenges and priorities	Enhanced	<ul style="list-style-type: none"> — Innovation intensive businesses — HE/FE — Social Enterprise — Foundational Economy 	10-50%	£2-£10m	Repayable and/or risk investment returns	

Self-assessment Against a 10-Point Plan

In 2019/20, a 10-point plan was set out to evolve CCR City Deal. A full self-assessment and report on progress against these aims and objectives, corresponding with the goals and targets set out in the 2019/20 Business Plan is appended. In brief however, key areas of success against the ten priorities can be summarised as follows:



1

A focus on data and evidence (sectors and place) guiding direction & decision-making:

- 3 main reports commissioned, received & published – Priority Sectors (Connected), State of Region (Competitive) and Economic Inclusion (Resilient)
- Data dashboard in development
- Adopted National Evaluation Framework, developed and agreed locality evaluation framework and received first Baseline Report
- 2 KESS PhD studentships in data science and analysis secured
- LEV, EV, Taxi and on-site renewables studies for Metro Plus

2

A regional Industrial Plan. Setting out competitive strengths and strategic interfaces:

- Business-led Regional Economic & Industrial Growth Plan
- Launched locally, nationally & internationally
- Endorsed by Cabinet, CBI, IoD, FSB and Chambers
- Embeds sectors, clusters and place

3

Delivery Pipeline and Investment framework – quality deal-flow:

- Development of Investment and Intervention Framework
- Establishment of three funds – Innovation, infrastructure and challenge
- Evergreen, co-investment and leverage
- Establishment of Investment Panel
- Common Assessment Framework

4

Good governance – building a network & using skills and assets in the right places:

- Regional Skills Partnership hosted by Newport for region
- Second business plan produced by Regional Business Council
- Delegation provision to Regional Transport Authority for Metro Plus
- Performance reporting, business planning and logics model for Gateway Review aligned
- WAO 2019/2020 governance report 'good'
- Investment Panel, Programme Board and Regional Investment board synced

5

Building a new Office of the City Deal:

- Created City Deal office
- New structure proposed agreed and funded
- External secondment opportunities – CS Connected and Innovate UK
- Website updates
- Re-located in Tredomen – branded and clear identity

6

Influence & Leverage:

- UKRI board relationships and representation
- Partnership with Global Welsh
- Input to Wales Office in London – branding and identity
- Wales in London Week and Network
- Great Western Gateway participation
- Ser Cymru and Royal Society brought to Wales
- Knowledge networks with UK regions
- Contributions to networks, groups, conferences, panels and events

7

Develop industrial and local leadership:

- REGP leadership of evidence base, Industrial Plan and Investment Framework
- Business engagement improvement with sectors and clusters and SIF sectoral bids
- Business events and workshops
- Social media strategy and sentiment improvement

8

Develop the challenge, investment and mission focus:

- Development of a Challenge Fund
- First challenge prize in development
- SBRI/ Govtech
- Submission to WEFO P5 – challenge fund
- Faraday, Energy Revolution and support for Bridgend

9

Strategy for Internalisation:

- Contributions to WG International Strategy
- Sponsorship and participation in Wales in London Week
- Participation at MIPIM 2019
- Co-developed and delivered sessions with Dept. for International Trade
- Participation in Vanguard and Manumix
- CS Connected US, British American project & Xiamen and Singapore

10

Building a City Region:

- Governance maturity – SDP, skills and Valleys Regional Park
- High volume of external investment submissions
- Investor relationships building and growing
- Early work commenced on fiscal levers



CSC Foundry

Investment into our new compound semi-conductor foundry in Newport is going well. The facility is now in production with qualifications for new customers underway and the UK Government backed Catapult Centre has moved in and is open for business. Financial drawdown on the CSC Foundry programme now stands at £33m of the total project investment of £37.9m. To date 65 new jobs have been created at IQE with a further 545 existing positions safeguarded at IQE and NWF as a result of the project. A total of 259 indirect jobs have been created off the back of the foundry through local supply chain and household effects, with particular impacts in the construction and higher education sectors and the catapult, along with the creation of a further 8 apprenticeship opportunities.

Advanced electronics will be one of the most important features of global economies going forward in the region and we are pleased to see our regional cluster developing apace, with a further 697 jobs indirectly supported to date within the semiconductor sector in SE Wales since the commencement of the Foundry.

As of Oct 2019 it is estimated that IQE supports direct and indirectly around £22m of Welsh GVA and with much of this supported in the Cardiff City Region. Over the same period the wider semiconductor cluster has estimated to support direct and indirectly around £158m of GVA. The commercial fundamentals of the sector are strong and we are fortunate to have so many good companies in this area with the potential for further job creation and enhanced GVA support for the region.

Metro Plus

Metro Plus has an approved Strategic Outline Case (SOC) and schemes are now moving towards final stages of WelTAG with delegations for funding approvals to the Regional Transport Authority. The Common Assessment Framework has been approved

and the first schemes came forward for early funding approvals in November 2019 (Cardiff, RCT and Monmouthshire). It must be borne in mind however, that given the co-fund is Local Transport Funds – which are annualised and thus, time limited – priority will clearly be given to utilising this up-front to ensure maximisation of available resources.

LEV Strategy, Taxi Strategy and Infrastructure Charging Models

Informing and shaping the above, reports commissioned on LEV Strategy, Taxi Strategy and Infrastructure Charging Models are complete. The Taxi Strategy was approved by the RTA in November. Discussions are taking place with Transport for Wales and the UK Government's Electric Vehicle Infrastructure Investment Fund (managed by Zouk Capital) regarding development of a regional gain-share model. The Energy Savings Trust has further allocated £80k to CCR to support energy systems modelling work which is currently underway to underpin the development of a Clean Growth Challenge.

Graduate Scheme

The one year prototype on the Graduate Scheme is underway with 42 placements being advertised on behalf of local businesses across the region to date. The anticipated take up of graduate employment by April 2020 is 50. Against a revenue outlay of £175k the private sector leverage achieved to date is £1.4m. This equates to £8 private sector leverage for every CCR £1 invested.

Local Full Fibre Network

A Local Full Fibre Network submission to the Department of Digital Culture, Media and Sport (DCMS) to the value of c£7m has been secured on a CCR-wide basis

Cardiff Metro Central Interchange

The c£200m Cardiff Metro Central Interchange project is underway linked to the comprehensive redevelopment of Central Square and the Southside Quay area of the City. In principle Outline Business Case (OBC) approvals were given by Department for Transport in September 2019, enabling City Deal to release further feasibility funds to support full business case development.

CS Connected

A c£45m final business plan submission was made by CCR consortium as a seed-corn fund recipient to UKRI's Strength in Places Fund for the build-out of the CSC Cluster through CS Connected.






Diagnostics and Devices Cluster

Similarly, Expressions of Interest have been made by CCR industry-led consortium (led by Creo Medical and Cardiff University) for a medical Diagnostics and Devices Cluster (£40m) to Strength in Places fund with further submissions supported by CCR on Creative Cluster (£20m) and Cyber (£30m) – hence covering a number of priority sectors.

Welsh European Funding Office (WEFO) Building Institutional Capacity Bid

A £8m bid to WEFO's Building Institutional Capacity has been submitted by CCR, Cardiff University and Nesta to support innovative future service delivery in public services (InFuSe).

In relation to the Investment Framework Delivery Pipeline, the current status as at December 2019 is as follows:

Informal Engagement	Project Pipeline		28 known projects covering a range of areas across the investment priorities
	Sift Questionnaire		15 sift questionnaires received and are at stage 1a or 1b: FTTP Project - 300k premises, Public Services Testbed, Centre for Neurology, FTTP projects x2, Life Sciences Park, Aquaculture services, Tidal energy project, U220 project, Moving Forward project, 5G Testbed, AI and Data Science Centre, CS campus & CS Connected, SME Competitiveness & Co-fund
Formal Engagement	CCR Cabinet Notification		
	Investment Officer & Investment Panel Review		3 projects currently in this phase: Metro Central, Core Valley Lines fibre project, and Strength in Places - CS Connected
	CCR Cabinet (Proceed/Reject)		
	Due Diligence		4 projects currently in this phase: Housing Catalyst Fund, Metro Plus (+ EV renewables), CCR Graduate Placement Scheme, and LFFN DCMS scheme
	Investment Panel		
	Regional Economic Growth Partnership		
	CCR Cabinet		
	Legal Completion		1 project currently in this phase: CSC Foundry



Our focus for 2020 is on realising the potential of the pipeline. We have 4 areas of focus:

1. Progressing funded projects in delivery

CSC Foundry	£37.9m	(£412m inc. £375m of private sector leverage)
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2. Progressing projects from Strategic Outline Case approved by Cabinet to Legal Completion

Project	CCR Investment	Total Project Investment/ Value
Housing Catalyst Fund	£15-30m	£30-60m
Metro Plus	£15m	£50m
Graduate Scheme	£175,000	£1.65m
Cardiff Metro Central	£40m	£200m
Core Valley Lines Fibre	£3.5m	£7m
Strength in Places for CS Connected	£3.5m	£45m
	Total £77.2 - 92.2m	Total £333.65 - 333.65m

3. Reviewing the 15 Sift Questionnaires and commencing the Investment Framework process as appropriate. However given the criteria imposed by the framework and the requirement to ensure we invest in the right projects, the ones that have the best chance of meeting the city deal requirements, we anticipate that many will not make the cut. (NB the indicative combined range of project values at this stage of the pipeline is c.£550m to £600m).

4. Working with the 28 projects in the top of the pipeline and bringing forward 3-6 for formal consideration.

From the National Evaluation Framework, CCR working with SQW, has agreed and approved a Local Evaluation Framework and from this, the first Baseline Report was received and endorsed by Regional Cabinet in June 2019. The report establishes a contextual economic forecast and, that the CSC project will be the core focus of the deep-dive impact work to inform the ‘One Year Report’ prepared by SQW in the year leading up to Gateway Review. It further presented evidence and early views around capacity development and partnerships.

Key messages in respect of the CSC project stated:

- The project is well underway, albeit spend to date is lower than projected – but this is starting to change
- The project is bigger than the Foundry and is about the potential for the Cluster
- Job creation is underway and targets are catching up with new roles being created
- Clarification is needed on jobs safeguarded

In terms of capacity building and partnerships, stakeholder feedback key messages included:

- General view that CCR City Deal and the Wider Investment Fund HAS had a positive impact on local economic development capacity
- Design of the Wider Investment Fund is important in driving demand, better evidence and decision making
- Scope exists for further engagement - particularly with businesses. Engagement with civic society is also referenced
- There is a sense the story is positive but it not widely promoted
- It remains *‘early days for the Wider Investment Fund: partnership and capacity has grown as a result, but as one consultee pointed out, the Compound Semiconductor project is just the first investment in what will need to develop as a wider transformational programme’.*

The work to inform the one-year out report was due to start in December 2019, which signals the ‘cut-off point’ for evidence and information. However SQW has brought this forward and work commenced in September 2019.

Whilst the CSC Project is the substantive project in delivery, key messages must now be reinforced around the fit for future framework City Deal has in place in order to scale-up growth and development of the programme. In addition, key points and issues about the process have been fed through to the UK Government’s Local Evaluation Steering Group. These include the importance of recognising the need to build strong foundations for

delivery, prioritising the right and not – random – projects; the importance of money-in, leverage and money out – as opposed to ‘spend’ assessments and risk profiling expenditure to place a focus on drawing down co-invested funds – which are often time limited – ahead of City Deal investment. In the CCR context, the significance attached to financial ROI and a revolving fund has also been reinforced given it enables scale, deeper impact and reinvestment.

To inform the ‘what to expect’ from Gateway 1 approach, visits have also been made to City Deals currently going through the Gateway process – Greater Cambridgeshire Partnership and Glasgow City Deal.



In October 2019, Regional Cabinet held a planning and development day. The purpose of this was to reflect, take stock and prepare and plan for the next year and the medium-term.

There are a set of emerging clear principles which overarch the objectives, issues and priorities set out below, by Regional Cabinet:

- From start-up to scale-up – we have laid strong foundations and targeted delivery of the Investment Framework pipeline is the clear priority
- We will be Gateway Ready and will tell our story in compelling and evidence-rich ways
- We will influence and engage to leverage further opportunity, investment potential and partnerships
- From City Deal to City Region. We will begin to shift our efforts and commitments beyond a funding programme to building the future of the region

The key issues, challenges and objectives were considered and prioritised:

- The backdrop of emergent regional development structures and the priority that should continue to be afforded to good governance around ‘one member, one vote’;
- Recognition of the strong foundations built by City Deal, stable and maturing political leadership and making progress with influencing bodies such as Innovate UK in proactively seeking new investment;
- Potential for cohesion and strengthening the regional framework built by City Deal through a new statutory Joint Committee for the Economy (post April 2021), through which to drive wider investment, policy and local priorities;
- Opportunity to co-deliver the Shared Prosperity Fund through such mechanisms with Welsh Government and to broaden the scope, remit and influence of bodies such as the Regional Economic Growth Partnership;
- In the light of Climate Crisis declarations – to prepare a comprehensive plan, vision and mission for energy and clean-growth;
- Ensuring wider CCR partnerships are fit for future purpose in this context and ahead of Gateway 1, reviewing and assessing their impact;
- Reinforcing the ‘no-one gets left behind’ principle and the importance of City Deal being for all ten areas;
- Importance of ensuring City Deal isn’t just doing ‘more of the same’ – but demonstrating how it is uniquely placed to solve problems the market won’t;
- Addressing the current gap around public engagement and doing more to involve and engage communities at a grass roots level;
- The need for a comprehensive communications plan that addresses both internal and external issues with a regular newsletter;
- Planning ahead – taking longer-term view and beginning to establish plans and infrastructure proposals for the future – now. This will be especially important for sustainable transport;
- The need to complete the ‘trilogy’ of the Industrial Growth Plan, Investment Framework and Investment and Opportunity Prospectus, through establishing the latter. This will help bring together the work on digital, housing, sites and premises and skills. It will also help drive focus on under-utilised assets such as the HoV Road;
- Maintaining and strengthening the focus on inclusive growth and economic inclusion as a core aspect of both narrative and delivery – showing through doing a commitment to sharing and spreading prosperity. Driving productivity in the foundational economy is key to this and development of alternative GVA metrics;
- Developing our approach to priority sectors and clusters – as the basis from which to drive the longer-term strategic approach – and building upon the good work done on CS Connected and Medical Devices and Diagnostics and building the skills work around this;
- Bringing to life the ‘challenge fund’ with thematic calls and priorities and in particular, reinforcing the focus on SME growth;
- The need for synergies across programmes – in particular public investment funds that operate in the region – Valleys Task Force, Development Bank Wales funds & Tech Valleys are key examples which underline the need for better co-ordination; and,
- Ensuring programme impact is in line with the Investment Framework and has regard to place and local priorities – this will help ‘build in’ equality and recognise the limit and constraints of agglomeration in our region.

In 2020/21, the WIF will support, directly and indirectly, the following areas of activity:

Connected. Competitive. Resilient.

To grow a competitive, connected and resilient economy and establish CCR as a place where prosperity is shared and wealth and wellbeing are compatible goals

As measured by core City Deal Requirements:
5% GVA Growth · Leverage of £4bn · 25,000 new high skill jobs

Additional Requirements:
Demonstrate inclusion and contribute to inclusive economic growth

Rooftop Objectives and Key Results 2020/21

- 1 Leveraging the foundational capacity and resources in place to optimise pipeline throughout & delivery
- 2 Gateway ready - Telling the story
- 3 Influence and engage to leverage new partnership & investment opportunity
- 4 Beyond City Deal - Building the future of the region

**Ready to Scale
Delivery Pipeline**

- Improve quality deal-flow through ensuring investor readiness
- Accelerate pipeline decision making and throughput
- Expedite delivery of approved projects
- Provide expert implementation resource to facilitate effective delivery
- Introduce an implement a test, evaluate & iterate methodology
- Provide Eco-system support for priority clusters

**Gateway Ready
Evaluating Progress**

- Produce a robust self-evaluation of progress and activity to date
- Progress the creation of an In-house data and intelligence hub
- Conduct a Partnership fitness check
- Conduct a self-assessment of governance practices and procedures
- Review team capability & capacity to ensure fit for purpose

**Influence and Engage
Leverage New Potential**

- Tell the story - Research and develop fresh new communications content
- Produce an Investment & opportunity Prospectus
- Endeavour to secure more UKRI & external investment into the region
- Introduce targeted business development activity
- Consider an international outlook

**Beyond City Deal
Building the Region**

- Develop a one region ethos and approach
- Introduce a Statutory Joint Committee for economy
- Develop a suite of fiscal levers
- Co-develop a Climate Vision and Mission statement

2020/21 Annual Business Plan - Budgets and Funding Strategy

Regional Cabinet have made a number of decisions to date, which have resulted in commitments against the Wider Investment Fund (WIF) in 2020/21 and beyond. Table 1 outlines the proposed 2020/21 budget and to assist with medium planning, the indicative budgets to financial year 2023/24 are also set-out, along with the proposed funding strategy over this period.

Table 1: Proposed 2020/21 Wider Investment Fund Budget and Indicative Budgets to 2023/24

Indicative Programme Expenditure	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Wider Investment Fund Top Slice	742.5	742.5	742.5	1,485.0
Approved Projects - Revenue*	161.0	0.0	0.0	0.0
Approved Projects - Capital	1,381.6	0.0	0.0	0.0
Future Revenue Projects	2295.5	1,000.0	1,000.0	1,226.1
Future Capital Projects	57,435.0	42,964.0	45,663.0	63,878.0
Revenue to Support Capital Projects	0.0	0.0	0.0	4,323.1
Total Investment	62,015.6	44,706.5	47,405.5	70,912.2
Funded by:				
HMT Contribution (Revenue)	(2599.0)	(1,742.5)	(1,742.5)	(7,034.2)
HMT Contribution (Capital)	(0.0)	(22,000.0)	(22,000.0)	(22,000.0)
Total HMT Contribution	(2599.0)	(23,742.5)	(23,742.5)	(29,034.2)
Council Contribution	(15,490.9)	(7,963.7)	(7,963.7)	(11,466.0)
CSC Loan Funding Repayment	(1,800.0)	(1,854.0)	(4,553.0)	(4,689.0)
Temp Borrowing 'Cost of Carry'	(42,125.8)	(11,146.3)	(11,146.3)	(25,723.0)
Total Funding	(62,015.0)	(44,706.5)	(47,405.5)	(70,912.2)

*NB: assumes approval of extension to the Graduate Scheme.

WIF Top-Slice Budget

Regional Cabinet have resolved that up to 3% of the Wider Investment Fund (over a 20 year period) is set aside to meet the costs associated with Programme Development & Support and is referred to as the WIF 'Top-Slice'. This equates to an annual budget of £742,500, the details of which are outlined in Table 2.

Table 2: Proposed 2020/21 WIF Top-Slice Budget

	£
Contribution to Joint Committee Revenue Budget	151,166
Regional Economic Growth Partnership Support	16,000
MIPIIM Costs	70,000
Regional Business Council	24,100
Project Pipeline Support	481,234
Total	742,500

Regional Cabinet has approved 'In-Principle' commitments in respect of a number of projects to date. These projects are in the process of developing their business cases for in-line with the Investment and Intervention Framework (IIF). The financial commitments associated with this work will be largely met from the budget outlined above.

Regional Cabinet, at its meeting 12th February 2018, delegated authority to the

Joint Committee's Section 151 Officer (in consultation) to establish an appropriate mechanism for managing Programme Development & Support resources (both on annual and cumulative basis) within the 3% cap previously agreed.

The purpose of this mechanism is to provide additional resources in-year to supplement the annual £742,500 budget, where required. Current projections indicate that cumulative resources amounting to £1.522 million will be available to support the Programme Development & Support budget at the beginning of 2020/21.

Approved Projects

The 2020/21 Annual Business Plan will also need to meet the Year 3 costs of the approved Compound Semi-Conductor Foundry Site which have been slipped forward from the previous year. These are budgeted at a cost of £1.382 million and consist of project delivery and implementation costs. In addition, the 'Approved Projects' budget line also includes revenue expenditure in respect of the extension of the Graduate Pilot Scheme, which is the subject of a separate report to Regional Cabinet at its meeting of the 19th December 2019.

Table 3: 2020/21 Budget - Approved Projects

	£'000
Graduate Pilot Scheme (Revenue)	161.0
CSC Foundry Site Funding (Capital)	1,381.6
Total	1542.6

Future Revenue and Capital Projects – Indicative Allocations

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

An indicative budget of £1.856 million has been included in respect of new revenue expenditure, whilst the capital allocation amounts to £57.435 million.

At its meeting of the 15th January 2018, Regional Cabinet made a decision to preserve the HM Treasury revenue funding. This amounts to £40 million over the first four years of the fund to 31st March 2020. Therefore, whilst the indicative sum included within the Annual Business Plan for new revenue projects is just under £2 million, Regional Cabinet have the ability to increase this sum (if required), by approving further HM Treasury grant funding during the year, providing always that funding terms and conditions are met.

Affordability Envelope and WIF Funding Strategy

The sums allocated represent the amounts available to be spent in 2020/21, with future year budget allocations being updated accordingly to reflect each new approval's overall spend profile. This will ensure that the fund remains affordable and within its approved envelope at all times, as decisions to approve projects are made through the year.

The total expenditure for the 2020/21 Annual Business Plan is £62,015 million. It is proposed that this level of expenditure is funded as follows:

- Draw down of HM Treasury Revenue Grant - £2.599 million
- CSC Loan Repayment - £1.800 million
- Draw down of Council Contributions - £15.491 million (as per the funding ratio)
- Temporary Borrowing – 'Cost of Carry' - £42.126 million

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



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Contact Us

Appendix 1

Business Plan 2020/21 - Operational Activity



Connected. Competitive. Resilient.

To grow a competitive, connected and resilient economy and establish CCR as a place where prosperity is shared and wealth and wellbeing are compatible goals

As measured by core City Deal Requirements:

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Additional Requirements:

Demonstrate inclusion and contribute to inclusive economic growth

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- 4 Beyond City Deal - Building the future of the region

Ready to Scale Delivery Pipeline

- Improve quality deal-flow through ensuring investor readiness
- Accelerate pipeline decision making and throughput
- Expedite delivery of approved projects
- Provide expert implementation resource to facilitate effective delivery
- Introduce an implement a test, evaluate & iterate methodology
- Provide Eco-system support for priority clusters

Gateway Ready Evaluating Progress

- Produce a robust self-evaluation of progress and activity to date
- Progress the creation of an In-house data and intelligence hub
- Conduct a Partnership fitness check
- Conduct a self-assessment of governance practices and procedures
- Review team capability & capacity to ensure fit for purpose

Influence and Engage Leverage New Potential

- Tell the story - Research and develop fresh new communications content
- Produce an Investment & opportunity Prospectus
- Endeavour to secure more UKRI & external investment into the region
- Introduce targeted business development activity
- Consider an international outlook

Beyond City Deal Building the Region

- Develop a one region ethos and approach
- Introduce a Statutory Joint Committee for economy
- Develop a suite of fiscal levers
- Co-develop a Climate Vision and Mission statement

Overarching 2020/21 CCR City Deal Goal: Leverage the foundational capability put in place to date to optimise pipeline throughput and delivery

Pipeline / Funnel	Key Objectives	Key Outcomes	Key activities / Tasks Operational, Resourcing, and Assurance	Key activities / Task Marketing / Prospecting / Business development	Key activities / Task Administration and Reporting	Key activities / Task Influence and Communications
<p>Create awareness and interest in City Deal funds</p>	<p>Draw targeted submissions into Investment Framework through thematic calls and challenge approach</p>	<p>Develop flow and sequence of Investment framework</p> <p>Develop framework for Challenge Fund and prizes</p> <p>Optimise use of time and resources</p> <p>Develop the delivery team work programme</p>	<p>Develop annual affordability envelope Q1</p>	<p>Development of a generic and if appropriate sector specific suite of CCR Investment and Opportunity Prospectus materials Q1</p> <p>Structured programme for business engagement and development activities – linked to review of business council Q2</p>	<p>Develop CRM to log and record interaction by sector/ cluster Q1</p> <p>Develop forward Work Planner Q1</p>	<p>Develop a campaign led approach to raise awareness of the investment opportunities available and the process for accessing that support within our agreed priority sectors and clusters. Q3/4</p> <p>Track engagement with published material. Q3/4</p>
<p>Develop quality deal-flow</p>	<p>Ensure schemes and proposals are investment ready through development of Investor Readiness Programme</p>	<p>Co-funded with business finance organisation</p> <p>Arrests CCR underperformance in raising finance</p> <p>Production of quality investment opportunities to enable application to funds</p>	<p>Identify fund-raise opportunities & partners through establishing relationships and partnership agreements with key institutions such as British Business bank – Q2</p> <p>Develop & implement the Investment Readiness programme – Q2</p> <p>Leverage funding from banks, asset finance and government partners – on a deal by deal basis</p>	<p>Raise awareness of innovation activity and capacity in CCR through campaign approach - Q1</p> <p>Target and support FDI by making region attractive landing space</p>	<p>Appropriate reporting through the IIF Investment Panel and Cabinet sign-off – Q1, 2, 3 & 4</p> <p>Commissioning and procurement – frameworks to be in place by Q2</p> <p>Iterate SIFT 'entry' process to ensured continued fitness for purpose</p> <p>Data sharing and access considerations – Q1</p>	<p>Ensure we create communication updates that highlight the role collaboration plays in bringing quality opportunities into the pipeline. Q1-4</p>

<p>Pipeline 'Approved Projects'</p>	<p>To continue the delivery of the 'approved' projects currently moving through IIF</p>	<p>Delivery underway on 5 Metro Plus schemes</p> <p>Plan for targeted EV investment with WG – supported through the UK Govt Infrastructure Investment Charging Fund</p> <p>FBC stage on Metro Central</p> <p>Commissioning of Graduate Scheme delivery</p> <p>Delivery and completion of LFFN</p> <p>Through commissioned FCA partner – delivery of first year pipeline on Housing Investment fund</p>	<p>Oversight of IIF and full application of Assurance Framework – Q1, 2, 3 & 4</p> <p>Application of proportionate business case model via Local Partnerships on a project by project basis</p> <p>Legal Services Framework in place Q2</p> <p>Oversight of advisors and professional input</p> <p>Risk and issues log Q1</p> <p>Annual business plan and quarterly finance and performance reporting</p>	<p>Creation of CCR proposition material variants to promote and add depth to material variants Q2</p> <p>Branded templates to reflect investment partnerships Q2</p> <p>Website showcases and live content in real-time involving partners and beneficiaries Q2</p>	<p>Establishment of files and tracking/ monitoring systems Q2</p> <p>Annual Review of processes for Registration of Interests – Q3</p>	<p>Chart the progress of approved projects through their development lifecycle looking to capture multiple perspectives on the impact of projects and demonstrate the fact that activity is gathering momentum. Q3 & 4</p> <p>Introduce a Quarterly CCR newsletter that summarises key achievements and the impact they've had/will have.</p> <p>Q1 for 2019 and quarterly thereafter.</p>
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<p>Priority sectors and clusters</p>	<p>Develop the cluster framework required to support each of the 6 priority sectors</p>	<p>Strength in Places Fund submissions and Connecting Capability</p> <p>Establishment of Economic Intelligence supporting development needs of clusters</p> <p>Identification of industrial and academic lead partners</p> <p>Seed-corn fund support for initial mobilisation</p> <p>Targeted investment support available through 3 funds</p> <p>Creation of 'eco-system' conditions</p>	<p>Seed fund development Q2</p> <p>Conclude issue with UK and WG regarding challenge funds – Q1</p> <p>Development framework for appropriate governance mechanisms and support for cross-organisation structures and working – Q3</p>	<p>Business Council & Skills Partnership to convene groups and networks to support the approach – Q2</p> <p>Business Council Industry events and roundtables to develop human connections and collateral – Q3 & 4</p> <p>Shared marketing and prospecting campaigns</p> <p>Identification of the common stages of the innovation journey to share learning and identify areas of cross sector convergence</p>	<p>Established approach for reporting through IIF – Q1</p> <p>Oversight of all commissions and procurement</p> <p>Development of core CCR partner/ business contact directory Q2</p>	<p>Create content that explains our priority sectors & why the concept of eco systems is essential what activity is taking place and how businesses within that supply chain can engage with us – Q1, 2, 3 & 4</p> <p>Introduce cluster concept and current status Q1</p> <p>Each subsequent quarter to cover cluster developments.</p>
<p>Due diligence and decision-making</p>	<p>Develop the schemes demonstrating viability, deliverability & affordability through the IIF to due diligence and decision-making</p>	<p>Delivery of the right schemes that best meet the City Deal Requirements</p>	<p>Oversight of business case development process and assurance tests</p> <p>Risks and issues log Q1</p> <p>Interaction with project development and investment support - ongoing</p>		<p>Oversight of all recording and monitoring with systems sets up in Q1</p> <p>Policy for FOI and information requests Q2</p>	

<p>Implementation Planning</p>	<p>Development of frameworks with clear milestones, targets and timeframes to guide deployment and delivery</p>	<p>Ensure capability and capacity in ongoing project management</p>	<p>Draw-down requirements, contractual documentation and phasing of investment – to be guided by sign off dates for key projects</p> <p>Contract monitoring against targets</p> <p>Project and programme management</p> <p>Prince 2 refresh for relevant staff – Q4</p> <p>Internal Audit Review – Q4</p> <p>Annual business plan and performance reporting Q3 and Q1, 2, 3 & 4</p>	<p>Linked to campaign calendar in Q1, 2, 3 & 4</p>	<p>Contract administration and documentation files Q1</p>	<p>Outputs and outcomes are communicated and brought to life at the relevant times in order to ‘tell the story’ Q1, 2, 3 & 4</p> <p>Develop a communication timeline and appropriate media format for each project that is in the public domain.</p>
<p>Evaluation and post-delivery review</p>	<p>Full evaluation of Phase 1 of Compound Semiconductor Foundry project – post project completion</p>	<p>Ensure proper objective and independent evaluation of project against City Deal Requirements</p> <p>Provide platform from which to build cluster ambitions and develop CSCconnected</p>	<p>Annual Business Plan reporting Q1, 2, 3 & 4</p> <p>Annual governance statement development – Q3</p> <p>Review of CSC project – Q4</p> <p>Review of CS Connected work to date and CS team – post decision on SIPF – Q2</p>	<p>Celebration of what worked and went well</p> <p>Marketing Plan for CS Connected – Q2</p>	<p>Oversight of all reporting and associated governance and systems</p>	<p>As above.</p>

Overarching 2020/21 CCR City Deal Goal: Getting ready for Gateway One and telling the 'start-up/scale-up' story

Gateway Element	Key objectives	Key outcomes	Key activities/ tasks Operational, Resourcing and Assurance	Key activities/ task Marketing/ Prospecting/ Business development	Key activities/ tasks Administration and Reporting	Key activities/ task Influence and communications
Self-awareness and self-assessment	Develop full self-evaluation in line with HMT requirements ahead of Gateway	<p>Produce and publish full self-evaluation that assesses progress to date and the journey thus far and highlights the 'what matters' aspects</p> <p>Clear focus on what next</p> <p>Tells the start-up – to scale-up story</p>	<p>Contribution of key financial and resourcing information related to live projects, pipeline and projected forward pipeline – Q3</p> <p>Develop full self-evaluation – Q3</p>	<p>Development of core narrative and storyboard Q3</p> <p>Focus groups and sounding boards to establish feedback and input Q2 & 3</p>	<p>Oversight of publication and reporting and sharing with partnerships</p> <p>Bringing together the Gateway Submission and supporting information – Q4</p>	<p>Create a framework for how we will physically represent our progress for the gateway submissions and the inputs we will need.</p> <p>Coordinate the production, design and publication of the Gateway review materials. Q3/4</p>
Preparation and process requirements	Compliance with all guidance relating to preparation for Gateway	<p>Build strong awareness of process and requirements</p> <p>Apply learning from Cohort 1 Gateway</p> <p>Demonstrate good governance</p> <p>Demonstrate progress and advancement against key areas of focus</p>	<p>Reporting to Pan Implementation Board – Q2</p> <p>Clarifying key government roles and responsibilities Q1</p> <p>Full participation in UK Govt-led Evaluation Steering Group – Q2 & 3</p> <p>Working with SQW to inform One Year out report and act on recommendations – Q1</p>		Bringing together co-design of gateway process – Q2	

<p>Data and Insight</p>	<p>Develop in-house data intelligence competency and capacity</p>	<p>Demonstrate investments in data-led decision making, evidence-informed outcomes and building self-awareness</p>	<p>Publish State of Region reports – Q1</p> <p>Commission economic impact for Devices and Diagnostics Q1</p> <p>Work programme and outcomes for KES PhD Data Studentships – Q1</p>	<p>Branding of Intelligence Hub and co-ordination with partnerships – Q2</p>	<p>Database oversight and report generation - Q2</p>	<p>Demonstrate how we are collaborating to create more data and insight and how that is leading to better decision making</p> <p>Maximise reach of REGP publications on Connected, Competitive and Resilient Q1, 2, 3 & 4</p> <p>Create more thought pieces from REGP and other sources as appropriate – Q1, 2, 3 & 4</p>
<p>Partnerships</p>	<p>Leverage the resources and value of partnerships in telling the story</p>	<p>Demonstrate industry and business leadership</p> <p>Demonstrate the close involvement of partners in not just delivering – but in shaping and informing frameworks</p>	<p>Review of partnership governance and effectiveness – to commence with business council review Q1, REGP and RSP in Q2, 3 & 4</p>	<p>Story is told from the perspective of partners and partnerships</p> <p>Testimonials sought and developed</p> <p>Case studies of business engagement developed and business development framework is produced Q3</p>	<p>Minutes, agendas, notes are all well maintained up to date and accessible - ongoing</p>	<p>Joint press releases</p> <p>Press campaign plans and social media strategies to coincide with Gateway – Q3 & 4</p> <p>Illustrate through regular content updates how the partnerships we have in place and the collaborative approach to progressing activity / decision making is making impact.</p> <p>Ensure this is reflected in the Gateway submissions.</p> <p>Q3/4</p>

<p>Governance and audit</p>	<p>Demonstrate good governance, strong accountability mechanisms and robust assurance</p>	<p>Demonstrate that good governance is foundational and supports good delivery</p> <p>Demonstrates clarity of purpose</p>	<p>Live Risk and Issues Log Q1</p> <p>Quarterly performance and finance reports</p> <p>Appointment of external legal and financial specialist advisors – Q</p> <p>Production of CSOA and Annual Governance Statement Q2</p> <p>Delivery of all proposals for improvement in live WAO reports Q1</p> <p>Delivery of all internal audit actions requirements Q1, 2, 3 & 4</p> <p>Review of CS Foundry Ltd company structure post-project completion Q3&4</p>	<p>Bring to life governance frameworks through thought leadership, interviews with key figureheads and reinforcement of role and place of good governance</p>	<p>Partnership, committee and group oversight and administration</p> <p>Tracking systems in place for audit actions and reporting</p> <p>Forward work programme and planner</p>	<p>Focus within communications plan on meaning of good governance and the positive impact doing it well has on outcomes.</p>
<p>Capability and capacity</p>	<p>Fit for purpose resourcing plan to support Gateway</p>	<p>Ensure capability and capacity in demonstrating right delivery credentials</p>	<p>Against vacant posts – create targeted secondment opportunities to bring in expertise Q1</p> <p>In-house skills development programme & CPD</p> <p>Plan for resourcing requirements beyond Gateway 1 conclusion Q4</p>	<p>Bring to life the team and expertise through 'Meet the Team' and Partners</p>	<p>HR compliance</p>	<p>Bring the team to life through introducing a meet the team section on the website and introducing a blog to showcase the contribution the team is making to the overall delivery plan.</p> <p>Ensure we get press coverage for all significant new appointments</p> <p>Q1 onwards</p>

Overarching 2020/21 CCR City Deal Goal: Influence and Engage to leverage new partnership and investment opportunities

Potential	Key Objectives	Key Outcomes	Key activities/ tasks Operational, Resourcing and Assurance	Key activities/ task Marketing / Prospecting / Business Development	Key activities/ tasks Administration and Reporting	Key activities/ task Influence and communications
Fresh new content	Develop Content and Campaign based approach	Demonstrate CCR achieving the objectives of Momentum, Progression & Confidence Attract prospective investors	ROI assessment support Value creation assessment	Thematic monthly based content calendar Q1, 2, 3 & 4 & dovetail with business engagement priorities Creation of Investment and Opportunity Prospectus to respond to 'what' and 'why' and 'how' Creation of specific proposition variants Q1 onwards	Support and dissemination Co-ordination of partners and alignment with themes and opportunities	Develop a thematic approach focused on demonstrating how we are making an impact through a series of Features and articles Thought leadership and prevocational pieces A new quarterly newsletter Q2 onward

<p>Events and showcases</p>	<p>Target programme of events, networks and conferences</p>	<p>Increase profile, visibility and enhance CCR reputation locally, nationally and internationally</p>		<p>Targeted sponsorship 'ask and offer'</p> <p>Partnership with Global Welsh Q2</p> <p>Participation in MIPIM 2021 built upon review of outcomes for MIPIM 2020 Q1</p> <p>Participation in further targeted national events – Wales in London Week, Core Cities and target conferences and events Q2 onwards</p> <p>Support for trade missions and visits that can bring value and learning to CCR</p> <p>Key Contributors to WG International Strategy</p>	<p>Support for co-ordination and organisation and all materials and collateral</p>	<p>Agree CCR strapline and key communications objectives Q1</p> <p>Wales Office in London content plan Q1</p> <p>Others as advised / to be planned.</p> <p>On going</p>
<p>Target organisations</p>	<p>Develop relationship and approach for engaging with UK Research and Innovation</p>	<p>Demonstrate clear strategy for engagement built upon evidenced competitive strengths</p> <p>Bring more UKRI investment into CCR – aligned with purpose and priorities</p> <p>Develop co-investment proposals that leverage value across WG, UK Govt and CCR</p>	<p>Oversight of process for co-ordination for match funding</p> <p>Agree target distribution with WG and UK Govt – Q2</p> <p>Alignment of business case development across partners</p>	<p>Collateral supporting challenge and mission development and approach Q2</p> <p>Mobilise network of key influencers</p>	<p>Co-ordination support</p>	<p>Co-development of press and social media campaigns built on shared purpose and opportunities</p> <p>Q2 onwards</p>

Overarching 2020-2021 CCR City Deal Goal: Building the future of the region

From CCR City Deal to CCR	Key objectives	Key outcomes	Key activities/ tasks Operational, Resourcing and Assurance	Key activities/ task Marketing / Prospecting / Business Development	Key activities/ tasks Administration and Reporting	Key activities/ task Influence and communications
Building and consolidating	Develop preparations and complementary frameworks for introduction of Statutory Joint Committee for Economy in 2021	<p>Move beyond City Deal to City Region</p> <p>Ensure cohesion and alignment across City Deal regional structures and Welsh Govt regional frameworks</p> <p>One Strategic Development Plan for CCR</p>	<p>Participation in Regional Investment Board Q1, 2, 3 & 4</p> <p>Do-develop of regional economic framework Q3</p> <p>Integration of appropriate fund and investment streams across WG and CCR</p> <p>Preparation for Shared Prosperity Fund</p>	<p>Commence shift to 'one region' branding, marketing and development and @acapitalregion Q3</p> <p>Common pipelines and co-fund models</p> <p>Synergies across internal investment governance frameworks are developed</p> <p>Co-marketing of the VRP partners, outcomes and impact</p> <p>Raising profile and effectiveness of Regional Skills Partnership</p>	<p>Co-ordination and developmental support</p> <p>Support for Partnership transitions to whole region approach – in particular REGP</p>	<p>Shared purpose and common message-set and communications plan</p> <p>Q4 onwards</p>
Sustainable Futures	<p>Equip region with programme of fiscal levers and incentives</p> <p>Equip region with resilience toolkit to address Climate Crisis</p>	<p>Enable region to deliver beyond scope of funding programmes and to develop its self-sufficiency and resilience</p> <p>Profit and wellbeing are seen as compatible with clean growth supporting need to safeguard planet whilst growing regional income</p>	<p>Complete work on NNDR framework Q4</p> <p>Develop advice and expertise on Tax Increment Financing</p> <p>Develop proposal on wider suite of measures with WG and for UK Govt support Q4</p>	<p>Build upon energy vision and mapping to develop energy mission</p> <p>Co-develop framework for clean growth investment with WG and with which to seek ISCF Clean Growth Investment Q2</p>	<p>Co-ordination and reporting support</p>	<p>Ensure all press and social media communications balance core message across wealth and wellbeing.</p> <p>Q4 onwards</p>

Connected. Competiitve. Resilient

To grow a competiitve, connected and resilient economy and establish CCR as a place where prosperity is shared and wealth and wellbeing are compatible goals

As measured by core City Deal Requirements:

- 5% GVA Growth
- Leverage of £4bn
- 25,000 new high skill jobs

Adiitonal requirement:

- Demonstrate inclusion and contribute to inclusive economic growth

ROOFTOP OBJECTIVES AND KEY RESULTS 2020/21

- 1) LEVERAGING THE FOUNDATIONAL CAPACITY & RESOURCES IN PLACE TO OPTIMISE PIPELINE THROUGHPUT & DELIVERY
- 2) GATEWAY READY - TELLING THE STORY
- 3) INFLUENCE AND ENGAGE TO LEVERAGE NEW PARTNERSHIPS & INVESTMENT OPPORTUNITY
- 4) BEYOND CITY DEAL - BUILDING THE FUTURE OF THE REGION

Ready to Scale – Delivery Pipeline

- Improve quality deal-flow through ensuring investor readiness
- Accelerate pipeline decion making and throughput
- Expedite delivery of approved projects
- Provide expert implementation resource to facilitate effective delivery
- Introduce an implement a test, evaluate & iterate methodology
- Provide Eco-system support for priority clusters

Gateway Ready – tell the story

- Produce a robust self -evaluation of progress and activity to date
- Progress the creation of an In-house data and intelligence hub
- Conduct a Partnership fitness check
- Conduct a self-assessment of governance practices and procedures
- Review team capability & capacity to ensure fit for purpose

Influence and Engage - leverage new potential

- Research and develop fresh new communications content
- Produce an Investment & opportunity Prospectus
- Endeavour to secure more UKRI & external investment into the region
- Introduce targeted business development activity
- Consider an international outlook

Beyond City Deal - Building the region

- Develop a one region ethos and approach
- Introduce a Statutory Joint Committee for economy
- Develop a suite of fiscal levers
- Co-develop a Climate Vision and Mission statement

Overarching 2020/21 CCR City Deal Goal: leverage the foundational capability put in place to date to optimise pipeline thruput and delivery

Pipeline/ Funnel	Key objectives	Key outcomes	Key activities/ tasks Operational, Resourcing, and Assurance	Key activities/ task Marketing/ Prospecting/ Business development	Key activities/ tasks Administration and Reporting	Key activities/ task Influence and communications
Create awareness and interest in City Deal funds	Draw targeted submissions into Investment Framework through thematic calls and challenge approach	<p>Develop flow and sequence of Investment framework</p> <p>Develop framework for Challenge Fund and prizes</p> <p>Optimise use of time and resources</p> <p>Develop the delivery team work programme</p>	Develop annual affordability envelope Q1	<p>Development of a generic and if appropriate sector specific suite of CCR Investment and Opportunity Prospectus materials. Q1</p> <p>Structured programme for business engagement and development activities – linked to review of business council – Q2</p>	<p>Develop CRM to log and record interaction by sector/ cluster Q1</p> <p>Develop forward Work Planner Q1</p>	<p>Develop a campaign led approach to raise awareness of the investment opportunities available and the process for accessing that support within our agreed priority sectors and clusters Q3/4</p> <p>Track engagement with published material. Q3/4</p>

Develop quality deal-flow	Ensure schemes and proposals are investment ready through development of Investor Readiness Programme	<p>Co-funded with business finance organisation</p> <p>Arrests CCR underperformance in raising finance</p> <p>Production of quality investment opportunities to enable application to funds</p>	<p>Identify fund-raise opportunities & partners through establishing relationships and partnership agreements with key institutions such as British Business bank – Q2</p> <p>Develop & implement the Investment Readiness programme – Q2</p> <p>Leverage funding from banks, asset finance and government partners – on a deal by deal basis</p>	<p>Raise awareness of innovation activity and capacity in CCR through campaign approach - Q1</p> <p>Target and support FDI by making region attractive landing space</p>	<p>Appropriate reporting through the IIF Investment Panel and Cabinet sign-off – Qs1,2,3 & 4</p> <p>Commissioning and procurement – frameworks to be in place by Q2</p> <p>Iterate SIFT ‘entry’ process to ensure continued fitness for purpose</p> <p>Data sharing and access considerations – Q1</p>	<p>Ensure we create communication updates that highlight the role collaboration plays in bringing quality opportunities into the pipeline. Q1-4</p>
Pipeline ‘Approved Projects’	To continue the delivery of the ‘approved’ projects currently moving through IIF	<p>Delivery underway on 5 Metro Plus schemes</p> <p>Plan for targeted EV investment with WG – supported through the UK Govt Infrastructure Investment Charging Fund</p> <p>FBC stage on Metro Central</p>	<p>Oversight of IIF and full application of Assurance Framework – Qs1,2,3&4</p> <p>Application of proportionate business case model via Local Partnerships on a project by project basis</p>	<p>Creation of CCR proposition material variants to promote and add depth to material variants Q2</p> <p>Branded templates to reflect investment partnerships Q2</p> <p>Website showcases and live content in real-time involving</p>	<p>Establishment of files and tracking/ monitoring systems Q2</p> <p>Annual Review of processes for Registration of Interests – Q3</p>	<p>Chart the progress of approved projects through their development lifecycle looking to capture multiple perspectives on the impact of projects and demonstrate the fact that activity is gathering momentum. Q3&4</p>

		<p>Commissioning of Graduate Scheme delivery</p> <p>Delivery and completion of LFFN</p> <p>Through commissioned FCA partner – delivery of first year pipeline on Housing Investment fund</p>	<p>Legal Services Framework in place Q2</p> <p>Oversight of advisors and professional input</p> <p>Risk and issues log Q1</p> <p>Annual business plan and quarterly finance and performance reporting</p>	<p>partners and beneficiaries Q2</p>		<p>Introduce a Quarterly CCR newsletter that summarises key achievements and the impact they've had/will have. Q1 for 2019 and quarterly thereafter.</p>
Priority sectors and clusters	Develop the cluster framework required to support each of the 6 priority sectors	<p>Strength in Places Fund submissions and Connecting Capability</p> <p>Establishment of Economic Intelligence supporting development needs of clusters</p> <p>Identification of industrial and academic lead partners</p> <p>Seed-corn fund support for initial mobilisation</p> <p>Targeted investment support available through 3 funds</p>	<p>Seed fund development Q2</p> <p>Conclude issue with UK and WG regarding challenge funds – Q1</p> <p>Development framework for appropriate governance mechanisms and support for cross-organisation structures and working – Q3</p>	<p>Business Council & Skills Partnership to convene groups and networks to support the approach – Q2</p> <p>Business Council Industry events and roundtables to develop human connections and collateral – Q3&4</p> <p>Shared marketing and prospecting campaigns</p> <p>Identification of the common stages of the innovation</p>	<p>Established approach for reporting through IIF – Q1</p> <p>Oversight of all commissions and procurement</p> <p>Development of core CCR partner/ business contact directory Q2</p>	<p>Create content that explains our priority sectors & why the concept of eco systems is essential what activity is taking place and how businesses within that supply chain can engage with us – Qs1,2,3 &4</p> <p>Introduce cluster concept and current status Q1 Each subsequent quarter to cover cluster developments.</p>

		Creation of 'eco-system' conditions		journey to share learning and identify areas of cross sector convergence		
Due diligence and decision-making	Develop the schemes demonstrating viability, deliverability & affordability through the IIF to due diligence and decision-making	Delivery of the right schemes that best meet the City Deal Requirements	Oversight of business case development process and assurance tests Risks and issues log Q1 Interaction with project development and investment support - ongoing		Oversight of all recording and monitoring with systems sets up in Q1 Policy for FOI and information requests Q2	
Implementation Planning	Development of frameworks with clear milestones, targets and timeframes to guide deployment and delivery	Ensure capability and capacity in ongoing project management	Draw-down requirements, contractual documentation and phasing of investment – to be guided by sign off dates for key projects Contract monitoring against targets Project and programme management Prince 2 refresh for relevant staff – Q4	Linked to campaign calendar in Qs1,2,3&4	Contract administration and documentation files Q1	Outputs and outcomes are communicated and brought to life at the relevant times in order to 'tell the story' Qs1,2,3&4 Develop a communication timeline and appropriate media format for each project that is in the public domain.

			<p>Internal Audit Review – Q4</p> <p>Annual business plan and performance reporting Q3 and Qs1,2,3&4</p>			
Evaluation and post-delivery review	Full evaluation of Phase 1 of Compound Semiconductor Foundry project – post project completion	<p>Ensure proper objective and independent evaluation of project against City Deal Requirements</p> <p>Provide platform from which to build cluster ambitions and develop CSCConnected</p>	<p>Annual Business Plan reporting Qs1,2,3,&4</p> <p>Annual governance statement development – Q3</p> <p>Review of CSC project – Q4</p> <p>Review of CS Connected work to date and CS team – post decision on SIPF – Q2</p>	<p>Celebration of what worked and went well</p> <p>Marketing Plan for CS Connected – Q2</p>	Oversight of all reporting and associated governance and systems	As above.

Overarching 2020/21 CCR City Deal Goal: Getting ready for Gateway One and telling the ‘start-up/scale-up’ story

Gateway Element	Key objectives	Key outcomes	Key activities/ tasks Operational, Resourcing and Assurance	Key activities/ task Marketing/ Prospecting/ Business development	Key activities/ tasks Administration and Reporting	Key activities/ task Influence and communications
Self-awareness and self-assessment	Develop full self-evaluation in line with HMT requirements ahead of Gateway	<p>Produce and publish full self-evaluation that assesses progress to date and the journey thus far and highlights the 'what matters' aspects</p> <p>Clear focus on what next</p> <p>Tells the start-up – to scale-up story</p>	<p>Contribution of key financial and resourcing information related to live projects, pipeline and projected forward pipeline – Q3</p> <p>Develop full self-evaluation – Q3</p>	<p>Development of core narrative and storyboard Q3</p> <p>Focus groups and sounding boards to establish feedback and input Q2&3</p>	<p>Oversight of publication and reporting and sharing with partnerships</p> <p>Bringing together the Gateway Submission and supporting information – Q4</p>	<p>Create a framework for how we will physically represent our progress for the gateway submissions and the inputs we will need.</p> <p>Coordinate the production, design and publication of the Gateway review materials.</p> <p>Q3/4</p>
Preparation and process requirements	Compliance with all guidance relating to preparation for Gateway	<p>Build strong awareness of process and requirements</p> <p>Apply learning from Cohort 1 Gateway</p> <p>Demonstrate good governance</p> <p>Demonstrate progress and advancement against key areas of focus</p>	<p>Reporting to Pan Implementation Board – Q2</p> <p>Clarifying key government roles and responsibilities Q1</p> <p>Full participation in UK Govt-led Evaluation Steering Group – Q2 & 3</p>		Bringing together co-design of gateway process – Q2	

			Working with SQW to inform One Year out report and act on recommendations – Q1			
Data and Insight	Develop in-house data intelligence competency and capacity	Demonstrate investments in data-led decision making, evidence-informed outcomes and building self-awareness	<p>Publish State of Region reports – Q1</p> <p>Commission economic impact for Devices and Diagnostics Q1</p> <p>Work programme and outcomes for KES PhD Data Studentships – Q1</p>	Branding of Intelligence Hub and co-ordination with partnerships – Q2	Database oversight and report generation - Q2	<p>Demonstrate how we are collaborating to create more data and insight and how that is leading to better decision making -</p> <p>Maximise reach of REGP publications on Connected, Competitive and Resilient Q1,2,3&4</p> <p>Create more thought pieces from REGP and other sources as appropriate – Q123&4</p>
Partnerships	Leverage the resources and value of partnerships in telling the story	<p>Demonstrate industry and business leadership</p> <p>Demonstrate the close involvement of partners in not just delivering – but in shaping and informing frameworks</p>	Review of partnership governance and effectiveness – to commence with business council review Q1, REGP and RSP in Q2,3&4	<p>Story is told from the perspective of partners and partnerships</p> <p>Testimonials sought and developed</p> <p>Case studies of business engagement</p>	Minutes, agendas, notes are all well maintained up to date and accessible - ongoing	<p>Joint press releases</p> <p>Press campaign plans and social media strategies to coincide with Gateway – Q3&4</p> <p>Illustrate through regular content</p>

				developed and business development framework is produced Q3		updates how the partnerships we have in place and the collaborative approach to progressing activity / decision making is making impact. Ensure this is reflected in the Gateway submissions. Q3/4
Governance and audit	Demonstrate good governance, strong accountability mechanisms and robust assurance	Demonstrate that good governance is foundational and supports good delivery Demonstrates clarity of purpose	Live Risk and Issues Log Q1 Quarterly performance and finance reports Appointment of external legal and financial specialist advisors – Q Production of CSOA and Annual Governance Statement Q2 Delivery of all proposals for improvement in live WAO reports Q1	Bring to life governance frameworks through thought leadership, interviews with key figureheads and reinforcement of role and place of good governance	Partnership, committee and group oversight and administration Tracking systems in place for audit actions and reporting Forward work programme and planner	Focus within communications plan on meaning of good governance and the positive impact doing it well has on outcomes.

			<p>Delivery of all internal audit actions requirements Q123&4</p> <p>Review of CS Foundry Ltd company structure post-project completion Q3&4</p>			
Capability and capacity	Fit for purpose resourcing plan to support Gateway	Ensure capability and capacity in demonstrating right delivery credentials	<p>Against vacant posts – create targeted secondment opportunities to bring in expertise Q1</p> <p>In-house skills development programme & CPD</p> <p>Plan for resourcing requirements beyond Gateway 1 conclusion Q4</p>	Bring to life the team and expertise through ‘Meet the Team’ and Partners	HR compliance	<p>Bring the team to life through introducing a meet the team section on the website and introducing a blog to showcase the contribution the team is making to the overall delivery plan.</p> <p>Ensure we get press coverage for all significant new appointments</p> <p>Q1 onwards</p>

Overarching 2020/21 CCR City Deal Goal: Influence and Engage to leverage new partnership and investment opportunities

Potential	Key objectives	Key outcomes	Key activities/ tasks Operational, Resourcing and Assurance	Key activities/ task Marketing/ Prospecting/ Business development	Key activities/ tasks Administration and Reporting	Key activities/ task Influence and communications
Fresh new content	Develop Content and Campaign based approach	<p>Demonstrate CCR achieving the objectives of Momentum, Progression & Confidence</p> <p>Attract prospective investors</p>	<p>ROI assessment support</p> <p>Value creation assessment</p>	<p>Thematic monthly based content calendar Q123&4 & dovetail with business engagement priorities</p> <p>Creation of Investment and Opportunity Prospectus to respond to 'what' and 'why' and 'how'</p> <p>Creation of specific proposition variants Q1 onwards</p>	<p>Support and dissemination</p> <p>Co-ordination of partners and alignment with themes and opportunities</p>	<p>Develop a thematic approach focused on demonstrating how we are making an impact through a series of Features and articles Thought leadership and prevocational pieces</p> <p>A new quarterly newsletter Q2 onward</p>
Events and showcases	Target programme of events, networks and conferences	Increase profile, visibility and enhance CCR reputation locally, nationally and internationally		<p>Targeted sponsorship 'ask and offer'</p> <p>Partnership with Global Welsh Q2</p>	Support for co-ordination and organisation and all materials and collateral	Agree CCR strapline and key communications objectives Q1

				<p>Participation in MIPIM 2021 built upon review of outcomes for MIPIM 2020 Q1</p> <p>Participation in further targeted national events – Wales in London Week, Core Cities and target conferences and events Q2 onwards</p> <p>Support for trade missions and visits that can bring value and learning to CCR</p> <p>Key Contributors to WG International Strategy</p>		<p>Wales Office in London content plan Q1</p> <p>Others as advised / to be planned.</p> <p>On going</p>
Target organisations	Develop relationship and approach for engaging with UK Research and Innovation	<p>Demonstrate clear strategy for engagement built upon evidenced competitive strengths</p> <p>Bring more UKRI investment into CCR – aligned with purpose and priorities</p>	<p>Oversight of process for co-ordination for match funding</p> <p>Agree target distribution with WG and UK Govt – Q2</p> <p>Alignment of business case</p>	<p>Collateral supporting challenge and mission development and approach Q2</p> <p>Mobilise network of key influencers</p>	Co-ordination support	<p>Co-development of press and social media campaigns built on shared purpose and opportunities</p> <p>Q2 onwards</p>

		Develop co-investment proposals that leverage value across WG, UK Govt and CCR	development across partners			
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Overarching 2020-2021 CCR City Deal Goal: Building the future of the region

From CCR City Deal to CCR	Key objectives	Key outcomes	Key activities/ tasks Operational, Resourcing and Assurance	Key activities/ task Marketing/ Prospecting/ Business development	Key activities/ tasks Administration and Reporting	Key activities/ task Influence and communications
Building and consolidating	Develop preparations and complementary frameworks for introduction of Statutory Joint Committee for Economy in 2021	<p>Move beyond City Deal to City Region</p> <p>Ensure cohesion and alignment across City Deal regional structures and Welsh Govt regional frameworks</p> <p>One Strategic Development Plan for CCR</p>	<p>Participation in Regional Investment Board Q123&4</p> <p>Do-develop of regional economic framework Q3</p> <p>Integration of appropriate fund and investment streams across WG and CCR</p> <p>Preparation for Shared Prosperity Fund</p>	<p>Commence shift to 'one region' branding, marketing and development and @acapitalregion Q3</p> <p>Common pipelines and co-fund models</p> <p>Synergies across internal investment governance frameworks are developed</p>	<p>Co-ordination and developmental support</p> <p>Support for Partnership transitions to whole region approach – in particular REGP</p>	<p>Shared purpose and common message-set and communications plan</p> <p>Q4 onwards</p>

				Co-marketing of the VRP partners, outcomes and impact		
				Raising profile and effectiveness of Regional Skills Partnership		
Sustainable Futures	Equip region with programme of fiscal levers and incentives Equip region with resilience toolkit to address Climate Crisis	Enable region to deliver beyond scope of funding programmes and to develop its self-sufficiency and resilience Profit and wellbeing are seen as compatible with clean growth supporting need to safeguard planet whilst growing regional income	Complete work on NNDR framework Q4 Develop advice and expertise on Tax Increment Financing Develop proposal on wider suite of measures with WG and for UK Govt support Q4	Build upon energy vision and mapping to develop energy mission Co-develop framework for clean growth investment with WG and with which to seek ISCF Clean Growth Investment Q2	Co-ordination and reporting support	Ensure all press and social media communications balance core message across wealth and wellbeing. Q4 onwards

Self-assessment – progress against 10 point plan to evolve City Deal

Kellie Beirne October 2019



Evolving City Deal

- Post EU exit and loss of EU funds pose significant challenges
- Wider fiscal turbulence set to impact Wales disproportionately
- City Deal must become a catalyst for a different approach
- Dependency limited our choices & eroded self-esteem
- Ability to compete to secure resources
- Hand-ups not handouts
- New ends = new means (by design, not default)
- Funding programme or improved economic self reliance?

Doing what matters....

- CCR City Deal targets:
 - 5% GVA uplift
 - 25,000 new jobs
 - £4 billion in private sector leverage
- But hit targets and miss the point?
- Growth strategies can exacerbate inequality
- Innovation 'big business driver' but also about local/ foundational economies
- Generalised prosperity & social justice
- Economic inclusion - match economic ambitions with progressive social policies

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Rank 2016	Locality	Region	UKCI		Rank 2013	Change 2013-2016	
			2016	2013		UKCI	Rank
370	Torrige	South West	77.8	77.6	362	0.2	-8
371	Torbay	South West	77.8	77.4	363	0.4	-8
372	Carmarthenshire	Wales	77.5	77.3	365	0.2	-7
373	East Lindsey	East Midlands	77.1	76.9	368	0.2	-5
374	Caerphilly	Wales	76.9	75.7	374	1.2	0
375	Ceredigion	Wales	76.1	76.1	372	0.0	-3
376	Merthyr Tydfil	Wales	75.8	74.3	378	1.5	+2
377	Blackpool	North West	75.7	75.0	377	0.7	0
378	Boston	East Midlands	74.8	79.6	343	-4.8	-35
379	Blaenau Gwent	Wales	69.3	67.4	379	1.9	0



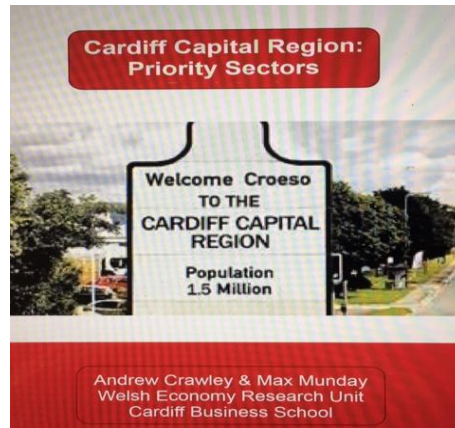
1) We said – we did: Data and evidence

- We said:

- Low-levels data capability – insight & foresight
- Can't answer key questions – what to invest in? Where best to invest?
- Value of interventions
- Walking the talk – we are a data rich region
- National Evaluation Framework & Gateway Review
- Needs to underpin good planning

- We did:

- 3 main reports:
 - Analysis of priority sectors (Connected)
 - State of the Region (Competitive)
 - Economic Geography of Region (Resilience)
- Data Dashboard in train
- Adopted National Evaluation Framework
- Developed Local Evaluation Framework
- 1st Baseline Report is good
- 2 x KESS studentships Data Science and Analysis
- Full Economic Impact Assessment for CSC
- X 2 MSC Data Science Students
- Nesta – Skills for Future
- Savills – Regional Housing Market Review
- Partnership with Economic Intelligence Unit
- Relationships – ONS, WG, Universities
- X 4 Renewable Energy studies for Metro Plus



Key principles & priority sectors

Our approach will be based on:



Cohesion

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



Scale

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



Leverage

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



Return on Investment

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



Ecosystem Development

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



Economic Inclusion

Creating opportunity for all to distribute the dividends of increased prosperity fairly, to encourage and enable participation in the economic life of the region.

Key Sectors of Interest





2) We said – we did: Regional Industrial Plan

- We said:

- Gap in context for five year business plan
- Gap in long-term planning
- Vision and values
- Low levels of influence (UKRI)
- Clear about priorities & FOCUS

- We did:

- Business-led Regional Industrial Growth Plan
- REGP leadership and local-UK-global launch
- Interacts with EAP & Industrial Strategy
- Embeds sectoral analysis & wider evidence-base
- Endorsed by Chambers, CBI, FSB, IoD
- Fewer priorities but deeper focus





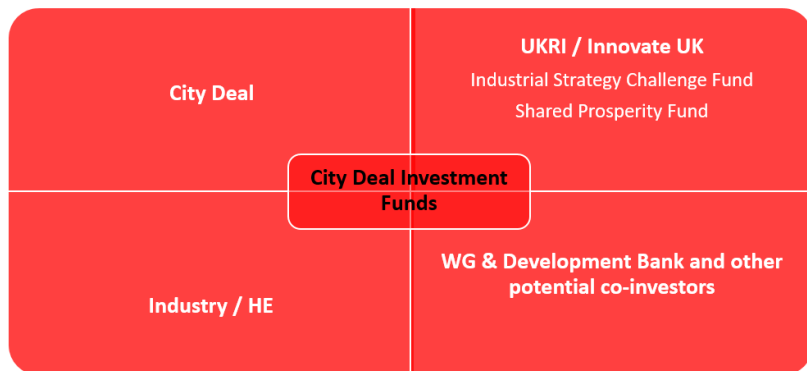
3) We said – we did: Delivery pipeline & framework

- We said:

- Delivery deficit
- ‘Themes’ and projects – too narrow
- No framework or toolkit for originating, assessing or approving projects
- Lots of everything
- Delivery *and* quality
- Risk of one-off transactional and sub-optimal projects

- We did:

- Investment and Intervention Framework
- Three Funds – innovation, infrastructure & challenge
- Evergreen/ revolving, co-investment and leverage
- Investment Panel
- REGP leadership & experience
- CEX Group now Programme Board
- Clusters and eco-systems
- Common Assessment Framework
- Local Partnerships work on Proportionate Business Case





3) We said – we did - Delivery

- We said:

- Delivery to be accelerated
- Delivery of singular projects needs to add value and build bridges across to other projects
- Money in before money out
- External focus and bringing in UKRI investment
- Leverage and co-investment
- Challenge-led delivery

- We did: (in train)

- £33.5m of £38m on CS Project drawn down
- Metro Plus approved SOC and in delivery with delegations to RTA against CAF - £50m scheme
- Work on LEV, EV on site renewables and engagement with Electric Vehicle Infrastructure Investment Fund
- Graduate Scheme – one year rapid prototype
- Local Full Fibre Network submission £7m
- Metro Central underway with DfT approvals c£220m
- Housing Investment Fund – FBC underway c£30m
- Full business plan to UKRI SIFP for CS Connected £45m
- 5G submission to DCMS £22m in train
- WEFO submission on Institutional Capacity £8m
- SIFP EOI on Devices and Diagnostics £40m
- SIFPs supported on Cyber and Creative £20m
- Fiscal levers work – NNDR work commission
- Sites and Premises work
- SME Co-investment fund now being developed



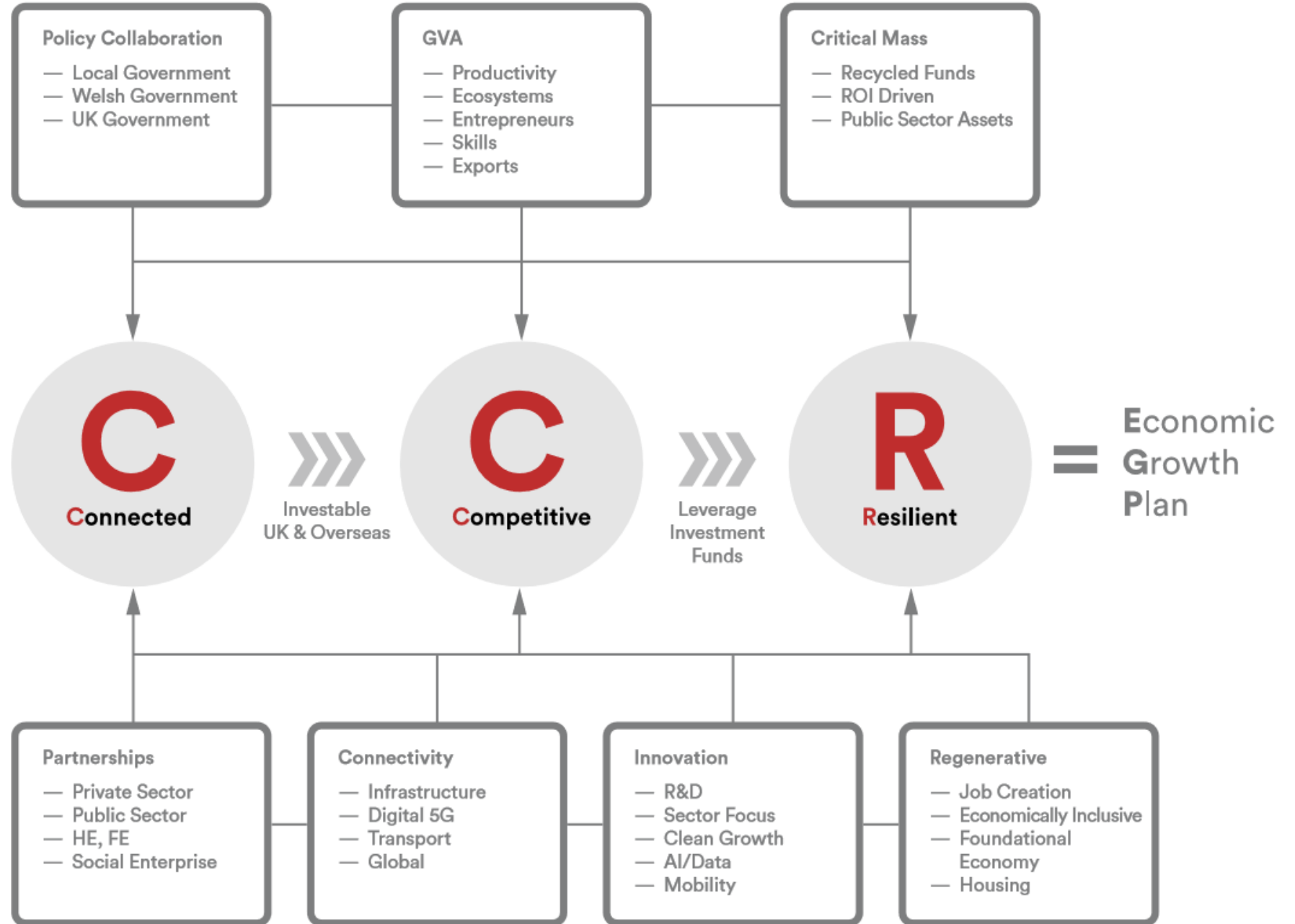
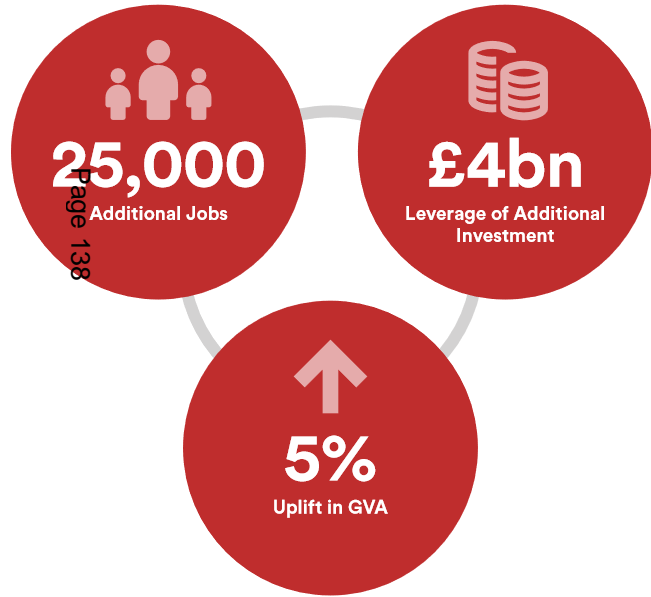


4) We said – we did: Good Governance

- We said:
 - Consolidate governance
 - Improve assurance process
 - Improve ‘application form’
 - Make it business friendly
 - Use skills in right places
 - Business plan in place for RBC
 - Sort Skills Partnership issues
 - Delegations
 - Single agent v regionalism
- We did:
 - Investment & Intervention Framework
 - RSP moved to Newport City Council
 - RBC on second annual business plan
 - RTA – delegations for CAF
 - Performance reporting improvements in line with Gateway Review
 - CSC Foundry Ltd and Logic Model aligned
 - Cabinet maturity beyond City Deal – RSP, SDP and VRP
 - WAO recent governance report is good
 - Acted on process for Registration of Interest
 - Investment Panel and Regional Investment Board synched
 - Informed OECD work



Core Objectives of the Cardiff Capital Region City Deal





5) We Said – we did: Influence & Leverage

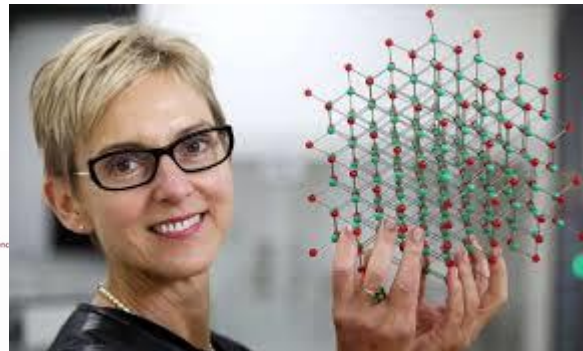
- We said:

- Deal is not a lot of money
- Need to improve track record of bringing new money in (UKRI - £6.4bn annual budget)
- Low influence and representation
- Wave 3 Industrial Strat – poor show from Wales
- Under-developed competitiveness

- We did:

- UKRI Board relationships and representation
- Campaign for Science and Innovation Networks
- Innovate UK engagement strengthened
- Secondment offered
- Prospective partnership with Global Welsh
- Wales Office in London
- Wales in London Week and Network
- Contributions to Shared Prosperity Fund
- Great Western Gateway
- Ser Cymru co-fund opportunity
- Belfast, Glasgow, Oxford, Cambridge, Manchester & other Welsh regions

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UK Research and Innovation

Innovate UK





Cont... contributions to networks & events

- Members of:
 - GW4
 - Science Advisory Council
 - Innovation Advisory Council
 - National Evaluation Steering Panel
 - Cyber Wales
 - Fintech Wales
 - CS Connected
 - SBRI Accelerator
 - Ford Taskforce & sub-groups
 - Regional Investment Board & sub-groups
 - Valleys Taskforce
 - Valleys Regional Park Forum
 - Foundational Economy Advisory Board
 - UK-French Mayors Project
- Contributions to:
 - What works commission
 - UK2070 Commission
 - National Evaluation Steering Panel
 - Princes Trust
 - Social Business Forum
 - Social Mobility Foundation
 - Built Environment
 - CITB
 - Scores of conferences, events and workshops
 - CBI, FSB, IoD and Chambers
 - OECD work on Economic Governance
 - Digital Tuesdays
 - Royal Society, RSA, Research England, HeFCW and Learned Society



6) We said – we did: Create ‘Office of City Deal’

- We said:

- ‘PMO’ – old money
- Low meaning to investors?
- Lack of ‘front of house’ facility
- Conventional communications
- Low engagement/ marketing and social media presence sub-par
- Needs an arms-length brand

- We did:

- Created City Deal Office
- New structure proposed and agreed
- Focus on blend of public sector, commercial, deal-making, data & community
- Resourcing arrangements and delegations
- Team is emerging
- External secondment opportunities – Innovate UK and CS Connected
- Website improved and updated
- Re-located to Tredomen and branding
- KPMG appointed advisors
- Procurement contracts reviewed





7) We said – we did: enhance industry & enhance local leadership link

• We said:

- More co-operation & co-production
- Baseline report highlights need for improved business engagement
- Re-position role of RBC
- Leverage true value of EGP
- Risk taking and rewards

• We did:

- REGP leadership & profile
- REGP chair to Regional Cabinet briefings & meetings
- Cabinet/ REGP joint launch of Growth Plan and Investment Framework
- Production of Industrial Growth Plan
- RBC – working to business plans but needs review
- Business engagement – diagnostics and devices example & CS supply chain
- Business events and workshops
- Social media improvements and 25% uplifts - influence and sentiment





8) We said – we did: Challenge Focussed & Mission-led

- We said:
 - Grant culture
 - New way of securing £ is through problem framing & solving
 - Competitive process brings new challenges
 - Solely economic focus not enough – public value
 - Speculative appro.

- We did:
 - Informed Wave 3 of ISCF
 - Grants to investment
 - Development of a Challenge-fund
 - First challenge prize – Foundational Economy – in development
 - Co-investment lever
 - Innovate UK secondment offer/ opportunity
 - SBRI/ Govtech
 - WEFO P5
 - Taking challenge calls to business community – propulsion, healthy ageing and medical tools
 - Faraday winners in region
 - Energy Revolution winners in region
 - £100k support fund for Bridgend

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Figure 1 below illustrates the movement from broad challenges to specific missions.



Figure 1. From Challenges to Missions image: RTO - A.1 based on Mazzucato (2017)



by **nesta**



9) We said – we did: Internationalisation

- We said:

- Deal has a domestic UK focus
- As yet, lacks investor readiness/ relations & clear investable offer
- Solely economic focus. Do we measure things that matter to people?
- Deal needs to grow its own network beyond UK

- We did:

- Contributed to WG draft International Strategy
- Sponsorship of WiL Week and full participation
- Participation in MIPIM 2019 and MIPIM UK 2019
- Co-developed and delivered sessions across region with DIT
- Investor Readiness spec developed
- Vanguard & Manumix programmes
- Contribution to Wales narrative on 2.4% R&D target
- Co-hosted Xiamen, Singaporean CS Cluster and Taiwanese Govt delegation
- CS Connected Minneapolis
- British America Project

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Foreign &
Commonwealth
Office

Wales Week
in London
Wythnos Cymru
yn Llundain



Interreg
Europe



European Union | European Regional Development Fund



10) We said – we did: Towards a more self-reliant & sustainable CCR

- We said:
 - Focus on City Deal as single investment tool is limiting opportunities
 - If goal is just another Deal – trade one dependency for another?
 - Better leveraging WFG
 - The wider development of CCR
 - Foresight and planning for what’s coming
- We did:
 - Governance framework for VRP via CCR
 - Agreed framework for a SDP
 - Regional approach to skills via RSP
 - Focus on public sector productivity within CCR via WEFO P5 bid
 - High volume of external bids
 - Investor relationships – growing
 - Fiscal levers and incentives – early work on NNDR and TIF
 - Profile and status beginning to position as CCR (within which CCRCDC is one pillar)
 - Recognition in Baseline Report – creating conditions for change and improvement
 - Pipeline – building and maturing



The Call



What calls you to Knowmads?

What needs and dreams do you wish to fulfill?

The Gift



Discover and develop your gift to the world and go do it!

The Journey

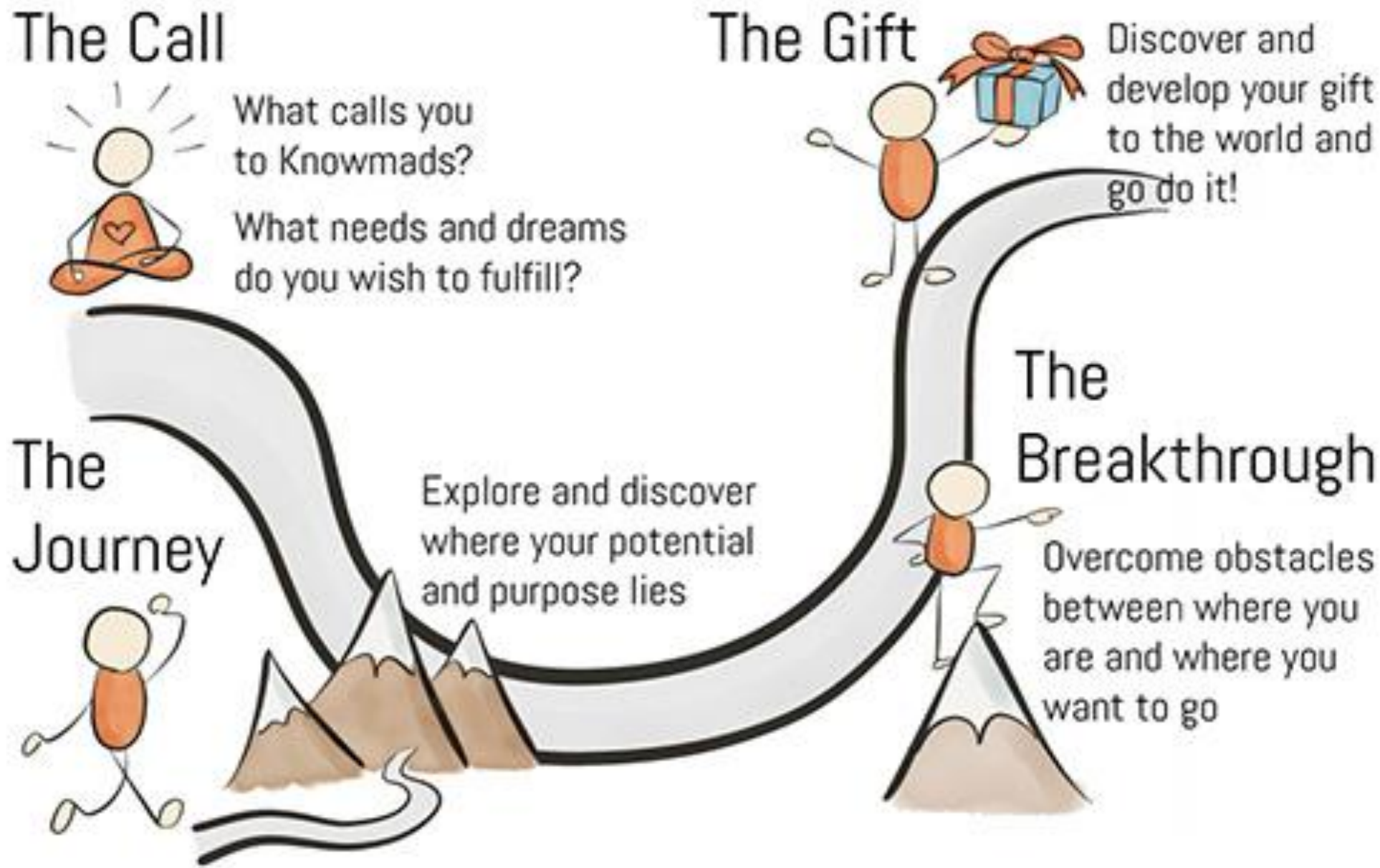


Explore and discover where your potential and purpose lies

The Breakthrough



Overcome obstacles between where you are and where you want to go



Future Generations Assessment

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To set out direction of travel for City Deal in 2020/21
Proposal: Annual Business Plan 2020/21	Date Future Generations Evaluation form completed: 09 December 2019






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

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

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

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report describes performance target and interventions in the round. It sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	<p>The business plan provides a 12 month perspective balanced against the newly emerging Regional Industrial and Economic Growth Plan.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A cornerstone of our process is the strength of partnership working for which specific objectives are set</p>	<p>Industry-led production and promotion of the EG Plan helps to maximize the contribution.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work.</p>	<p>More needs to be done to develop engagement platforms – beyond formal partnerships – to reach communities, hard to reach groups and those who currently have a limited understanding of City Deal. Improving social media, web presence and marketing materials will increasingly make a contribution to this.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>REGP leadership of programmes and investment based advice</p>	<p>This will be an increasing focus of scheme and programme delivery.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>City Deal seeks to make a contribution on place and to improving the life chances of people in the region.</p>	<p>The five year business plan beyond Gateway 1 will need to be given early thought for continuity purposes.</p>

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

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

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

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

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

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

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

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

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

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

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The impacts of this proposal will be evaluated on:	Quarter 1, 2, 3 & 4
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19 DECEMBER 2019

PROPOSED 2020/21 JOINT COMMITTEE REVENUE BUDGET

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

AGENDA ITEM 7

Reason for this Report

1. To provide Regional Cabinet with details of the proposed 2020/21 Joint Committee Revenue Budget and indicative budgets to 2024/25, to assist with Medium Term Financial Planning.

Background

2. Regional Cabinet was formally established on March 1st 2017 and budgets are required to operate the City Deal Office (CDO) and Accountable Body (AB) arrangements, in order to discharge and support the work of the Regional Cabinet. Budgets have been prepared based on the roles, activities and responsibilities identified to-date, with the expectation that the level of resources allocated is continually reviewed and refined as the activities and functions of Regional Cabinet are developed over time in accordance with its approved Business Plan.
3. At its meeting of the 18th February 2019, Regional Cabinet approved a 2019/20 Joint Committee Revenue Budget totalling £1,687,182 to meet the operational and management costs of the Joint Committee, as set out in the Joint Working Agreement (JWA).
4. This report set out that Joint Committee costs were to be funded from two sources:
 - The 'core' element, in line with the original budget allocation made in the Joint Working Agreement (12.4.1 (a)) amounted to £1,089,317, to be funded from local authority 'partner contributions'
 - The remaining £597,865, which represented the 'growth' required to set up the new, extended CDO structure, to be met from the Wider Investment Fund.

5. Below is an extract from Accountable Body Budget Report (17th March 2017), where Regional Cabinet agreed the following in respect of its Wider Investment Fund (WIF):

Wider Investment Fund

56. *The Cardiff Capital Region Joint Cabinet will be responsible for preparing a JWA Business Plan in respect of the Wider Investment Fund totalling £495m. In order to provide financial support to a range of Regional Bodies and to progress the detailed work on individual projects (Programme Development and Support), additional budgets will need to be identified from within the fund itself, once Welsh Government funding terms and conditions are approved.*

57. *Discussions with UK Government suggest that setting aside around 3% of the total investment fund to carry out these activities would be deemed a reasonable sum. This equates to £742,500 annually and could be required each year, over the first five years of the fund's life. The following budget headings in respect of the 2017/18 allocation are proposed:"*

Furthermore, Recommendation (d) of that report, requested that Regional Cabinet:

d) Approves that up to 3% of the Wider Investment Fund (over a 20 year period) is set-aside to fund the costs and contributions associated with a range of Regional Bodies and to meet the costs of Programme Development and Support, subject to Welsh Government funding terms and conditions.

6. The JWA places a 5% cap on the maximum annual increase which Regional Cabinet can approve in respect of its Annual Budget, from one year to the next.

Issues

7. Table 1 below sets out the proposed Joint Committee budget for 2020/21, including changes from the prior year.

Table 1: 2020/21 Proposed Joint Committee Budget - Analysis of changes

	2019/20 Budget	Growth / Reduction (+/-)	2020/21 Budget	Change
	£	£	£	%
Annual Budget – Core				
City Deal Office	795,353	15,500	810,853	1.95%
Accountable Body	293,964	0	293,964	0.00%

	2019/20 Budget £	Growth / Reduction (+/-) £	2020/21 Budget £	Change %
Sub Total	1,089,317	15,500	1,104,817	1.42%
<u>WIF Top-Slice Funded Element</u>				
City Deal Office	583,063	(5,567)	577,496	(0.95%)
Accountable Body	14,802	(6,684)	8,118	(45.16%)
Sub Total	597,865	(12,251)	585,614	(2.05%)
Joint Committee Costs	1,687,182	3,249	1,690,431	0.19%
<u>Funded by:-</u>				
Partner Contributions	(1,089,317)	(15,500)	(1,104,817)	1.42%
WIF Top-Slice Contribution – 3% Flat Profile	(597,865)	12,251	(585,614)	(2.05%)
Total Funding	(1,687,182)	(3,249)	(1,690,431)	0.19%
Net Position	0	0	0	

8. The proposed 2020/21 budget continues to be split between activities being used to deliver the 'core' functions and those to deliver the amended structure and its aims. A further breakdown of the budgets is shown at Appendix 1.
9. The 2020/21 Annual Budget (core element only, as funded by the Partner Authorities) represents an increase of 1.42% when compared to the equivalent 'core budget' in the current year.
10. The risks of any of the approved budgets not being sufficient due to either changes in prices or the levels of activity will be brought to the attention of Regional Cabinet via the Accountable Body Section 151's regular Budget Monitoring Reports and will need to be managed within budgets and reserves approved for use. As approved at its meeting of 10th June 2019, a General Reserve is in place of £123,498 as at 1st April 2019. This acts as a contingency and supports the management of costs across financial years.
11. The Month 08 Joint Committee Revenue Budget Monitoring Position Report also being considered by Regional Cabinet at its meeting of 19th December 2019 projects an increase to this reserve of £60,179 at year end.

City Deal Office Budgets

Employee Related Budgets

12. Regional Cabinet approved the proposed staffing structure of the City Deal Office at its meeting of 18th February 2019. This structure, with some changes in roles has been carried forward into the proposed 2020/21 budget. Key assumptions include that staffing costs will be subject to a 2% increase for 2020/21, however this is subject to ongoing negotiations between the Trade Unions and Central Government. A similar increase is assumed for future years.

Non-Employee Budgets

13. Budgets have been refined to reflect known changes to operational costs, assumptions for price increases, growth and reductions to align with activities consistent with the Annual Business Plan. An increase of 2% is also assumed for future years. Details of these budgets are set out in Appendix 1i.

Accountable Body Support Services

14. The Accountable Body is the legal entity that has responsibility for discharging all the statutory requirements in respect of the Cardiff Capital Region City Deal.

15. Cardiff Council as the Accountable Body provides a range of support services for and on-behalf of Regional Cabinet. The scope of services, charging mechanisms and estimated costs are fully documented within Service Level Agreements (SLAs) and cover areas such Human Resources, Finance, ICT and Legal Support.

16. The proposed Accountable Body budget for 2020/21 has been adjusted according to the annual review of these SLAs, with details set out in Appendix 1ii.

Proposed 2020/21 Joint Committee Costs and Indicative Costs to 2024/25

17. The proposed Joint Committee costs for 2020/21, indicative budgets over the medium term and the mechanisms for funding expenditure proposed are presented in Table 2.

Table 2: Proposed Joint Committee Costs 2020/21 and Indicatively to 2024/25

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	£	£	£	£	£	£
City Deal Office (CDO)	1,378,416	1,388,349	1,416,116	1,444,438	1,473,327	1,502,794
Accountable Body Support Services (AB)	308,766	302,082	308,124	314,286	320,572	326,983
Joint Committee Costs	1,687,182	1,690,431	1,724,240	1,758,724	1,793,899	1,829,777
Funded by:-						
Annual Budget (core element)	(1,089,317)	(1,104,817)	(1,126,913)	(1,149,452)	(1,172,441)	(1,195,889)
Increase to Annual Budget		1.42%	2.00%	2.00%	2.00%	2.00%
WIF Top-Slice Contribution – CDO	(148,615)	(143,048)	(145,909)	(148,827)	(151,804)	(154,840)

	2019-20 £	2020-21 £	2021-22 £	2022-23 £	2023-24 £	2024-25 £
WIF Top-Slice Contribution – AB	(14,802)	(8,118)	(8,280)	(8,446)	(8,615)	(8,787)
WIF Reserve Contribution	(434,448)	(434,448)	(443,138)	(451,999)	(461,039)	(470,261)
Total Funding	(1,687,182)	(1,690,431)	(1,724,240)	(1,758,724)	(1,793,899)	(1,829,777)
Net Position	0	0	0	0	0	0

City Deal Office – Proposed Funding Mechanism

18. The proposed 2020/21 budget aims to ensure the appropriate support (capacity and capability) is in place to deliver the Work Programme as set out in the business plan. In order to do so, costs in excess of proposed Local Authority Partner contributions for 2020/21 and indicatively for future years will continue to be funded from the Wider Investment Fund (WIF) as stated in the JWA, paragraph 12.4.2:

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

19. The WIF ‘Top-Slice’ budget of £742,500 per annum as described above is required to:
- support the extended City Deal Office Structure
 - fund the work of the Regional Bodies and meet
 - Project Development and Support costs in relation to the Pipeline of Projects being taken through the Investment and Intervention Framework.
20. Details of the actual costs to-date and assumptions of expenditure in current and future years against the WIF Top-Slice budget are shown in Table 3 below.

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

	2016/17 to 2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Opening Balance	0	(1,893,108)	(1,521,562)	(1,087,114)	(643,977)	-191,977
Annual WIF Top-Slice Resources	(2,227,500)	(742,500)	(742,500)	(742,500)	(742,500)	(742,500)

	2016/17 to 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Cont. to JC Rev. Budget - Core	0	163,417	151,166	154,189	157,273	160,419
Cont. to JC Rev. Budget - C/fwd	0	371,546	434,448	443,137	452,000	461,040
Prog. Dev. & Supp - ACTUAL / PROJ	334,392	579,083	0	0	0	0
Prog. Dev. & Supp - Available	0	0	591,334	588,311	585,227	582,081
WIF Top-Slice Expenditure	334,392	1,114,046	1,176,948	1,185,637	1,194,500	1,203,540
Balance C/fwd	(1,893,108)	(1,521,562)	(1,087,114)	(643,977)	(191,977)	269,063

21. Table 3 indicates that there are sufficient resources available within the existing envelope approved by Regional Cabinet to meet expenditure assumptions over the next four years.
22. However, Regional Cabinet should note that this funding model will not be able to sustain itself over the longer-term. Consideration will need to be given to the funding mechanism beyond 2023/24. With this in mind discussions will continue with UK Government around the ability to bring forward an element of the Top-Slice resources, which are currently profiled for the last five years of the fund life i.e. Years 15-20. This proposal is based on the assumption that most (if not all) of projects approved as part of the WIF will have been approved and implemented by Year 15 and therefore the call on Project Development and Support resources will be significantly reduced. In any event, regular update reports will be provided to Regional Cabinet to keep them fully informed of matters relating to the Annual Budget.

Reason for Recommendations

23. To set out the proposed funding mechanisms used to support Annual Budgets.
24. To inform Regional Cabinet of the proposed 2020/21 budget, an indicative medium term financial plan and resulting Local Authority partner contributions.

Financial Implications

25. The proposed 2020/21 Annual Budget represents an increase of 1.42% and can be accommodated within the parameters (maximum of up to 5% increase in Partner Contributions) of the Joint Working Agreement.
26. The ring-fenced 3% Top-Slice budget has sufficient resources to meet the cost of the City Deal Office over the next four financial years, based on the level of known and estimated commitments at this time. However, it must be noted that the

proposed funding mechanism is unable to support the increased cost over the longer term. The report indicates that discussions will continue with UK Government to bring forward resources from latter years of the fund's life as a possible option. If this option cannot be supported then alternatives will need to be explored as part of the budget setting process in future years.

27. The City Deal Office and the Accountable Body will need to review and monitor budgets closely to inform periodic budget monitoring reports to regional Cabinet. These reports will also need to highlight any issues or risks in respect of City Deal funding terms and conditions.

Legal Implications

28. In this case Regional Cabinet is being asked to approve three matters, the amount of the Joint Committee costs, the Annual Budget and use of part of the HMT contribution to meet the balance of the Joint Committee costs, to the extent that the same exceed the Annual Budget. This is achievable within the parameters set by the Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal ('the JWA'). The JWA provides that:

- (i) the Joint Committee Costs means the operational and management costs of the joint committee, its sub committees and groups created, including, and by way of example only; staffing costs of the City Deal Office, communications and the costs of the Accountable Body in carrying out the duties of the Accountable Body. The Joint Committee Costs do not include any revenue costs or capital investment relating to the implementation of any project.
- (ii) the approval of the Annual Budget is a matter for the Joint Committee (the Regional Cabinet) to determine provided that the Annual Budget shall not exceed the previous Annual Budget by more than 5%.

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

- (iii) "Where the actual aggregate Joint Committee Costs are likely to exceed the Annual Budget by more than 5% (five per cent) such additional costs shall be met through the wider investment fund (comprising of the HMT Contribution and the Councils Contribution)". In this case the proposed joint committee costs exceed the proposed annual budget. It is therefore proposed that the excess costs be met through the wider investment fund (namely that part of the HMT contributions referred to in this report as the 'WIF Top-Slice').
29. It is understood that this proposal accords with the funding conditions attaching to the HMT Contributions, in that the additional funding is required out of the WIF top slice for additional City Deal Office staff to support the objectives of the CCRCDC

through the implementation of projects, schemes and interventions agreed by Regional Cabinet.

Well-Being of Future Generations (Wales) Act 2015

30. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published well-being objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national well-being goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the 'well-being duty' and in so doing assist to achieve the national well-being goals.
31. The well-being duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires 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 the Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the 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 seven 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.
32. The Regional Cabinet must be satisfied that the proposed decision accords with the principles above.
33. To assist the Regional Cabinet to consider the duties under the Act in respect of the decision sought an assessment has been undertaken, which is attached as an Appendix to this report (Well-being of future generations assessment) for Member's consideration.
34. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

35. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:

- age;
- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief

Recommendations

36. It is recommended that Cardiff Capital Region Regional Cabinet approves:

- (1) the Joint Committee costs set out in Table 1 of this report and amounting to £1,690,431;
- (2) the proposed 2020/21 Annual Budget of £1,104,817, funded by partner contributions as outlined in this report, to meet part of the Joint Committee costs and which represent an increase of 1.42% against the previous year's budget; and
- (3) that the balance (£585,614) of the Joint Committee costs be met from the Cardiff Capital Region Wider Investment Fund (namely that part of the HMT contributions referred to in this report as the 'WIF Top-Slice').

Christopher Lee

Accountable Body Section 151 Officer, Cardiff Capital Region City Deal

19 December 2019

Appendices

Appendix 1i 2020/21 City Deal Office budget changes

Appendix 1ii 2020/21 Accountable Body budget changes

Appendix 2 Future Generations Assessment Evaluation

Background Papers

- Joint Working Agreement
- HM Treasury Funding Terms & Conditions

Appendix 1i

2020-21 Proposed Annual Budget – Analysis of Changes (City Deal Office)

	2019-20 Budget	Growth / Reduction + / (-)	2020-21 Budget
City Deal Office (CDO)	£	£	£
Employee Related	1,063,585	6,237	1,069,822
Premises Related	21,000	0	21,000
Transport Related	18,750	(3,750)	15,000
Supplies & Services	68,695	0	68,695
Joint Scrutiny	25,000	0	25,000
5 Year Gateway Review Support	72,810	20,404	93,214
Assurance Framework Support	25,000	(25,000)	0
WAO Performance Audit Fee	15,000	0	15,000
Contingency	68,576	12,042	80,618
Total Expenditure	1,378,416	9,933	1,388,349
Funded by			
Partner Contributions	(795,353)	(15,500)	(810,853)
WIF Top-Slice Contribution	(583,063)	5,567	(577,496)
Total Funding	(1,378,416)	(9,933)	(1,388,349)

Appendix 1ii

2020-21 Proposed Annual Budget – Analysis of Changes (Accountable Body Support Services)

	2019-20 Budget	Growth / Reduction + / (-)	2020-21 Budget
Accountable Body Support Services	£	£	£
HR People Services	20,685	(8,218)	12,467
Finance & Accountancy Support	138,293	0	138,293
Exchequer, Internal Audit & Insurance	3,566	(709)	2,857
Legal & Governance Support	80,000	0	80,000
ICT, Information & Governance	13,722	3,904	17,626
External Audit Fee	12,500	0	12,500
Procurement	15,000	(10,000)	5,000
Contingency	25,000	8,339	33,339
Total Expenditure	308,766	(6,684)	302,082
Funded by			
Partner Contributions	(293,964)	0	(293,964)
WIF Top-Slice Contribution	(14,802)	6,684	(8,118)
Total Funding	(308,766)	6,684	(302,082)

Future Generations Assessment Evaluation






Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal To propose the annual revenue budget for the Joint Committee for the financial year 2020/21.
Proposal: 2020/21 Joint Committee Revenue Budget	Date Future Generations Evaluation form completed: 06 Dec 2019

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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The report sets out the proposed revenue budget for the Joint Committee for 2020/21, demonstrating the way in which available resources will be used to deliver outcomes and targets.	Set out in report
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Not directly relevant however financial support and investments will have regard to these principles and will be set out on a business-case by business-case basis.	
A healthier Wales	Not directly applicable	

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

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

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

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

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

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

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

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

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

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

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

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

The impacts of this proposal will be evaluated on:

On a quarterly basis starting Quarter 1 2020/21



19 December 2019

INVESTMENT PANEL RECOMMENDATIONS TO REGIONAL CABINET

REPORT OF CCR CITY DEAL DIRECTOR

AGENDA ITEM 8

Appendices 1, 2, 3ii, 4i, 4ii and 4iii to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Reason for this Report

1. To seek approval of the recommendations made by Investment Panel at its meetings on 19 November and 11 December in respect of the projects and proposals contained within this report.

Background – The Investment and Intervention Framework

2. The Investment and Intervention Framework (IIF) was approved by Cabinet in June 2019 as a means of providing a comprehensive assessment toolkit for the consideration, evaluation and approval of proposals received into the City Deal Wider Investment Fund. The IIF builds upon the sectoral, cluster-driven and place-based priorities set out in the Industrial and Economic Growth Plan (endorsed by Cabinet in February 2019). It further provides a clear means of originating projects and proposals that resonate with core priorities; developing a meaningful pipeline and deal flow; robust assessment criteria; and accenting the key decision-making stage-posts that support an agile but strong governance approach.
3. The IIF has spawned three funds comprising Innovation, Infrastructure and Challenge. It sets out core principles and targets around investment leverage, ROI and co-investment and provides the technical and strategic parameters within which partners can effectively work. It completes and gives practical effect to the Assurance Framework and ensures the Regional Cabinet is supported to enact its optimum strategic role. The IIF has established an

Investment Panel which comprises five members of the Regional Economic Growth Partnership and five members of the Chief Executive's Group/ Programme Board. The Investment Panel is an advisory panel and considers detailed technical matters and provides a means of impartial advice to Regional Cabinet as the core decision-makers in the process. As of 11 December, Investment Panel has met on four occasions. This is to address the backlog of submissions, enabling the schemes that show signs of fitting with City Deal requirements to enter the process and ensure pace and momentum.

4. In keeping with the flow and sequence of the IIF, and as we iterate and improve the process, the following milestones are observed:
 - CCR Cabinet notification of received SIFT questionnaires – Appendix 3
 - Director/Investment Panel initial review SIFT submissions to accept/reject or return (Stage 1a – Strategic Alignment);
 - Investment Panel evaluation of SIFT submissions (Stage 1b – Formal Evaluation);
 - Development of proposals (Stage 1c – Strategic Outline Case (SOC));
 - Should early exploration indicate potential viability, affordability and deliverability, due diligence work is commissioned in line with relevant stages of Proportionate Business Case Development Process (PBCDP) and relevant cabinet approvals sought e.g. Outline Business (OBC), Full Business Case (FBC) etc;
 - Investment Panel reviews outputs and makes recommendations to Regional Cabinet;
 - Regional Cabinet decides whether to approve investment, to reject or seek re-submission based on Investment Panel feedback;
 - Legal completion of successful projects;
 - Project implementation, monitoring and review (including benefits realisation).

Making Progress – Stage 1 Proposals

5. Investment Panel met on 19 November. Reports to Investment Panel were as follows with the associated Recommendation Log attached at Appendix 1.

Report of CCR Director Stage 1a assessments (Strategic Alignment)

1. **Fibre to the Premise** (Private Sector Proposal);
 2. **5G proposal** (Public/ Private Sector Consortium);
 3. **Life Sciences 'Cardiff/A470 Edge'** (Private Sector Proposal);
 4. **Public Services Testbed** (Public/ Private Sector Proposal);
 5. **CS Connected** (Cardiff Capital Region/Welsh Government and CS Connected Proposal);
 6. **CS Cluster Proposed Land Acquisition** (CCR Proposal).
6. In respect of the outcomes of this meeting, Investment Panel supported the Director's recommendation that all schemes submitted are at this stage, sufficiently strong to enter the process. Preliminary work is now underway on these.

7. On the CS Connected proposal, given the relatively low value of the ask (to offer hosting support for the CS Cluster Team and co-investment with WG and members of the Cluster) – Investment Panel recommends this be considered for approval by Regional Cabinet without delay, with a proposed ‘Go Live’ date of the 1 January 2020. Arrangements are proposed to continue until 30 June 2020 when the outcome of the Strength in Places Fund bid will be known. At this point, arrangements will be reviewed.
8. In respect of the CS Cluster proposed land acquisition, following previous reports to Cabinet and the need to respond in line with the timeframe imposed, it is recommended that £40,000 is released to complete the process of technical due diligence on power supply and service connectivity. This will inform future development of the business case in January 2020, which will be further considered by cabinet at the appropriate stages.
9. Investment Panel met again on 11 December. The recommendation log is attached at Appendix 2. Reports to Investment Panel were as follows:

Report of CCR Director Stage 1a assessments (Strategic Alignment)

1. **Clean Growth Power Station** (Private Sector Proposal);
 2. **Employability Project** (Third Sector Proposal);
 3. **Tidal Energy** (Private Sector Proposal);
 4. **SME Certification** (Private Sector Proposal);
 5. **Neurological Centre** (Third Sector/ Charity Proposal);
 6. **Drone Cluster** (Public/ Private Sector Proposal);
 7. **Artificial Intelligence (AI) Hub** (Higher Education Sector Proposal);
 8. **Rural/Suburban Gigabit Connectivity** (Private Sector Proposal).
10. In respect of the outcomes on the Stage 1a assessments, Investment Panel supported recommendations for entry into the process for three schemes, with five considered as not acceptable at this time (see Recommendation Log at Appendix 2 for further details).
 11. In addition, Investment Panel considered two reports from the CCR Chief Operating Officer, these were in respect of:
 1. Housing Investment Fund – Outline Business Case (and supporting documents);
 2. Local Wealth Building Challenge Fund Proposal.

Making Progress – Housing Investment Fund Outline Business Case (OBC)

12. In relation to the Housing Investment Fund, an Outline Business Case (OBC) has now been completed and was presented to Investment Panel for review and consideration. The OBC and supporting documents are attached at Appendix 4 (Appendix 4i Outline Business Case; Appendix 4ii Technical Annexe; and Appendix iii draft Legal Options Report).

13. The OBC confirms that the key problem to be solved in respect of CCR intervention in the housing market, is that of 'stalled sites' – sites left vacant as a result of deindustrialisation that are unviable for housing delivery. Closing this viability gap is vital, as left unaddressed, development will be pushed onto alternative sites. Given the location of many of the sites within the region, there are important gains to be made in respect of CCR's economic inclusion objectives.
14. The proposed principal fund set out in the OBC is a Viability Gap Fund. This fund seeks to provide very patient continuity finance – or gap funding – to tackle the issue. In-built is the principle of overage, gain-share and profit-share at point of viability, and/ or wherever this is proven to be feasible. The OBC suggests this fund could operate between CCR and Councils as lead applicants via a 'Block of Finance' arrangement. This means that there would be no need to appoint an FCA accredited fund manager to oversee the operation of the fund. Instead, it would require building the required capacity and capability either within the City Deal Office or through a commissioning route. It is important that this is considered quickly in order to ensure the fund can go live with appropriate resources, in quick time.
15. In addition to this, the OBC also identified a second potential fund which could run in parallel with the principal Viability Gap Fund – a SME Finance Fund. This would address a further imperative around engaging SME house-builders which are currently under-represented in the region. Based on the available evidence of SME builders, deal-flow and sites, this would be a much smaller fund and given the need for FCA accreditation, would require an external professional fund manager. The Full Business Case therefore needs to test the viability of such a fund given the costs associated with fund management and the ability to make the whole operation, sustainable and deliver value for money.
16. What is clear from the OBC is that a proposed £30m fund will not go far. The OBC has road-tested a variety of sites submitted by LAs and there are some large viability gaps evident. Currently, a commitment exists from Welsh Government (WG) to match-fund the £15m committed by CCR. However, there are challenges with this as the WG match funding comprises £5m capital monies and £10m transactional capital.
17. Given the patient and long-term finance needed, realisation of any Return on Investment (ROI) might be long-term and this would have to fit with any funding conditions imposed by WG – which are as yet, unseen. In addition, given the benefits such a fund could have to addressing housing issues on a broader scale, it is suggested that City Deal commits up to a further £15m. This would provide leverage into a discussion with WG regarding full match funding to secure an overall c£60m fund and provide additional flexibility in response to any funding constraints which may be identified.
18. These issues will need addressing as the document is iterated into a Full Business Case (FBC). The aim is to produce the FBC for consideration in the early part of the New Year. This is likely to require site specific information, arrangements for an investment call to Councils for priority sites and specific

appraisals. This means that the issues highlighted above need resolving in good time to allow progress to be made with a fund launch and as close to a full year operation of the Fund, as possible. Ensuring the necessary fund expertise and dedicated resources are in place will be key to the ability to advance this quickly.

19. It is estimated that FBC development resources amounting up to £75,000 will be required to complete the work outlined above.

Making Progress - wider

20. On the subject of the proposed Challenge Fund for Local Wealth Building (foundational economy), given the potential for this to be matched with Valleys Task Force funding to support a targeted approach in these areas, Investment Panel has recommended that in principle support be given to establishing a case for such a Fund. Clarification is currently being sought via HMT regarding any changes to existing funding terms and conditions that may be required to enable CCR to launch Challenge Funds. In the meantime, it is suggested that the proposal is fully worked up through the proportionate business case process in conjunction with the Ministerial Advisory Board on the Foundational Economy.
21. Wider progress on the IIF has also been noted. This is set out in summary in Appendix 3i and ii. It should be noted that the Metro Plus programme is now live with Regional Transport Authority utilising its delegated powers to give early funding approvals to two schemes – Cardiff and Rhondda Cynon Taf. This is a further important signal of progress.

Reasons for Recommendations

22. Given the phases and sequence set out for approvals in the IIF, this report provides progress on the proposals deemed to be in a sufficient state of readiness to progress and, the OBC for the Housing Investment Fund. It further provides a status update on the wider IIF Pipeline.

Financial Implications

23. Following the Investment Panel meetings of the 19th November and 11th December 2019, the Investment Panel Recommendation Logs attached at Appendix 1 & 2 seek the approval of the following resources:
 - i. £50,000 of City Deal resources to be made available to enable the hosting of the CS Connected Team;
 - ii. £40,000 to support technical due diligence relating to the CS Connected land;
 - iii. £75,000 to develop the Full Business Case in respect of the Housing Investment Fund.
24. If approved, the City Deal financial contribution to specific projects and any on-going support (items i and ii above) can be met from sums set aside in respect of the Wider Investment Fund 'Top-Slice'. In respect of the resources to support

the development of the Housing Investment Fund FBC (item iii), this sum can be met from within the WIF In-Principle project budget allocation.

25. In addition, the report seeks approval to increase CCR's funding contribution towards the Housing Investment by up to £15 million, with the aim of increasing CCR's contribution up to c£30 million, subject to the approval of the Full Business Case. Therefore, if approved by Regional Cabinet at this time, this sum will represent a forward commitment against the medium term resources allocated to the WIF Approved Project Budget. The profile of the budget line will then be reviewed and updated accordingly as part of the Annual Business Plan.
26. The Accountable Body has not had sufficient time to review the preferred options and funding proposals set out in the Legal Options Report and therefore it will be necessary for detailed analysis of these to be undertaken as part of the forthcoming Full Business Case.
27. All approvals will be subject to periodic financial and performance reports throughout the year. Access to funds will need to be through agreed criteria which align to the requirements of the Investment & Intervention Framework itself. This includes the requirement to produce acceptable business cases in line with the funding requirements set out by HMT and Welsh Government as well as best practice. This is key, to ensure that City Deal funding terms and conditions are observed at all times and the risk of costs proving to be abortive at a later stage are minimised.

Legal Implications

28. The report seeks authority for further work to be carried out to develop proposals for the various projects referred to. It is understood the Overarching Funding Agreement which sets out the investment criteria has been complied with to assess the applications at the SIFT stage.
29. When developing proposals for individual projects, the provisions of the Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal ('the JWA'), (in particular the provisions of the Assurance framework), and the terms attaching to the funding provided by HMT to the CCRCDC must be complied with. As set out in the body of the report, to ensure compliance with the JWA, business cases will be developed for each project and the approach taken will be consistent with the HM Treasury Green Book and business case appraisal process, applied in a manner that is proportionate to the project in question.
30. It is important that the due diligence and development of the business cases involve consideration of the legal issues raised by the proposals to ensure that the proposals, as developed, meet all legal requirements. It should be noted that developing the business cases is likely to require significant legal resource, which will need to be funded by the CCRCDC, as part of the costs of developing the full business cases. By way of example only, consideration will need to be given to a) the legal powers available to the Councils and the Regional Cabinet

to provide the various forms of investment under consideration, b) the governance arrangements that should be put in place to administer the Funds (how and by whom decisions will be taken to award grants, loans, provide guarantees etc. at varying financial thresholds), c) the terms and conditions that should be attached to the various proposed funding arrangements, and d) consideration of any planning law issues, state aid and procurement law implications.

31. It is noted the recommendation to approve £50,000 to the hosting of the CS Connected Team is subject to confirmation of match funding and should only be released when such confirmation is provided.
32. In regards to any proposed procurements, detailed legal advice should be sought to ensure services are procured in accordance with the Contract Standing Orders and procurement legislation.
33. Reference is made to the 'Making progress - Housing Investment Fund Outline Business Case (OBC) section to the body of the report and external legal advice has been obtained on the issues referred to. The external legal advice received is set out in exempt appendix 4iii (Legal Options Report) to this report, to which Members are referred.

Well-Being of Future Generations (Wales) Act 2015

34. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC) 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 duty' and in so doing assist to achieve the national wellbeing goals.
35. The wellbeing duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires 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 the Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the 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 seven national well-being goals;
 - work in collaboration with others to find shared sustainable solutions;

- involve people from all sections of the community in the decisions which affect them.
36. The Regional Cabinet must be satisfied that the proposed decision accords with the principles above.
37. To assist the Regional Cabinet to consider the duties under the Act in respect of the decision sought an assessment has been undertaken, which is attached as an Appendix to this report (Well-being of future generations assessment) for Member's consideration.
38. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

39. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:
- Age
 - Gender reassignment
 - Sex
 - Race – including ethnic or national origin, colour or nationality
 - Disability
 - Pregnancy and maternity
 - Marriage and civil partnership
 - Sexual orientation
 - Religion or belief – including lack of belief

RECOMMENDATIONS

40. It is recommended that the Cardiff Capital Region Regional Cabinet:
- (1) notes the Recommendation logs from the meetings of Investment Panel on 19 November 2019 and 11 December 2019, respectively;
 - (2) approves the recommendations made by the Investment Panel (set out in full in the 19 November Recommendation Log at Appendix 1) in respect of:
 - i. All of the Stage 1a proposals which are now at entry stage of the Investment Framework;
 - ii. The CS Connected Project and City Deal co-investment of £50,000 in hosting the CS Connected Team in partnership with WG and CS

- Connected Members - noting and approving the attached conditions;
and,
- iii. The CS Connected proposed land acquisition and the £40,000 cost of technical due diligence relating to the site and services and power supply – noting and approving the attached conditions;
- (3) approves the recommendations made by the Investment Panel (set out in full in the 11 December Recommendation Log at Appendix 2) in respect of:
- i. All of the Stage 1a proposals which are now at the entry stage of the Investment Framework as well as those deemed unsuitable at this time;
 - ii. The principle of establishing a Local Wealth Building (foundational economy) Challenge Fund a full proposal which should now be shaped and developed, in accordance with expert advice and endorsement of HMT in respect of any changes to funding terms and conditions;
 - iii. Notes the status update on the Investment and Intervention Framework Pipeline – set out in Appendix 3;
 - iv. The Housing Investment Fund OBC (Appendix 4i) and the proposed conditions attached in the Recommendation Log (Appendix 2);
- (4) notes the following items in relation to the Housing Investment Fund:
- i. The need to participate in a political leaders workshop in January to consider key issues in order to finally inform the Full Business Case for the Housing Investment Fund to be received in the New Year which establishes the principal Viability Gap fund and feasibility of a second SME Fund; the key priority sites, criteria and assessment process and a full and final state aid position;
 - ii. The need to seek an urgent meeting with WG to confirm the final funding position in respect of its contributions and funding T&Cs;
- (5) further approves the following items in relation to the Housing Investment Fund:
- iii. the FBC cost envelope of up to £75,000;
 - iv. to increase CCR funding contribution from £15m to up to £30m to scale impact;
- (6) notes the early progress made in respect of the first Metro Plus schemes and the outline approvals awarded to Cardiff and RCT by the Regional Transport Authority's exercising of delegated powers at its meeting on 28 November 2019.

Kellie Beirne
Director, Cardiff Capital Region City Deal
19 December 2019

Appendices

- Appendix 1** Investment Panel Recommendation Log – 19 November 2019
Contains exempt information of the description in paragraph 14 information relating to the financial or business affairs of any particular person including the authority of Part 4 of schedule 12A and paragraph 21 of Part 5 of the Local Government Act 1972.
- Appendix 2** Investment Panel Recommendation Log – 11 December 2019
Contains exempt information of the description in paragraph 14 information relating to the financial or business affairs of any particular person including the authority of Part 4 of schedule 12A and paragraph 21 of Part 5 of the Local Government Act 1972.
- Appendix 3i** IIF Pipeline Current Status Update (December 2019)
Appendix 3ii IIF Full Pipeline
Contains exempt information of the description in paragraph 14 information relating to the financial or business affairs of any particular person including the authority of Part 4 of schedule 12A and paragraph 21 of Part 5 of the Local Government Act 1972.
- Appendix 4i** Housing Investment Fund - Outline Business Case
Contains exempt information of the description in paragraph 14 information relating to the financial or business affairs of any particular person including the authority of Part 4 of schedule 12A and paragraph 21 of Part 5 of the Local Government Act 1972.
- Appendix 4ii** Housing Investment Fund – Technical Annex
Contains exempt information of the description in paragraph 14 information relating to the financial or business affairs of any particular person including the authority of Part 4 of schedule 12A and paragraph 21 of Part 5 of the Local Government Act 1972.
- Appendix 4iii** Housing Investment Fund - Legal Options Report
Contains exempt information of the description in paragraph 14 information relating to the financial or business affairs of any particular person including the authority of Part 4 of schedule 12A and paragraph 21 of Part 5 of the Local Government Act 1972.
- Appendix 5** Wellbeing of Future Generations Assessment

Pipeline - current status (12/19)

15 Sift Questionnaires at Stage 1a & b

- FTTP Project – 300k premises
- Public Services Testbed
- Centre for Neurology
- FTTP projects x 2
- Life Sciences park
- Aquaculture services
- Tidal energy project
- U220 Project
- Moving Forward project
- 5G Testbed
- AI & Data Science Centre
- CS Campus & CS Connected
- SME Competitiveness & Co-fund



We aim to provide an indicative view of whether or not to proceed with Investment Panel review of projects with 2 weeks of receipt of completed Sift Questionnaire

Challenge Innovation Infrastructure

Proceed; Re-submit; Reject based on strategic fit, sanction due-diligence



28 known projects covering a range of areas across the investment priorities

- Metro Central
- Core Valley Lines fibre project
- Strength in Places - CS Connected

- Housing Catalyst Fund
- Metro Plus (+ EV renewables)
- CCR Graduate Placement Scheme
- LFFN DCMS scheme

Future Generations Assessment

<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Setting out the recommendations of the Investment Panel in respect of potential projects in the IIF.</p>
<p>Proposal: Investment Panel Recommendations</p>	<p>Date Future Generations Evaluation form completed: 09 December 2019</p>






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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The 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 projects in the pipeline now seek to make a major contribution to this.</p>	<p>Maximising potential for added value and meeting City Deal targets is enshrined within the assessment process.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>The IIF is underpinned by the four Industrial Strategy Grand Challenges, included in which is clean growth.</p>	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A healthier Wales People’s physical and mental wellbeing is maximized and health impacts are understood</p>	<p>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.</p>	<p>Inclusive growth and sharing prosperity are key principles and some of the conditions proposed to be set by Panel</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>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.</p>	<p>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</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The IIF has regard to the wider factors required to support a vibrant and responsible economy</p>	
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>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.</p>	
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>City Deal is about delivering as far as possible across 10 LAs and a population of 1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people’s lives.</p>	<p>The ‘spread’ and targeting of City Deal benefits in a place-based and place-led way – as reflected by the proposals.</p>

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The IIF is relevant to today, but focused on foresight and what comes, tomorrow.</p>	<p>Continued work on data/ evidence and generating in equal measure, insight and foresight.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The report sets out the different partners and sectors engaged in this work</p>	<p>City Deal will be delivered by a multiplicity of diverse partners.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The report sets out the different partners and sectors engaged in this work</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The 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>Integration</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	
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		

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?
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?

- Individual SIFTs and accompanying documents.
- Full OBC for Housing Fund and technical annexe
- CSC business case and SIPF bid including detailed economic impact assessment

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.

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The impacts of this proposal will be evaluated on:

Quarterly 2019/20

19 DECEMBER 2019

STRENGTH IN PLACES FUND – WAVE 2 EOI SUBMISSION MEDICAL DEVICES AND DIAGNOSTICS

REPORT OF CCR CITY DEAL DIRECTOR

AGENDA ITEM 9

Appendix 1 to this report is exempt from publication because it contains information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Reason for this Report

1. To inform Regional Cabinet, that further to the report of 15 July 2019 'Strength in Places Fund Wave 2' – a full Expression of Interest (EOI) was submitted to UK Research and Innovation in October 2019 with Cardiff Capital Region City Deal as a stated consortium partner. This report provides a brief summary of the EOI, sets out next steps and provides an update on wider work to facilitate the creation of a Medtech Devices and Diagnostics Cluster in the Cardiff Capital Region.
2. To inform Regional Cabinet of two other EOIs into the fund from Clwstwr (Creative Industries) and Fintech Wales from within the Cardiff Capital Region. Both have received letters of in principle partnership support in endorsement of their submissions.

Background

3. In November 2018, the then Chancellor announced a funding commitment to a second round of the SIPF (c£236m). Wave 2 of SIPF Fund opened in April 2019 with consultation events taking place across the UK up until the end of June. Early conversations with partners, liaison with Higher Education colleagues and reference to the CCR sectoral analysis and Industrial Growth Plan suggests that the most 'mature' next prospective cluster was around Medical Devices and Diagnostics. The benefits of bringing together such a cluster straddle all parts of the region with more than 6% of the region's GDP coming from the Life Sciences sector – higher than other regions of the UK – with 90% of all life sciences businesses in the region being in the Devices

and Diagnostics sector. A wide group of supporters ('the cluster') was drawn from the Medtech community, including the Life Sciences Hub, Gwalia Healthcare, Bond Digital Health, Trakcel, Medicare and Purolite alongside many others. Creo Medical stepped forward as the Industry lead alongside partners CCR, Renishaw, Cardiff University Medical Centre and Cardiff and the Vale Unitary Health Board ('the consortium').

4. Regional cabinet approved the allocation of £50k to Creo Medical to match a c£75-100k commitment to be contributed across Creo and the Life Sciences Hub. To date, the seed fund has helped to secure bid-writing and project development support, hold industry events to connect organisations and develop the 'Medical Monday' concept. This work continues and key benefits are in evidence around supply chain development, contract work being kept in the region when it previously went outside and the growing profile and strength of the Devices and Diagnostics community.

Issues - The Expression of Interest

5. The EOI submitted (attached at exempt Appendix 1|) focussed on the potential to develop a Medtech Region of Excellence, specialising in devices, diagnostics and implants and related developments in Artificial Intelligence and data. The four consortium partners aim to develop pioneering centres that enable the cluster of some 200 Medtech companies in the region, along with regional research organisations, to develop the whole value chain of products and services from early stage conception and ideation through to testing/ prototyping and into monetisation and commercialisation.
6. The credentials of the partners are strong. Consortium lead, Creo Medical Group Plc is a leader in endoscopic electro-surgery devices. Consortium partner, Renishaw plc, is a leader in 3D printing and bespoke replacement implants and development of a 3D Printing Research Centre. Cardiff University and the Cardiff and Vale University Health Board is home to the Precision Medicine Centre and Diagnostic Pathology Hub. The Cardiff Capital Region City Deal's work on 'Priority Sectors' identified Devices and Diagnostics as opportune and this is reflected in the Regional Economic and Industrial Growth Plan.
7. The cluster concept is based on simple principles of connecting, aligning and co-ordinating organisations in order to leverage resources and assets that develop a strong supplier effect in the region. **Provision of and access to world-class centres** for pre-clinical research and clinical trials and advanced manufacturing and surgical training; **retaining and attracting projects** through shared in-region facilities and resources; **building skills, training and development programmes** to increase the amount, breadth and depth of high-value skills as part of the core offer to prospective investors and indigenous growing companies; and, **applied innovation and research and development to grow new capability and drive new revenue streams** – are core aims of the proposal, integrated into one programme package. Moreover, in-region patient benefits, service effectiveness and wider socio-economic impact is all captured.

8. The strength of the research base (Cardiff University occupies 8th on the 2016 Research Excellence Framework for clinical medicine), is a core component of the proposal and translation to a commercial support function will reinforce regional 'economic strength of place'.
9. At EOI stage, £50,000 worth of seed funding is available, which would sit alongside the £125-150k secured to date. This would:
 - create a programme plan and scale-up stakeholder engagement;
 - commissioning of a detailed economic impact assessment;
 - detailed resource planning around staffing and capability;
 - supporting the planned creation of the Pathology and Precision Medicine Hub;
 - supporting the development of in-region manufacturing capability.
10. In terms of economic impact, given the timeframes leading up to the EOI submission, it was not possible for the consortium lead to commission a full economic impact assessment. However, estimates suggest an additional 300 high skill jobs could be newly created in the region with hundreds more reinforced and strengthened. This is based on current rates of growth and does not take into account 'spin off' inward investment and FDI opportunities that could result.
11. In relation to next steps, seed notifications will be made on 1 June 2020. The planned activity previously approved will continue up until this time, to build momentum, show confidence and drive things forward. Work continues to support the development of med-tech related propositions through the Investment and Intervention Framework and also in working with colleagues in Torfaen and Monmouthshire around their respective Medtech ventures.

Other SIFP EOI submissions

12. Two other EOIs have been submitted by partner organisations within the Cardiff Capital region. These are from Fintech SE Wales within which, as Fintech Wales members, CCR is referenced as a supporter; and, Creative Capital – moving the region's locally growing creative cluster (via Clwstwr) to the global stage. Again, the Cardiff Capital Region is referenced as a key supporter. The difference between the EOI submission from the Medtech Consortium and Fintech SEW and Clwstwr is that with the latter, trade and sector bodies already exist that have co-ordinated the work needed. In which case only endorsement has been required, whereas with Medtech, higher levels of facilitation and development was needed and hence the more formal co-ordination role of CCR.
13. It should be noted that both these groups are again, highlighted as Priority Sectors and feature as stated growth opportunities within the Economic and Industrial Growth Plan. Should the EOIs be successful, discussions will take place as to potential CCR support and will be the subject to Investment Framework requirements. In any event,

as with Compound Semiconductors and Medical Devices and Diagnostics, there is an opportunity to build package of support around cluster development in these priority sectors – subject to the Investment Framework process. Discussions are underway with Innovate UK regarding the part-time secondment of an expert with sectoral leadership expertise to join the City Deal team in January 2020. This is in line with the already agreed City Deal Office resourcing and staffing structures.

Reasons for Recommendations

14. To update cabinet on the current status of Wave Strength in Places submissions and in particular, the consortium role played by CCR in the Devices and Diagnostics cluster and the support offered to both Fintech SEW and Clwstwr.

Financial Implications

15. The attached report is an update in respect of Regional Cabinet's decision of 15th July 2019 to commit up to £50,000 towards an industry-led Expression of Interest (EOI) to Wave 2 of the Strength in Places Fund.
16. Creo Medical is the legal entity which is undertaking the 'lead role' for co-ordinating, developing and submitting the bid on behalf of the region. In addition, it will be responsible for receiving, holding and accounting for all financial contributions received to towards bid development costs. The proposed arrangements will need to ensure that any VAT implications are fully understood and costs are structured accordingly.
17. CCR City Deal's financial contribution is to be met from the approved 2019/20 Programme Development & Support budget, subject to the necessary financial and administrative arrangements being agreed and put in place. It is envisaged that this will take the form of 'grant agreement', which amongst other matters, will seek to ensure that:
 - funding is to used solely to support the objectives of the Cardiff Capital Region City Deal (CCRCDD) through the implementation of projects and schemes agreed by the Regional Cabinet in accordance with the arrangements set out in its Joint Working Agreement (JWA), Wider Investment Fund, Assurance Framework and JWA Business Plan;
 - the CCR City Deal element of funding is utilised in a manner which complies with the European Commission's State Aid Rules and that any goods and/or services acquired through this funding are purchased in a competitive and sustainable way so as to demonstrate best value in the use of public funds;
 - that accounting records will be made available on an 'open book' basis, to satisfy the requirements of openness, transparency and accountability, in respect of public monies.
18. If the EOI is successful, it is envisaged that Creo Medical will also take responsibility for receiving and administering the £50,000 'seed-corn' funding that is being made available to work up the next stage of the process.

19. If any stage of this process leads to an 'investment ask' from the CCR Wider Investment Fund, it will be necessary to prepare a business case in-line with the requirements of the Investment & Intervention Framework.
20. Further reports will be brought back to Regional Cabinet to provide an update on matters and set-out the next steps, together with details of potential resource implications and the associated timescales.

Legal Implications

21. This report serves to update Regional Cabinet on the Strength In places Fund, expression of interest submission submitted in October 2019.
22. Following assessment, successful EOIs will be selected to receive up to £50,000 in 'seedcorn funding' to further develop proposals for a full stage project. If the EOI submitted is successful then detailed work will be required to develop the collaborative proposals. From the CCRC perspective, this should include developing the detail of the governance structure around the proposed collaborative arrangement, setting out the main commitments and responsibilities of each partner to the collaboration, ensuring that all proposed activities are in line with state aid rules, the provisions of the Joint Working Agreement in relation to the delivery of the Cardiff Capital Region City Deal ('the JWA'), (in particular the provisions of the Assurance framework), the WG and HMT funding conditions that attach to the Cardiff Capital Region Wider Investment Fund and all other legal requirements. A further report, with supporting business case will be required for CCRC Regional Cabinet approval before any detailed proposal (which is partially reliant on CCRC funding) is submitted.

Well-being of Future Generations (Wales) Act 2015

23. 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 duty' and in so doing assist to achieve the national well-being goals.
24. The well-being duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires 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 the Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the 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 seven 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.

25. The Regional Cabinet must be satisfied that the proposed decision accords with the principles above.
26. To assist the Regional Cabinet to consider the duties under the Act in respect of the decision sought an assessment has been undertaken, which is attached as an Appendix to this report (Well-being of future generations assessment) for Member's consideration.
27. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

28. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:
- age;
 - gender reassignment;
 - sex;
 - race – including ethnic or national origin, colour or nationality;
 - disability;
 - pregnancy and maternity;
 - marriage and civil partnership;
 - sexual orientation;
 - religion or belief – including lack of belief

RECOMMENDATION

29. It is recommended that the Cardiff Capital Region Regional Cabinet:
- (1) notes the EOI submitted to UKRI's Strength in Places Fund by industry lead Creo Medical Group Ltd which cites CCR as a consortium partner;
 - (2) notes the support awarded to the Fintech SEW and Clwster submissions – both of which reflect core priority sectors for the Cardiff Capital Region
 - (3) agrees to receive a further report on next steps post June 1 2020, when notifications are expected from UKRI.

Kellie Beirne
Director, Cardiff Capital Region City Deal
19 December 2019

Appendices

- Appendix 1 Copy of EOI submitted by Creo Medical Group Ltd for Medtech Devices and Diagnostics
This appendix 1 is exempt from publication because it contains information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- Appendix 2 Future Generations Assessment Evaluation

Future Generations Assessment

<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>The proposal aims to seek UKRI support through the Strength in Places fund in respect of an initial EOI on Medical Devices and Diagnostics</p>
<p>Proposal: Strength in Places submission Devices and Diagnostics</p>	<p>Date Future Generations Evaluation form completed: 9 December 2019</p>






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

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The proposal seeks EOI support for a region-wide cluster build programme for med-tech as one of the region's most productive and competitive sectors.</p>	<p>Skills and training are front and centre in the bid – ensuring people and communities are equipped to benefit</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>The proposal reflects an opportunity to ingrain and embed economic resilience and security through targeted investment in an evidenced growth sector.</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?
	The sector as well, has a strong social purpose and is about quality of life, health and wellbeing.	
A healthier Wales People’s physical and mental wellbeing is maximized and health impacts are understood	As above – the cluster is about leveraging competitive strength in an area of both economic and social importance – med tech.	As the project and cluster opportunities develop, there will be opportunities to anchor companies that are leading the way on responding to societal challenges around health conditions.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	There is a significant region-wide supply network that will mobilise the cohesion effect	The bid focuses on how this supplier effect can be promoted and optimized.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The proposal seeks to leverage global competitive strengths	
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	The cluster project will have a strong ‘made in Wales’ connection and will help – on a global stage – to reinforce and promote our cultural and local heritage and distinction	The project – if finally successful – will build CCR’s reputation as a globally significant destination. Beyond the economic importance of this, it will unleash opportunities to grow the profile and reinforce the unique cultural heritage and liveability of the region.
A more equal Wales People can fulfil their potential no matter what their background or circumstances	This proposal goes to the heart of inclusive growth. Creating a cluster is an opportunity for more people from different and diverse backgrounds to become involved and engaged.	

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>Balancing short term need with long term and planning for the future</p>	<p>The proposal is around an Industry of the Future. It provides opportunities for today – as well as sustained growth in an industry that will be relevant for the future.</p>	<p>EOI is speculative at this time.</p>
 <p>Working together with other partners to deliver objectives</p>	<p>The EOI is industry led with HE and business and public services partners.</p>	
 <p>Involving those with an interest and seeking their views</p>	<p>This approach has straddled regions, sectors, businesses, skills bodies, government groups and universities.</p>	<p>If the EOI is successful and embedding the cluster and growing supply chains begins, more work needs to be done to engage the wider population, schools and communities in the project. Some work has started in schools and FE – this needs to be made relevant for a much wider audience.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The project supports growth in a long-term high-productivity sector which will not just drive industrial and economic benefits – but social ones too through the underpinning technology that will drive wellbeing and tackling complex social and public health issues.</p>	<p>Not at this time</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>This proposal seeks to straddle a whole supply chain, a region and regions. It has the potentially to be economically advantageous and socially transformative.</p>	<p>Not at this time</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	Should the EOI be successful - in employment and training terms – opportunities will be open to all. However, there will be an opportunity to target younger people through more formative engagement in the sector and opportunities for transformation through schools		Planning through the Regional Skills Partnership
Disability	Should the proposal be successful and opportunities will be open to all	None arising – situation will be subject to ongoing monitoring should the EOI bear fruit.	
Gender reassignment	Should the submission prove to be finally successful – training and development processes will be focused on all equalities principles and matters, including gender.	As above	
Marriage or civil partnership	Should the proposal be successful, employment and recruitment processes will have regard to all of the protected characteristics including the rights of married couples or those in civil partnerships.	As above	
Pregnancy or maternity	Should the proposal be successful, proper regard will be had to the rights of any employees with regard to pregnancy/ adoption/ maternity and paternity.		

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?
Race	Should the proposal be successful and a recruitment and appointment process begin, proper regard will be had at that time, regarding promoting equality of opportunity, translation services and general support to ensure opportunities are genuinely open to all members of the community/ workforce.		
Religion or Belief	As above.		
Sex	Again, should the proposal be successful, proper regard will be had to working conditions and rights and ensuring equity. Efforts in this regard need to be twinned with more support for women in particular in STEM related work.	Proportion of women employed in STEM related professions is generally lower than that of male counterparts.	Data and evidence through the activities of the RSP to inform any potential need for targeted recruitment processes.
Sexual Orientation	As with all of the section above.		
Welsh Language	Should the bid be successful we will discharge all of our duties in relation to the Welsh language Act.	Not at this time but the situation will be kept under review.	

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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	Any work with young people or in the context of schools/ learning establishments, will have proper regard to Safeguarding requirements and policy compliance.	Safeguarding is about ensuring that everything is in place to promote the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect.	
Corporate Parenting	If successful, an opportunity exists to advise and support our young people about the potential for careers, growth and personal development through engagement with this sector		Ensure information about the industry in which the ten LAs are investors – is conveyed to and shared with young people in the care of the LA. Consideration should be given to city deal employment opportunities being more closely referenced in Corporate Parenting Policies and Strategies.

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

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- Data and evidence on the medtech sector
- Cardiff University data and precision medicine intelligence
- Academic research
- Impact assessments
- Global reports and predictions
- Future trends

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 proposal is a speculative one at this stage. The above narrative notes the potential impacts and examples of some of the work that can be deployed to mitigate and manage impact should the proposal be successful. Certainty, there are issues around people, inclusion and support, that in the main, will fall to fora and groups such as the RSP to oversee and co-ordinate.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
<p>Should the final bid be successful – a more detail assessment will need to be undertaken based on the prospect of actual events and occurrences – at present it is speculative</p>			

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8. 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:	Subject to success of EOI round bid in Spring 2020
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19 DECEMBER 2019

CCR ENERGY VISION AND DELIVERY APPROACH - EARLY WORK

REPORT OF CCR CITY DEAL CHIEF OPERATING OFFICER

AGENDA ITEM 10

Reason for this Report

1. There is a strong consensus across the Cardiff Capital Region (CCR) that a huge transformation is needed in the way in which energy is generated, transported and utilised. This shift is needed in behavioural change; commercial and industrial operating models and in the way we educate, learn and challenge.
2. The Welsh Government Energy Service (WGES) is offering each region, a support package up until March 2020. This will help shape a regional energy vision with key stakeholders and consider future scenarios around which to inform and develop action plans. The ambition is that Regional Energy Plans outline a long-term plan for whole-energy system decarbonisation.
3. This report presents a draft vision for CCR. In recognising the limitations of the jurisdictions covered by the CCR City Deal Joint Working Agreement, it is suggested that this report is noted and endorsed with key activities to catalyse low carbon delivery that may require CCRCDD support, being brought through the Investment Framework for appropriate decision-making at the relevant time.

Background – Energy Challenges and Opportunities in CCR

4. Analysis shows that within all sectors in the region, energy use is 33 terawatt hours each year across heat, electricity, transport and fuel. This is significant and compared to Mid Wales which uses 5 terawatt hours – demonstrates the hive of industrial and consumer activity in CCR. Currently only about one sixth of this comes from renewable sources, predominantly electricity. The challenge of decarbonising the remaining five sixths is significant. The analysis pertaining to this is captured at Appendix 1.
5. The areas of most significant challenge are around decarbonising transport and heating to retro-fit with low carbon measures in homes and premises and take steps to ensure new build is ideally, carbon positive. Government policy has a big role to play. Welsh Government has declared its own climate emergency and identified carbon budgets in seeking to support the low carbon transition.

6. In the Analysis of Priority Sectors undertaken in 2018, Energy and the Environment was highlighted as an area of growth potential for the economy. The opportunity exists therefore to urgently consider how we align objectives with the City Deal, raise ambition on the agenda, support activities and initiatives and stimulate pipeline investments. The benefits to the economy and society could be significant with increased local ownership of renewable energy assets, strong supply chains; public-private ventures; 'clean growth' businesses and jobs and creation of a resilient and sustainable region.
7. To date, WGES has supported CCR and stakeholders in:
 - describing the state of play;
 - completing a baseline assessment of current carbon;
 - drafting a vision and gauging ambition;
 - energy system modelling and scenario planning;
 - starting to scope a delivery plan – further work is needed following endorsement of vision.
8. An initial CCR stakeholder workshop was held on 12/04/19 where feedback from the region was collected in order to inform the development of a strategic vision for the future energy system in the region. Twenty six stakeholders from government, industry and commerce, third sector and academia attended the workshop and shared their vision, hopes, and concerns about the renewable energy future in the Cardiff Capital Region.
9. This was followed in July 2019, when in conjunction with WGES, colleagues from the Greater Manchester Combined Authority and the Energy Systems Catapult were invited to share their Climate led Mission approach. This reflected the urgency around energy efficiency and heat; electricity and flexibility; decarbonising transport, the opportunity to adopt clean growth principles and grow companies, supply chains and jobs all alongside the importance of leadership, co-ordination and ownership of the challenges. Follow-up to the Regional Economic Growth Partnership has demonstrated a strong desire for an approach that addresses carbon, bio-diversity and renewable energy challenges – whilst simultaneously growing economic opportunity.
10. The vision produced as a result of this work is *'to create conditions for a shift to a carbon neutral economy and society in the CCR, growing regional income whilst maintaining guardianship of our environment through a targeted focus on clean growth'*.
11. Through the remainder of the process, a stakeholder survey will be undertaken to share the vision statement and seek ideas and thinking around what transformational projects could be developed in the region that could be furthered through public, private and community partnerships.
12. The last output from the WGES work will be an economic analysis to understand the level of investment required for the region to be on a net zero pathway by 2035. This will include an estimate of the GVA and jobs contribution and will be an important evidence base for CCR-driven work as well as to serve as a

powerful reminder of the scale of the challenge, ensuring this is embedded as a core aspect of programmes, projects and partnerships. Given the development of the CCR 'challenge fund' scope also exists to shape challenge funds and prizes around zero carbon transport, air quality, active travel and green growth. This could build upon the evidence base developed to support added value delivery in Metro Plus, as one example.

Key issues

13. The WGES package of support will cease in April 2020 and it is not known at this time, if further assistance will be available. However, there is a clear responsibility to continue what has been started. Moreover, given the opportunities presented by a region-wide approach in terms of resources, critical mass and shared purpose, there is potential to build upon and reinforce the work being done at a local level. The leverage potential into UK Government Industrial Strategy Challenge Fund will be a core consideration in this. Councils in the region have declared climate crises; there are examples of recognised strong practice in areas such as Bridgend and Monmouthshire and the Cardiff transport decarbonisation plan has received largescale public support. Metro Plus and the work commenced around EV and LEV strategies, the plan for taxis and infrastructure modelling income – all provide a springboard for this critical work.
14. The clock is ticking and with young people demonstrating the energy, aptitude and passion to contribute to this moral imperative – this is an opportunity for multi-level civic and business engagement on an unprecedented scale.
15. Effective governance in achieving the enactment of the vision will be key. This will mean a commitment to shared purpose, cross-sector engagement and a focus on outcomes. Once the economic analysis is available from the WGES work there will need to be a further evaluation and assessment of future options to complement the vision. The resultant plan will need to be fully costed in terms of resource and delivery capacity. This will be brought back comprehensively to Cabinet at the end of this initial period of work.

Reasons for Recommendations

16. To consider and endorse the vision in order to give shape, structure and purpose to the work that now needs to be developed to provide a foundation from which to develop and deliver a 'clean growth' plan for the decarbonisation of the region and help align with and foster links to CCR City Deal.

Financial Implications

17. This report presents to Regional Cabinet an Energy Vision for the Region and as such does not seek any funding at this time and therefore has no direct financial implications. Should funding for this initiative be required at a future point such a request will need to be subject to a further report to Regional Cabinet.

Legal Implications

18. This report sets out the Energy Vision and the proposed next steps of progressing a Regional Energy Plan. The development of a Regional Energy Plan is not a matter delegated to the Cardiff Capital Regional City Deal (CCRCD) in the approved JWA in regards to the delivery of the CCRCD. As such, the Accountable Body is not providing legal advice to the 10 Local Authorities on this matter and each Authority will need to satisfy itself as to the implications of any proposed Regional Energy Plan going forward.

Well-Being of Future Generations (Wales) Act 2015

19. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published well-being objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national well-being goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the 'well-being duty' and in so doing assist to achieve the national well-being goals.
20. The well-being duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires 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 the Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the 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 seven national well-being goals;
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21. The Regional Cabinet must be satisfied that the proposed decision accords with the principles above.
22. To assist the Regional Cabinet to consider the duties under the Act in respect of the decision sought an assessment has been undertaken, which is attached as an Appendix to this report (Well-being of future generations assessment) for Member's consideration.
23. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below:

Equality Act 2010

24. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:

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- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief

RECOMMENDATIONS

25. It is recommended that the Cardiff Capital Region Regional Cabinet:
- (1) notes the Energy Vision and the next steps of the process regarding stakeholder engagement, economic modelling and the development of the plan; and
 - (2) notes the final outcomes of this work along with a fully costed plan to support and co-ordinate delivery and implementation will be reported to the Regional Cabinet.

Kellie Beirne
Director, Cardiff Capital Region City Deal
19 December 2019

Appendices

- Appendix 1 Scenario Modelling – CCR
- Appendix 2 Draft Vision
- Appendix 3 Debrief Stakeholder Report
- Appendix 4 Future Generations Assessment Evaluation



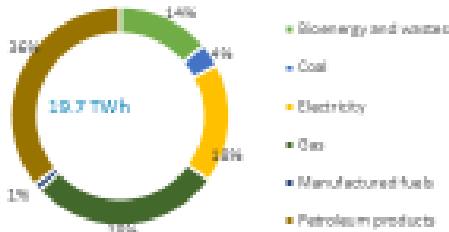
Gwasanaeth Ynni
Energy Service

Energy Consumption

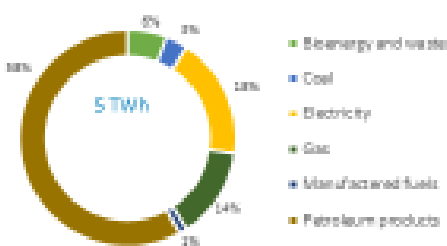


Energy Consumption by Fuel

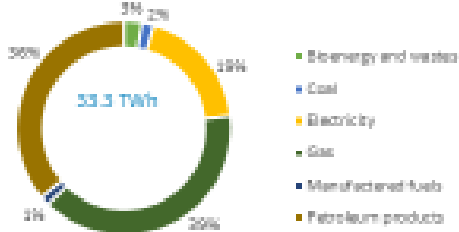
The North Wales region consumes around 22% of all energy consumed in Wales.



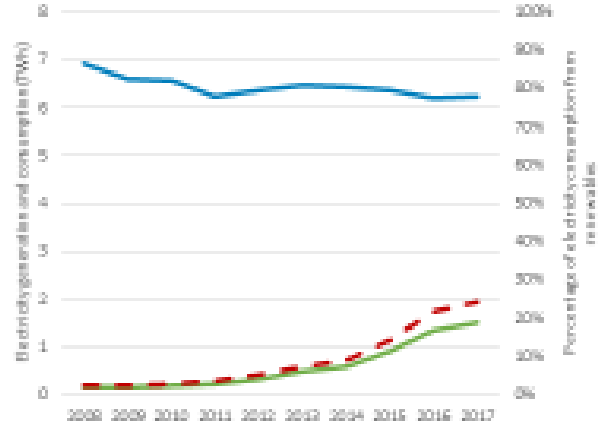
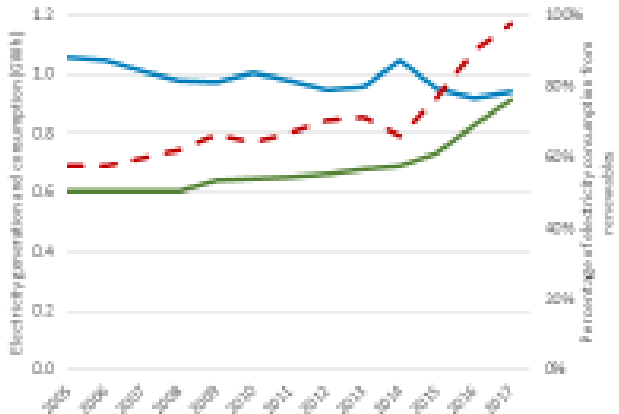
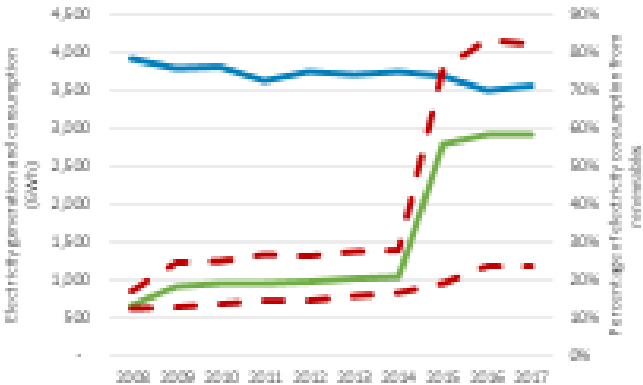
The Mid Wales region consumes around 6% of all energy consumed in Wales.



Cardiff Capital Region consumes around 37% of all energy consumed in Wales.



Percentage of electricity consumption from renewables





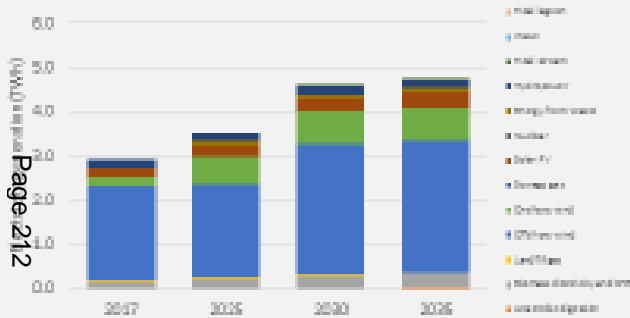
Low carbon electricity generation (BAU and Energy System Vision)

North Wales

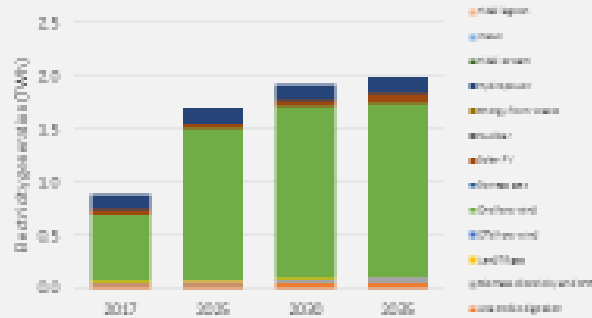
Mid Wales

Cardiff Capital Region

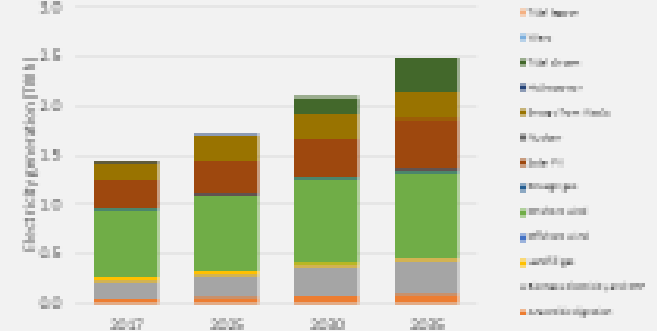
Business as usual generation of low carbon electricity generation technologies



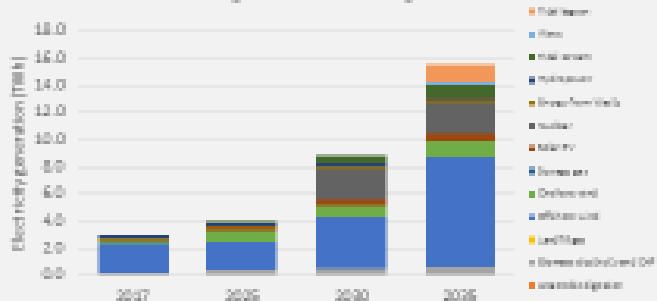
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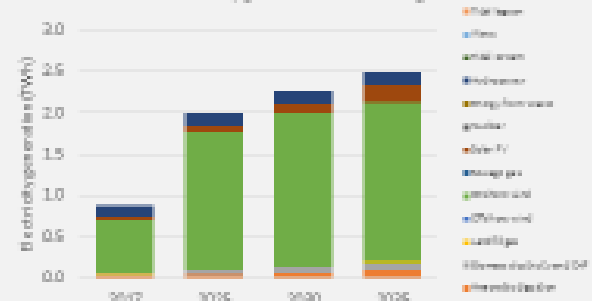
Business as usual generation of low carbon electricity generation technologies



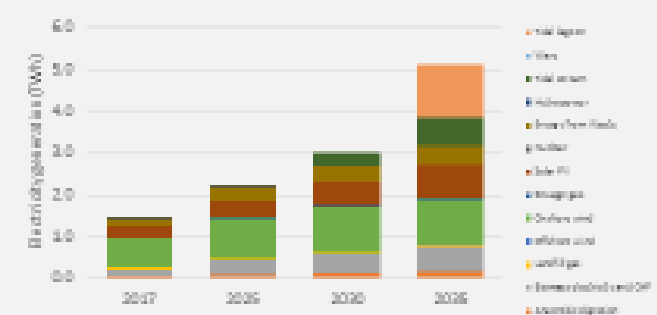
Energy System Vision generation of low carbon electricity generation technologies



Energy System Vision generation of low carbon electricity generation technologies



Energy System Vision generation of low carbon electricity generation technologies



Cardiff Capital Region Energy Strategy and Delivery Plan - Draft Vision Statement

To create the conditions for a shift to a carbon neutral economy and society in the CCR, growing our regional income whilst maintaining guardianship of our environment through a laser-focus on clean growth.

A vision guided by three core principles:

- **An enabler to a sustainable regional economy:** deliver inclusive employment, profits and skills, lower costs and open up markets, and stimulate public and private investment in carbon reduction across the region.
- **Contribute wider benefits to the region:** including alleviating fuel poverty, spark innovation and develop local training and skills for people and businesses.
- **Decarbonisation of the energy system to meet national targets as a minimum:** make significant carbon reductions across all sectors, to have energy efficiency as a core focus, and to have a multi-vector system that meets needs affordably and balances the best use of existing assets and resources.

Context:

The Regional Energy Strategy and Delivery Plan is formed in the context of International, UK and Welsh legislation relating to climate change, energy use and well-being. The Welsh Government has published Prosperity for All: A Low Carbon Wales (2019) which describes 100 policies and proposals from the Welsh Government, UK Government and the EU. The Environment (Wales) Act 2016 sets out a decarbonisation target of 80% reduction in emissions by 2050, which is in line with UK targets. Subsequent to this, the Welsh Government has also declared a climate emergency. Furthermore, in May 2019, the Committee on Climate Change recommended that the Welsh target be increased to 95% reduction by 2050; in June 2019 the Welsh Government accepted this target and has stated an ambition to go further and reach “net zero” emissions by 2050. Within the region, Caerphilly County Borough Council, Cardiff Council and Monmouthshire County Council have all declared climate emergencies. The regional energy strategy and plan is being developed by the Cardiff Capital Region with the support of the Welsh Government Energy Service. The strategy and plan will be “owned” by the region who will deliver against its objectives.

The Cardiff Capital Region is characterised as containing a diverse mix of economic activities and geographies, with a range of socio-economic conditions ranging from the more prosperous coastal areas to the more deprived locales in the Heads of the Valley area. As a whole, the region has more Lower super output areas (LSOAs) that are in the top 10% most deprived LSOAs in Wales than all of the other regions combined and while deprivation does concentrate in the Heads of the Valleys areas, urban areas are also home to the most deprived LSOAs. The region accounts for approximately 50% of the total economic output of the Welsh economy & 48% of total Welsh employment. Additionally, it is home to important clusters of economic activity, including the cities of Cardiff and Newport, aerospace and manufacturing economic zones in Cardiff Airport and St Athan and Ebbw Vale, and larger towns such as Barry, Bridgend, Caerphilly, Caldicot, Cwmbran, Merthyr Tydfil, and Pontypridd that serve as important centres for local service. Apart from these economic centres, the region is also home to areas of outstanding beauty that are known throughout the UK, such as the Wye Valley. Nonetheless, in October 2018, the labour market

statistics for the CCR were generally weaker than the Welsh average with higher unemployment rates and a lower Gross disposable household income (GDHI), though a higher Gross value added (GVA) per capita.

A vision delivering key benefits to the local economy:

- Increase local ownership of renewable energy assets and supply chain to retain value, create jobs in local communities while reducing the amount consumers and businesses spend on energy
- Encourage public-private projects to maximise the economic benefits across all sectors
- Build on the existing strengths of the CCR economic core and extend throughout the region
- CCR to be a world class destination for investment in jobs and business

Five priority areas

1. Energy efficiency and heat

- Deliver fabric improvements to the region's existing and new build building stock including retrofitting existing housing stock, and other parts of the built environment, to improve energy efficiency and deliver cost savings
- Build new homes to a zero carbon standard including developments currently with planning permission
- Help homeowners understand the benefits of energy efficient housing including cost savings, improved comfort and health
- Utilize alternative fuels for heat incl. hydrogen, bio-methane and solar thermal
- Develop flexible and hybrid heating solutions e.g. hybrid heat pumps, including building on the learning from the [Freedom](#) project based in Bridgend
- Implement role of a regional transactor whose role is to facilitate between local authorities and developers to deliver low carbon developments (also strengthen planning requirements) NB this would require Welsh Government support and action will be taken to secure this support

2. Electricity and flexibility

- Ensure there is a mix of generating technologies across the region to provide resilience and flexibility
- Encourage local authority development of renewable energy projects on publicly owned land to increase revenue generating potential for public bodies and to retain public ownership of RE assets
- Map renewable energy potential against upcoming developments, particularly developments of regional level scale
- Pilot energy/battery storage projects to maximise renewable energy potential and build on previous trials in [Cardiff](#) and [Bridgend](#)
- Encourage uptake of smart meters, including ensuring the public sector has smart meters installed across its estate, to open up the potential of load shifting and access to balancing/flexibility markets
- Adopt generation technologies and demand patterns which reduce loads on the distribution network and work with the DNO to maximise the capacity of the existing network
- Encourage low carbon technologies e.g. LED lighting, and invest in behaviour change programmes to reduce consumption

3. Decarbonize transport

- Investment in public transportation is a key priority
- Make public transport more affordable to encourage a modal shift from private transport
- Promote electrification of public transport and build on trials including electric buses in [Caerphilly](#) and [Cardiff](#), and the decarbonisation of the [South Wales Metro](#)
- Encourage use of active travel modes e.g. walking and cycling
- Develop an electric vehicle charging infrastructure, including taking a coordinated approach across the region e.g. the [Gwent](#) study, and encourage public sector fleet transitions to EVs
- Lobby for additional Metro nodes to increase rural accessibility and connectivity
- Ensure metro stations are integrated with other economic priorities and housing
- Address the Newport/Cardiff trunk road bottleneck and consider addition of a dedicated bus lane
- Consider hydrogen as an alternative fuel source where electrification is less suitable e.g. HGVs

4. Grow business and jobs

- Create a commercial property strategy which incorporates access to renewable energy sources and access to public transport links
- Promote continued research into battery and hydrogen technologies, and continue to develop academic excellence in this field
- Develop supply chain opportunities for energy efficiency retrofit and renewable energy manufacturing
- Build on the region's strong reputation for research and innovation through engagement with Higher Education Institutes, including developing digital and "smart" solutions to energy transitions, as well as future proofing ongoing developments

5. Coordination, planning and regional support and ownership of the plan

- Deliver against a shared vision and approach
- Demonstrate aligned ambition and leadership across the region with plans agreed and championed by Chief Executives and leaders
- Maximise economies of scale potential through the facilitating role of the region and through collaboration with other regions
- Governance to use the framework for the City Deal Investment operations and will consult with the Regional Economic Partnership, Regional Business Council and Regional Skills Partnership. This will provide an enduring organizational structure which will secure the long term delivery objectives of the plan

Cardiff Capital Region –Regional Energy Planning

Notes from Stakeholder Workshop 1 on 12 April 2019

Workshop attendees

<i>Organisation</i>	<i>Name</i>	<i>Title</i>
<i>Blaenau Gwent CBC</i>	Amy Taylor	Team Leader, Strategic Projects
<i>Bridgend CBC</i>	Dr Michael Jenkins	Principal Sustainable Development Officer
<i>Caerphilly CBC</i>	Allan Dallimore	Regeneration Services Manager
<i>Caerphilly CBC (representing CCRTA)</i>	Clive Campbell	Transportation Engineering Manager
<i>Cardiff University</i>	Mark Durdin	Maintenance Officer (Energy & Sustainability)
<i>Natural Resources Wales</i>	Gideon Carpenter	Senior Policy Advisor
<i>Newport CC</i>	Ross Cudlipp	Energy & Sustainability Manager
<i>Office of the City Deal</i>	Liz Fitzgerald	Cabinet & Partnership Support Officer
<i>Office of the City Deal</i>	Nicola Somerville	Strategic Lead
<i>Renewable UK</i>	Rhys Wyn Jones	Director
<i>Rhondda Cynon Taf CBC</i>	Jon Arroyo	Energy Manager - Corporate Energy Unit
<i>Rhondda Cynon Taf CBC</i>	Peter Mortimer	Funding and Implementation Manager
<i>Sutton Consulting</i>	Chris Sutton	Director
<i>Torfaen CBC</i>	Rachael O'Shaughnessy	Environmental and Sustainability Manager
<i>Transport for Wales</i>	Natalie Rees	Sustainable Development Manager
<i>Vale of Glamorgan Council</i>	Natasha Davies	Senior Regeneration Officer
<i>Wales & West Utilities</i>	Oliver Lancaster	Future of Energy Project Manager
<i>Welsh Government</i>	Helen Donovan	Business Energy Manager
<i>Welsh Government</i>	Jonathan Oates	Head of Clean Growth
<i>WGES (Carbon Trust)</i>	Brian Drysdale	Development Manager
<i>WGES (Carbon Trust)</i>	Emma Ashcroft	Development Manager
<i>WGES (Carbon Trust)</i>	Floriane Ortega	Development Manager
<i>WGES (Carbon Trust)</i>	Lisa Lafferty	Development Manager
<i>WGES (Energy Savings Trust)</i>	Paul Smith	Senior Manager
<i>WGES (Local Partnerships)</i>	Jane Forshaw	Strategic Lead
<i>WGES (Regen)</i>	Joel Venn	Head Analyst
<i>Welsh Government Smart Living Wales</i>	Eleanor Knight	Head of Energy Policy & Regulation
<i>Western Power Distribution</i>	Ian Sandford	Primary System Design Team Manager
<i>Ynni Glan (Hydrogen)</i>	Guto Owen	Director
<i>Newport City Council</i>	Matthew Sharp	Newport Planning Officer

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Introduction

Thank you very much for your participation at the April 12th workshop in Tredomen Business Park.

This was the first workshop organised to support the development of a Regional Energy Plan in the Cardiff Capital Region. During the workshop, we sought to obtain feedback from the region in order to inform the development of a strategic vision for the future energy system in the region.

26 stakeholders from government, industry and commerce, third sector and academia attended the workshop and shared their vision, hopes, and concerns about the renewable energy future in the Cardiff Capital Region.

We have summarised the feedback and ideas shared during the workshop. This document presents this summary using the following structure:

- First, we summarise the feedback collected during the Strategy Vision session (the flipchart session). During this session, workshop participants shared their thoughts on the strategy’s direction of travel and level of ambition. As part of this, participants also shared their hopes and concerns for this Energy Plan.
- This section is followed by three sections that summarise the roundtable discussion on the key opportunities & challenges for transport, electricity and flexibility, and heat and energy efficiency.
- The subsequent section provides a recap on the morning discussion regarding the most appropriate governance structure for the energy plan.
- Finally, in annex 1, you will find a record of the flip chart responses received, annex 2 summarises the notes taken during the roundtable discussion, annex 3 summarises the session on the different perspectives session, and annex 4 summarises the introductions session.

Vision

DRAFT VISION STATEMENT

Workshop delegates stated that the vision statement for the CCR regional energy plan should include the following:

- To be innovative, affordable, secure, multi-vector, whole-system, ambitious, and challenging.
- To provide the region with an integrated energy system for the future that meets the region's needs.
- To minimise the region's energy demand.
- To make use of the region's resource to the greatest extent possible to support decarbonisation.
- To make sure that the energy solutions created are accessible.
- To improve the quality of wellbeing for residents and ensure wider benefits are created for the people of the region including enhancing skills and creating jobs.
- To take into account the timescales required for momentum to be achieved, including supply chain preparation time.
- To be a leading region delivering real change for citizens and business; to innovate and inspire with a worldwide impact.
- To work as ONE region! To minimise working as 10 separate authorities "attempting" to work as one.



Additional feedback on the vision statement cautioned against following Manchester's [recent target to be zero carbon by 2038](#). This participant felt that Manchester's target is unachievable.

SETTING THE LEVEL OF AMBITION

Carbon reduction targets

Feedback suggests that there is wide agreement that a CCR Regional Energy Plan should include a carbon reduction target. Fifteen out of the seventeen responses to this question were for a regional target, while two people did not support a regional carbon reduction target.

The two people that did not support a regional carbon reduction target expressed concerns that creating additional targets to the overall Wales target dilutes the overall Welsh national target. One respondent felt that many of the city-wide targets that have been set recently are unachievable and that cities are competing to set the lowest target without considering the practicalities. This respondent went on to say that if a target is set, it should be set with the same rigour that we consider health and safety (for example, discussing the target at the start of meeting).

Level of ambition

With 9 responses, there was wide support for a target that is aligned with the Welsh Government's carbon reduction target (80% reduction by 2050)¹. There were additional post-it notes that

¹ At the workshop, participants were made aware of the current Welsh carbon reduction target of 80% by 2050. It's worth noting that on May 2, 2019, the Committee for Climate Change has released [a report](#) that recommend that Wales adopts a new target of 95% reduction by 2050.

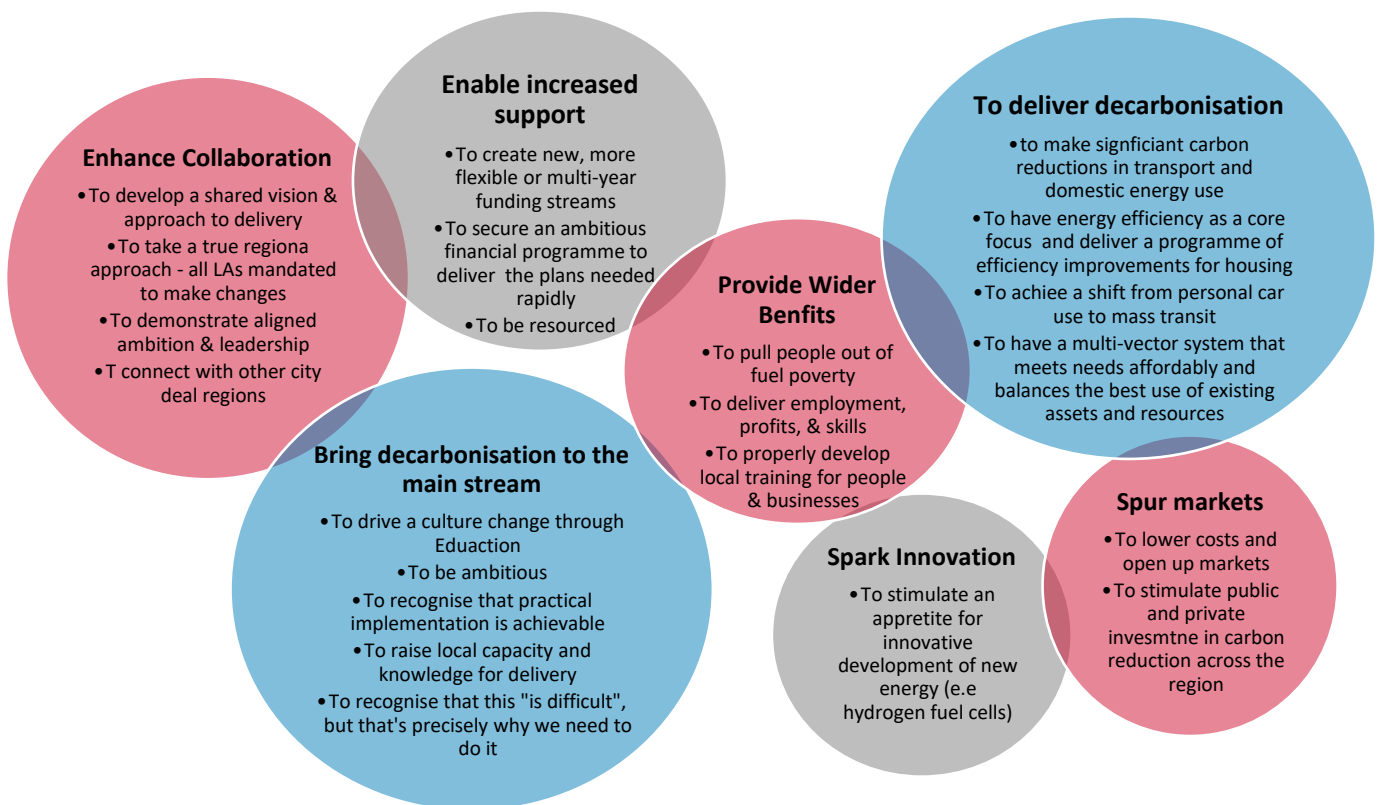
supported a target in line with Welsh Government Policy, however, to ensure that stickers and post it notes weren't double counted, we did not include these in the total tally. Meanwhile 4 people supported a 1.5 degree target and 1 person supported a more ambitious target than both a 1.5 degree target and the Welsh Government target.



Finally, one participant wanted more information on what is achievable, how it could be achieved, and what achieving the target will look like before making a choice.

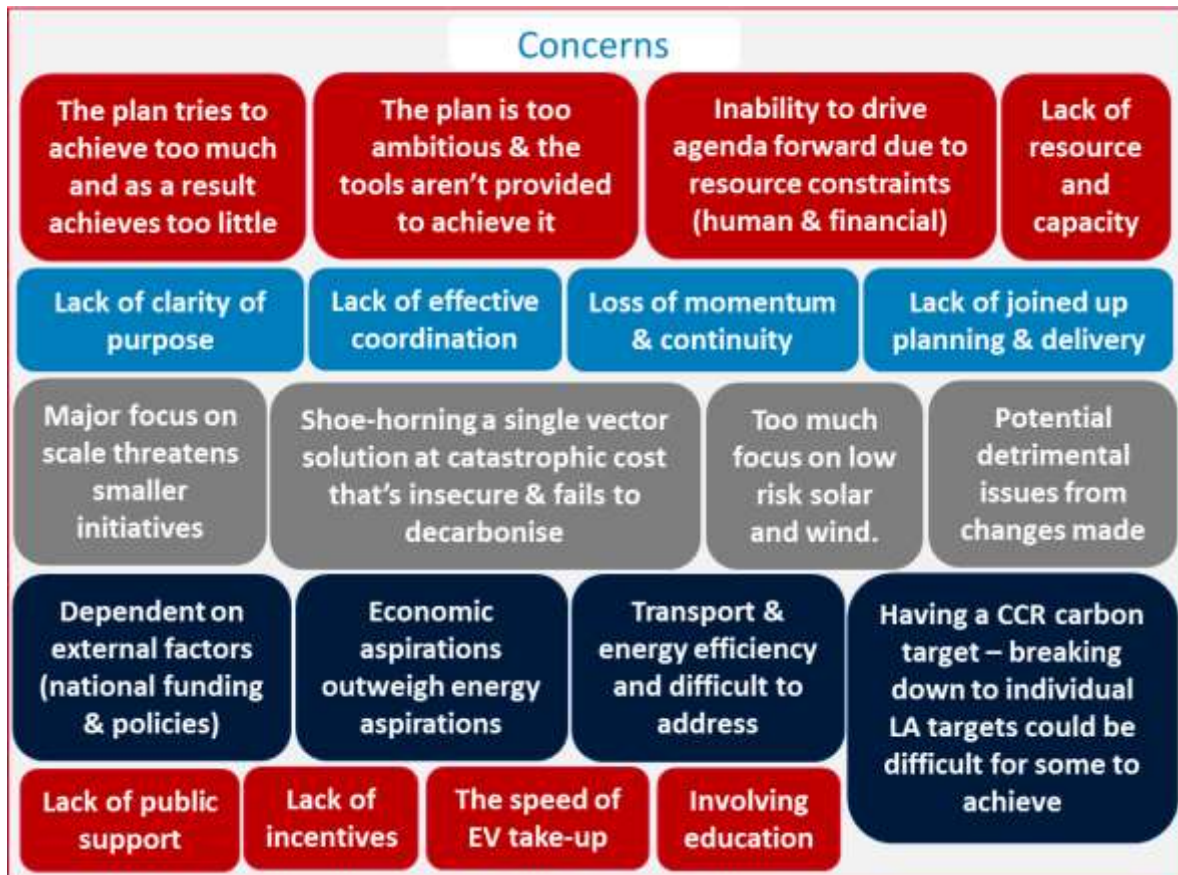
ENERGY STRATEGY HOPES

Participants hope the energy strategy and delivery plan will:



ENERGY STRATEGY CONCERNS

Workshop delegates expressed the following concerns:



EVALUATING THE SUCCESS OF THE REGIONAL ENERGY PLAN

Workshop participants identified six overall categories for how the regional energy plan could be judged: renewable energy and carbon targets, coordination and planning, jobs and business, support for the plan, increased understanding and a miscellaneous category. It is worth noting that many respondents indicated more than one way to evaluate the success of the regional energy plan.

Renewable energy and carbon targets

- Against the percentage of energy from renewables & the percentage energy from Wales.
- Accelerated percentage of renewable heat and electricity generation and usage.
- Energy generation from sustainable sources.
- Carbon reduction and energy consumption reduction.
- Achieving a clear pathway to zero emissions achieved – both carbon and air pollution.
- Against Welsh Government targets but also wellbeing standards.
- Both carbon reduction and economic growth. The two need to work hand in hand.

Coordination and Planning

- Clarifying roles and responsibilities for the development and delivery of the vision.
- Better coordination of all parties and stakeholders.

- More integrated, cross-functional delivery model. Joined up transport, energy, and housing.
- Developing an agreed action plan with clear timelines.
- Continuity of actual delivery.

Business and Jobs

- Jobs created.
- GVA input.
- The region is made more attractive to businesses wanting to locate in the CCR.
- Local increased job prospects above the national average salary across the whole of the region
- Measured against benefits, not just headline targets, but 'ripple' effects such as jobs, skills, training.
- Innovation development creating jobs for Wales.
- People of city region achieving well-being goals.

Support for the plan

- Shared vision of direction achieved.
- Agreed and championed by chief execs and leaders.

Developing an understanding of:

- Current and future demand.
- The technological options for meeting demand and the commercial options that relate to these technical options.

Miscellaneous

- Creation of infrastructure needed to enable decarbonisation to occur and businesses to grow
- How smart and flexible the integrated energy system is in meeting whole system demand at lowest cost to decarbonise growth.
- Against the visions and objectives.
- Key performance measures met
- Performance against long term goals.

Heat & Energy Efficiency

Examples, Current Projects, & Studies mentioned during the workshop

- [The Works](#) is a development in Blaenau Gwent that has a district heating network
- The [FLEXIS](#) project has undertaken some research on using mine water and heat pumps, for example this [report from a location in Bridgend](#). Not being done at scale.
- A study of 10,000 consumer in Bridgend suggested that ~80 – 81% of consumers were unable or unwilling to pay to make homes more efficient.
- Caerphilly are doing well at retrofitting their housing. Blaenau Gwent are also working to increasing energy efficiency of housing stock.

Key Priorities

- Fabric improvements need to be prioritised
- Important to help homeowners understand the benefits of energy efficient housing.
- Retrofitting housing and energy efficiency were seen as key priorities. Within this area, it's important to consider a whole house approach.
- Heat supply should be led by modelling

Strengths & Opportunities	Challenges & Concerns
Heat	
It is important to recognise that heat can be fully decarbonised.	There is a concern that a full electrification route for the decarbonisation of heat would hit a threshold where the cost increased catastrophically due to the grid infrastructure and the generation capacity required.
Green gas from anaerobic digestion and residual waste is an opportunity.	Green gases like bio-methane will never be enough to completely displace current gas and heating. However, they can be used in conjunction with smart hybrid systems. Nonetheless, there are concerns about competing needs on biogas.
Smart hybrid systems were viewed as having a very good potential for decarbonisation. Participants expressed that they liked the idea of hybrid heat pumps.	The low price of gas is a challenge for alternative heating fuels and systems.
Flexible heat solutions, like smart heat pumps, can provide additional value to customers/ aggregators. One potential opportunity to ameliorate the loss of the RHI for heat pumps would be to find a way to gain additional value from the flexibility a smart system can provide.	Concerns about the loss of the RHI and how this will affect the viability and deployment of heat pumps.
In the absence of hydrogen, bio-methane and wind is an option.	Lots of locations in the region are not high density which means heat networks are not appropriate. Hybrid Air Source Heat Pumps are a solution with minimal disruption, but less carbon reduction

<p>One potential opportunity to green the grid – local authorities could provide land assets to produce hydrogen from solar/wind and biogas from anaerobic digestion for heat.</p>	<p>Currently there is a lack of understanding surrounding the locations of waste heat and which are usable. No one is currently facilitating conversations about supply and demand.</p>
<p>The region is not doing enough to reduce waste. It's important to make the most use of the waste that is available. For example, anaerobic digestion is more efficient used to produce heat (gas) than used in combination with an engine. Food waste should be gasified rather than used for electricity.</p>	
Energy Efficiency and retrofitting	
<p>An opportunity to decrease fuel poverty would be to provide more support through subsidies and other programmes than the level of support available today.</p>	<p>Concern about those unable to pay to decarbonise or make homes more efficient and a concern about people in the grey area (in-between able to pay and unable to pay).</p>
<p>House ownership is longer than it was a decade ago - this could be a positive incentive for home owners to undertake an energy efficiency retrofit. In order to overcome preference to undertake other projects around the house, energy efficiency retrofits could be combined with the initial service (for example, when refurbishing a kitchen, energy efficiency could be included).</p>	<p>It's a struggle to get privately owned homes to reduce energy demand and retrofit poor quality housing. It's thought that that private home owners prefer to upgrade kitchen or bathroom than implement energy efficiency. Additionally, internal system changes (e.g. external wall insulation (EWI)/ internal wall insulation (IWI)) are difficult to sell.</p>
<p>Offsite construction for retrofit was considered an opportunity to reduce the intrusiveness of the process. This could have knock on supply chain benefits for new manufacturers. Other opportunities to decrease disruption of housing retrofit include pre-scanning buildings to determine needs, and buying in bulk to provide supplier certainty.</p>	<p>Engaging with homeowners is a big challenge that shouldn't be underestimated. The region needs better training and skills to support this. The third sector and community groups should also be brought in to support engagement, however it was felt that these organisations would also need training. It's important that other benefits are also communicated (such as the aesthetic value added by EWI) are communicated.</p>
<p>Social landlords are typically ahead of local authorities in terms of housing stock, particularly with new builds and access to innovation housing programme funding.</p>	<p>It's thought that it will take 5 – 10 years to embed the benefits of energy efficiency and retrofitting into the local culture. Pilot projects can help build confidence.</p>
<p>Caerphilly are doing well on retrofitting housing.</p>	<p>The local authority relationship with the body responsible for council housing can impede energy efficiency and retrofitting. For example, if this body is an arm's length body, the LA has less control.</p>
<p>Smart meters support public engagement with energy efficiency. In particular, platforms on smart phones were mentioned as a way that helped consumers translate temperature and comfort to money.</p>	<p>Another challenge for retrofitting is that poor installation of cavity wall insulation (CWI) and loft insulation (LI) give the sector a bad name.</p>
<p>Arbed has helped to develop and prioritise a pipeline of retrofit projects.</p>	<p>Local authorities have a lack of resource to support energy efficiency. For instance, they are</p>

	not maximising ECO funding due to lack of resources.
	When retrofitting homes, the problem of having scaffolding up for months on end can arise.

Comments from participants on where the market or policy may be heading

- In the future – potentially no gas connection to new homes
- At first people will need to pay upfront for heating and energy efficiency, but there is a view that, with time, a service market will be developed that will reduce upfront costs for consumers.
- 2025 – Lose the incentive to use wood waste to gasify heat – need to look for an alternative.

Moving Forwards

- In terms of energy efficiency in homes, it was recognised that working at the regional level should be promoted; it helps to insulate against local political changes through elections and provide more long-term support.
- Similarly, for heat and renewable projects, the role of a regional transactor to facilitate between local authorities and developers to develop projects would be beneficial. It would help with a lack of resource and bridge the gap between public and private sector.
- More broadly, the region should take a targeted approach for the evaluation of waste heat opportunities.
- Welsh Government could support mechanisms to de-risk the implementation of energy efficiency in homes unable to pay for retrofitting. Potential options include low rate loans or grants.
- Could the City deal challenge fund support innovation and research into ways of increasing the acceptability of energy efficiency measures in homes?
- Regional coordination on energy efficient homes is important. This includes sharing lessons. There was also interest to learn from the Dutch model/ [Energiesprong](#). Participants wanted to better understand if the Energiesprong approach is applicable for Wales given the diversity of housing types and lack of standardisation. This could lead to establishing a pilot and potentially scaling up.
- A dedicated housing energy efficiency specialist should be considered to support the region.
- The local authorities need legislation and policing of legislation to increase the energy efficiency of homes.
- Local authorities should be communicating with residents about the benefits of retrofitting and energy efficiency.
- It’s important to find a way to “sell” homeowners on the benefits of energy efficiency and retrofitting.
- Freeing up cash for homeowners to retrofit homes could be considered. For example, a 0% loan to homeowners (c/w green deal and Scottish loans programme). Alternatively, it was also thought that the Welsh Government could give money to businesses to supply services, rather than homeowners to enable lower cost retrofits. This is thought to develop skills, create a hub for technologies, drive costs down, and to help to keep money locally.
- It was also thought that the region could support bigger retrofitting supply chains for South Wales

- Properties could be targeting by type – implementing the most effective measures for each category of property/building. This is more relevant to social housing than private housing.
- One group was curious to understand if there are opportunities for hydrogen storage in rock formations in the region. This is something that could be explored.
- Wrap around legislation could be considered (agriculture, waste, housing).
- Land transaction tax was mentioned as a mechanism that could be used to encourage energy efficiency.

Electricity & Flexibility

Examples, Current Projects, & Studies mentioned during the workshop

- Monmouthshire invested in a [5.7MW solar farm](#) a couple of years ago.
- Cardiff CC have a [8.7MW](#) solar PV scheme currently in planning.
- Cardiff have commissioned a feasibility study for the use of hydrogen in the city. The project hasn't started yet. A report could potentially be ready as soon as six months from now.

Key Priorities

- Ensure there is a mix of generating technologies

Strengths & Opportunities	Challenges & Concerns
An opportunity to reduce the burden of connection costs is to better coordinate between future demand and supply projects in order to share cost. This currently isn't really happening in Wales or anywhere else.	Grid constraints are a challenge that is very important. In Newport for example, it's very severe.
One group expressed interest in using excess renewable energy generation to create hydrogen.	It was expressed that it's important to understand granular electricity use changes (hour by hour and over the seasons).
One opportunity could be the Heads of the valley energy belt - could utilise that for resource.	It was felt that energy from waste was a short-term solution and not the way forwards.
New tariffs could replace the loss of FiTs (for example the Octopus export tariff).	It's important encourage a circular economy for nuclear waste.

Moving Forwards

- The benefits of a transactor role (mentioned in heat as well) between the DNO, public and private sector was re-iterated to secure deals for projects. Similarly, the idea of creating a TfW-like-body (arm's length developer) for new developments was discussed.
- It's important to engage with DSO to discuss constraints.
- Participants wanted to better understand if there is enough information around what the future demand will be.

- It was felt that local authorities need more information to make strategic decisions for infrastructure.
- Additionally, it was suggested that the region should be maximising generation on publicly owned land.
- It's important to feedback to Ofgem on price controls.
- The region should support better dissemination of information to facilitate behaviour change.
- It was suggested that the region could plan local energy infrastructure in tandem with economic growth across the region. For example, new housing sites could be paired with new solar projects that private wire electricity to development.
- Participants were also interested in mapping renewable potential against upcoming developments.
- In the future, there was also interest in piloting energy/ battery storage or creating innovative battery technology.

Transport

Examples, Current Projects, & Studies mentioned during the workshop

- Cardiff already have funding and are developing on street EV charging.
- Cardiff are also looking at introducing EVs to their own fleet.
- Gwent are undertaking a fleet review.
- Gwent are also looking at a network of EV charging.
- There was an initial review of infrastructure across the CCR. It looked at 11 sites and was fairly high level. A more comprehensive study has been commissioned – expanding work in Gwent to the rest of the region.
- A low emissions vehicle strategy is also being considered for the region: It is looking at both private vehicles and public transport and vehicles.
- The region has also commissioned a study looking at taxis.
- Caerphilly, Newport and Cardiff are looking at electric buses
- Stagecoach have received government funding to introduce a fleet of 60 electric buses.
- Caerphilly adopted an EV strategy last year.
- Caerphilly is also looking at a plan to develop a new interchange (bus and rail side by side) as part of a broader economic growth project.
- Hydrogen in the region:
 - Hydrogen Valley demonstrator
 - MCC hydrogen charging point in Abergavenny
- Relevant work being undertaken by the [Smart Living](#) programme
- MCC hydrogen charging point in Abergavenny
- Swansea fleet electrification was provided as a successful example that demonstrated the importance of having an enthusiastic fleet manager leading the project.
- TfW has made commitments to renewables; important that this is delivered.
- There is a trial project that is looking at smart charging EVs through the heating system.

Key Priorities

- Investment in public transportation is a key priority. It's important to recognise that the focus shouldn't only concentrate on electric vehicles.
- Affordability
- Metro connectivity & added additional nodes to increase rural accessibility. Additionally, make sure that the new metro station is integrated with other economic priorities and housing.
- Addressing the Newport and Cardiff trunk road bottleneck and lack of dedicated bus lane

Strengths & Opportunities	Challenges & Concerns
Flexible working can help reduce congestion and reduce the need to travel altogether.	Less densely populated, more rural areas are more challenging from a public transport perspective.
Electric pool cars in organisations was seen as another opportunity.	While there are good links from the Valleys down to Cardiff there are not good links between the Valleys. In other words, currently all transport leads to Cardiff and there is a need to link up the Heads of Valleys areas.
Wider policy objectives could include looking at how to reduce the need to travel. In terms of wellbeing, however, it's important this isn't at the cost of interaction because isolation and the high use of anti-depressants is a real concern in the region. Transport should facilitate social interaction.	Long journey times, infrequent trains, and low-quality rail journeys mean that it is important to improve the quality of existing rail network (invest in stations, interchanges, improve customer experience, improve frequency and quality of transport). Some of this is being addressed by the Metro programme.
Expanding infrastructure for cycling and potentially E-scooters is an important opportunity to decarbonise transport. Additionally, cycle lanes could be given priority to encourage cycling.	Currently cycle lanes are under developed and there aren't enough cycle lanes. This means that cyclists are contending with dangerous road conditions.
Furthermore, it was felt that there is a huge opportunity to ensure that public transport options are integrated. This could include including bicycles as part of an integrated ticket network.	The area is very hilly which may hinder the use of cycles.
There is an extensive off-road cycle network (but there isn't much visibility about where it is).	While West Cardiff has good cycling infrastructure and connectivity, East Cardiff is road based with little to no established cycle option. East Cardiff is also lacking rail options.
Likewise, it's important to improve infrastructure for pedestrians.	Fuel tax multiplier has been frozen for some time. Increasing tax would encourage use of public transport. This is out of the hands of Welsh Government.
Improving facilities in the work place could also facilitate more cycling (shower room, bicycle facility, and canopies).	While EVs are appropriate for smaller vehicles, it's less appropriate for larger vehicles which is a challenge. For buses and HGVs – transferring to compressed natural gas or biogas could be a lower carbon opportunity. Ultimately, heavy transport could move to hydrogen.

The public sector can act as leaders by using public transport and cycling: “be the change you want to see”.	One concern about implementing charging locations, and identifying sites to locate and charge fleets in, is the rapidly evolving nature of the technology – this can make it difficult to make decisions.
	Questions about how to incentivise operators to upgrade their fleets.
There is a good transport plan already in place. Need to make sure it is delivered.	Caerphilly faces the challenge of having one of the most polluted roads in the UK
Grid network capacity exists to be able to deploy many of the options (perhaps less in the Valleys).	Concern that low emission zones simply displace polluting vehicles.
There are contractual obligations in Wales to decarbonise transport with service providers.	From an air quality perspective, even if private cars are removed from a city or town centre, emissions from buses will still produce air quality issues.
Travel considering eco-tourism and tourism routes.	Concerns that the city deal employment and housing sites aren’t aligned with transport.
Future should consider vehicle sharing.	It’s worth noting that rail is outside of the region’s control.

Moving Forwards

- It's important to better profile people’s travel and journey habits to create a system that works for them. This includes seasonal changes (spring and summer months more active travel). Additionally, it would be worthwhile to undertake a strategic review of business properties to make sure that the hub serves these areas.
- It was suggested that the region studies what type of electricity supply is important for future homes given electric vehicles. If needed, changes could be made through planning or building regulations. Another group suggested that first it’s worth understanding if charging at home is the way to go with EVs or if money could be better spent to ameliorate range anxiety (spending money on at home charging or on more charging stations).
- It was thought that coordinating charging points regionally is a better approach than local authorities individually planning charging point.
- It was also suggested that all LA owned fleets should be electric, apart from refuse vehicles.
- There is also a need for visible leadership, using own land to get charging points in town centre, promoting it to people.

Governance

The governance for the regional energy planning will use the framework for the city deal investment operations. It will consult with the Regional Economic Partnership, Regional Business Council, Regional Skills Partnership.

Annex 1. - Feedback from Participants collected during the workshop

Flip Chart Discussion: Strategic Vision & Objectives

WHAT WOULD BE YOUR VISION STATEMENT FOR THE CARDIFF CAPITAL REGION ENERGY PLAN?

- Innovative, affordable, and accessible energy solutions enhancing skills, creating jobs in Wales
- Adopts use of all resources to support decarbonisation solutions. Acknowledges timescales including supplier preparatory timelines for the momentum to be achieved.
- To meet Welsh Government targets but ensure wider benefits are realised for the people of the region.
- Ambitious and challenging plan to provide the region with an energy system for the future, improving the quality of wellbeing for residents.
- Affordable, low carbon, secure, multi-vector, whole-system
- Don't follow Manchester – Heading for total failure
- The city region has minimised energy demand, is optimally managing and is delivering all possible energy through regionally beneficial low carbon sources
- Needs to be ONE region! At present, it's always 10 separate authorities “attempting” to work as one. In reality, local authority is coming first, then region. Governance crucial. Members looking out for their own patch!
- Be a leading region delivering real change for our citizens and businesses.
- High quality energy network that is integrated, affordable, accessible, and meets CCR's needs.
- Lead by example. Innovate/develop and inspire with a worldwide impact.

WOULD YOU LIKE TO SEE A CARBON REDUCTION TARGET IN THE REGIONAL ENERGY PLAN FOR NW? WHAT LEVEL OF AMBITION WOULD YOU AIM FOR?

Would you like to see a carbon reduction target in the regional energy plan for CCR?

Yes: 15

No: 2

Additional information was provided for the “No” responses:

- One person does not think that a target should be set for the region because creating more targets can dilute the overall target. It also creates more reporting requirements where time is spent reporting rather than doing
- Another person that responded “No”, said that he thought many of the city targets that have been set recently are unachievable and that cities are all competing to set the lowest target without considering the practicalities. If a target is set – it should be set with the same rigor that we consider health and safety (mentioning at the start of meetings, etc.)

What should be the level of ambition? High/Low? What target by what year? Zero carbon vs. net zero carbon?

Welsh Government target (80% by 2050): 9

1.5 degree target: 4

Above a 1.5 degree target: 1

Other comments:

- Yes, percentage of identified potential achieve or align with Wales wide carbon reduction targets.
- What is achievable? How? What will that look like? – Answer these questions for early target and I could make an informed choice about what the target should be.
- In line with Welsh Government Policy – all contributing to the same aims.
- The target should meet the aims of Welsh Government: 80% reduction in emissions (from 1990) by 2050

WHAT ARE YOUR HOPES FOR THE CCR REGIONAL ENERGY PLAN?

- Innovative and not constrained by short term views
- Pull people out of fuel poverty and improve quality of life
- Integrated delivery model
- That we have a multi-vector system to meet our needs affordably and balance the best use of our existing assets and resources
- To stimulate an appetite for innovative development of new energy such as hydrogen fuel cells.
- A true regional approach – All LA's mandated to make significant changes
- Wider benefits to be felt by local communities (skills, employment, profits)
- That it will be possible to make significant carbon reductions in transport and domestic energy use.
- That it's possible to achieve a shift from personal car use to mass transit (replacing current cars with EVs doesn't solve everything).
- That energy efficiency is a core focus and a programme of efficiency improvements can be delivered for domestic housing.
- More flexible/multi-year funding streams
- To raise local capacity and knowledge for delivery
- Bring decarbonisation into mainstream
- Lower costs and open up markets
- Create new funding streams
- Decarbonisation - increases in renewables
- That is will develop a shared vision and approach to delivery
- Collaborative
- Joined up to reduce cross boundary opportunities
- Ambitious
- Resourced

- Education – culture change needed to help drive missions approach
- It can help stimulate programme of public and private investment in carbon reduction across the region
- Practical implementation is achievable
- We work across our organisational boundaries and demonstrate consistent and aligned ambition and leadership
- That the plan can properly develop local training for people and new businesses (e.g. zero carbon timber homes built in new factories)
- That an ambitious financing programme can be secured to deliver the plans needed rapidly
- Connect to other city deal regions
- We don't fall back on the excuse "it's difficult" because it is, but it's precisely why we need to do it!

WHAT ARE YOUR CONCERNS FOR THE CCR REGIONAL ENERGY PLAN?

- Involvement of education
- Understanding Welsh policy
- Inability to drive agenda forward because of resource constraints (both human and financial)
- Lack of joined up planning and delivery
- Too much focus on low risk solar and wind. Too much electric generation = lower returns
- Transport and domestic energy use are difficult areas to address!
- Lack of clarity of purpose
- Major focus on scale threatens smaller initiatives that could prove important
- Lack of resources and capacity where only internal officials can do.
- The plan tries to do too much and as a result achieves too little.
- Lack of effective coordination
- Loss of momentum and continuity
- Having a CCRC carbon reduction target – breaking down further to individual LA targets could be more difficult to achieve for some
- Too ambitious - Tools aren't provided to facilitate this. At present developers meet "standards" – no incentive to go better/higher.
- Economic aspirations may outweigh energy aspirations.
- Any changes made - does it create detrimental issues in other areas?
- The plan will be very dependent on external factors, such as national funding and policy.
- The speed of EV take-up
- Shoe-horning a single vector solution at catastrophic cost that's insecure and fails to decarbonise and deliver clean growth
- Lack of public support

HOW SHOULD THE REGIONAL ENERGY PLAN'S SUCCESS BE JUDGED

- More integrated and cross functional delivery model. Re-joined up transport, energy & housing.
- Success should be judged against the vision and objectives.
- Success: plan

- shared vision of direction achieved
- Clearer understanding of roles/responsibilities for development and delivery of vision
- Key performance measures met
- People of city region achieving well-being goals
- Better coordination of all the parties and stakeholders
- Continuity of actual delivery
- Clarifying roles and responsibilities
- Developing an agreed action plan with clear timelines
- How smart and flexible the integrated energy system is in meeting whole system demand at lowest cost to decarbonise growth
- Accelerated percentage of renewable heat and electricity generation and usage
- An understanding of:
 - Current demand
 - Future demand
 - Tech options for meeting demand
 - Commercial options for the tech options
 - Agreed and championed by chief execs and leaders and preferred options
- Against the high-level targets for:
 - Energy generation (from sustainable sources)
 - Carbon reduction and energy consumption reduction
 - Jobs created
 - Input on GVA, etc.
- By:
 - 1) the region made attractive to business wanting to locate here
 - 2) creation of infrastructure needed to enable decarbonisation to occur and businesses to grow
- Local increased job prospects above the national average salary across the whole of the region
- Economic growth and reduction in carbon at the same time. Two need to work hand in hand.
- Percentage of energy from renewables, percentage energy from Wales.
- Measured against benefits, not just headline targets but ‘ripple’ effect such as jobs, skills, training.
- A clear pathway towards zero emissions achieved – both carbon and air pollution
- Success should be judged against Welsh Government carbon targets but also social and wellbeing standards.
- By:
 - Performance long term goals,
 - innovation development creating jobs for Wales,
 - focus on 80% by 2050.

Annex 2 - Feedback from Roundtables

Key questions that informed the round table discussion for each area:

- **What are the priorities for the CCR?**
- **What are the key local strengths & opportunities?**
- **What are the key sector weaknesses & barriers?**
- **What needs to change and what actions should be taken to enable this change?**

TRANSPORT

Group 1 Notes

- 11 strategic hubs
- Gwent transport
- OLEV on street charging
- Caerphilly and Newport looking at electric buses (and Cardiff)
- Hydrogen – Gwent
- MCC hydrogen charging point in Abergavenny
- Riversimple
- Jacobs (?) WG funded
- LA targets for EV fleet
- Public transport – applicable to urban areas/valley metro
- Swansea fleet electrification – led by fleet manager
- Priority for CCR?
 - Metro connectivity and additional nodes
 - Newport and Cardiff trunk road – bottleneck no dedicated bus lane
 - Priority to invest in public transport
 - Affordability
 - Carbon footprint
 - 5% increase of GVA

Group 2 Notes

Principles - not to just replace fossil fuel cars with EVs - need to travel less and modal shift, EVs should be last resort- car is a luxury

Metro/train/bus - need to improve quality of existing rail network (invest in stations and interchanges, improve customer experience, improve frequency and quality of transport) - some of this will be achieved through new metro

Long journey times - waits at station - better profiling of transport habits to look at routes people travel

Ebbw Vale to Cardiff only once an hour - lots of long waits, not very flexible

Need more regular transport

Transport for Wales - franchise renewed (not for profit) - need to do what they've said they're going to do

Infrastructure for cycling (e scooters)

Better for pedestrians

Need more money and investment

Active travel - better separate cycle lanes - give them the priority - gradually force the change

CCR is very hilly

Dealing with the problems of dangerous road conditions (not enough separate cycle lanes)

Fuel tax multiplier - been frozen for last decade - WG don't really have strings to pull here but doing that would influence massive change if fuel prices went up - people would use public transport.

Should we add more tax on car fuel b/c it's been frozen.

See a change in spring and summer months with outdoor/active travel too

Improving facilities in work places - shower room, bicycle facility, canopies and schools for parents who are waiting etc.

Role of public sector as leaders to set an example - how many people in the CCR are public sector employees - be the change you want to see

Flexible working to change working hours, reduce congestion and reduce travel altogether (videoconferencing, using skype)

travel hierarchy - better fleet practices/cleaner fleets

Agreement across PSB partners - this is a standard travel plan model (e.g. pool cars, procurement, standards)

Electric pool cars in organisations

Considering what type of electricity supply goes into properties - through planning or building regs

Put a visible network of charging out there and make a song and dance about it

Challenge to get fleet

Smaller vehicles - EVs fine, larger is harder

Identifying sites to locate and charge fleet, nervousness about making decisions - particularly when tech is changing. (Some kind of regional coordination to make those decisions jointly and plan out charging infrastructure and sites – it makes sense to do it at a regional scale).

All LA owned fleet should be electric, apart from maybe refuse vehicles

Need visible leadership, using own land to get charging points in town centre, promoting it to people

More demand than supply for EVs

Enforce low emissions zone - Cardiff etc. - influence change (double check low emissions zone in Cardiff)

Issue with low emission zones is displacement of polluting vehicles

There is an area that is one of the most polluted areas in the UK (low lying valley)

Group 3 Notes

- It shouldn't all be about private vehicles – it should also be about public transport
- Even if you strip out private cars from the city and town centres, you have buses which are an air quality issue
- Integration of public transport option
- Bike (part of integrated ticket network?)
- Start with the things that you can make the biggest impact on investment with – what evaluation appraisal will you have for any investment (e.g. achieve x% lower emissions, x% carbon emissions, jobs, GVA) – the scoring is important.
- It shouldn't be about electrifying all of transport. For buses and HGVs – transferring to compressed natural gas – lower carbon emissions but even lower if it is a biogas bus. Ultimately, his vision is that heavy transport will go to hydrogen.
- Need to adopt a sub-regional view and to decentralise economic activities. Within transport for Wales, there is a drive to move the Cardiff hub out so that when you look at train travel in the metro area. At the moment- everything has to come into Cardiff – make it so you don't have to come into Cardiff. Reduces need to travel so far. A better spread in terms of getting people around is a priority

- Wider policy objectives: travel demand or restraint – look at how to reduce the need to travel.
- In terms of well-being and things like working from home can be isolating – so it's important to realise that social interaction shouldn't be lost. Transport should facilitate that (currently region spends massively on anti-depressants so important to consider isolation).
- Strategic review of business properties – look at location. If you want to create the hub, it needs to be closer to where the public services are.
- City deal employment and housing sites are not aligned with transport
- New metro stations – make sure that everything is integrated and that it makes sense

What are the strengths and opportunities?

- The transport plan in place already was considered to be good – it needs to be delivered. Challenges on how to make this happen
- Contractual obligations in Wales to decarbonise
- Grid network capacity exists to be able to deploy those options (maybe less so up the valleys).
- Extensive off-road cycle network (but no one knows where it is)
- West Cardiff can cycle everywhere

What are the weakness and challenges?

- How to green fleets
- From a Cardiff perspective- east of Cardiff everything is road based (no rail, scared of bicycle options)
- Heads of the Valleys areas – challenge to get stuff from east to west and west to east. (currently stuff goes north to south).
- Need to link up the Valleys areas
- Hubs aren't connected very well.
- Absence of cycling infrastructure
- City Deal's sites and housing sites are not aligned

What needs to be changed to facilitate this?

- How do you incentivise operators to upgrade their fleets?

Other

- Rail is outside of the region's control
- Almost like you need an eco-tourism travel.
- Charging at home – is that the way we want to go with EVs, or do we want to plough money into the technology to ameliorate things like range anxiety. Are we going to put our efforts into charging in residential areas or putting the money into more charging stations?
- Future: moving forward to vehicle sharing.

Group 1 Notes

- Fabric improvements need to be prioritised
- Mine water GWHP – Flexis –Cardiff University
- Taffswell – thermal well
- Heat networks – public ownership of infrastructure
- Blaenau Gwent heat network – The Works
- Biomass and Hydrogen

Group 2 Notes

Retrofitting homes

Demand reduction - retrofit of poor-quality housing - struggle in the private sector

Need to sell benefits to homeowners

Modelling Energiesprong - free kitchen - built into whole house costs

Internal system change (e.g. ewi/iwi) difficult to sell

Modelling the Dutch way of doing things

Providing incentives

Innovation/research into doing this a different way to make it more acceptable/easier for the homeowner/increase understanding of benefits - could this be part of the city deal challenge fund??

Addressing the barriers/disruption a/w disruption

Problem of scaffolding being up for months on end

Pre scan buildings - decide what it needs

Key thing is "how is it done" - less intrusive

Model of offsite construction

Supply chain benefits - can we set up new manufacturers

Buying in bulk to provide supplier certainty

Roles: local authority, need for legislation and policing, need for communication to help people see the benefits

Blaenau Gwent - transferred housing stock to community landlord - have the same aspirations as Caerphilly (who are doing really well on retrofitting housing) but not the same control

Social landlords typically ahead of Las on housing stock, particularly with new build (access innovation housing programme funding)

Challenge is private housing - e.g. persimmon for new build, but 80% homes need retrofitting

Engaging with homeowners a big challenge

Needing better training/skills

Freeing up cash - e.g. a 0% loan to home owner (c/w green deal and Scottish loans programme)

Could WG give money to businesses to supply service (rather than to homeowners) and enable them to do the upgrade at lower cost rather than direct to homes - investing in the company - creating a hub to create technology/skills etc - drive costs down - upskilling and replication - help to keep money and investment locally - money into supply chain rather than end user

Helping with future inward investment - creating bigger supply chains for South Wales - region could take a stake in this

Trying to mimic the growth of PV - market stimulus initially driven by public sector, then private sector - then neighbours want to replicate

Marketing other benefits - EWI adding value to house, making it look nicer

Public are apprehensive - would need 5-10 years for this to embed to culture

Issues of CWI and LI - poor installations gives the sector a bad name

Need to do pilots to build confidence

Can't underestimate the engagement difficulty - bringing in third sector/community groups to help with engagement

Smart meters helping with engagement on energy - platforms on smart phones - understanding how money translates to comfort

SMETS2/HIVE systems

Good product and sound plan / build engagement strategy

Consider fuel poverty angle - subsidised

Investing in tech to make it easier to retrofit

Needing to train up orgs (e.g. third sector)

Regional coordination of this across CCR - bring Las together - learn from Dutch/Energiesprong

Establish and pilot a concept then look to scale up

Need some specialist, dedicated resource to manage this across the CCR

Reflecting the variation between LA structures / housing stock ownerships

Individual Las don't have resource to do this on private housing

Not maximising even ECO funding because of lack of resource in LAs

Arbed in WG - use to develop and prioritise pipeline

Working on a regional level helps insulate against local political changes through elections which is in flux

Whole house approach to energy efficiency retrofit

How applicable is energiesprong to housing types in Wales - given not much standardisation of housing types

Heat supply

Needs to be led by modelling

Lots of on gas grid properties - like the idea of hybrid heat pumps if limited impacts

Lots of locations not high density - likely looking at hybrid ASHP - minimal disruption, less CO2 reduction

Greening of grid - Las could provide land assets to produce hydrogen (from solar/wind) and biogas (from AD) for heat

What opportunities are there for hydrogen storage in rock formations in CCR?

Energy storage in battery storage - could CCR invest into piloting / creating innovative battery technology

Need a transactor role - facilitate between LA and the developers to develop projects, help with lack of resource (e.g. manifested in viridor EfW) - bridging gap between public and private sector e.g. in Newport - there are new developments but no resource to go and talk to developers about developing projects

Heat networks - where are sources of waste heat, who's facilitating the conversation between supply and demand

Focused on waste heat from private sector

Focus on decarbonising heat in the industrial sector - pick hitters

Group 3 Notes

Strengths and opportunities

- It can be fully decarbonised. Frequently people talk about full electrification and hydrogen. The full electrification route – there is a threshold where cost increased catastrophically (due to the grid infrastructure and the generation capacity required).
- Green gas – from anaerobic digestion & residual waste
- Existing infrastructure and processes – you can do it, except for the questions that remain on hydrogen
- Without hydrogen you can do bio methane and wind for everybody.

- Changes in the regulatory environment: Energy System Catapult is looking at electrification for homes at a long term 2050; BEIS – no new gas connection to new home

Challenges and weaknesses

- Green gases – bio methane – will never be enough to displace current gas and heating. Smart hybrid systems
- Fuel price ratio of gas is a huge issue for any alternative energy
- Suppression of RHI for heat pumps
- Competing needs on bio gas

What can be done for it?

- Wrap around legislation (agriculture, waste, housing)
- Land transaction cost
- Low cost loans
- Create incentives for people to invest in more flexible/hybrid systems
- Target property by types and see which types of measures can be applied for each types: social housing can allow these changes, more than private dwellings.

Other

- Look at the consumer side – the split between those who are able to pay and those who can't and those in the grey area in between. A real issue in this particular area – to incentivise people to decarbonise or make their homes more fuel efficient – no cash to spend.
- 10,000 consumers in Bridgend: 80 – 81% were unwilling or unable to change. Welsh Government can put things in place to de-risk these things. Maybe low rate loans or grants/loans.
- There is a period of time where paying upfront costs for things will exist until the services market comes in. the more we get flexibility value coming through – flexible systems like hybrids give.... Can be flexibility value through to customers and the aggregators.
- House ownership is longer than it was a decade ago. Cost of moving could be a positive- if someone knows they will be in a house, they are more likely to invest in it b/c they can see the difference. Also, the difference between a private landlord and a registered social landlord.
- Private owner/occupiers other ticket items like a new bathroom and a kitchen often take preference of EE.
- Struggling b/c gas is so cheap that it's not driving change.
- If the fuel price ratio is a huge ratio for the uptake of other heating systems, also a heat pump is an added load being fed from flexible sources to meet the added load. Its decarbonising the existing heat sources and increasing flexible sources.
- What do we do about the RHI and heat pumps?
 - Find a way to get more flexibility value with heat pumps

ELECTRICITY AND FLEXIBILITY

Group 1 Notes

- Transport and Electric Space and Hot water heating (ESWH)
- RE to create biogas (and hydrogen)
- Requirement for a mix of generating technologies
- Monetize social benefit – not generally used/viewed
- Monmouthshire
- Cardiff 8.7MW Scheme

Group 2 Notes

Maximising publicly owned land

Transactor role between DNO, public and private sector to secure deals for projects

Cost of upgrading goes onto connection

If generating elec, it's to decarbonise, export etc.

Come up with local network arrangements - engagement with DSO to say we're constrained

Mapping resource against demand

Forward thinking - where do we want new development and housing - this is where you dedicate land for local energy schemes

Create TFW type arm's length developer for new development

Heads of the Valleys energy belt - could utilise that for resource?

Grid constraints - Newport particularly bad

Need to facilitate the infrastructure planning - joint discussion between projects (share cost of connection across project)

Group 3 Notes

- FiTs not there anymore – but there is a new Octopus agile tariff (prices for electricity). There is also an agile export tariff so if you have solar on your roof you could have the agile tariff (which is just ahead of the FiTs)
- Looking at your home as a power station.
- Question: is there enough information around what the future demand will be?
- Hour by hour and over the seasons. Important to understand the minute by minute changes (inter-seasonal issues)
- View on nuclear as a source of electricity: personal views.
 - The greater the baseload of nuclear, the lower volumes of intermittent capacity things you need. The higher the baseload, the lower the capacity of intermittent renewables.
- What about - Short term energy from waste? At the moment there are 2 incinerators in Wales that are running flat out. The feedstock going there will have to reduce. Ultimately some members of the group didn't think that this was a good way forward.
- We're not doing enough to reduce waste.
- Important to make the most use of what waste we do have. Anaerobic digestion with engine next to it is very inefficient. You use the heat at the end of it rather than Food waste gasified rather than used for electricity.
- 2025 lose the incentive to use food waste to gasify heat need to look for an alternative.

- Somebody needs to make strategic decisions on future infrastructure. Need more information to make these decisions?
- It's also important to consider who owns the decision and what are the drivers behind it

Strengths and opportunities

- A lot of opportunity.

Changes and Priorities

- Need to understand the hourly profile of electricity consumption
- Feedback to Ofgem on price controls is important
- Need to encourage a circular economy for nuclear waste
- Better disseminate information to allow behavioural change

Annex 3. – Perspective Session Summary

IAN SANDFORD

- DNO - they operate distributing power across 7.9 million homes
- Network changes: Renewable energy and how to operate a smart system and a 2 way movement of power. Moving from DNO (Distribution Network Operator) to DSO (Distribution System Operator) - includes involvement in flexibility market and finding ways to manage the network to reduce need to invest in network infrastructure.
- So far in SW they have connected 2.1 GW of generation
- Max demand in South Wales: peak demand 1.9GW (last year 1.7GW)
- How will generation grow? - different scenarios
- Consumer Power is the scenario that aligns with the Welsh Government Policy ambition
- What will happen to demand from EVS? - different scenarios.
- There is a new WPD strategy out to 2030 and it looks at investment for these different scenarios.

CHRIS SUTTON, SUTTON CONSULTING

- What does business look for from property - employment property is part of the business environment includes skills, infrastructure labour, planning, regulation. Skills and infrastructure most important but property is something that is very particular to a region
- At the heat of our region, we have a premier league city. The same amount of office space built in Leeds, Birmingham. It is successful. It's viable in terms of employment property - new floor space being built. Public sector hub (dominated by HMRC), this starts to compete with other policies - you get economy of scale - new buildings, efficient buildings, life at the heart of the region except draining the life of the rest of the region. The exception is Taff Vale in Pontypridd.
- How are we going to generate more office space in the region? Newport has advantage that - Bristol is closer & London is closer (than Cardiff). A focus on larger towns and cities. The days of the old business park on motor way junctions are struggling.
- Industrial - grade A building leading to a grade A occupier (Aston Martin). Building drove decision to locate. They came to South Wales because they couldn't get the labour in Mid Wales.
- The stock of building in Wales - creeping obsolescence - properties become obsolete after 40 - 50 years. We are living with an aging stock of buildings. When new buildings do happen it is where there is a bespoke requirement for a building (high bay dock, distribution unit, or a rail connected building). We need a selection of sites. Issues with sites - they take a lot of time to prepare and deliver. Example: Bought in 2003 - it took 15 years to prepare site for the market (a leading regeneration specialist).
- Obsolesces: state of the art 1948
- Key policy changes? UK 2011 energy act - April 2018 - we are asking people to improve EE of properties. No prosecutions. We need to enforce legislation.
- Taxes. We've got a Government that want to put tools in the Welsh Government.
- Land Transaction Tax: 6% for a development over 1 million pounds - the same tax is 5% in England and 4.5% in Scotland – a disincentive to development in Wales
- Vacant Land Tax – vacant land required as part of development process. 3 – 7% VLT disincentivises development
- Prescribing cost of development not incentivising development

- Planning Act: Strategic Development Plan is a key win - give economies of scale in delivering LDP and gives direction.
- The Compound semi-conductor IQE is one of the first developments.
- Expectation management - slide on this was an IWA workshop on metro and what metro might do. We're electrifying a rail way line, but we are going to deliver the world.
- Conclusion: We need a property strategy. It needs to be done on a demand perspective cross cut with a sectoral perspective, but also making sure that we don't leave communities behind.
- Occupiers are pressing for more EE buildings = There is a demand perspective. There is a cost with achieving a BREAM Excellent building vs. a BREAM very good. There is a cost problem with delivering BREAM excellent floor space.
- Service sector has generally seen a move to city and town centres.
- We need a balanced portfolio of sites.

CLIVE CAMPBELL, CCRTA

- From a transport perspective there is growing momentum on EVs (but we are early days). There aren't a huge number of early examples - they are doing a lot of feasibility work. Caerphilly adopted an EV strategy last year and are encouraging others to do so. Looking at network of EV charging across Gwent. It will focus on the public sector facilities. They are looking to work with private sector, third sector. Also looking at greening their own fleet. Across the wider CCR, there are other studies going on. There was an initial review of infrastructure across the regions. It only looked at 11 sites - looking at infrastructure and EV demand. When they look at this field the technology and innovation is moving at quite a pace. Important to have more collaboration.
- Initial study was constrained and limited, they have now commissioned a more comprehensive study - what they are doing in Gwent, they have expanded to the rest of the region. It will lead to developing proposals that they can target to implement. Also looking at a local emissions vehicle strategy. It is looking at both private vehicles and public transport and vehicles. That will give next steps, timelines, and benefits. Throughout these strategies, they want a more coordinated approach.
- They have also commissioned a feasibility study looking at taxis.
- Focusing back on Caerphilly, one of their projects is looking at Caerphilly town. They have a broader project looking at economic growth - part of that is looking at the transport infrastructure required. Looking at developing a new interchange (bus and rail side by side). Linked to that Stagecoach have received government funding to introduce an electric bus fleet of 60 vehicles. This will make a real contribution to improving air quality and towards electric vehicles. They are also keen to talk to taxi drivers about opportunities for EVs.
- Cardiff already have funding and are in the process of developing on street EV charging (areas without off-street parking). Also looking at introducing EVs in their own fleet (about 92 vehicles). Developed guidance for developers on EV charging. They also have the core valley transformation programme - high-level outcomes - 100% electrified network and service from 100% sustainable energy. That is the target - they don't have the details on how that is going to be achieved.
- Out of all of this there will be issues and opportunities. How can we develop strategic hubs? What opportunities are there for energy generation? Options for LAs to use their own land holdings.
- Funding is a key issue, as is air quality.
- Along with issue of reducing carbon emissions, important to reduce energy demand. Some LAs have implemented street lighting initiatives that have achieved substantial energy and carbon savings.

- If we change all vehicles from diesel to EVs - great from an environmental perspective. From a transport perspective, that doesn't ease congestion and it also doesn't encourage the use of public transportation i.e. modal shift is required.
- From their perspective, they would like to get clear roles and responsibility - there are a lot of actors in this space.

Annex 4. – Introduction Sessions Summary

INTRODUCTION NICOLA SOMERVILE & JANE FORSHAW

Nicola

- Overview of the CCR and the City deal within the region and the relationship between energy and the partners in that process
- Important to acknowledge the work being done in Bridgend
- Important to look at the bigger energy picture throughout the region through generation, demand and distribution
- Very keen as a capital region
- Taking a holistic approach - energy cuts across housing, transport, infrastructure etc themes
- Recently, CCR has obtained in principal approval to take forward a strategic development plan
- We want to understand our strengths, opportunities, threats, and weaknesses for the region
- CCR is Developing a Wider Investment Framework (WIF) for further investment: infrastructure, challenge, and innovation are the core themes - energy could fit into any of these themes

Jane

- Mission driven approach. Suggested a low carbon theme, inclusive and competitive growth. Key: how can we take the good work from this energy planning and make it real (inclusive and competitive). Because the city deal has had a few years now - to what extent can we still push for existing initiatives to include low carbon.

INTRODUCTION TO WGES – JONATHAN OATES

- Published their first statutory decarbonisation plan. Interim carbon budgets and targets. By 2020 they will have decarbonised by 27%. Target of 80% reduction by 2050.
- The first statutory plan described a range of actions for meeting the first carbon budget and proposals to see the decarbonisation journey through the 2030. The Committee for Climate Change has said we need to decarbonise everything everywhere. Some sectors will decarbonise less than others, but all need to decarbonise. Housing will need to achieve 95% reductions to compensate for harder to deal with sectors such as agriculture and steel. The question becomes at what period. We have technologies but there are practical challenges. CCS and CCUS are part of that.
- A number of years ago, a number of people started asking the question: what are the benefits to Wales in decarbonising? You can decarbonise by opening up your land for wind turbines for multinationals - while there are jobs in that, the people who benefit are the investors. In paying energy bill, Wales exports ~15% of GDP (15% of GDP is paid out of Wales through bills). In the old centralised energy system, we had little choice in how we an effect that. With distributed generation, EVS, electric heating, demand management and reduction we have a clear opportunity to affect that 15% if we want to. That is the challenge that we have. It will happen to us, it is a case of how much Wales benefits.
- 4 years ago they started investing in a programme (Green Growth Wales) that has become the WGES. It started because there was a pipeline that wasn't going anywhere due to a

perceived lack of capital, a lack of capacity, and a lack of capability. WGES provides investment routes for projects through Salix funding. To put in context Salix were investing 1.5 million pounds a year. And now they invest ~23 million a year.

- 2 things they are trying to achieve: let's start doing the easy stuff (changing light bulbs - but not 10 at a time, 10,000 at a time) but with the view that a new energy system is coming down the track. They looked to Europe where community retains more benefits. They look to see what kind of model they can achieve. In Jonathan's opinion, they are now at the pivot from doing the easy stuff.
- The regional energy mapping is about taking a whole systems view. What is the demand now, what might it be in the future, how can we deliver it through Welsh-owned infrastructure. We won't do that without demand reduction and response. Once we understand this, we can understand the commercial options. Part of what they are doing with the decarbonisation is to send signals to the supply chains in Europe. For example, in his opinion, you will not be able to sell high carbon cement in Europe in 20 years time. So, how can we help our cement supplier to produce low carbon cement.
- His colleagues are doing work to map where the carbon emissions occur from procurement. If they can send the signals to the supply chain, they can support them.
- Reiterated importance of whole systems view.
- Jane: In parallel there is the economic action plan
- Helen added in: Economic Action Plan. Economy department has had a restructure - there is a regional approach (Mid, North, South and South East division) there are also pan-Wales elements. They have a thematic and foundations group: business and energy side of things. One of the things that they are looking to do is to put some additional support for decarbonisation and EE to fill a gap. Some stuff that the Carbon Trust do for them and some stuff for energy production and they are trying to fill the gap. Working Group going forward to get more of a feel. Working with the property team also and they are taking that forward. Very new team and will be seeing a lot more in the region. The Economic action plan says that the Welsh Government will not support any company that isn't reducing their carbon footprint. Look at if the company is delivering low carbon products or if they have an ambition to do so. They want to support organisations that are supporting decarbonisation.
- The budgets have about £20 million to allocate - projects are chomping to use it (heat networks, etc.). The £70 million will achieve £240 million of savings in the public sector & they get their money back. If the projects come forward and they can support them, they will.

Future Generations Assessment

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal Setting out stakeholder-informed energy vision for CCR
Proposal: Energy vision	Date Future Generations Evaluation form completed: 09 December 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 energy vision work sets out a clean growth agenda – the potential to safeguard planetary life support systems whilst growing regional income.	The vision has been stakeholder informed and analysis of issues independently informed by data, evidence and insights. To optimize potential for impact this will be incorporated into a full action plan with a resultant 'energy mission'.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The report goes to the heart of the sustainability and resilience mandate.	More work needs to be done to show sustainability and economic growth are not mutually exclusive and CCR has the opportunity to demonstrate this.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A healthier Wales People’s physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Direct impact in terms of health, wellbeing and environmental benefits.</p>	<p>Climate crisis is causing worry and concern. More work will be needed in future to understand the link between anxiety and mental health and the state of the environment.</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>Safeguarding environment and world key to ensuring communities can thrive</p>	<p>ROI assessments need social and environmental dimension and ‘clean growth’ aims to be more clearly understood. Work ongoing with Prof Max Munday to draw this out as part of wider approach to alternative economic intelligence.</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The report is a demonstration of CCR-wide responsibility to the planet</p>	
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>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 which is drawn from our natural environment and resources.</p>	
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>The environment and climate crisis is a leveler – we are all responsible – we can all make a difference.</p>	

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>This is both a short, medium and long term goal and a golden thread running through all projects and programmes.</p>	<p>Continued work on data/ evidence and generating in equal measure, insight and foresight.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The report sets out the different partners and sectors engaged in this work and the challenge process is about collective endeavor- civil society, business, HE, public services and community sectors.</p>	<p>More work to develop, align and promote shared purpose on this agenda.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The report sets out the different partners and sectors engaged in this work</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Report and resultant action plan should create conditions for this to happen – at scale.</p>	
 <p>Integration</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	
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 in a sustainable way 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 – in particular in safeguarding the environment for their futures.		

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

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- Analysis of energy consumption
- Mazzucato work on energy mission for GMA and UN
- Collaboration with Energy Services catapult
- Collaboration with GMA CA

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 and beyond
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19 DECEMBER 2019

CARDIFF CAPITAL REGION GRADUATE SCHEME INTERIM EVALUATION AND REQUEST FOR CONTINUATION

REPORT OF CITY DEAL DIRECTOR

AGENDA ITEM 11

Reason for this Report

1. To provide Regional Cabinet with an evaluation of the Graduate Scheme at month 8 of operation, and;
2. To request a 12 month continuation in the light of lessons learned and the need to align the graduate cycle with the business cycle to properly develop opportunities and further investment. This will enable the conclusion of the first year pilot, with a roll-on to the additional 12 month period, allowing the transition to be seamless and efficient and for the staff, resources and opportunities to be retained and delivered.

Background

3. Regional Cabinet approved the pilot Graduate Scheme in December 2018. The main objective of the scheme was to reverse the so-called 'brain drain' with around 35% of all graduates leaving the region to seek employment opportunities elsewhere each year. The scheme works with businesses that historically, have had little or no engagement with the graduate market; in order to contribute to business growth and resilience. The scheme operates through a collaboration spanning the University of South Wales, Cardiff University, Cardiff Metropolitan University and the Open University, as well as business groups and trade bodies.
4. The pilot was approved by Cabinet in December 2018 for one-year running April 2019-April 2020 – to allow for a three month mobilisation period in which to recruit coordinators and operationalise the scheme. The scheme went live as planned on 1 April 2019. Whilst this aligned with the business cycle, a key reflection is that this has not aligned as well with the graduate cycle.
5. The initial focus of the scheme was to provide support to Small Medium Size Enterprises (SMEs). However, as the scheme has bedded in and evolved whilst SMEs have remained a core focus, other sized businesses have also engaged – showing reach and activity across the market. The

aim of the first year pilot was to achieve 50 graduate placements, with a revenue budget of £175k.

6. The objectives of the scheme are to create additional graduate level positions in the region through:
 1. Helping employers to identify positions within their businesses;
 2. Supporting employers in the creation of job descriptions, training and development;
 3. Advertising positions on the bespoke CCR graduate website and,
 4. Sifting applications and providing businesses recommendations for interviews as well as key aspects of ongoing support.

Progress to Date

7. The early evaluation at Month 8 highlights lessons learned around timing and alignment of the graduate and business cycles. In essence the current pilot running April to April is not sufficient to properly road-test the scheme and so a continuation period is requested. Positively, the scheme is building real momentum and demonstrating significant potential. Talented individuals are either being retained or moving back to the region. This is not only creating additional jobs, but also, strong private sector leverage. There are also softer outputs in terms of business engagement, increasing awareness of the availability and quality of graduates to meet skills requirements and building the public-HE-business network
8. The two graduate recruitment leads employed through the initial pilot scheme have:
 - Engaged with some 178 businesses across CCR and beyond (as of 4 December 2019):

LA Areas of businesses engaged		
LA	Number	%
Blaenau Gwent	10	5.6
Bridgend	17	9.6
Caerphilly	30	16.9
Cardiff	47	26.4
Merthyr Tydfil	1	0.6
Monmouthshire	11	6.2
Newport	30	16.9
Rhondda Cynon Taf	14	7.9
Torfaen	8	4.5
Vale of Glamorgan	6	3.4
Other*	3	1.7
TOTAL	178	100.0

*Other represents businesses that have been signposted to the team from outside of the Capital Region

- Advertised 42 placements to date. 18 are now filled, with another 6 due to be filled in January and with the others in the pipeline.
- This has totalled some seven assessment centres in and **563 applications** – a signal of strong interest and activity
- Already, three businesses that have participated in the scheme are in the process of advertising for a second intake
- Further opportunities and potential are now opening up around upskilling existing employees and learning and development.
- Whilst businesses across all areas of CCR have engaged in the scheme, eight to date have advertised vacancies, with targeted work now underway to achieve outcomes in all ten areas
- Graduate applicants have come from all universities in the region, as well as universities from outside the region and international Non-EU establishments.
- Chief sectors recruiting graduates in the region are Advanced Materials/ Manufacturing; Creative Economy; Financial and Professional Services; Life Science and Pharmaceuticals and IT.
- The rate of private leverage achieved on the first 24 placements is £463,706 without on-costs and £556,447 with on-costs. This is a conservative estimate because it is based upon salary costs only and as yet, does not factor in additional private investment businesses might make such as in personal development, learning and training. The range of salaries offered are within the £17,500-£24,500 range with an average salary of £19,321 (excluding on-costs). Appendices 1 & 2 to this report, sets out the key datasets in respect of the above.

Lessons Learned

9. As stated above, given the timing of the start of the scheme and the misalignment of the graduate-business cycles, there is a need to seek a continuation period to properly test and validate the scheme. Whilst initial evaluation suggests the scope and potential is strong – even at month 8 – it is important to reflect upon wider lessons learned and ensure the process is iterated to embed key learnings set out below.
10. **Three month mobilisation** – on reflection the three month mobilisation period was not sufficient to recruit the two officers, develop the workings of the scheme and - generate the initial leads and interest. Whilst the scheme did go live on 1 April, the co-ordinators had just started and so a lot of the development time had to be twin tracked with delivery.
11. **Alignment of academic and business years** - in addition, the timing of the start of the scheme was out of synch with full academic cycle which impacted the ability to hit the ground running. Whilst this led to a slower than expected start, this is being made up with momentum growing daily.
12. **Working differently** – the scheme needs to work outside of conventional boundaries. For example, the tipping point regarding the surge in demand from graduates only occurred once vacancies were advertised on the Indeed platform.

13. **Broadening support and engagement** – key to securing business engagement and participation in the scheme has been the support of Councils in the region and their links with their local business communities. Improving levels of support, interest and brokering introductions via local authorities – must constitute a stronger dimension of the scheme in future.
14. **Direct business-to-business engagement** - the most powerful tool is business word of mouth. The Regional Business Council has facilitated some events – but this needs to be stepped up with consideration given to targets for placements in the short-term. The Regional Skills Partnership continues to play a strong support role in terms of industry events and using case studies to promote the scheme.
15. **Positive obligations and social clauses** – consideration is currently being given to how this can be embedded as a core requirement of submissions to the three funds and via the Investment Framework. As the scheme has operated, learning has been adapted from the Metro Plus Common Assessment Framework and how local construction and project development opportunities can support skills requirements.
16. **Sector focus** – as the above demonstrates, certain sectors are better represented than others. With the new focus on building sector clusters, there is an opportunity to be more targeted in the sectors where there are specific needs, skills shortages and requirements.
17. **Better co-ordination of university contributions** – the majority of applications are not coming via universities and this indicates the difficulty inherent in keeping in touch with graduates who have left university and the area. This is a key issue for universities to address in terms of the wider skills issue. Contact is being made with graduates via digital and social media platforms in the main and continued efforts are being made with universities to be proactive in targeting graduates before they leave their establishments and the region.
18. **Role of industry, trade and membership bodies** – some of the greatest business demand has been generated from industry and trade body events. This has to be sustained and high levels of engagement and insight are needed to plan and develop this more targeted approach.
19. In all, whilst the scheme took longer to mobilise and ‘start-up’ mainly as a result of the above factors, momentum is now significant. The social media campaign, case studies and the human interest aspects have proved powerful. One illustration of this is that Community Housing Cymru is now holding a CCR Graduate Awareness Day with its 70 member organisations. To build upon this, it is now important that the scheme has longer to develop its potential and partnerships and for the pilot to demonstrate optimum outcomes.

Continuation Delivery Model

20. The target is to deliver fifty graduate interns over the course of the first core year of the programme (April 2019-April 2020). It is anticipated that by the end of the period, 42 placements will have been advertised. However, in light of the issues and challenges experienced to date – but moreover, the significant opportunities to leverage - it is proposed that following completion of the initial pilot, the scheme rolls forwards into a one-year continuation period (until the end of April 2021). This request is backed by all partners to the scheme including new and existing businesses and University partners. This is being asked at Month 8 as a result of early reflections, potential to strengthen and deliver continuity.
21. In addition to this and because of the start date of April 2019, many interested businesses were not able to take part in the pilot because business and financial plans were agreed in the previous financial year. Many of these businesses have stated that if the scheme operates for a second year, they have the opportunity now to embed placement costs into business planning for 20-21. Commitments are on the table. Converting these opportunities will require retention of skilled staff and continuation of the scheme as a whole. Discontinuity at this stage would be a real risk to the future of the scheme. The Graduate Scheme is starting to establish itself; creating real value and is recognised as a new entity in the skills and business environments. Continuing the scheme for a further 12 months will allow:
- conversion of the lessons learned. This will provide time to translate some of the learning into practice and optimise outcomes;
 - proper alignment of academic and business year-cycles;
 - develop wider opportunities – for example, the process now developed for the scheme is a strong one and can be replicated in other areas of emergent development such as Shared Apprenticeship Scheme;
 - retention of the two highly skilled and committed officers, who have developed relationships, partnerships and business links;
 - those businesses who have not been able to make an in-year commitment to the scheme to formalise in principle agreements to hosting a graduate in the financial year 2020-21;
 - the learning to date to bed in and for engagement to grow via make it a specific target area for the Regional Business Council;
 - for the scheme to benefit from the Investment Pipeline and interface with new projects being submitted all of the time;
 - target of 70 additional graduates to be delivered over the extended period, bringing the target total for April 2019-2021 to 120 graduate positions advertised.
22. In respect of the resources associated with this, a budget of £175k was agreed by Cabinet for the operation of the first year pilot. Against this, only £143,550 is forecast to be spent by the end of 2019-20 leaving an underspend of £31,450. The proposal is therefore to seek a continuation budget of £192,450 with £31,450 comprising underspend from 2019-20, meaning

total outlay of £161,000 in 2020-21 for the continuation period. This will accommodate the existing two member team, the USW secondment support and a new in-house graduate role, to supplement capacity and provide dedicated graduate-insight support. The below table sets this out in further detail:

	Projected Expenditure (19/20) £	Balance Carried Forward £	Continuation Cost (20/21) £	Total Cost £	Original Allocation £	Continuation Budget Required (20/21) £	Total Funding £
Recruitment costs	0	(1,000)	0	0	(1,000)	1,000	0
Two regional business engagement / human resource support staff (salary + on-costs)	83,891	(1,109)	85,000	168,891	(85,000)	(83,891)	(168,891)
Non-salary expenditure	6,000	(4,000)	15,000	21,000	(10,000)	(11,000)	(21,000)
USW Secondment	14,400	(10,600)	14,400	28,800	(25,000)	(3,800)	(28,800)
Graduate Support Role	0	0	26,000	26,000	0	(26,000)	(26,000)
Qualification cost	8,740	(14,260)	30,000	38,740	(23,000)	(15,740)	(38,740)
Website, bilingual marketing and events	8,100	(1,900)	16,050	24,150	(10,000)	(14,150)	(24,150)
Contingency	22,419	1,419	6,000	28,419	(21,000)	(7,419)	(28,419)
Total	143,550	(31,450)	192,450	336,000	(175,000)	(161,000)	(336,000)

23. In terms of ROI, the private leverage on a total target number of 120 advertised placements over the two year period, would equate to £2,318,520 (based upon a £19,321 average salary and without on-costs). This is a modest estimate as it is based on salary costs alone. Further work is currently underway with employers to capture the full value of the investments they make. This equates to £7 of private leverage for every CCR £1 invested. If on-costs were to be included, this would deliver £2,782,224 of additional investment with an average salary of £19,321 per graduate placement which takes the leverage to £8 for every CCR £1 invested in the programme.

24. It is proposed that the small team will continue to work out of the City Deal Office and university sites under the direction of the CCRCD Director. Key to the future success of the scheme however is everyone understanding the role they have to play – from local authorities and Universities, to business partners and industry leaders. This is a matter of collective endeavour and this must be cascaded through all organisations to spread awareness and create visibility.

Exit Strategy

25. With team capacity being strengthened around evaluation, planning of the end evaluation and Exit Strategy for the scheme can start, to ensure a proper managed transition. This will need to determine the following:

- a full value for money assessment;

- scope of any future scheme operation;
 - evaluation of the legal entities and organisations best placed to develop and deliver the scheme and any associated procurement;
 - potential for scheme to move towards becoming more self-reliant and a target for income generation over a specified time; and,
 - potential for synergies and connections to be built with other aspects of core skills provision within the region. One example could be with CCR current work on establishing a region-wide shared apprenticeship scheme.
26. It will be important for the full evaluation to be in place ahead of the commencement of the Gateway Review in April 2021. This will include:
- a. employees upskilled;
 - b. number of applicants per position;
 - c. business location and sector;
 - d. intern salaries and post duration;
 - e. the conversion rate of interns to post-internship jobs;
 - f. post-internship salaries and contract length; and,
 - g. feedback on the programme from businesses and graduate

Financial Implications

27. This report seeks Regional Cabinet's approval of a further funding envelope of £161,000 in addition to the £175,000 that was originally allocated in December 2018. This represents the total funding requirement of £336,000 for the continuation of the Graduate Pilot scheme.
28. The report sets out cost estimates showing how the total funding is expected to be used and the sums outlined can be met from the City Deal Wider Investment Fund, including the carry forward of an anticipated underspend at 31st March 2020. Monitoring of costs and outcomes of this scheme will form part of future reports to Regional Cabinet.

Legal Implications

29. The recommendations within the report seek approval to continue the existing pilot for the Cardiff Capital Region Graduate Scheme, for the reasons set out in the report. To facilitate this, any secondment or temporary appointments in place will need to be extended. Please see any HR implications.
30. Any services required post April 2020, such as delivery of the training programme, will need to be procured in compliance with procurement law and detailed legal advice should be sought.

Human Resource Implications

31. Should the scheme be approved for extension the Graduate Recruitment Lead postholders' contracts would be extended in accordance with the Accountable Body policies and procedures

Well-being of Future Generations (Wales) Act 2015

32. 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 duty' and in so doing assist to achieve the national well-being goals.
33. The well-being duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires 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 the Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Regional Cabinet must:
- look to the long term;
 - focus on prevention
 - deliver an integrated approach to achieving the seven national well-being goals;
 - work in collaboration with others to find shared solutions;
 - involve people from all sections of the community in the decisions which affect them.
34. To assist the 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 3 to this report (Well-being of future generations assessment) for Member's consideration.
35. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

36. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:
- age;
 - gender reassignment;

- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief

Reasons for Recommendations

37. The reasons associated with these recommendations are as follows:

- the 8 month evaluation of the scheme creates confidence in relation to outcomes and future potential;
- the lessons learned must be embedded quickly in order to take effect and optimise outcomes;
- to wait until the end of the pilot for evaluation would risk the future of the scheme through discontinuity, potential loss of resources and inability to convert commitments made by businesses for the 2020-21;
- the continuation period, allows the original objective of a one year pilot to be seen through, but enables the roll-on to the next phase without interruption and as such, supports a seamless transition to scale-up, with the resources in place and uplifted targets.

RECOMMENDATIONS

38. Regional Cabinet is asked to:

- (1) note the progress, lessons learned and interim evaluation gauged from the first 8 months of the initial pilot period;
- (2) approve a continuation period, up until the end of April 2021 in order to deliver fully on the benefits and target outcomes set out in this report and allow the better alignment of timescales, objectives and opportunities;
- (3) approve the revenue funding envelope of an additional £161,000 in 2020-21 for the costs associated with the continuation period, which will be met from the CCR City Deal Wider Investment Fund; and,
- (4) agree to receive a full scheme evaluation including a clear exit strategy ahead of Gateway Review in April 2021.

Kellie Beirne
Director, Cardiff Capital Region
19 December 2019

Appendices

- Appendix 1 Supporting information
- Appendix 2 Salaries
- Appendix 3 Future Generations Assessment Evaluation



19 DECEMBER 2019

CARDIFF CAPITAL REGION GRADUATE PROGRAMME EVALUATION AND REQUEST FOR EXTENSION

APPENDIX 1

The following tables provide a breakdown of the graduate programmes' activity over the first 8 months of operation.

TABLE 1.

The below table provides an overview of the number of businesses who have engaged with the programme from across the City Region

LA Areas of businesses engaged		
LA	Number	%
Blaenau Gwent	10	5.6
Bridgend	17	9.6
Caerphilly	30	16.9
Cardiff	47	26.4
Merthyr Tydfil	1	0.6
Monmouthshire	11	6.2
Newport	30	16.9
Rhondda Cynon Taf	14	7.9
Torfaen	8	4.5
Vale of Glamorgan	6	3.4
Other*	3	1.7
TOTAL	178	100.0

*Other represents businesses that have been signposted to the team from outside of the Capital Region

Of the 178 business approached, 42 placements have been advertised through the programme. Not all of these placements have been filled due to a number of influencing factors, such as a change in business needs and requirements; slow turnaround time from the business and graduates securing alternatives roles.

TABLE 2

The advertised positions have generated 563 applications with applicants from across all of the UK. This portrays a positive picture of graduates wishing to return back to SE Wales. The below table provides an overview of the universities from which the graduates have been studying.

Breakdown of Graduate applicants by HEI (as of 17th October 2019)		
HEI	Number	%
Cardiff University	99	18%
Cardiff Metropolitan University	59	11%
University of South Wales	103	18%
Open University	5	1%
Other UK HEIS**	259	46%
International (Non-EU) Universities	38	6%
Total	563	100%

*some of the applications have not been suitable for the roles so have been discounted at an early stage

**Top Other UK HEIs include: Swansea University, University of West England, Aberystwyth University

TABLE 3

The below table provides an overview of sector engagement. As the table highlights this has been broad across the region, which further evidences the need for a sector neutral graduate offer.

Sectors of businesses recruiting		
Sectors	Number	%
Advanced Materials& Manufacturing	7	16.7
AI and Data Science	1	2.4
Automotive	1	2.4
Civil Engineering	1	2.4
Creative Economy	3	7.1
Cyber Security	1	2.4
Financial and Professional Services	3	7.1
Food and Drink	1	2.4
Housing	2	4.8
IT/Digital	12	28.6
Legal	2	4.8
Other	1	2.4
Pharmaceuticals and Life Science	4	9.5
Recruitment	1	2.4
Sustainability	2	4.8
TOTAL	42	100

19 DECEMBER 2019 MEETING

CARDIFF CAPITAL REGION GRADUATE PROGRAMME EVALUATION AND REQUEST FOR EXTENSION

APPENDIX 2

Graduate applications filled and salaries		Status
Role	Salary	
Training and Sales Support Coordinator	£18,000	Graduate appointed (1)
Renewable Energy Graduate Trainee	£18,000	Graduate appointed (2)
Graduate Digital Marketer	£16,380	Graduate appointed (3)
Trainee Finance Broker	£20,000	Graduate appointed (4)
New Product Design, Development and Engineering Executive	£24,500	Graduate appointed (5)
Graduate Client Relationship Account Manager	£18,000	Graduate appointed (6)
Graduate Marketing Executive	£18,000	Graduate appointed (7)
Land and Partnerships Graduate	£20,000	Graduate appointed (8)
Graduate Service Desk Engineer x 2	£18,000	Two graduates appointed (10)
Graduate Bid Coordinator	£20,000	Graduate appointed (11)
Graduate Communications Executive	£18,000	Graduate appointed (12)
Graduate Marketing and Communications Officer @ 2	£21,000	Two graduates appointed (14)
Graduate Commercial Executive	£19,000	Applications with employer
Graduate Technology Engineer	£22,000	Applications with employer
Graduate Technical Support Team Member	£18,000	Applications with employer

Graduate applications filled and salaries		Status
Graduate Quality Engineer	£24,326	Assessment centre 10 th December interviews 12 th December this week
International Trade Executive	£18,000	Interviewing this week
Graduate Marketing Assistant	£20,000	Going through interviewing process
Graduate Operations Trainee Manager	£23,000	Role live deadline 1 st Jan
Graduate Conjugation Scientist	£18,000	Applications with employer
Graduate Production Technician	£17,500	Applications with employer
Graduate Client Relationship Account Manager	£18,000	Role live deadline 1 st Jan
Graduate Graphic Designer	£18,000	Role live 1 st January
Graduate Trainee Accountant	£18,000	Role live 1 st January

Confidential Working Draft

Future Generations Assessment Evaluation

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 03000 040414 – ext 19003 E-mail: Kellie.Beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal The core aim of the extension of the Cardiff Capital Region (CCR) Graduate Scheme is to enhance productivity, innovation and economic growth while promoting the CCR as a destination for talented graduates. This would be achieved by providing targeted human resource support services to businesses and facilitating events to release untapped graduate-level recruitment potential.
Proposal: CCR Graduate Scheme	Date Future Generations Evaluation form completed: Nov 2019






Page 267 **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	<p>The proposal seeks to build on the success of an intervention that could secure external sources of funding to embed a long-term link between graduates and businesses, particularly those in priority sectors and SMEs, in the region. This link is crucial to increasing private sector demand for highly skilled workers.</p> <p>Whilst wholly positive, effort must be made to ensure that businesses in the most deprived parts of the region also benefit from the scheme and that a coordinated approach is adopted with existing graduate recruitment activity.</p>	<p>The approach to delivery involves leaning on expertise and existing provisions across the region's universities, local authorities and partner organisations and therefore optimising public value in establishing proof of concept of the graduate scheme.</p> <p>A sectoral focus and experimental approach in delivering the graduate scheme would be more likely to establish partner buy in for the programme beyond the pilot.</p> <p>Moreover, links with business support departments in all local authorities will allow the scheme to target high-value businesses and priority sectors to maximise the value added of the programme.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>The proposal reflects an opportunity to ingrain and embed economic resilience within businesses as a result of the fresh ideas, innovation and productivity gains that graduates can contribute. Stronger links between businesses and universities would also create a fertile environment for the development of more integrated partnerships to support business resilience.</p> <p>A sectoral focus and experimental approach in delivering the pilot would also be conducive to establishing various windows of opportunity to secure sustainable support for the programme beyond the pilot.</p>	<p>The programme will work with partners to identify specific resources to incorporate practical guides on line management of interns, carrying out career conversations, principles of job design, and strategic workforce planning. Such resources are particularly important as transitioning internships into jobs may require different type of advice.</p> <p>It is likely that larger businesses and businesses from key sectors will have more established career pathways and jobs demanding higher skills than businesses in sectors reliant on lower-skilled roles. Such factors will be accounted for in the industry engagement plan.</p>
<p>A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood</p>	<p>Additional graduate level employment will have a positive impact on a range of sustainability considerations, including health benefits of being in employment and reduced pressure on public services due to individuals moving from being economically inactive or unemployed into employment.</p> <p>Furthermore, providing a higher number of opportunities that include training and development will provide potential to get local people into steady and stable work, which in turn, reduces the stress burden around financial issues which can be a key contributor to mental health problems.</p>	<p>A qualification, an induction and events have been included in the programme to instil a commitment to continuing professional development in the graduates and by extension, the wider business community.</p> <p>Working with partners to strengthen the support to businesses beyond the internship period presents the opportunity to create more sustainable employment.</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>A core aim of the proposal is to sell the Cardiff Capital Region as a destination for talented graduates. Accordingly, efforts have been made to ensure that communities in each local authority area would benefit from the proposal.</p>	<p>Links with business support departments in all local authority areas will not only allow the scheme to target local economic priorities, but will also ensure the programme is conducive to delivering enhanced economic development across the whole region.</p>

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The project seeks to create sustainable opportunities in the Cardiff Capital Region within the context of underemployment of a high proportion of graduates.</p> <p>A graduate-facing event led by the Well-being of Future Generations Office has been incorporated into the programme to achieve a greater impact on local social, economic and environmental wellbeing. The event would involve promoting the business opportunities from the circular economy, energy efficiency and other business benefits the well-being act could offer.</p>	<p>A coordinated approach with partners, including signposting businesses to provisions that could meet their needs and working with partners to encourage additional events for graduates.</p>
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>The coordinated approach between higher educational institutions, local authorities and business representative organisations underscores a significant commitment to regional prosperity and selling the brand of the Cardiff Capital Region as a destination for talented graduates.</p> <p>Additionally, the events present the opportunity for graduate involvement in or promotion of more recreational activities and networking.</p>	<p>Consideration has been given to the appropriate amount of information and events that graduate interns could be invited to in order to ensure an inundation of invitations does not detract from attendance to events that are beneficial to those on the scheme.</p>
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>Within the context of significant underemployment of graduates in the Cardiff Capital Region, the creation additional graduate-level opportunities would allow people from different and diverse backgrounds to benefit from a range of opportunities that are unlikely to emerge in the absence of this intervention.</p>	<p>Information on the application process will be included on the website for the CCR Graduate Scheme and feedback will be provided to unsuccessful candidates to help them to learn from the experience and improve their employability skills for future applications.</p>

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Balancing short term need with long term and planning for the future</p>	<p>The proposal is about creating long-term prosperity that will enhance the number of higher level skills opportunities in the region as well as sustained growth in businesses across the Cardiff Capital Region.</p>	<p>An experimental approach combined with continual assessment will help to maximise the positive impacts.</p>
 <p>Working together with other partners to deliver objectives</p>	<p>The programme has been developed in partnership with universities, business representative groups, local authorities and other partners. It has taken an inclusive approach to engagement and is working with a wide-range of partners.</p>	<p>Continuing to engage partners, including those that offer additional support services to businesses, will be crucial to maximising positive impacts of the programme.</p>
 <p>Involving those with an interest and seeking their views</p>	<p>Surveys, consultation, workshops and research from various interest groups were used to develop the scheme and strike a balance between creating an offer to graduates while minimising the burden of participation for businesses.</p>	<p>Continual engagement with businesses and graduate interns will present the opportunity to provide feedback on the programme and review whether there is scope for improvement in the programme's delivery in future.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The ambition to create a long-term support service to help businesses overcome barriers to recruitment would result in the creation of a service that provides a tailored response for businesses that face similar barriers.</p>	<p>Working with sector groups and business representative organisations could support the development of the aforementioned sustainable approaches to incentivising graduate recruitment.</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The partnership arrangements between the ten local authorities in the region, the four universities and business representative organisations ensure that a coordinated approach is adopted.</p>	<p>Not at this time</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	Should the proposal be successful opportunities will be open to all.	None arising – although particular attention will have to be paid to how the message and opportunities is conveyed as consistently as possible to all aspects of the future workforce.	Particular attention will have to be paid to how the opportunities are conveyed as consistently as possible to all aspects of the future workforce.
Disability	Should the scheme be approved, training and skills development will be done on a flexible basis ensuring accessibility and equality of access.	As above	As above
Gender reassignment	Should the scheme be approved, training and development processes will be focused on all equalities principles and matters, including gender.	As above	As above
Marriage or civil partnership	Should the proposal be successful, employment and recruitment processes will have regard to all of the protected characteristics including the rights of married couples or those in civil partnerships.	As above	As above
Pregnancy or maternity	Should the proposal be successful, proper regard will be had to the rights of any employees with regard to pregnancy/ adoption/ maternity and paternity.	As above	As above
Race	Should the proposal be successful and a recruitment and appointment process begin, proper regard will be had at that time, regarding promoting equality of opportunity, translation services and general support to ensure opportunities are genuinely open to all members of the community/ workforce.	As above	As above
Religion or Belief	As above.	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?
Sex	Again, should the proposal be successful, proper regard will be had to working conditions and rights and ensuring equity.	As above	As above
Sexual Orientation	As with all of the section above.	As above	As above
Welsh Language	Should the bid be successful we will discharge all of our duties in relation to the Welsh language Act.	Not at this time but the situation will be kept under review.	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	Any work with young people or in the context of schools/ learning establishments, will have proper regard to safeguarding requirements and policy compliance.	Safeguarding is about ensuring that everything is in place to promote the well-being of children and vulnerable adults, preventing them from being harmed and protecting those who are at risk of abuse and neglect.	As above
Corporate Parenting	If successful, an opportunity exists to advise and support graduates about the potential for careers, growth and personal development.	None arising	As above

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

- Data and evidence on the Cardiff Capital Region Economy
- Academic research
- Graduate mobility trends
- Survey research and business responses
- Reports on future trends

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 proposal will support businesses to grow and deliver additional graduate positions that would not be present in the absence of the intervention. The experimental approach in the pilot will allow proof of concept of various ideas to be attained thereby creating a range of paths to creating a self-sustaining programme beyond the pilot.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible	Progress
NA			

8. 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:	NA
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