

# Pecyn Dogfennau Cyhoeddus



- 1 Cydbwyllgor Trosolwg A Chraffau Bargen Ddinesig Prifddinas Ranbarth  
Caerddydd, Dydd Iau, 4YDD Tachwedd, 2021 am 2.00 PM



**CYNGOR BWRDEISTREF SIROL  
RHONDDA CYNON TAF  
COUNTY BOROUGH COUNCIL**

**Bydd cyfarfod o'r**

**CYDBWYLLGOR TROSOLWG A CHRAFFU BARGEN DDINESIG PRIFDDINAS-  
RANBARTH CAERDYDD**

**yn digwydd ar-lein  
DYDD IAU, 4YDD TACHWEDD, 2021 am 2.00 PM**

**Cysylltwch â: Sarah Daniel, Uwch Swyddog y Gwasanaethau Democrataidd 07385  
086 169**

**DYMA WŶS I CHI i gyfarfod o GYNGOR BWRDEISTREF SIROL RHONDDA CYNON TAF  
sydd i'w gynnal yn ar DYDD IAU, 4YDD TACHWEDD, 2021 am 2.00 PM.**

**AGENDA**

**Tudalennau**

**1. CROESO AC YMDDIHEURIADAU**

**2. DATGAN BUDDIANT**

Derbyn datganiadau o fuddiannau personol gan Aelodau, yn unol â gofynion y Cod Ymddygiad:

1. Mae gofyn i Aelodau ddatgan rhif a phwnc yr agendwm mae eu buddiant yn ymwneud ag ef a mynegi natur y buddiant personol hwnnw;  
a

2. Lle bo Aelodau'n ymneilltuo o'r cyfarfod o ganlyniad i ddatgelu buddiant sy'n rhagfarnu, rhaid iddyn nhw roi gwybod i'r Cadeirydd pan fyddan nhw'n gadael.

**3. COFNODION**

Derbyn cofnodion y cyfarfod ar 2 Gorffennaf 2021

**3 - 8**

**4. DERBYN DIWEDDARIAD GAN GADEIRYDD BARGEN DDINESIG  
PRIFDDINAS-RANBARTH CAERDYDD**

5. **2021-22 CHWARTER 1 EBRILL - MEHEFIN 2021 - ADRODDIAD  
CYFLAWNIAD** **9 - 78**
6. **SEFYDLU CYDBWYLLGOR CORFFOREDIG** **79 - 82**
7. **ADRODDIADAU ER GWYBODAETH**  
[Adroddiadau'r Awdurdod Trafnidiaeth Rhanbarthol - 9 Medi 2021](#)  
[Adroddiadau Cabinet Prifddinas-Ranbarth Caerdydd - 20 Medi 2021](#)
8. **MATERION BRYG**  
Trafod unrhyw faterion sydd, yn ôl doethineb y Cadeirydd, yn faterion brys yng ngoleuni amgylchiadau arbennig.

**Cyfarwyddwr y Gwasanaethau Cyfreithiol a Llywodraethol**  
**At: Pob Aelod o'r Cyngor**



**CYNGOR BWRDEISTREF SIROL**  
**RHONDDA CYNON TAF**  
**COUNTY BOROUGH COUNCIL**

**YOU ARE SUMMONED TO ATTEND A MEETING OF THE  
CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW AND SCRUTINY  
COMMITTEE**

**WILL BE HELD VIRTUALLY ON**

**THURSDAY, 4TH NOVEMBER, 2021 AT 2.00 PM**

**CONTACT: SARAH DANIEL – SENIOR DEMOCRATIC SERVICES OFFICER -  
SCRUTINY**

**LIST OF ITEMS FOR CONSIDERATION**

**1. WELCOME AND APOLOGIES**

**2. DECLARATIONS OF INTEREST**

To receive disclosures of personal interest from Members in accordance with the Code of Conduct Note:

1. Members are requested to identify the item number and subject matter that their interest relates to and signify the nature of the personal interest: and

2. Where Members withdraw from a meeting as a consequence of the disclosure of a prejudicial interest they must notify the Chairman when they leave.

**3. MINUTES**

To receive for approval the minutes of 2<sup>nd</sup> July 2021

**(Pages 3 - 8)**

**4. TO RECEIVE AN UPDATE FROM THE CHAIR OF THE CARDIFF  
CAPITAL REGION CITY DEAL**

**5. 2021-22 QUARTER 1 APRIL – JUNE 2021 - PERFORMANCE  
REPORT**

(Pages 9 - 78)

6. **VERBAL UPDATE: ESTABLISHMENT OF CORPORATE JOINT COMMITTEE**

(Pages 79 - 82)

7. **INFORMATION REPORTS**

[Regional Transport Authority Reports – 9<sup>th</sup> September 2021](#)

[Cardiff Capital Region Cabinet Reports – 20<sup>th</sup> September 2021](#)

8. **URGENT ITEMS**

To consider any items, which the Chairman, by reason of special circumstances, is of the opinion should be considered at the meeting as a matter of urgency.



**Director of Democratic Services & Communication**

**Circulation:-**

Councillor J Hill – Blaenau Gwent Council  
Councillor G Davies (Deputy) Blaenau Gwent Council  
Councillor JP Blundell - Bridgend Council  
Councillor T Thomas (Deputy)- Bridgend Council  
Councillor J Ridgewell - Caerphilly Council  
Councillor C Elsbury (Deputy Member) Caerphilly Council  
Councillor R Patel - Cardiff Council  
Councillor N Howells (Deputy Member) Cardiff Council  
Councillor G Lewis - Merthyr Tydfil Council  
Councillor K Gibbs (Deputy Member) Merthyr Tydfil Council  
Councillor P Jordan - Monmouthshire Council  
Councillor R Roden (Deputy Member) - Monmouthshire Council  
Councillor J Clarke - Newport Council  
Councillor G Thomas - RCTCBC  
Councillor S Powderhill (Deputy Member) RCTCBC  
Councillor V Crick - Torfaen Council  
Councillor B Brooks - Vale of Glamorgan Council  
Councillor S Sivagnanam (Deputy Member) - Vale of Glamorgan

**Officers:** Mr C Hanagan, Service Director of Democratic Services & Communication



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## **RHONDDA CYNON TAF COUNCIL CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW AND SCRUTINY COMMITTEE**

Minutes of the meeting of the Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee meeting held on Friday, 2 July 2021 at 10.00 am at the .

### **County Borough Councillors - Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee Members in attendance:-**

Councillor J P Blundell – Bridgend County Borough Council (Chairperson)  
Councillor J Ridgewell – Caerphilly County Borough Council (Vice Chairperson)  
Councillor V Crick – Torfaen County Borough Council  
Councillor G Davies – Blaenau Gwent County Borough Council  
Councillor G Thomas – Rhondda Cynon Taf County Borough Council  
Councillor S Marshall – Newport City Council  
Councillor Tim Thomas – Bridgend County Borough Council  
Councillor S Powderhill – Rhondda Cynon Taf County Borough Council

### **Officers in attendance**

Mr C Hanagan, Service Director of Democratic Services & Communication  
Ms Kellie Beirne CCRC Director  
Ms Louise Corbett, Homes for the Region Programme Manager  
Mr Justin Carty, Senior Director from CBRE  
Mr George Richards Senior Director CBRE  
Mrs Sarah Daniel – Senior Democratic Services Officer RCTCBC

### **19 Election of Chairperson**

RESOLVED:

Cllr J P Blundell was elected as Chairperson for the 2021-22 Municipal Year

### **20 Election of Vice Chairperson**

RESOLVED:

Cllr J Ridgewell was elected as Vice Chairperson for the 2021-22 Municipal Year

### **21 Apologies for Absence**

Cllr Ramesh Patel – Cardiff Council  
Cllr Nigel Howells – Deputy Member Cardiff Council  
Cllr Darren Roberts Merthyr Tydfil CBC  
Cllr James Clarke Newport Council  
Cllr Jason Hughes Deputy Member Newport Council  
Cllr John Hill Blaenau Gwent CBC

### **22 Declarations of Interest**



Cllr V Crick (Torfaen) declared a personal interest as she is a Board Member on a local housing association

Cllr G Davies (Blaenau Gwent) declared a personal interest, as he is a Board Member of the Registered Social Landlords.

## **23 Minutes**

RESOLVED:

To approve the minutes of the Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee held on the 26 February 2021

## **24 Work Programme**

The Service Director Democratic Services and Communications presented the report to members, which detailed a draft work programme for the 21-22 municipal year.

Members were reminded that the work programme remained flexible to allow for emerging and changing priorities. Members were also sighted on the CCRCD Cabinet Work Programme to support them in identifying items for pre-scrutiny. He added that officers would also have a discussion with the CCRCD Programme Director to identify these items for pre-scrutiny.

A Member asked if the item scheduled for the 18 March 2022 could include detailed information on the Towns Fund. The Service Director replied that this would be added to the information required for that item.

## **25 Housing Development Fund**

The Chairperson welcomed the following officers to the meeting:

Kellie Beirne CCRCD Director  
Louise Corbett, Homes for the Region Programme Manager  
Justin Carty, Senior Director from CBRE  
George Richards Senior Director CBRE

Mr George Richards, Senior Director for CBRE introduced the report and advised of the progress made in respect of the 'Homes for all the Region' Programme, following the approval of the Viability Gap Fund Full Business Case in March 2020 and the associated Evaluation Framework in September 2020. He supplemented the report with a [presentation](#) to members which provided the following information:

The Housing Viability Gap Fund is a £35m targeted funding programme to bring forward new homes on key strategic housing sites across South East Wales. The Fund is a mechanism to unlock sites that would have no other means of coming forward due to financial viability.

The objectives of the Fund are to:

- Unlock stalled sites that are unviable for housing delivery.
- Invest in projects that will deliver housing in areas needed most,

- whilst demonstrating value for money and delivery certainty.
- Kick-start construction, generating jobs and delivering sustainable developments.
- Enhance the long-term growth prospects and competitiveness of the region through improved infrastructure, increased connectivity and regeneration.

The Fund is an opportunity for:

- Local authorities to support key strategic housing projects in their area.
- Developers to work with local authorities on bringing their sites forward.
- Local communities to benefit from derelict land remediation and new homes

He went on to explain that examples of potential schemes included: site specific infrastructure, site clearance, groundworks or land remediation works. All schemes will be subject to State Aid compliance.

He advised the Joint Committee that funding awards of up to £8m would be awarded to local authorities on a highly competitive basis (max 3 per LA). The funding will to be deployed at a local level by Councils towards prioritised schemes.

To be eligible for Housing Viability Gap Funding bids must meet the following criteria:

- Sites delivering minimum of 40 new homes
- Located in Cardiff Capital Region
- Local Authority support
- Planning permission in place (or if not a clear route to achieving planning)
- Able to complete required due diligence including evidence of a viability gap
- Ability to meet the CCR spend deadline for full drawdown of funds by 31 March 2024

A Member asked for more information on a funding recovery plan and a clawback of funds at development stages and how this was recovered.

The Senior Director CBRE replied that as the funding was public money they ensure the correct strict processes and structures are put in for due diligence. This includes ensuring that funds are recovered so they are able to be re-invested. The Senior Director CBRE advised that the Local Authority are responsible for deploying funds directly into project. He added that there are regulations in place for Local Authorities to put protection in place to get appropriate clawbacks.

A member asked what happened if any of the projects went beyond the 2024 completion date deadline. The Senior Director CBRE clarified that the the deadline of 2024 was to ensure funds had been drawdown and spent on infrastructure by this time. He added if the dates were not met that the funding

could be recovered. He reassured members that the priority was for new homes to be built.

A Member referred to criteria that stated applicants have to demonstrate a commitment to local supply chains and concentrate on medium sized sites. He asked if officers were able to expand on this point and how applicants had to demonstrate their commitment to small to medium builders and ensure they are not excluded during this process.

The Senior Director CBRE advised that they didn't want to insist they use a local supply chain as a balance does need to be applied, taking into account cost and quality also. The evaluation criteria greater does allow for higher marks to be gained during the process for a SME supply chain. He added that the vast majority of applicants do have a commitment to local supply chain. He confirmed that there were no restrictions on bidders from outside of Wales.

A Member asked if there was any consideration given on the type of housing applied for, e.g affordable, social housing.

The Senior Director CBRE responded that it is based around market need. If the projects are not viable then private housing is prioritised. He added that the Locals Authorities are insistent on a fully compliant scheme. He advised members that the fund is not intended to create affordable housing and that is not the schemes intention.

A Member asked what formulas and analysis was undertaken in order to target funding in low socio-economic areas.

The Director CCRC advised that when the contracts are signed at a Local Authority level, many cases create social benefit, targeted recruitment and training, though we cannot control where this may or may not happen. We do try and leverage maximum benefit all the time. She added that Homes for the region is a programme split so that part of the fund attracts local SME builders to compliment wider intervention. She commented that the criteria also tries to ensure that investment is going into all areas of the CCRC Region but for example of transport connectivity isn't going to be developed in that area then a judgement has to be made at an early stage.

A Member stated that he was disappointed to hear that there was no specific criteria for an affordable housing scheme and had hoped that there would have been a minimum fund set up specifically for this.

A Member asked for clarification as the fund seemed to be oversubscribed with over £50m applied for which meant some of the schemes would have to source funding from elsewhere. It was also referred to that there were two authorities referred to that have not been able to make an application to the fund due to deadlines/ criteria.

The CCRC Director advised members that two Local Authorities in the lowest areas didn't submit compliant schemes, which she added were out of their control. There were two sites that could make a significant impact and regional cabinet made the decision to support and assist so they can bring the schemes together. However, there were still deadlines in place. She added it is a Local

Authority lead scheme so we have to place reliance on the Local Authorities to come forward. These are local lead schemes, that have to come from Local Authorities in a compliant way. She added that whilst they would like to see more affordable housing delivered, the Homes for the Region scheme was not specifically designed for this initiative and if this was enforced we could see sites left undeveloped for many years.

A Member asked if the proposals that had been put in so far were viable.

The CCRCD Director advised that we do not yet know if all the schemes are viable as they are in the early stages and further exploration was needed. She advised that until the final evaluation and analysis was completed would we know of the viability.

A Member asked how the creation of jobs in local economy and apprenticeships as a result of the scheme were monitored.

The CCRCD Director stated that all applicants have to report the number of those employed due to scheme and any training opportunities that arise as a result. He added that they are asked to report figures on a quarterly basis as well as energy standards.

A Member referred to the HS2 inflationary impact together with increasing land costs and if this has been considered/ discussed.

The CCRCD Director replied that it had been raised by many of the local Authorities and that the costs were likely to continue to rise over the next 24 months. As a result of this she reassured members that all applicants had to have a robust level of contingency funds available.

The Chairperson commented that house prices in the valleys are rising rapidly due to the Covid-19 pandemic and property developers were building more in industrial areas. He asked if we needed to be worried about land prices.

The CCRCD Director advised that most of industrial sites are ultimately unviable and if they do become viable then we can step away from them. She added if the lands worth was consistently higher then it wouldn't be picked up through the fund.

**Members wished to make the following recommendations:**

- Members recommended that the *Homes for All* fund also works towards, and has consideration for social housing schemes with the benefit of delivering affordable housing
- Members asked for SME and local supply chain participation in the Fund applications to be monitored and reported back to the Committee
- Members asked for further information to be communicated to them through the “Jobs for the Region” scheme on apprenticeships for the Homes for All fund

**NONE**

## **CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW AND SCRUTINY COMMITTEE**

**4<sup>th</sup> November 2021**

### **QUARTER 1 2021-22 PERFORMANCE REPORT**

#### **REPORT OF THE SERVICE DIRECTOR DEMOCRATIC SERVICES AND COMMUNICATIONS RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL**

#### **1 PURPOSE OF THE REPORT**

1.1 The purpose of the report is to provide Members of the Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee (CCRCD JOS) with the opportunity to review and agree the Quarter 1 Performance Report 2021-22 (attached as Appendix 1).

#### **2 RECOMMENDATIONS**

It is recommended that Members: -

2.1 Scrutinise the Quarter 1 Performance Report 2021-22 (Appendix 1 refers);

2.2 Consider whether they wish to scrutinise in greater depth any matters contained in the report in line with the Terms of Reference of the Committee; and,

2.3 Consider any recommendations Members may wish to make to the Cardiff Capital Region City Deal Cabinet.

#### **3. QUARTER 1 PERFORMANCE REPORT**

3.1 Attached at Appendix 1 is the Cardiff Capital Region Quarter 1 Performance Report 2021-22.

3.2 Members will note that the Quarter 1 Performance Report is broken down into specific areas and each is given a RAG status (Red, Amber, Green). A summary of the areas has been set out below:

### **ASSURANCE – GREEN**

- 3.3 A full [Government Gateway review](#) was undertaken in Q1 which focussed on the CSC Foundry which members had the opportunity to pre-scrutinise at their meeting in [December 2020](#).
- 3.4 Following the success of the review, UK Government approved the release of the next five years of funding to the Cardiff City Deal This unlocked the next 5-year tranche of UK Government investment funding, with £22 million available annually for the Wider Investment Fund from 2021 to 2026.
- 3.5 The Gateway Review highlighted a number of significant successes and the UK Government commended the region's focus on delivering economic growth across the Cardiff Capital Region. The review also highlighted positive progress made in delivering the [CSC Foundry project](#) and the strong partnership working between the ten local authorities' external partners.

### **METRO PLUS – RED**

- 3.6 Members of the JOSC received comprehensive reports and presentations from the Regional Transport Authority (RTA) at their Committee in [February 2021](#). The JOSC were presented with revisions to the Metro Plus Programme in light of the deliverability, viability and affordability challenges. The £50m programme will deliver in each of the participating Councils in the Cardiff Capital Region. Members heard how the RTA were liaising with the 10 Local Authorities, Welsh Government and using Welsh Transport Appraisal Guidance (WeITAG) to support the implementation of the projects
- 3.7 The Metro Plus Project is currently reporting red status with several risks identified which relate to rising cost of construction materials, rising labour shortages, and increases to contractor and supplier costs which has resulted in higher tender returns (as much as £400-£500,000 in some cases)

### **METRO CENTRAL – RED**

- 3.8 The [Metro Central](#) project involves the re-development of Cardiff Central Station to create an integrated transport hub that significantly enhances access to central Cardiff. Key outcomes expected from the project include, but not limited to, significant job creation, GVA Growth in excess of £2bn of gross development value, and over £1bn of GVA.

- 3.9 The Metro Central is reporting red status with the key risks (and mitigations) identified as follows:
- Funding gap identified as contributions from the private sector are to be finalised
  - construction material, labour costs as well as labour shortages – (this has also impacted other infrastructure type investments)
  - Affordability of plans, such as all-weather canopy, though solutions are being progressed with UK Government and Department for Transport on considerations for alternative mechanisms for funding
  - Significant risk management work will be undertaken as the business case develops, including looking at Value engineering and prioritising interventions to scale back the project if required.
  - Welsh Government's acquisition of the core valley lines (CVL) network has impacted on the 'private leverage' of the funding and discussions are ongoing

#### **HOUSING VIABILITY GAP FUND - AMBER**

- 3.10 Members will recall scrutinising the performance of the Housing viability Gap fund at their meeting on the [2<sup>nd</sup> July 2021](#)
- 3.11 The overall £35 million Fund comprises of £30 million CCR funding (the "Base Fund") and a further £5 million capital grant allocation from Welsh Government (the "Welsh Government Fund"). The project awards funding to stalled Housing Sites/Schemes within the region with a view to addressing the shortfall in available housing in the South East Wales Cardiff Capital Region. The project is currently in phase B where provisional legal fund agreements, monitoring frameworks and recovery proposals are now with the local authorities of shortlisted schemes to consider. Updated information will be presented back to [Regional Cabinet](#) in October 2021
- 3.12 The project is currently reporting Amber status as it has been recognised that the project carries an inherent political risk around correct land and property valuations, and expert advice and DVS feedback is being sought to mitigate any risk before the project proceeds to the next phase

#### **CHALLENGE FUND - AMBER**

- 3.13 The Challenge Fund provides funding for innovative solutions to re-build local wealth by tackling some of the regions most urgent societal problems. In the most recent quarter four contracts were awarded, including funding for the tracheostomy challenge on behalf of Cardiff and The Vale UHB.
- 3.14 There has been a significant increase in interest and applications in recent months; there are currently 5 applications being considered at



Advisory Board level and 43 further expressions of interest have been received. It is anticipated that this upward trend will continue into phase two and significant work and attention is being paid to ensuring approved applications align with the strategic objectives of the Cardiff Capital Region.

- 3.15 This programme is currently in Amber status whilst partnership and key stakeholder work is underway to identify risks.

### **INFUSE - AMBER**

- 3.16 Infuse (Innovative Future Services Public Sector Skills Programme) is a cross collaboration project tackling issues across the Local Authority areas of the Cardiff Capital City Region working in collaboration with Cardiff University and Y Lab. The £5.6m (£2m matched from Cardiff Capital Regional City Deal) initiative is to build innovation skills and competencies in public services across the Cardiff Capital Region whilst attempting to solve real-life societal challenges, embedding a culture of regional working throughout
- 3.17 Infuse has also been designed to complement the Cardiff Capital Region City Deal Challenge Fund. Approximately 120 officers are expected to join the programme creating better-trained and equipped public servants that can develop their knowledge and practice and take new skills back into their own organisations.
- 3.18 The project is currently in Amber status with recruitment of the second of three cohort groups, currently only 34% of the allocated budget has been spent due to unexpected delays in the pilot phase but this is expected to be corrected during the next recruitment phase starting in October 2021.

### **GRADUATE SCHEME – AMBER**

- 3.19 The [CCR Graduate Scheme](#) aims to enhance productivity, innovation and economic growth by linking talented graduates with ambitious businesses in the Cardiff Capital Region. It supports graduates to remain within the region, to develop rapidly (utilising the ILM accredited course) and to support the region's SMEs in being more productive. 85% of the graduates have stayed on with the employers through the graduate scheme and over 50% of the graduates studied with one of the four university partners, which has positively contributed to retaining graduate talent in the region.
- 3.20 The Graduate Scheme is currently in the Amber stage as work is ongoing to implement actions identified as part of the recent graduate core review, including the outsourcing of activities to

increase the scheme's capacity to deliver on business and student engagement.

### **CSC FOUNDRY - AMBER**

- 3.21 Members of the CCRCJ JOSC will recall a site visit to the CSC Foundry in February 2019, followed by a meeting of the JOSC to scrutinise the information reported to them. At that time, members expressed concerns around the drop in the share price of IQE and the creation of new and safeguarded jobs. Members will note from the appendix attached that a further 20 jobs have been created in the Foundry since the last quarter (130 total)
- 3.22 The project is currently reporting amber status with COVID 19, Brexit and trade wars remaining a risk on the project. Members should note assurances that controls are in place and being closely monitored.

### **CSC CONNECTED – AMBER**

- 3.23 [CSC connected](#) (SIPF) is a major project within the Compound Semiconductor Cluster (CSC) in the Cardiff Capital Region and forms part of the regions strategic focus on compound semiconductors. The CSC connected project is based around integrating research excellence from the region's universities with the region's unique supply chains in advanced semiconductor manufacturing.
- 3.24 CSC Connected has an Amber status following identification of possible project risks to be managed, including: compliance with State Aid regulations, finding the most efficient tax structure for £6.6M capital investment, potential for an insufficient budget to accommodate unexpected cost and time overrun, potential failure to agree lease and sub-lease terms and conditions between all parties.
- 3.25 Therefore, CCR's current preference is to focus on the provision of the Cluster Co-ordination Activities and not build a large physical headquarters at the Foundry site.

### **PHARMATELLIGENCE – AMBER**

- 3.26 [Pharmatelligence](#) is an established healthcare-related, data science company. It is a leading expert in the analysis of routine healthcare using a highly sophisticated mix of engineering, human data sciences and data analytics
- 3.27 The investment is currently considered a medium risk at this stage, principally surrounding this investment and securing outputs which

will require the business to be productive and to grow at a rapid rate. Members should also note that a Non-Executive Director has now been appointed to sit on the Board to support the monitoring of the project.

#### **4 CONCLUSION**

4.1 Members are asked to scrutinise the Quarter 1 Performance report 2021-22 (attached as Appendix 1) and consider any recommendations they wish to make to the Cabinet

#### **5 EQUALITY AND DIVERSITY IMPLICATIONS**

5.1 There are no Equality and Diversity implications arising from this report and no Equality Impact Assessment is deemed necessary for the purposes of this report.

#### **6 CONSULTATION**

6.1 The considerations and comments of all Members of the JOSc are sought in respect of the Quarter 1 Performance Report 2021-22 and any recommendations will be reported to the Cardiff Capital Region City Deal Cabinet.

#### **7 FINANCIAL IMPLICATIONS**

7.1 There are no financial implications as a result of the recommendations set out in the report.

#### **8 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

8.1 There are no legal implications as a result of the recommendations set out in the report.

# Cardiff Capital Region City Deal

2021-22 Quarter 1  
(April– June 2021) Performance Report





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## 1. Portfolio Director Summary

Amidst challenge, a significant amount of activity and the beginnings of change as we transition into the CCR Corporate Joint Committee, there is increasing clarity. And this has been the essence of Quarter 1.

This quarter was commenced with several macro risks impacting projects and investments in the Wider Investment portfolio. Principally the rising construction material costs, combined with rising material shortages and shortages in labour (and resulted increased labour costs) has evidently impacted on more infrastructure focused investments and manifested in causing delays, high tender returns and now a need to value engineer, but also mobilise enhanced risk management. Further to this, due to the complex and intricate nature of housing, this investment is also facing sectoral challenges concerning district land valuations and state aid implications. However, it is important to take stock that these projects are very much through mobilisation point and well into delivery phases and the management and mitigations of these macro and sector risks are underway. It is testimony to the skill of those Project Leads and their expert knowledge that we can take some assurance all that can be done, will be done to secure the best outcomes for the region. It is perhaps no coincidence that great risk is carried on infrastructure projects at this time –given the national picture and issues and challenges in supply chains and logistics. These issues continue to be worked through – and via the National PMO Network – because schemes such as Metro Plus, Metro Central and the Housing Viability Gap Fund are important illustrations of delivering inclusive and sustainable growth across all 10 local authority partners.

Infrastructure projects and investments will be making significant contributions towards local employment, GVA and indeed private and public sector leverage. And so, we also recognise this quarter that whilst realised over time (the next 4 -6 years), they play a vital role in shaping the region competitively as much as contributing to connectivity and inclusion.

This quarter has been an exciting quarter for loan orientated investments with the £4.4 million tourist innovation investment ZipWorld opening its gates and having over 10,000 visitors to date. Whilst some delay has been encountered in the loan drawn down at the time of report drafting (Q2) it is now confirmed that Zipworld have indeed made their first £2.7 million draw down to pay for construction phase 1. As well as anticipated jobs being created, this attraction will have a very positive impact on the wider economy (estimated

approximately £250 Million GVA of local economy). This quarter has seen work underway to progress the capturing of impact across this and other investments making such contributions to the region directly and indirectly.

Investments in the med-tech sector whilst small are indicative of the high value jobs the sector is capable of providing to the region. A recent salary analysis of one of these investments suggests the average salary being £48,000 approximately £16,000 above the Welsh national average salary.

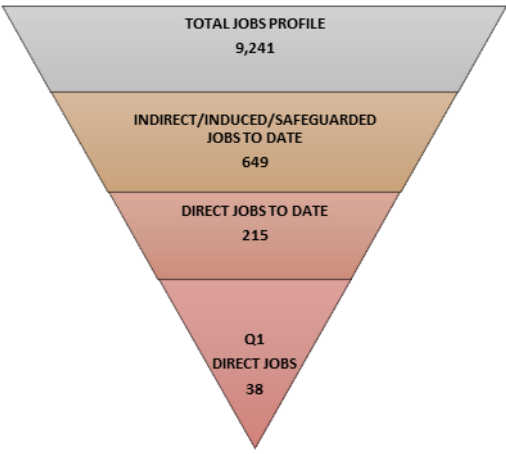
This quarter has seen us look more closely at our pipeline performance overall and it is apparent that smaller “seed fund” investments can be extremely powerful. The Fintech Foundry work supported by CCR via the Fintech Collective Wales has generated £3 million in private sector leverage over a 12 week period and high appetite from the Fintech sector to engage with high quality propositions with good prospects of securing high value jobs as well as supporting the evergreen funding model. This is certainly an approach to watch for into the future. Work is underway with CCR and Fintech Wales to finalise action plans that will see further investment on the same risk-reward basis.

Further strides in performance are being made with the Premises Fund with its consideration of its first investment into The Brew House which, is presently with external advisors for further consideration. Such developments will increase employment square footage space and prospects of private leverage into surrounding residential schemes significantly as well as making areas of the region more attractive. CSC Foundry having been the focal point of a positive Gateway review continues to show its strengths to support growth in the region with a further 20 jobs created this quarter alone and further cluster work and undertakings developing via CSC Connected (presently undergoing some re-purposing but still a very live investment in development). With new starts in posts such as the Head of Innovation and Clusters, it is envisaged that consolidating and developing our approach to priority sectors will continue to scale. More work is underway to capture lessons from the CSC Foundry project in tracking and recording the ‘spillovers’ from cluster investment and the value of jobs generated, induced, indirectly created in supply chains and safeguarded overall.

Further analysis this quarter suggests that CCR invest approximately £9,000 to create a new job in the region. This quarter, most of the jobs captured are high value, R&D or graduate jobs many above national average salary. There is minimal to report on known GVA movement this quarter as much of the GVA accrued is from CS Foundry (£22 Million annually), but it is hoped further monitoring and GVA tracking can be undertaken as part of impact management going forward. Private sector leverage remains above target and with forward pipeline activity, will continue to be monitored.

This quarter has seen a positive correlation between capacity building and performance across 2 notable investments. Both the Graduate Scheme and the Challenge Fund have

**Jobs outputs profiled across 9 investments in delivery status to be realised over 10 years**



sought to address capacity issues and are almost at fully optimal resource levels. This could explain enhanced performance in job creation and outcomes across both projects. It should also reflect the challenges CCR are absorbing in forming new teams, resourcing functions appropriately during periods of heightened activity and still amidst hybrid working conditions. The team have shown strength and resilience this quarter and it has been pleasing to re-connect somewhat as we exit pandemic virtual working conditions.

This quarter has seen further definition of CCR's role and commitment to supporting the region in becoming Net Zero by 2050 with the approval of the energy strategy and the progress we are able to make operationally with the ULEV Taxi-try before you buy scheme to encourage further take up of electric vehicles in foundational economy. Further undertakings and operations across this area are reported in CCR strategic objectives.





## 2. Overall Portfolio Performance

| Themes                     | RAG Status | Commentary   |
|----------------------------|------------|--|
| <b>Annual BusinessPlan</b> |            | In Q1 we have undertaken execution of strategic business objective planning and establishing a quarterly reporting framework to track progress against strategically important goals. This process alone has involved a two-stage facilitation of consultation and planning sessions. Q1 reports on our progress towards our strategic objectives are now available.   |
| <b>Governance</b>          |            | All WIF projects in delivery have suitable governance arrangements in place and the AGS targets were complete or on track for completion as at Q1.   |
| <b>Assurance</b>           |            | A full Gateway Review was undertaken in Q1 and was focused on CS Foundry. The review was considered a success and signalled release of future UKG funds for the City Deal. The review would like CCR to further consider Impact of investments and work is underway to develop an impact management framework appropriate to the work of CCR and its investments.  |
| <b>Resourcing</b>          |            | <p>In Q1 there were 9 FTE hires.</p> <ul style="list-style-type: none"> <li>2 FTE Challenge Fund (Programme Manager &amp; Project Support)</li> <li>2 FTE with partners Cardiff University and development of JD for 0.5 FTE Comms and marketing due in Q2</li> <li>2 new appointments with the Grad Scheme (student recruitment) are now fully operational</li> <li>1 Head of Innovation (FTE) appointment made and now operational</li> <li>1 Head of Infrastructure and Energy</li> <li>1 Transport Manager have now also been appointed</li> </ul> <p>Next quarter we will be addressing gaps in project management and project support which, will likely see the rapid recruitment of x3 project managers and project support. We will also be recruiting x3 graduates to provide support and to develop multiple functions. A Head of Strategy and Investment as well as a Head of Governance, communications and marketing will also be interviewed and appointed in Q2.</p> |
| <b>Finance</b>             |            | <p>Revenue expenditure in Q1 was circa £ £346,000 across the WIF and 3 pipeline projects. The accountable body accountant has been working with each of the investment leads to commence quarterly profiling and to perform re-profiles with investments that have significant underspend.</p> <p>Whilst it is acknowledged that the expenditure profile is somewhat behind this quarter, much of this is explained from the Zipworld loan payment being delayed due to audit processes on the capital expenditure delaying CCR from being able to dispense the loan. This loan has now been dispensed and the figures will reconcile to reflect performance in Q2.</p>  |
| <b>Risk</b>                |            | Following the development of key risk policy last quarter, this quarter has seen the initiation of a full risk management project that will secure implementation of relevant recommendations from phase 1. Under phase 2 of the risk management project, there will be full internal consultation and development on risk practices and tools such as risk registers, full training on risk assessment and risk management and further undertakings to embed risk management culturally.  |

|                                      |  |  |
|--------------------------------------|--|--|
| <b>Monitoring and Evaluation</b>     |  | The City Deal Office has now developed a full Performance framework to provide 360 performance management support. This quarter, there were 2 facilitated workshops to further support milestone planning and to further align strategic objective planning with Senior Leadership and the wider team. Further work has been undertaken to consult internally regarding strategic outcomes and the next phase will involve the development of a measure's framework. |
| <b>Communications and Engagement</b> |  | This quarter there has been activity around the Grad scheme website developments, the Challenge fund comms plan and website specification and of course CCR newsletter production which has coverage of the ZipWorld and Challenge Fund.   |

| <b>RAG Status</b> | <b>Description</b>   | <b>Action Required</b>   |
|-------------------|--|--|
| <b>Green</b>      | Delivering to plan with no issues to address. Objectives and overall benefit realisation deemed safe | No action required   |
| <b>Amber</b>      | Potential issues and risks at project level. Action being taken and situation is being monitored.    | Project action in place including appropriate monitoring of external factors impacting situation. Management notified. |
| <b>Red</b>        | Significant issues apparent with objectives at risk and remedial action needed                       | Urgent action required and heightened monitoring measures applied to investment  |

### 3. Challenge Fund

| Programme Status   | Commentary  |
|--|---|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 24<br/>Page 26</p> | <p>A significant amount of progress is apparent in the Challenge Fund through Q1 with 4 Contract Awards now made with the Tracheostomy Challenge on behalf of Cardiff and Vale UHB. Further progress is noted on the Phase 1 of Challenge Fund which had 5 applications to consider at Advisory Board level. Phase 2 warm up and engagement is well underway and significant progress is being made at strategic level to identify further worthy Challenge Fund focuses and fresh approaches. A significant amount of progress is noted on recruitment this last quarter with 2 direct CCR hires, 2 partner hires and work underway to recruit comms and marketing support. This will complete the Challenge fund team in addition to the 7 Cardiff University personnel presently working across this fund.</p> <p>There is a financial re-profile underway presently and in liaison with partners-Cardiff University. Expenditure this quarter has been £84,739.81. Total Programme spend to date for Management and Delivery for Oct'20 to June'21 is £359,951. Total funding committed to Challenges is £400,000 (includes £250k funding from Welsh Government).</p> <p>Clearly there is a level of confidence now that fresh Challenges to consider are emerging and there has been somewhat of a domino effect from phase 1 in generating interest and engagement in phase 2 (43 EoI's received to date). However, Challenge identification and engagement will remain integral risks due to the nature of this fund. As more profile and case studies emerge for the fund as well as the communications and marketing activity attached to undertakings, it is felt this will go a long way in mitigating such risk. Thematic groups of Challenges as well as alignment with CCR strategic objectives will further support the control of this risk. Likewise, submission quality is a prospective risk on the fund but again, mitigations and controls are robust to deal with this in the applicant support that is now being deployed and despatched as part of the process. Challenge ownership in terms of securing appropriate resource for delivery and follow through will remain a consideration and workshop support is being deployed on this. Good governance and management of the fund is felt to further support the controls in relation to this risk. This will further support the final risk identified on this fund in relation to local business engagement in procurement undertakings. A lot of partnership and key stakeholder work is underway to further enhance controls on this risk.</p> |

| Project               | ProjectStage    | Key Achievements this quarter   | Key milestones for next quarter  | Project Status (RAG) |
|-----------------------|-----------------|---|--|----------------------|
| <b>Challenge Fund</b> | <b>Delivery</b> | <p>Supported the SBRI Centre of Excellence with advertising, assessment of R&amp;D proposals, and meet and greet activity for the Tracheostomy Challenge for Cardiff &amp; Vale UHB (4 SBRI contracts awarded to companies for Phase 1)</p> <p>Held Advisory Board meeting to consider the Round 1 Challenge Fund applications (x 5) and gather feedback</p> <p>Held Strategic Board meeting to assess and make decisions on first round of Challenge Fund applications</p> <p>Communicated outcomes and feedback to applicants, held meetings to discuss and signpost to alternative funding where applicable</p> <p>Invited 2 x applications to revise and resubmit their Challenge application for reconsideration, providing development support:</p> <ul style="list-style-type: none"> <li>- Cardiff &amp; Monmouthshire Councils – Food security</li> <li>- Bridgend Council – Decarbonisation of private Homes</li> </ul> <p>Designed, promoted and delivered 2 x applicant workshops:</p> <ul style="list-style-type: none"> <li>- Round 2 Briefing Workshop (49 attendees)</li> <li>- Accelerating Decarbonisation Workshop (14 attendees)</li> </ul> <p>Planned 3 x applicant workshops for delivery July to September:</p> <ul style="list-style-type: none"> <li>- Health &amp; Wellbeing (July)</li> <li>- Writing a Quality Challenge Submission (July)</li> <li>- Enhancing Communities (September)</li> </ul> <p>Hosted and participated in an EV fleet challenge meeting with KTN and others including representatives from the 10 Local Authorities</p> <p>Partnership scoping and development activity (multiple activity)</p> <p>Developed accessible online Expression of Interest form and reopened for submissions – (43 Eols received)</p> | <p>Deliver one to one surgeries for approximately 10 individuals and organizations to scope out project ideas and further support potential applicants to develop high quality submissions to Round 2</p> <p>Hold internal assessment meeting for Round 2 submissions (October), and compile feedback for Advisory and Strategic Boards</p> <p>Hold Advisory Board meeting (July &amp; October) to consider resubmission and Round 2 Challenge Fund applications, and gather feedback</p> <p>Hold Strategic Board meeting (August &amp; October) to assess and make decisions on Challenge Fund applications</p> <p>Communicate outcomes and feedback to applicants, signposting to alternative funding where applicable</p> <p>Plan next stages of support for shortlisted applications requiring further development for resubmission</p> <p>Support successful applicants to develop Challenge Delivery Plans</p> <p>Plan, design and deliver applicant workshops for Round 3, if budget remains unallocated</p> <p>Further scoping, design and deliver an online roundtable event (September) with InFuse</p> <p>Obtain ethics approval and begin research interviews</p> <p>Liaise with InFuse team for collaboration and identification of potential Challenge Fund applications from Cohort Alpha</p> <p>Review and update the short term action plan, with a view to</p> |                      |

|  |  |   |   |  |
|--|--|---|---|--|
|  |  | <p>Reviewed and responded to Eols received to end of June</p> <p>Soft launch of Comm's Plan and development of spec for website</p> <p>Further developed administration support and undertook financial reprofiling</p> <p>Recruitment- Programme Manager and Research Associate to the Cardiff University delivery team. In CCR team: Project Development Officer started in April and Project Support Officer in June. Job description re-drafted for 0.5FTE Comms &amp; Marketing</p> <p>Developed interview schedule for research activity and submitted information to Cardiff Business School (CARBS) Ethics Committee for approval</p> <p>Completed review of challenge approaches and further explored use of challenge prize approach with Nesta</p> <p>CU submitted DNA sprint project proposal with CCR and Nesta Challenges</p> | <p>developing a detailed programme delivery plan after the outcome of Round 2 is known (October)</p> <p>Develop database of potential suppliers who have expressed an interest in the Challenge Fund</p> <p>Develop full communications and engagement plan, co-ordinating with CCR and Cardiff University Comm's Teams</p> <p>Undertake marketing and promotional activities, including developing written and video content for new website, and promotion of Round 2 closing deadline, events etc.</p> |  |
|--|--|---|---|--|

#### 4. INFUSE

| Programme Status   | Commentary   |
|--------------------|--|
| Page 29<br>Page 27 | <p>Infuse is an innovation and research programme designed to build skills and capacity for innovative future public services across the Cardiff Capital Region.</p> <p>Infuse is supported by the European Social Fund through Welsh Government and is a collaboration between Cardiff University, Y Lab, Nesta, Cardiff Capital Region City Deal Office (CCR) and the ten local authorities that make up the region, including Monmouthshire County Council as the lead partner. The programme is built around opportunities to tackle real-life questions, driven by the biggest challenges faced by the region. Infuse partners and participants identify a range of challenges or problems that are shared across the region. These might include decarbonisation, active travel, housing or social care. Using these shared challenges, INFUSE brings together cross-regional teams in each of the three skills areas to work towards solving a part of this challenge, using new tools and methods.</p> <p>Teams receive around six months of training and support in new skills, tools and methods, helping to change the future of public service delivery for years to come; developing new innovation skills and capacity by tackling regional public service challenges. The programme will run until 2023, working with three cohorts of local authority and public sector workers from across the Cardiff Capital Region.</p> <p>The target participants of INFUSE are 150 beneficiaries. Cohort Alpha is the first cohort to progress with 19 participants. Infuse has successfully navigated the project mobilisation phase and now is 15 weeks into six months of delivery of Cohort Alpha our innovation prototype. Cohort 1 will start in October 2021 and recruitment has started with local authorities in the region to find 50 curious vocational public servants.</p> <p>Whilst good progress is evident from the activity, the expenditure profile is somewhat behind (34% of expected expenditure profile). This is explained as being due to lower cohort initiated with cohort Alpha (pilot phase) and some delays encountered. Expenditure is anticipated to catch up from recruitment of project resource.</p> |

| Project              | Project Stage          | Key Achievements this quarter   | Key milestones for next quarter   | Project Status (RAG) |
|----------------------|------------------------|---|---|----------------------|
| <p><b>INFUSE</b></p> | <p><b>Delivery</b></p> | <p>Significant stakeholder engagement and activities Recruitment-1 research fellow in supportive communities and 1 data scientist hired this quarter and 2 re-advertisements for Senior research fellow and research associate (procurement) undertaken Evaluation and adaptation-the draft M&amp;E plan has been submitted to WEFO and the ethics application was submitted to Cardiff University for this work, for consideration in the School of Social Sciences Ethics Committee meeting on 14th July Accelerating Decarbonisation and Supportive Communities themes-A handbook on decarbonisation has been produced and contents shared through a number of participant workshops Adaption, data and procurement labs have all commenced and significant progress being made with these</p> | <p>From 1st July 2021 Infuse will focus on the following, where there is an associated deadline it is provided: -<br/>           Secure ethical approval from Cardiff University for the University’s evaluation work.<br/>           Subject to ethical approval being granted:<br/>           Cohort alpha participants will be invited in September to participate in the research aligned to ‘Evaluation and Programme Adaption’, and to: (i) complete an on-line exit survey and (ii) participate in a short interview in September/ early October.<br/>           Cohort 1 applicants will be invited to participate in the research aligned to ‘Evaluation and Programme Adaption’ and to complete an on-line baseline survey (end September/ beginning October).<br/>           Finalised recruitment for the Senior Research Fellow, and Research Associate in Procurement.<br/>           Iterating the learning lab (adaption, data and procurement) design for cohort 1.<br/>           Supporting the participants during the summer programme with coaching and possible group sessions.<br/>           Continual liaison with relevant partners and stakeholders to maximise the impact of the cohort alpha summer programme and maximise take up of participants for cohort one.<br/>           Identifying potential data science work that will add value to the programme as a whole and contribute to the work the local authorities are carrying out under the two themes.<br/>           A final week of sessions before the summer programme, recapping the learning from the three labs and focusing on pitching ideas and identifying collaboration opportunities and possible support needs.<br/>           Marketing and Communications activities to support the launch of cohort 1 in September 2021.<br/>           Infuse official launch to take place in September 2021.</p> | <p></p>              |

## 5. Housing Viability Gap Fund

| Programme Status   | Commentary   |
|--|--|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 31<br/>Page 29</p> | <p>Phase B of the project is now progressing and the terms and conditions of provisional legal fund agreements, monitoring frameworks and recovery proposals are now with the local authorities of shortlisted schemes to consider. The project is progressing to required timescales although district valuations are causing some slippage with the communications and briefings but it is felt these are important to undertake as part of compliance and due diligence to ensure schemes approved are eligible for the funds. This and state aid implications as well as ensuring developer profit remains within market parameters are the key risks that the project is presently dealing with. Securing full inclusivity for the whole region could be threatened should any scheme valuations not fall within market parameters/be deemed to be supporting inflated land valuation and this no doubt holds political risk that the project presently carries. Controls have been put in place where feasible and we await DVS feedback and external expert advice in handling these matters. A short list is due to be presented to Regional Cabinet in October.</p> <p>The Annual and Project Revenue Budget is presently under pressure. A higher than expected number of applications and shortlisted schemes plus the addition of two other schemes (14 schemes in total) has seen an increase in the budgeted fees for the Technical and Legal Advisors. An underspend last financial year will be offset against the projected overspend this year, however, it is unlikely to be enough to cover all costs over the life of the programme.</p> <p>The approved Capital Budget of £30M and WG budget of £5M are over-subscribed but applications are subject to further due diligence and assessment. Expenditure this quarter has been £29,336.97.</p> <p>As the Project is based on making funding awards to stalled Housing Sites/Schemes within the region, there will be a number of Project Phases that will need to be completed before CCR will have visibility on the proposed level of benefits that may be delivered by the Fund. It is forecast that the provisional shortlist of schemes are to deliver 2,777 new homes and the following contribution to CCR Objectives:</p> <ul style="list-style-type: none"> <li>• 3,360 Jobs</li> <li>• £844m GVA</li> <li>• £529m Leverage</li> </ul> |



| Project                                       | Project Stage          | Key Achievements this quarter  | Key milestones for next quarter  | Project Status (RAG)                       |
|---|------------------------|--|--|--|
| <p><b>HVGF</b></p> <p>Page 30<br/>Page 32</p> | <p><b>Delivery</b></p> | <p>The project is now in Phase B – Scheme Contracting and Due Diligence. This phase includes further work on the key risk areas and other contract conditions with the aim of being able to sign off all pre contract conditions before the end of September 2021. The District Valuer Service (DVS) have been instructed to undertake land valuations for all shortlisted schemes and the LA legal agreement, recovery proposal, monitoring framework and other supporting documentation has been finalised and shared with partner LAs.</p> <p>In addition to the provisional shortlist and reserve list there are two LAs working on applications which failed to meet the minimum threshold during the evaluation process. These two LAs and applications are running alongside the main programme and Q1 has seen regular engagement with the LAs to support a re-submission of the application with more up to date supporting information for evaluation.</p> <p>Actual Achievements are on target with that planned for this period.</p> | <p>Continuation of due diligence to sign off pre contract conditions for each site before the end of September 2021.</p> <p>Monthly meeting with each LA to discuss:</p> <p>July – To clarify any queries relating to the draft legal agreement, reporting form, monitoring framework and conditions tracker.</p> <p>August – To discuss the recovery mechanism and provide an update with regard to the review of the land value (land value issue is likely to require more than one meeting if there are concerns following DVS valuation and report).</p> <p>September – To discuss any updated and outstanding information relating to the pre contract conditions prior to Regional Cabinet in October 2021.</p> <p>Review additional information regarding Land Value, Developers Profit, State Aid and other contract conditions and recognise and highlight any potential impact on scheme status/shortlist.</p> <p>Preparation for Regional Cabinet in October 2021.</p> | <p style="background-color: orange;"> </p> |

6. Graduate Scheme

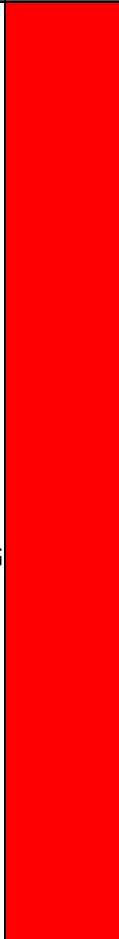
| Programme Status   | Commentary  |
|--|---|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 33<br/>Page 31</p> | <p>This quarter the Grad scheme has focused on building vital capacity into the core team to be responsive to the grad core review and to address key risk areas concerning business engagement with the scheme and the aftermath of covid-19 on businesses. With 2 additional appointments into the team this has meant further progress and performance has been experienced across employer and business engagement. This quarter the scheme recruited 12 graduates (an increase of 9 on last quarter’s performance and 3 above projected target) into sustainable jobs and significantly raised profile and engaged 24 new employers. Financial performance on expenditure this quarter was £28,132.27, with spend to end of Q4 standing at £117,016.45 against overall budget for 2020/21 of £328,503. It is anticipated that the expenditure will now pick up with the team now growing.</p> <p>This quarter there is recognition of further work that will need to be undertaken regarding marketing and communications strategies, plans and related action (including those aspects noted in the grad core action plan). The CCR team are committed to addressing these aspects and have already started undertaking steps towards outsourcing assessment centre activities in the procurement activity that they are managing presently to alleviate vital capacity to deliver on business and student engagement. This will support controls being in place to address risk regarding business engagement (especially considering covid-19 and its aftermath). Strategy and direction of the programme will be further mitigated with the recruitment of a Skills Coordinator in Q2.</p> <p>The Grad Scheme has leveraged circa £1.2 Million to date from private sector employers in terms of salaries. Further the scheme is radically supporting graduates to remain within the region, to develop (utilising the ILM accredited course) rapidly and no doubt support the region’s SMEs in being more productive. 85% of the graduates have stayed on with the employers through the graduate scheme and over 50% of the graduates studied with one of our four university partners which is great for retaining graduate talent in the region.</p> |



| Project            | Project Stage   | Key Achievements this quarter  | Key milestones for next quarter   | Project Status (RAG) |
|--------------------|-----------------|--|---|----------------------|
| <b>Grad Scheme</b> | <b>Delivery</b> | <p>Ongoing Graduate Scheme operational activity around planned business engagement and graduate engagement</p> <p>Procurement for project support and re-purposing finalised</p> <p>Appointment of 2 new officers into the team (started June '20)</p> <p>Engaged 24 new employers</p> <p>26 new roles advertised</p> <p>12 Graduates appointed (9 of the 26 still live. 4 companies withdrew due to (a) no funding (b) 2 no one appointed (c) 1 change of business plan</p> <p>9 events attended with universities</p> <p>cohort 6 induction / ILM course 10 graduates</p> <p>operational group meeting 16th June</p> | <p>Continued Implementation of Gradcore recommendation action plan and proposed timeline, aiming for a relaunch September 2021</p> <p>Business engagement activities (Business News Wales, GlobalWelsh, Natwest, local authorities) in accordance with comms plan</p> <p>Advertisement of roles and appointment of min. 10 graduates to begin cohort 7 in April/May/June 2021.</p> <p>Recruitment of new roles – Skills Coordinator and two graduate support officers</p> <p>Terms and reference of steering group to be implemented.</p> <p>Full induction of new officers</p> |                      |

## 7. Metro Plus & ULEV

| Programme Status | Commentary  |
|------------------|---|
|                  | <p>This quarter CCR issued grant award letter to Torfaen Country Borough Council to the value of £2,819,670 for their Metro Plus scheme. This quarter, £114,000 was drawn down from LTF. There have been several risks encountered on the metro plus scheme this quarter and the root causes relate to the broader macro risk identified in the rising cost of construction materials (steel and tarmac specifically noted), the rising labour shortages and increases to contractor and supplier costs. This risk has impacted the 3 schemes that were due to move onsite this quarter and they have instead encountered delays and high tender return costs (as much as £400-£500,000 over anticipated costs in certain instances), which will likely mean value engineering and onsite works now commencing through Q2&amp;Q3 rather than the anticipated Q1 commencement (Torfaen, RCT &amp; Monmouthshire). Further risks have been encountered in relation to delays encountered with permissions and licenses being issued via TFW as well as resulting additionality costs from processes. Further, due to design complications and further viability work following the LP review, the Pyle scheme will not progress. This bold decision has enabled significant progress and focus on Pencoed and Porthcawl.</p> <p>It should however be noted, this quarter, that the emergence of further scheme ideas, sourcing of alternative fund/loan sources to remedy risk and significantly news that funding applications to further progress beyond City Deal funded design/development phases is surely indicating the catalyst effect the transport seed funding via Metro Plus is now having on the Cardiff Capital Region transport terrain. Further, significant progress and headway is being made on the ULEV programme and this quarter's expenditure is circa £450,000.</p> |

| Project                                     | Project Stage   | Key Achievements this quarter  | Key milestones for next quarter  | Project Status (RAG)   |
|---|-----------------|--|--|--|
| <b>Metro Plus</b><br><br>Page 35<br>Page 37 | <b>Delivery</b> | <p>Caerphilly-Interchange-working towards securing RIBA2 specialist to further drive their RIBA and Weltag stages. Ystrad Mynach and Llanbradach P&amp;R -The WelTAG Stage 2 for the Central Rhymney strategic P&amp;R study brief being developed.</p> <p>Monmouthshire-Severn Tunnel Junction- Outline design completed. Planning application submitted along with SAB application. Ecology surveys undertaken. Tender issued.</p> <p>RCT- Porth Interchange- Agreed station change and basic service agreement with TFW. Tender returns in May, followed by VE exercise. Proposed contract cost presented to RTA/CCR – financial support package agreed.</p> <p>Bridgend- Penprysg Road Bridge, Pencoed-WelTAG Stage 3 work commissioned. PR/consultation programme being developed. Porthcawl-Preliminary design on new bus terminus at the Portway commenced. Peer review undertaken by RTA bus group, leading to some design changes.</p> <p>Cardiff City Centre East-Traffic modelling and testing for weekend operations; survey work; detailed design; drainage design; cost estimating; WelTAG Stage 2 and 3; and preparation of consultation documents. Out to tender.</p> <p>Vale of Glamorgan- Barry Docks Interchange-WelTAG Stage 2 completed and successfully presented for approval by Cabinet and Scrutiny. Cogan Station -Project initiation and stakeholders meeting undertaken with Transport for Wales and Network Rail, leading to the development of WelTAG Stage 3 brief.</p> <p>Torfaen- Pontypool and New Inn Station-F003 submitted to Network Rail for approval. Tenders received and assessed. Funding package agreed by CCR/RTA.</p> <p>Merthyr Tydfil Rail Station -Optioneering for additional track capacity and platform lengthening undertaken. Will inform early options for new station building as part of the wider Placemaking Plan for the town centre. RIBA Stages 0-2 including WelTAG Stage 2 brief developed. Pentrebach Station and P&amp;R-Develop governance arrangements for Hoover site acquisition with WG Regeneration.</p> <p>Abertillery Interchange-Land acquired for proposed new rail station and associated P&amp;R at Abertillery. Ongoing review of previous Grip 3 work on the Abertillery Spur being undertaken by Tfw.</p> | <p>Caerphilly Interchange-procure works.</p> <p>Ystrad Mynach and Llanbradach P&amp;R Procurement and progress on the WelTAG Stage 2 for the Central Rhymney strategic P&amp;R study.</p> <p>Monmouthshire- Approval of planning consent and award of contract.</p> <p>Porth- Complete station change and basic service agreement with TFW. Award contract and commence on site.</p> <p>Bridgend- Porthcawl Ongoing scheme development. Penprysg Road Bridge, Pencoed-Ongoing development of WelTAG Stage 3 work and PR/consultation programme.</p> <p>Cardiff City Centre East-Completion of WelTAG Stage 2 and 3, and award of contract.</p> <p>VoG-Development and procurement of WelTAG Stage 3 work.</p> <p>Torfaen- Award of contract and commencement on site.</p> <p>Merthyr- Award and progress of RIBA Stages 0-2 including WelTAG Stage 2 work and confirm governance for Hoover site</p> <p>Abertillery- Confirm quadruphite agreement between BG, WG, TFW and AIW. Brynmawr Interchange-Develop and procure WelTAG Stage 2 study</p> <p>Newport to Cardiff Bus Corridor – ongoing</p> |  |

Quadruphite agreement between BG, WG, TFW and AIW being developed. Brynmawr Interchange- Completion of WelTAG Stage 1 study.  
 Newport to Cardiff Bus Corridor – tied into working group developing response to outcomes of Burns M4 study. NW Cardiff Corridor Study -WelTAG Stage 1 reported to RCTCBC and Cardiff CC Cabinets.  
 Development of Stage 2 brief.  
 Treforest/Nantgarw P+R/Station – a scope of works is currently being developed and the design of the new station is still progressing. Ongoing acquisition of property and associated parcel of land (Willingford House) that is required for the scheme to be delivered.  
 Aberdare to Hirwaun – the next stage of this study has commenced and is progressing. Acquisition of land at Trecynon for the provision of a P&R facility.

**ULEV**

Taxi Try Before You Buy Scheme – Legal advice sought, and tender issued for management company.  
 Insurance of vehicles purchased until management company takeover.  
 Taxi infrastructure – WPD works ongoing. Swarco & T H White delivering programme on site.  
 Delivery Partner engaged and procured to deliver programme.  
 Procurement process undertaken for on-street & car parks for public use and tender issued for CCR concession and All Wales Framework.

liaison with working group developing response to outcomes of Burns M4 study. NW Cardiff Corridor Study – procurement and progress on WelTAG Stage 2 work.  
 Treforest/Nantgarw P+R/Station – complete acquisition of property and associated parcel of land (Willingford House) that is required for the scheme to be delivered.  
 Aberdare to Hirwaun – ongoing WelTAG Stage 2 work  
**ULEV**  
 Award contract for taxi trial and commence delivery of trial.  
 Complete programme for taxi infrastructure (with exception of depot chargers, still ongoing) and mobilise for taxi use.  
 Award contract for on-street & car park public chargers and commence delivery.  
 Continue to work with delivery partner

## 8. CSC Foundry

| Programme<br>e<br>Status   | Commentary   |
|--|--|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 39<br/>Page 37</p> | <p>Project is currently on hold pending improved customer confidence resulting in additional requirements for clean rooms to accommodate tools for production. Further capital expenditure anticipated at the end of 21/22 (£1,381,641). No revenue expenditure is noted in Q1 and no further capital spend expenditure is anticipated for the remainder of 21/22. This is due to market conditions and uncertainty during the Covid pandemic and continuing trade wars between the USA and China.</p> <p>This quarter we note a further 20 jobs have been created in the Foundry since last quarter (total 130). Following a successful Gateway review in Q1, we are pleased to note the following benefits are now realised in the project:</p> <ul style="list-style-type: none"> <li>Development of 4.52 hectares of land at Imperial Park</li> <li>Development of 5,898 sq. m of new commercial floor space to provide the new compound semiconductor foundry for IQE (stepped lease agreement with IQE)</li> <li>Physical delivery of the Compound Semiconductor Foundry project was largely complete by December 2019 (10 clean rooms etc requiring £32.9M loan investment)</li> </ul> <p>This quarter, senior leadership from CCR and the lead accountable body have been concerned with the audit of accounts for 2020/2021, undertakings with KPMG and Pinsent Masons regarding deferred tax liabilities and land transaction tax and IQE Option to Purchase the property. Whilst job creation and GVA will continue to be monitored, the project is now significantly concerned with risk management and recovery of the loan and whether IQE proceed to purchase the property as well as the required governance relating to these matters.</p> <p>One further benefit that has gained significant traction is the Foundry becoming a catalyst for greater CS Cluster growth. Whilst the CSC Foundry project is significant and one of the only single sector priorities set out in the City Deal Heads of Terms (2016) it was always seen as providing the building blocks for the growth, further development and reinforcement of the world's first Compound Semiconductor Cluster – CS Connected. The South Wales centred compound semiconductor cluster, CSconnected, has gained traction across a number of key stakeholder groups and in 2020 The UK Government announced £25.4m in funding to CSConnected, a major project within the Compound Semiconductor Cluster (CSC) in the Cardiff Capital Region. This funding represents a huge boost to the Cardiff Capital Region and reinforces its strategic focus on compound semiconductors. The funding comes through UK Research and Innovation's Strength in Places Fund and amounts to more than half the £42m project cost. Other funding will come from the Cardiff Capital Region City Deal, Welsh Government, Cardiff and Swansea Universities, IQE, SPTS, NWF, Microchip, the CS Centre and the CS Catapult.</p> |



Covid 19, Bexit and global trade wars remain threats and risk on this project but all have controls in place and are being monitored closely.

| Project     | Project Stage | Key Achievements this quarter  | Key milestones for next quarter   | Project Status(RAG) |
|-------------|---------------|--|---|---------------------|
| CSC Foundry | Delivery      | <p>Investor meeting held with IQE to discuss yearly results and future forecasts</p> <p>CS Foundry Board Meeting held 15th July 2021</p> <p>Ongoing due diligence for SIPF (FOH) project focussed on a revised strategy for CCR investment</p> <p>CCR Regional Cabinet – Annual Update Report</p> <p>New Business Plan for 21/22 presented to CS Foundry Board</p> <p>Completion of CSC Foundry Accounts 2020/21</p> <p>Further discussions with IQE to assess the timeframe for remaining drawdown and option to purchase the Foundry</p> | <p>Revisions to Development Agreement to Lease (DAfL) to reflect the SIPF (FOH) developments</p> <p>CCS Foundry Board Meeting</p> <p>CCR Regional Cabinet - Outcome Report</p> <p>CSC Foundry – New Board Member Briefing</p> |                     |

## 9. CREO MEDICAL-Cool Plasma sterilisation

| Programme Status                                     | Commentary   |
|--|--|
| <p><b>Delivery</b></p> <p>Page 42</p> <p>Page 40</p> | <p>This quarter, Creo Medical Group have bought expanded premises in Chepstow indicating further investment into the region and Creo Medical Group announced an update on the stock market in June that “Life-changing FDA cleared Creo device successful in adding months to patient's life expectancy and well-being” after the device was successfully used for the first in-human, minimally invasive, Endoscopic Ultrasound (EUS) guided, treatment in a patient with an unresectable pancreatic neuroendocrine tumour. A true testimony of the company’s recent product development breakthroughs.</p> <p>The wound sterilisation product development continues, there has been slower progress than anticipated but the team are on track for testing phase next quarter. A further £82,000 has been invested in the applicator development and exciting engagement has been undertaken with the Welsh Wound Care Innovation Centre based in Pontyclun.</p> <p>Analysis of salary data of the initial 8 new FTE jobs created by Creo Plasma division suggests that the average salary standing at circa £48,000-circa £16,000 above Welsh average salary costs. This indeed is testimony to high quality jobs in the region being created by the investment into this division.</p> <p>Risk affecting this investment is largely around the recovery of the loan and ensuring the company can secure successful product development and commercialisation of product to sustain jobs and growth for the region. Since our last investor meeting it should be noted and commended that Creo have now recruited and deployed dedicated project management to wound sterilisation developments, and this certainly seems to be making a positive correlation with performance and advances in the project. It is further noted that connectivity with regional supply chain has commenced.</p> <p>No revenue expenditure against this investment as loan previously dispensed.</p> |

| Project                          | ProjectStage    | Key Achievements this quarter  | Key milestones for next quarter   | Project Status (RAG) |
|----------------------------------|-----------------|--|---|----------------------|
| <b>Cool Plasma Sterilisation</b> | <b>Delivery</b> | <p>Significant fundraising efforts have been undertaken in Q1 to support the required product development and prototyping stages</p> <p>Investor’s meeting was undertaken in Q1 and further follow up meeting to support investment funds being channelled to agreed product development and to alleviate project risk</p> <p>X1 FTE new job created to project manage wound care sterilisation product development</p> <p>Creo have now engaged with the Welsh Wound Innovation Centre as consultants to support on the design work</p> <p>In the wider business there have been large advancements in the development of our Kamaptive technology towards next generation generator. This effort within the business has taken significant resource but as the power source relevant across the Creo range these developments are key in supporting the wound care device.</p> <p>This quarter, Creo opened their US Office and undertook further listing and human trials performed on their MicroBlate flex device</p> | <p>Investor’s meeting and company roadmap presentation</p> <p>Reporting of further job and GVA data</p> <p>Testing the applicators and its efficacy on sterilisation of advanced materials and orthopaedic inserts</p> <p>Head of Innovation connectivity with investment and PL handover</p> |                      |

## 10. Pharmatelligence

| Programme Status | Commentary  |
|------------------|---|
| Delivery         | <p>In Q1 the investment governance has been mobilised and as well as a non-exec Director being appointed on behalf of CCR, the first formal Board meeting has taken place. The focus presently is on commercialisation plans and the non-exec Director will be working with the management to progress and support these plans.</p> <p>This is an innovation investment project which will place CCR as a 16.6% shareholder in HoldCo to optimize and test the “Evergreen” approach of extracting direct ROI from R&amp;D in a strategically identified priority sector (Medtech). Benefits and outputs have now been agreed and “locked” including £9M GVA uplift to region by 2023, 35 jobs created over 3 years as well as contributions towards engaging with a strategically important sector to the region and the CCR Covid-19 strategy (real time analysis of data from NHS).</p> <p>The investment is considered medium risk at this stage (present risks relate to technical architecture and inability to patent this, US competitors entering UK market-though deemed marginal chance and implementation of revenue plans to reach revenue targets). Principally the risk surrounding this investment will be return of investment and securing outputs which will require the business to be productive and to grow at a rapid rate. Much of the risk controls will sit with the non-exec Director and monitoring protocols.</p> <p>Expenditure is minimal (some low legal costs) as the investment has been dispensed so just £336 revenue expenditure on legal costs for Q1.</p> |

| Project                           | Project Stage   | Key Achievements this quarter  | Key milestones for next quarter  | Project Status (RAG) |
|-----------------------------------|-----------------|--|--|----------------------|
| <b>Pharm<br/>atellig<br/>ence</b> | <b>Delivery</b> | <p>A non-exec Director has now been appointed to sit on the board</p> <p>First Board meeting has taken place</p> <p>Non-exec Director is now working with the management on commercialisation plans</p> <p>First few months post investment indicates better than anticipated financial performance with much reduced loss than anticipated</p> <p>5 FTE new jobs created this quarter (13 to date)</p> <p>Housekeeping and document management has now been performed for the investment by the existing PL</p> | <p>Board meeting and progress updates to support CCR monitoring of investment</p> <p>Introductions and handover of PL function to Head of Innovation</p> |                      |

11. ZipWorld

| Programme Status                                     | Commentary   |
|--|--|
| <p><b>Delivery</b></p> <p>Page 44</p> <p>Page 46</p> | <p>This investment is concerned with creating a major new adventure tourist attraction at the Heads of the Valleys with easy access for South Wales communities and visitors from the South West of England and the Midlands. The project will offer 6 iconic adventures unique to the Tower Colliery site, including the steepest zip wire descent in the United Kingdom and will be complemented by a high-quality food and beverage facility, and retail area. The company aims to do for the Welsh coal communities in South Wales what they have done for Welsh slate communities in North Wales and create unique adventures that bring tourism and wider opportunities to the local area to enhance and fuel the local economy. The Tower Project is a 5-phase development over 5 years, requiring a total capital investment of over £7.4m (£4.4M CCR).</p> <p>The primary purpose of the investment is in line with the stated aims of the CCR Industrial and Economic Plan and in line with the principles set out in the Investment and Intervention Framework, which is to support the inclusive and regenerative growth of the region, whilst; Creating new job opportunities (20 full time and 60 seasonal jobs), Leveraging additional investment (£3M), Uplifting GVA- £23m of direct spend &amp; c£250m of local spend in first 5 years. A total of £45,726.25 has been spent to date on pre-agreement arrangements. Zip World are expected to make their first loan draw down of £2.674m in August, 2021. Zipworld will then make x3 further loan drawdowns of £700,000 in years 2 &amp; 3, £700,000 in Year 4 and £300,000 in Year 5.</p> <p>This quarter the attraction opened for business and has already seen over 10,000 visitors through the gates! There has been much job creation (we expect figures in Q2) and there will undoubtedly be a much wider economic impact from the attraction opening and this quarter we have commenced working with partners Cardiff University to progress structuring the monitoring and capturing of economic impact from the full attraction.</p> <p>Unfortunately there were some delays in the audit process undertaken to ensure construction compliance and requirements were met and as a result the expected loan dispensing of £2.67M was delayed. At the time of report writing we can confirm the loan has now been paid and so we expect this to be recognised in Q2.</p> <p>The key risk on this investment is concerning repayment of loan which will be monitored, and appropriate controls will be put in place to deal with this. Other risks relate to the realisation of tourism cluster outlined in business case and this will be monitored via bi-annual investor meetings between CCR and Zipworld. Clearly the attraction is going to have multiple community benefits and work in Q1 to this end has already commenced. Please find extracts to support this from the CCR newsletter material this quarter in which, Head of marketing, Ellie Watkins from Zipworld features...</p> <p><b>Winning the hearts and minds of the community:</b> On the question of the philosophy and values that underpin the Zip World approach, Ellie said; “We don’t want to be</p> |


a business that just operates here, we want to be involved, be part of the fabric of the local community and even small things like communal litter picks to clean up the area are a way we can give back and positively engage. Recently, we put a litter pick event out on social media and we had 25 volunteers show up to help and now were being asked when the next one is taking place! The level of engagement and community spirit here is just fabulous and we want to do everything we can to encourage and develop that even further. Everyone seems to want to see us succeed and that is truly heartening.”

**Using the power of the Zip World Brand to support and develop local inhabitants and initiatives:** “We believe strongly in supporting local charities and local initiatives as well as employing local people... Its early days yet but we have started offering sponsored zip lines where we provide free rides for charities to raffle to raise funds . Our plan is to work with one primary charity and for that we have chosen Valleys Kids – an amazing charity that has changed the lives of so many children in ex mining communities. We are currently putting together a plan for how we are going to work together and will be communicating more on that shortly – so watch this space!” “We are also hoping to develop an after school club and feature events such as ‘a day in the life of’... so that school children can experience first-hand what some of our roles involve. Educational trips are offered currently at the North Wales site where the history, the stories and the heritage of the area are brought to life. Our longer term aim will be to replicate this in Rhigos.”

**Creating a “go to” place for families and businesses:** Another aim is to make Zip World a “go to” place for families and businesses – but not just to ride the big zip lines. “To encourage families, we have “Big Red” which is aimed at 5-12 year olds and a bargain at only £10 for two rides. Combine that with a meal deal or two at our Cegin Glo Bar and Bistro with its spectacular backdrop and you have a family day or evening out that is accessible for many in a pretty special location that makes it that little bit different. This is all still in the early phase of development but it shows that we are totally committed to creating a destination for our communities that is a lot more than a one-off thrill. Kids parties too is all under consideration for future offerings.

| Project | Project Stage | Key Achievements this quarter | Key milestones for next quarter | Project Status (RAG) |
|---------|---------------|-------------------------------|---------------------------------|----------------------|
|---------|---------------|-------------------------------|---------------------------------|----------------------|



|                         |                        |  |   |   |
|-------------------------|------------------------|--|---|---|
| <p><b>Zip World</b></p> | <p><b>Delivery</b></p> | <p>Phase 1 construction of site and installations is now completed and the attraction will opened 26th April<br/>         Loan agreement progressed and signed, inter-creditor deed progressed<br/>         Outline scope of economic impact analysis drafted and discussed with Cardiff university for consideration with the Economic Intelligence Policy Unit for KTP/Research associate allocation</p> | <p>Oversee project management of construction phases via thirdparty-Romco agreement<br/>         Undertake first investor’s meeting and commence monitoring provisions for CCR objectives<br/>         Authorise future tranches of loans (in line with the business plan) on the same terms set out in the HOT but at a State Aid compliant rate to be tested at the time of the request.<br/>         First drawn down of £2.67M will be made in Q2.<br/>         Further work to secure full impact monitoring of attraction to the region</p> |  |
|-------------------------|------------------------|--|---|---|

12. Metro Central

| Programme Status   | Commentary  |
|--------------------|---|
| Page 49<br>Page 47 | <p>This programme is behind schedule and with key personnel changes with Lead body (WG) combined with risk identified in outline business case, the programme is carrying high risk. Present Programme level risks identified include;</p> <p>There is currently a funding gap in real terms since the projected contributions from the private sector, remain to be fully nailed down by WG and TfW. In addition, the nationalisation of the CVL by WG means the leverage generation is no longer considered 'private leverage'. The Metro Central Delivery Partnership are now considering the issues around wider funding availability against the UK Plan for Growth and the promise of infrastructure investment. Value engineering and prioritising the interventions will be used to scale back the project if required.</p> <p>There is a concern for the programme being too process led and mechanical which might not lead to a full investment proposition that aligns to strategic outcomes. Affordability of plans (such as all weather canopy) without PSL are a clear consideration and CCR are being proactive in identifying remedies and mitigations which will need further consideration of the working group to progress.</p> <p>Solutions are being progressed in respect of dialogue commenced with UKG and DfT (via WG); consideration of alternative mechanisms for funding the canopy roof, value capture and the treatment of wider private and commercial investment. It is possible that the programme could be split into phases in order to get work underway whilst retaining a focus on value added activity – linked to the wider redevelopment of Central Square and Central Quay.</p> <p>Presently the outcomes and outputs expected are:</p> <ol style="list-style-type: none"> <li>1. Job Creation – too early to know the complete impact, but given the substantial private development contribution, it is expected to be considerable c22,000 direct, indirect, safeguarded and induced jobs.</li> <li>2. GVA growth – in excess of £2bn of Gross Development Value, and over £1bn of GVA.</li> <li>3. Innovation – New technologies being used to include ULEV infrastructure, digital and further aspiration for renewable energy to be included. Wider benefits include;</li> </ol> <p>With a high volume of CCR output targets projected against these committed funds, this is presenting risk especially with limited controls being able to be deployed. CCR are very committed to the programme as it underpins several strategic outcomes for the region. Further to this, given the significant risk presently existing around construction material costs and labour costs as well as labour shortages, there will be considerable risk management work to undertake as the business case develops.</p> |

Key outputs of the Metro Central Programme:

Estimated overall regeneration potential of these key regeneration projects has the capacity to deliver circa 5,000,000 ft2 of commercial development, comprising:

- Central Square (1,000,000 ft2) / Central Quay (1,000,000 ft2) / Dumballs Road (1,000,000 ft2) / Callaghan Square (1,000,000 ft2) / Capital Quarter (500,000 ft2) / St David's Square (500,000 ft2).

Expenditure this quarter £5,336 (legal costs), expenditure to date: £ 1,178,377 spent CD Funding – total committed (including spent to date) £40m CD / DfT committed £5.8m / TfW £15k / WG committed £30m (businterchange)

| Project              | Project Stage | Key Achievements this quarter  | Key milestones for next quarter                            | Project Status (RAG) |
|----------------------|---------------|--|--|----------------------|
| <b>Metro Central</b> | <b>FBC</b>    | Contract Award made for GRIP 2-4 works<br>FBC further scoping and identification of risk work underway<br>Architectural designers have been appointed and work in this area underway and heritage and engagement consultants have also been appointed and carrying out undertakings<br>Agreement of state aid principles concerning payment to TfW | Further business case and wider business case undertakings |                      |

### 13. Premises Fund

| Program me Status  | Commentary  |
|--------------------|---|
| Page 50<br>Page 52 | <p>This Quarter, following approval by the Strategic Premises Advisory Board of the Stage 1 recommendation from the external fund advisors for the Brew House Proposal, this project will now progress through due diligence.</p> <p>The project involves a loan for the development of new office with ground floor leisure uses on a former brewery site. The offices on first to fifth floors will have a dedicated entrance via the modern extension. The ground will be for uses within Use Class A3, potentially to provide an experience centre, micro-brewery and bar/restaurant. It is thought that with the Brew House being the centre point of the Central Quay development scheme that this in itself will encourage, and progress residential development being funded in the area.</p> <p>CCR’s investment would be in a “First Charge” position and be fully repaid before the sponsor receives any income. The scheme is viable, but due to the “speculative” nature of the development, traditional bank funding cannot be secured. The scheme is likely to require a £15M investment from CCR (66% of total required investment).</p> <p>Fund advisory and project support costs will be incurred by CCR. These are estimated to be £65-100K per annum for the first 3 years of operation of the fund. These will be funded from the Wider Investment Fund Revenue resources, albeit interest that is chargeable to meet public subsidy requirements may assist in offsetting some of these costs over the life of the fund. The expenditure required by CCR will also include ongoing monitoring of loan terms, payments due and payable in order to inform the accountable of body of transactions in respect to the fund. Transactional costs in respect to the Loan are intended to be paid by the recipient of the loan. Revenue expenditure on this fund is expected to flow from Q2.</p> <p>The key challenge with the Premises Fund is to ensure that careful consideration is given to the balance between CCR’s social and delivery objectives alongside the recovery of the investment provided. Further challenges and risks will exist around managing suppliers (external fund advisors) and securing investments in timely way and ensuring full benefits optimisation. Given the fund is concerned with Capital expenditure, risk around macros such as construction environment and conditions will also require monitoring and consideration. At present, the fund interest, controls in place with the external fund advisors etc mean the investment is considered low risk.</p> |

| Project       | Project Stage | Key Achievements this quarter   | Key milestones for next quarter  | Project Status (RAG) |
|---------------|---------------|---|--|----------------------|
| Premises Fund | Delivery      | Completion of FBC<br>Appointment of CBRE as Fund Manager<br>Regional Cabinet approval of Strategic Premises Fund Strategy and FBC<br>Drive engagement with Local Authorities to build understanding and communication channels<br>Explore opportunities with developers and private investors, particularly those from outside of the region<br>Stage 1 recommendation from CBRE for the Brew House, Central Quay, Cardiff<br>Held inaugural Advisory Board Meeting | Develop marketing and communications plan<br>Fund launch, marketing and communications (combined with first investment for the Fund)<br>Active fund marketing strategy to continue to raise the Fund profile |                      |

Stage 1 approval for the Brew House, Central Quay, Cardiff.

- Build working relationship with Welsh Government / Development Bank of Wales
- Explore opportunity to widen fund focus into Low Carbon / Renewable projects
- Consider future grant allocation to support marginal projects and deliver better outputs
- Agree terms with external developer (lender) for Brew House
- Appoint advisors to undertake detailed due diligence
- Detailed due diligence for the Brew House

## 14. Fintech

| Programme Status   | Commentary  |
|--------------------|---|
| Page 52<br>Page 54 | <p>Largely considered “seed funding” this fund enables Baseline activity and requirements for a successful Fintech cluster in the CCR. It will set out a strategy and implementation plan to support the growth of the Fintech cluster in the CCR – developed by the cluster for the cluster.</p> <p>There has been a great deal of activity to test viability of some strategic initiatives in Q1. In this case the part funding of The Foundry (an accelerator programme for start-ups). This received over 150 applications from 28 countries including 27 from within Wales. Fully known achievements of this initial accelerator test are documented below. Under this, 8 participants were progressed on a 12-week programme with the assurance of a contract with a sponsor organisation as an outcome. Further information on the accelerator programme can be found at <a href="https://finfoundstage.wpengine.com/">https://finfoundstage.wpengine.com/</a> .</p> <p>The final outputs of this investment will manifest in Q2 as a compilation of baseline analysis and evidence, structured strategy and supported with a costed action plan. Any risk will centre around the quality of the products detailed. Close working relationship and input into the development of this work mitigates any significant risk leading to an assessment of low risk.</p> <p>Expenditure this quarter was £75,000. Total expenditure to date is £175,000. The full anticipated investment is £250,000. This investment is being matched by Fintech Wales to the value of £250,000 (combinations of time, services, expertise etc).</p> |

| Project | Project Stage | Key Achievements this quarter | Key milestones for next quarter | Project Status (RAG) |
|---------|---------------|-------------------------------|---------------------------------|----------------------|
|         |               |                               |                                 |                      |

|                |            |  |  |  |
|----------------|------------|--|--|--|
| <b>Fintech</b> | <b>SOC</b> | <p>First cohort of 8 participants selected by the Foundry</p> <p>First cohort will see £400,000 of added value services being accessed by the 8 participants, as well as the programme services they are able to access such as mentors, access to investors etc.</p> <p>The first cohort is anticipated to draw in £3M in private leverage by Q2 and will be followed closely by at least 2 large corporate keen to either invest, buy-out, or buy a service to support their continued growth.</p> | <p>Ratification and scrutiny of strategy and Action Plan</p> <p>Match funding reconciliation</p> <p>PSL monitoring</p> |  |
|----------------|------------|--|--|--|



15. CSC Connected

| Programme Status           | Commentary   |
|----------------------------|--|
| <p>Page 54<br/>Page 56</p> | <p>The anticipated outcome of the project is the establishment of a thriving and neutral space for wider coordination activities, operating at full capacity/occupancy, acting as the 'beating heart' of the Cluster. Acting as a seed for further development of a larger CS technology and business park on the Foundry site. Facilitation of a recognized and expanding Cluster that is embedded, valued and visible in its community. A persistent collective spirit of co-operation and co-creation. Exploitation of future global opportunities to create sustainable employment. Business culture shift in the region towards high productivity manufacturing.</p> <p>The anticipated benefits and outputs are 2167 direct additional employment in core cluster firms and NEW inward investors by 2030, £352M in exports of cluster firms, £260M Additional GVA per annum by 2030 (to include direct and indirect) and 5 new companies established in the region due to spin out, inward investment, start up by 2030.</p> <p>This quarter expenditure was £22,667. Total expenditure is £183,551 on project development costs to date and the total anticipated investment is £3.3M.</p> <p>Prospective risks on the project to be managed via due diligence and PM processes include; State Aid Compliance, finding most efficient tax structure for £6.6M capital investment, potential for insufficient Capital Budget / cost overrun- Insufficient budget to accommodate cost and time overrun, Property Lease Agreements - Failure to agree lease and sub-lease terms and conditions between all parties, UKRI compliance – failure to comply with UKRI terms and conditions.</p> <p>Since confirmation of the intention to award CSconnected SIPF funding in May 2020, Cardiff Capital Region, Cardiff University and the CSconnected team have examined multiple options to support the delivery of FOH in a state aid and procurement compliant way, whilst also delivering maximum tax efficiency, CCR have exhausted options with advisors Pinsent Masons, KPMG and JLL and although a deliverable solution has been identified at the Foundry, this is overly complex and will take further time and resources to complete due diligence and align with a robust and sustainable governance plan and business plan for CSConnected.</p> <p>Therefore, on reflection, CCR's current preference is to focus on the provision of the Cluster Co-ordination Activities and not build a large physical FoH headquarters at the Foundry.</p> |

| Project       | Project Stage | Key Achievements this quarter  | Key milestones for next quarter   | Project Status (RAG) |
|---------------|---------------|--|---|----------------------|
| CSC Connected | SOC           | Full FoH options appraisals, due diligences and full exploration activities and undertakings | <p>It is essential that decision-making is moved forward quickly, with an urgent priority to prepare a revised specification, agree changes, and propose a new delivery path.</p> <p>Next steps will therefore involve setting a new FOH working group to invite alternative options and evaluate the preferred approach.</p> |                      |



16. Cardiff City Deal Funding Profile March 2021

|                                    |        |        |              | Funding release by year  |               |               |               |               |             |         |         |        |
|------------------------------------|--------|--------|--------------|--------------------------|---------------|---------------|---------------|---------------|-------------|---------|---------|--------|
|                                    |        |        |              | UKG Total Committed (£M) | To date       | 2021/22       | 2022/23       | 2023/24       | 2024/25     | 2025/26 | 2026/27 | Beyond |
| Compound Semiconductor Sector      | Jul-17 | Jul-28 |              | 38.55                    | 37.168        | 1.382         |               |               |             |         |         |        |
| Metro Plus                         | Apr-19 | Apr-23 |              | 15                       | 0             | 3             | 5             | 5             | 2           |         |         |        |
| Creo Medical                       | Jul-20 | Jul-25 |              | 2.055                    | 2.055         |               |               |               |             |         |         |        |
| Graduate Scheme                    | Mar-19 | Mar-24 |              | 1.54                     | 0.269         | 0.423         | 0.423         | 0.425         |             |         |         |        |
| Housing Investment Fund            | Jan-21 | Mar-25 |              | 31.498                   | 0.661         | 0.522         | 10.198        | 10.117        | 10          |         |         |        |
| Challenge Fund                     |        |        |              | 10                       | 0.133         | 1.367         | 3.5           | 4.5           | 0.5         |         |         |        |
| Zip World                          | Mar-21 | Mar-25 |              | 4.4                      | 0             | 2.76          | 0.82          | 0.82          |             |         |         |        |
| Fintech project*under development* |        |        |              | 0.25                     | 0.1           | 0.15          |               |               |             |         |         |        |
| Metro Central                      |        |        |              | 40                       | 1.17          | 2             | 12.83         | 12            | 12          |         |         |        |
| Pharmatelligence                   | Dec-20 | Dec-23 |              | 2                        | 2             |               |               |               |             |         |         |        |
|                                    |        |        | <b>Total</b> | <b>145.293</b>           | <b>43.556</b> | <b>11.604</b> | <b>32.771</b> | <b>32.862</b> | <b>24.5</b> |         |         |        |

# Annual Business Plan Strategic Objectives Q1 Reporting 2021/2022



# Contents

- 2021 /2022 Annual Business Plan Objectives
- Objectives Annual Milestone plan - overview and delivery responsibilities
- Q1 Performance Report
  - Executive Summary
  - Q1 Milestone Delivery at a glance
  - Individual objective Q1 milestone progress updates

# 2021/2022 Strategic Objectives Annual Overview

| Strategic Themes               | Build Back Better   | Regionalism   | Scale-Up  | Level -Up  | Economic Clusters  |
|--------------------------------|---|---|---|--|--|
| CORE Objectives                | 1. Deliver the Investment Interventions outlined in the COVID-19 10 Point Priority-Set.   |   | 3. Deliver, manage and monitor a portfolio of approved projects and develop and maintain a pipeline of robust strategically aligned investment opportunities into the WiF |  | 4. Support the creation of industrial-scale eco-systems in priority sectors. |
| CORE Objectives                | 2. Mobilise delivery of the first stage of the CCR Energy Strategy  |   |   |  | 5. Commence delivery of the CCR Challenge Fund for Local Wealth Building     |
| ENABLING CAPABILITY Objectives | 6. Develop robust data insight and intelligence capabilities to inform and direct future policies, interventions and investments.   |   |   | 9. Articulate and utilise a pan-regional “levelling-up” investment prospectus to catalyse the creation of inward and co-investment propositions. |  |
|                                | 7. Put in place the Foundational elements for a CCR “Future Skills” Hub   | 8. Develop the mechanisms and processes for a CCR Corporate Joint Committee and operationalise the first phase of development for February 2022 |   |  |  |
| SUPPORT Objectives             | 10. Design and deliver a CCR marketing, communications and content strategy that continues to uplift brand awareness, reputation, investment interest and engagement – external and internal. |   |   |  |  |
| SUPPORT Objectives             | 11. Deploy Civica Mod Gov software for all democratic processes and papers and consider other platform requirements.  |   |   |  |  |
| SUPPORT Objectives             | 12. Undertake a systematic review of all internal processes with a view to streamlining prior to in-housing post CJC.   |   |   |  |  |

# 2021/2022 Strategic Objective Annual Milestone Plan

| Objective  | Q1 Milestones   | Q2 Milestones  | Q3 Milestones   | Q4 Milestones  |
|--|---|--|---|--|
| <p style="text-align: center;"><b>CORE</b></p> <p style="text-align: center;"><b>1. Deliver the Investment Interventions outlined in the COVID-19 10 Point Priority-Set.</b></p> | <ol style="list-style-type: none"> <li>Enquiry and Application process for Strategic Premises Fund opened. (RO'D)</li> </ol>  | <ol style="list-style-type: none"> <li>Innovation fund OBC approved by cabinet.(RT)</li> <li>Industrial and Economic Growth Plan refresh and review initiated.(RT)</li> <li>Gap analysis against current initiatives undertaken (RT)</li> </ol>  | <ol style="list-style-type: none"> <li>Updated Industrial and Economic Growth Plan incorporating Covid - 19 priorities issued. (RT)</li> <li>New initiatives surfaced through Q2 gap analysis scoped.(RT)</li> <li>1<sup>st</sup> Strategic sites and Premises fund investment approved (subject to DD) (RO'D)</li> </ol>   | <ol style="list-style-type: none"> <li>FBC for Innovation fund approved (RT)</li> <li>Fund Manager appointed.(RT)</li> </ol>   |
| <p style="text-align: center;"><b>CORE</b></p> <p style="text-align: center;"><b>Mobilise delivery of the first stage of the CCR Energy Strategy</b></p>                         | <ol style="list-style-type: none"> <li>Energy Strategy workshops on 4 thematic areas – Domestic, Industrial, Transport and Renewable Energy Generation held.(RO'D)</li> <li>Chief Executives Programme Board Net Zero Region Planning Day held to agree interim priorities. (RO'D)</li> <li>Interim priorities approved by cabinet (RO'D)</li> <li>Resource to support Race to Zero application and Carbon Disclosure application procured (RO'D)</li> <li>Engagement on proposal for digital twinning &amp; regional data systems and capability progressed with Flexis. (RO'D)</li> <li>Application to UKAE STEP programme submitted by CCR/VOG for development of Nuclear Prototype Project at Aberthaw.(ROD)</li> <li>Aberthaw site due diligence programme and sustainable energy master plan commenced. (RO'D)</li> </ol> | <ol style="list-style-type: none"> <li>Energy action plan produced with WGES. (RO'D)</li> <li>Partnership Agreement with FLEXIS Established (RO'D)</li> <li>Race to Zero application submitted ahead of COP26 (RO'D)</li> <li>Partnership Agreement between CCR and Reef Group established. (RO'D)</li> <li>Bid for the acquisition of Aberthaw Power Station submitted. (RO'D)</li> <li>Master plan prepared for repurposing of Aberthaw power station for a green energy hub (RO'D)</li> <li>Contracts for Cenex to prepare strategies for public and school transport awarded. (CC)</li> <li>Additional resources identified to support delivery of Transport and Energy programmes (RO'D)</li> </ol> | <ol style="list-style-type: none"> <li>Business case for the scoping of a region-wide Optimised Domestic Retro-fit Programme prepared. (RO'D)</li> <li>Project pipeline for discussion / development with the new UK National infrastructure Bank developed (RO'D)</li> <li>Roadmap to 2035 documented for Regional Cabinet. (RO'D)</li> <li>Stakeholder engagement plan documented and initiated.(RO'D)</li> </ol> | <ol style="list-style-type: none"> <li>Consider options for a Regional Energy Agency with capacity to drive co-ordinated, ambitious and bold action at scale whilst supporting local authorities to deliver local decarbonisation plans. (RO'D)</li> </ol> |

# 2021/2022 Strategic Objective Milestone Plan

| Objective  | Q1 Milestones   | Q2 Milestones   | Q3 Milestones   | Q4 Milestones   |
|--|---|---|---|---|
| <p><b>CORE</b></p> <p><b>3. Deliver, manage and monitor a portfolio of approved projects and develop and maintain a pipeline of robust strategically aligned investment opportunities into the WiF</b></p> | <ol style="list-style-type: none"> <li>1. Risk policy &amp; implementation plan developed (AM)</li> <li>2. Impact management framework developed (AM)</li> <li>3. Performance management framework developed (AM)</li> <li>4. IIF Strategy review implementation plan initiated (RT)</li> </ol> <p><b>NB: individual investment portfolio milestones reported separately.</b></p>   | <ol style="list-style-type: none"> <li>1. Consultation on outcomes, measures and metrics for impact monitoring conducted (AM)</li> <li>2. Additional resources to support workstreams put in place (RT)</li> <li>3. SharePoint project to support performance management activity initiated.(AM)</li> <li>4. IIF framework implementation plan (incl decision matrix for enquiries) phase 1 delivered. (RT)</li> </ol> <p><b>NB: individual investment portfolio milestones reported separately.</b></p>  | <ol style="list-style-type: none"> <li>1. Incorporation of full set of Performance management changes – (Risk/IIF/ ESG/ Impact-into BAU processes completed. (AM)</li> </ol> <p><b>NB: individual investment portfolio milestones reported separately.</b></p>  | <ol style="list-style-type: none"> <li>1. Alignment of Pipeline opportunities against revised Economic and Industrial plan and enhanced performance management framework review undertaken. (RT)</li> </ol> <p><b>NB: individual investment portfolio milestones reported separately.</b></p> |
| <p><b>CORE</b></p> <p><b>4. Support the creation of industrial-scale eco-systems in priority sectors</b></p>   | <ol style="list-style-type: none"> <li>1. Fin Tech (stage 1 and 2) base line analysis and Strategy completed, co authored and shaped. (SL)</li> <li>2. Fintech Foundry funding agreed and expedited. (SL)</li> <li>3. Fintech Foundry launch support and steering group participation provided. (SL)</li> <li>4. Initial due diligence on proposals for CCR match funding investment in CSconnected Front of House (RO'D)</li> <li>5. Stakeholder management exercise undertaken and partnership support for Medtech centre of excellence with C&amp;V and CTM Health Boards obtained for med tech centre of excellence business case proposal. (RB)</li> </ol> | <ol style="list-style-type: none"> <li>1. FinTech stage 3 action plan draft completed for consultation / approval (SL)</li> <li>2. First Foundry Cohort selected and accepted. (SL)</li> <li>3. CSconnected FOH Working Group established to consider new options for a distributed fixed, mobile and virtual FOH (RO'D)</li> <li>4. CCR to consider new opportunities for CCR investment in CSconnected SIPF (RO'D)</li> <li>5. Definition of “ Innovation” agreed.(JW)</li> <li>6. Innovation &amp; clusters strategy drafted and approved (JW)</li> <li>7. Innovation communications programme created (SC)</li> <li>8. Business case for med tech innovation centre for IP consideration produced (RB)</li> <li>9. Creative SIPF/ Media Cymru and related governance arrangements mobilised.(JW)</li> </ol> | <ol style="list-style-type: none"> <li>1. Review and approval of Fintech Wales costed action plan (SL)</li> <li>2. Initiation of FTW proposals (SL)</li> <li>3. Project Change Request (PCR) for revised FOH proposal submitted by the CSconnected SIP Partners approved by UKRI (RO'D)</li> <li>4. CSconnected Steering Board and Chief Technical Officers Group (CTO) approved revised FOH proposals (RO'D)</li> <li>5. Internal Medtech team to progress agreed clusters strategy and stakeholder engagement appointed. (JW)</li> <li>6. Cyber masters Programme launched. (JW)</li> </ol> | <ol style="list-style-type: none"> <li>1. CCR Regional Cabinet approval for investment in CSconnected SIPF (RO'D)</li> </ol>  |



# 2021/2022 Strategic Objective Milestone Plan

| Objective   | Q1 Milestones   | Q2 Milestones   | Q3 Milestones  | Q4 Milestones  |
|---|---|---|--|--|
| <p><b>CORE</b></p> <p><b>5. Commence delivery of the CCR Challenge Fund for Local Wealth Building</b></p>   | <ol style="list-style-type: none"> <li>1. Team recruitment completed <b>(GB)</b></li> <li>2. Advisory Board/ Strategic Board meetings held <b>(GB)</b></li> <li>3. Back office processes developed. <b>(GB)</b></li> <li>4. Identifying and building Strategic relationships with key stakeholders initiated <b>(GB)</b></li> <li>5. Engagement / outreach schedule created. <b>(GB)</b></li> <li>6. Delivery vehicle for LEV Fleet challenge agreed <b>(KTN) (GB)</b></li> </ol> | <ol style="list-style-type: none"> <li>1. New Challenge fund website launched <b>(GB)</b></li> <li>2. Links with INFUSE and EEIC to enhance capacity building strengthened. <b>(GB)</b></li> <li>3. Stakeholder engagement schedule executed <b>(GB)</b></li> <li>4. Bid development phase for new and resubmission bids supported <b>(GB)</b></li> <li>5. Research exercise on challenge approaches and models conducted. <b>(GB)</b></li> </ol> | <ol style="list-style-type: none"> <li>1. Approved bids progressed <b>(GB)</b></li> <li>2. 2 new challenges launched <b>(GB)</b></li> <li>3. Strengthen and more fully integrate Challenge Fund opportunities across wider City Deal Programmes. <b>(GB)</b></li> </ol>  | <ol style="list-style-type: none"> <li>1. Business/ Financial Plans for Challenge Fund critically reviewed <b>(GB)</b></li> <li>2. Options/recommendations for evolving Challenge fund approach identified. <b>(GB)</b></li> </ol>   |
| <p><b>ENABLING</b></p> <p><b>6. Develop robust data insight and intelligence capabilities to inform and direct future policies, interventions and investments</b></p> | <ol style="list-style-type: none"> <li>1. CCR Economic Insights Exchange partnership established. <b>(RT)</b></li> <li>2. Terms of Reference for Insights Partnership agreed <b>(RT)</b></li> </ol>   | <ol style="list-style-type: none"> <li>1. Document and agree MOU arrangement with Cardiff University. <b>(RT)</b></li> </ol>  | <ol style="list-style-type: none"> <li>1. Team workshops held to agree scope for data/ insight gathering activity. <b>(RT)</b></li> <li>2. Brief for EIE to derive insight and impact metrics agreed. <b>(RT)</b></li> <li>3. Baseline data gathering / research conducted. <b>(RT)</b></li> </ol>                         | <ol style="list-style-type: none"> <li>1. Economic insight measures for baselining agreed. <b>(RT)</b></li> <li>2. Measurable impact orientated KPI's for investment portfolio agreed. <b>(RT)</b></li> <li>3. Outline dashboard proforma(s) agreed <b>(RT)</b></li> </ol> |
| <p><b>ENABLING</b></p> <p><b>7. Put in place the Foundational elements for a CCR "Future Skills" Hub</b></p>  | <ol style="list-style-type: none"> <li>1. Skills hub master branding and marketing plan agreed. <b>(SC)</b></li> </ol>  | <ol style="list-style-type: none"> <li>1. New "skills hub" brand and website launched <b>(SC)</b></li> <li>2. Contracts for Graduate programme support services awarded. <b>(NS)</b></li> <li>3. Team capacity review undertaken and recruitment initiated. <b>(NS)</b></li> <li>4. New Graduate scheme plan delivery processes and scale – up plans commenced. <b>(NS)</b></li> </ol>  | <ol style="list-style-type: none"> <li>1. Skills coordinator role recruited. <b>(NS)</b></li> <li>2. RSP research on learner and employers engagement analysed. <b>(NS)</b></li> <li>3. Arad report on apprenticeships completed <b>(NS)</b></li> <li>4. RSP Post-CJC engagement dialogue initiated <b>(NS)</b></li> </ol> | <ol style="list-style-type: none"> <li>1. Explore potential opportunities for further talent pathways within priority sectors. <b>(NS)</b></li> <li>2. Processes created to ensure that future investments and talent requirements are aligned. <b>(NS)</b></li> </ol>     |

# 2021/2022 Strategic Objective Milestone Plan

| Objective  | Q1 Milestones   | Q2 Milestones  | Q3 Milestones   | Q4 Milestones  |
|--|---|--|---|--|
| <p><b>ENABLING</b></p> <p>8. Develop the mechanisms and processes for a CCR Corporate Joint Committee and operationalise the first phase of development for February 2022</p>  | <ol style="list-style-type: none"> <li>Options Identified (KB)</li> <li>Potential Future Functions of CJC articulated (KB)</li> <li>Stakeholder discussions progressed (KB)</li> </ol>  | <ol style="list-style-type: none"> <li>Option approved (KB)</li> <li>Planning initiated (KB)</li> <li>Naming conventions agreed (KB)</li> </ol>  | <ol style="list-style-type: none"> <li>Resources assigned / recruited (KB)</li> <li>Steering group appointed (KB)</li> <li>Workstreams initiated (KB)</li> <li>Delivery commenced (KB)</li> </ol>   | <ol style="list-style-type: none"> <li>CJC operationalised (KB)</li> </ol>   |
| <p><b>ENABLING</b></p> <p>9. Articulate and utilise a pan-regional “levelling-up” investment prospectus to catalyse the creation of inward and co-investment propositions.</p>   | <ol style="list-style-type: none"> <li>CCR Investment Prospectus produced and published (SC)</li> <li>Supplemental appendix for Rail produced and published (SC)</li> <li>Supplemental appendixes for and Energy produced (RoD)</li> <li>Stakeholder engagement initiated. (SC)</li> </ol>  | <ol style="list-style-type: none"> <li>Supplemental appendix for Energy published. (SC)</li> <li>31 Ten commission to undertake Fibre to Premises research on the market/ sources of Gov support completed (RT)</li> <li>CCR proposal for a CFIT ( Centre for Financial innovative Technology) in Cardiff initiated and submitted via Welsh Office. (SL)</li> </ol>                                | <ol style="list-style-type: none"> <li>Post research - Market call for investment proposals for FTTP issued. (RT)</li> <li>Progress decision on CFIT (SL)</li> </ol>  | <ol style="list-style-type: none"> <li>FTTP proposals to progress agreed. (RT)</li> </ol>  |
| <p><b>SUPPORT</b></p> <p>10. Design and deliver a CCR marketing, communications and content strategy that continues to uplift brand awareness, reputation, investment interest and engagement- external and internal</p> | <ol style="list-style-type: none"> <li>Content strategy executed (SC)</li> <li>Fintech series created (SC)</li> <li>Branding Concepts for new skills hub agreed (SC)</li> <li>Challenge fund website build initiated (SC)</li> <li>Business insights survey created and issued (SC)</li> <li>Engagement increased (SC)</li> <li>Content for Q2 agreed (SC)</li> </ol> | <ol style="list-style-type: none"> <li>Content strategy executed (SC)</li> <li>Energy Series created and published (SC)</li> <li>New Skills hub designed, copywritten and deployed (SC)</li> <li>Business Council Plan created</li> <li>Strategic sites and Premises web pages agreed (SC)</li> <li>Internal communications approach discussed (SC)</li> <li>Content for Q3 agreed (SC)</li> </ol> | <ol style="list-style-type: none"> <li>Content strategy executed (SC)</li> <li>Challenge Fund Website launched (LR)</li> <li>Innovation Communications plan initiated (SC)</li> <li>Future skills hub content strategy agreed. (SC)</li> <li>Digital Technology campaign produced and published (SC)</li> <li>Content for Q4 agreed (SC)</li> <li>Additional Resourcing requirements agreed/ recruited. (SC)</li> </ol> | <ol style="list-style-type: none"> <li>External content Strategy executed (SC)</li> <li>Websites future development plan created (SC)</li> <li>Photoshoot commissioned (SC)</li> <li>Internal communications strategy and plan agreed (SC)</li> <li>Sector campaign (TBC) produced and published (SC)</li> </ol> |

# 2021/2022 Strategic Objective Milestone Plan

| Objective   | Q1 Milestones   | Q2 Milestones  | Q3 Milestones  | Q4 Milestones   |
|---|---|--|--|---|
| <p style="text-align: center;"><b>SUPPORT</b></p> <p><b>11. Deploy Civica Mod Gov software for all democratic processes and papers and consider other platform requirements</b></p>   | <ol style="list-style-type: none"> <li>1. Platform options investigated</li> <li>2. Mod Gov selected (EF/NB)</li> <li>3. Training for key administrators undertaken (EF/NB)</li> <li>4. Local authorities updated and Leaders and Chief Executives registered . (EF/NB)</li> <li>5. CCR templates and formats set up. (EF/NB)</li> <li>6. Content and interface with CCR website agreed (EF/NB)</li> <li>7. Initial content uploaded including 2021 meetings and Registers of Interests. (EF/NB)</li> </ol> | <ol style="list-style-type: none"> <li>1. Modern.Gov for management of the Regional Cabinet and RTA reporting processes implemented. (EF/NB)</li> <li>2. Report writing function in Modern.Gov implemented and aligned with CCR forward planning. (EF/NB)</li> <li>3. Training and support provided to team to assist embedding new report writing and committee management processes (EF/NB)</li> <li>4. Core BAU content admin and maintenance processes deployed (EF/NB)</li> <li>5. Further training / knowledge building for key administrators undertaken (EF/NB)</li> </ol> | <ol style="list-style-type: none"> <li>1. Continuing supporting for report authors and local authority users of Modern.Gov provided. (EF/NB)</li> <li>2. System enhancements identified and implemented (EF/NB)</li> <li>3. Commence set up of other committees in Modern.Gov on a committee-by-committee basis initiated (EF/NB)</li> <li>4. Training provided as required for other committee members (EF/NB)</li> <li>5. Consider CRM / Contact management platform requirements for business engagement and stakeholder management (NS)</li> </ol> | <ol style="list-style-type: none"> <li>1. Complete implementation of CCR committees in Modern.Gov (EF/NB)</li> <li>2. Maintenance of system (ongoing). (EF/NB)</li> <li>3. Maintenance of content (ongoing). (EF/ NB )</li> </ol> |
| <p style="text-align: center;"><b>SUPPORT</b></p> <p><b>12. Undertake a systematic review of all internal processes with a view to streamlining prior to in-housing post CJC.</b></p> | <p>N/A</p>  | <ol style="list-style-type: none"> <li>1. Resource to undertake task recruited (RT)</li> <li>2. Brief created (RT)</li> </ol>  | <ol style="list-style-type: none"> <li>1. Processes prioritised (TBC)</li> <li>2. Format and approach agreed (TBC)</li> <li>3. Processes documented (TBC)</li> <li>4. Updated guidelines communicated / training provided to team.(TBC)</li> </ol>   | <ol style="list-style-type: none"> <li>1. Rolling programme of process documentation and continual improvement agreed (TBC)</li> </ol>  |

# 2021 / 22 Annual Business Plan

## Q1 Progress Update against strategic Objective key milestones

# Executive Summary

**An extremely productive quarter with a significant number of material milestones delivered**

Key Highlights for this quarter include:

- ✓ **Strategic Sites and Premises** fund opened for applications. The first loan is at the contracting stage and we have an emerging pipeline of new developments and refurbishment opportunities representing an approximate 500,000 sq. ft of new employment space for the region.
- ✓ Interim priorities on our **Energy Strategy** were agreed and have been subject to extensive engagement and detailed planning activity. Resource has been mobilised to work on the Race to Zero application and CDP data collation and initial opportunities for repurposing Aberthaw for Nuclear Step Fusion were progressed including the application to UKAE STEP.
- ✓ Good progress has been made in putting robust and **proportionate processes in place to oversee portfolio delivery of approved projects** – this includes approving the Responsible investing policy, updating the risk policy and enhancing the performance and reporting frameworks.
- ✓ Great foundational work has been undertaken in **Fintech sector**, with the launch of the extremely successful Foundry Accelerator potentially providing a model for replication in other sectors. The **Medtech Centre of Excellence** proposals has gained significant momentum and good progress has been made to resolve the complexities that had arisen on the Cconnected FoH proposals.
- ✓ The Challenge Fund team is now at full compliment, and have undertaken extensive stakeholder engagement. We have supported the SBRI Centre of Excellence with development of the **Tracheostomy Challenge**, run an Accelerating Decarbonisation workshop and engaged the KTN to host a discussion on Electric Fleet Vehicles with the 10 local authorities.
- ✓ A CCR **Economic Insights Exchange Partnership** has been established with Cardiff University and a TOR agreed. This is a critical enabler for ensuring we have the necessary data to inform the evolution of the City Deal activity into a more holistic CJC operating environment.

# Executive Summary

**An extremely productive quarter with a significant number of material milestones delivered**

## Key Highlights for this quarter include cont'd :

- A new Master Brand – **Venture** - has been created to cover all the **skills based initiatives** that the CCR may either directly fund initiatives like the Graduate Programme ( Venture Graduate) plus the more niche programmes ( Venture Specialist) we may co-fund or support indirectly. E.G. Infuse. This will give us a professional platform to amplify our skills strategies in a coherent manner to the market. Launching September 13.
- ✓ Governance and delivery options report to Regional Cabinet produced for 20<sup>th</sup> September 2021, which if approved, will effectively 'establish' the CCR Corporate Joint Committee. This report will be shared with the ten LAs for individual Councils to be informed and signed up to the formation of the CCR CJC. The report establishes a **preferred governance model on a 'lift and shift' basis** with further evolution required in order to optimise delivery structures, minimise risk and promote the most effective forms of governance, openness and probity. It further sets out a **Transition Plan and a Transition Board** – as a sub-group of Regional Cabinet in order to make recommendations and provide strategic and timely advice to decision-makers. The Plan seeks to provide a mechanism for engagement and stakeholder inclusion at every stage of the process. There are **five work-stream themes which include: Legal/governance; Finance and resourcing; HR and people; Functions; and Stakeholders and engagement**. The idea is that these will not form 'groups' but be participative work streams progressing the operational detail needed to effect the transition by 28 February 2022. In addition to all this, work is ongoing with Welsh Government to inform consultation on future functions, powers and regulations and to ensure provisions are fit for future purpose and the direction being advanced by CCR. Information is being shared ongoing with colleagues within WG and a model of strong co-operative participation is being developed. In addition, engagement and communications is ongoing with all CCR partnerships, sub-committees and advisory boards; the Wales Office and MHCLG; Audit Wales and colleagues across all ten local authorities.
- ✓ We have created, produced, published and engaged extensively around a suite of **regional investment prospectuses**. This has enabled us to showcase the level of ambition we possess for the necessary longer term investment into the Region and has led to good dialogue with the UK Gov in Wales team.
- ✓ Our **external communications activity** has included, 15 industry features 4 Thought Leadership articles 3 Press Releases 3 Digital Discussions , a newsletter, a business insights survey , a curation on the fintech sector and considerable work on new websites for Skills, Challenge Fund Activity continues to result in a continuing upward trajectory of engaged followers.
- ✓ Finally, Q1 saw all the foundational elements put in place to deploy **Mod Gov** for all future CCR democratic process activity. Subsequent phases will now focus on embedding the new ways of working into the team and through the committee structures.

# 2021/2022 Q1 Milestone Delivery - At A Glance

## Deliver the Investment Interventions outlined in the COVID-19 10 Point Priority-Set.

1. Enquiry and Application process for Strategic Premises Fund opened.

## Deliver, manage and monitor a portfolio of approved projects and develop / maintain a pipeline of robust strategically aligned investment opportunities into the WIF.

1. Performance management framework developed
2. Risk policy & implementation plan developed
3. Impact management framework developed
4. IIF Strategy review implementation plan initiated

**NB: individual investment portfolio milestones reported separately.**

## Articulate and utilise a pan-regional “levelling-up” investment prospectus to catalyse the creation of inward and co-investment propositions.

1. CCR Investment Prospectus produced and published
2. Supplemental appendix for Rail produced and published
3. Supplemental appendixes for and Energy produced
4. Stakeholder engagement initiated.

## Design and deliver a CCR marketing, communications and content strategy that continues to uplift brand awareness, reputation, investment interest and engagement- external and internal

1. Content strategy executed
2. Fintech series created
3. Branding Concepts for new skills hub agreed
4. Challenge fund website build initiated
5. Business insights survey created and issued
6. Engagement increased
7. Content for Q2 agreed

## Mobilise delivery of the first stage of the CCR Energy Strategy

1. Energy Strategy workshops on 4 thematic areas – Domestic, Industrial, Transport and Renewable Energy Generation held.
2. Chief Executives Programme Board Net Zero Region Planning Day held to agree interim priorities.
3. Interim priorities approved by cabinet
4. Resource to support Race to Zero application and Carbon Disclosure application procured
5. Engagement on proposal for digital twinning & regional data systems and capability progressed with Flexis.
6. Application to UKAE STEP programme submitted by CCR/VOG for development of Nuclear Prototype Project at Aberthaw.
7. Aberthaw site due diligence programme and sustainable energy master plan commenced.

## Develop robust data insight and intelligence capabilities to inform and direct future policies, interventions and investments

1. CCR Economic Insights Exchange partnership established.
2. Terms of Reference for Insights Partnership agreed

## Deploy Civica Mod Gov software for all democratic processes and papers and consider other platform requirements

1. Platform options investigated
2. Mod Gov selected
3. Training for key administrators undertaken
4. Local authorities updated and Leaders and Chief Executives registered.
5. CCR templates and formats set up.
6. Content and interface with CCR website agreed.
7. Initial content uploaded including 2021 meetings and Registers of Interests.

## Commence delivery of the CCR Challenge Fund for Local Wealth Building

1. Team recruitment completed
2. Advisory Board/ Strategic Board meetings held (GB)
3. Back office processes developed.
4. Identifying and building Strategic relationships with key stakeholders initiated
5. Engagement / outreach schedule created.
6. Delivery vehicle for LEV Fleet challenge agreed (KTN)

## Support the creation of industrial-scale eco-systems in priority sectors

1. Fin Tech (stage 1 and 2) base line analysis and Strategy completed, co authored and shaped.
2. Fintech Foundry funding agreed and expedited.
3. Fintech Foundry launch support and steering group participation
4. Initial due diligence on proposals for CCR match funding investment in CScnnected Front of House undertaken.
5. Stakeholder management exercise undertaken and partnership support for Medtech centre of excellence with C&V and CTM Health Boards obtained for med tech centre of excellence business case proposal.

## Put in place the Foundational elements for a CCR “Future Skills” Hub

1. Skills hub master branding and marketing plan agreed.

## Develop the mechanisms and processes for a CCR Corporate Joint Committee and operationalise the first phase of development for February 2022

1. Options Identified
2. Potential Future Functions of CJC articulated
3. Stakeholder discussions progressed

# Objective 1 - BBB Deliver the Investment Interventions outlined in the COVID-19 10 Point Priority-Set.

## Executive Summary

Activity in the first quarter has focused on a soft launch of the Strategic Sites and Premises fund and engagement across all local authorities. Pipeline is building with a good balance of immediate opportunities and a longer list of projects in the pipeline representing an approximate 500,000 sq. ft of new employment space for the region. In subsequent quarters emphasis will move onto to finalising the Innovation Investment fund for cabinet consideration.

### 1. Q1 Milestone Plan

1. Application process for Strategic Premises Fund opened.

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### Progress Summary

1. Following the cabinet approval of the establishment of the £50m Strategic Sites and Premises fund in March, the fund opened for initial enquiries in April with plans to launch the fund to the wider market later this year.
2. To date discussions have been held with all 10 Local Authorities and work is in progress collating a detailed pipeline.
3. A mixture of short, medium and long term projects and a balance of new developments and refurbishment opportunities across the entire Region is being considered
4. Our first loan is in the contracting stage for drawdown later this year and we are actively engaged in initial discussions on 3 further projects with the aim of converting into investments through 2021/22

### Risks encountered this quarter

1. None identified on the SS&P fund
2. Some risk re availability of specialist resource to drive forward the Innovation fund through the Business Case processes.

### Actions Taken



# Objective 2 – Mobilise Delivery of the first stage of the CCR Energy Strategy

## Executive Summary

Regional Cabinet have approved interim energy priorities leading up to CJC in Feb 2022. Detailed action plans are being drafted in partnership with WGES and initial opportunities being progressed with Aberthaw Power Station, and Domestic retrofit.

### 1. Q1 Milestone Plan

1. Energy Strategy workshops on 4 thematic areas – Domestic, Commercial/Industrial, Transport and Renewable Energy Generation held.
2. Chief Executives Programme Board Net Zero Region Planning Day to agree interim priorities prior to CJC
3. Regional Cabinet sign off for interim priorities
4. Resource procurement to support Race to Zero application and Carbon Disclosure application
5. Engagement on proposal for digital twinning & regional data systems and capability progressed with Flexis.
6. Application to UKAE STEP programme submitted by CCR/VOG for development of Nuclear Prototype Project at Aberthaw.
7. Aberthaw site due diligence programme commenced along with sustainable energy master plan.

### Progress Summary

1. Thematic workshops completed to inform Energy Action Plan and route to 2035 target delivery.
2. Programme Board agreed interim priorities at net zero away day.
3. Regional Cabinet approved interim priorities and budget approval of £500K.
4. Consultant appointed to lead on application for Race to Zero before COP26, together with collation of necessary information from individual LA's for submission of CDP in June 2022.
5. Initial scoping of digital twin and regional data requirements completed at Net Zero away day led by Flexis.
6. Application submitted to UKAE for repurposing of Aberthaw power station for potential nuclear fusion test site.
7. Due diligence underway to understand the technical and environmental suitability of Aberthaw for nuclear fusion in partnership with Reef Group and UKAE.
8. Master plan commenced for the site to consider wider uses beyond nuclear fusion for renewable energy generation and digital giga plant. Evaluation of legal, financial and environmental liabilities underway to inform decision for CCR to acquire the site.

### Risks encountered this quarter

1. Lack of capital and revenue funding
2. Resource capacity to deliver emerging programme of work
3. Consensus of partners on preferred way forward
4. Skills implications involved in new markets and management of transitions in labour markets

### Actions Taken

1. Development of resource strategy to manage emerging programme of opportunities for investment
2. Initial discussions with new UK Infrastructure Bank and other funding providers
3. Ongoing consultation and engagement with all LA's
4. Regional Skills Partnership and Bridgend College invited to sit on Energy Steering Group

# Objective 3 - Deliver, manage and monitor a portfolio of approved projects and develop and maintain a pipeline of robust strategically aligned investment opportunities into the WiF

## Executive Summary

Following the Investment & Intervention Framework Review undertaken in 2020/21, good progress has been made in Q1 of 2021/22 in putting robust and proportionate processes in place to oversee portfolio delivery of approved projects – this includes approving the Responsible investing policy, updating the risk policy and enhancing the performance and reporting frameworks.

### 1. Q1 Milestone Plan

1. Risk policy & implementation plan developed .
2. Impact management framework developed
3. Performance management framework developed
4. IIF Strategy review implementation plan initiated

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### Progress Summary

1. Risk Policy updated and approved by Regional Cabinet – June 2021. Implementation of key aspects of the Risk policy now underway.
2. Outcome Statements developed as part of the Investment and Intervention Framework Review being embedded into a refreshed investment strategy that is impact focussed.
3. Performance and Impact Framework developed. Currently being consulted with a view to approve in Q2.
4. Implementation Plan for the IIF review developed and actions underway. All actions planned to be completed during Q2 and Q3 of 2021/22

### Risks encountered this quarter

1. Capacity to build internal capability and recruitment timescales may impinge progress
2. Management reporting infrastructure presently in infancy and requiring further development
3. Capacity building to support management reporting on milestones as well as progress all the other key objectives.

### Actions Taken

We are recruiting interim capacity via external agencies to support workload as medium/long term plans are finalised and resourced.

# Objective 4 - Support the creation of industrial-scale eco-systems in priority sectors.

## Executive Summary

Great foundational work undertaken in Fintech sector, given a potential model for replication in other sectors. Medtech Centre of Excellence proposals has gained significant momentum and progress has been made to resolve the complexities that had arisen on the Csconnected FoH proposals.

| 1. Q1 Milestone Plan  | Progress Summary   |
|---|--|
| <p>1. Fin Tech (stage 1 and 2) base line analysis and Strategy completed, co authored and shaped.</p> <p>2. Fintech Foundry funding agreed and expedited.</p> <p>Fintech Foundry launch support and steering group participation provided.</p> <p>Initial due diligence on proposals for CCR match funding investment in CSconnected Front of House</p> <p>5. Stakeholder management exercise undertaken and partnership support for Medtech centre of excellence with C&amp;V and CTM Health Boards obtained for med tech centre of excellence business case proposal.</p> | <p>1. Activity in the first quarter has revolved around progressing the Fintech cluster Connected strategy and supporting the launch of the Fintech Foundry accelerator scheme. This has been enormously successful , providing a potential future model for other sectors in due course.</p> <p>2. We concluded extensive professional advice (State Aid, Procurement, VAT and tax analysis, contractual structures, strategic requirement). Conclusions included the structure was compliant but:</p> <ul style="list-style-type: none"> <li>➤ It is overly complex: multiple contract and lease amendments, onerous state aid compliance,</li> <li>➤ It requires funds to pass through a public body (not SIPF compatible)</li> <li>➤ Revenue commitments to long-term operating model/ funding of FOH activities required making it challenging for CSconnected as a start-up.</li> <li>➤ External changes: Covid, new buildings and expansion across cluster, regional government structures...</li> </ul> <p>Therefore conclusion reached June 2021: CCR's preference is to prioritise support for CSconnected cluster coordination and not to invest in a single very large FoH headquarters at the Foundry building.</p> <p>3. Considerable engagement has taken place in the preparation work leading up to the production of a business case for a MedTech centre of excellence.</p> |

| Risks encountered this quarter  | Actions Taken   |
|---|---|
| <p>1. State aid and procurement compliance</p> <p>2. VAT and Tax efficiency</p> <p>3. Compliance with UKRI terms and conditions</p> | <p>Simplification of contractual and financial structures for delivery of FOH and CCR capital investment.</p> |

# Objective 5 - Commence delivery of the CCR Challenge Fund for Local Wealth Building

## Executive Summary

In Q1, the Challenge Fund team delivered two workshops (1 general briefing and 1 Accelerating Decarbonisation), supported the SBRI Centre of Excellence to with development of the Tracheostomy Challenge and engaged the KTN (Knowledge Transfer Network) to host a discussion on Electric Fleet Vehicles with 10 local authorities.'

### 1. Q1 Milestone Plan

1. Team recruitment completed
2. Advisory Board/ Strategic Board meetings held
3. Back office processes developed.
4. Identifying and building Strategic relationships with key stakeholders initiated
5. Engagement / outreach schedule created.
6. Delivery vehicle for LEV Fleet challenge agreed (KTN)

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### Progress Summary

1. Project Development Officer and Project Support Officer recruited to CCR Challenge Fund team. Programme Manager, Admin & Events Officer and Researcher recruited to Cardiff University (delivery partner).
2. Advisory Board meeting held 14<sup>th</sup> April, Strategy Board held 20<sup>th</sup> April.
3. Processes developed for finance, claim processing, risk reporting and general project management.
4. Meetings held with stakeholders including local authorities, Cardiff and Vale Health Board, InFuSe, Transport for Wales, Life Sciences Hub Wales.
5. Schedule of workshops planned – 2 workshops held in Q1 (Introduction to the Challenge Fund and Accelerating Decarbonisation).
6. Engaged the KTN (Knowledge Transfer Network) to facilitate development of the LEV fleet challenge with the 10 CCR local authorities

### Risks encountered this quarter

1. Insufficient appetite for challenges amongst stakeholders
2. Quality of challenge submissions and alignment to CCR outcomes
3. Challenge ownership/resourcing in delivery phases
4. Loss of key personnel
5. Local business engagement and securing shared prosperity within region
6. Delivery mechanisms e.g. grant

### Actions Taken

- Risk register is reviewed and updated quarterly.
- Key risks are raised with Cardiff University at monthly management meetings.
- Risks and mitigating actions are reported as part of quarterly highlight reporting.

# Objective 6 - Develop robust data insight and intelligence capabilities to inform and direct future policies, interventions and investments

## Executive Summary

This is a key objective for delivery in 2021/22 as it will provide a solid foundation for future policy work for the CCR and provide strategic evaluation of the City Deal programme. Key miles stones in Q1 delivered and on track to have a functioning unit by end of the calendar year.

### 1. Q1 Milestone Plan

1. CCR Economic Insights Exchange partnership established.
2. Terms of Reference for Insights Partnership agreed

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### Progress Summary

1. CCR Economic Insights Exchange Partnership established – involving members of REGP, Cardiff University, and Office of the CCR City Deal. Partnership to expand to include Cardiff Met and USW.
2. Terms of Reference developed and approved at the first meeting of the CCR Economic Insights Exchange partnership board in June 2021. The partnership is in the process of being formalised through the signing of a Memorandum of Understanding in Q2.

### Risks encountered this quarter

1. Resourcing and capacity within CCR is presently low to analyse, interpret and share forthcoming intelligence from any agreement with CU and make any intelligence unit reports meaningful
2. Systems and data need improving and investment
3. Policy and governance arrangements presently lacking

### Actions Taken

1. Recruiting to a new position of Head of Governance, Policy and Communications to provide leadership to this area. Recruitment to be finalised in Q2.
2. Finalising MoU to support establishment of the CCR Economic Insights Exchange supported by new resources – 1 policy officer in CCR and additional capacity with university partners

# Objective 7 - Put in place the Foundational elements for a CCR “Future Skills” Hub

## Executive Summary

Activity this quarter has focused on the setting up a new brand capable of covering all the skills based initiatives that the CCR may touch either directly funded initiatives like the Graduate Programme or other more niche programmes we may co-fund or support indirectly.

### 1. Q1 Milestone Plan

1. New Skills hub master branding and marketing plan agreed.

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### Progress Summary

1. A new branding concept has been agreed – Venture – Find your Future and this will go live in Q2 with a renamed and refreshed graduate programme – Venture Graduate alongside some of the niche schemes we are supporting – Venture Specialist. This will give us the core foundational capability upon which we can build out and enhance the support we can provide on skills related initiatives into the business communities.
2. Subsequent to more resource being recruited into the team – in Q3 – the wider skills strategy will be revisited, and a future action plan prioritised.

### Risks encountered this quarter

1. Insufficient intelligence and research on the skills landscape to underpin the creation of a robust strategy and plan.
2. Risk of duplication and overlap with key stakeholders without undertaking mapping of present roles and skills offerings.
3. Lack of capacity within the team to mobilise further activity

### Actions Taken

1. Further roles to be recruited
2. Research currently underway to address the knowledge gaps

# Objective 8- Develop the mechanisms and processes for a CCR Corporate Joint Committee and operationalise the first phase of development for February 2022

## Executive Summary

The CJC Wales (2020) legislation requires the Cardiff Capital Region to establish a new Corporate Joint Committee by 28 February 2022. This will enable the transition and evolution of the current CCR City Deal (a single funding programme) into a corporate entity capable of hosting, developing and delivering a wide range of funding programmes, strategic and delivery functions and establishing the powers and mechanisms to develop the future of the Capital City Region.

### 1. Q1 Milestone Plan

1. Options Identified
2. Potential Future Functions of CJC articulated
3. Stakeholder discussions progressed

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### Progress Summary

- Governance and delivery options report to Regional Cabinet produced for 20<sup>th</sup> September 2021, which if approved, will effectively 'establish' the CCR Corporate Joint Committee.
- This report will be shared with the ten LAs for individual Councils to be informed and signed up to the formation of the CCR CJC. The report establishes a preferred governance model on a 'lift and shift' basis with further evolution required in order to optimise delivery structures, minimise risk and promote the most effective forms of governance, openness and probity.
- It further sets out a Transition Plan and a Transition Board – as a sub-group of Regional Cabinet in order to make recommendations and provide strategic and timely advice to decision-makers.
- The Plan seeks to provide a mechanism for engagement and stakeholder inclusion at every stage of the process. There are five work-stream themes which include: Legal/ governance; Finance and resourcing; HR and people; Functions; and Stakeholders and engagement. The idea is that these will not form 'groups' but be participative work streams progressing the operational detail needed to effect the transition by 28 February 2022.
- In addition to all this, work is ongoing with Welsh Government to inform consultation on future functions, powers and regulations and to ensure provisions are fit for future purpose and the direction being advanced by CCR. Information is being shared ongoing with colleagues within WG and a model of strong co-operative participation is being developed. In addition, engagement and communications is ongoing with all CCR partnerships, sub-committees and advisory boards; the Wales Office and MHCLG; Audit Wales and colleagues across all ten local authorities.
- At the same time as this work goes on, focus remains on delivery the CCR City Deal and ramping up the scale of impact and outcomes.

### Risks encountered this quarter

- Timing issues – WG continue to consult on functions and future regulations at the same time CCR is adopting 'forerunner' status and implementing legislation. This makes planning for what is effectively unknown difficult – but at same time is the opportunity to shape and inform functions to be fit for future purpose
- There are issues still to be discussed and negotiated with WG re: functions, powers and levers and importantly issues such as VAT status. It is important that CCR should be in no worse position at least initially, with further benefits to further its development and strengths over time
- Budget issues will need to be bottomed out and ongoing WG support to enable full transition to an optimal model over time

### Actions Taken

- Meeting with WG and legal advisors on levers, powers and legal endeavours used to date to ensure they can be incorporated into regulations
- Agreement over 'no worse off' principle with WG to provide assurances and safeguards into Cabinet Report with legal wording to be agreed and provided
- WG assessing VAT status issues – update imminent
- Issues being pre-empted re: s. 33 and borrowing powers – WG to confirm position but agreed that views and positions are aligned
- Interim issues worked through re: status of projects, tax issues and so on. Specific issues in relation to VAT status and accounting systems
- WG comments around scrutiny and engagement being taken on board

# Objective 9 -Articulate and utilise a pan-regional “levelling-up” investment prospectus to catalyse the creation of inward and co-investment propositions.

## Executive Summary

Publication and wider engagement around the suite of prospectuses have enabled us to showcase the level of ambition we possess for the longer term investment into the Region and enabled a new dialogue to commence with UK Gov in Wales.

### 1. Q1 Milestone Plan

1. CCR Investment Prospectus produced and published
2. Supplemental appendix for Rail produced and published
3. Supplemental appendixes for and Energy produced
4. Stakeholder engagement initiated.

### Progress Summary

1. Both the Investment prospectus and the Rail Appendix have been published widely and are on the CCR website.
2. Both are now capable of providing an anchor point for the formulation of sector related investment proposals
3. Both documents have been presented to UK Gov in Wales, BEIS and WG as part of the stakeholder engagement processes and were subject to hosted panel Q&A digital events which were broadcast through Business News Wales.
4. The Energy prospects will be shaped for external publication next quarter.

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### Risks encountered this quarter

1. Lack of resource to take forward the propositions contained in the prospectuses and crystallise into definitive propositions

### Actions Taken

Additional resource being recruited – Head of Strategic Development and Investment will help REGP leadership of specific initiatives to be considered  
Progressing these will be a focus for 2022/23 planning



# Objective 10 - Design and deliver a CCR marketing, communications and content strategy that continues to uplift brand awareness, reputation, investment interest and engagement- external and internal.

## Executive Summary

Productive 1<sup>st</sup> quarter to the year in which a number of quality publications were created and issued and the foundational elements for communications activity for the new skills hub and Challenge fund were put in place. Activity continues to result in a continuing upward trajectory of engaged followers.

### 1. Q1 Milestone Plan

1. Content strategy executed
2. Branding Concepts for new skills hub agreed
3. Challenge fund website build initiated
4. Business insights survey created and issued
5. Engagement increased

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### Progress Summary

1. Content produced includes:
  - 15 industry features
  - 4 Thought Leadership articles
  - 3 Press Releases
  - 3 Digital Discussions
  - Produced a series of features on Fintech in the CCR plus supported the launch of the Fintech Foundry with podcasts etc.
  - Storyboarded and commenced production of a holistic series on Green Energy and Sustainability.
  - Created a 5 series feature on the CCR journey to date –"Re-imagining our region" to mark the successful Gateway Review.
  - Produced a spring newsletter.
2. Created a new branding concept for a CCR future Skills hub and new look Graduate scheme ( launching September 13).
3. Commenced the creation of a dedicated CCR Challenge Fund website.
4. Devised and executed a Business Survey to provide insight for Business Council Planning.
5. Engagement
  - Organised and produced materials for updates sessions with UK Gov in Wales on our investment prospectuses plus a bespoke session on our Fintech sector strategy and the Foundry accelerator scheme.
  - Further increased our Linked In followers by another 18% from 965 to 1140 and added another 22 to our twitter channel taking it to 3430.

### Risks encountered this quarter

Quality of external communication is far greater than internal

### Actions Taken

1. Some rebalancing required in where time is spent in subsequent quarters.
2. Internal communications and engagement plan to be created
3. Additional resource to be considered

# Objective 11 - Deploy Civica Mod Gov software for all democratic processes and papers and consider other platform requirements

## Executive Summary

Q1 saw all the foundational elements put in place to deploy Mod Gov for all future CCR democratic process activity. Subsequent phases will now focus on embedding the new ways of working into the team and through the committee structures.

### 1. Q1 Milestone Plan

1. Platform options investigated
  2. Mod Gov selected
  3. Training for key administrators undertaken
  4. Local authorities updated and Leaders and Chief Executives registered.
- Page 79
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- CR templates and formats set up.  
content and interface with CCR website agreed  
Initial content uploaded including 2021 meetings and Registers of Interests.

### Progress Summary

1. A good 1<sup>st</sup> quarter despite capacity issues in which we have put all the foundational elements in place to facilitate a Q2 roll out within the team and for use with the RTA and Regional cabinet meetings in September.
2. Focus in Q2 will be on training and getting everyone comfortable with using the system alongside prior to further roll out across the whole committee structure later in the year.

### Risks encountered this quarter

1. Lack of Capacity within the team and competing priorities has slowed down the implementation
2. Potential risk with getting everyone to engage with the new ways of working.

### Actions Taken

1. Additional support has been requested
2. New Head of Governance, policy and Comms role will help reinforce the processes
3. Requested that senior Mgmt. team members that engage in report writing embrace the system to act as role models for adoption.

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## **CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW AND SCRUTINY COMMITTEE**

**4<sup>th</sup> November 2021**

### **ESTABLISHMENT OF CORPORATE JOINT COMMITTEE – PREFERRED GOVERNANCE & DELIVERY OPTION & TRANSITION MODEL**

#### **REPORT OF THE SERVICE DIRECTOR DEMOCRATIC SERVICES AND COMMUNICATIONS RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To advise Members on the preferred Governance & Delivery Option & Transition Model for the establishment of Corporate Joint Committee (CJC) as reported to the Cardiff Capital Region Cabinet on the 20<sup>th</sup> September 2021.

#### **2. RECOMMENDATIONS**

It is recommended that Members: -

- 2.1 Acknowledge the content of the report and associated appendices presented to the Cardiff Capital Region Cabinet which can be found at:  
<https://cardiffcapitalregion.moderngov.co.uk/ieListDocuments.aspx?CId=141&MId=147&Ver=4>
- 2.2 Consider if they wish to further scrutinise any areas; and
- 2.3 Request that further updates are provided to the Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee at appropriate stages of the process.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To inform the Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee of the preferred governance and delivery option to support the progress of the current City Deal Joint Committee from a corporate body via a statutory Corporate Joint Committee (CJC) ahead of the 'go live' date, on the 28 February 2022

3.2 To enable the matter to be considered by the Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee as the process develops.

3.3 For Members' information the link to the report also includes five appendices:

<https://cardiffcapitalregion.moderngov.co.uk/ieListDocuments.aspx?CId=141&MId=147&Ver=4>

Appendix 1 – Exempt

[Appendix 2 – Draft Transition Plan with detail of each workstream](#)

[Appendix 3 -Appendix 3 CJC Draft ToR Transition Board](#)

[Appendix 4 - Proposal for Funding - CCR submission](#)

[Appendix 5 - WFG assessment CJC transition](#)

#### 4. **BACKGROUND**

4.1 The report sought the endorsement and approval of the Regional Cabinet on the preferred governance and delivery option for the transference of the City Deal Joint Committee to a corporate body via a statutory Corporate Joint Committee (CJC). as well as to approve the transition plan through the Transition Board to oversee the necessary governance arrangements.

4.3 Section 14 sets out the four options which had been broadly considered by the membership of the Regional Cabinet to include the preferred option (Option3) namely the **Lift and Shift** – progressive and developmental option.

4.4 Members are asked to note section 26 of the report, Model for Transition which sets out the key matters for consideration through the establishment of the CJC, in particular the areas of HR, Finance and Resourcing and Stakeholder Engagement in advance of the 28 February 2022 ('go live' date). Appendix 2 of the report sets out the mechanism of the transition, to be overseen by the Transition Board.

4.5 It is proposed that Members receive a presentation to its meeting to accompany the report which outlines the preferred Governance & Delivery Option & Transition Model for the establishment of Corporate Joint Committee (CJC) as reported to the Cardiff Capital Region Cabinet on the 20<sup>th</sup> September 2021.

#### 5. **EQUALITY AND DIVERSITY IMPLICATIONS**

5.1 There are no Equality and Diversity implications arising from this report and no Equality Impact Assessment is deemed necessary for the purposes of this report.

**6. CONSULTATION**

6.1 The considerations and comments of all Members of the JOSC are sought in respect of the information contained within the report.

**7. FINANCIAL IMPLICATIONS**

7.1 There are no financial implications as a result of the recommendations set out in the report.

**8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

8.1 There are no legal implications as a result of the recommendations set out in the report.

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