

Cardiff Capital Region City Deal Joint Cabinet

**Friday 17th March 2017, 10.00 a.m.
Ty Dysgu, Nantgarw**

A G E N D A

- 1 Chairperson
 To elect a Chairperson for the meeting

- 2 Welcome and Apologies for Absence
 To receive any apologies for absence

- 3 Declarations of Interest
 To be made at the start of the Agenda Item in question, in accordance with the members
 Code of Conduct

- 4 Report on the Accountable Body Arrangements (*Pages 1 - 14*)
 To receive the Report of the City of Cardiff Council Corporate Director of services

- 5 Report on the Transition Plan 2017/18 (tasks and activities) (*Pages 15 - 30*)
 To receive the Report of the Cardiff Capital Region Programme Director

- 6 Report on the Terms of Reference for the Programme Board (*Pages 31 - 36*)
 To receive the Report of the Cardiff capital Region Programme Director

This page is intentionally left blank

CARDIFF CAPITAL REGION JOINT CABINET

JOINT CABINET MEETING 17 MARCH 2017

UPDATE ON ACCOUNTABLE BODY ARRANGEMENTS

REPORT OF CITY OF CARDIFF COUNCIL CORPORATE DIRECTOR OF RESOURCES

AGENDA ITEM: 4

Reason for this Report

1. To provide an update to the Cardiff Capital Region City Region Joint Cabinet on the role of the Accountable Body, the associated resource implications and the requirements for governance for the Cardiff Capital Region.
2. To recommend to the Joint Cabinet the 2017/18 Budget and indicative budgets for the next four years to 2021/22 to allow the establishment of the Programme Management Office and Accountable Body Support Services.
3. To recommend that a budget is set-aside from within the Wider Investment Fund to meet the costs associated with the Regional Bodies and to fund Programme Development and Support costs.
4. To outline the next steps for the Accountable Body.

Background

5. Between 25th January and 9th February 2017 Council approval was received from each of the ten authorities within the Cardiff Capital Region for the establishment of a Cardiff Capital Region Joint Cabinet to deliver the commitments in the City Deal Heads of Terms document.
6. Each Council approved the Joint Working Agreement which establishes the Joint Cabinet, and includes the City Deal Assurance Framework and Implementation Plan.
7. These documents set out that, with effect from the Commencement Date of 1st March 2017, the City of Cardiff Council will act as the Accountable Body responsible for discharging the Councils' obligations in relation to Cardiff Capital Region City Deal and ensuring that decisions made by the Cardiff Capital Region Joint Cabinet are lawful, appropriate and within budget.
8. The Accountable Body will ensure that there is a means of managing financial, legal and governance arrangements of the Cardiff Capital Region

Joint Cabinet. The Joint Cabinet has no separate legal identity and so cannot own property, accept grants or enter into contracts in its own right. As the Accountable Body, the City of Cardiff Council will take responsibility for these duties as required by the Cardiff Capital Region Joint Cabinet.

9. There is no 'special' status afforded to the role of Accountable Body, rather it represents a responsibility on one authority to ensure that correct financial, legal and governance arrangements are in place to enable the activities of the Cardiff Capital Region Joint Cabinet. Furthermore, the Accountable Body does not play a role in the delivery or management of activities beyond the need to ensure that decisions taken are within the correct financial and legal framework, and are lawful.
10. In summary the City of Cardiff Council, acting as the Accountable Body, is the Legal Entity that has responsibility for discharging all the statutory requirements in respect of the City Deal Wider Investment Fund. It is responsible for ensuring that decisions and activities of the Cardiff Capital Region Joint Cabinet and Programme Management Office are lawful and appropriate.
11. In anticipation of agreement from all Councils to establish a Cardiff Capital Region Joint Cabinet, officers have been assessing the practical and resource implications of an Accountable Body. This work can be summarised as:
 - Preparation of the 2017/18 budget (and indicative budgets for the following four years to 2021/22) to meet Cardiff Capital Region Joint Cabinet costs and to determine each local authority partner's contribution over that period;
 - Administrative support for the Programme Management Office arrangements (including Human Resources, ICT, bilingual translation services, finance, Monitoring Officer and Section 151 Officer roles);
 - Consideration of Accounting & Reporting arrangements for income and expenditure;
 - Understanding the operational and financial implications associated with setting-up the range of Advisory / Consultation Bodies;
 - Consideration of wider implications for hosting the City Deal e.g. information management, committee clerking, insurances, support services etc.

Issues

Role of the Accountable Body

12. The effective operation of the Cardiff Capital Region Joint Cabinet requires the establishment of an appropriately resourced Accountable Body. The Joint Working Agreement and Assurance Framework outlines the specific role of the Accountable Body and includes:

- Receive and hold any HMT Contribution from the Welsh Government for and on behalf of the Councils, along with the 'Council Contribution' and any other relevant sources of funding (if any) related to CCRCD;
- Ensure that CCRCD funds remain identifiable from the City of Cardiff Council's own finances and are released and used appropriately and in accordance with the funding terms and conditions;
- Ensure overall financial arrangements are managed and accounted for through the City of Cardiff Council's financial systems and subject to the Council's Financial Procedure Rules;
- Provide the services of its Monitoring Officer and the services of a Section 151 Officer to the Cardiff Capital Region Joint Cabinet;
- Employ and / or host any staff appointed by the Cardiff Capital Region Joint Cabinet, such as those within the Programme Management Office;
- Supply the Programme Management Office with relevant support services with regard to the accountable body role, such as financial, legal, HR, audit and other professional / technical services;
- Provide relevant administrative functions, such as payroll, preparing statement of accounts, VAT returns and liaising with external audit etc;
- Provide appropriate internal audit services;
- Ensure that it acts in a manner that is transparent, evidence based, consistent and proportionate.

Role of the Programme Management Office

13. Whilst the Accountable Body has a role with regard to the financial and legal undertakings of the Programme Management Office, operationally the bodies are distinct, with strategic direction for the Programme Management Office taken from the Cardiff Capital Region Joint Cabinet and not the Accountable Body. For clarity, the Programme Management Office shall be responsible for (but not limited to):

- Providing the Cardiff Capital Region Joint Cabinet, UK Government and Welsh Government with quarterly performance reports;
- Developing, implementing, maintaining and monitoring a comprehensive performance management system and evaluation

framework that will operate at both the corporate level and the scheme level;

- Ensuring that all submitted schemes are eligible and that details of Candidate Schemes are issued to the appropriate Advisory / Consultation Body for their observations, which will be used as part of the Assessment Framework;
- Being responsible for the management of the programme contained in the Regional Economic Strategy, gateway reviews, and the annual Business Plans including performance and financial management of the delivery programme, undertaking due diligence as required;
- Providing support to Cardiff Capital Region Joint Cabinet, including agenda planning and management and minuting meetings, administration, engagement and communications, including events and press;
- The Regional Programme Director shall be responsible for the practical management of Programme Management Office staff, including recruitment and selection, performance management and general personnel management. As the Accountable Body will be the employer in law for the Programme Management Office, these management responsibilities shall be undertaken in accordance with all relevant City of Cardiff Council policies and procedures.

Accounting and Reporting Arrangement (Statutory Duties)

14. Establishing the accounting and reporting arrangements is a critical element of the role of the Accountable Body. This role is essential in providing financial monitoring and reporting for the Cardiff Capital Region Joint Cabinet and Programme Management Office. Key requirements will include setting up necessary accounting systems, processes and associated interfaces.
15. Without assuming responsibility for the delivery of any specific City Deal project, the Accountable Body's Section 151 Officer (or nominated deputy) will act as the Section 151 Officer to the Cardiff Capital Region Joint Cabinet.
16. The Accountable Body will report to the Cardiff Capital Region Joint Cabinet. Officers will put in place internal safeguards in order to ensure that there is no conflict of interest between Cardiff Capital Region City Deal activities and the activities of the City of Cardiff Council.
17. Cardiff Capital Region Joint Cabinet Income & Expenditure transactions will be accounted for separately. VAT will be accounted for under the Accountable Body's VAT registration with the necessary disclosures and permissions being sought from HMRC.
18. All budget management processes will be undertaken in-line with the City of Cardiff Council's Financial Procedure Rules, Contract Standing Orders and Procurement Rules.

19. The Accountable Body will ensure that the annual accounts of the Cardiff Capital Region Joint Cabinet are prepared in accordance with the Code of Practice on Local Authority Accounting.
20. As part of its role, the Accountable Body has set-up a Technical Group which comprises of representatives from each of the ten participant authorities. A representative from the Wales Audit Office's Technical Team also forms part of the Group and acts as a 'critical friend' within an observer role.
21. The Group's terms of reference is to carry out a detailed piece of work regarding the accounting and reporting implications that may arise from the implementation of the CCRCW Wider Investment Fund. The Group will consider a range of scenarios in terms of how 'fund expenditure' may be incurred and will work through the accounting entries that may feature in the accounts of the:
- Cardiff Capital Region Joint Cabinet;
 - Accountable Body;
 - Participant authorities;
 - Authority responsible for leading a project(s).
22. The initial findings of the Group along with its recommendations will be reported back to the Accountable Body in conjunction with the s151 Officer Group in the next few months. The work of the Group will also inform the development of a finance protocol in consultation with the s151 Officer group. This protocol will be based on the financial principles set-out in the Joint Working Agreement, but will seek to provide further details around practical day to day finance matters.

Grant Administration

23. Whilst the Accountable Body will not be responsible for determining allocation of spend, it will be responsible for ensuring that expenditure is undertaken in accordance with UK and Welsh Government grant terms and conditions. In addition, it will discharge the requirement to prepare all performance monitoring and reporting requirements through the Programme Management Office.

Governance Protocols

24. With regard to agenda and committee management, Cardiff Council's procedures will apply, as outlined in the Council's constitution.
25. It is proposed that the Programme Management Office includes a post to carry out agenda planning and management, forward planning and minute taking. The Programme Management Office will recruit to this post with assistance and training support from the City of Cardiff Council.
26. A draft Governance Protocol to cover the agenda planning process for Cardiff Capital Region Joint Cabinet meetings is attached as Appendix 1. This covers the following points:

- Agenda and reports for the public meeting will need to be published three clear days ahead of the meeting, not including the day of the meeting or the day of agenda despatch;
- To facilitate the agenda planning process a forward plan of the work of the Cardiff Capital Region Joint Cabinet will need to be maintained;
- There should be an informal agenda planning/briefing meeting of the Cardiff Capital Region Joint Cabinet an agreed period prior to the formal public meeting, to consider drafts of reports to make sure that all the relevant and necessary information is included for the decision making meeting. These draft reports should be sent to the Cardiff Capital Region Joint Cabinet Members and the legal and financial advisors in advance of the meeting;
- To enable the City of Cardiff Council officers, as the Accountable Body, to add legal and finance implications to the reports, legal and finance officers should be involved in issues at an early stage. The draft reports should be sent to legal and finance with a minimum of five clear working days before they are needed to be sent out to allow for legal/financial implications to be added;
- Legal and financial implications are drafted by the relevant legal and financial officers from the Accountable Body and must not be amended without their knowledge and agreement;
- Legal and financial representatives of the Accountable Body will attend Cardiff Capital Region Joint Cabinet meetings and meetings of its sub-committees as appropriate;
- The costs of drafting legal implications in reports and having a legal representative at appropriate Cardiff Capital Region Joint Cabinet meetings and meetings of its sub-committees is an Accountable Body cost. In addition, dealing with governance queries will be an Accountable Body cost, as would be dealing with any complaints about breaches of the member code of conduct;
- Any complaints received alleging members of the Cardiff Capital Region Joint Cabinet may have breached the Code of Conduct must be sent immediately to the City of Cardiff Council's Monitoring Officer.

27. Clause 10.19.2 of the Joint Working Agreement notes that Councils shall work together to create and agree terms of reference for a Joint Audit Committee and a Joint Scrutiny Committee. This will be a matter for the Councils to discuss and decide on the way ahead, with particular regard to:

- Timing
- Joint Scrutiny / Joint Audit lead and costs
- Terms of Reference
- Composition

- Chair arrangements
28. The Joint Scrutiny Committee Regulations specifically state that the political balance rules do not apply to joint scrutiny committees. However, each appointing authority is required to make its appointments having regard to its political balance, 'as far as practicable'.

Legal Services

29. As part of its Accountable Body role, the City of Cardiff Council will provide legal advice and support to the Cardiff Capital Region Joint Cabinet. The costs of this will be met from within the proposed Accountable Body budget as set out in this report. Further to this, the City of Cardiff Council can provide legal services to the Cardiff Capital Region Joint Cabinet to support specific agreed projects (if required), but this work does not form part of the budget referred to above.

Human Resources

30. The Joint Working Agreement sets out that staff appointed by the Cardiff Capital Region Joint Cabinet, including the Programme Management Office, shall legally be employed by the Accountable Body. However, discussions will take place, as appropriate, with both individuals and Local Authorities as to the specific mechanisms for that employment which may include secondment. Subsequently Human Resources matters relating to Accountable Body or Programme Management Office staff shall be managed in accordance with the City of Cardiff Council's Human Resources framework, including all relevant policies and procedures.
31. However, as the Accountable Body and Programme Management Office will be functionally independent, the Regional Programme Director shall be responsible for (but not limited to) the practical day-to-day management of Programme Management Office staff, including their recruitment and selection, performance management and general personnel management.
32. The Regional Programme Director shall report to the Corporate Director Resources within the Accountable Body for pay and rations purposes only and to the Cardiff Capital Region Joint Cabinet from a task and performance perspective.
33. In accordance with the City of Cardiff Council's Human Resources framework, all posts within the Accountable Body and Programme Management Office will align with the Council's pay structure. Job Evaluation will be required to determine the grade of each post, unless the post can be job-matched against an existing post which has already been evaluated. These posts will be ring fenced where permissible in the first instance to existing staff within the Cardiff Capital Region Authorities.
34. As the City Deal is a time-limited programme, and the resource needs of the Accountable Body and Programme Management Office may vary over the programme's life, the preference is to employ staff via secondments or fixed-term contracts rather than into substantive or permanent roles. These arrangements will also minimise the Accountable Body's risk of excessive

liabilities and can be used to service the Accountable Body and Programme Management Office for the full life of City Deal if necessary.

35. As Accountable Body, the City of Cardiff Council will provide relevant administrative functions for Accountable Body and Programme Management Office staff. This will include HR support with recruitment, contracts, payroll etc. There will also be access to a senior HR Manager as well as a full HR advisory service.

Insurance

36. The Accountable Body is responsible for ensuring sufficient and appropriate insurance arrangements are put in place to mitigate the risk of claims against the Cardiff Capital Region Joint Cabinet, Programme Management Office and Accountable Body in respect of City Deal activities. Insurance will be required to cover a range of areas, including (but not limited to) Public Liability, Employers Liability, Fidelity Guarantee and property insurance.

37. The costs of insurance cover, along with any excess payments in respect of a claim, will be recovered as an Accountable Body cost.

Accommodation

38. The Regional Programme Director and Project Manager are currently located within Bridgend Council offices, and steps are being taken to finalise and put into effect the longer-term office accommodation arrangements for the Programme Management Office.

39. Whilst the Programme Management Office shall be legally employed by the City of Cardiff Council in its capacity of Accountable Body, the Programme Management Office exists to service the region and will remain functionally independent of the Accountable Body. Therefore, there is no formal requirement for the Programme Management Office to be based within Cardiff's offices.

40. Ty Dysgu in Nantgarw has been identified as the provisional longer-term office location for the Programme Management Office. Detailed costings and logistics are being finalised by the Regional Programme Director, although indicative costs are around £37,500 per annum. These cost estimates have been used as the basis within the Cardiff Capital Region Joint Cabinet Budget Plan, included within this Report.

Bilingual Translation

41. The Accountable Body is responsible for ensuring compliance with necessary bilingual standards with respect of the Welsh and English language. In summary, the legal requirement is that the programme will be delivered in compliance with relevant Welsh Standards.

42. As part of the establishment by the Cardiff Capital Region Joint Committee of any sub-committee, advisory / consultation body or other such group, members shall be asked for their preference of English or Welsh language. If members unanimously agree on one language, papers for these

meetings only need be provided in that language. Where there is a split in language preference, papers would need to be offered bilingually.

43. Further to this, all Cardiff Capital Region Joint Cabinet Agendas and Minutes will require bilingual translation. Other Cardiff Capital Region Joint Cabinet Reports and papers would require translation only where this is deemed necessary in the Welsh Standards, or where there is a split in language preference amongst Cardiff Capital Region Joint Cabinet members.
44. The Programme Management Office will be responsible for arranging bilingual translation as required, most likely by way of a Service Level Agreement. An indicative budget for this has been included in the Programme Management Office budget. This could be agreed with any of the ten Councils involved in City Deal and does not have to be ring-fenced to the Accountable Body.

Information Technology

45. The Accountable Body will work collaboratively with the Programme Management Office to establish detailed ICT and telephony requirements, and ensure appropriate arrangements are made. The detail of these arrangements will be affected by other developments, such as the location of the Programme Management Office. Indicative allocations have been included under the Programme Management Office and Accountable Body budgets in respect of ICT and telephony requirements.

Information Governance

46. Sections 21 and 22 of the Joint Working Agreement outline the agreed principles regarding Data Protection and Freedom of Information within the City Deal.
47. Further to this an Information Governance Memorandum of Understanding will need to be put in place. An interim Memorandum of Understanding will be agreed whilst the various governance and delivery roles and working practices of City Deal partners are further developed and finalised.

Internal and External Audit

48. Provisions will also need to be made to undertake appropriate internal and external audit. To that end, an estimation of the likely cost has been included in the Accountable Body budget.

Cardiff Capital Region Joint Cabinet Proposed 2017/18 Budget and Indicative Budgets to 2021/22

49. In order to establish the Accountable Body and Programme Management Arrangements a budget is required to be put in place to support the delivery of activities. The proposed budget for 2017/18 budget is set-out in Table 1 along with indicative budgets covering the next four years to 2021/22. The budgets have been prepared based on the roles, activities and responsibilities identified in respect of the Programme Management Office and Accountable Body at this time. The five year term covers the

period of the 'initial lock-in' as set-out in the Joint Working Agreement and will also assist partnering authorities with their medium term financial planning and budgeting requirements.

50. Whilst 2017/18 represents the first full year budget, it should be noted that the Cardiff Capital Region Joint Cabinet's formal 'Commencement Date' is the 1st March 2017. Therefore, expenditure will be formally recognised from this date and met from the final month's budget allocated in respect of 2016/17, which covered the former 'shadow arrangements'.

Table 1: Cardiff Capital Region Joint Cabinet – Proposed 2017/18 Budget and Indicative Budgets to 2021/22

Expenditure Head		2017/18 Part Year Budget	Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	Year 5 2021/22	Total
		£s	£s	£s	£s	£s	£s
Programme Management Office							
Salaries Related Expenditure		405,500	564,800	577,400	590,400	603,600	2,741,700
Premise Related Expenditure		37,500	37,500	37,500	37,500	37,500	187,500
Transport Related Expenditure		5,000	5,000	5,000	5,000	5,000	25,000
Supplies, Services & External Support		137,000	125,000	145,000	120,000	120,000	647,000
Early Project Development & Support		100,500	0	0	0	0	100,500
Subtotal		685,500	732,300	764,900	752,900	766,100	3,701,700
Contingency Budget							
<i>Contingency (including Joint Scrutiny)</i>		<i>69,500</i>	<i>64,300</i>	<i>78,900</i>	<i>77,700</i>	<i>79,100</i>	<i>369,500</i>
Subtotal		69,500	64,300	78,900	77,700	79,100	369,500
Total		755,000	796,600	843,800	830,600	845,200	4,071,200
Accountable Body Support Services							
Human Resources		29,500	7,700	7,800	8,000	8,200	61,200
Finance Support		108,000	137,000	140,000	143,000	146,000	674,000
Exchequer, Internal Audit & Insurance		8,000	8,200	8,400	8,600	8,800	42,000
Legal and Governance Support		55,000	57,000	58,000	59,000	61,000	290,000
ICT, Information Management & Comms		12,000	13,000	13,000	13,000	13,000	64,000
External Audit Fee		10,000	5,000	5,100	5,200	5,300	30,600
<i>Contingency</i>		<i>22,500</i>	<i>23,000</i>	<i>23,000</i>	<i>24,000</i>	<i>24,000</i>	<i>116,500</i>
Subtotal		245,000	250,900	255,300	260,800	266,300	1,278,300
GRAND TOTAL		1,000,000	1,047,500	1,099,100	1,091,400	1,111,500	5,349,500
% Increase			4.8%	4.9%	-0.7%	1.8%	
Funded by:-							
<i>Underspend b/fwd 2016/17 (Based on Mth 09)</i>		<i>-</i>	<i>-300,887</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-300,887</i>
Partner Contribution - Blaenau Gwent	4.6%	-32,297	-48,392	-50,775	-50,420	-51,348	-233,232
Partner Contribution - Bridgend	9.4%	-65,989	-98,874	-103,744	-103,017	-104,915	-476,540
Partner Contribution - Caerphilly	12.0%	-83,671	-125,366	-131,541	-130,620	-133,025	-604,223
Partner Contribution - Cardiff	23.7%	-165,870	-248,527	-260,770	-258,943	-263,712	-1,197,822
Partner Contribution - Merthyr Tydfil	3.9%	-27,551	-41,280	-43,314	-43,010	-43,802	-198,957
Partner Contribution - Monmouthshire	6.1%	-42,947	-64,349	-67,519	-67,046	-68,280	-310,140
Partner Contribution - Newport	9.8%	-68,626	-102,824	-107,889	-107,133	-109,106	-495,579
Partner Contribution - RCT	15.8%	-110,257	-165,201	-173,339	-172,124	-175,294	-796,215
Partner Contribution - Torfaen	6.1%	-42,650	-63,903	-67,051	-66,582	-67,808	-307,994
Partner Contribution - Vale of Glamorgan	8.5%	-59,255	-88,784	-93,158	-92,505	-94,209	-427,910
	100.0%	-1,000,000	-1,047,500	-1,099,100	-1,091,400	-1,111,500	-5,349,500

51. As stated in the Joint Working Agreement, the annual budget of the Cardiff Capital Region Joint Cabinet shall be:

- i. in the initial period (2017-18) prior to receipt of any HMT Contribution by the Accountable Body, up to £1,000,000; and*
- ii. in all other cases, the annual budget approved by the Cardiff Capital Region Joint Cabinet for that accounting period provided that the annual budget does not exceed the previous annual budget by more than 5%, and the participant authorities shall each contribute towards the annual budget on a proportionate basis and such contribution shall be in addition to their contributions to the Wider Investment Fund. Similarly, if the budget is exceeded by more than 5%, then the overspend shall be met from the Wider Investment Fund, subject to funding terms and conditions.*

52. The Cardiff Capital Region Joint Cabinet budget will not ordinarily cover any revenue or capital costs relating to the development or implementation of any projects, as these will be funded from the Wider Investment Fund, once the Welsh Government funding terms and conditions have been approved. However, clause 2.4 of the Joint Working Agreement sets-out that up to £50 million may be committed on 'Initial Project Investments' pursuant to the terms and conditions of the Assurance Framework. In order to assess the robustness of any proposals brought forward in this regard and to carry out the necessary due diligence checks, it is proposed that for 2017/18 only, an 'Early Project Development & Support' budget in respect of Initial Project Investments is approved.

53. The Programme Management Office has been developed based on proposals by the Regional Programme Director and based upon the City Deal Heads of Terms document and constituent proposals. The costs primarily relate to the costs associated with employment for the Programme Management Office.

54. The Accountable Body costs are also based on a function and not a post basis. It is intended that staff will be recruited to work on Accountable Body related activities should the budget be approved. Recruitment and structure of these posts will be led by the Section 151 Officer of the City of Cardiff Council.

55. The 2017/18 partner contributions are also set-out in Table 1. These are shown as 'net contributions' and have been reduced to reflect the projected underspend against the 2016/17 budget as reported at Month 09. The projection will be updated in due course to reflect the final-out position in respect of 2016/17.

Wider Investment Fund

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

from within the fund itself, once Welsh Government funding terms and conditions are approved.

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

Regional Bodies - £331,297

The budget for 2017/18 will cover the costs and financial contributions to the following regional bodies: Regional Transport Authority, Regional Skills Board, Economic Growth Partnership and the Regional Business Organisation. The ongoing budget requirement will be reviewed as part of the 2018/19 budget.

Programme Development and Support Budget - £411,203

This annual budget is intended to cover a range of professional advice and support that will be needed to ensure that all projects taken forward as part of the Wider Investment Fund are robust and have undergone the necessary level of challenge and independent verification to comply with requirements of the Assurance Framework.

Reasons for Recommendations

58. To enable the establishment of the support arrangements for the Programme Management Office and Accountable Body.
59. To approve the Cardiff Capital Region's Joint Cabinet part-year budget for 2017/18 and indicative budgets covering the next four years to 2021/22 as set out in Table 1.

Financial Implications

60. Whilst the City of Cardiff Council is well rehearsed in the management of Joint Committees, additional complexities (and demand on resources) will arise from accepting the role of Accountable Body for the Cardiff Capital Region City Deal, primarily due to the fact that is the first City Deal in Wales, but also due to the involvement of nine other participant authorities.
61. The financial implications are set out in the body of this report. The budget put forward is based on the information known at this time and accordingly will be updated and refined as the project moves forward. Regular budget monitoring reports will be presented to the Cardiff Capital Region Joint Cabinet during the year so that any budget management issues can be highlighted and the appropriate action taken.
62. The projected out-turn position against the 2016/17 budget reported at Month 09 was an underspend of £300,887. The projection will be updated in due course to reflect the final-out position in respect of 2016/17. Any underspend will be used to reduce the contributions made by partner

authorities in 2017/18 as approved by Councils as part of their January/February reports

63. The budget for 2017/18 reflects part-year costs with the expectation that expenditure will be primarily incurred towards the latter part of the year as the activities and staffing of the Cardiff Capital Region Joint Cabinet ramp up over the course of its first year of operation. The 2017/18 budget also includes an element of 'one-off' start-up costs, including an Early Project Development & Support budget in respect of Initial Project Investments. Any underspends that crystallise in 2017/18 will be used to reduce partner authorities contributions in 2018/19.

64. Contingency budgets are based on 10% of the annual budget, provided that the annual budget does not exceed the previous annual budget by more than 5% as set-out in the Joint Working Agreement.

Legal Implications

65. The legal implications are set out in the body of this report.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- a) Approves the arrangements made for the City of Cardiff Council to deliver the Accountable Body functions as set out in this report
- b) Approves the 2017/18 Budget Plan and Cardiff Capital Region Joint Cabinet 5 year summary budget as outlined in this report to cover the activities of the Programme Management Office and the Accountable Body.
- c) Delegates authority to the Programme Director and the Section 151 Officer of the City of Cardiff Council to implement the budget approved in recommendation b) above in respect of the Regional Office and Accountable Body respectively and in consultation with the lead Chief Executive for Cardiff Capital Region City Deal.
- d) Approves that up to 3% of the Wider Investment Fund (over a 20 year period) is set-aside to fund the costs and contributions associated with a range of Regional Bodies and to meet the costs of Programme Development and Support, subject to Welsh Government funding terms and conditions.
- e) Approve the Governance Protocol, attached in Appendix 1.

Christine Salter
13 March 2017

The following appendix is attached:

Appendix 1: Draft Governance Protocol

Draft Governance Protocol – Cardiff Capital Region City Deal

1. The City of Cardiff Council is the accountable body for the Cardiff Capital Region City Deal. A clerk will form part of the Programme Management Office and will work in accordance with this protocol, the City of Cardiff Constitution and policies, and the legislation applicable to Joint Committees.
2. This protocol covers the arrangements for agenda planning and management of the Cardiff Capital Region Joint Cabinet and its subsidiary committees, and arrangements for ensuring the accountable body includes legal and finance implications in reports to give the Cardiff Capital Region Joint Cabinet confidence they have the relevant information to take into account in their decision making.
3. To facilitate the agenda planning process a forward plan of the work of the Cardiff Capital Region Joint Cabinet and subsidiary bodies will be maintained.
4. Agenda and reports for the public meetings will be published three clear days ahead of the meeting, not including the day of the meeting or the day of agenda despatch.
5. There will be an informal agenda planning/briefing meeting of the Cardiff Capital Region Joint Cabinet an agreed period prior to the formal public meeting, to consider drafts of reports to make sure that all the relevant and necessary information is included for the decision making meeting. These draft reports will be sent to the Cardiff Capital Region Joint Cabinet Joint Cabinet Members and the legal and financial advisors in advance of the meeting.
6. To enable the City of Cardiff Council officers, as the Accountable Body, to add legal and finance implications to the reports, legal and finance officers should be involved in issues at an early stage. The draft reports should be sent to legal and finance with a minimum of five clear working days before they are needed to be sent out to allow for legal/financial implications to be added
7. Legal and financial implications are drafted by the relevant legal and financial officers from the Accountable Body and must not be amended without their knowledge and agreement
8. Legal and financial representatives of the Accountable Body will attend Cardiff Capital Region Joint Cabinet meeting and meetings of its sub-committees as appropriate.
9. The costs of drafting legal implications in reports and having a legal representative at appropriate Cardiff Capital Region Joint Cabinet meetings and meetings of its sub-committees is an Accountable Body cost. In addition, dealing with governance queries will be an Accountable Body cost, as would be dealing with any complaints about breaches of the member code of conduct
10. Any complaints received alleging members of the Cardiff Capital Region Joint Cabinet may have breached the Code of Conduct must be sent immediately to the City of Cardiff Council's Monitoring Officer.
11. The Welsh Language Standards apply and must be complied with.

CARDIFF CAPITAL REGION CABINET CABINET MEETING 17 MARCH 2017

TRANSITION PLAN 2017-2018

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 5

Reason for this Report

1. To provide the Cardiff Capital Region Cabinet with details of the tasks and activities required in the coming months to efficiently address the requirements of the Joint Working Agreement and Assurance Framework.
2. To recommend to the Regional Cabinet a Programme of Work to meet these requirements.

Background

3. When establishing the Cardiff Capital Region Cabinet each Council approved the Joint Working Agreement and the Wider Investment Fund Assurance Framework to be used to assess projects and proposals for investment.
4. Within the Joint Working Agreement there is a requirement that Councils take a subsequent decision, no later than 12 months after the commencement date of the Agreement, on the approval and adoption of the JWA Business Plan (henceforth referred to as the Regional Economic Strategy). This will be “the strategy which defines the regional objectives including the high-level programme which shall include:
 - the indicative investment programme for the ‘Programme Themes’;
 - any agreed strategic projects;
 - the methodology for agreeing the nature, scope and prioritisation of projects;
 - an indicative spend profile for the Wider Investment Fund;
 - an updated Affordability Envelope;
 - the methodology and responsibility of any performance monitoring along with any performance indicators to enable the Joint Committee to measure progress.
5. The Assurance Framework commits the Regional Cabinet to introducing a set of systems, processes and protocols designed to provide an evidenced-based and independent assessment of investment.

Issues

6. To effectively and efficiently meet the requirements of the Joint Working Agreement and Assurance Framework it is appropriate to develop a Transition Plan and Work Programme. This will allow the required resources to be identified and for progress to be monitored by the Regional Cabinet.

7. It is proposed that the scope of the Transition Plan includes:
 - a) addressing the reserved matter of the approval and adoption of the Regional Economic Strategy;
 - b) developing and agreeing the Regional Strategic Objectives to be included in the Regional Economic Strategy;
 - c) defining Key Targets to achieve the Objectives
 - d) developing measures to be used to assess projects and programmes and track and compare regional economic development against Key Targets;
 - e) introducing the assessment process as defined in the Assurance Framework;
 - f) developing proposals for the regional advisory bodies as defined in the JWA;
 - g) developing a comprehensive programme and project management system;
 - h) developing an efficient and effective Regional Office;
 - i) highlighting the tasks needed to develop a Scrutiny Process in respect of the City Deal;
 - j) highlighting the tasks needed to introduce Regional Working relating to the City Deal; and
 - k) identifying key milestones in the transition plan for review and approval.

8. The details of the tasks, decisions and indicative timescales needed to prepare and implement the Transition Plan are considered in Appendices 1 and 2, and resulting from this Regional Cabinet is requested to agree the following recommendations:
 - 1) Agree the scope of the Transition Plan as detailed in a) to k) in item 7 above;
 - 2) The Regional Economic Strategy is circulated to Councils no later than 28th February 2018;
 - 3) The primary regional strategic objectives will be set to achieve parity with the UK economic indicators over the 20-year period;
 - 4) Recognise that the City Deal is only part of the solution to achieving these regional strategic objectives;
 - 5) Secondary objectives aimed at playing a role in improving the social, environmental and cultural well-being of the region will be included in the Regional Economic Strategy;
 - 6) A comprehensive baseline of data will be established;
 - 7) Key targets will be established for both the long-term and short-term and will be subject to regular evaluation;
 - 8) Engagement with the Welsh Government will take place to understand how the Metro will contribute to the Regional Economic Strategy objectives and targets;
 - 9) An Impact Assessment Toolkit will be developed specific to the Cardiff Capital Region, for use in evaluating proposed schemes, and will be retained as the intellectual property of the Regional Cabinet;
 - 10) The Portfolio Lead, Portfolio Officers and Theme Leads will be responsible for producing, for approval, an indicative investment programme for each Theme, including, where appropriate, proposed strategic projects for regional assessment;
 - 11) The Programme Board will provide support and challenge to the Portfolios and Themes and provide recommendations to the Regional Cabinet;
 - 12) The Regional Cabinet will agree an indicative investment programme for each Theme and approve proposed strategic projects for approval

- by the constituent Councils;
- 13) That encouragement is given to the early establishment of the Advisory/Consultative Bodies to enable them to play an active role in the development of the Regional Economic Strategy;
 - 14) Ensure that the Regional Office, over the Transition Period, and within the budget allocated, is sufficiently resourced to achieve its work programme; and
 - 15) Undertake an exercise to assess the extent to which regional working within strategic planning, housing, transport, and land use could improve the economic potential of the region and report the findings and recommendations in the Regional Economic Strategy.

Reason for Recommendations

9. To comply with the requirements of the Joint Working Agreement and Assurance Framework by developing and implementing an agreed Transition Plan.

Financial Implications

10. The proposed 2017/18 Cardiff Capital Region Joint Cabinet Budget includes the necessary level of resources needed to implement the Transition Plan as set out in this report. Regular budget monitoring reports will be presented to the Regional Cabinet during the year so that any budget management issues can be highlighted at an early stage and the appropriate action taken.

Legal Implications

10. As stated in the body of the report the Joint Working Agreement (JWA) requires that a draft business plan is prepared for approval by the Councils. The background to this report outlines the required content of the JWA Business Plan. The transition Plan sets out the proposals for preparing the JWA business plan. The JWA also provides that the Regional Cabinet shall establish specified sub-committees and groups. As part of the transition work terms of reference will be prepared for the proposed sub-committees and groups and separate reports will be submitted to the Regional Cabinet seeking authority to establish the proposed sub-committees and groups.
11. As and when any individual project proposals are developed legal advice should be sought. Regard should also be had to, amongst other matters;
 - i. the Councils' duties under the Wellbeing of Future Generations (Wales) Act 2015; and
 - ii. the public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. age; b. gender reassignment; c. sex; d. race – including ethnic or national origin, colour or nationality; e. disability; f. pregnancy and maternity; g. marriage and civil partnership; h. Sexual orientation; i. religion or belief – including lack of belief.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Cabinet:

- a) Approve the scope of the Transition Plan as detailed in 7a) to 7k); and
- b) Approve the recommendations as detailed in 8.1) to 8.15).

SHEILA DAVIES
13 March 2017

The following appendices are attached:

Appendix 1: **Cardiff Capital Region City Deal Draft Transition Plan 2017-18**

Appendix 2: **Draft Transition Programme 2017-2018**

Background paper – Cardiff Capital Region City Deal Agreement dated 1.3.17

Appendix 1 – Cardiff Capital Region City Deal Draft Transition Plan 2017-18

DRAFT TRANSITION PLAN 2017-18

1. Scope of the Transition Plan

The purpose of this transition plan is to layout the tasks and activities that need to take place to efficiently address the requirements of the JWA and Assurance Framework by:

- l) addressing the reserved matter of the approval and adoption of the JWA Business Plan (Regional Economic Strategy);
- m) developing and agreeing the Regional Strategic Objectives to be included in the Regional Economic Strategy;
- n) defining Key Targets to achieve the Objectives
- o) developing measures to be used to assess projects and programmes and track and compare regional economic development against Key Targets;
- p) introducing the assessment process as defined in the Assurance Framework;
- q) introducing regional advisory bodies as defined in the JWA;
- r) developing a comprehensive programme and project management system;
- s) developing an efficient and effective Regional Office;
- t) highlighting the tasks needed to develop a Scrutiny Process (requires further detail);
- u) highlighting the tasks needed to introduce Regional Working (requires further detail); and
- v) identifying key milestones in the transition plan for review and approval.

Recommendation:

1. Agree the scope of the Transition Plan as detailed in a) to k) above.

2. Reserved Matter

Councils are required to take a subsequent decision on the approval and adoption of the JWA Business Plan no later than 12 months after the commencement date of the Agreement. The JWA Business Plan (Regional Economic Strategy) will be “the strategy which defines the regional objectives including the high-level programme which shall include;

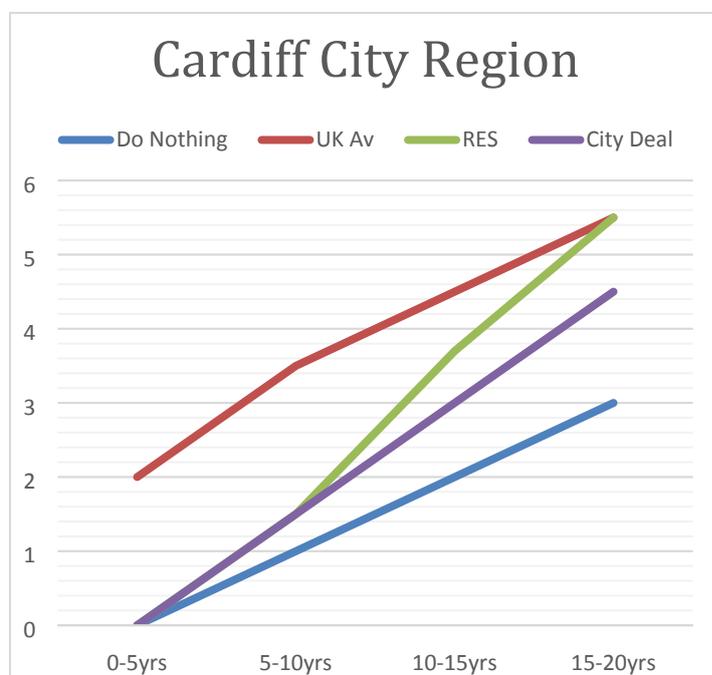
- the indicative investment programme for the ‘Programme Themes’;
- any agreed strategic projects;
- the methodology for agreeing the nature, scope and prioritisation of projects;
- an indicative spend profile for the Wider Investment Fund;
- an updated Affordability Envelope;
- the methodology and responsibility of any performance monitoring along with any performance indicators to enable the Joint Committee to measure progress.

Recommendation:

2. The JWA Business Plan (Regional Economic Strategy) is circulated to Councils no later than 28th February 2018.

3. The Regional Strategic Objectives

Although referred to in the Joint Working Agreement as the JWA Business Plan in the Assurance Framework its titled as the Regional Economic Strategy (RES) (3.1).



The RES will detail where the region is today and where we want it to be, how we will get there and by when. It will provide clarity and focus by defining the Vision in terms of a limited number of regional strategic objectives each with their own key targets (although they may be interlinked). These will encompass the economic aspirations for the region and not be limited to only those potentially achieved by means of

the City Deal funding and associated leverage.

These will be reflected in the proposed outcomes and key targets defining those for the regional strategy as a whole and those anticipated from the City Deal. This is illustrated in this simplistic line graph.

This will allow the regional aspiration to be articulated as achieving parity with the UK economic averages over the 20-year period rather than 'aspiring', to be less than the average.

Although the RES is primarily focussed on economic development and will include strategic objectives targeted to deliver regional economic growth it will also endeavour to support the Well-being of Future Generations (Wales) Act by including secondary objectives aimed at playing a role in improving the social, environmental and cultural well-being of Wales¹.

This approach will also demonstrate that the Regional Cabinet's agenda is far more than just the City Deal and will be focussing on developing and capturing other opportunities to develop the region.

Recommendation:

3. The primary regional strategic objectives will be set to achieve parity with the UK economic indicators over the 20-year period;

¹ This will assist in defining the scope and priority of the Regional Cabinet.

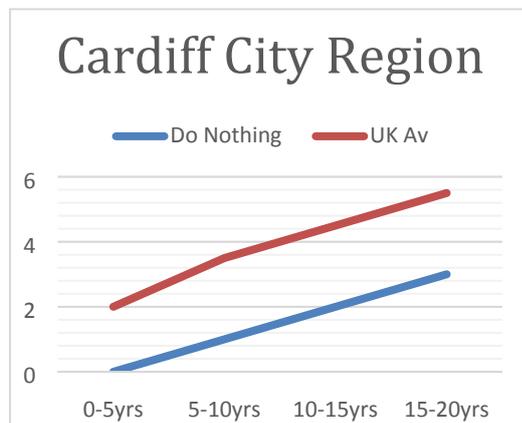
4. Recognise that the City Deal is only part of the solution to achieving these regional strategic objectives; and
5. Secondary objectives aimed at playing a role in improving the social, environmental and cultural well-being of the region will be included in the RES.

4. Key Targets & Assessment (Metrics)

The Regional Objectives only have value if there is a method of assessing if they are being achieved. The setting of Key Targets will act as a measure to demonstrate how effective the actions of the Regional Cabinet are in moving towards the Regional Objectives.

4.1 Baseline Data

To allow key targets to be set and measured there first needs to be a baseline of data which is likely to cover such areas as GVA; employment; businesses; skills;

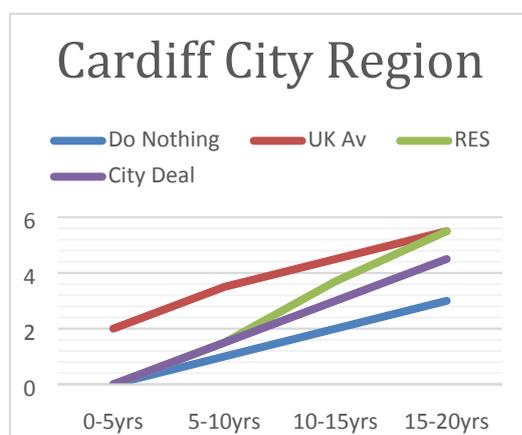


educational attainment; housing; connectivity; productivity; innovation; income; apprenticeships; investment; and deprivation². For comparative purposes this data will be required not only for the Cardiff City Region but also for other regions in Wales, and Wales and the UK. This will show where the region is and how it currently compares to others.

This base data is not sufficient on its own and there is also a need to undertake an assessment of trends, for each of these criteria. This will identify what could be anticipated to happen in the future if no interventions took place, the 'Do-Nothing' option.

4.2 Key Target Setting

When the baseline data is in place the process of setting targets can commence.



They will provide a statement of ambition, define the scale of change and a focus for action. *'Only what gets measured gets managed'* and will therefore prioritise actions.

The RES will include both long-term (5-20 years) and short-term targets (1-5 years) defining what is achievable using the resources of the City Deal and detailing the wider regional aspiration of parity with UK averages and the additional resources required to achieve this.

² The Growth & Competitiveness Commission, with the assistance of Cardiff University, undertook a significant evidence gathering exercise which will assist in this process.

The key targets will be **Specific, Measurable, Achievable, Realistic, and Time-bound (SMART)**, they will also be under regular **Evaluation** and subject to **Revision (SMARTER)**.

Several headline targets have been referenced in both the Heads of Terms and the Growth & Competitiveness Commission Report e.g. 25,000 jobs, £4 billion of private sector investment, increase productivity to at least 90% of the UK average, see **Appendix A**.

These targets need to be carefully considered against the baseline data and resources to understand fully how they are to be articulated in the RES and which should be considered as regional targets and which City Deal.

Most of these proposed targets will, in any event, require additional detail and clarification to be meaningful; for example, jobs, although an overall figure is provided the detail related to quality and/or potential distribution are missing and this will be necessary for this figure to be meaningful and make best use of jobs to assist in productivity and regeneration.

Expert advice may be required in developing key targets and it is hoped that the Advisory\Consultation Bodies will be sufficiently established to participate in the target setting.

4.3 The Wider Investment Fund and the Metro

There is no differentiation in the City Deal between the outcomes of the Metro and the Wider Investment Fund which is an issue that needs to be considered. For example, it is unclear if Metro will be able to directly³ generate private sector investment as it is introducing a system specifically aimed at reducing subsidy, therefore a worst case is that the role falls to the wider investment fund. The wider investment fund is £495 million and in very simplistic terms if you are to achieve £4 billion of private investment, for every pound of public sector investment there would need to be a return of £8 of private sector investment, i.e. 1:8 ratio. Greater clarity is required from Transport for Wales for targets to be set effectively.

4.4 Regional Impact Assessment Toolkit

To assist in the process of assessing Candidate Schemes, see **Appendix B**, and measuring to what extent they will support the delivery of the key targets a Regional Impact Assessment Toolkit will be developed.

The Toolkit will consist of a broad range of indicators and factors, which are known to have a positive impact on 'all' targets detailed in the RES and therefore it will be unique and specific to the Cardiff City Region.

³ The Metro will produce a range of impacts which can be broadly categorised into direct, indirect and induced impacts. Although the direct impacts will assist many of the targets it is anticipated that the indirect and induced will.

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

The Toolkit will be the intellectual ownership of the Regional Cabinet and provided to independent assessors, as required, who will be commissioned to use the Toolkit to impartially assess proposed schemes and in addition undertake a value for money exercise. In this way, a comprehensive range of assessments will have been undertaken giving a significant insight into the potential outcomes of a scheme.

Recommendation:

- 6. A comprehensive baseline of data will be established;
- 7. Key targets will be established for both the long-term and short-term and will be subject to regular evaluation;
- 8. Engagement with the Welsh Government will take place to understand how the Metro will contribute to the RES objectives and targets;
- 9. An Impact Assessment Toolkit will be developed specific to the Cardiff Capital Region, for use in evaluating proposed schemes, and will be retained as the intellectual property of the Regional Cabinet.

5. Investment Programmes

5.1 Portfolios and Programme Themes

The delivery portfolios are currently identified as:

<u>Portfolio</u>	<u>Theme</u>
Work, Skills & Economy:	Skills
	Economy
Business & Innovation:	Innovation
	Digital
Regeneration, Housing & Planning:	Regeneration
	Housing
	Planning ⁴
Transport:	Transport

These portfolios have been broken down into ‘Themes’ each of which is intended to produce a programme which when combined will create the regional prospectus of potential schemes for development and assessment

Each delivery portfolio is led by two members of the Regional Cabinet, Portfolio Leads, and supported by two Chief Executives⁵, Portfolio Officers. Below this are the Theme Leads responsible for particular strands of the portfolio.

⁴ Planning is considered a facilitator rather than a programme

⁵ Apart from Transport which has one Chief Executive as a portfolio officer

The Portfolio Leads and Officers will work with the Theme Leads to produce a development and appraisal process specific to their Theme allowing potential strategic projects to be identified and eventually producing a prioritised programme of Candidate Schemes to go forward for regional assessment.

Using this information, the Regional Cabinet can agree an indicative investment programme for each theme which when combined will produce an indicative spend profile for the Wider Investment Fund.

5.2 Programme Board

The Programme Board's primary roles in the transition period are; to provide support and collective challenge to the Portfolio Leads and Officers and Themes Leads to ensure that the proposed programmes and strategic projects are in line with the objectives and targets developing for the RES; and to provide recommendations to the Regional Cabinet on all proposed programmes, strategic projects and on the whole programme.

Recommendation:

10. The Portfolio Lead, Portfolio Officers and Theme Leads will be responsible for producing an indicative investment programme for each Theme, including, where appropriate proposed strategic projects for regional assessment;
11. The Programme Board will provide support and challenge to the Portfolios and Themes and provide recommendations to the Regional Cabinet; and
12. The Regional Cabinet will agree an indicative investment programme for each Theme and approval for any proposed strategic projects.

6. Advisory/Consultation Bodies

The Advisory/Consultation Bodies are developing on different timeframes:

- The Regional Transport Authority (RTA) is a special case in this category and although advising the Regional Cabinet it also reports directly to them and is chaired by a member of the Regional Cabinet. The Terms of Reference have been drafted and following agreement should be endorsed by the Regional Cabinet at the beginning of the transition period.

However, the way in which the RTA interacts with the portfolio, theme lead and especially the proposed Regional Strategic Group for transport will need to be clearly articulated.

- The Regional Skills and Employment Board are well established; however, their terms of reference related to the Regional Cabinet have yet to be agreed but are anticipated to be endorsed at the beginning of the transition period.
- The Regional Business Organisation and the Regional Economic Growth Partnership appear to require further development before terms of reference related to the Regional Cabinet are agreed.

Following agreeing terms of reference each advisory/consultative body will establish work programmes for agreement with the Regional Cabinet and then move forward to implement these programmes.

It is hoped that these groups will be sufficiently developed to provide observations on the proposed RES, Theme programmes and proposed strategic projects.

Recommendation:

13. That encouragement is given to the early establishment of the Advisory/Consultation Bodies to enable them to play an active role in the development of the RES.

7. The Regional Office

During the Transition Period, in addition to undertaking its function to support the Regional Cabinet, the Regional Office will be developing:

- the Appraisal Process;
- Regional Impact Assessment Toolkit
- a comprehensive performance management system which will encompass the decision-making process, monitoring, risk assessment and programme and scheme delivery;
- detailed business case templates, guidance notes and pro-formas to support the development and submission of candidate schemes;
- various strategies and processes including annual business plans, gateway reviews, risk assessment, and communication and engagement;
- identifying the full resource allocation needs in the permanent regional office to effectively support the Regional Cabinet;
and
- supporting the Portfolios, Theme Leads and Programme Board in developing indicative investment programmes and identifying potential strategic projects.

Recommendation:

14. Ensure that the Regional Office, over the Transition Period, is sufficiently resourced, to achieve its work programme.

8. Additional Tasks

Two further tasks are identified in the Transition Programme that require further clarification prior to additional programme details of process and timescales being included, these are:

8.1 Development of a Joint Assurance Committee (Scrutiny)

The issue of scrutiny has been raised at every council meeting when considering the City Deal and has also been raised by outside parties. It is important that the Transition Plan addresses the issue of the development of regional scrutiny.

8.2 Regionalisation

In the Heads of Terms the Regional Cabinet have stated that they will be responsible for:

- *strategic planning including housing, transport planning and land use;*
- *considering the scope for strengthening Capital Region governance.*

This consideration of regionalisation is significant as it does have the potential to influence and impact on the ability to achieve some of the outcomes of the RES and Wider Investment Fund. As such, work could be undertaken to assess the extent to which the Regional Cabinet could improve the economic potential of the region by considering regional working related to strategic planning, housing, transport and land use to be included in the RES to be circulated to Councils for approval.

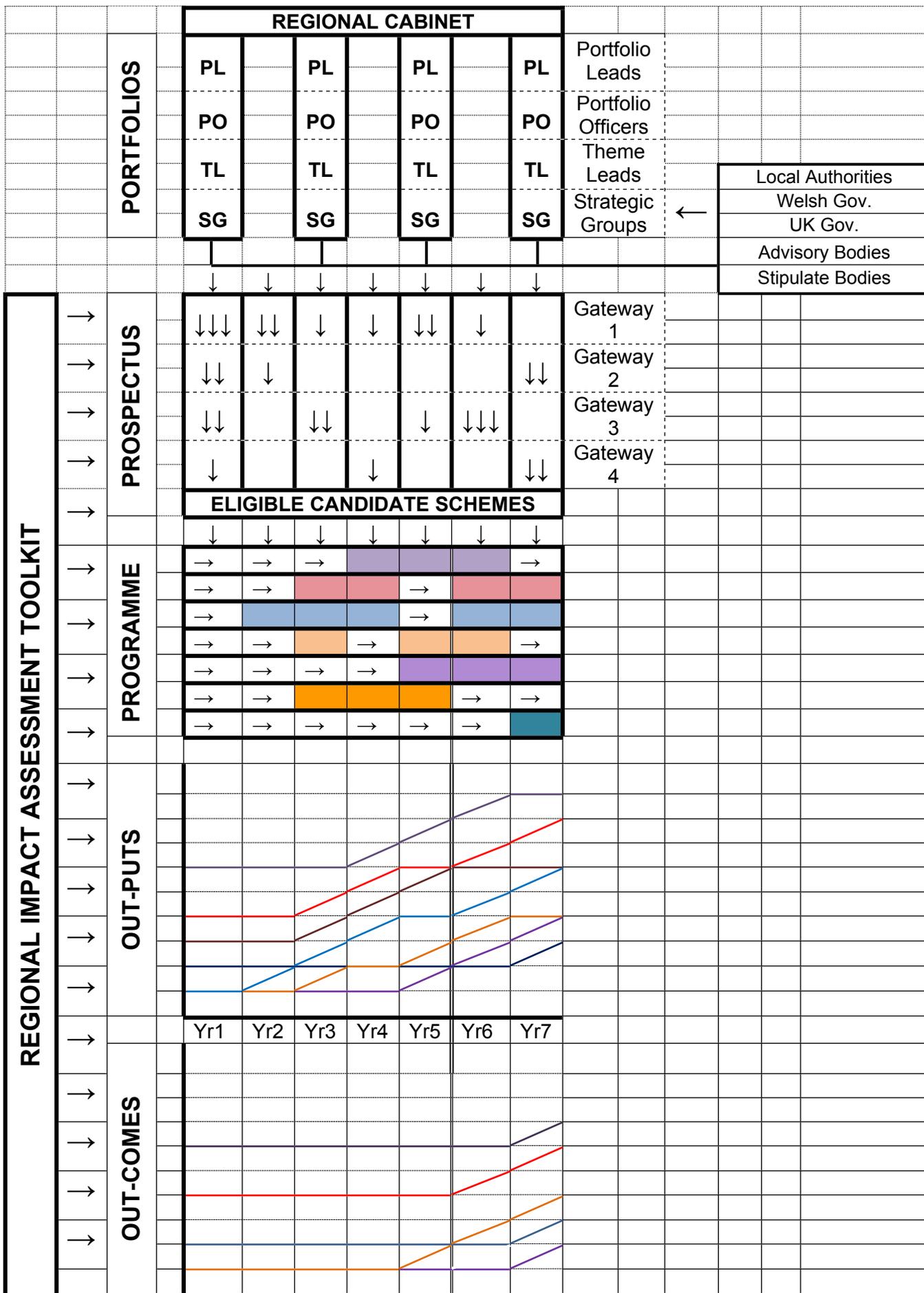
Recommendation:

15. Require proposals for the establishment of a Joint Assurance Committee (Scrutiny) be developed, details of which will be included in the RES for circulation to Councils for approval.
16. Undertake an exercise to assess the extent to which regional working within strategic planning, housing, transport and land use could improve the economic potential of the region and report the findings and recommendations, in the RES, back to Councils for approval.

Appendix A – Targets

Several headline targets have been referenced in both the Heads of Terms (➤) and the Growth & Competitiveness Commission Report (❖):

- 25,000 jobs
- £4 billion of private sector investment
- ❖ Keep pace with average population growth in the UK core cities
- ❖ Increase productivity to at least 90% of the UK average
- ❖ Raise average hourly median earnings to 95% of UK figure
- ❖ No local authority having average hourly median earnings of less than 90% of UK average
- ❖ Raise employment rates in all constituency areas to the current regional average of 70.5%
- ❖ An additional 9,500 people moving out of unemployment or inactivity into employment
- ❖ Investment programme should be at least neutral in terms of CO2 emission impact



Appendix 2 - Transition Programme 2017-2018

DECISION GATEWAYS		REGIONAL CABINET MEETINGS																											
		02.06.07												TBC						TBC						TBC			
		CEX BOARD MEETINGS																											
		07	21	05	19	02	16	30	14	28	11	25	08	22	06	20	03	17	01	15	29	12	26	09	23	09	23		
		APRIL 17			MAY 17			JUNE 17			JULY 17			AUG 17		SEPT 17		OCT 17		NOV 17		DEC 17		JAN 18		FEB 18		MARCH 18	
RESERVED MATTER																									COUNCIL APPROVES RES & WIF PROGRAMME				
																	DRAFT RES + PROGRAMME DOCUMENT	FINAL RES + PROGRAMME DOCUMENT											
		DEVELOP REGIONAL ECONOMIC STRATEGY AND PROGRAMME																											
METRICS		DEVELOP BASELINE METRICS						METRICS – NO INTERVENTION						AGREE TARGETS & INTERVENTION MEASURES															
		DEVELOP ASESMENT TOOLKIT						FINALISE ASSESSMENT TOOLKIT																					
PORTFOLIOS & THEMES		AGREE CRITERIA & PROCESS (Leaders & CEX)			THEME LEADS DEVELOPING PROGRAMMES & PROPOSED KEY PROJECTS			DEVELOP PROGRAMME/IDENTIFY KEY SCHEME SHORT LIST						KEY SCHEMES ASSESSED AGAINST TARGETS															
PROGRAMME BOARD		AGREE ToR			SUPPORT & CHALLENGE THEMES																								
REGIONAL BODIES	RTA	AGREE ToR			AGREE WORK PROGRAMME			DEVELOP REGIONAL TRANSPORT STRATEGY (Including Proposals)																					
	RS&E	AGREE ToR			AGREE WORK PROGRAMME			DEVELOP & IMPLEMENT SKILLS PROGRAMME																					
	REGP	AGREE ToR			AGREE WORK PROGRAMME			AGREE WORK PROGRAMME						IMPLEMENT WORK PROGRAMME & PROVIDE ADVICE TO REGIONAL BOARD															
	RBO	AGREE ToR			AGREE WORK PROGRAMME			AGREE WORK PROGRAMME						IMPLEMENT WORK PROGRAMME & PROVIDE ADVICE TO REGIONAL BOARD															
REGIONAL OFFICE	TRANSITIONAL REGIONAL OFFICE & PROGRAMME MANAGEMENT																							PERMANENT REGIONAL OFFICE					
SCRUTINY	DEVELOP JOINT ASSURANCE COMMITTEE (SCRUTINY)																												
PROCESS & REGIONALISATION	REGIONALISATION PLANNING/TRANSPORT/ECONOMIC DEVELOPMENT/HOUSING/INVESTMENT/MARKETING																												

This page is intentionally left blank

CARDIFF CAPITAL REGION CABINET CABINET MEETING 17 MARCH 2017

CARDIFF CAPITAL REGION PROGRAMME BOARD – TERMS OF REFERENCE

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 6

Reason for this Report

1. To provide the Cardiff Capital Region Cabinet with details of the purpose and functions of the Cardiff Capital Region Programme Board to be undertaken in support of the Regional Cabinet.
2. To recommend to the Regional Cabinet the Terms of Reference which should apply to the Cardiff Capital Region Programme Board.

Background

3. When establishing the Cardiff Capital Region Cabinet each Council approved the Joint Working Agreement and the Wider Investment Fund Assurance Framework to be used to assess projects and proposals for investment.
4. Within the Joint Working Agreement, it states that the Programme Board Terms of Reference will be finalised and inserted by agreement of the Councils as a Regional Cabinet (Joint Committee) matter.
5. The Assurance Framework states that related to the Wider Investment Fund the Programme Board will have three distinct roles:
 - Providing Portfolio support;
 - Monitor Portfolio development; and
 - Prepare recommendations on individual Candidate Schemes and the overall programme of the Wider Investment Fund.

Issues

6. Whilst developing the Terms of Reference for the Programme Board it became clear that it would also have a generic role in supporting the Regional Cabinet in delivering the aspirations for the City Deal as set out in the agreement between the Welsh Government, the UK Government and the Councils dated 15.03.16 and appended as schedule 7 to the Cardiff Capital Region City Deal Joint Working Agreement.
7. The Terms of Reference have therefore been drafted to encompass the purposes detailed in the Assurance Framework and an additional purpose of regional working.

8. These proposed Terms of Reference have been considered and agreed by the Programme Board.

Reason for Recommendation

9. To comply with the requirements of the Joint Working Agreement and Assurance Framework by agreeing the Terms of Reference for the Programme Board.

Financial Implications

10. There are no direct financial implications related to this report.

Legal Implications

11. The Joint Working Agreement (JWA) provides that the Cardiff Capital Region Joint Cabinet shall establish a Programme Board with:
 - i. The membership being prescribed in the Cardiff Capital Region City Deal Joint Working Agreement together with such other representatives as the Joint Cabinet may determine; and
 - ii. The terms of reference be determined by the Joint Cabinet.
12. It is noted that the Programme Board is not a decision making body.

RECOMMENDATION

It is recommended that the Cardiff Capital Region Cabinet:

- a) Establish the Cardiff Capital Region Programme Board with the Terms of Reference as detailed in Appendix 1 to this report.

Sheila Davies

10th March 2017

The following appendices are attached:

Appendix 1: Cardiff Capital Region Programme Board – Terms of reference

Background paper – Cardiff Capital Region City Deal Agreement dated 1.3.17

Appendix 1 – Cardiff Capital Region Programme Board – Terms of Reference

Cardiff Capital Region Programme Board Summary of Terms of Reference	
Governance Type	Officer Governance
Purpose	<p>Related to and within the remit of the CCRCD Wider Investment Fund the Programme Board will have four distinct roles:</p> <p>P1. Providing Portfolio support by:</p> <ul style="list-style-type: none"> • appointing Theme Leads, from their membership, to support the Portfolio Leads and Portfolio Officers established by the Joint Committee; • under each Theme establish a Strategic Regional Group and, as required, Task & Finish Groups to develop CCRCD Wider Investment Fund proposals; • under each Theme develop a series of Candidate Schemes for assessment under the CCRCD Candidate Scheme Appraisal Framework; • advise on the strategic direction for the portfolio area and assist in the development of a portfolio work programme to drive forward delivery. <p>P2. Monitor Portfolio development by:</p> <ul style="list-style-type: none"> • providing support and collective challenge to the Portfolios and Themes including the Strategic Regional Groups and Task & Finish Groups, to ensure their work progresses the development of proposals in line with the CCRCD vision and objectives; • oversight of performance and delivery of the portfolios <p>P3. Prepare recommendations on individual Candidate Schemes and the overall programme of the CCRCD Wider Investment Fund by:</p> <ul style="list-style-type: none"> • ensuring that all Candidate Schemes are assessed in accordance with the CCR Wider Investment Fund Candidate Scheme Appraisal Framework; • preparing recommendations on Candidate Schemes whilst ensuring due regard is given to the observations provided by the Advisory/Consultation Bodies and the independent assessment; • providing recommendations to the Regional Cabinet on all Candidate Schemes; • considering the CCR Wider Investment Fund programme of schemes as a whole to ensure they work effectively together to maximise outcomes by assessing 'total impact' and not just economic considerations; • providing recommendations to the Regional Cabinet on CCRCD Wider Investment Fund programme as a whole. <p>Related to and within the remit of the delegated authority granted to the Joint Cabinet in respect of the City Deal:</p>

	<p>P4. To work on a regional basis to improve public services especially in the areas of:</p> <ul style="list-style-type: none"> ❖ Economic Development; ❖ Transportation; ❖ Regeneration and Housing; ❖ Business Support; ❖ Skills; and ❖ Planning.
Accountable to	Regional Cabinet via the City Deal Regional Office.
Reporting	All reports prepared by the Board, or members of the Board, pertaining to City Deal and regional or sub-regional matters, once approved by the Board will be submitted 'as draft' to the Regional Office to seek approval of the Regional Cabinet or, if appropriate, one of its sub-committees.
Membership	<p>The CCR Programme Board membership will consist of the:</p> <ul style="list-style-type: none"> • City Deal Programme Director; • City Deal Programme Manager; • Strategic Directors, or equivalent, from each constituent authority; • Specialist Officers, and; • Legal and Financial representatives from the Accountable Body. <p>The Chief Executives/Managing Directors, or nominated substitutes, of each of the constituent authorities will be standing invitees to the Programme Board.</p> <p>Board members may make substitutions for attendance. The substitution will be reported to the CCR Regional Office, prior to the meeting, naming the substitute and stating if the attendee is to be counted as part of the quorum (see the section on Quorum below).</p> <p>The Board may invite persons or organisations to attend meetings, in whole or in part, to advise them on matters, as they deem appropriate.</p>
Chair	City Deal Programme Director.
Voting/Agreement	The Programme Board shall not have any decision making powers. It is not envisioned that the Board will require voting arrangements, with agreement being reached by consensus. Where alternative views and opinions are expressed these will be recorded and included in any reporting process.
Conflict of Interest	To allow the Programme Board to undertake all its functions a clear distinction will be drawn between those involved in specific Candidate Scheme development and those preparing recommendations on those schemes to the Joint Cabinet. A robust system of declaration of conflict of interest will be put in place.

	Occasions will arise where conflicts of interest preclude specific named officers and/or local authorities from taking part in discussions which will form views and recommendations on specific matters. Members have an obligation to declare any such interests which will then be recorded.
Proceedings of Meetings	The Chair of the board will arrange for minutes of the proceedings of each meeting to be taken, approved and recorded.
Quorum	It is important that the Board's discussions and recommendations reflect a broad consensus from across the region. For the Board to agree and submit recommendations constituent authorities must be represented up to a quorate equivalent to that of the Regional cabinet (see JWA).
Frequency	The Programme Board will meet monthly or more frequently as required to complete business.
Allowances	No allowances will be paid.
Servicing	The Chair of the Programme Board will organise appropriate servicing for the meetings.
Sub-Groups	The Board, by agreement, can introduce sub-groups or Task & Finish groups for any matters which they feel would be better dealt with in this way. These sub-groups will report to the Board with any recommendation or draft papers or reports.
Review	To be reviewed March 2018

This page is intentionally left blank