

CABINET MEETING: 21 MARCH 2016

CARDIFF CAPITAL REGION CITY DEAL

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 3

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

Reason for this Report

1. The purpose of this report is to update Cabinet on the progress of the City Deal with the recent signing of a “Heads of Terms” document that outlines the principles for the detailed development of the deal.
2. The document was signed by local authority Leaders, Welsh Government Ministers and UK Government Ministers, on the 15 March, with a commitment to full implementation of the deal subject to appropriate approvals from participating Councils.
3. The Heads of Terms outlined in high level terms the financial aspects of the City Deal as well as other arrangements with regard to governance and scope. The detailed development of the deal will be the subject of further reports to the Cabinet and Council.

Background

4. Following the Glasgow announcement in the summer of 2014 it was clear that there was an opportunity for devolved nations to develop City Deals. The Council subsequently engaged with Glasgow and other members of the UK Core Cities network to discuss how Cardiff could explore the potential for its own City Deal. This in turn led to initial discussions with the UK Government to discuss proposals for developing a Cardiff City Deal.
5. As a result of these initial discussions the Council engaged Specialist Advisors to explore the potential to develop a proposition for Cardiff. As part of this work it was identified that there was a particular opportunity available to work with partners across the Cardiff Capital Region to develop a City Deal proposal based upon the city-region boundary that would provide a greater size and scope for the proposed City Deal.
6. On 18 March 2015 the Chancellor of the Exchequer announced in his Budget Statement that: *‘We’re giving more power to Wales. We’re working on a Cardiff City Deal’*. The announcement effectively moved the

discussion about a potential City Deal for Cardiff on to the next stage with the Government offering to begin the formal process of negotiation.

7. Subsequently a *City Deal Implications and Next Steps* report was considered on 2 April 2015 where the Cabinet agreed:
 - a) *that officers proceed with the negotiation of a City Deal for Cardiff with UK Government, Welsh Government and surrounding authorities and return to Cabinet with a further report before submitting a final proposal.*
 - b) *that engagement with surrounding authorities in SE Wales take place to develop an appropriate local governance structure to support delivery of a City Deal for Cardiff.*
 - c) *that authority be delegated to the Chief Executive to:*
 - *identify a budget and to appoint Specialist Advisors to support delivery of a detailed City Deal proposal for Cardiff*
 - *commission a review of the Cardiff Business Council model to put in place appropriate arrangements to support a successful City Deal proposal.*
8. Following the April meeting regional partners were engaged as part of City Deal discussions. Through these discussions all nine additional local authorities in the Cardiff Capital Region made a commitment to contribute, on a pro-rata basis, towards a £500,000 fund to support the development of a City Deal proposal.
9. Local authorities then formed a City Deal Project Board consisting of the ten local authority Leaders to oversee the development of the proposal, with a Welsh Government observer also invited.
10. On 4 September 2015 the 10 Local Authority Leaders submitted a Position Statement to the Chancellor of the Exchequer outlining the vision for a City Deal for the Cardiff Capital Region, as well as providing further detail regarding proposed areas of intervention.
11. On 11 November 2015 the Cardiff Capital City Region made a headline submission for a £1.28bn City Deal to the UK Treasury, along with a letter of support from the First Minister, committing to principles and outlining plans for the development of a possible City Deal.
12. A further announcement was then made on the 25 November by the Chancellor of the Exchequer who said *"The Government is working with the Cardiff Capital Region and the Welsh Government to deliver an ambitious City Deal for Cardiff. The Spending Review announces an in principle commitment to contribute to an infrastructure fund for the Cardiff region."*
13. The *Cardiff Capital Region City Deal Update* report taken to Cabinet on the 10 December 2015 identified an outline schedule for the development of the City Deal as:

- **Week commencing 9 November 2015** - Letters to UK Government from CCR partner authorities and Welsh Government, committing to principles and outlining plans for development of deal details
 - **25 November 2015** – Chancellor’s Autumn Statement and Comprehensive Spending Review
 - **December 2015 – March 2016** – Project identification and development
 - **January – March 2016** – Further development of funding and financing principles
 - **Spring 2016** – Chancellor’s Budget Statement
 - **Spring 2016** – Agreement of CCR City Deal Document
14. This timescale identified the critical point in the development of the City Deal as the signing of an agreement in spring 2016 in line with the Chancellor’s Budget Statement.
15. In the Budget Proposals 2016/17 report that was agreed by Council on 25 February 2016, it was resolved that:
- “the City Deal Document referred to in paragraph 235 to 239 of the report be signed on behalf of the Council (on the understanding that the document will provide that it will be subject to the agreement of the Full Council). Pursuant to the City Deal Document the Council continues to work with the Cardiff Capital Region partner local authorities, UK and the Welsh Government to develop the final City Deal Agreements, and further reports on this matter be submitted to Council as appropriate to keep members apprised of developments.”*
- The report also noted that *“In developing the overall City Deal governance and investment programme it is also anticipated that a dedicated team will be put in place. It is proposed that local authorities make a contribution to the costs of putting this team in place.”*
16. A negotiating team including the Leader of the Council, Councillor Andrew Morgan (Leader of Rhondda Cynon Taf County Borough Council) and Councillor Peter Fox (Leader of Monmouthshire County Council) have been acting on behalf of the region to refine the City Deal proposition. This has resulted in the City Deal that has been tabled.
17. The City Deal was subsequently signed in Cardiff on 15 March 2016 by the ten local authority Leaders, the First Minister of Wales, the Minister for Finance, the Secretary of State for Wales and the Chief Secretary to the Treasury.

Issues

18. The ‘Heads of Terms’ document outlines the parameters for the detailed development of the City Deal. The document outlines how the ten local authorities will work in partnership with the Welsh Government and UK Government to support economic growth. The key principles include:

- Establishing strong governance across the region through a Cardiff Capital Region Cabinet. Through this, the ten local authority Leaders will join up decision making, pool resources, and partner with business.
- A £1.229 billion investment in the Cardiff Capital Region's infrastructure through a 20-year Investment Fund. A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme.
- The creation of a non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government.
- The development of capabilities in Compound Semiconductor Applications. The UK Government will invest £50 million to establish a new Catapult Centre in Wales. The CCR will also prioritise investment in research and development, and provide support for high value, innovative businesses.
- The creation of Cardiff Capital Region Skills and Employment Board (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities.
- A partnership between the Cardiff Capital Region and the Welsh Government to work with Department of Work and Pensions to co-design the future employment support from 2017 for people with a health condition or disability and/or who are long term unemployed.
- A Cardiff Capital Region Business Organisation to be established to ensure that there is a single voice for business to work with local authority leaders.
- A new partnership approach to housing development and regeneration between the Welsh Government and the Cardiff Capital Region. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

19. Details are provided in the City Deal document that is attached to this report as Appendix A.

Cardiff Capital Region Governance

20. In order to progress enhanced regional working, and support the delivery of the investment fund, the City Deal document outlines proposals to establish a Cardiff Capital Region governance model that:

- complies with the existing statutory framework that exists in Wales to deliver this City Deal;
- strengthens and streamlines the existing governance and partnership arrangements across the Capital Region;
- improves business involvement in local decision making;
- provides confidence and assurance to both the UK and Welsh Government that the local authority leaders are making decisions which will drive economic growth across the Capital Region; and

- enables local authorities to explore with the Welsh Government alternative governance arrangements in the medium term.
21. Utilising the existing statutory framework the ten local authorities will establish a joint committee, to be referred to as the Cardiff Capital Region Cabinet. The authorities would delegate certain functions (a specified range of activities relevant to delivering the City Deal) to the joint committee to be carried out jointly by the authorities and on a collaborative basis. The joint committee would be underpinned by a comprehensive agreement between the authorities, which inter alia would set out the functions to be delegated to the committee and those matters which would be reserved to each authority for decision. This agreement will be subject to the Authority's approval.
 22. The Cardiff Capital Region Cabinet, which will comprise of the ten participating local authorities, will provide the basis for initial decision making regarding the Investment Fund. In addition the Cardiff Capital Region Cabinet will be responsible for:
 - management of the Cardiff Capital Region Investment Fund;
 - additional devolved funding provided to the Capital Region;
 - the Cardiff Capital Region Transport Authority;
 - contracting with Transport for Wales on prioritised Metro projects;
 - control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;
 - strategic planning including housing, transport planning and land use;
 - influencing skills and worklessness programmes;
 - an inward investment and marketing strategy; and
 - considering the scope for strengthening Capital Region governance further.
 23. The Cardiff Capital Region will also establish proposals for an integrated Strategic Development Plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region.
 24. The Strategic Development Plan will form part of a hierarchy of land use plans comprising the National Development Framework prepared by the Welsh Government (due to be published in 2019), the Strategic Development Plan and the Council's Local Development Plan (LDP). The recently adopted LDP forms the statutory development plan for Cardiff and will inform the preparation of the first Strategic Development Plan.
 25. To support the Cardiff Capital Region a Cardiff Capital Region Economic Growth Partnership will be established comprising business, higher education and local government. The partnership will be responsible for setting an overarching city-region economic development strategy, as well as monitoring and making recommendations to the Cabinet with regard to City Deal implementation. The partnership will have a specific role to provide advice on investment decisions. This will ensure the City

Deal and other interventions make an impact on economic growth and increase employment.

26. In addition an Independent Growth and Competitiveness Commission will be established, with a remit to examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential. The Commission will be jointly established by the ten local authorities that comprise the Cardiff Capital Region in consultation with the Welsh and UK Governments.
27. The document also outlines further regional governance arrangements relating to the transport and skills agendas.

Infrastructure Fund

28. The £1.229bn investment fund is one of the largest per capita individual City Deals to date. The UK and Welsh Governments are contributing £500 million and £503 million to this fund respectively, with the Welsh Government funding to be provided over the first seven years of the Investment Fund
29. In addition, £106 million has been committed from the European Regional Development Fund and the balance of £120 million will be the collective responsibility of the ten local authorities forming the Cardiff Capital Region.
30. The investment fund will comprise of £734 million allocated to South East Wales Metro (SEWM), with the balance (£495 million) allocated to other city-region schemes. The latter will be used to take forward a wide range of projects and schemes that support economic growth across the Cardiff Capital Region. Decisions on the prioritisation of these schemes will be taken by the Cardiff Capital Region Cabinet. Schemes taken forward could include: further transport schemes; investment to unlock housing and employment sites; and development of research and innovation facilities.
31. As part of this, the ten local authorities across the Cardiff Capital Region will develop and adopt an assurance framework for this Investment Fund. This will also need to be agreed by the UK and Welsh Government. By adopting the assurance framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes that are taken forward represent value for money and are underpinned by a robust business case development process. The funding allocated to the SEWM will be subject to a separate but equally robust assurance framework that will cover the wider Metro project.
32. The grant funding for the investment fund will be profiled over a 20 year period. Local authorities will be responsible for financing any capital investment in advance of receipt of the grant funding.
33. The Cardiff Capital Region will also be required to evaluate the impact of the Investment Fund in order to unlock funding that has not been pre-

allocated to the SEWM programme. This will be comprised of gateway assessments every five years. To underpin these gateway assessments, an independent review will be commissioned to evaluate the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Cardiff Capital Region, but agreed at the outset with the UK Government. The next five year tranche of funding will be unlocked if the UK and Welsh Governments are satisfied that the independent assessment shows the investments to have met key objectives and contributed to national growth.

34. In a scenario where a future Investment Fund Gateway is not achieved, leading to any reduction or cessation of City Deal grant, then it will be the responsibility of individual local authorities within the Cardiff Capital Region to manage the financial impact of this within their local authority budget, utilising reserves or surpluses as required.
35. To support borrowing costs, as well as to provide appropriate incentivisation and resource for greater regional collaboration, the Welsh Government has agreed to explore with the Cardiff Capital Region:
 - the devolution of business rate income above an agreed growth baseline to provide funding for the City Deal programme;
 - providing the ability to levy an infrastructure supplement;
 - creating the option for the local authorities to use alternative finance sources; and
 - removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty.

Next Steps

36. Further work will need to be undertaken over forthcoming months to develop a comprehensive City Deal Agreement that will provide detail on how the Deal will operate and set out the steps for implementation. This will be subject to the agreement of each participating Council.
37. As part of these more detailed discussions there will be a need to ensure that governance arrangements that are put in place are supported by all participating local authorities.
38. Furthermore there will need to be agreement on areas of finance relating to the infrastructure fund. In particular there is a need to develop an agreement relating to how the local contribution to the Infrastructure Investment Fund will be allocated. Any capital costs incurred ahead of incoming grant as part of the City Deal will also require local financing to support the investment. Other City Deals have split these costs either by population, a 'project on patch' basis or a mixture of the two. Advice from specialist support suggests that if the share is decided by projects on patch, a decision must be made with regard to whether any funding agreed from central government is 'top-sliced' or not – i.e. central funds are earmarked first and foremost for truly regional projects.

39. Detailed agreement will also be required on the development of the prioritisation and assurance framework for the identification of projects as part of the investment programme. All projects proposed will also require a detailed business case to be produced.
40. Based on experience from other City Deals it is expected that it will take between 6 and 18 months for the full programme to be agreed and finalised.
41. In developing the overall City Deal governance and investment programme it is anticipated that a dedicated team will be put in place. It is proposed that local authorities make a contribution to the costs of putting this team in place.
42. Any final agreement on governance and financial implications of the City Deal will be brought to Council for approval.

Reason for Recommendations

43. To update Cabinet on the progress on City Deal, and to outline next steps in the process.

Financial Implications

44. The Heads of Terms document signed by the Council in conjunction with nine other participating local authorities, Welsh and UK Governments is intended to provide certainty and signals the commencement of more detailed work to develop a final programme of investment and to agree the governance arrangements that will oversee the approval and delivery of the investment fund.
45. Based on experience from other City Deals it is anticipated that the next phase of detailed work could take between 6-18 months to complete and will be funded by the ten local authority partners via contributions to the City Deal Partnership Budget. An initial budget of £500,000 was established earlier in the year and around £200,000 of this regional budget remains uncommitted at this time.
46. As outlined in the report a dedicated team will now need to be put in place to complete the next phase of works. The team will be supplemented by specialist external advice as required and therefore, it is anticipated that a further contribution will be required in 2016/17 subject to the agreement of partners. Cardiff's share will be met from revenue resources approved in the 2016/17 budget for this purpose. Any unused contributions will be returned to the Council.
47. The Heads of Term document outlines in high-level terms the overall size of the investment fund and provides an indication of the amount that will need to be met by the ten local authorities. The Heads of Terms document suggests that CCR partners will only be required to contribute towards the 'Other City-Region Schemes' element of the fund and will be

responsible for meeting the financial commitment associated with (i) 'Cost of Carry' (interest costs arising from timing differences associated with UK Government funding) and (ii) 'Local Authority Funding Share' (minimum of £120 million).

48. In addition, it should be noted that the continuation of UK Government's funding is subject to securing satisfactory 'Gateway Reviews' as part of the Investment Fund Assurance Framework adopted. Reviews are likely to be structured to occur at Years 5, 10 and 15. Therefore, funding from Year 6 onwards represents 'risk capital' as it will be subject to the agreed performance objectives being achieved at each of the Gateway stages.
49. A deal structured on this basis introduces a level of uncertainty, as CCR partners will be required to borrow risk capital upfront and meet the associated interest costs. Therefore, in the event that the agreed performance targets are not fully achieved, there is a risk that UK Government funding may be reduced or even cease. Under these circumstances any reduction will represent a further cost to CCR partners. In order to mitigate this risk, the projects selected will go through a detailed economic modelling assessment to inform the key discussions that will take place around performance measures. The final performance targets agreed will include a 'margin of safety', which will further reduce the risk of targets not being achieved.
50. The Investment Fund Assurance Framework will be developed by CCR Partners and approved by UK and Welsh Government. An independent panel is to be established to monitor compliance with the agreed framework.
51. As part of the work done to-date, Cardiff Capital Region (CCR) partners have carried out some high-level modelling to get an indication of the overall cost and profile associated with two elements described above (Cost of Carry and Local Authority Funding Share). However, detailed work on the 'Other City-Region Schemes' is yet to be completed, in advance of the final investment fund being agreed. Therefore the modelling carried out at this time is indicative and could change. Furthermore, the report outlines that CCR Partners are yet to agree the basis on which its financial commitment will be met by individual local authorities. This represents a key issue to be resolved as the different approaches e.g. basis of 'population', 'projects on patch' or a 'hybrid' of the two, could represent financial commitments that are significantly different at individual local authority level.
52. Other key variables that will impact on the overall cost and profile to be met by CCR Partners include; the profile of UK Government funding flowing into the fund, the annual net borrowing requirement, the borrowing term e.g. 20 years, interest rate at the time of borrowing and wider inflation assumptions.
53. For indicative modelling purposes only it has been assumed that CCR Partners share their financial commitment on the basis of population. On this basis Cardiff would be required to meet 23.5% of the overall CCR Partner cost. In addition, the modelling assumes a 10 year investment

programme, with UK funding and borrowing costs spread over a period of over 20 years. On this basis the financial commitment that CCR Partners would be required to meet totals around £279million over a 20 year period. Cardiff's share would amount to circa £65million. The indicative modelling is predicated on the investment fund commencing in 2016/17, on this basis annual debt peaks at around £25 million in financial year 2026/27 (Year 11), with Cardiff's debt peaking at around £6 million in that year. Cardiff's indicative commitment in 2020/21 (the final year of the Capital Programme approved in February) amounts to around £1.7 million. Furthermore, changes due to population growth would impact on the apportionment calculation if this was the agreed basis taken forward.

54. These are significant sums, therefore as key variables are agreed and the base case position established, other modelling techniques such as sensitivity analysis, scenario analysis, optimism bias etc. will also need to be introduced to provide an overview of the wider risk envelope associated with any base case established.
55. The Council's Capital Programme currently does not include any allocations in respect of a City Deal initiative and therefore any amounts required will represent a new commitment over and above the existing programme. Given the significance of the amounts likely to be involved at local authority partner level, 'affordability' and 'choices' will be key considerations for Cabinet in-light of other commitments being progressed by the council and the limited resources available, providing always that amounts approved remain prudent, sustainable and affordable.
56. As the City Deal proposal develops a further report will need to be presented to Cabinet on the emerging financial commitment as well as the associated risks and issues. The report will need to consider the any budget framework issues and as well as the impact on the council's Treasury Management Strategy. In this regard, matters will need to be reported to Full Council.

Legal Implications

57. The Cardiff Capital Region City Deal document outlines the proposed terms for the City Deal. As set out in the body of the report, further work will need to be undertaken over forthcoming months to develop the comprehensive legal documentation required to set out the detailed provisions in terms of how the City Deal will operate, the obligations that fall to each party and the detailed governance arrangements. A comprehensive agreement will be drawn up between the participating authorities and the final form of such agreement is subject to the agreement of each participating authority ('The Agreement').
58. In terms of the governance arrangements as between the 10 local authorities, the City Deal Document is premised on the authorities establishing a joint committee, to which the authorities would delegate certain powers. The joint committee would be referred to as the Cardiff Capital Region Cabinet. It is important to note that the City Deal document provides that the establishment of a Cardiff Capital Region

Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital City Region. The Agreement is intended to be structured such that it will enable the local authorities to explore with the Welsh Government alternative governance arrangements in the medium term. It is proposed that the Agreement will also allow for the possibility of additional functions and powers to be devolved to the Cardiff Capital Region Cabinet in the future. Accordingly, it will be important to ensure that the Agreement contains suitable provision for the Authority's approval to be sought to any alternative governance arrangement that may be proposed during the term of the City Deal.

59. The City Deal document refers to the establishment of a number of bodies (by way of example only, a Cardiff Capital Region Business Organisation) and as part of the detailed work over the forthcoming months, terms of reference for such bodies will need to be developed so that all are clear as to the roles and responsibilities of such bodies.
60. The City Deal document refers to the authorities seeking greater financial autonomy and flexibility and exploring with Welsh Government the potential for 'additional flexibilities'. Detailed legal advice will be required on this and the potential implications for the authority in obtaining such additional flexibilities.
61. As will be appreciated, a considerable amount of work will be required in terms of developing the Agreement and other legal documentation required to facilitate the City Deal.
62. In developing the detailed City Deal arrangements regard should be had to the carrying out of appropriate consultation and the Council's statutory equality duty.
63. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to 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'. The 'Protected characteristics' are: Age, Gender reassignment, Sex, Race – including ethnic or national origin, colour or nationality, Disability, Pregnancy and maternity, Marriage and civil partnership, Sexual orientation and Religion or belief – including lack of belief.
64. All decisions taken by or on behalf of the Authority must:
 - Be within the legal powers of the Authority and of the body or person exercising powers on behalf of the Authority.
 - Comply with any procedural requirement imposed by law.
 - Be undertaken in accordance with procedural requirements imposed by the Authority e.g. Authority procedure rules.
 - Be fully and properly informed.
 - Be properly motivated (i.e. for an appropriate, good and relevant reason).

- Be taken having regard to the Authority's fiduciary duty to its tax payers as elected members are trustees of the public interest and of its statutory purposes for which public powers are conferred on them. This general duty requires the Authority to act prudently and in good faith in the interests of those to whom the duty is owed.
- Otherwise be reasonable and proper in all the circumstances.

RECOMMENDATIONS

The Cabinet is recommended to:

- 1) note the content of the report and the City Deal document, which is attached as Appendix A to the report;
- 2) agree to receive further update reports as the detail of the City Deal is further developed;
- 3) recommend to Council that the report be noted and authority be delegated to the Chief Executive, in consultation with the Leader of the Council, the Corporate Director Resources and Monitoring Officer to conclude any interim arrangements necessary to facilitate the development of the final City Deal (including without limitation to the generality of the foregoing appointment of external consultants and any interim appointments that may be required), provided the requisite budget provision is available.

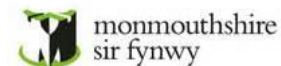
PAUL ORDERS

Chief Executive
18 March 2016

The following Appendix is attached:

Appendix A: Cardiff Capital Region City Deal

Cardiff Capital Region City Deal



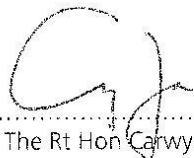
Executive Summary

1. Cardiff Capital Region has secured a deal worth £1.2 billion. Over its lifetime, local partners expect the City Deal to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.
2. This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that builds on the region's sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels still further; supporting people into work; and giving businesses the support they need to innovate and grow.
3. This deal will also develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses.
4. The Cardiff Capital Region City Deal includes:
 - **£1.2 billion investment in the Cardiff Capital Region's infrastructure.** A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme.
 - **Connecting the region.** The Cardiff Capital Region will establish a new non-statutory **Regional Transport Authority** to co-ordinate transport planning and investment, in partnership with the Welsh Government.
 - **Support for innovation and improving the digital network.** To develop capabilities in Compound Semiconductor Applications the UK Government will invest £50 million to establish a new Catapult Centre in Wales. The Cardiff Capital region will also prioritise investment in research and development and provide support for high value innovative businesses.
 - **Developing a skilled workforce and tackling unemployment.** The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed.
 - **Supporting enterprise and business growth.** A Cardiff Capital Region Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders.
 - **Housing development and regeneration.** The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

Our signing of this document, subject to relevant council approvals, confirms our joint commitment to ensure full implementation of the Cardiff Capital Region City Deal proposed by: City of Cardiff Council; Blaenau Gwent County Borough Council; Bridgend County Borough Council; Caerphilly County Borough Council; Merthyr Tydfil County Borough Council; Monmouthshire County Council; Newport City Council; Rhondda Cynon Taff County Borough Council; Torfaen County Borough Council; and Vale of Glamorgan Council.



The Rt Hon Stephen Crabb
Secretary of State for Wales



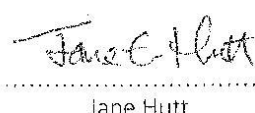
The Rt Hon Carwyn Jones
First Minister of Wales



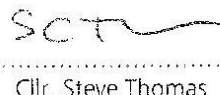
Cllr. Phil Bale
Leader of City of Cardiff
Council



The Rt Hon Greg Hands
Chief Secretary to the
Treasury



Jane Hutt
Minister for Finance and
Government Business
Welsh Government



Cllr. Steve Thomas
Leader of Blaenau Gwent
County Borough Council



Cllr. M E J Nott OBE
Leader of Bridgend County
Borough Council



Cllr. Keith Reynolds
Leader of Caerphilly County
Borough Council



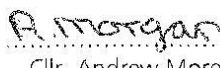
Cllr. Brendan Toomey
Leader of Merthyr Tydfil
County Borough Council



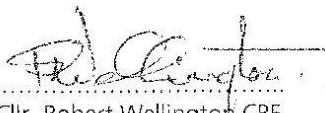
Cllr. Peter Fox
Leader of Monmouthshire
County Council



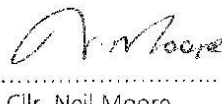
Cllr Bob Bright
Leader of Newport City
Council



Cllr. Andrew Morgan
Leader of Rhondda Cynon
Taff County Borough
Council



Cllr. Robert Wellington CBE
Leader of Torfaen County
Borough Council



Cllr. Neil Moore
Leader of Vale of
Glamorgan Council

Introduction

5. The Cardiff Capital Region is comprised of ten local authorities: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taff; Torfaen; and Vale of Glamorgan. It is the largest city-region in Wales and accounts for approximately 50% of the total economic output of the Welsh economy, 49% of total employment and has over 38,000 active businesses.
6. The Cardiff Capital Region is an area where people want to live and work. With two cities (Cardiff and Newport) at its core, the region has seen significant regeneration and investment over recent decades. Cardiff, as the capital city, is now dynamic, fast growing and forecast to have a higher population growth rate over the next 20 years than any other city in the UK.
7. The area is home to a range of competitive business clusters with significant international and indigenous businesses across sectors such as: financial services; creative and digital industries; advanced manufacturing; life sciences; energy; and energy supply. These business clusters are serviced through a wide and supportive ecosystem. This ecosystem contains a thriving higher education sector which includes Cardiff University, Cardiff Metropolitan University and the University of South Wales..
8. However, despite these strengths, numerous challenges remain. Gross Value Added, which is a measure of goods and services produced in an area, is lower than all but one of the English Core City Regions. There are also connectivity issues across the region which makes it more difficult for people in Valley's communities to access economic opportunities.
9. Recognising these opportunities and challenges all the signatories to this deal are working together to realise the vision for the Cardiff Capital Region, which is to: *“work together to improve the lives of people in all our communities. We will maximise opportunity for all and ensure we secure sustainable economic growth for future generations”*. This City Deal provides local partners with further powers and tools to realise this vision.

Key Elements of the Deal

Cardiff Capital Region Investment Fund

10. This City Deal sets out a transformative approach in how the Cardiff Capital Region will deliver the scale and nature of investment needed to support the area's growth plans. Central to this will be the development of a 20 year £1.2 billion Investment Fund, which the Cardiff Capital Region will use to invest in a wide range of projects.
11. Both the UK and Welsh Government are contributing £500 million to this fund respectively. The Welsh Government funding will be provided over the first seven years of the Investment Fund, from 2016/17 to 2022/23. The ten local authorities in the Cardiff Capital Region will contribute a minimum of £120 million over the 20 year period of the Fund. In addition, over £100m from the European Regional Development Fund has been committed to delivering the City Deal.
12. The Cardiff Capital Region believes investments in these areas will deliver up to 25,000 new jobs and bring forward at least £4 billion of additional investment from local partners and the private sector by 2036.

South East Wales Metro

13. A key priority, which the City Deal Investment Fund will support, is the delivery of the South East Wales Metro. The scheme has the potential to provide a significantly improved public transport system that will transform the way people travel around the region.
14. Given the importance of the Metro to the UK Government, Welsh Government and Cardiff Capital Region, a proportion of the Investment Fund will be pre-allocated to the delivery of this scheme. This pre-allocation focuses on both phases of the wider Metro scheme. These are:
 - The delivery of the Valley Lines Electrification programme. This City Deal re-confirms the continued shared ambition of both Government's and the Cardiff Capital Region to deliver this element of the wider Metro scheme. £325 million of the £1.2 billion Investment Fund has already been committed to the delivery of this scheme (£125 million from the UK Government, £94 million from the Welsh Government and £106 million from the European Regional Development Fund).
 - The delivery of the wider South East Wales Metro scheme. The Welsh Government will pre-allocate over £400m further funding from the Investment Fund to deliver the wider ambitions around the Metro scheme, which is the subject of ongoing design work. As part of this City Deal the Welsh Government commits to involving the Cardiff Capital Region in the co-design of the wider Metro scheme and in the procurement of a delivery organisation.

15. The Department for Transport will agree the arrangements for making the agreed contribution to the Valley Lines Electrification project with the Welsh Government. The Welsh Government will agree with the local authorities the arrangements for managing the funding of the Metro scheme, and how it interacts with funding for additional Metro investments delivered through this City Deal.

Wider Investment Priorities

16. The remaining element of the Investment Fund will be used to take forward a wide range of projects and schemes that support economic growth across the Cardiff Capital Region. Decisions on the prioritisation of these schemes will be taken by the Cardiff Capital Region Cabinet. Schemes taken forward could include: further transport schemes; investment to unlock housing and employment sites; and development of research and innovation facilities.

Investment Fund Assurance Framework

17. The ten local authorities across the Cardiff Capital Region commit to writing and adopting an assurance framework for this Investment Fund. This will be agreed by the UK and Welsh Government. By adopting the assurance framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes that are taken forward (outside of the South East Wales Metro which will be subject to a separate assessment against an assurance framework) represent good value for money and are underpinned by a robust business case.
18. This assurance framework will be based on existing best practice from the UK Government and Welsh Government. In addition the framework will also draw upon any local best practice for managing investment decisions across the Capital Region. Key elements that the assurance framework will include are:
 - purpose, structure and operating principles of the framework;
 - arrangements to ensure value for money and effective delivery through strong project development, project and options appraisal, prioritisation, and business case development;
 - a description of the arrangements for supporting the effective delivery and implementation of projects and schemes, including relationships with delivery bodies; and
 - arrangements which enable effective and meaningful engagement of local partners and the public in the investment decisions taken and subsequent scrutiny of these decisions.

Investment Fund Gateway Assessments

19. Cardiff Capital Region will be required to evaluate the impact of the Investment Fund in order to unlock funding that has not been pre-allocated to the South East Wales Metro programme. This will be comprised of gateway assessments every five years. To underpin these gateway assessments, an independent review will be commissioned to evaluate the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Cardiff Capital Region, but agreed at the outset with the UK Government. The next five

year tranche of funding will be unlocked if the UK and Welsh Governments are satisfied that the independent assessment shows the investments to have met key objectives and contributed to national growth.

Local Authority Borrowing

20. Throughout the course of the City Deal programme the ten Cardiff Capital Region local authorities will be responsible for financing the capital investment programme. The difference in the profile between the proposed investment and the capital grant funding may require a local authority or authorities to borrow to fund any difference in expenditure and grant. The cost of any external borrowing is the responsibility of the relevant local authority or local authorities and is to be managed in accordance with prudential principles – it must be prudent, affordable and sustainable.
21. In a scenario where a future Investment Fund Gateway is not achieved, leading to any reduction or cessation of City Deal grant, then it will be the responsibility of individual local authorities within the Cardiff Capital Region to manage the financial impact of this within their local authority budget, utilising reserves or surpluses as required.

Additional Flexibilities

22. In order to deliver the Cardiff Capital Region's City Deal commitments and a longer-term economic strategy, the ten local authorities have requested greater financial autonomy and flexibility. As part of this City Deal the Welsh Government will explore with the Cardiff Capital Region:
 - the devolution of business rate income above an agreed growth baseline to provide funding for the City Deal programme;
 - providing the ability to levy an infrastructure supplement;
 - creating the option for the local authorities to use alternative finance sources; and
 - removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty.

Connecting the Cardiff Capital Region

23. Transport has a key role in delivering economic growth and improving outcomes for people by connecting communities, business, jobs, facilities and services. However across the Capital Region there are significant congestion and transport capacity issues that need to be addressed. The City Deal Investment Fund and South East Wales Metro will make a significant contribution to improving transport connectivity.
24. In addition to this investment the Cardiff Capital Region will establish a new non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. The Cardiff Capital Region Transport Authority will be responsible for:
 - pooled local transport resources;
 - regional planning for the local transport network;
 - working with Transport for Wales to ensure objectives for transport investment are aligned;
 - exploring the creation of a single integrated ticketing platform for public transport across the Cardiff Capital Region;
 - working in partnership with the Welsh Government to define the priorities of the South East Wales Metro concept and to support its delivery; and
 - working in partnership with the Welsh Government to promote the development of integrated aviation routes from Cardiff Airport and St Athan Enterprise Zone, to deliver economic benefit.

Investing in Innovation and the Digital Network

25. The Cardiff Capital Region has an aspiration to extend the “arc of innovation” that runs along the M4 corridor into the Cardiff Capital Region. Capitalising on the research strengths of the Region’s three universities, the Cardiff Capital Region will designate an “Innovation District” that helps to: create and nurture new high growth businesses; increases investment in research and development; and provides the skills that businesses need now and in the future.

Developing the Compound Semiconductor Sector

26. To transform the UK’s capability, and help position Cardiff as the European leader in Compound Semiconductor applications, the UK Government will invest £50 million to establish a new Catapult in Wales. This new Catapult will complement the work of other organisations in Wales who are already working in this important area, including the Compound Semiconductor Institute at Cardiff University and the Compound Semiconductor Centre, a joint venture between Cardiff University and IQE.
27. Recognising this opportunity, the Cardiff Capital Region will prioritise interventions that support the development of an internationally-competitive Compound Semiconductor cluster. Local partners believe that this will put the UK at the heart of an emerging global growth technology.

Innovation Investment

28. To accelerate the growth of innovation and facilitate investment in research and development, the Cardiff Capital Region will seek to prioritise:
 - mechanisms to support high growth sectors;
 - the development of new facilities and employment sites;
 - new approaches to public service delivery;
 - the Software Academy in Newport and related programmes across the Capital Region;
 - investment in intellectual property creation and commercialisation;
 - adding value and complimenting existing innovation support; and
 - developing a cyber-security academy with the University of South Wales.

Innovate UK

29. Innovate UK is now planning to increase its footprint and presence in Wales, in order to: raise the awareness and engagement in Innovate UK programmes and activities; to strengthen its links with business, universities and other key partners; and to work with the Welsh Government to promote and support innovation.

Data

30. Cardiff Capital Region commits to developing proposals for how better and more flexible use of data could be used to drive innovation across the public sector and

within the wider economy. The Cardiff Capital Region will present a clear case to the UK Government for how a different approach to the use of specific data would improve service delivery and would benefit particular groups.

The Digital Network

31. Innovation will also be a central theme within the Cardiff Capital Region's ambition to deliver an outstanding digital infrastructure and wider ecosystem to support economic growth. To continue to build on investments in next generation broadband, and the Region's reputation as one of the fastest growing tech hubs in the UK, the Cardiff Capital Region will prioritise:

- exploring the case for direct international connectivity;
- the mobile infrastructure across 4G and 5G technologies that add value to existing provision;
- increasing Wi-Fi services across public transport;
- digital solutions to solve the big problems, such as smart housing, citizen payments and open data challenges; and
- facilitating collaboration between stakeholders to identify and exploit opportunities.

Developing a Skilled Workforce and Tackling Unemployment

32. This City Deal will improve the co-ordination and delivery of skills and employment support across the Capital Region. It will help to increase the number of people moving into work (including those that have been out of work for a long time), increase the number of people undertaking an apprenticeship or other relevant skills provision and give people the skills they need to compete in a global employment market.

The Cardiff Capital Region Skills and Employment Board

33. To ensure skills provision is adapted to local economic and social needs and provides the best value for money, the Cardiff Capital Region will strengthen the existing Learning, Skills and Innovation Partnership. This will be re-launched in 2016 as the Cardiff Capital Region Skills and Employment Board.
34. The Partnership will represent a wide range of stakeholders, including: business bodies; higher and further education; local authorities and the Welsh Government. It will be responsible for:
- Cardiff Capital Region's skills and worklessness strategy;
 - pooled local authority skills resource;
 - producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed;
 - influencing and monitoring the delivery and impact of employment and skills programmes across the Region;
 - ensuring an industry led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
 - supporting the Welsh Government's "Curriculum for Wales, Curriculum for Life" plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
 - ensuring European Union funding investments in skills and employment add value and align with other programmes.

Work and Health Programme

35. Cardiff Capital Region and the Welsh Government will work with Department for Work and Pensions to co-design future employment support from 2017, for people with a health condition or disability and/or long term unemployed¹, many of whom are currently referred to the Work Programme and Work Choice.
36. The respective roles of the Department for Work and Pensions and Cardiff Capital Region in the co-design include:
- Department for Work and Pensions setting the funding envelope; however Cardiff Capital Region and the Welsh Government can top up this if they wish, but are not required to.

¹ Long term unemployed is defined as claiming benefits for 24 months.

- Cardiff Capital Region and the Welsh Government setting out how they will join up local public services in order to improve outcomes for this group.
- Department for Work and Pensions setting the high level performance framework, ensuring support appropriately reflects labour market issues. The primary aim will be to reduce unemployment and move people into sustained employment.
- Cardiff Capital Region (working with the Welsh Government) will have input into determining specific local outcomes that reflect their labour market priorities, however these outcomes should be complementary to the ultimate employment outcome. In determining any local outcome(s) Cardiff Capital Region and the Welsh Government will work with the Department for Work and Pensions to take account of the labour market evidence base and articulate how these will both fit within the wider strategic and economic context and deliver value for money.

37. Before delivery commences the Department for Work and Pensions, Cardiff Capital Region and the Welsh Government will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support. This will include a mechanism by which each party can raise and resolve any concerns that arise.
38. The Department for Work and Pensions sets the contracting arrangements, including contract package areas, but should consider any proposals from Cardiff Capital Region on contract package area geography.
39. Providers will be solely accountable to the Department for Work and Pensions, although Cardiff Capital Region and the Welsh Government will be involved in the tender evaluation.
40. The Department for Work and Pensions and Cardiff Capital Region will develop a mechanism by which Cardiff Capital Region (working with the Welsh Government) can escalate to the Department for Work and Pensions any concerns about provider performance/reaching local agreements and require the Department for Work and Pensions to take formal contract action where appropriate.

Supporting Enterprise and Business Growth

41. The Cardiff Capital Region is committed to improving the co-ordination of local and national business support arrangements. This includes working in partnership with the Welsh Government to address identified barriers to growth, support spatial and sectoral priorities and to target emerging opportunities for driving economic performance.

The Cardiff Capital Region Business Organisation

42. Local partners recognise that ensuring there is a strong business voice to guide both the design and delivery of business support across the region will be critical.
43. Therefore working with public sector partners, the business community, and representative bodies, Cardiff Capital Region will establish a Cardiff Capital Regional Business Organisation. This organisation will provide a clear business voice that will influence and shape business support programmes. In creating the Board, a mapping and consultation process will be undertaken with existing advisory Boards operating within the Region. This will ensure roles and remits are complimentary and add value. The Board will be responsible for:
 - articulating the regional needs of business;
 - identifying regional priorities for existing business support services; and
 - designing future business support programmes.
44. Membership will be drawn from across a range of sectors and interests, including social enterprises and mutuals. A joint Confederation of British Industry, Federation of Small Business, Institute of Directors and South Wales Chamber of Commerce statement outlined the underlying principles for the Business Organisation. The final structure will be designed by the Cardiff Capital Region business community.

Integration of Local Business Support Services and Resources

45. To ensure that relevant business support and promotional activities are delivered at the Capital Region level, local resources will be aligned to create an Integrated Delivery Unit. This unit will deliver regionally significant aspects of economic development. This includes: business development; marketing; tourism; and inward investment.
46. The Integrated Delivery Unit, working in collaboration with the Welsh Government and the proposed Regional Business Organisation, will ensure that any new business support provision complements existing national initiatives. In addition, through this collaborative approach, the Welsh Government is committed to working with the Cardiff Capital Region to explore where existing business support provision can be built on or expanded, whilst avoiding duplication. A number of existing programmes (for example Business Wales, which offers a one stop shop advice and referral service to SMEs and Entrepreneurs) have already been designed through consultation with industry and have the potential to be aligned with identified regional needs and priorities.

47. Further to this, the Welsh Government is also committed to working in partnership with the Cardiff Capital Region to promote the area at a global level. As part of this, the Welsh Government will ensure greater levels of visibility with the Welsh Government's own overseas offices. In addition the Welsh Government will continue to work closely with UK Trade and Investment to ensure that its propositions are promoted and co-ordinated across the UK Trade and Investment overseas post network.

Housing Development and Regeneration

48. Delivering an increase in house building across the Cardiff Capital Region will help to address critical housing shortages especially for first time buyers and those unable to join the 'housing ladder'. House building is also a critical element of the economy as it: stimulates demand within the supply chain during construction and through purchases by the eventual occupiers; contributes to a more balanced regional planning framework; and is a major employer in its own right.
49. The City Deal presents a unique opportunity for the ten local authority areas to come together to develop and deliver a strategic approach to housing, regeneration and economic growth which will create an accessible, liveable, 'work-life integrated' and highly connected Capital Region. To support this ambition the Cardiff Capital Region will:
 - Commit to the development of a partnership between the Cardiff Capital Region and the Welsh Government to take a strategic and balanced approach to housing and regeneration, focussing development on where it is most needed – in a regional and coordinated way.
 - Ensure that new housing is linked to the delivery of sustainable and balanced communities, through the re-use of property and sites. Further, both the Welsh Government and Cardiff Capital Region will ensure that proposals to improve the efficiency and quality of the housing stock are aligned with other regeneration outcomes.
 - Establish a collective way of working, for example, through an asset development vehicle to progress speculative opportunities for potential Cardiff Capital Region regeneration ventures.
 - Develop an integrated public-private housing offer, with clarity over tenure, mix type, design and affordability with prototyping for 'settlements of the future'.
 - Utilise innovation in local procurement to secure supply chain benefits, local labour and other social clauses to maximise value.
 - Establish the delivery of renewable energy-led regeneration and housing programmes and ensure the principles of 'clean-tech' are anchored within physical development initiatives. This will contribute to ensuring 'future-proofing' and creation of new supply chain networks.
 - Engage the affordable housing sector providers in the region as one network. Working with Cardiff Capital Region this network will develop a regional "Housing Plus" strategy in which added value benefits such as training construction apprenticeships, energy resilience and job creation are clearly set out and adopted. This will provide a framework against which site regeneration schemes can be prioritised for investment.
50. In both the planning and delivery of new housing and regeneration projects, the Cardiff Capital Region will ensure that there is alignment to current Welsh Government programmes including Creating Vibrant and Viable Places – the Welsh Government's regeneration framework and increasing the supply and standards of housing.

Cardiff Capital Region Governance

51. The ten local authority partners of the Cardiff Capital Region City Deal have agreed to establish a governance model that:
- complies with the existing statutory framework that exists in Wales to deliver this City Deal;
 - strengthens and streamlines the existing governance and partnership arrangements across the Capital Region;
 - improves business involvement in local decision making;
 - provides confidence and assurance to both the UK and Welsh Government that the local authority leaders are making decisions which will drive economic growth across the Capital Region; and
 - enables local authorities to explore with the Welsh Government alternative governance arrangements in the medium term.

Cardiff Capital Region Cabinet

52. Utilising the existing statutory framework, the ten local authorities will establish a Cardiff Capital Region Cabinet. The Cabinet will have the status of a Joint Committee and will be the ultimate decision making body in the governance structure.
53. The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region. The Cabinet, which will comprise the ten participating local authorities, will provide the basis for initial decision making regarding the Investment Fund. In addition the Cardiff Capital Region Cabinet will be responsible for:
- management of the Cardiff Capital Region Investment Fund;
 - additional devolved funding provided to the Capital Region;
 - the Cardiff Capital Region Transport Authority;
 - contracting with Transport for Wales on prioritised Metro projects;
 - control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;
 - strategic planning including housing, transport planning and land use;
 - influencing skills and worklessness programmes;
 - an Inward investment and marketing strategy; and
 - considering the scope for strengthening Capital Region governance further.
54. A comprehensive agreement will be drawn up between the participating authorities which will bind and commit each individual local authority and any successor authority (in the event of local government re-organisation) for such duration as is necessary to deliver the City Deal. The agreement will also allow for the possibility of additional functions and powers to be devolved to the Cabinet in the future.
55. The Cardiff Capital Region commit to reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding. The review will include consulting the Welsh Government

and the UK Government to identify actions needed to take forward future governance options.

Strategic Regional Planning

56. The Cardiff Capital Region, in partnership with the Welsh Government, will commit to the creation of an integrated strategic development plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region.

Cardiff Capital Region Economic Growth Partnership

57. A Cardiff Capital Region Economic Growth Partnership will be established to bring together business, higher education and local government. The partnership would be responsible for setting the overarching city-region economic development strategy, as well as monitoring and making recommendations to the Cabinet with regard to City Deal implementation. The partnership will have a specific role to provide advice on investment decisions. This will ensure the City Deal and other interventions make an impact on economic growth and increase employment.
58. The Partnership's membership and terms of reference will be established using the best international practice such as the Danish Growth Forums, as well as the Local Enterprise Partnership model in England and the Economic Leadership Board established in Glasgow.

Independent Growth and Competitiveness Commission

59. The Cardiff Capital Region will establish an independent Growth and Competitiveness Commission to support the city region's economic and investment strategy. It will review activities related to the City Deal as well as wider economic and growth interventions.
60. The Commission's first task will be to review the evidence about the functional economic area and advise how best to generate Gross Value Added growth and support the ambitions of a dynamic capital region.
61. The Commission will be jointly established by the ten local authorities that comprise the Cardiff Capital Region in consultation with the Welsh and UK Governments.
62. The Commission will examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential.

Delivery, Monitoring and Evaluation

63. Cardiff Capital region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation

plan in advance of implementation, which sets out the proposed approach delivery and evaluating the impact of delivery.

64. The Cardiff Capital Region City Deal will be monitored by the Joint Cabinet. The joint programme management team will provide the Cabinet, the UK Government and the Welsh Government with quarterly performance report that will:
 - highlight City Deal successes;
 - provide a performance narrative for each element of the City Deal against agreed implementation plan timescales;
 - provide information on outputs and outcomes agreed;
 - identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.
65. The UK Government and Welsh Government will work with the Cardiff Capital Region to agree a timetable for the production of these reports and will convene regular progress meetings.
66. The Cardiff Capital Region commit to recognising the “City Deal” in promoting and branding investments made as a result of this Deal. This includes acknowledging the UK Government equally alongside other funding partners. The Cardiff Capital Region may wish to explore a single unique brand identity that represents the whole Capital Region area and all the partners involved in delivering the City Deal.