

**Written Statement - City Deal for the Cardiff Capital Region**

**Jane Hutt AM, Minister for Finance and Government Business**

This Written Statement provides an update on the development of a proposed City Deal for the Cardiff Capital Region.

I have previously informed the Assembly that the ten local authorities in the Cardiff Capital Region have been working together to produce a proposal for a City Deal. This follows the development of City Deals in England and the agreement to a Glasgow City Deal in Summer 2014. Since the Glasgow announcement, I have repeatedly pressed the UK Government for a City Deal that provides economic benefits and advantages for Wales and reflects the structure of the Deal that was reached in Glasgow. In March 2015, the UK Government indicated that it would open negotiations with the Cardiff Capital Region. Discussions have been ongoing since then.

Last week the Cardiff Capital Region local authorities reached an important milestone, with the submission of its headline proposal to the UK Government. The goal of a City Deal would be to reduce the GVA gap between the city region and the UK average. The proposal that was submitted focuses on connectivity, digital, innovation, skills and worklessness and business support and regeneration. There will now be a period of engagement with the UK Government to explore the headline proposal.

The Welsh Government fully supports this proposal and has indicated that it would commit up to £580 million to support the establishment of a Cardiff Capital Region Fund. The proposal seeks equivalent matched funding from the UK Government. This funding, in addition to the local authorities' own contribution, would take the total value of the Fund to nearly £1.3 billion. This is a significant investment in the Cardiff Capital Region. Although the projects that will be funded from this Fund have not been confirmed at this stage, given the importance of connectivity to economic development, it is likely that transport infrastructure will feature.

A successful City Deal bid will be important for the development of the Cardiff region and will need to be developed in such a way that all parts of the region stand to benefit. A successful bid may also pave the way for developments elsewhere in Wales.

<http://gov.wales/about/cabinet/cabinetstatements/2015/citydealcardiff/?lang=en>