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PRESENTATIONS

Committee ECONOMY & CULTURE SCRUTINY COMMITTEE

Date and Time of Meeting TUESDAY, 19 MARCH 2024, 4.30 PM

Please see attached the Presentation(s) provided at the Committee Meeting

9 **Item 4 – Presentation – Corporate Joint Committee Update (Pages 3 - 20)**

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Corporate Joint Committee Update

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Economy & Culture Scrutiny Committee, March 19th 2024



Background – City Deal

- In 2014 Glasgow secured a City Deal – the first in a devolved nation
- Subsequently Cardiff explored the potential for its own City Deal
- Identified a bigger opportunity from a Cardiff Capital Region scale proposal
- Agreed for 10 LAs to develop the bid – submitted in 2015
- City Deal for CCR agreed in 2016
- Joint Working Agreement signed by all 10 LAs in 2017
- Established an Investment Fund (£1.2bn, including Metro contribution)
- Also committed to other governance / fiscal issues



Background – City Deal

- Joint Working Agreement agreed that Cardiff Council would take on the role of Accountable Body for the City Deal. This would cover:
 - Section 151 and Monitoring Officer services;
 - HR;
 - Finance, ICT and legal support as well as the treasury management function
 - VAT advice and returns;
 - Information and governance services;
 - and liaison with Audit Wales.

Background – City Deal

Infrastructure Investments

Metro Plus & Electric Vehicle Points (£50m investment).

Housing Viability Gap Fund (£35m enabling fund).

Strategic Premises Fund (£50m commercial premises loan fund).

Challenge Fund

Open to public sector organisations and private sector bidders across each of the 10 LAs supported by InFuse.

Innovation

Innovation Investment Capital (£50m scale-up funding).

Ecosystem development across priority clusters.

Cluster Organisations

FinTech Wales

Media Cymru

CS Connected

Cyber Innovation Hub

Equity Investments

Mazuma

Creo Medical

Human Data Sciences

Jellagen (BioTech)

Apex Advanced Manufacturing

Skills

Venture Graduate Recruitment Programme

Cyber Masters

Shared Apprenticeships

Skills Academies

City Deal **Achievements**

- **Since 2017, CCR City Deal has already made an impact for region and nation:**
- **Approved projects** to the value of **c.£420M**, a proportion of which will generate recycled funds for future investment.
- **High impact funds** established, including the £50m Strategic Premises Fund and the £50m Innovation Investment Capital.
- All CCR Local Authorities are shareholders in our major evergreen investments –**CCR Energy Ltd** (former Aberthaw Power Station), **CS Foundry Ltd** and **equity investments**.
- £160m Investment Zone awarded to Southeast Wales to spur **indigenous business growth** and **inward investment**.
- CCR also re-defining the role of the **public sector as a driver of innovation** through Challenge Fund and InFuse programmes.
- Outcomes to date for the region are **3,474 jobs** and **c£300m+ in additional leveraged funds**.

Links with Cardiff Economic Agenda

- **Metro Central:** £40m has been allocated to invest in Cardiff Central to modernise the station as part of a wider investment supported by both the Welsh Government and UK Government.
- **Media.Cymru:** £3m contribution towards a £50m project to establish the CCR as a global hub for media innovation and production, as part of the UK Research and Innovation's Strength in Places programme.
- **CSC Foundry:** A £38m investment that has established a new compound semi-conductor foundry as part of an agreement with the Cardiff company IQE. Strength in Places funding has also been secured to support the wider advanced semiconductor cluster, including £25m from the UK Government.
- **Direct support for businesses** within the key sectors identified above, including equity investments in Cardiff businesses such as Human Data Sciences, Amplyfi and Jellagen.
- Direct support for **Fintech Wales**, a Cardiff based organisation that supports a key sector for the city.



Links with Cardiff Economic Agenda



- Housing Viability Gap Fund: Cardiff has benefited from funding allocated to two projects, Waungron Road, **Fairwater** and the **Gasworks on Ferry Road**. Collectively over £3.5m has been allocated to these schemes.
- Via the **Strategic Premises Fund** a £12m loan has been agreed to finance the acquisition and future development of studio space for **Great Point**.
- **Cyber Innovation Hub (CIH)**, a £20m Cardiff-based initiative focused on new venture creation, innovation, and skills development.
- The **Cardiff East Bus Priority** project has been part funded by Metro Plus.

Links with Cardiff Economic Agenda

Cardiff also benefits from the range of programmes delivered by City Deal, including:

- Venture Graduate Recruitment Programme;
- Shared Apprenticeships and Skills Academies;
- Digital Skills Programme;
- Net Zero & Advanced Manufacturing Skills Programme;
- Academic-Industry Partnerships;
- Challenge Fund & InFuse; and
- Business Growth Programme.

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Corporate Joint Committees

- In 2021, the Senedd passed the LG and Elections (Wales) Act 2021.
- This aimed to provide a framework for greater LA collaboration and drive a 'more coherent, consistent, simplified and democratically controlled mechanism for regional working' through adopting Corporate Joint Committees (CJCs).
- The South East Wales Corporate Joint Committees will be known as Cardiff Capital Region – ensuring we build on the work and reputation of the City Deal.

What CJC's do



There are CJC's for the four regions of Wales – **South East, South West, Mid and North Wales**



CJC's are **made up of the local authorities named by Welsh Government in the Regulations** that established them



All four CJC's are required via statutory instrument to promote **economic wellbeing, spatial planning and regional transport planning**.



The 2021 **legislation applies to the ten local authorities** of South East Wales, via the executive leader role

What CJs do

All four CJs are required via statutory instrument to promote **economic wellbeing, spatial planning and regional transport planning.**

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Economic Wellbeing

Enables CJC to undertake activity to improve the economy of the CCR.

Strategic Plan

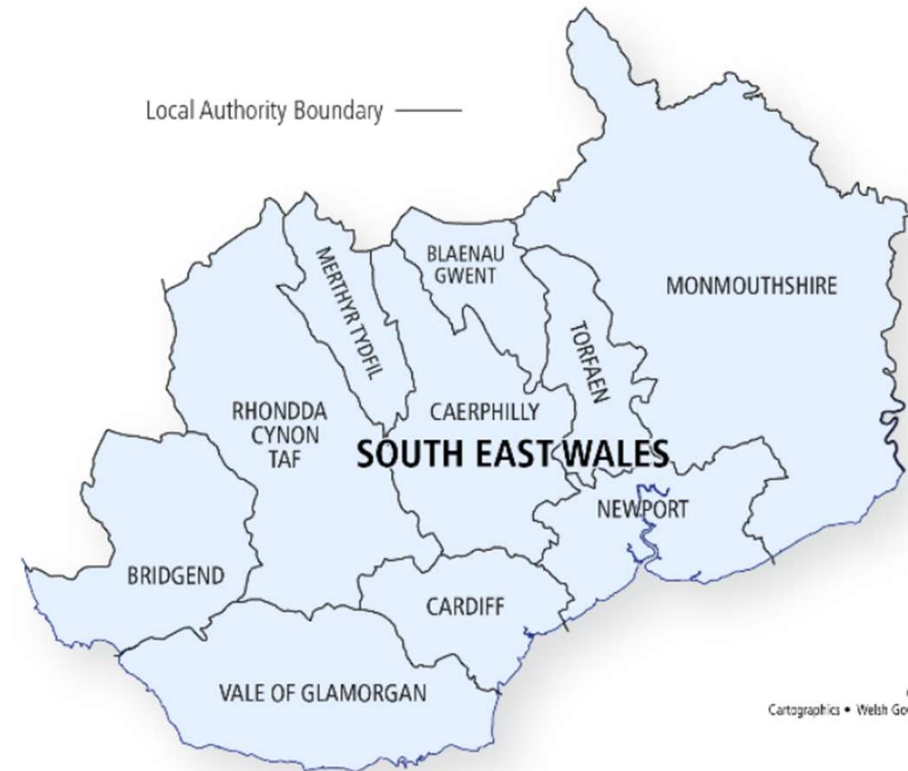
Statutory Duty to deliver a Strategic Development Plan (SDP).

Regional Transport Planning

Statutory Duty to deliver a Regional Transport Plan (RTP) – with LAs to deliver.

The Basics

- 10 LAs...
- Plus... the Brecon Beacons Member will act as a member of the CJC only in relation to the Strategic Development Plan Function.
- One member one vote – mirrors CA in England
- 70% quorum – except for budget or to approve changes to the voting arrangements



'Lift and Shift'

“The CJC acts as the decision maker (in place of the Regional Cabinet) and acts as the conduit for project delivery (in place of the Accountable Body).”

- Effectively transitions the CCR City Deal arrangements into the CJC
- Transitions current financial City Deal commitments to the CJC
- Will take on the duties to deliver the SDP and RTP
- Means that the Accountable Body role is no longer needed

Transition Plan – Dec 2023 CCR CJC Report

- **Consent to novate (transfer) the Cardiff Capital Region City Deal Funding Agreement** and all other incoming funding agreements held by Cardiff Council as Accountable Body on behalf of CCR to the CJC;
- **Consent to transfer the portfolio of projects funded by CCR, together with any ancillary agreements, from Cardiff Council as Accountable Body** on behalf of CCR to the CJC;
- Provide a direction to **Cardiff Council acting in its capacity as Accountable Body for CCR to take all necessary actions to implement the transfers;** and
- Agree to **transfer responsibility for decision making and implementation of the Cardiff Capital Region City Deal to the CJC** (including that Council Contributions be made to the CJC).

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4 DECEMBER 2023

SOUTH EAST WALES CORPORATE JOINT COMMITTEE
TRANSITION REPORT

JOINT REPORT OF THE INTERIM CHIEF EXECUTIVE & INTERIM
MONITORING OFFICER

AGENDA ITEM: 7

Summary

1. To provide an update on progress towards the South East Wales Corporate Joint Committee achieving fully functioning status and the Cardiff Capital Region City Deal transferring to the Corporate Joint Committee; and to make recommendations for decisions to be taken to further those objectives.

Background

2. In February 2017, the 10 Councils in the Cardiff Capital Region – Caerphilly, Cardiff, Blaenau Gwent, Bridgend, Monmouthshire, Merthyr Tydfil, Newport, Rhondda Cynon Taf, Torfaen, and Vale of Glamorgan - entered into a Joint Working Agreement which established a Joint Committee responsible for overseeing and coordinating the discharge of the Councils' obligations in relation to the Cardiff Capital Region City Deal and managing the CCRCD Wider Investment Fund. As part of those arrangements, Cardiff Council was appointed to act as the Accountable Body for CCR.
3. Regulations made under the Local Government and Elections (Wales) Act 2011 established four Corporate Joint Committees - South East Wales CJC, South West Wales CJC, North Wales CJC and Mid Wales CJC - with the aim of strengthening regional collaboration between authorities. The CJCs are public bodies - with broadly similar powers and duties to local authorities - and were given the statutory functions of developing regional transport policies, preparing a strategic development plan, and doing anything the CJC considers likely to promote or improve the economic wellbeing of its area. Membership of the

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Transition Implications

- The novation of agreements has been approved by Regional Cabinet, and agreed by Welsh Government, and do not require a separate decision of Cardiff Council
- The effective date for that transfer is 00.01 hours on 1 April 2024;
- Cardiff Council will need to transfer the cash balance of approximately £40m it currently holds on behalf of CCR to the CJC
- Cardiff Council will cease providing CCR's treasury management, accountancy, transactional and other financial services, and responsibility for these will pass to the CJC
- It will be necessary for Cardiff Council to agree transitional arrangements with the CJC during which it continues to maintain access to the Council's financial system (SAP) – anticipated until 1 April 2025 - for the purposes of CCR's statutory accounts and audit arrangements

Transition Implications

- Cardiff Council's Director of Resources currently fulfils the statutory s.151 Officer function for CCR. This responsibility will transfer to the CJC's new s.151 Officer as of 1 April 2024
- Staff currently employed by Cardiff Council and undertaking CCR work for either all or a significant amount of their time will transfer to the CJC under TUPE
- Cardiff Council will cease to provide Legal Services and to discharge the statutory Monitoring Officer function
- Cardiff Council currently provides ICT services to CCR, which it will cease to provide following the transition
- Cardiff Council will also cease to provide CCR's procurement services

Recommendations

- a) Note the update on the Corporate Joint Committee as outlined in this report.
- b) Delegate authority to the Chief Executive in consultation with the Section 151 Officer and Monitoring Officer to address any residual financial and legal issues respectively (including concluding any arrangements), arising as part of the transition (as necessary) and authorise legal services to execute all necessary documents associated with the novation and transition to the Corporate Joint Committee.
- c) Note the novation of the relevant agreements for the City Deal from the Accountable Body to the new Corporate Joint Committee.
- d) Note that Cardiff Council will cease to be the accountable body from 1st April 2024.
- e) Note a future report will be brought to Cabinet and full Council regarding termination of the JWA and implementation of any new arrangements.

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