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AGENDA

Pwyllgor PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

Dyddiad ac amser y cyfarfod DYDD IAU, 8 MAWRTH 2018, 4.30 PM

Lleoliad YSTAFELL BWYLLGORA 4 - NEUADD Y SIR

Aelodaeth Cynghorydd Howells (Cadeirydd)
Y Cynghorwyr Ebrahim, Gordon, Gavin Hill-John, Parkhill, Robson,
Sattar a/ac Stubbs

Tua
Amser.

1 Ymddiheuriadau am Absenoldeb

Derbyn ymddiheuriadau am absenoldeb.

2 Datgan Buddiannau

Dylid gwneud hyn ar ddechrau'r eitem agenda dan sylw, yn unol â'r Cod Ymddygiad Aelodau.

3 Cynllun Busnes Rhanbarth Cyfalaf Dinas Caerdydd (Tudalennau 1 - 56)

4.35 pm

- (a) Y Cynghorydd Huw Thomas, Arweinydd, a Bydd y Cynghorydd Russell Goodway, Aelod Cabinet dros Fuddsoddiad a Datblygiad yn cael ei wahodd i wneud datganiad. Bydd Neil Hanratty, Cyfarwyddwr Datblygu Economaidd yn bresennol i roi cyflwyniad ac i ateb cwestiynau Aelodau;
- (b) Cwestiynau gan aelodau'r Pwyllgor;
- (c) Ystyrir camau i'w cymryd ar gyfer yr eitem hon ar ddiwedd y cyfarfod.

4 Gwahardd y Cyhoedd

Bydd y cadeirydd yn cynnig y gwrandewir ar y cyflwyniad a'r drafodaeth yn ymwneud â'r eitem hon mewn sesiwn gaeedig gan ei bod yn cynnwys gwybodaeth gyfrinachol yn rhinwedd paragraff 14 a 21 Rhan 4 a 5 Atodlen 12A Deddf Llywodraeth Leol 1972.

5 Diweddariad Pentref Chwaraeon Rhyngwladol (atodiad a ddilyn) 5.35 pm
(Tudalennau 57 - 60)

- (a) Bydd y Cynghorydd Russell Goodway, Aelod Cabinet dros Fuddsoddiad a Datblygiad yn cael ei wahodd i wneud datganiad. Bydd Neil Hanratty, Cyfarwyddwr Datblygu Economaidd yn bresennol i roi cyflwyniad ac i ateb cwestiynau Aelodau;
- (b) Cwestiynau gan aelodau'r Pwyllgor;
- (c) Ystyrir camau i'w cymryd ar gyfer yr eitem hon ar ddiwedd y cyfarfod.

6 Busnes y Pwyllgor (Tudalennau 61 - 82)

7 Dyddiad y cyfarfod nesaf

Dyddiad cyfarfod nesaf y Pwyllgor Craffu Economi a Diwylliant yw 12 Ebrill 2018 am 4.30 pm

Davina Fiore

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiad: Dydd Gwener, 2 Mawrth 2018

Cyswllt: Andrea Redmond, 029 2087 2434, a.redmond@cardiff.gov.uk

This document is available in English / Mae'r ddogfen hon ar gael yn Saesneg

GWE-DARLLEDU

SYLWER: Caiff y cyfarfod hwn ei ffilmio i'w ddarlledu'n fyw a/neu yn olynol trwy wefan y Cyngor. Caiff yr holl gyfarfod ei ffilmio, heblaw am eitemau eithriedig neu gyfrinachol, a bydd y ffilm ar gael ar y wefan am 12 mis. Cedwir copi o'r recordiad yn unol â pholisi cadw data'r Cyngor.

Ar ddechrau'r cyfarfod, bydd y Cadeirydd yn cadarnhau a gaiff y cyfarfod cyfan neu ran ohono ei ffilmio. Fel rheol, ni chaiff ardaloedd y cyhoedd eu ffilmio. Fodd bynnag, wrth fynd i'r ystafell gyfarfod a defnyddio'r ardal gyhoeddus, mae aelodau'r cyhoedd yn cydsynio i gael eu ffilmio ac y defnyddir y lluniau a recordiadau sain hynny o bosibl at ddibenion gwe-ddarlledu a/neu hyfforddi.

Os oes gennych gwestiynau ynghylch gwe-ddarlledu cyfarfodydd, cysylltwch â'r Gwasanaethau Pwyllgorau ac Aelodau ar 02920 872020 neu e-bost gwasanethaudemocrataidd@caerdydd.gov.uk

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

8 MARCH 2018

**CARDIFF CAPITAL REGION CITY DEAL – JOINT WORKING AGREEMENT
BUSINESS PLAN**

Purpose of report

1. To prepare Members to consider the draft Joint Working Agreement Business Plan agreed by the Regional Cabinet of the Cardiff Capital Region (CCR) City Deal, prior to consideration of the Plan at Full Council.

Background

2. A City Deal is an agreement between government and a city/ city region. They give new freedoms, powers and tools to help cities and regions go for growth. On 15 March 2016, the ten leaders of the local authorities in the Cardiff Capital Region, Secretary of State for Wales, Chief Secretary to the Treasury, and Welsh First Minister met to sign the City Deal document. This included:

- Cardiff Capital Region Investment Fund – *approximately £1.2 billion over 20 years*
- Connecting the Cardiff Capital Region
- Investing in Innovation and the Digital Network
- Developing a Skilled Workforce and Tackling Unemployment
- Supporting Enterprise and Business Growth
- Housing Development and Regeneration
- Cardiff Capital Region Governance.

3. The high-level aims of the CCR City Deal are to create 25,000 jobs and lever in £4bn private sector investment, enabling economic change, improved digital and physical connectivity, improved skills and educational opportunities and regeneration across the region. The aim is to use the City Deal to act as a catalyst to drive positive change in the region.
4. The **Joint Working Agreement** provides the legal framework for the City Deal, establishing the governance arrangements and outlining the roles and responsibilities of the Regional Cabinet¹, as well as the relationship with other regional bodies and organisations. It also includes the principles for financial contributions by local authorities. 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.
5. In June 2016, an independent Cardiff Capital Region '**Growth and Competitiveness Commission**' was launched to undertake research and extensive consultation on the City Deal and provide advice and recommendations to the Regional Cabinet.
6. The Cardiff Capital Region Investment Fund provides £1.2 billion, of which £734m is allocated to the Metro programme. The remaining balance of £495m is known as the '**Wider Investment Fund**'. This, in turn, is made up of:
 - a. £375m grant from UK Government (HM Treasury) paid over 20 years, with £50m in years 1-5; and
 - b. £120m local authority partnership capital contribution – the value of each local authority's contribution determined by their percentage population; Cardiff Council's contribution is £50m.

¹ The Regional Cabinet consists of the Leaders and Chief Executives of the Cardiff Capital Region's ten local authorities.

Joint Working Agreement (JWA) Business Plan

7. On 23 February 2018, the Regional Cabinet considered the draft JWA Business Plan and agreed to recommend to the CCR City Deal constituent local authorities that they agree and adopt the draft JWA Business Plan. The report to the Regional Cabinet is attached at **Appendix 1**; this includes the draft JWA Business Plan at **Appendix A to Appendix 1**.
8. The report to Regional Cabinet sets out that Clause 7.1.4 of the JWA provides that the JWA Business Plan must address certain factors, and details where these are addressed in the draft Business Plan, as follows:
 - a. The Updated Affordability Envelope – *Section 9 of JWA Business Plan*
 - b. Methodology for agreeing nature, scope and prioritisation of projects – *Section 3 of JWA Business Plan*
 - c. Methodology and responsibility for external audits - *Section 9 of JWA Business Plan*
 - d. Methodology and responsibility for performance monitoring- *Section 3 of JWA Business Plan*
 - e. Revenue and capital monitoring reports - *Section 9 of JWA Business Plan*
9. The report to Regional Cabinet summarises the key elements of the JWA Business Plan, now named '*CCR Strategic Business Plan for the Wider Investment Fund*' in order to reflect the Business Plan's status and focus (**point 6, Appendix 1**).
10. The JWA Business Plan sets out the vision, strategic objectives, spatial priorities and strategic themes that set the context for the decisions re the way the £495m Wider Investment Fund is utilised.
11. The JWA Business Plan states that it forms the basis of a more detailed regional strategic economic growth plan and strategy (**page 6, Appendix A of Appendix 1**).

Key Issues

12. The Legal Implications section of the report to Regional Cabinet states that *‘the content of the Plan [serves] to create a legitimate expectation that the matters referred to (proposals, projects and themes) will be progressed as set out in the Plan. Accordingly, it is important that Regional Cabinet and each constituent Council is content with the content of the JWA Business Plan’* (**point 42, Appendix 1**).
13. The JWA Business Plan sets out the indicative spend profile. This includes monies already invested for the Compound Semi-Conductor Project (£38.5m, as a loan to be repaid) and investments for schemes that the Regional Cabinet has agreed to in principle, as follows:
- a. The Metro Central Project
 - b. Regional Housing Investment Fund
 - c. Digital Strategy
 - d. Skills for the Future.
14. The investment in the Compound Semi-Conductor Project was made using the UK Government’s contributions to date. The report to Regional Cabinet states *‘it is hoped that the adoption of the JWA Business Plan will take place in financial year 2017/18 allowing Local Authority Partnership capital contributions to be substituted for the revenue grant’* received from HM Treasury (**point 17, Appendix 1**).
15. The report to Regional Cabinet states that ‘in principle’ schemes and any emerging schemes will be developed and assessed to ensure compliance with the City Deal’s Assurance Framework and HM Treasury’s Green Book scheme. The report goes on to state that, accordingly, *‘it is difficult to predict accurately the financial implications of the investment programme. Financial modelling for the Wider Investment Fund will therefore be based on educated assumptions and an indicative programme of investment which will be developed and refined as more investment decisions are made’* (**point 20, Appendix 1**).

16. The JWA Business Plan provides more details of how the 'in principle' investments will assist in meeting the aims of the CCR City Deal, in terms of the numbers of jobs created, private sector investment secured, support for strategic objectives and delivery of regional economic benefits and value for money.
17. With regard to Metro Central, the modernisation of Cardiff Central Train Station, the JWA Business Plan states that the '*current proposal would see a call on City Deal funding of £40m subject to final approval of the Full Business Case and commitment to match funding from partners*' (**page 26, Appendix A of Appendix 1**).
18. The Financial Implications section of the report to Cabinet highlights that the updated affordability envelope remains within the approved envelope of £210.8m, assuming the switch of funding from HM Treasury revenue to local authority capital contribution, detailed above at point 13, takes place. It also details a reduction in headroom from 22% to 14.5% concerning interest rate assumptions (**point 32, Appendix 1**).
19. A Well-being and Equality Assessment has been undertaken and is included at **Appendix B of Appendix 1**. The report to Cabinet states that this demonstrates compliance with the well-being 5 ways of working, supports the well-being goals and identifies that the City Deal is expected to have a positive impact on all groups and people with protected characteristics.
20. The report to Regional Cabinet highlights that the JWA Business Plan will be updated, with the decision to approve and adopt any update being a Regional Cabinet matter, unless the update amounts to a material change, in which case it will be a decision for the constituent local authority councils (**point 12, Appendix 1**).
21. The report to Regional Cabinet highlights that a Gateway Review led by HM Treasury will be undertaken in 2020/21 and that funding beyond this point is conditional on the City Deal successfully passing the Gateway Review.

Previous Scrutiny

22. The Economy and Culture Scrutiny Committee has received regular updates on the City Deal at its meetings on 3 December 2015, 17 March 2016 and 12 January 2017. At these meetings, Members raised the following points:

- The Committee did not wish to see the full allocation of City Deal finance being used to fund the Metro.
- Members stressed the importance of aligning Local Development Plans across the local authorities signed up to the City Deal.
- Members note that Cardiff will be required to pay an estimated £65m toward the City Deal over a 20-year period – a figure lower than was originally anticipated.
- Members consider it imperative that the City Deal Agreement is underpinned by robust governance arrangements and are mindful that developments may be required in terms of a joint or collaborative approach to scrutiny across all the local authorities involved.
- Members note that, as part of the City Deal, the ten local authorities have requested greater financial autonomy and flexibility, including exploring the devolution of business rate income above an agreed growth level.
- Members agree that the JWA should be in place before each local authority commits substantial amounts of money. The Committee feels it is imperative that the Assurance Framework is agreed, alongside the Joint Working Agreement, prior to any commitment to projects or allocation of finances.
- Members were pleased to be informed that the existence of a Joint Scrutiny Committee will not limit the ability of other Scrutiny Committees to consider projects and proposals affecting residents of Cardiff that fall under their respective terms of reference.
- Members note the potential for Cardiff to become a worldwide centre of excellence for Compound Semiconductor Components, noting that IQE are a global leader in this field with its headquarters in Cardiff.

23. The following responses were received to these points:

Leader on 18 February 2016:

“With regard to the issue of private delivery of the Metro, it is important to note that this is primarily a Welsh Government led initiative. Nonetheless, in taking forward the development of an improved city-region transport infrastructure it is important that we explore a range of options. As you note, strategic planning is also an integral part of the city-region development agenda, and as such it is anticipated that the City Deal will involve a movement towards a more co-ordinated approach to spatial planning.

Leader on 31 May 2016

Noted that scrutiny of the City Deal will be considered as part of the development of the overall governance arrangements being developed by participating local authorities.

Leader on 25 January 2017

‘I can confirm that a Joint Working Agreement will be in place before any substantial funds are committed by local authorities to the Joint Cabinet. Furthermore, individual council contributions will only be accessible to the Joint Cabinet once a Business Plan, including key projects, has been agreed by all ten councils. I can also confirm that the Assurance Framework will be in place before any funds are committed. The framework outlines the processes for approval of projects, as well as the requirements in terms of the development of appropriate business cases for projects.’

‘In terms of the issue of regional Scrutiny, I will also ensure that the more detailed discussions in how this is established will involve the relevant Scrutiny Chairs in Cardiff. I believe that this is a very important function for the Joint Cabinet, and will help in the development of the new governance arrangements for the city region.’

Way Forward

24. The Leader, Councillor Huw Thomas, and Councillor Goodway, Cabinet Member Investment and Development have been invited and may wish to give a statement. Neil Hanratty, Director of Economic Development, will also attend to present on the City Deal. The panel will be available to answer Members' questions.

Legal Implications

25. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

26. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that

goes to Cabinet/ Council will set out any financial implications arising from those recommendations.

Recommendations

27. The Committee is recommended to consider the information attached to this report and received at this meeting and to submit any recommendations, observations or comments to the Cabinet Member.

Davina Fiore

Director, Governance and Legal Services

2 March 2018

Mae'r dudalen hon yn wag yn fwriadol

23 FEBRUARY 2018 CABINET MEETING

JOINT WORKING AGREEMENT BUSINESS PLAN

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 4

Reason for this Report

1. For the Regional Cabinet to consider the draft Joint Working Agreement Business Plan (JWA Business Plan) attached; and if content, to recommend to the Cardiff Capital Region City Deal constituent local authorities, as a “Matter Reserved to The Councils”, that they agree and adopt the draft JWA Business Plan.

Background

2. The **JOINT WORKING AGREEMENT (JWA)**, in relation to the delivery of the Cardiff Capital Region City Deal, was signed and the Regional Cabinet established on March 1st, 2017.
3. The JWA requires the constituent Councils to take a subsequent decision, as a “Matter Reserved to The Councils”, on the approval and adoption of the draft JWA Business Plan.
4. The JWA requires the Regional Cabinet to:
“..... no later than twelve (12) months after the Commencement Date, prepare (or procure the preparation of), finalise (acting in the best interests of the Joint Committee) and recommend for agreement and adoption by the Councils the draft JWA Business Plan which shall comply with the provisions of Clause 7.1.4 below. The intention is to create an overarching five (5) year JWA Business Plan that, amongst other matters, shall set out the Councils objectives and priorities for the delivery of the City Deal that is updated annually.”
5. Clause 7.1.4 of the JWA providing that:
The JWA Business Plan shall, amongst other matters, address the following:
 - a) *the updated Affordability Envelope; (see section 9 of the JWA Business Plan)*

- b) *the methodology for agreeing the nature, scope and prioritisation of projects to be developed for the overall benefit of the Cardiff Capital Region (in accordance with the terms of the Implementation Plan); (see section 3 of the JWA Business Plan)*
 - c) *the methodology and responsibility for any external audits in relation to this Agreement; (see section 9 of the JWA Business Plan)*
 - d) *the methodology and responsibility of any performance monitoring along with any performance indicators to enable the Joint Committee to measure progress against the JWA Business Plan (see section 3 of the JWA Business Plan); and*
 - e) *any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports (see section 9 of the JWA Business Plan).*
6. For clarity and cross reference to the JWA, the draft JWA Business Plan is now referred to as the 'CCR Strategic Business Plan for the Wider Investment Fund', to reflect its status and focus, and is titled accordingly on the attached appendix.

Proposal

7. The draft JWA Business Plan (CCR Strategic Business Plan for the Wider Investment Fund) is attached as **Appendix A**.
8. In accordance with the requirements of the JWA the draft JWA Business Plan contains:
- The Strategic Context which includes:
 - Our Vision; and Strategic Objectives (see section 2 of the JWA Business Plan)
 - Our Approach (see section 3 of the JWA Business Plan)
 - Spatial Priorities (see section 4 of the JWA Business Plan)
 - Our Strategic Themes (Programme Themes¹) which includes:
 - Skills and Employment; (see section 5 of the JWA Business Plan)
 - Innovation; (see section 6 of the JWA Business Plan)
 - Connecting the Region; (see section 7 of the JWA Business Plan) and
 - Regeneration and Infrastructure. (see section 8 of the JWA Business Plan)
 - Indicative Five Year Spend Profile (see section 9 of the JWA Business Plan)
 - Additional Opportunities for Regional Funding (see section 10 of the JWA Business Plan)
9. The draft JWA Business Plan identifies, and provides some detail on, emerging opportunities which will be considered and developed within the life of the plan:
- Skills for the Future;
 - Innovation Portfolio;
 - Metro Plus;
 - Digital Portfolio;
 - Housing Investment Fund; and
 - Strategic Sites.

¹ It is noted that the JWA referred to Programme Themes (as such Programme Themes were defined under the Implementation Plan). Within the JWA Business Plan these Programme Themes are referred to as Strategic Themes.

10. The draft JWA Business Plan has been prepared using the research, extensive consultation, and recommendations of the Growth and Competitiveness Commission, as required by the Assurance Framework.
11. The Plan, which will take the City Deal past its first Gateway Review, due in December 2020, also indicates that other proposals will emerge, within the life of the plan, all of which will be rigidly assessed in accordance with the Assurance Framework.

Updating the JWA Business Plan

12. The JWA Business Plan will be updated to ensure our objectives, priorities and programmes are sufficiently dynamic to not only cope with change but to act as a catalyst to drive positive change in the region. The decision to approve and adopt any updated JWA Business Plan shall be a “Joint Committee Matter” save to the extent that any such update amounts to a material change to the prevailing JWA Business Plan, in which case, the decision to approve and adopt such updated JWA Business Plan shall be a “Matter Reserved To The Councils”

Annual Business Plan

13. In respect of each financial year an Annual Business Plan, in relation to the annual spend for approved project(s) to be implemented in that Accounting Period, will be prepared. Upon an Annual Business Plan being approved the JWA Business Plan shall be deemed to have been amended to incorporate the provisions of the Annual Business Plan.

Cardiff Capital Region Wider Investment Fund

14. The City Deal provides funding to support schemes which will stimulate the economic growth of the region. The agreement with the UK Government and Welsh Government provides £1.2 billion of which £734m is allocated to the Metro, with the balance of £495m being made available as the ‘Wider Investment Fund’.
15. The Wider Investment Fund is made up of:
 - £375m grant from the UK Government paid over 20 years, HMT Contribution, with year 1-5 being £50m revenue grant, followed by years 6-20 being £325m capital grant; and
 - £120m Local Authority Partnership capital contribution to be drawn down as required.
16. The Regional Cabinet have stated that the high level aims of the Wider Investment Fund are the creation of 25,000 new jobs and £4bn of private sector investment. The first investment has been made in the Compound Semiconductor Project, providing a loan of £38.5m, to be repaid, which has the potential to generate 2,000 jobs and over £380m of private sector investment.
17. As the JWA Business Plan has not yet been adopted the Regional Cabinet have substantially funded this initial investment by use of the HMT Contributions received to date. As these funds are revenue it is hoped that the adoption of the JWA Business Plan will take place in financial year 2017/2018 allowing Local Authority Partnership capital contributions to be substituted for

the revenue grant, thereby protecting the revenue funding for future use on schemes and programmes which are revenue intensive such as skills. Funding of the Local Authority Partnership capital contributions will be based on the Council contributions agreed and contained in the JWA.

18. Following this initial investment, the Regional Cabinet have agreed in principle to support a number of schemes:
 - The Metro Central Project;
 - Regional Housing Investment Fund;
 - Digital Strategy; and
 - Skills for the Future.
19. These 'in-principle' schemes, along with others which may emerge, will be developed and assessed to ensure they comply with the City Deal Assurance Framework, contribute to the sustainable economic growth of the region, and demonstrate value for money prior to any implementation investment being made.
20. This method of identifying, developing, assessing and approving schemes ensures that the Regional Cabinet have the flexibility to ensure investments accurately reflect the needs and encourage the continued development of the region. However, it does also mean that it is difficult to predict accurately the financial implications of the investment programme. Financial modelling for the Wider Investment Fund will therefore be based on educated assumptions and an indicative programme of investment which will developed and refined as more investment decisions are made.

Next Steps

21. If the Regional Cabinet are minded to approve this draft JWA Business Plan, it will then be reported to each constituent authority for agreement and adoption, in accordance with the JWA, as the formal JWA Business Plan.

Financial Implications

22. This report seeks approval of the draft Joint Working Agreement Business Plan (CCR Strategic Business Plan) for the Wider Investment Fund, which is attached at Appendix A. Section 9 of the JWA Business Plan provides details of the Cardiff Capital Region City Deal Wider Investment Fund, which amounts to £495 million.
23. The JWA Business Plan outlines the current position in respect of approvals to-date, in-principle commitments and sums available for future revenue and capital projects as these are brought forward for consideration and approval. For these reasons, the JWA Business Plan is an evolving document, which will be updated at least annually to reflect updates in respect of new approvals and also to report on the actual performance of approved projects, i.e. those projects that are in the implementation or operational phases of their respective lifecycles.
24. Therefore, the JWA Business Plan can only provide an indication of the financial implications arising from the Wider Investment Fund at this time. The actual approvals outlined above have been supplemented by an indicative

programme of investment along with a range of other financial and technical assumptions, details of which are set-out below.

25. In line with the Assurance Framework, all investment proposals will be subject to business case development and approval. The business case will provide detailed information on matters such as; expenditure profile (and whether it is revenue and/or capital in nature), and the proposed funding streams. The business case will also need to be clear on the proposed delivery mechanism and how risks will be allocated and managed.

Affordability Envelope

26. The Joint Working Agreement (JWA) defines the Affordability Envelope as:
“means the overall costs and investment by each Council pursuant to their proportion of the Councils' Contribution under this Agreement over the evaluation period, which shall not exceed in aggregate £210,800,000 (two hundred and ten million eight hundred thousand pounds) and shall include, without limitation, all interest, inflation and UK Government cost to carry and shall be updated and will be reflected within the terms of the JWA Business Plan (as part of its approval by the Councils) to include, amongst other matters, the annual spend profile for each Council”
27. The approved affordability envelope has been set at £210.8 million and is based on the indicative modelling that was undertaken in January 2017 and informed the reports approved by each of the City Deal partnering Councils in January/February 2017.
28. As set-out above, the JWA acknowledges that the affordability implications arising from the ‘whole-life cost’ of the Wider Investment Fund will change over time, as investment decisions are made. Clause 7.1.4. (a) of the JWA requires the inclusion of the ‘Updated Affordability Envelope’ when the JWA Business Plan is submitted to the Councils for approval. Agreeing any increase to the affordability envelope is a matter reserved to each Council.

Updated Affordability Envelope

29. The affordability model has been updated to reflect the changes made since the Joint Working Agreement was approved by Councils in January/February 2017. The updated modelling suggests that the ‘whole-life cost’ of the Wider Investment Fund to the constituent Councils remains within the approved envelope of 210.8m.
30. The changes include the assumption that the ‘Reserved Matter’ is discharged by the 31st March 2018, thereby allowing a ‘switch’ of funding for the capital element of the Compound Semi-conductor Project. This is designed to preserve HMT Contribution revenue grant to meet the cost of future revenue based projects that may come forward.
31. The indicative whole-life affordability implications for each partnering authority is show in Table 1 below:

Table 1. – Updated Affordability Envelope / Partner Contributions

Local Authority Partner	%	£m
Blaenau Gwent	4.6%	9.7
Bridgend	9.4%	19.9
Caerphilly	12.0%	25.2
Cardiff	23.7%	50.0
Merthyr Tydfil	3.9%	8.3
Monmouthshire	6.1%	12.9
Newport	9.8%	20.7
Rhondda Cynon Taff	15.8%	33.3
Torfaen	6.1%	12.9
Vale of Glamorgan	8.5%	17.9
Total	100%	210.8

Technical Assumptions

32. As outlined earlier, the updated affordability envelope is based on an indicative programme of investment along with a range of other financial and technical assumptions. Key assumptions include:
- **Indicative investment profile spend:** based on actual approvals to-date plus the typical spend profile of City Deals, results in the following cumulative profile; Years 1-7 = £195m, Years 1-11 = £479m and Years 1-20 = £495m;
 - **Repayment period:** borrowing is assumed to be repaid over 25yrs, but in-line with the requirements for Minimum Revenue Provision (MRP), the actual repayment period will need to reflect the economic life of the individual assets being funded;
 - **Interest Rate:** an average rate of 3% has been assumed. At the time of writing, the current 25yr PWLB rate is 2.62%, which provides headroom of 14.5% at this time, but is a reduction against the 22.0% headroom that existed in January 2017;
 - **Funding Drawdown priority:** all revenue expenditure is funded exclusively from HMT revenue grant. Generally capital expenditure will be first met from HMT capital grant 'in-hand', with the balance being funded in accordance with the 'funding ratio' i.e. 75.8% temporary borrowing in lieu of future capital grant (Cost of Carry) and 24.2% from local authority borrowing;
 - **Inflation:** is excluded i.e. all figures are stated in nominal terms and therefore inflation will need to be met from within the overall £495m sum.
33. The validity of these assumptions will be reviewed on a regular basis and updated as appropriate. In particular, Regional Cabinet may wish to revisit the basis (priority) on which funding is drawn down and applied to annual expenditure. Whilst the current assumption may appear to be logical for indicative modelling purposes (it is based on the overall WIF funding allocations), from a cost management perspective, prioritising Council contributions ahead of temporary borrowing will reduce the overall cost of interest over the life of the fund. In addition, whilst it is assumed that all Council

contributions are borrowed, in practice this will be a matter for each individual local authority to decide.

WIF External Audit / Monitoring and Reporting

34. Paragraph 5, also highlights the following requirements:
35. Clause 7.1.4. (d) - *“the methodology and responsibility for any external audits in relation to this Agreement”*.

This requirement will be addressed through the Annual Audit Plan prepared by the relevant external auditors and presented to Regional Cabinet.

36. Clause 7.1.4. (e) – *“any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports.”*

Regional Cabinet will receive regular revenue and capital monitoring reports throughout the year advising on matters such as: Approved Budget, Actual Position To-Date, Commitments and Projected Out-turn. These reports will be supplemented by the appropriate Project Performance Reports, advising on all aspects of the Wider Investment Fund.

HMT Contribution – Funding Terms & Conditions

37. HMT grant funding will be paid to the Accountable Body on behalf of the ten Cardiff Capital Region City Deal (CCRCD) constituent Councils. The funding must be used solely to support the objectives of CCRCD through the implementation of projects and schemes agreed by the Regional Cabinet and in accordance with arrangements set out in its Joint Working Agreement, Wider Investment Fund, Assurance Framework, and the JWA Business Plan.

38. Assurance Framework:

As projects are presented for approval, it is important that the requirements of the Wider Investment Fund Assurance Framework are complied with as this is a key requirement of HM Treasury funding terms and conditions, as set-out by Welsh Government.

39. Gateway Reviews:

An outcome based Gateway Review of CCRCD led by HM Treasury will be undertaken in 2020/21. Funding for 2021/22 and beyond is conditional on CCRCD successfully passing this Gateway Review, whilst any unspent funding up to this point may be subject to repayment if the Gateway Review is not passed.

40. It has been confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. Carry forward in respect of the final year (2020-21), will also be permitted providing that the Gateway Review is passed.

Legal Implications

41. The body of the report sets out the relevant provisions of the Joint Working Agreement ('JWA') in relation to the JWA Business Plan ('Plan'). They form part of the legal implications, to which regard should be had but to avoid duplication are not repeated in this section.

42. Pointing out the obvious, the JWA Business plan is a key document in relation to the delivery of the Cardiff Capital Region City Deal. The content of the Plan serving to create a legitimate expectation that the matters referred to (proposals, projects and themes) will be progressed as set out in the Plan. Accordingly, it is important that Regional Cabinet and each constituent Council is content with the content of the JWA Business plan. As regards the progression of individual themes and projects, and as stated in the body of the report, matters will need to be considered in accordance with the provisions of the Assurance Framework, at which stage any legal issues raised by a project can be considered and detailed legal advice provided. The Plan refers, section 10, to a case being made for a range of powers to be devolved to the local authorities of the Cardiff Capital Region. To the extent that any further powers are sought to be delegated to the Regional Cabinet, then this will be a matter for each of the Councils comprising the CCRCD to determine.
43. In considering this matter regard should be had, amongst other matters, to:
- (a) the Councils' duties under the Well-being of Future Generations (Wales) Act 2015, (The Plan noting at section 3 that, '... we (CCRCD) will follow the five ways of working and sustainability principles detailed in the Well-being of Future Generations (Wales) Act 2015, and reflect and support the well-being goals); and
 - (b) 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 a) eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by that Act; b) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and c) foster good relations between people who share a protected characteristic and those who do not. 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. In Wales, public sector bodies listed are required to take certain steps in order to demonstrate that they have due regard to the public sector equality duty. These Welsh specific equality duties include assessing the impact of policies and procedures on equality (often called Equality Impact Assessment).
44. A Well-being and Equality Assessment has been undertaken and is included in Appendix B. Regards should be had to the same in reaching a decision on this matter.

Well-being and Equalities Assessment

45. A Well-being and Equalities Assessment has been undertaken and is attached as **Appendix B**.
46. The Assessment demonstrates that the detail contained in the draft JWA Business Plan demonstrates compliance with the well-being 5 ways of working, supports the well-being goals and identifies that the City Deal is expected to have a positive impact on all groups and people with protected characteristics.

Reasons for Recommendations

47. To put in place a formal JWA Business Plan in accordance with the requirements of the JWA. In so doing to allow the Regional Cabinet to access the 'Councils Contributions' and the 'HMT Contribution', and progress with the delivery of the City Deal.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Cabinet:

- a) Consider the draft JWA Business Plan (CCR Strategic Business Plan) attached as Appendix A; and if content recommend
- b) The draft JWA Business Plan is reported to the Cardiff Capital Region City Deal constituent Councils for agreement and adoption as the formal JWA Business Plan.

Sheila Davies
Cardiff Capital Region Programme Director
19 February 2018

The following Appendices are attached:

Appendix A: Draft Joint Working Agreement Business Plan
(This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg)

Appendix B: Well-being and Equalities Assessment

Background papers –

- *JOINT WORKING AGREEMENT in relation to the delivery of the Cardiff Capital Region City Deal*
- *Welsh Government Funding Terms and Conditions Letter (22nd March 2017)*
- *Clarification to the Welsh Government Funding Terms and Conditions, dated 11th April 2017, formally accepted and signed by Welsh Government.*
- *Growth & Competitiveness Commission Report and Recommendations*



**CCR Strategic
Business Plan for the
Wider Investment Fund**



Our Vision:

A Prosperous Capital City-Region for Wales.

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Chair's Foreword

The Cardiff Capital Region City Deal is a unique programme of collaborative working which will enable economic change, improved digital and physical connectivity, improved skills and educational opportunities, and regeneration across the region.

It is an investment in its people, and aims to bring fairness and opportunities for all, no matter where they live in the region.

It builds on the region's proud heritage, the beauty of our natural landscape, and the vibrancy of our rich cultural and social life.

It will enrich lives in other ways too, reforming our public services, provide new affordable homes, improve family life, and create a workforce which can adapt to the changing needs of the 21st Century.

To do this, the City Deal partners will work together, with a shared vision of a prosperous Capital City-Region for Wales, forging a clear global identity and strong reputation as a City-Region for trade, innovation, and quality of life.

By attracting new investment and growing more successful businesses, by improving our connectivity, by developing our skills and education, we will restore the capital region to its historical role as the “engine room” of the Welsh economy.



Councillor Andrew Morgan
Chair, Cardiff Capital Region



“It is an investment in its people, and aims to bring fairness and opportunities for all, no matter where they live in the region.”

01. Executive Summary

In compliance with the Joint Working Agreement this 5-year strategic business plan:

- sets out our current understanding of what is required to achieve our long-term objectives;
- details required actions and outcomes, only some of which will benefit from Wider Investment funding;
- includes details of how the Wider Investment Fund will be used, over the next 5 years, to act as a catalyst to drive these actions forward;
- forms the basis of a more detailed regional strategic economic growth plan and strategy.

We cannot achieve our regional objectives by means of the City Deal funding alone.

However, used wisely to support, encourage and enable regionally significant schemes it will act as a catalyst to:

- drive economic momentum by leverage of wider investments;
- accelerate the process of change;
- attract interest and generate enthusiasm; and
- take advantage of the entrepreneurial talents that abound in our region.

The City Deal is a long-term programme and no one can, with confidence, predict what changes will occur over the next 20 years.

When considering the current pace of innovation in areas such as artificial intelligence, drones, driverless vehicles, 3-D printing, robotics, and automation, the future infrastructure and skills needs of the region is changing radically.

We must therefore ensure our policies, plans and programmes are flexible and sufficiently dynamic to not only cope with change but to act as a catalyst to drive positive change in the region.

The Regional Cabinet, working with partners, who will advise on changes in technology, investments and future markets, will regularly review both the regional economic growth plan and strategy and the use of the Wider Investment Fund to ensure that they continue to accurately reflect and encourage the economic needs and aspirations of the region.



British Airways Maintenance Cardiff, St Athan



Sony UK Technology Centre, Bridgend

The Next 5 Years

+ Investment

We have made our first investment, in the Compound Semi-conductor Project, which will generate over £380m of private sector investment and deliver 500 highly skilled jobs, and potentially cultivate an innovation cluster creating a further 2,000 Jobs.

★ Emerging Opportunities

The Regional Cabinet are proactively pursuing further investment opportunities to assist in meeting our key targets. Those currently identified for development in the next 5 years are:

— **Skills for the Future**

A regional programme of interventions to provide school engagement, support for businesses and a skills investment fund to deliver over 10,000 additional apprenticeships, graduate internships and upskilled employees. See Section 5 for details.

— **Innovation Portfolio**

A regional Innovation Portfolio with the aim of developing industry ‘clusters’, new space for innovative start-ups, and incentives to attracting high-tech firms to the region. The first project of this portfolio is currently being implemented, the Compound Semi-conductor Project,

and further development work is being undertaken to optimise this investment and explore other opportunities. See Section 6 for details.

»»» Metro Plus

Enhancing the potential benefits of the Metro to the region by introducing a programme of complementary transport investments. The initial focus is the development of a Central Transport Interchange ‘Metro Central’ with a key element being the modernisation of Cardiff Central Station. See Section 7 for details.

📄 Digital Portfolio

A portfolio of digital intervention which seeks to create a digital vision, brand and identity for the region as a ‘smart’ city region able to attract private sector partnership. It would also ensure that digital opportunities are built into other regional schemes and projects. See Section 7 for details.

🏠 Housing Investment Fund

A proposal to establish a fund to support housing growth across the region and across all tenures to support both economic and social objectives. See Section 8 for details.

📍 Strategic Sites

A proposed programme to introduce a balanced portfolio of sites with varied characteristics to be a catalyst to attract new and retain existing businesses.

The focus will be to support the regions existing prime market, of Cardiff and the M4 corridor, and expand it to include a mix of opportunity in the Heads of the Valleys corridor, the coastal belt, towns and rural areas.

These ‘emerging’ opportunities are in varying stages of development and will be rigidly assessed in accordance with the Assurance Framework to establish if they are able to deliver the outputs and outcomes necessary to make them eligible for City Deal funding support.

It is anticipated that further proposals will ‘emerge’ over the next 5 years and no matter how they are promoted they will comply with the following investment criteria:

All investments will be required to:

- Support our Strategic Objectives
- Comply with the Assurance Framework
- Secure regional economic benefits
- Contribute to the high level aims of 25,000 new jobs and £4bn of private sector investment
- Demonstrate Value for Money







IQE, Cardiff

02. The Strategic Context

¹Growth & Competitiveness Commission Report Review and Recommendations Page 22.

²Cardiff Capital Region “Powering the Welsh Economy”

Our Vision	“A Prosperous Capital City-Region for Wales” - a decision making centre, a global gateway for capital, trade, and visitors, a knowledge hub and a major population centre and business cluster for Wales ¹	
Our Regional Strategic Objectives	<ol style="list-style-type: none"> Prosperity and Opportunity - Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy Inclusion and Equality - A vibrant and sustainable economy which contributes to the well-being and quality of life of the people and communities in the region now and in the future Identity, Culture, Community and Sustainability - Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life 	
Strategic Themes	 <p>Skills & Employment Developing a Skilled Workforce and Tackling Unemployment</p>	 <p>Connecting the Region Improving Connectivity Globally, Regionally and Locally</p>
	 <p>Innovation Creating an Innovation District and Increasing Entrepreneurial Activity and Innovation</p>	 <p>Regeneration & Infrastructure Providing the right physical place and environment to support growth</p>
Measuring Success	Job Creation, Private Sector Leverage, Employment and Skill levels, Productivity levels, GVA	



Top: Redhouse Cymru, Merthyr Tydfil
Bottom: Springboard Innovation Centre, Cwmbran

To achieve our vision, we must be:²

Ambitious

Capitalise on our unique identity and our ability to power the Welsh economy. We are a proud Capital City Region in the United Kingdom which gives us a platform to think big.

Collaborative

To make the most of the opportunities our combined size gives us, we must all work together - public sector, private sector, education establishments and our communities – for the benefit of all.

Well-connected

Realising the potential of our excellent people through world class communications and transport – regionally, nationally and internationally.

To achieve our vision, we must offer:

A confidence and lifestyle

Building on the Cardiff Capital Region’s reputation as a great place to live, work and play. We are proud of our quality of life, our culture, and the natural beauty we have on our doorstep.

Sustained success

A Cardiff Capital Region that is successful economically, socially and environmentally and which benefits all our communities.

An international and national stage

Which attracts people and investment from global markets, as well as from other parts of the UK.

“A decision making centre, a global gateway for capital, trade, and visitors, a knowledge hub and a major population centre and business cluster for Wales.”

Our Regional Strategic Objectives:

1. Prosperity and Opportunity

Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy

The quality of the economic environment of the region will play a crucial role in creating jobs by improving business performance, enhancing opportunity and encouraging innovation. We will nurture the economic environment by:

- providing the right infrastructure including connectivity by means of good transport links and high-speed broadband;
- encouraging a culture of innovation and entrepreneurship by providing the right skills, opportunities and support to engender a confidence to be creative;
- assisting the city region's labour market to be equipped with the skills that businesses need;
- improving public sector efficiency and effectiveness by new ways of working;
- supporting all businesses to become more productive, from small retail to large advanced manufacturers;
- enhancing the business climate for emerging sectors, enterprises and

innovation that can spawn new sources of jobs and incomes into the longer-term future, including creating business clusters where firms can network, share skills and spur each other to higher levels of performance;

- encourage and promote research and development and entrepreneurial enterprise.

2. Inclusion and Equality

A vibrant and sustainable economy which contributes to the well-being and quality of life of people and communities now and in the future

A vibrant and inclusive economy supports a mix of economic activities and promotes economic security and resilience.

We will promote:

- assisting our urban centres to be vibrant;
- access to employment and economic opportunities;
- participation in the labour market for all members of society;
- access to a range of housing, including affordable;
- access to education and training, to develop skills;
- access to social and recreational opportunities.

3. Identity, Culture, Community and Sustainability

Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life.

For our region to gain attention and respect and effectively compete and attract businesses, tourists, investors, students, entrepreneurs, international sporting and cultural events it requires a clear, credible, appealing and distinctive identity. To promote this identity and reputation we will:

- assist our urban centres to be vibrant and vital with unique identities which all of the regions residents can use and be proud of;
- respect, protect and support our rural and natural environment and use it to promote economic and social outcomes;
- develop and promote our world-class cultural and recreational opportunities utilising the regions natural beauty and historic areas;
- provide a quality environment across the whole region including existing and new development that attracts businesses and talented people;
- demonstrate our commitment to a sustainable future and acknowledge our global responsibility; and
- work with political and commercial partners, at a national, regional and local level to coordinate the promotion of the region.



Penderyn Whisky Distillery, Aberdare

03. Our Approach

³Written statement by Ken Skates, Cabinet Secretary for Economy and Transport on 11th December 2017

Our Vision and Regional Strategic Objectives set out our aspirations and with our high-level aims, to create 25,000 new jobs and leverage £4bn private sector investment, establish the economic outcomes we are seeking to achieve when considering use of the Wider Investment Fund.





Our Regional Strategic Objectives also reflect the need to focus on improving the quality of life of people and communities now and in the future and ensure our approach and actions are responsible and meet our current needs without compromising the quality of life of future generations.

To focus our approach, support our Assessment Framework and ensure better decision-making, as stated in the Wider Investment Fund Assurance Framework, we will follow the five ways of working and sustainability principles, detailed in the Well-being of Future Generations (Wales) Act 2015, and reflect and support the well-being goals.

We have identified four Strategic Themes where we feel we can make the biggest difference and a real improvement to the well-being of people in the region and in so doing support our regional objectives, well-being goals and the twin goals, in the Welsh

Government's 'Prosperity for All: economic action plan', of growing the economy and reducing inequality³.

City Deal Strategic Themes

-  **Skills & Employment**
-  **Innovation**
-  **Connecting the Region**
-  **Regeneration and Infrastructure**

Identifying these themes provides a structure and method of developing proposals and schemes. However, the themes are indivisible, and all proposals will be expected to be cross-cutting and contribute, to differing degrees, to our objectives and the well-being goals.



St David's, Cardiff

Partnership and Engagement

The City Region will only succeed with all stakeholders working together developing a consensus and shared vision of the way forward.

We are working closely with the Welsh Government and National Government, who are both signatories to the City Deal. We have also been instrumental in establishing stakeholder groups including the Cardiff Capital Region:

- **Skills and Employment Board** – representing a wide range of stakeholders, including businesses, higher and further education, local authorities and Welsh Government;
- **Regional Business Council** – providing a strong business voice;
- **Economic Growth Partnership** – bringing together partners to consider and advise on a sustainable economic growth strategy and investment decisions.

We are actively working with the Valleys Taskforce to ensure our aims, objectives and interventions not only align but also complement each other, taking advantage of their engagement processes, to maximise benefits to the region as a whole.

We are developing an effective working relationship with the Office of the Future

Generations Commissioner for Wales to ensure that opportunities to support the well-being goals are highlighted.

The City Region Economic Growth Strategy will go through a comprehensive engagement process and the promoters of all proposed interventions and schemes will be required to demonstrate effective engagement.

Regional Impact, Scheme Appraisal and Monitoring

The City Deal Wider Investment Fund is intended to deliver sustainable economic development and growth across the region. This will be pursued by optimising the outcomes we can achieve within the constraints of the resources we have available. Prioritisation is therefore essential, and all proposed interventions must therefore clearly demonstrate a regional and collaborative approach and impact to ensure the effective use of resources.

All proposed schemes will be required to follow the same appraisal process as detailed in the Assurance Framework. Schemes will be assessed on their potential to contribute to our high-level aims and strategic objectives; demonstrate value for money, use of the five ways of working and how they contribute to the well-being goals. To be detailed in our Candidate Scheme Assessment Guidance.

We will regularly review our overall delivery programme and, where necessary, revise the Outcomes and Outputs detailed in the Assessment Guidance to ensure a balanced

programme of interventions which will meet all our strategic objectives.

The full allocation of HMT funding to the region is subject to successful completion of five-year gateway reviews, which will assess our ability to deliver regional economic growth and our strategic objectives. The first five-year gateway review final report is due in December 2020 with performance measured against delivery. Further reviews will be carried out at years 10, 15 and 20 and will be more focussed on outcomes.



Ford Manufacturing, Bridgend

“The City Region will only succeed with all stakeholders working together developing a consensus and shared vision of the way forward.”

04. Spatial Priorities

⁴ Growth & Competitiveness Commission Report and Recommendations Page 38.

⁵ Growth & Competitiveness Commission Report and Recommendations Page 39 Core Findings and Page 43 Recommendation 8 – Strategic Spatial Development.

⁶ Having seen the work we are undertaking and assessed the benefits the Welsh Government have commissioned the Carnegie UK Trust to undertake a similar exercise for the whole of Wales.

The Growth & Competitiveness Commission (Commission) considered spatial development in the region and concluded⁴:

“the Cardiff Capital Region is not homogeneous; it consists of diverse places each with distinctive histories, strengths, challenges and opportunities.”

The Commission recommended⁵:

“With differences in economic performance and outcomes across the city-region there is a clear need to ensure that the region is organised spatially in a way that maximises the benefits for residents.”

The Cardiff Capital Region should develop a spatial perspective to complement its economic strategy... This spatial development perspective should act as a future growth map for the Capital Region and define the key roles and potential of:

- Cardiff and Newport as established hubs of business, commerce and institutions, each playing to their particular strengths;
- Cardiff Airport and the associated Enterprise Zones;
- The re-emerging towns such as Bridgend, Barry, Caerphilly and Pontypridd that are in transition to accommodating high value-added activity, renewed resident populations and university expansions; and

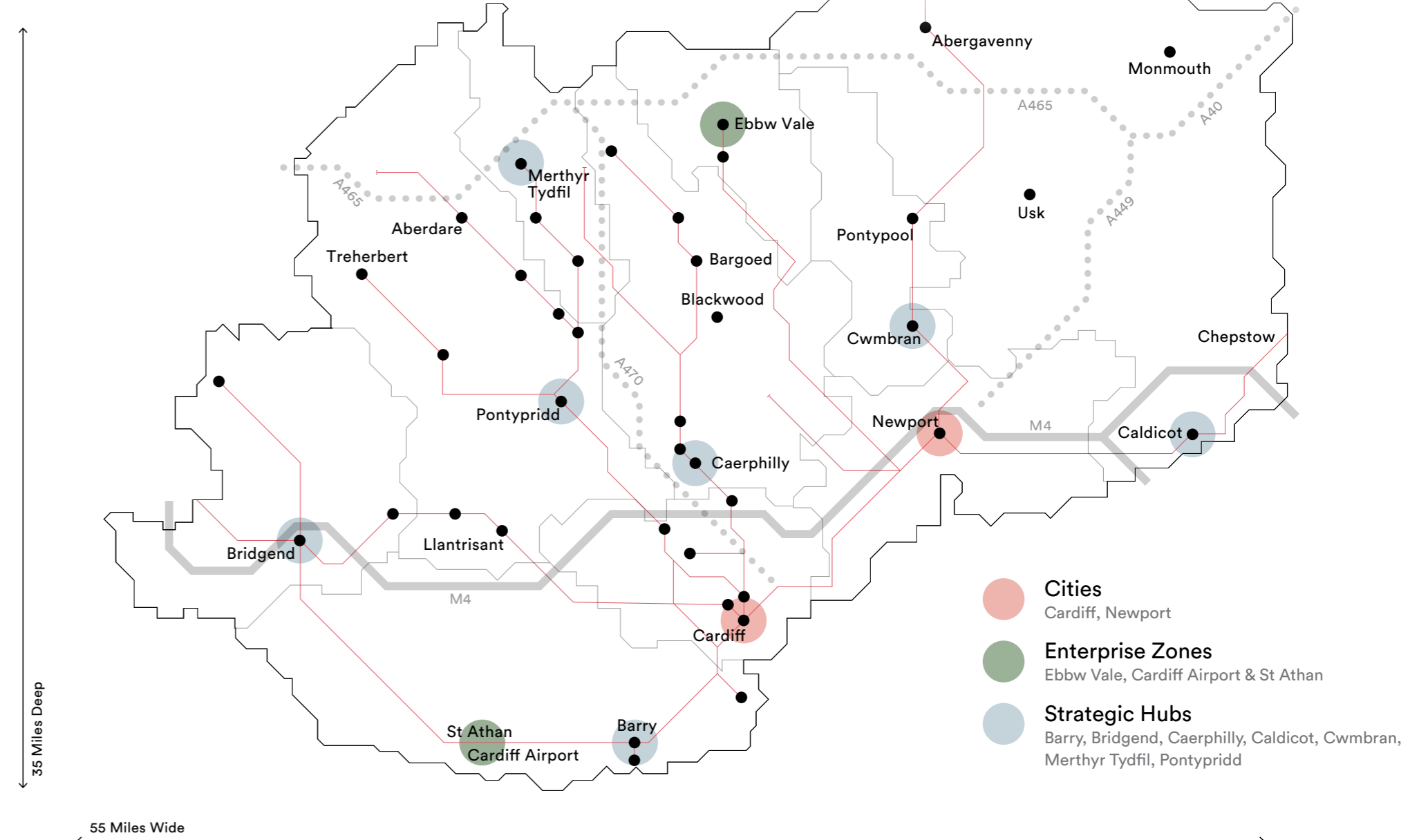
— *The Valleys and rural towns which are becoming increasingly important centres for local services, amenities and the foundational economy, and are developing their roles in tourism and leisure.”*

We are working with the Local Government Data Unit (Wales) on a data platform to understand the role of our two cities and the individual towns within the region. This work will enable us to make more informed decisions on how we can tailor support for specific settlements and areas to allow them to better understand and achieve their potential and maximise the prosperity and well-being of the people who live in them⁶.

Preliminary findings from this work have highlighted that in addition to the two cities, a number of towns, referred to as re-emerging by the Commission, are playing a significant role in the region’s economy. These findings have been combined with the work on Strategic Hubs undertaken by the Valleys Task Force, inclusion of the regions Enterprise Zones, and the regeneration assessments undertaken by individual local authorities, in considering the Welsh Government’s Targeted Regeneration Investment Fund.

This initial spatial perspective, which will be reviewed and refined as part of the development of the Regional Growth Strategy, is detailed on the plan to the right.

Strategic Hubs and Opportunity Areas



05. Developing a Skilled Workforce and Tackling Unemployment

The Regional Cabinet are working in partnership with the Cardiff Capital Region Skills and Employment Board to develop the social and economic potential of the Cardiff Capital Region, supporting people and businesses to deliver a high performing and prosperous region that stimulates and supports inward investment.

To achieve this the Cardiff Capital Region needs to develop a demand-led skills system that is driven by the needs of industry and which delivers employment and skills support in response to infrastructure and other investments to achieve growth within the regional economy.

“...supporting people and businesses to deliver a high performing and prosperous region that stimulates and supports inward investment.”

Regional Priorities for Employment & Skills

We are developing a regional, evidence based approach, which will focus on:

- Delivering employment and skills support for industry, infrastructure and other investments to enable growth
- Supporting industry through priority sectors to address skills gaps and shortages
- Developing higher level skills to future-proof the workforce
- Increasing the number and range of apprenticeships
- Improving industry engagement with education and marketing of career opportunities and pathways
- Developing a regional employability plan to get more people into work
- The co-design of the DWP Work and Health programme



Top: The Royal Mint, Pontyclun
Bottom: DS Smith, Caerphilly

A programme of interventions is emerging, titled ‘Skills for the Future’, in response to evidence of regional demand plus examples of successful practice and currently includes:

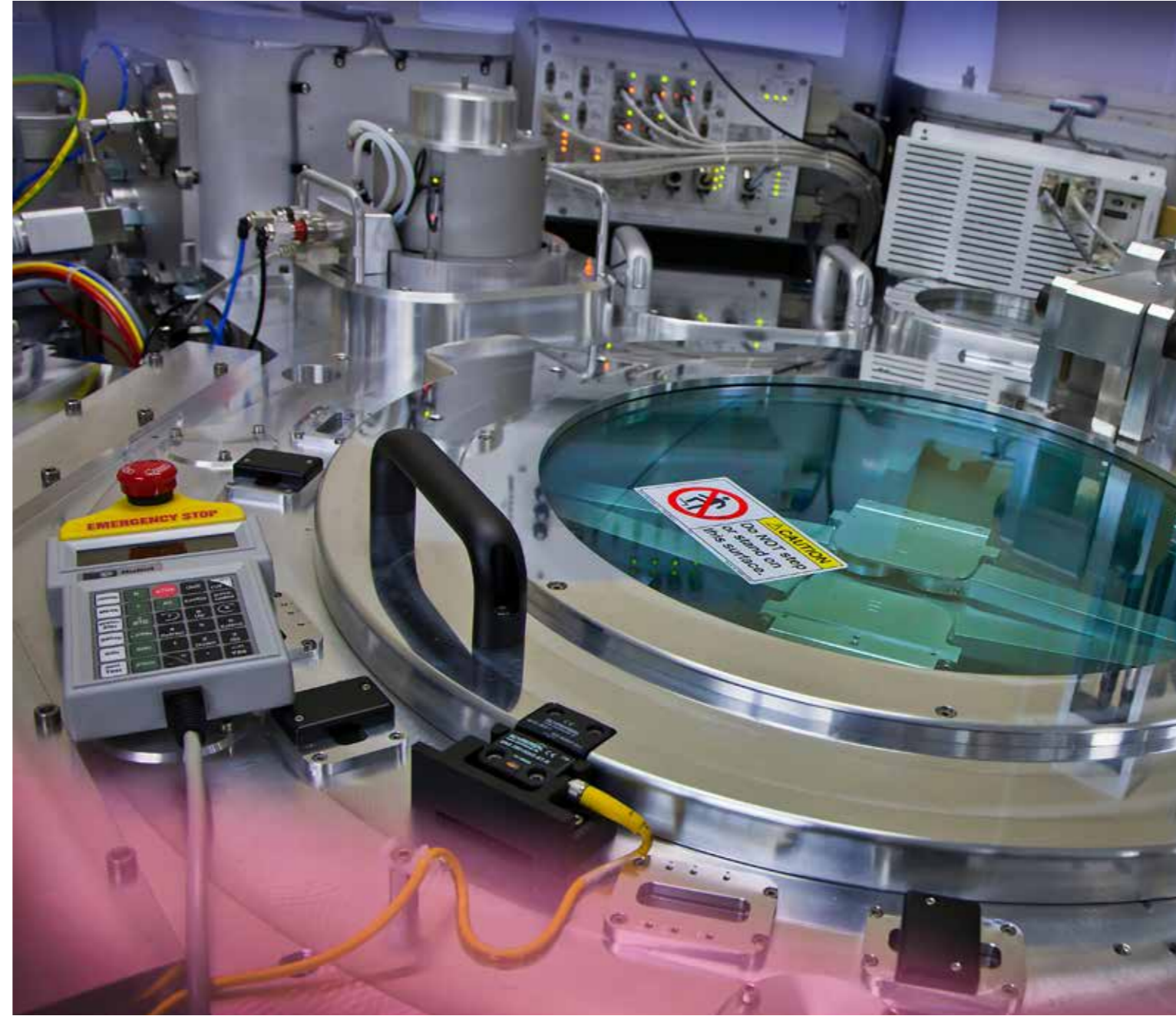
- **Regional skills brokerage service** – a local authority led and therefore impartial service that works with businesses, projects and investments, in conjunction with economic development and business support services, to secure appropriate and relevant skills solutions through education, training and other providers. Connecting both employees and businesses to regional skills projects and programmes that invest in the upskilling of the existing workforce to support progression and improvements in productivity.
 - **Schools engagement** – activities to encourage career choices that align with future demand whilst promoting parity of esteem between different pathways to help young people attain quality and sustained employment.
 - **Access to apprenticeships including shared apprenticeships** – employer engagement to increase the number and range of apprenticeships available in the region and schools engagement to increase the number of young people choosing apprenticeship pathways. Delivered in conjunction with work based learning providers and extending access through shared apprenticeship programmes, such as Y Prentis and Aspire, where appropriate.
 - **Graduate internship programme** – employer engagement to increase the number of graduate opportunities available including placements and internships, delivered in conjunction with our Universities. To encourage greater graduate retention within the region and improve the skills utilisation of graduates by businesses to support improvements in innovation and productivity.
 - **Regional SME support** – to encourage apprenticeship and graduate take up by SMEs there will be a financial incentive and provision of a human resource support service. In the immediate term the service will support SMEs to maximise use of the current Welsh Government apprenticeships subsidy.
 - **Skills Investment Fund** – a co-investment fund for SMEs that supports the upskilling of existing employees to meet technical, specialist and higher level skills needs, that can be accessed in the absence of other sources of funding. A fund of last resort to support co-investment in business led development linked to the achievement of growth, productivity and performance improvements.
- Implementation is proposed in phases commencing early stages beginning in **September 2018**.

06. Creating an Innovation District and Increasing Entrepreneurial Activity and Innovation

Innovation is a dynamic driver of economic growth. It underpins the development and application of ideas and technologies that yield better or new goods and services for the marketplace. Innovation is directly linked to raising productivity. Relative to other regional and international economies, productivity is unacceptably low in the Cardiff Capital Region.

Unless this changes, our ambitions for our place will not be realised. Indigenous businesses will not grow as quickly as we would like, wages will not grow as quickly as in other places, external investors will not be attracted here. We will continue to oversee an underperforming region and our brightest people will have better opportunities elsewhere.

We are going to change this. We are going to create an environment that fosters entrepreneurial spirit and the creation of new commercial knowledge by bringing entrepreneurs, government, universities, funders and corporate entities together and adding in new capability. The Joint Cabinet has produced an Innovation Prospectus setting out in headline terms our direction of travel. The Prospectus is open to change and is reliant on every other City Region priority set out in this business plan delivering.



SPTS Technologies, Newport

The Innovation Prospectus includes:

- **Innovation District** – We want the region to be internationally recognised as an Innovation District. We will work with Wales Government and UK Government to develop a competitive fiscal environment to promote sectors set out in our City Deal Agreement; specifically compound semi-conductors, life-sciences, cyber, digital, clean energy, infrastructure and engineering.
- **‘Tech Venture Fund’** – The Cardiff Capital Region, in keeping with the rest of Wales, is not strong in terms of an angel investor / venture capitalist culture. We are focussed on establishing a ‘tech venture fund’ working with commercial investors to improve access to capital. The Fund will make commercial investments, it will not make grant payments. The Fund will be professionally managed and focussed on sectors indicated above. The Fund will operate across the whole region and will only invest in companies in the region.
- **Public Service Testbed** – The region has a significant reliance on public service employment. We will exploit the opportunity that this presents by developing our place as a ‘public service test-bed’. We aim to re-design our public services to optimise their impact on economic prosperity. This will include, but not be limited to, how public sector organisations procure goods and

services and capitalise on the significant Intellectual property that the sector possesses.

- **Regional Business Support** – Business support services across the region are complex. We intend to integrate and align these and simplify and develop easily accessible whole region support and advice.
- **National Software Academy** – We intend to support and accelerate a National Software Academy and National Cyber Academy to develop digital capacity and capability that is currently lacking in the region.

07. Improving Connectivity Globally, Regionally and Locally

Our ability to connect and communicate in a fast and reliable way is critical in enabling businesses to generate prosperity and employment, empowering people to take a full part in society and benefit from life's opportunities.

Good quality, highly available, cost effective and efficient networks are a fundamental requirement to enable people to participate fully in modern life and to maximise their opportunities in the employment market.

To enable effective connectivity of all types for our future generations, we must therefore focus on the performance of both our digital and transport infrastructure. We must aim to ensure that our residents, households and businesses, have access to those facilities that they need and want as they go about their lives where they live, work and travel.

Transport

The Regional Cabinet, via the newly established Regional Transport Authority, are focussed on understanding the transportation infrastructure issues that restrict economic growth in the Region, identify the opportunities where transportation can open up economic development opportunities and, as equal partners, set joint priorities with Welsh Government for the Region, using our shared resources to deliver the changes.

Over the next 5 years, along with providing advice on transport matters and proposals to the Regional Cabinet, the Regional Transport Authority will focus on:

- **Developing a Regional Transport Strategy for Growth, aligned with Local Transport Plans, aimed at supporting the region's economy.** This Strategy will build on the Economic Growth Strategy and set out the transportation vision and strategic objectives for the region, covering 5 types of travel:
 - **A globally connected city region** – developing the potential of our air; rail; road and sea: with a focus on Cardiff Airport, the Great Western Main Line, the M4, the Heads of the Valleys A465, our 3 sea ports at Cardiff, Newport and Barry.

- **City-to City links** – improving access to our major interchanges on the M4 and the Cardiff to London main rail line.
- **Travel across the wider City Region** – trips to key destinations like town centres, employment areas, hospitals and colleges can be made more easily, and by a choice of mode
- **Getting into and around the Regional Centre** – supporting sustainable access to Cardiff City Centre.
- **Connecting neighbourhoods** – more accessible “public realm” including bus stops; better pedestrian and cycle links to public transport stations and stops and road safety measures.
- identifying opportunities and supporting project sponsors to develop transport proposals which, working with other initiatives such as strategic sites, support our strategic objectives.

One significant opportunity has already been identified and defined as Metro Plus.

Potential Metro branding & transport livery

»»» Metro Plus

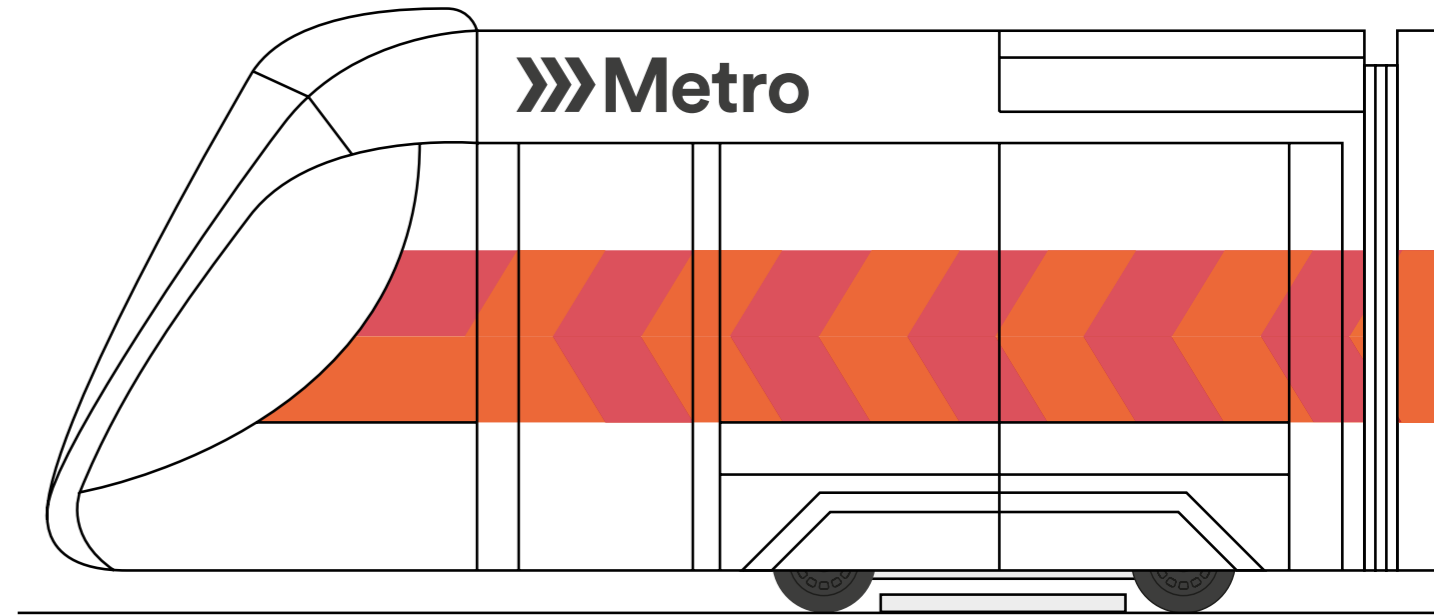
As part of the City Deal there is a pre-allocated sum of £734m committed to the Metro.

The South East Wales Metro is a key priority of the City Deal and will make a significant contribution to improving transport connectivity; unlocking development sites, employment and housing; providing access to training and employment opportunities; access to leisure and tourism and wider cultural development; substantial contribution to carbon reduction targets; and improving quality of life for all residents.

To maximise the potential benefits of the Metro to the region the Regional Cabinet are exploring a programme of complementary transport investment ‘Metro Plus’.

A significant project highlighted as part of this transport programme is the delivery of a Central Transport Interchange, ‘Metro Central’.

This scheme has the potential to significantly increase public transport capacity and attractiveness, and regional connectivity, by allowing increased frequency of services and providing improved facilities.



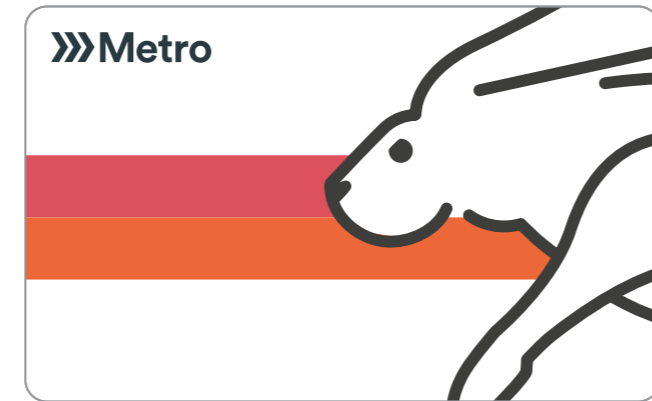
In addition the proposal has the potential to leverage significant commercial development and create more than 30,000 jobs over the next 10-15 years.

A key element of ‘Metro Central’ is the modernisation of Cardiff Central Train Station increasing capacity for trains and passengers, making it fit for purpose, and releasing the potential of the Metro. A feasibility study on the modernisation of Cardiff Central Station has been undertaken identifying a series of interventions including platform access, platform improvements, concourse improvements, platform extension, improved links and weather protection.

Based on the current feasibility work the total cost of the project is estimated at £160-£180m. The funding proposal would see contributions from the Welsh Government, private sector and City Deal, with any shortfall made up from the Department for Transport. This current proposal would see a call on City Deal funding of £40m subject to final approval of the Full Business Case and commitment to match funding from partners.

Other emerging opportunities being explored are:

- improved access to Cardiff Airport for both passengers and freight. Linked to the promotion of the enterprise zone and opening-up development land opportunities;
- a programme of strategic park and rides to improve access to the rail network and to transfer car users off the most congested highway routes; and
- improve connections to enable people to access motorways and key national rail interchanges.



Potential Metro smartcard

Digital

The Regional Cabinet aspiration is to make the Cardiff Capital Region a “Smart Region”, allowing our future generations to be fully integrated into a global network.

This digital strand is about enabling the future of work to be carried out in all areas of the region by increasing the benefits that digital services bring.

A Tech Nation Report (Tech City 2015), identified this region as home to the fifth fastest growing ‘tech hub’ in the UK and further NESTA research on the growth of technology clusters in the UK demonstrates high start-up rates in and around the capital city region. Coupled with emerging specialisms in data science, open data and cyber security, there is unique potential to connect the entire supply chain of digital services.

Over the next 5 years the Regional Cabinet intend to develop a Digital Portfolio of proposals to support our strategic goals and our aspiration to be a smart region:

- **Organising Delivery** – Creation of a digital vision, brand and identity for CCRC
- **Global Connectivity** – Implementation of a transatlantic link to enable the fastest possible connection to the global digital network.
- **Welsh Connectivity** – Exploitation of the existing Cardiff Internet Exchange (IX).
- **Regional Fibre Connectivity** – Creation of a strategic site dark fibre network as a public asset. This would support the volume of public, private, research and citizen based traffic into and around CCRC.
- **Community Fibre Connectivity** – A high speed fibre network to connect local communities.

- **Regional/Community WiFi** – A ubiquitous public WiFi network as a public utility to be maintained by the private sector on an ongoing basis.
- **Mobile 5G Access** – Implementation of a 5G network.
- **Sensing the CCRC** – A sensor network across the region through a canopy of connectivity from access points mounted on e.g. street lights.
- **Open Data** – Creation of a fully Open Data environment making all of the vast amount of publicly held data (with the exception of certain data, for example sensitive personal data) available to all, without copyright, patents or other methods of control.

“A Tech Nation Report (Tech City 2015), identified this region as home to the fifth fastest growing ‘tech hub’ in the UK.”

08. Providing the right physical place and environment to support growth

The Regional Cabinet have recognised the unique opportunity for the ten local authority areas to come together and deliver a strategic approach to housing, regeneration and economic growth to create an accessible, liveable, ‘work-life integrated’ and highly connected region.

Promoting and enabling Place-Making and Sustainable Communities will improve quality of life for residents and attract and retain investors, skilled workers and visitors. By harnessing the distinct characteristics and strengths within the region we will contribute to growth by:

- Upgrading and rebalancing our housing offer;
- Identifying and maximising new spaces and places of potential economic opportunity;
- Capitalising on existing spaces of economic opportunity;
- Regenerating our urban and rural built environments and promoting well-being;
- Improving our visitor economy;
- Developing and managing sustainable energy;
- Using the development of the Metro to promote sustainable regeneration of Town centres and support growth around metro hubs and public transport; and
- Having a clear focus on economic growth and investment as a means to counter disadvantage and deprivation, both for individuals and communities, at local and regional level.

Over the next 5 years the Regional Cabinet intend to develop a number of key areas under this Strategic Theme:

Housing

The housing shortfall of the region, linked to the future economic aspirations of the Regional Cabinet, is being full explored and detailed as an expression of ‘need’.

The mechanisms and interventions which could potentially be used across the region to deliver housing are being considered. These options will not necessarily be site specific and there are many projects right across the City Region area that, for different reasons, have stalled but would have a positive impact in terms of City Deal outcomes by increasing GVA. In addition, they would help deliver sustainable communities, increase housing supply, choice, affordability and quality.

Work has been undertaken to identify what mechanisms or interventions can be deployed to increase housing delivery and to support the Housing Objectives detailed in the City Deal Heads of Terms, and by the Growth and Competitiveness Commission. This has resulted in a proposal for:



View from Abergavenny Town Centre

Regional Housing Fund

Work is being undertaken to develop a proposal for establishing a Housing Investment Fund (HIF) to support the housing growth aspiration across the region and across all tenures. Key benefits of a Fund in the Cardiff Capital Region context would include:

- **Fast-track delivery:** Provides a broad set of financial interventions that can be used to unlock developments that have been previously stalled by a wide range of issues;
- **External funding:** Can complement – and should actively encourage through leverage requirements - the use of external sources of funding, both private and public;
- **Flexibility:** Investment strategy could be crafted to allow for different products to be flexibly used in different locations and different extents over time, depending on the challenges faced in each sub-market, and following review
- **Ongoing benefit:** the opportunity to recycle funds through repayable grants, loans etc. offers scope for funds to be used multiple times.

To complement the proposed Housing Fund, work is being undertaken to develop a Custom Build or Plot Shop for the region whose benefits could include:

- **Stimulation of the SME building sector:** Provides a broad range of sites with limited risks which will be attractive to this sector;
- **Investment:** The Plot Shop encourages investment within communities across the region, whilst the economic multipliers are likely to be less than those associated with volume housebuilding, the impact of multiple sites across the region, within a currently dormant market should be recognised;
- **Flexibility:** SME builders could be supported flexibly in different locations and to different extents over time, depending on the challenges faced in each sub-market.
- **Regeneration benefits:** Many sites represent detractors in our communities, but being packaged within a Plot Shop brings them forward for development, bringing new homes and choices to our communities. Having a range of housing choice can stimulate latent housing markets, with long term benefits to communities.
- **Potential for innovation:** As the scheme develops momentum, there is significant scope to develop innovative homes in terms of energy, construction, design and tenure.

Strategic Sites and infrastructure

Research commissioned by the Regional Cabinet and the Welsh Government has illustrated the shortage of good quality sites and premises within the region. With the slowdown of the sort of development undertaken by the WDA during the 1970s – 90s, and the failure of private sector developers to fill that gap in many parts of the region, we now have a very limited 'offer' to put before inward investment or expansion projects and this is a serious constraint on the potential for the region to grow the economy, especially to achieve the sort of 'step change' in the scale of growth envisaged by the Regional Cabinet.

Good quality sites are in short supply and there is now a very limited availability of all sizes and types of speculative, ready to occupy premises ranging from space for small businesses and start-ups right through to large scale manufacturing projects.

Potential sites will be assessed to provide a target list of strategic sites deemed suitable for support and be of the scale and type likely to meet the aims and objectives of the Regional Cabinet.

This assessment of need has resulted in a proposed Strategic Sites Programme:

Strategic Sites Programme

- **Provision of Employment Sites:** A programme to introduce a balanced portfolio of sites with varied characteristics to be a catalyst to attracting new business investment will be developed. These sites should be capable of supporting both indigenous business growth and inward investment. This should aim to create a significant supply of new floorspace across a wide range of property types across the whole region. This programme will aim to support the current prime market areas of Cardiff and the M4 corridor and have a strategic focus on a future expansion of this prime market to include a mix of opportunities in the Heads of the Valleys corridor, the coastal belt, towns and rural areas.
- **Refurbishment of Existing Stock:** There is an issue of increasing obsolescence in existing building stock which can be a catalyst for business disruption and closure. A programme of refurbishment to retain those businesses already in the region will be developed. Exploring a partnership approach with Welsh Government to overcome this problem is proposed.

- **Encouraging Clusters:** Work will be undertaken to explore the potential to support specific infrastructure and location criteria to encourage clusters of like-minded industries to emerge and develop, nurturing them as centres of excellence.

Within this theme some specialist areas of provision are also emerging which include:

- **Enabling infrastructure**
Opening-up strategic sites, housing and employment, this includes possible transportation and road linkages, drainage and other high value enabling works to bring forward large sites;
- **Joint developments with the HE / FE sectors**
Could provide space for spin-out of research and technology emanating from the educational establishments in the region and linking to the prioritised sectors;
- **Work / live space**
Where residential and employment is combined' with the potential for such shared use developments to be concentrated alongside key development 'nodes' of the Metro project.



Top: Ebbw Vale Enterprise Zone / Bottom: OpenGenius, Penarth

Energy related projects

Several energy related projects are emerging around renewable energy generation schemes, energy management and related manufacturing and management technologies. A regional development and delivery approach to these projects could generate significant regional benefit in terms of the economy and environment. There is potential for the region to seek to become recognised as a leader in the energy field including in the manufacturing process for renewable energy machinery, which is an undoubted global growth sector and one with relatively high R&D and a high value-added contribution. In addition the proposal for a tidal lagoon project within the region will play a factor in future proposals.



Ocean Colour Scene at Caerphilly Castle

Urban Renewal / Regeneration

Several projects are emerging which would revitalise existing urban and town centre locations, generating jobs in retail and office sectors; providing residential accommodation and helping to address the inequalities in development experienced in recent decades. It is clear this type of support cannot stand alone and will work if it coordinates its approach with the Welsh Government's Targeted Regeneration Investment programme (TRI) which replaces 'Viable and Vibrant Places'. The Regional Cabinet could in future act for Welsh Government, as the delivery arm of any potential regional funding, streamlining programme and project delivery, and overcoming duplication of resources.

In some parts of the region there is potential to explore the development of new settlements (settlements of the future) which would combine housing, employment, education and leisure elements in a planned, sustainable development of significant scale.

This could include the possible development of an arm's length development company to develop council owned sites for both economic and residential purposes.

Visitor Economy

Wales, and the Cardiff Capital Region, has a growing worldwide recognition and reputation as a tourist destination and includes iconic visitor attractions such as the Capitol city of Cardiff, Cardiff and Caerphilly Castle, Barry Island, Porthcawl and Big Pit to name only a few. Several projects are emerging which could add to the regions 'offer' and attract significant numbers of additional UK and international visitors. These can be complemented by investments in accommodation and the hospitality sector.

The region is also blessed with the Brecon Beacons National Park to the north and the Glamorgan Heritage Coast to the south.

The development of the 'South East Wales Destination Investment Plan' is a key part of the process of developing the tourism offer for the region. This Plan has been commissioned by all the regions councils and will be fundamental in developing the regions tourism. Developing priority themes to support a year-round offer are:

- Business tourism to attract higher value;
- The Region's culture and heritage attractions;
- A strong outdoor adventure offer;
- The Region's events offer.

09. Cardiff Capital Region City Deal (CCRCD) Wider Investment Fund

Introduction – ‘The City Deal’

The City Deal outlines the joint commitments made by the ten local authorities of the Cardiff Capital Region, the UK Government and the Welsh Government to unlock £1.2bn of investment to increase the performance of the city-region economy. Over its lifetime of 20 years, partners envisaged that the City Deal would deliver up to 25,000 new jobs and leverage an additional £4bn of private sector investment.

As its core proposition the City Deal provides funding to support investment in projects to stimulate economic growth: £734m is allocated to Metro, with the balance (£495m) being made available as the City Deal ‘Wider Investment Fund’.

Wider Investment Fund (WIF) – Funding Streams

HMT Contribution: UK Government grant of £375m paid over 20 years period and consists of £50m revenue grant (years 1-5) and £325m capital grant from years 6-20. Expenditure incurred in advance of receiving UK Government grant will require ‘temporary borrowing’ and is referred to as the ‘Cost of Carry’.

Council Contribution: CCRCD Local Authority Partnership capital contribution of £120m. This will be drawn down as projects are approved and the Wider Investment Fund’s (WIF’s) overall funding requirements begin to crystallise. Council Contributions represent 24.2% of the WIF’s overall funding stream.

WIF Approvals to-date

Wider Investment Fund ‘Top Slice’: 3% of the fund is set aside to fund the activities of a number of Regional Bodies and to meet the costs of Programme Development and Support. This equates to an annual revenue budget of £742,500.

Compound Semi-Conductor Project: During 2017/18, Regional Cabinet approved the proposal in respect of the Compound Semi-Conductor Project. This involves providing a loan of £38.5m to a Special Purpose Vehicle over 2 years, which will be repaid over a period of up to 11 years. The loan repayments will be ‘recycled’ back through WIF potentially increasing the fund’s gross resources from £495m to £533.5m. This is the only project which has full approval to date.

WIF ‘In-Principle’ Commitments and Fund Availability

In-Principle Commitments: Regional Cabinet have provided an ‘in-principle’ commitment to the following projects and initiatives: Metro Central Project, Regional Housing Investment Fund, Digital Strategy and Skills for the Future. In-line with the requirements of the Assurance Framework, these projects are in the process of developing their respective business cases.

Future Revenue Projects: This represents the un-committed resources available to meet the cost of future REVENUE projects (day to day expenditure) as these are approved.

Future Capital Projects: This represents the un-committed resources available to meet the cost of future CAPITAL projects (expenditure resulting in the creation of an asset) as these are approved.



Top: Tri Wall Europe, Monmouth / Bottom: Next Generation Data, Newport

WIF Indicative Expenditure Profile		Annual £m	Cum'. £m
Year 1	2016/17	0.0	0.0
Year 2	2017/18	25.4	25.4
Year 3	2018/19	19.6	45.0
Year 4	2019/20	30.0	75.0
Year 5	2020/21	30.0	105.0
Gateway Review			
Year 6	2021/22	45.0	150.0
Year 7	2022/23	45.0	195.0
Total Yrs 3-7	18/19 - 22/23	169.6	169.6
Years 8-11	23/24 - 26/27	284.3	479.3
Years 12-20	27/28 - 35/36	15.7	495.0

JWA 5 Year Business Plan

WIF Indicative Programme and Updated Affordability Envelope

This is the first JWA Business Plan to be prepared and reflects that a number of projects are in the process of being developed. The Assurance Framework requires detailed business cases to be prepared before projects gain full approval.

An indicative programme of investment has been modelled based on actual approvals to date, supplemented by the typical spend profile of City Deals along with a range of other financial and technical assumptions, such as interest rates etc. The indicative modelling suggests that the 'wholelife cost' of the Wider Investment Fund to the CCRCD Local Authorities could be in the region of £210.8m.

The Joint Working Agreement defines this wholelife cost as the partnership's 'Updated Affordability Envelope'.

Updated Affordability Envelope

Wider Investment Fund	£m
HMT Contribution (Grant)	375.0
Council Contribution (LA Capital)	120.0
Assumed Repayment Term	25 years
Assumed Interest Rate	3.0%
HMT Grant 'Cost of Carry'*	36.4m
LA £120M 'Cost of Capital'**	174.4m
Affordability Envelope	210.8m

* Cost of Carry refers to the interest costs associated with up-front borrowing of the HMT Contribution (grant) ahead of receipt

** Cost of Capital refers to the Principal and Interest cost associated with borrowing the Council Contribution by the local authorities



Orangebox, Treforest

Council Contributions

The Joint Working Agreement outlines that Council Contributions will be based on 'population' fixed at point in time. The agreed model is based on the 2015 ONS population data and will be used as the baseline for sharing costs moving forward. This baseline position will be applicable throughout the 'wholelife' of the Wider Investment Fund.

Agreed Council Contributions % Rates

Local Authority Partner	%
Blaenau Gwent	4.6
Bridgend	9.4
Caerphilly	12.0
Cardiff	23.7
Merthyr Tydfil	3.9
Monmouthshire	6.1
Newport	9.8
Rhondda Cynon Taff	15.8
Torfaen	6.1
Vale of Glamorgan	8.5
Total	100%

1. Cardiff Capital Region City Deal Wider Investment Fund – Indicative Investment Programme for the Strategic Themes

JWA 5 Year Business Plan

Indicative Programme Expenditure	Yr 3 2018/19 £m	Yr 4 2019/20 £m	Yr 5 2020/21 £m	Yr 6 2021/22 £m	Yr 7 2022/23 £m	Total Yrs 3-7 £m	Total Yrs 1-20 £m
Wider Investment Fund Top Slice	0.74	0.74	0.74	0.74	0.74	3.71	14.11
Approved Projects	13.84	0.00	0.00	0.00	0.00	13.84	38.50
Future Revenue Projects	1.00	1.00	1.00	1.00	1.00	5.00	18.00
Future Capital Projects	4.02	28.26	28.26	43.26	43.26	147.05	424.39
Total Investment	19.60	30.00	30.00	45.00	45.00	169.60	495.00
Funded by							
HMT Contribution (Revenue)	-1.89	-3.90	-3.90	-3.90	-3.90	-17.51	-50.00
HMT Contribution (Capital)	0.00	0.00	0.00	-22.00	-22.00	-44.00	-325.00
Total HMT Contribution	-1.89	-3.90	-3.90	-25.90	-25.90	-61.51	-375.00
Council Contribution	-17.71	-5.06	-5.06	-7.96	-7.96	-43.74	-120.00
Temp Borrowing 'Cost of Carry'	0.00	-21.04	-21.04	-11.13	-11.13	-64.35	-0.00
Total Funding	-19.60	-30.00	-30.00	-45.00	-45.00	-169.60	-495.00

Gateway Review

2. Annual Spend Profile and Wholelife Revenue Implications for each Council

	Yr 3 2018/19 £m	Yr 4 2019/20 £m	Yr 5 2020/21 £m	Yr 6 2021/22 £m	Yr 7 2022/23 £m	Total Yrs 3-7 £m	Total Yrs 1-20 £m
Blaenau Gwent (4.6%)	0.04	0.07	0.08	0.12	0.16	0.48	9.74
Bridgend (9.4%)	0.09	0.14	0.17	0.24	0.34	0.97	19.90
Caerphilly (12.0%)	0.11	0.17	0.22	0.31	0.43	1.23	25.23
Cardiff (23.7%)	0.22	0.34	0.43	0.61	0.85	2.45	50.01
Merthyr Tydfil (3.9%)	0.04	0.06	0.07	0.10	0.14	0.41	8.31
Monmouthshire (6.1%)	0.06	0.09	0.11	0.16	0.22	0.63	12.95
Newport (9.8%)	0.09	0.14	0.18	0.25	0.35	1.01	20.69
Rhondda Cynon Taf (15.8%)	0.15	0.23	0.29	0.40	0.56	1.63	33.25
Torfaen (6.1%)	0.06	0.09	0.11	0.16	0.22	0.63	12.86
Vale of Glamorgan (8.5%)	0.08	0.12	0.15	0.22	0.30	0.87	17.87
Total (100%)	0.94	1.44	1.81	2.56	3.57	10.31	210.80

WIF External Audit / Monitoring and Reporting

Clause 7.1.4. of the JWA states that “The JWA Business Plan shall, amongst other matters, address the following:

“the methodology and responsibility for any external audits in relation to this Agreement”.

This requirement will be addressed through the Annual Audit Plan agreed with the relevant external auditors and presented to Regional Cabinet for consideration and approval.

“any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports.”

Regional Cabinet will receive regular revenue and capital monitoring reports throughout the year advising on matters such as: Approved Budget, Actual Position To-Date, Commitments and Projected Out-turn. These reports will be supplemented by the appropriate Project Performance Reports, advising on all aspects of the Wider Investment Fund.

HMT Contribution - Funding Terms & Conditions

The funding will be paid to the Accountable Body on behalf of the ten CCRC local authorities. The funding must be used solely to support the objectives of CCRC through the implementation of projects and schemes agreed by the Regional Cabinet and in accordance with arrangements set out in its Joint Working Agreement, Wider Investment Fund, Assurance Framework, and the JWA Business Plan.

An outcome based Gateway Review of CCRC led by HM Treasury will be undertaken in 2020/21. Funding for 2021/22 and beyond is conditional on CCRC successfully passing this Gateway Review.

It has been confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. Carry forward in respect of the final year (2020-21), will also be permitted providing that the Gateway Review is passed.



Cardiff Airport, Rhoose

10. Additional Opportunities for Regional Funding: Including European Funding & Additional Flexibilities

The Regional Cabinet, in addition to the City Deal Wider Investment Fund, have been delegate responsibility by the ten participating local authorities for “additional devolved funding provided to the Capital Region”.

The Regional Cabinet will seek to align the use of European funding in the region to complement and enhance City Deal investments, aims and objectives.

To maximise the benefits of the City Deal and deliver a longer-term regional economic strategy, greater than that which can be achieved by the City Deal resources alone, the Regional Cabinet will explore with the Welsh Government the options for greater financial autonomy and flexibility.

In addition, the Regional Cabinet will be proactive in seeking out other funding opportunities which align and support the regional objectives.

European Funding

Maximising opportunities from current European Funding Programmes

There are opportunities to access funding from a number of different European Funding Programmes during the current programming period (2014-2020), from the traditional sources of the Structural Fund Programmes (ERDF & ESF) and the Rural Development Plan administered by the Welsh Government to large thematic funding programmes directly managed by the European Commission, such as the HORIZON 2020 programme for Research, Development and Innovation and the ERASMUS+ programme for young people.

The UK Government has guaranteed funding for all projects approved before the UK exits the EU (end of March 2019), enabling projects to deliver until 2023.

Influencing future funding arrangements

The discussions on replacement funding following the UK’s exit from the EU have already started thus it is important that the Region influences these discussions, both with the UK and Welsh Governments. A consultation on a UK Shared Prosperity Fund to replace current EU Structural Funds is expected to be launched by the UK Government later this year.

The timing for the introduction of replacement funding will depend on any agreement reached on transitional arrangements relating to current EU programmes which are due to end in 2020. In the meantime, the Welsh Government has launched a consultation on ‘Regional Investment in Wales after Brexit’. This sets out its views on future regional policy in Wales and argues for Wales’ share of any new fund to be devolved.

It will also be important to lobby for continued access to key EU thematic funding programmes post Brexit, including the successor programmes to HORIZON 2020, ERASMUS+ and some transnational programmes. These will form part of the negotiations between the UK Government and the European Commission.

“The Regional Cabinet will seek to align the use of European funding in the region to complement and enhance City Deal investments, aims and objectives.”



The Senedd, Cardiff Bay

Additional Flexibilities

A case will be made for a range of powers to be devolved to the local authorities of the Cardiff Capital Region. This case will also argue for flexibility to enable the region to access a range of funding sources to supplement the City Deal.

The proposed powers and flexibilities may include:

- retention of business rate income;
 - explore proposals for the Cardiff Capital Region to control above forecast growth in business rates to support economic development proposals for the Cardiff Capital Region
- the ability to levy an infrastructure supplement;
 - explore proposals for introducing an additional levy for infrastructure, based on a supplement to business rates
- use of alternative finance sources;
 - **explore other potential sources of funding including the following:**
 - private sector funding / market opportunities
 - tax increment financing
 - local authority bonds
 - housing finance
 - private public partnerships
 - pension funds
 - online alternative finance sources.
- the removal of conditions around some specific Welsh Government grants;
 - aggregating specific grants to a regional level and removing the conditions that currently apply

Additional Funding Opportunities

The Regional Cabinet is fully aware that the City Deal funding alone is not sufficient to achieve the aims and objectives for the region. The Cabinet will therefore seek to maximise the potential of the City Deal funding by using it as a catalyst to draw in additional resources from the public and private sectors, as well as other possible investors.

Numerous funding opportunities arise, many of which have prohibitive timescales or do not align with the regions strategic priorities.

The Regional Cabinet will use its resources wisely to pursue those opportunities which will enhance its ability to develop the region and, where match funding is required, accord with the assessment processes detailed in the Assurance Framework.



Cardiff, Penarth and Barry, Southern border of the Region

CARDIFF CAPITAL REGION CITY DEAL

WELL-BEING & EQUALITIES ASSESSMENT

Description of Proposal: Cardiff Capital Region City Deal – Strategic Business Plan for the Wider Investment Fund

Section 1) Complete the table below to assess how well you have applied the 5 ways of working to act in accordance with the sustainable development principle.

Page 46	Long-term	How does your proposal balance short-term need with the need to safeguard the ability to meet long term needs by planning for the future?
		<p>The Strategic Business Plan states:</p> <p><i>“The City Deal is a long-term programme and no one can, with confidence, predict what changes will occur over the next 20 years.</i></p> <p><i>When considering the current pace of innovation in areas such as artificial intelligence, drones, driverless vehicles, 3-D printing, robotics, and automation, the future infrastructure and skills needs of the region is changing radically.</i></p> <p><i>We must therefore ensure our policies, plans and programmes are flexible and sufficiently dynamic to not only cope with change but to act as a catalyst to drive positive change in the region.”</i></p> <p>The Plan also states:</p> <p><i>“Our Regional Strategic Objectives also reflect the need to focus on improving the quality of life of people and communities now and in the future and ensure our approach and actions are responsible and meet our current needs without compromising the quality of life of future generations.”</i></p> <p>This demonstrates that the Regional Cabinet are mindful of their responsibilities and that they will regularly undertake reviews to ensure they are achieving the correct balance in the short, medium and long-term.</p>
	Integration	How does your proposal demonstrate an integrated approach to considering economic, social, environmental & cultural outcomes together?
		<p>The Strategic Business Plan states:</p> <p><i>“We have identified four Strategic Themes where we feel we can make the biggest difference and a real improvement to the wellbeing of people in the region and in so doing support our regional objectives, wellbeing goals and the twin goals, in the Welsh Government’s ‘Prosperity for All: economic action plan’, of growing the economy and reducing inequality.</i></p> <p><i>City Deal Strategic Themes:</i></p>

	<ul style="list-style-type: none"> ❖ Skills & Employment; ❖ Innovation; ❖ Connecting the Region; and ❖ Regeneration and Infrastructure. <p><i>Identifying these themes provides a structure and method of developing proposals and schemes. However, the themes are indivisible, and all proposals will be expected to be cross-cutting and contribute, to differing degrees, to our objectives and the well-being goals.”</i></p> <p>In addition, when appraising schemes within the City Deal the Strategic Plan states:</p> <p><i>“All proposed schemes will be required to follow the same appraisal process as detailed in the Assurance Framework. Schemes will be assessed on their potential to contribute to our high-level aims and strategic objectives; demonstrate value for money, use of the five ways of working and how they contribute to the well-being goals.”</i></p> <p>Both these statements demonstrate how the Regional Cabinet are taking an integrated approach when developing and assessing proposals and schemes.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 47</p> <p>Involvement</p>	<p>How does your proposal involve those stakeholders, who you are seeking to support, and those with an interest in promoting and supporting economic, social, environmental and cultural well-being in the region, whilst ensuring engagement reflects the diversity of the region?</p> <p>The Strategic Business Plan has been prepared using the research and recommendations of the Growth and Competitiveness Commission, as required by the Assurance Framework para 3.1. The Growth and Competitiveness Commission was established as an Independent Commission by the Regional Cabinet specifically to undertake research and extensive consultation on the City Deal, and from this work provide advice and recommendations to the Regional Cabinet.</p> <p>In addition, the Regional Cabinet will be submitting the Strategic Business Plan to each of the regions ten constituent authorities’ councils for approval.</p> <p>This means that up to 536 local councillors, all of whom have been elected by and represent their diverse communities, will determine whether to adopt this Business Plan.</p>
<p>Collaboration</p>	<p>How does your proposal involve working together with partners (internal and external) to deliver well-being objectives?</p> <p>The City Deal is a collaboration of the ten local authorities of south east Wales.</p> <p>In defining the Regional Cabinets ‘Vision’ there is a statement related to collaboration – <i>“To make the most of the opportunities our combined size gives us, we must all work together – public sector, private sector, education establishments and our communities – for the benefit of all.”</i></p>

In addition, the Strategic Business Plan states:
“We are working closely with the Welsh Government and National Government, who are both signatories to the City Deal. We have also been instrumental in establishing stakeholder groups including the Cardiff Capital Region:

- ❖ *Skills and Employment Board - representing a wide range of stakeholders, including businesses, higher and further education, local authorities and Welsh Government;*
- ❖ *Regional Business Council – providing a strong business voice;*
- ❖ *Economic Growth Partnership – bringing together partners to consider and advise on a sustainable economic growth strategy and investment decisions.*

We are actively working with the Valleys Taskforce to ensure our aims, objectives and interventions not only align but also complement each other, taking advantage of their engagement processes, to maximise benefits to the region as a whole. We are developing an effective working relationship with the Office of the Future Generations Commissioner for Wales to ensure that opportunities to support the well-being goals are highlighted.”

This statement only identifies a few of the organisations we work with and demonstrates that the Regional Cabinet is committed to collaboration and as the City Deal progresses and schemes are developed it is anticipated that more stakeholders will form part of our inclusive collaboration approach.

Prevention	How does your proposal put resources into preventing problems occurring or getting worse?
	<p>The Cardiff Capital Region is widely recognised as a region with major strengths, an attractive environment, a strong heritage, a growing economy and emerging opportunities.</p> <p>However, it is also a region where there are concentrations of poverty and where not all have access to the opportunities available. Improving accessibility to opportunities and increasing labour market participation is critical to support an improved quality of life for all the regions residents.</p> <p>By investing resources in promoting skills; employment opportunity; job quality, security and progression the Regional Cabinet aim to promote more inclusive growth within the region.</p>

Section 2): Assess how well your proposal will result in multiple benefits for our communities and contribute to the national well-being goals.

Description of the Well-being goals	How will your proposal deliver benefits to our communities under the national well-being goals?	Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and contribute to the national well-being goals)?

<p>A prosperous Wales: An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>The Regional Cabinets Vision and Regional Strategic Objectives set out their aspirations and with their high-level aims, to create 25,000 new jobs and leverage £4bn private sector investment, establish the economic outcomes they are seeking to achieve when considering use of the City Deal Wider Investment Fund.</p> <p>The Regional Strategic Objectives also reflect the need to focus on improving the quality of life of people and communities now and in the future and ensure the Regional Cabinets approach and actions are responsible and meet the regions current needs without compromising the quality of life of future generations.</p> <p>The Strategic Objectives, as detailed in the Strategic Business, are:</p> <p>1. Prosperity and Opportunity - Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy</p> <p>The quality of the economic environment of the region will play a crucial role in creating jobs by improving business performance, enhancing opportunity and encouraging innovation. We will nurture the economic environment by:</p> <ul style="list-style-type: none"> ➤ providing the right infrastructure including connectivity by means of good transport links and highspeed broadband; ➤ encouraging a culture of innovation and entrepreneurship by providing the right skills, opportunities and support to engender a confidence to be creative; ➤ ensuring that the city-regions labour market is equipped with the skills that businesses need; ➤ improving public sector efficiency and effectiveness by new ways of working; 	<p>In accordance with the Assurance Framework all proposed schemes will demonstrate their potential outputs and outcomes via a 5 Case Business Model, in accordance with HM Treasury Green Book, a tool for scoping and planning a proposal and documenting the expected outcomes.</p> <p>In addition, for Cardiff Capital Region schemes, the business case will also have to demonstrate the use of the five well-being ways of working and how it supports the wellbeing goals and the twin goals in the Welsh Government’s ‘Prosperity for All: economic action plan’ of growing the economy and reducing inequality¹.</p> <p>Any report to the Regional Cabinet seeking approval for a proposal will be require to be accompanied by a City Deal Well-being and Equalities Assessment.</p> <p>In this way the Regional Cabinet will ensure that any interventions and/or investments will aim to maximise its positive impact on communities and the well-being goals.</p>
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¹ Written statement by Ken Skates, Cabinet Secretary for Economy and Transport on 11th December 2017.

- supporting all businesses to become more productive, from small retail to large advanced manufacturers;
- enhancing the business climate for emerging sectors, enterprises and innovation that can spawn new sources of jobs and incomes into the longer-term future, including creating business clusters where firms can network, share skills and spur each other to higher levels of performance;
- encourage and promote research and development and entrepreneurial enterprise.

2. Inclusion and Equality - A vibrant and sustainable economy which contributes to the well-being and quality of life of people and communities now and in the future

A vibrant and inclusive economy supports a mix of economic activities and promotes economic security and resilience. We will promote:

- access to employment and economic opportunities;
- participation in the labour market for all members of society;
- access to a range of housing, including affordable;
- access to education and training, to develop skills;
- access to social and recreational opportunities.

3. Identity, Culture, Community and Sustainability - Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life

For our region to gain attention and respect and effectively compete and attract businesses, tourists, investors, students, entrepreneurs, international sporting and cultural events it requires a clear, credible, appealing and distinctive identity. To promote this identity and reputation we will:

- ensure our urban centres are vibrant and vital with unique identities which all of the regions residents can use and be proud of;

	<ul style="list-style-type: none"> ➤ respect, protect and support our rural and natural environment and use it to promote economic and social outcomes; ➤ develop and promote our world-class cultural and recreational opportunities utilising the regions natural beauty and historic areas; ➤ provide a quality environment across the whole region including existing and new development that attracts businesses and talented people; ➤ demonstrate our commitment to a sustainable future and acknowledge our global responsibilities; and ➤ work with political and commercial partners, at a national, regional and local level to coordinate the promotion of the region. <p>Using these Strategic Objectives will assist the Regional Cabinet in supporting the well-being goal of ‘a prosperous Wales’.</p>	
<p>A resilient Wales: A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>The Regional Cabinet, as decision makers, will need to consider existing and future demands which will include new forms of sustainable energy generation, housing, new infrastructure, and facilities which will generate job opportunities such as strategic sites.</p> <p>In response to these pressures the Regional Cabinet will, seek appropriate advice, and work in a way that ensures efficient and effective solutions that not only maintain the environment but where ever possible enhance it and make it more resilient, supporting economic growth with responsible environmental management.</p> <p>This is referenced in “Strategic Objective 3 – <i>respect, protect and support our rural and natural environment and use it to promote economic and social outcomes</i>”.</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>

	<p>The City Deal has an economic focus, it is therefore, by using the natural environment to support economic and social outcomes and making the region more attractive to investors, that the Regional Cabinet can justify investing City Deal funds to enhance and maintain the regions environment.</p> <p>Therefore, using the Strategic Objectives, detailed above, will assist the Regional Cabinet in supporting the well-being goal of ‘a resilient Wales’.</p>	
<p>A healthier Wales:</p> <p>A society in which people’s physical and mental well-being is maximised and in which choice and behaviours that benefit future health are understood.</p>	<p>There is a clear evidence base that shows that for the majority of people being in good secure work is better for their health than being out of work. Employment has social, psychological, and financial benefits that improve health.</p> <p>The Regional Cabinet’s aims, as detailed in the Strategic Business Plan, and Strategic Objectives, to create additional good quality jobs and support people to up skill to fill those roles will assist in supporting the well-being goal of ‘a healthier Wales’.</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>
<p>A more equal Wales:</p> <p>A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The Strategic Objective ‘Inclusion and Equality’ detailed in the Strategic Business Plan states:</p> <p>Inclusion and Equality - A vibrant and sustainable economy which contributes to the well-being and quality of life of people and communities now and in the future</p> <p>A vibrant and inclusive economy supports a mix of economic activities and promotes economic security and resilience. We will promote:</p> <ul style="list-style-type: none"> ➤ access to employment and economic opportunities; ➤ participation in the labour market for all members of society; ➤ access to a range of housing, including affordable; ➤ access to education and training, to develop skills; ➤ access to social and recreational opportunities. 	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>

	<p>Using this Strategic Objective will assist the Regional Cabinet in supporting the well-being goal of 'a more equal Wales'.</p>	
<p>A Wales of cohesive communities: Attractive, viable, safe and well-connected communities</p>	<p>The details in the Strategic Objectives related to connectivity, transport and digital; vibrant and vital economy and urban centres; and affordable housing will all contribute to support this goal.</p> <p>Therefore, using the Strategic Objectives, detailed above, will assist the Regional Cabinet in supporting the well-being goal of 'a Wales of cohesive communities'.</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>
<p>A Wales of vibrant culture and thriving Welsh language: A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The Strategic Objective 'Identity, Culture, Community and Sustainability' specifically refers to the development and promotion of the regions world-class cultural and recreational opportunities exploiting the regions natural beauty and historic areas.</p> <p>Therefore, using the Strategic Objectives, detailed above, will assist the Regional Cabinet in supporting the well-being goal of 'a Wales of vibrant culture and thriving Welsh language'.</p> <p>Regard will be had to the Welsh Language Measure 2011 and consultation and communication will have regard to the Welsh Language.</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>
<p>A globally responsible Wales: A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>The Strategic Business Plan states that the City Deal is intended to deliver sustainable economic development and growth. The Plan also refers to our role on the international and national stage forging a clear identity and strong reputation.</p> <p>This is referenced in "Strategic Objective 3 – demonstrate our commitment to a sustainable future and acknowledge our global responsibility".</p> <p>The Regional Cabinet understand that sustainability goes beyond the region and must be considered in a national, international and global context. In making decisions the Regional Cabinets responsibility extends far wider than the</p>	<p>See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.</p>

region, and to achieve the aim of a positive national and international reputation, they will consider the full range of potential implications and consequences.

Section 3) Will your proposal affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts.

Protected characteristics	Will your proposal have any positive impacts on those with a protected characteristic?	Will your proposal have any negative impact on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age	The Regional Cabinet is developing and implementing a City Deal which will benefit the region through the creation of more and better jobs, more housing, improved communication and improved skills. This will provide economic growth and infrastructure improvements that will benefit all including those defined as having protected characteristics.	It is considered that there are no adverse impacts on those with a protected characteristic, indeed the vision and strategic objectives defined in the Strategic Business Plan will assist in supporting these groups as part of the regions communities.	<p>In accordance with the Assurance Framework all proposed schemes will demonstrate their potential outputs and outcomes via a 5 Case Business Model, in accordance with HM Treasury Green Book, a tool for scoping and planning a proposal and documenting the expected outcomes.</p> <p>In addition, for Cardiff Capital Region schemes, the business case will also have to demonstrate the use of the five well-being ways of working and how it supports the wellbeing goals and the twin goals in the Welsh Government's 'Prosperity for All: economic action plan' of growing the economy and reducing inequality.</p> <p>Any report to the Regional Cabinet seeking approval for a proposal will be require to be accompanied by a City Deal Well-being and Equalities Assessment.</p> <p>In this way the Regional Cabinet will ensure that any interventions and/or investments will aim to provide a positive impact on communities and the well-being goals, this will include those who are defined as having protected characteristics.</p>
Disability	As above	As above	As above
Gender	As above	As above	As above

APPENDIX B

Gender reassignment	As above	As above	As above
Marriage and civil partnership	As above	As above	As above
Pregnancy and maternity	As above	As above	As above
Race	As above	As above	As above
Religion or Belief	As above	As above	As above
Sexual orientation	As above	As above	As above

Section 4) Identify who is responsible for the proposal and how and when decisions will be made

The Regional Cabinet, is a Joint Committee of the ten south east Wales authorities, having delegated powers related to the City Deal and Wider Investment Fund, subject to all ten Councils having decisions making powers on reserved matters within the Joint Working Agreement (JWA).

Officer responsible for completing this form:**Date form completed:**

.....

Mae'r dudalen hon yn wag yn fwriadol

CYNGOR CAERDYDD

CARDIFF COUNCIL

ECONOMY & CULTURE SCRUTINY COMMITTEE

8 MARCH 2018

INTERNATIONAL SPORTS VILLAGE (ISV): UPDATE

Appendix A of this report is exempt from publication as it contains confidential information by virtue of paragraph 14 of Part 4 and paragraph 21 of part 5 of Schedule 12A to the Local Government Act 1972.

Purpose of Report

1. To enable Members of the Economy and Culture Scrutiny Committee to undertake pre-decision scrutiny of a report to Cabinet on the 15 March 2018 regarding the International Sports Village.

Background

2. In 2001, the administration's 'Ambitions for Cardiff' strategy document contained a commitment to "*progress the development of the £240m International Sports Village as the centre piece of Cardiff's plans to become a regional capital of sporting excellence*". The commitment to this project was reiterated in the Ambitions for Cardiff 2002-03 as "*progress the development of the International Sports Village as the centrepiece of Cardiff's plans to become a European Sports/Leisure destination*".
3. As part of the regeneration project, the Council acquired ownership of tranches of land on the ISV site, which remain in Council ownership. Since then, a mixture of public and private sector investment has resulted in the following developments:

- Cardiff International Swimming Pool
 - Cardiff International White Water Centre
 - Ice Arena Wales
 - Residential and Retail developments
 - Pont y Werin Bridge.
4. Cardiff Council's Capital Ambition five-year plan contains a commitment to *'Set a refreshed vision for Cardiff Bay as a leisure destination, by securing a new visitor attraction, with the possible creation of a permanent "beach style" facility and revitalising the strategy for the International Sports Village.'*
5. The current Forward Plan for Cardiff Council's Cabinet states that a report regarding the ISV is scheduled to be taken to Cabinet on 15 March 2018 and that *'The report will outline proposals for next steps and seek to delegate authority to progress the delivery plan.'*
6. The report to Cabinet will form **Appendix A** of this report and is marked *'to follow'*. The report to Cabinet contains four appendices, some of which are marked as confidential, for the reasons stated at the top of this report. Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct and the Cardiff Undertaking for Councillors. Members will be able to ask questions regarding these appendices during closed session.

Scope of Scrutiny

7. This item will enable Members to:
- a. Undertake pre-decision scrutiny of the report to Cabinet on the International Sports Village - *to follow*
 - b. Explore with witnesses key factors shaping future plans and any risks to the Council
 - c. Explore with witnesses the fit between these discussions and the wider Cardiff Bay regeneration plans
 - d. Gain an understanding of the next steps and timelines involved.

Way Forward

8. The Chair will move that this item be considered in closed session allowing Members and witnesses to discuss the information to be provided at the meeting, which is deemed commercially sensitive.
9. Councillor Russell Goodway (Cabinet Member: Investment and Development) has been invited and may wish to make a statement. Neil Hanratty (Director – Economic Development) will attend and will provide a short presentation. They will also be available to answer any questions that Members may have.

Legal Implications

10. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

11. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial

implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

Recommendation

12. The Committee is recommended:
 - a) Note the contents of the report, presentation and discussions during the meeting;
 - b) Consider whether it wishes to make any comments to the Cabinet.

Davina Fiore
Director, Governance and Legal Services
2 March 2018

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

8 MARCH 2018

CORRESPONDENCE REPORT

Background

1. This report provides Members with a correspondence update report.

Correspondence update

2. Following most Committee meetings, the Chair writes a letter to the relevant Cabinet Member or officer, summing up the Committee's comments and recommendations regarding the issues considered. At the Committee meeting on 11 January 2018, Members received a report detailing the correspondence sent and received this municipal year.
3. Attached as **Appendix A** is a correspondence schedule which provides an update since then, containing the following information:
 - i. Date the letters were sent;
 - ii. To whom the letter was addressed;
 - iii. The key recommendations set out in the Chair's letters;
 - iv. Date the response was received; and
 - v. The response of the Cabinet Member(s) to those recommendations.
4. The schedule attached at **Appendix A** shows:
 - i. *Response Awaited* – from Councillor Goodway to the Chair's letter following scrutiny of updated proposals re the Bus Station and Central Train Station, considered at Committee on 7 December 2017.
 - ii. *Response Received* - from Councillor Bradbury to the Chair's letter following scrutiny of the GLL Leisure Centres Partnership, considered at Committee on 7 December 2017.

- iii. *Response Received*– from Councillor Thorne to the Chair’s letter following scrutiny re Libraries, considered at Committee on 11 January 2018
 - iv. *No Response Required* – from Councillor Goodway to the Chair’s letter following scrutiny re the Economic Development Green Paper, considered at Committee on 11 January 2018
 - v. *Response Received* – from Councillor Weaver to the Chair’s letter following scrutiny of the draft Corporate Plan 2018 -2021 and the Budgetary Proposals, considered at Committee on 12 February 2018 – letters attached in full at **Appendix B**.
 - vi. *No Response Required* – to the Chair’s letter, following scrutiny of proposals for the multi-purpose indoor arena at a special Committee held on 13 February 2018.
5. Copies of the Chair’s letters and any responses received can be found on the Council’s website page for the relevant Committee meeting, with a hyperlink provided at the top of the page, entitled ‘*correspondence following the committee meeting*’.

Way Forward

6. During their meeting, Members may wish to note the contents of this report and **Appendix A**.

Legal Implications

7. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be

within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

8. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- I. Note the content of the letters contained in **Appendix A** and **Appendix B**.

Davina Fiore

Director - Governance and Legal Services

2 March 2018

Mae'r dudalen hon yn wag yn fwriadol

APPENDIX A – Economy & Culture Scrutiny Committee Correspondence Schedule, as at 1 March 2018

Date Sent	Sent to	Topic	Points Made requiring a response	Date reply received	Response
11 December 2017	Cllr Russell Goodway	Central Bus Station and Central Train Station Update	<ul style="list-style-type: none"> • <i>Members believe that the public will be particularly interested in the linkages between the various modes of transport (cycling hubs, taxi ranks, taxi drop off and pick up zones etc.) and therefore recommend that the publically available drawings/ plans be updated to illustrate these.</i> • <i>Members are pleased to note the commitment to explore the feasibility of retaining the taxi rank on the North side of Central Train Station. Members recommend that the Council facilitate dialogue between the Access Focus Group and cycling groups to ensure that solutions are identified that are mutually acceptable.</i> 		Response Awaited

Date Sent	Sent to	Topic	Points Made requiring a response	Date reply received	Response
14 December 2017	Cllr Peter Bradbury	GLL Leisure Centres Partnership: One year progress report	<ul style="list-style-type: none"> • <i>I note your comment at the meeting that you will take the issues raised by the feedback and will challenge GLL on how these are being dealt with.</i> • <i>One of the issues most mentioned by service users was the closure of the leisure centre cafés and the impact this has on families and communities. .. in the way forward discussion, Members reflected on whether a social enterprise would be able to operate some or all of these cafés. Members therefore recommend that this option be considered and explored by the Council and GLL</i> • <i>In terms of customer satisfaction... Members wish to thank GLL for their offer to share this survey, in terms of methodology used, questions asked and results for these. Members would also like to receive</i> 	18 January 2018	<ul style="list-style-type: none"> • <i>I have requested that a response be prepared that covers all aspects of the issues raised by respondents.</i> • <i>Healthy vending machines installation will commence from 15 January 2018</i> • <i>Information received re customer satisfaction survey – responses are representative of the service user profile</i>

Date Sent	Sent to	Topic	Points Made requiring a response	Date reply received	Response
			<p><i>information about the representativeness of respondents compared to the overall service user profile.</i></p> <ul style="list-style-type: none"> • <i>Members were very interested to hear of GLL's success in tackling sickness absence .. Members recommend that you and HR officers meet with relevant officers from GLL to see if there are any lessons that can be shared and effectively applied in the Council.</i> • <i>Members recommend that GLL incorporate Equality Impact Assessments into their decision making process for strategic, policy and key operational changes.</i> • <i>Members are interested to know whether GLL have any plans to move towards 24-hour opening or late open for at least one of their centres.</i> 		<ul style="list-style-type: none"> • <i>GLL happy to discuss with officers</i> • <i>GLL has noted the recommendation</i> • <i>GLL will be reviewing current opening hours in order to consider business and customer needs and will take this into consideration.</i>

Date Sent	Sent to	Topic	Points Made requiring a response	Date reply received	Response
12 January 2018	Cllr Thorne	Libraries	<p>In terms of the Welsh Public Library Standards.. Members believe that all the staff that work in libraries should be counted towards the indicator for the number of staff per capita (WPLSQ13) and support you in your representations on this to Welsh Government.</p> <p>With regard to the Society of Chief Librarians Universal Offers.. Members would like to receive details of which libraries offer the following services: 3D printing, Raspberry Pi and coding clubs as well as regular services and planned events in libraries.</p>	23 January 2018	<ul style="list-style-type: none"> • <i>Thank you for your .. support representations will certainly be made to the Welsh Government to this effect.</i> • <i>Code clubs are delivered in Canton, Central library hub, Rhiwbina, Rumney hub and Llanedeyrn hub. Google Developer Group and Raspberry Pi are at Central hub.</i>
12 January 2018	Cllr Goodway	Economic Development Green Paper	N/A	N/A	No response required

Date Sent	Sent to	Topic	Points Made requiring a response	Date reply received	Response
13 February 2018	Cllr Weaver	Draft Corporate Plan and Budgetary Proposals	<i>Please see letter attached in full at Appendix B</i>	15 February 2018	Please see letter attached in full at Appendix B.
14 February 2018	Cllr Goodway	Multi-Purpose Indoor Arena	N/A	N/A	No response required

Mae'r dudalen hon yn wag yn fwriadol

Ref: RDB/NH/CW/12.02.2018

13 February 2018

Councillor Chris Weaver,
Cabinet Member for Finance, Modernisation & Performance,
Room 519,
County Hall,
Atlantic Wharf,
Cardiff CF10 4UW.



Dear Councillor Weaver,

Economy & Culture Scrutiny Committee – 12 February 2018

On behalf of the Economy & Culture Scrutiny Committee I would like to thank you and the officers for attending the Committee meeting on Monday 12 February 2018. As you are aware the meeting received an item titled 'Draft Budget Proposals 2018/19 & Corporate Plan 2018 – 2021'.

The item initially considered the Corporate Overview and was followed by scrutiny of the draft budget proposals and sections of the draft corporate plan relevant to the terms of reference of the Economy & Culture Scrutiny Committee. Presentations were delivered on behalf of the Economic Development Directorate and the Communities, Housing & Customer Services Directorate. Following the presentations Members had the opportunity to question the relevant Cabinet portfolio holders and supporting officers. The comments and observations made by Members following this item are set out in this letter.

Corporate Overview

- During the meeting I raised a concern about the geographic and demographic breakdown of the consultation work undertaken in advance of the budget process; this is something that has been raised at scrutiny in previous years and does not appear to have been addressed. I felt that the results were heavily skewed by responses from North Cardiff and by people who were over the age of 55. The topic was raised in the way forward where the Committee agreed that the Council needed to do more

to broaden the overall consultation reach. In order to improve the current approach it was suggested that:

- The Council should work more closely Cardiff University to improve the overall consultation methodology for the budget. Cardiff University has a wealth of experience in understanding what needs to be done to engage with the more difficult to reach groups and so it would seem sensible to access this knowledge base.
 - In order to improve consultation with younger groups it was suggested that the Council should focus some of its resources at sites that younger people visit on a regular basis, for example, a Member suggested the consultation exercise might do well to target parents while they were waiting to collect their children from outside the school gates.
 - It was suggested that Members of Cardiff's five scrutiny committees should be asked how the consultation process might be improved. Any ideas or suggestions collected should then be passed onto the Cardiff Research Centre for consideration when developing a future consultation methodology.
- Slide 10 of the Corporate Overview presentation addressed the Medium Term Outlook and created a budget gap projection for the period 2018/19 to 2021/22. It estimated that the base case budget gap for 2018/19 to 2021/22 would be £91 million while the worse case estimate for the same period was £117 million. Members were told that this gap was driven by increasing demand on services, inflationary pressures and projected funding settlements. A Member questioned the growing budget gap and asked for clarification on the various parts that had contributed to this growing deficit. To address the concerns of the Committee I would be grateful if you could provide the following details so that Members are better able to assess the anticipated simple and real term pressures facing the budget:

- The assumed financial budget settlement for each of the years 2019/20 to 2021/22;
 - The assumed financial value for the increasing service demands for each of the years 2019/20 to 2021/22;
 - The assumed financial value of the inflationary pressure for each of the years 2019/20 to 2021/22;
 - Details of any other financial costs that have been built into the assumption of the financial gap for each of the years 2019/20 to 2021/22.
- 5% of the draft budget savings proposals put forward for 2017/18 did not have detailed planning. This figure then increased to 10% for the draft budget savings proposals for 2018/19. Members understand that budget pressures are making it increasingly difficult to identify savings, however, they would like to note their concern at the reduction in detailed planning for budget proposals.

Economic Development Directorate

- Comments were made during the meeting that previous economic development schemes had failed to adequately monitor and review the impact and benefits that they had produced. Councillor Goodway specifically cited the Cardiff Bay Development Corporation as an example, suggesting that more might have been done to review what the Corporation had actually achieved and delivered for the local community. The Committee note and acknowledge the importance of putting in place proper monitoring and review processes for future economic development schemes, and stress the importance of measuring the benefits produced for local residents. I would be grateful if Councillor Goodway could clarify how this might be achieved for future economic development schemes and highlight where he believes responsibility should fall for ensuring that the work is delivered.
- The graph on page 35 of the Draft Corporate Plan 2018 to 2021 titled 'Visitor Numbers Per Annum (millions) 2005 – 2016' illustrated a very

smooth curve that increased steadily for the period 2005 to 2010. The graph then appeared to level out for the period 2010 to 2016. A Member was concerned that the graph did not capture enough detail to reflect the real story of visitor numbers in the city. He felt this type of graph should capture more points during each year and so reflect the fact that Cardiff's visitor numbers are mainly driven by major events in the city. He has asked that this point is noted.

- The Committee is pleased that the Economic Development Directorate is planning to create a business plan to protect the city's historic assets during 2018. The Members felt that scrutiny of the proposed historic assets business plan would be a worthwhile exercise and will consider it as a potential work programme item for 2018/19. During discussion of the plan it was suggested that when developing the document thought should be given to:
 - Building in the protection of historic parks and green spaces into the plan;
 - Prioritisation of the most important historic assets that we are able to maintain in the current financial climate;
 - Ensuring that there is sufficient budget to maintain the historic assets that we prioritise.

- The Committee welcome the large capital investment that has been proposed for Cardiff's parks; however, they are at the same time concerned that the parks revenue budget is shrinking. Members are of the view that if the Council invests such a large amount of capital then it will need additional staff to manage or maintain the new infrastructure. In addition to this the Draft Corporate Plan sets out an ambition to increase support from friends groups and volunteers from across the city. With this in mind the Committee would ask you to consider providing additional revenue funding to support an additional post in the strained Park Ranger Service. The post could be used to support and maintain the new capital

investment and help encourage / develop working relationships with friends groups and volunteers.

- It was explained during the meeting that the Council is currently in the process of developing a report to assess the accessibility of sports facilities in the city. The Committee think that this is a good idea and that in doing this particular consideration should be given to how easy it is to access schools sports facilities after 3:30pm – they believe that residents not being able to access these facilities after the schools close is a missed opportunity. Once this report is written I would be grateful if you could provide the Committee with a copy.
- Line 86 of the capital programme refers to 'Leisure Centres – Alternative Service Delivery - £2,100,000'. At the meeting I asked for a detailed breakdown of what the funding was for and Councillor Bradbury agreed to provide a response in writing. I would be grateful if you could provide me with a breakdown of details for this capital line.
- During the meeting there was some discussion on the impact that major developments had upon small businesses and local employment prospects. The concern was that small local businesses were being displaced without any thought as to how they would continue operating and that local residents were not benefiting from the newly created employment opportunities. Members would like some feedback on where the Council's accountability rests in terms of supporting affected local businesses and the employment prospects of local residents.

Communities, Housing & Customer Services Directorate

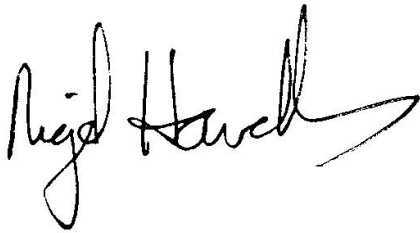
- There was some concern during the way forward that the Council is no longer able to subsidise community adult learning courses in a manner that was previously possible. Members acknowledge the existing financial restrictions and understand that the current model operates on a cost recovery basis, however, feel that it is important for the service to think a little outside the box to ensure that it is possible to continue to provide the

range of courses at the lowest possible price. With this in mind I would be grateful if you could explore a range of options including encouraging individuals to volunteer to deliver courses; increasing the use of hubs for community adult learning and the cross subsidy of new courses from existing high demand courses.

- It was noted at the meeting that Line 37 of the draft budget savings proposals referred to a 'Reduction in Libraries Book Fund - £50,000'. I would appreciate it if you could provide assurance that this reduction in funding does not take Cardiff below the Welsh Public Library Standards.

I would be grateful if you would consider the above comments and work with the relevant Cabinet portfolio holders to provide a response to the content of this letter.

Regards,

A handwritten signature in black ink, appearing to read 'Nigel Howells', with a stylized flourish at the end.

Councillor Nigel Howells

Chairperson Economy & Culture Scrutiny Committee

Cc:

- Councillor Huw Thomas, Leader, Cardiff Council;
- Councillor Russell Goodway, Cabinet Member – Investment & Development;
- Councillor Peter Bradbury, Cabinet Member – Culture & Leisure;
- Councillor Sarah Merry, Cabinet Member – Education, Employment & Skills;
- Councillor Lynda Thorne, Cabinet Member – Housing & Communities;
- Christine Salter, Corporate Director Resources;
- Ian Allwood, Head of Finance;
- Neil Hanratty, Director of Economic Development;

- Jon Maidment, Operational Manager – Parks, Sport & Harbour Authority;
- Sarah McGill, Director of Communities, Housing & Customer Services;
- Jane Thomas, Assistant Director Housing & Communities;
- Davina Fiore, Director of Governance & Legal Services;
- Members of Cardiff's Economy & Culture Scrutiny Committee.

Mae'r dudalen hon yn wag yn fwriadol

**SWYDDFA CYMORTH Y CABINET
CABINET SUPPORT OFFICE**



Appendix 16a

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Cyf/My Ref:
Eich Cyf/Your Ref: RDB/NH/CW/12.02.2018

Dyddiad/Date: 15 February 2018

Councillor Nigel Howells
Chairperson Economy & Culture Scrutiny Committee
Room 270
County Hall
Atlantic Wharf
Cardiff. CF10 4UW

Dear Nigel

Economy & Culture Scrutiny Committee – 12 February 2018

Thank you for your letter dated 13 February 2018 and the useful comments raised. I can assure you that Cabinet was able to reflect on the points raised prior to our meeting on 15 February 2018.

Corporate Overview

In relation to budget consultation, within the Corporate Plan for 2018 – 2021 there is an objective to review and refresh the Council's engagement process and tools including the Citizen Panel by June 2018 in order to improve the robustness of the Council's consultation exercise.

I note that you would like further information regarding the constituent elements of the Medium Term Financial Plan (MTFP) and trust that the following paragraphs will address the specific queries raised in your letter. However, if you would like to review further information in relation to the MTFP, this can be found at Appendix 16a to the 2018/19 Budget Report with commentary on pages 42-53.

The base case MTFP reflects an assumption that AEF will reduce by 1% in each of the years 2019/20 – 2021/22. This equates to £13.1 million in total. The only published indicative information on future years funding was contained in the provisional settlement and set out an average AEF reduction of 1.5% for 2019/20. The final settlement announced that the cash reduction for Welsh Local Government in 2019/20 would be better than had been announced at Provisional Settlement but there is an understanding amongst Welsh Authorities that the position has been ameliorated from a 1.5% reduction to a 1% reduction. Further reasoning behind the funding assumptions within the MTFP is set out in paragraphs 173-176 of the Budget Report which also outlines the risk in relation to specific grants transferring into the settlement with negative financial impact. In recognition of the significant impact that minor fluctuations in funding can have on the MTFP, the worse-case scenario reflects the potential for decreases of 2% per annum. The funding section of the MTFP also



reflects the fall out of earmarked reserves in the first year of the plan although this assumption will be reviewed over time.

The MTFP includes £25.9 million in relation to demand pressures across the three years. Demand figures relate mainly to Schools and Social Services and reflect both increasing client numbers as well as complexity of demand. The figure of £25.9 million also reflects increases to the capital financing budget as a result of meeting demands on the capital programme. The MTFP includes £41 million in relation to pay and price pressure across the three years. Pay figures take account of potential pay awards over the period as well as other pay-related pressures such as anticipated changes to the employers' contribution rate to the Teachers' Pension Scheme. With regard to price inflation, there is an expectation that directorates will absorb most price inflation within their existing resource base except in areas that are exceptional. Inflation is considered exceptional or "special" due to the scale of the inflationary uplift or the size of the budget to which it applies. Most exceptional price inflation occurs in relation to Adult Services and relates to the costs of commissioned care. The MTFP includes £3 million per annum for emerging financial pressures. This sum equates to approximately 0.5% of the Council's budget and is included in recognition that it is impossible to foresee all issues and that additional burdens can arise for example, through legislative change, specific grant fall out or government policy. Review of this sum takes place at each refresh point of the MTFP.

I note your concerns regarding the increase in the percentage, based on value, of proposals at general planning stage within the 2018/19 budget. As you note, it becomes increasingly difficult to identify savings annually. These often require more innovative and flexible solutions and these can take longer to develop to detailed stage. The number of proposals at general planning is comparable to last year with 15 proposals at this stage in 2017/18, compared to 14 proposals in 2018/19.

Economic Development Directorate

In terms of monitoring performance, our approach is focussed on the ability to create jobs. This is our most simple objective, but it is measurable and it is something that has a clear benefit for local residents as well as the wider city-region. From this perspective we can monitor, using National Statistics' Business Register and Employment Survey, the number of jobs as the Lower Super Output Area. In considering Central Square, the appropriate geographic area of coverage would encompass much of St Mary Street and The Hayes, but would still provide a means of independent monitoring of changes in population. The Economic Development Team can explore ways using data such as this to monitor place based interventions, albeit with the inevitable lag in availability (which typically is over a year for the Business Register and Employment Survey). Meanwhile we will continue to monitor the number of jobs created and safeguarded through Economic Development's database of clients. With regard to tourism numbers, monthly numbers are available which can be presented if required. As with jobs data, there is a lag before data is available, and monthly changes reflect seasonality as well as events taking place in the city.

I will raise with the Economic Development Directorate the consideration of the points the scrutiny committee raised regarding the business plan for the city's historic assets.

In respect of the capital investment in parks I do not anticipate there being a strain on revenue funding, as the investment will centre around the refurbishment of

infrastructure / replacement of playground equipment as opposed to the introduction of new features / facilities that would result in revenue implications.

I do note your comments concerning the pressures on the Park Ranger service and challenges faced in terms of our ambition for volunteer engagement, I am however mindful of the Council's overall budgetary position and in view of this no growth bids for new posts have been submitted. As indicated at the meeting, I do believe that we need to be more creative in the way that we support volunteer groups in parks and need to draw on a wider range of staff groups to support such activity.

In terms of access to schools sporting facilities the committee will be well aware of my views, in that it is crucial that we shift from the current model of very limited access to a model of dual use and I will be working with the relevant Cabinet Members to address this matter. With this in mind I would be more than happy to, moving forward, share proposals with the Committee.

With regard to the capital programme for Leisure Centres, the £2,100,000 relates to Phase 2 of our investment plan. At present I am not in a position to provide a detailed breakdown as the procurement process is on-going, however I can confirm that the sites that have been earmarked for investment are Fairwater Leisure Centre and Penylan Library and Community Centre. Once the schemes / costs have been finalised I will share information with the Committee.

With regard to the impact on small businesses of major developments, it is crucial that we recognise that typically major developments would support small businesses throughout the city by providing both a demand for their services as well as the indirect effects of increased employment. In the instances where small businesses may be displaced by major developments, this is relatively rare, but we would work with businesses to support them in their relocation. The same is true in employment terms. We cannot provide local job opportunities without providing job opportunities in the first place. However, through the work of our Into Work Services we are able to link job opportunities with local communities.

Communities, Housing & Customer Services

The Adult Community Learning 'Learning for Life' programme is only proposed to have modest increases in course fees with the full fee rate increasing from £5.20 per hour to £5.35 and the discounted state pension or FT Student rate from £3.82 per hour to £3.95. The budget reduction is being achieved by ensuring that courses are popular and fully attended and by making efficiencies in administration rather than by raising the costs of courses above inflation.

I acknowledge the very good points that committee have raised in relation to volunteering and especially working closer with the universities and this is something that we will explore further. The issue of social isolation and the importance of having activities in the community at low or no cost is fully accepted and you will be pleased to know that there are a significant number of such activities already available in the Hubs. I look forward to reporting back to Committee about how we can further integrate Hubs, Libraries, Into Work and Adult Community Learning to provide a comprehensive programme of activities, events and courses throughout the year.

As you may recall from scrutiny in January Cardiff Council's current performance against the Welsh Public Library Standards is good and that we met all 18 of the core entitlements in full, and then of the 7 quality indicators Cardiff Achieved 4 in full and 3

in part. Cardiff has not achieved the standard for acquisitions for some time, however this is because the target is based on spend per capita. We do however exceed the required replenishment rate, ensuring our stock is updated and relevant. We are happy that the number of books available meets the needs of our customers and this is reflected in the number of active borrowers per capita, which is ranked highest in Wales. I am confident that the reduction in the book fund reflects the historic spend in this area and will not impact on the quality of library provision that our customers receive.

The Service will be carrying out surveys with customers to ensure that books are available meet their needs and would be happy to share information about these surveys with the Committee in due course.

I hope that this letter captures all the points raised in your letter and thank you again for your support in the budget process.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Weaver', with a long horizontal flourish extending to the right.

Y Cyngorydd/Councillor Christopher Weaver
Aelod Cabinet dros Gyllid, Moderneiddio a Pherfformiad/Cabinet member for
Finance, Modernisation & Performance