



County Hall
Cardiff
CF10 4UW
Tel: (029) 2087 2000

Neuadd y Sir
Caerdydd
CF10 4UW
Ffôn: (029) 2087 2000

AGENDA

Pwyllgor PWYLLGOR CRAFFU'R ECONOMI A DIWYLLIANT

Dyddiad ac amser y cyfarfod DYDD LLUN, 14 MEDI 2020, 5.00 PM

Lleoliad CYFARFOD O BELL

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

Tua
Amser.

1 Ymddiheuriadau am Absenoldeb

Derbyn ymddiheuriadau am absenoldeb.

2 Datgan Buddiannau

I'w gwneud ar ddechrau'r eitem agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.

3 Cofnodion (*Tudalennau 5 - 16*)

Cymeradwyo cofnodion y cyfarfodydd a gynhaliwyd ar 18 Chwefror a 12 Mawrth 2020 yn gofnod cywir.

4 Gwaredu Tir yn Dumballs Road

5.00 pm

Nid yw Atodiadau 2, 3, 4, 5, 6 a 8 yr adroddiad hwn i'w cyhoeddi am eu bod yn cynnwys gwybodaeth wedi ei heithrio yn unol â'r disgrifiad a geir ym mharagraff 14 rhan 4 a pharagraff 21 rhan 5 Atodlen 12A Deddf Llywodraeth Leol 1972.

5 Heol Dumballs - Defnyddio Pwerau Prynu Gorfodol

6.00 pm

Nid yw Atodiad 2 yr adroddiad hwn i'w cyhoeddi am ei fod yn cynnwys gwybodaeth wedi ei heithrio yn unol â'r disgrifiad a geir ym mharagraff 14 rhan 4 a pharagraff 21 rhan 5 Atodlen 12A Deddf Llywodraeth Leol 1972.

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|----|---|---------|
| 6 | Adroddiad Blynyddol (<i>Tudalennau 17 - 50</i>) | 6.10 pm |
| 7 | Bargen Ddinesig Prifddinas-Ranbarth Caerdydd - Craffu:
Adroddiad Diweddaru (<i>Tudalennau 51 - 86</i>) | 6.15 pm |
| 8 | Trefnu Rhaglen Waith (<i>Tudalennau 87 - 92</i>) | 6.20 pm |
| 9 | Eitemau Brys (os oes rhai) | |
| 10 | Y Ffordd Ymlaen | 6.35 pm |

Adolygu'r dystiolaeth a'r wybodaeth a gasglwyd yn ystod y broses o ystyried pob eitem agenda, cytuno ar sylwadau, arsylwadau a phryderon Aelodau i'w hanfon i'r Aelod Cabinet perthnasol gan y Cadeirydd, a nodi eitemau i'w cynnwys ym Mlaenraglen Waith y Pwyllgor.

- | | | |
|----|---|--|
| 11 | Dyddiad y cyfarfod nesaf - i'w gadarnhau | |
|----|---|--|

Davina Fiore

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiad: Dydd Mawrth, 8 Medi 2020

Cyswllt: Andrea Redmond, 02920 872434, a.redmond@caerdydd.gov.uk

GWE-DARLLEDU

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.

Gall aelodau'r cyhoedd hefyd ffilmio neu recordio'r cyfarfod hwn

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 [Gwasanethau Democraidd](#)

Mae'r dudalen hon yn wag yn fwriadol

ECONOMY & CULTURE SCRUTINY COMMITTEE

18 FEBRUARY 2020

Present: Councillor Howells(Chairperson)
Councillors Henshaw, Gordon, Gavin Hill-John, Lay, Parkhill,
Robson, Sattar and Stubbs

20 : APOLOGIES FOR ABSENCE

Apologies were received from Naz Ismail – Youth Council Representative.

The Chairperson welcomed Councillor Christopher Lay to Committee following his nomination at the last Council meeting.

The Chairperson advised Committee that Item 6 had been deferred to a later meeting.

21 : DECLARATIONS OF INTEREST

None received.

22 : MINUTES

The minutes of the meeting held on 16 January 2020 were agreed as a correct record and signed by the Chairperson subject to the inclusion of Naz Ismail in the attendee list.

23 : DRAFT CORPORATE PLAN AND BUDGETARY PROPOSALS - TO FOLLOW

The Chairperson advised Members that this item provided them with an opportunity to consider those items in the draft Corporate Plan and draft Budgetary Proposals that fall within the responsibility of the Committee. Cabinet will consider these on Thursday 20th February, prior to Council on 27th February.

Members will have received an electronic set of documents for the meeting. The cover report was structured by Cabinet Member portfolio and the Chairperson would refer Members to the relevant paragraphs of the cover report as the meeting proceeds. As per the Agenda, Members would firstly receive a briefing on the Corporate Overview of the draft budget proposals. The budget proposals and relevant parts of the Corporate Plan would then be considered by Cabinet Member portfolio.

Corporate Overview

The Chairperson welcomed Councillor Chris Weaver, Cabinet Member for Finance, Modernisation and Performance; Chris Lee, Corporate Director, Resources; and Ian Allwood, Head of Finance to the meeting.

The Chairperson invited Councillor Weaver to make a statement in which he said that there had been a later Provisional Settlement and the final settlement was due just

before Budget Council. He hoped this would be timelier next year and he appreciated Scrutiny's role in these challenging times.

The Chairperson invited Officers to make their presentation after which he invited questions and comments from Members;

Members noted that the settlement was more than had been expected and asked how much more it had been. Officers explained that in July there had been an assumed £19million savings target, this was now £9.8 million which shows the scale change; modelling is constantly being updated and the Financial Resilience Model was equal to a 1% change in Revenue Support Grant (RSG). Members wondered why reserves were being used if the settlement was better than expected and Officers stated it was appropriate to use reserves; it is £750k lower than had been used previously. A few years ago Strategic Reviews had been set up, specifically for levelling the budget; savings are on top of 10 years of savings so you cannot underestimate the challenges faced; it is prudent to use reserves and they are put aside for that purpose.

Members noted the Council Tax assumption of 4% increase each year and asked how the new build houses are taken in account. Officers stated that they have to submit a Council Tax Base to Welsh Government, as the tax base increases the relevant share from Welsh Government then decreases from the RSG.

Members asked if the Financial Resilience Model (FRM) had been decreased from previous years and were advised that it had decreased from £4million last year to £3.8million this year.

Members wondered if it was time for a review of the Budget Contingency Fund and asked what work was being done with regard to savings and income generation. The Cabinet Member said this coming financial year would be a good time to conduct a review; he added that there is much lower risk as there is more due diligence and detailed planning than in previous years. It was important to see the effectiveness and realignments to see if the detailed planning has worked. Looking at resilience, they were still saving £10 million after ten years of savings so there needed to be some consistency with regards to settlements. Officers added that there had been more work on robustness and also a shift in focus to identify efficiency savings this year; there had been in excess of £1 million of savings already delivered in year.

Members referred to the proposed Arena being funded from the General fund for Capital Projects and asked if it was being supported by Welsh Government. The Cabinet member advised that it was. Members asked what would happen if there was no budget on 11 March. The Cabinet Member expressed concern that the previous Chancellor was asking for 5% cuts to Councils but they would be looking at this with great interest. There would be a report to Council in July and there was also a need to prepare for a decision on how we leave the European Union.

Members asked about interest cost on debts. Officers clarified with was £870 million, broken down as £326 million on HRA and £544 million on grant funding.

Into Work Services

The Cabinet Member explained that the Corporate Plan had included targets for performance of Into Work Services; there was great work being done and they were setting stretching targets.

Members were pleased to see Community Learning referenced in the Corporate Plan and asked in relation to Adult Community Learning, if cuts were being considered in the Learning for Life element. Officers clarified that there were no cuts planned here, they hope to increase the service which comes under Councillor Merry as its all cost recovery.

Economic Development Directorate

The Chairperson welcomed the Leader, Councillor Huw Thomas and Neil Hanratty Director of Economic Development to the meeting.

The Chairperson invited the Leader to make a statement in which he made reference to Regional Collaboration, ongoing commitment to legislation working through the Assembly and policies in place for City Deal Governance.

The Chairperson invited Officers to make their presentation after which he invited questions and comments from Members;

Members asked when they were likely to see something tangible coming out of the City Deal. The Leader made reference to the IQE semi-conductor site now being occupied and the project being underway; Central Train Station Project programming; Metro Plus across 10 Local Authorities; lots of smaller scale projects; Investment Pipeline for exciting opportunities and 60% of City Deal funding for the South Wales Metro.

Members reiterated previous concerns around Scrutiny of City Deal, and asked that this concern is fed back. The Leader stated that there is probably a role for this Committee over and above City Deal Scrutiny, to delve in and look further; Joint Scrutinies are complex and don't allow Members to get to the detail – this would be better from an individual Local Authority.

Culture & Leisure Portfolio

The Chairperson welcomed Cllr Peter Bradbury, Cabinet Member Culture & Leisure and Neil Hanratty Director of Economic Development to the meeting.

The Chairperson invited Councillor Bradbury to make a statement in which he said that this was as good a budget as he could have hoped for; savings proposals were based on previous decisions taken or income generation i.e. New Theatre. A Music Strategy Post has been created. With regards to financial pressures, the £1.5 million of investment was welcomed. There are areas that can be improved and these will be looked at. Apprenticeships have been created in the Directorate, in the Parks Wardens area.

The Chairperson invited Officers to make their presentation after which he invited questions and comments from Members;

Members discussed lines relating to New Theatre, St David's Hall and Cardiff Castle. It was noted that to improve the income from the Castle, higher quality products were needed for the shop. Members discussed the subsidy to St David's Hall reducing and the investment opportunities to improve commercial success.

Members discussed the commitment to plant more trees, the resources and staff to deliver this. Officers explained that for Ash Die Back and increasing the tree canopy in the City, they were looking at significant funding from Welsh Government.

Members noted the relocation of the Tourist Information Centre (TIC) from the Old Library to inside St David's Hall and the £20k savings. Members considered this may not work as well. Officers assured Members that the main TIC would remain in the Castle and that this was a satellite; there would a role for signposting people to the Castle and for people to pick up leaflets from St David's Hall; staff would receive training.

Investment & Development Portfolio

The Chairperson welcomed Cllr Russell Goodway, Cabinet Member Investment & Development and Neil Hanratty Director of Economic Development to the meeting.

The Chairperson invited Officers to make their presentation after which he invited questions and comments from Members;

Members were pleased to see that the Dr Who Experience was offered as a saving and asked why it wasn't offered last year. Officers explained that there were rates and security etc. in place, now they were gone it could be offered as a saving.

Members made reference to the 16.5 FTE's that had been lost in Economic Development and asked if this will affect the capacity to deliver major projects and the tourist offer. Officers explained that the vast majority of posts were either VS or vacant posts. With regard to capacity, officers considered they were spread thinly right across the service area, losses can be coped with as people will absorb other duties and work harder so there won't be a significant impact on service delivery; major projects are a skeleton team anyway, a Health and Safety post has been lost but it's been covered elsewhere.

Education, Employment & Skills Portfolio

The Chairperson welcomed The Deputy Leader, Councillor Sarah Merry Cllr Lynda Thorne, Cabinet Member – Housing & Communities and Jane Thomas Assistant Director Communities & Housing to the meeting.

The Chairperson invited Councillor Merry to make a statement in which she thanked Committee for their support of the Cardiff Commitment over recent years, it is a flagship policy in partnership working, with 200 employees conducting work that has been a key part of the Council's work. With regard to Adult Community Learning (ACL), the Cabinet Member wanted to flag up a future cut in funding; Welsh

Government intend to redistribute funding across Wales; whilst protected this year, going forward this means a potential cut of 50% which will mean a real challenge to deliver the service.

The Chairperson invited Officers to make their presentation after which he invited questions and comments from Members;

Members asked how Officers could measure the effect of the decreased ACL grant. Officers advised that they are doing a piece of work to see how they can mitigate the cuts, when the extent of the cuts are known then they will be able to determine what can be delivered and what courses can be run. Any cut will have an impact but the Cabinet Member said there may be a plan B for Adult Education but this is not known as yet.

Members referred to the Welsh Government National Strategy for English as a second language as asked if this was difficult to achieve as it gets dispersed across Wales and takes away from areas of high need. The Cabinet Member stated it was a concern; certain things were better in that they could be delivered locally/regionally rather than nationally but the responsibility is on us to advocate for a local voice.

Housing & Communities Portfolio

The Chairperson invited Councillor Thorne to make a statement in which she said that she was very pleased to say that, despite the difficult financial times, the Corporate Plan includes considerable investment in our services and our buildings, much of which is externally funded.

The new Construction Skills Hub will provide much needed experience for those aiming for a career in the construction industry. This is a partnership project between Cardiff Living new build programme, Into Work Services and the Procurement service.

£1.2m funding will be provided by CITB (Construction Industry Training Board) to provide a mobile training hub on the former Eastern High school site and will include practical work experience on site, including experience with low carbon technologies.

Work has also commenced on developing Whitchurch and Rhydypennau library buildings into hubs with help from the Intermediate Care Fund. While Targeted Regeneration funding is supporting improvement works in Riverside.

The Chairperson invited questions and comments from Members;

Members asked what income is generated from room charges in Libraries and Hubs. Officers did not have the exact figures to hand but said it was quite a considerable amount, in the region of £100, 000.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

24 : HUB & LIBRARY STRATEGY 2019-2023

The Chairperson advised that this item enabled Members to carry out pre-decision scrutiny of the report to Cabinet titled Hub & Library Strategy. The report contained 2

key elements: first, the proposed Strategy; and secondly, the proposed Library Collections Policy. The Chairperson proposed that Committee look at these in separate sections to avoid confusion.

The Chairperson welcomed Cllr Lynda Thorne, Cabinet Member Housing & Communities; Jane Thomas (Assistant Director Communities & Housing) and Nicola Pitman, Lead Library & Strategy Manager to the meeting.

Hub & Library Strategy

The Chairperson invited Councillor Thorne to make a statement in which she said that the Strategy sets out the very wide range of services provided through the hubs, adding that much good work is already happening and the strategy sets this out; including the very good performance of the library service.

Councillor Thorne added that the strategy also sets out the wide-ranging plans the Council has for future development and improvement. These plans include the continued roll out of hubs across the north of the city.

The success of the hubs have been widely recognised, not least by health colleagues, who have plans to extend the current Hub building in the Maelfa so that they can co-locate health services on site.

The Chairperson invited Officers to make their presentation after which he invited questions and comments from Members;

Members referred to staff qualifications, asking how many more were needed to meet the target and if there were any particular locations with issues. Officers explained that they need 13 and they have 7; the Strategy team works across the City supporting all libraries; NVQ3 is supplied for staff but this is not included in the target, which requires a degree qualification.

Members were grateful for the advice provided to residents on bus passes and asked if they also provide advice on Universal credit. Officers explained that they provide lots of money advice in Hubs, as well as help with the systems.

Members considered that the Money Advice Service was excellent and asked how this could be better promoted so that people know it's about budgeting as well as benefit advice. Officers stated that it is promoted in Hubs, it's provided in new tenants sign ups too. More needs to be done to target certain cohorts and so that people know it's not just for the unemployed; all Members have a responsibility to promote the service in their Wards.

In relation to Hubs, Members welcomed that they were Dementia friendly and provided help with isolation and inclusion. Members were keen to know about the vision for libraries without hubs and what services would be provided and also noted the importance of dovetailing any clubs into existing community provision to avoid competition. Officers agreed they wouldn't want to compete with existing provision and inclusion officers were looking at existing provision to signpost clients to. Officers stated that most libraries would be Hubs or Hub like, except Cathays Library which would be stand alone as the Heritage Library; staff would be trained appropriately.

Members asked if Libraries could accept donations and were advised that Friends of groups exist and they fundraise and can help libraries but not with direct donations.

Members asked if there was any work with schools to promote Hubs as a place to go in the evenings for things like homework clubs etc. and building on the strong success of the Hubs. Officers explained they conduct weekly school visits into Hubs, they are promoted as part of the summer reading challenge; there are targeted sessions that support the curriculum etc. Officers will continue to work with schools to see what they want provided and continue with homework clubs, intergenerational clubs etc. To build on the success it was important to provide what people want such as social inclusion through walking/football/netball clubs etc.

Members asked for an update on Cardiff Royal Infirmary and were advised that it will be going ahead as a Hub and a report will be brought to Committee on this.

Library Collection Policy

The Chairperson invited Councillor Thorne to make a statement on the Collections Policy in which she said that she was aware that some of the committee have visited the Dominions Way bookstore and would be aware of the need for a clear approach to our library collection. The policy sets out a clear way forward for the service in terms of the purchase, sharing, retention and disposal of our books.

The Chairperson invited Officers to make their presentation after which he invited questions and comments from Members;

Members referred to a previous visit to the stacks and noted the building was in poor condition. Members asked if this resulted in deterioration of the books, also Members noted the large amount of periodicals in storage. Officers explained that leaks in the building had been fixed and the book conditions were fine. With regard to periodicals, Officers explained that they would be offered out to institutions at first and if no take up they would be recycled.

Members discussed sharing rare books and consulting with the academic community. Officers said they will consult on policy and principles rather than where each book is going, a decision on that will be taken on its merits.

Members asked what proportion of rare books were significant to Cardiff. Officers explained they have separated out the special books and those of special interest to Cardiff.

Members noted that the lease is up on Dominions Way in 20 months and asked what the plan was moving forward and whether any savings would be made. Officers considered they would be downsizing but were not sure of savings at this point there may even be a need to roll on the existing lease.

AGREED: that the Chairperson, on behalf of the Committee, writes to the Cabinet Member conveying the observations of the Committee when discussing the way forward.

25 : LAND AT CALLAGHAN SQUARE - INVESTMENT & DEVELOPMENT - TO FOLLOW

Item Deferred.

26 : URGENT ITEMS (IF ANY)

None received.

27 : DATE OF NEXT MEETING - 12TH MARCH 2020, 4.30PM

The meeting terminated at 7.30 pm

ECONOMY & CULTURE SCRUTINY COMMITTEE

12 MARCH 2020

Present: Councillor Howells(Chairperson)
Councillors Henshaw, Gavin Hill-John, Robson, Sattar and Stubbs

29 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Lay, Gordon and Parkhill.

30 : DECLARATIONS OF INTEREST

None received.

31 : EXCLUSION OF THE PUBLIC

RESOLVED that: Information contained in the Appendices to the following two reports are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

32 : JAMES STREET REGENERATION

The Chairperson advised Members that this item enabled pre-decision scrutiny of the report to Cabinet on James Street. The report provided details of a derelict piece of land on James Street and seeks approval to acquire this to further regeneration of the area. This includes proposals to upgrade the Council's existing workshops at Royal Stuart and Douglas Buildings. The scope of the scrutiny is to examine these, the recommendations to Cabinet, whether there are any risks to the Council, the timeline and the next steps.

The Chairperson welcomed Cllr Goodway – Cabinet Member for Investment & Development, Neil Hanratty – Director of Economic Development, Chris Barnett Operational Manager Major Projects & Eirian Jones Principal Surveyor Economic Development Strategic Estates to the meeting.

The Chairperson invited Cllr Goodway to make a statement in which he said that there was a welcome opportunity to acquire the site which had been derelict for a very long time. The Council were now in a position to make a deal with the Housing Association to develop the land for the purposes set out in the report.

RESOLVED: That this item was not for publication as it contained exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

RESOLVED – That the Chairperson write on behalf of the Committee to the Cabinet Members conveying the Committee's observations during the way forward.

33 : LAND AT CALLAGHAN SQUARE - TO FOLLOW

The Chairperson advised Members that initially, this item was to carry out pre-decision scrutiny of a report to Cabinet but the report was not available to come to Committee. On this occasion, the Chairperson decided to accept the offer to provide a briefing presentation on the proposed way forward regarding land at Callaghan Square, but was clear that, this will not count as pre-decision scrutiny as Committee do not have the report to Cabinet to scrutinise.

The Chairperson welcomed Cllr Goodway – Cabinet Member for Investment & Development, Neil Hanratty – Director of Economic Development, Chris Barnett Operational Manager Major Projects & Eirian Jones Principal Surveyor Economic Development Strategic Estates to the meeting.

RESOLVED: That this item was not for publication as it contained exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

RESOLVED – That the Chairperson write on behalf of the Committee to the Cabinet Members conveying the Committee’s observations during the way forward.

34 : CARDIFF CAPITAL REGION CITY DEAL - UPDATE

RESOLVED: To note the update report.

35 : FORWARD WORK PROGRAMME

The Principal Scrutiny Officer advised Members that the work programme ran from May to July as there was no meeting scheduled for April.

Members noted the amount of item planned and that there were an additional two items, namely Dumballs Road and International Sports Village also.

Members were advised that there were currently lots of pre-decision items scheduled for May, but noted that due to the nature of pre-decision items, some were likely to slip. Members did, however wish to ensure that the Cardiff Bus item remains on the May agenda.

Members discussed the date of the next meeting and noted that it clashed with the Police and Crime Commissioner Elections and considered it best to reschedule the date. A date of Tuesday 12th May 2020 was agreed.

36 : CORRESPONDENCE

RESOLVED: To note the report.

37 : URGENT ITEMS (IF ANY)

None received.

38 : DATE OF NEXT MEETING- TBC

The date of the next meeting was agreed to be Tuesday 12th May 2020 at 4.30pm.

The meeting terminated at 5.35 pm

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**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

14 September 2020

ANNUAL REPORT 2019/20

Purpose of Report

1. This report seeks Committee's approval of the Committee's draft Annual Report 2019/20, at **Appendix A**, prior to it being laid before Council.

Background

2. The Cardiff Council Constitution requires all Scrutiny Committees to '*report annually to the Council on their workings and make recommendations for future work programmes and amended working methods if appropriate*'.¹
3. Attached at **Appendix A** is a copy of the Economy and Culture Scrutiny Committee's draft Annual Report 2019/20. This report lists all items considered from June 2019 – March 2020, when this Committee last met prior to the Covid-19 lockdown, and provides examples of the various types of scrutiny undertaken. The report concludes by setting out topics that the Committee has indicated a future scrutiny committee may like to include in its 2020-21 work programme.

Way Forward

4. During their meeting, Members may wish to consider the draft Annual Report, attached at **Appendix A** and suggest any amendments required.

Legal Implications

5. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this

¹ Part 2, Article 6.3 (d), Cardiff Council Constitution, as at 9 March 2019

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

6. 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 consider, if necessary amend, and approve the Economy & Culture Scrutiny Committee draft Annual Report 2019/20, attached at **Appendix A**, to be laid before Council.

Davina Fiore
Director of Governance & Legal Services
8 September 2020



A Report of the: Economy & Culture Scrutiny Committee

Annual Report

2019- 2020



Cardiff Council

Economy & Culture Scrutiny Committee Membership



Councillor Nigel Howells
(Chairperson)



Councillor Iona Gordon



Naz Ismail – Youth Council



Councillor Jane Henshaw



Councillor Gavin Hill-John



Councillor Christopher Lay¹



Councillor Thomas Parkhill



Councillor Adrian Robson



Councillor Abdul Sattar



Councillor Ed Stubbs

¹ Councillor Lay joined in January 2020, replacing Councillor Simmons

TERMS OF REFERENCE OF THE ECONOMY & CULTURE SCRUTINY COMMITTEE

- To scrutinise, measure and actively promote improvement in the Council's performance in the provision of services and compliance with Council policies, aims and objectives in the area of economic regeneration.
 - Cardiff City Region City Deal
 - Inward Investment and the marketing of Cardiff
 - South East Wales Economic Forum
 - Economic Strategy & Employment
 - European Funding & Investment
 - Small to Medium Enterprise Support
 - Cardiff Harbour Authority
 - Lifelong Learning
 - Leisure Centres
 - Sports Development
 - Parks & Green Spaces
 - Libraries, Arts & Culture
 - Civic Buildings
 - Events & Tourism
 - Strategic Projects
 - Innovation & Technology Centres
 - Local Training & Enterprise
- To assess the impact of partnerships with and resources and services provided by external organisations including the Welsh Government, joint local government services, Welsh Government Sponsored Public Bodies and quasi-departmental non-governmental bodies on the effectiveness of Council service delivery.
- To report to an appropriate Cabinet or Council meeting on its findings and to make recommendations on measures, which may enhance Council performance or service delivery in this area.

CHAIR'S FOREWORD

This report covers our work in 2019-20, before the Coronavirus Pandemic changed our landscape completely. Scrutiny will need to adapt accordingly, to accommodate safe distancing and be able to respond swiftly to a fast-changing environment. We are well placed to do this, with strong scrutiny, mature relationships and a commitment to partnership working and constructive criticism. This review of our work demonstrates these elements, highlighting where we have helped to refine reports to Cabinet, thus strengthening the governance of the Council, and undertaken proactive scrutiny covering Culture in Cardiff and Events in Cardiff, thus helping to improve provision. We have continued to take a light touch approach to our monitoring role, in recognition of the good level of performance in the areas we cover.

Much of our work this year has been pre-decision scrutiny with many of these reports seeking approval for the next stage of project work and so offering the opportunity for us to inform policy direction. A significant number of these reports contained confidential information that we commented on; we have shared our scrutiny of these as far as we are able to without breaching confidentiality.

We know that our work going forward will cover the redesign of frontline services to enable participation in a safe way as well as how we work with partners to tackle the impact on our economy and reprioritisation of Council resources. We are mid-way through our Inquiry into Tourism in Cardiff, paused during the lockdown; we will reframe this in light of the impact of the Pandemic. We will retain our commitment to scrutinising through the lens of the Climate Emergency we face.

I am delighted that the whole Committee unanimously supported the inclusion of a Youth Council representative on our Committee and we were pleased to welcome Naz Ismail to our meetings. She has aided our scrutiny and it has been pleasing to see witnesses respond positively to her suggestions and wishing to tap into the Youth Council network to improve service planning and provision.

I wish to place on record my thanks to all those who contributed to our scrutiny over the year, whether by attendance at committee or task group meetings or through written contributions; your evidence has helped inform our observations and recommendations. Similarly, I thank my fellow Committee Members and supporting officers for their hard work throughout the year.



Councillor Nigel Howells
Chair, Economy & Culture Scrutiny Committee

2019-20 INTRODUCTION & OVERVIEW

The Economy and Culture Scrutiny Committee plays an important role in assessing service performance and informing policy development across a range of Council services. The Committee hears from diverse witnesses to inform this work, including relevant Cabinet Members, council officers, partner organisations, citizens and service users. During 2019–20, Committee Members scrutinised items across several Cabinet Portfolio areas, as follows:

- Cllr Huw Thomas – Leader
- Cllr Peter Bradbury – Culture & Leisure
- Cllr Russell Goodway – Investment & Development
- Cllr Sarah Merry – Education, Employment & Skills
- Cllr Lynda Thorne – Housing & Communities.

The Directorates predominantly covered by the Committee's terms of reference are: Economic Development; and People & Communities: Housing & Communities. This report presents the Committee's activities during 2019-120 and, where possible, identifies the impact of the Committee's work upon the areas within its remit. Between June 2019 and May 2020, the Committee scrutinised a wide range of topics, which are listed below.

Inquiries

Where the Committee has undertaken an examination of a topic over a period of time, resulting in a formal report to the Cabinet.

- Cabinet Response: Events in Cardiff Inquiry (*June 2019*)
- Culture in Cardiff: Short Scrutiny (*February 2020*)
- Tourism in Cardiff Inquiry (*ongoing*).

Policy Development and/or Review

Where the Committee has contributed to the Council's policy development processes, for example by considering draft policy documents, and/or where the Committee has considered the implementation of policies, looking at whether this has happened in a timely manner and the impact of the policy, giving the Cabinet the opportunity to know Scrutiny Members' views about whether any changes are required.

- Sport Cardiff

- Cardiff Harbour Authority – Review of current arrangements.
- Cardiff Commitment.

Pre-Decision

Where the Committee has evaluated and commented on policy proposals before they go to the Cabinet, giving the Cabinet the opportunity to know Scrutiny Members' views prior to making their decision.

- Multi- Purpose Indoor Arena
- New Theatre
- Music Strategy
- Cardiff East Industrial Strategy
- International Sports Village (ISV)
- Llanrumney Development
- Town Centre Loan – Coal Exchange
- Corporate Plan 2020-23 and Budget 2020/21
- Libraries and Hubs
- Land at James Street
- Land at Callaghan Square.

Monitoring

Where the Committee has undertaken monitoring of the Council's performance and progress in implementing actions previously agreed.

- Directorate Delivery Plan – Economic Development; People & Communities: Housing & Communities
- Quarterly Performance Reports – Economic Development; People & Communities: Housing & Communities
- Budget Monitoring – Month 4, Month 6 and Month 9
- Welsh Public Library Standards 6th Framework
- Cardiff City Region City Deal: Joint Overview & Scrutiny Committee.

Call- In

Where a non-Executive Member invokes the Call-In procedure under the Council's Constitution, to review an Executive Decision prior to implementation.

- None

Over the period June 2019 – May 2020 we held 10 committee meetings and wrote 21 letters, as at March 2020, to the Cabinet, officers and external partners, sharing our comments, recommendations and concerns following the scrutiny of items at committee meetings. Four of our committee meetings were webcast and received 218 views.

We also held forum meetings to consider our work programme for the year as well as task group meetings for our inquiry and our short scrutiny. The Committee ran a short scrutiny on Culture in Cardiff, which took place mostly at committee meetings but also included a forum meeting with the Chief Executive of the Arts Council of Wales who was unable to attend committee due to prior engagements. The Committee is currently part way through an inquiry on Tourism in Cardiff, which has been paused due to the Coronavirus pandemic lockdown.

In November 2019, Members had the opportunity to submit questions to the Environmental Scrutiny Committee to inform the scrutiny of the Shared Regulatory Services' Four Year Progress Update report, which included an Annual Report 2018-19 and a Wales Audit Office follow up review.

In December 2019, we were delighted to welcome Naz Ismail, representative from the Cardiff Youth Council, to sit on our Committee and contribute to the scrutiny of non-confidential items. Members feel that this helps to ensure that we scrutinise taking into account a Young Persons' perspective and helps the work the Council is doing to embed a child rights approach and develop a child friendly city.

This year, Committee Members have continued to focus on testing whether proposals for economic development are compatible with our commitment to sustainable development and the need to tackle the Climate Change emergency that we face. Whilst a significant number of our items were pre-decision, many of these reports to Cabinet were to seek approval for the next stage in a project and thus include policy development within them.

The following pages highlight the Committee's key activities during 2019-20, identify the comments and recommendations made and the Cabinet responses to these.

Cabinet Response: Events in Cardiff Inquiry

In July 2019, we received the response from Cabinet to our recommendations made following our Events in Cardiff Inquiry (*February 2019*). Our Inquiry explored what the programme of events in Cardiff should look like and what the Council's role and level of resource for events should be.

To inform the Inquiry, we invited contributions from a range of stakeholders, including Welsh Government, event organisers and providers, FOR Cardiff Business Improvement District, South Wales Police, Cardiff and Vale University Health Board, Cardiff Hoteliers Association, a consultant working on developing a Music Strategy for Cardiff, and Stevens Associates. We also heard from senior officers and Councillor Peter Bradbury, Cabinet Member with responsibility for Events. We received written submissions from Artes Mundi, Pontcanna & Riverside Residents, Public Health Wales and South Wales Fire and Rescue Services. We visited the Principality Stadium to hear their views and undertook desk-based research into approaches used by other local authorities.

Our Inquiry found that events are worthwhile for Cardiff, both economically and socially, enhancing citizens' lives and supporting many jobs and businesses in Wales. However, they also bring costs to statutory services, which are not recompensed, at the same time as there is an overall reduction in available Council resources. It was time to rethink our approach to events in Cardiff.

Our recommendations centred on placing Cardiff Council in an enabling and facilitative role, coordinating partner efforts, consolidating a strategic approach, developing a signature event, lobbying for increased funding to meet the costs incurred by statutory services, and responding to the concerns of affected communities. We also recommended that Cardiff further strengthen its events calendar and increase the legacy and impact of events, for the benefit of local communities and Wales.

Out of 12 recommendations, Cabinet accepted 6 in full and partially accepted 5. 1 recommendation was not accepted; this was in relation to smoothing the event calendar by increasing the number of events held in the current downtime. However, the response from the Cabinet stated that the Council works proactively to plan events, with a strategy

to attract more events throughout the year, and that officers will continue to work with partner venues to ensure the city operates effectively and yield is maximised.

Members were pleased that the Cabinet and senior officers found the Inquiry report useful, with welcome ideas for the future of events in Cardiff. Members were also pleased that, as recommended, the Events Focus Group will be re-established to draw together key stakeholders to ensure wider, collaborative development of the event calendar.

Members agreed to receive an update on the implementation of agreed recommendations at the same time as they received the revised Events Strategy and/or Major Events update, planned for later in 2020.

Culture in Cardiff – Short Scrutiny

Members held a short scrutiny over two committee meetings in October 2019 and December 2019, with additional forum meetings held in January 2020, to explore the current and future role of Culture in the economy of Cardiff and look at the role of Cardiff Council and partners in ensuring a sustainable way forward for Culture in Cardiff.

To inform this short scrutiny, the Chair wrote to local stakeholders seeking their views. His letter was subsequently shared on social media, widening the opportunity for local stakeholders to contribute. The Chair also sought the views of renowned practitioner in the field, Chris Murray, Core Cities Cultural Cities Enquiry lead officer.

Desk-based research was undertaken referencing good practice from other core cities in the UK and experiences from across Europe, captured via the following publications: Core Cities UK – *Cultural Cities Enquiry Report – Enriching UK cities through smart investment in Culture* – February 2019; and Eurocities – *Future Creative Cities Report – Why culture is a smart investment for cities* – December 2017. Desk based research was also undertaken on other cities in the UK named by witnesses as evidencing good practice re Culture, including Hull and Coventry.

At the October 2019 committee meeting, Members explored definitions of culture and the place-making and economic roles of culture. Members invited Councillor Peter Bradbury,

Cabinet Member for Culture and Leisure, and relevant officers to attend committee for a question and answer session on their views on the current position regarding the work of the Council in relation to culture in Cardiff.

At the December 2019 committee meeting, Members convened a panel discussion, with contributions from Andy Eagle, Chief Executive, Chapter Arts Centre, and Paul Kaynes, Chief Executive, National Dance Company of Wales as well as Councillor Bradbury and officers. At this meeting, Members considered written submissions received from Arts Council of Wales, Literature Wales, Ffotogallery and Chris Murray, Core Cities.

As part of the short scrutiny, in January 2020, Members met with Mr Nick Capaldi, Chief Executive of Arts Council of Wales, who wished to contribute to the scrutiny in person and was unable to attend either committee meeting due to prior commitments that could not be re-arranged. Members also considered relevant information submitted as part of their previous *'Events in Cardiff'* Inquiry (2019) and their on-going *'Tourism in Cardiff'* Inquiry, for example a written submission received from the National Museum Wales.

Members found clear evidence of the importance of Culture to the economy, health and wellbeing of Cardiff. We also found that Cardiff is ideally placed to take advantage of the transformative impact of Culture, with a real willingness from partners to work together collaboratively to promote the distinctive and high quality cultural offer of Cardiff. There are opportunities to align resources around shared strategic objectives and new resource routes available that need exploring.

We also found that partners would welcome the Council taking a greater leadership role in facilitating discussions and providing a framework for collaboration; there is a tangible wish to share responsibility for delivery and for there to be a collective vision for Culture in Cardiff. A key area of concern highlighted by partners is the need to effectively brand and market Cardiff, particularly given the increasing competitiveness of other cities.

Members made 14 recommendations, including developing a short Cultural Strategy, continuing work on a Cultural Compact, exploring new financial and resource levers, and working with partners to develop a suitable brand and market Cardiff's cultural offer. The report has been shared with the relevant Cabinet Member and officers and will be formally presented to Cabinet once meetings recommence following the Coronavirus lockdown.

Tourism in Cardiff

At the suggestion of Councillor Russell Goodway, Cabinet Member Investment & Development, Members agreed to undertake an inquiry into tourism in Cardiff, investigating how best to increase the impact of tourism on the economy of Cardiff and how best to maximise the benefits of a new indoor arena. This inquiry has paused due to the Coronavirus 19 pandemic.

To date, Members have explored how to boost day and staying visitor numbers, length of stay and return visits. In addition, Members have looked at whether Cardiff should increase and enhance business, leisure, culture, events, international, sustainable and/ or travel trade tourism and what other tourism infrastructure improvements are needed.

To inform the Inquiry, Members invited written submissions from stakeholders, including tourism operators, accommodation providers, venues, food & drink premises and tourism attractions. Responses were received from Cardiff Hoteliers Association, individual tourism operators, Glamorgan Cricket, Techniquet and the National Museum of Wales.

Members received a briefing presentation from Cardiff Council tourism officers and discussed the characteristics of tourism in Cardiff and the key opportunities and challenges, including branding and marketing. Members are proposing to invite contributions from external stakeholders, including Welsh Government, Visit Wales and For Cardiff Business Improvement District; face-to-face meetings have been paused due to social distancing measures required to tackle Coronavirus 19 and Members are considering how best to approach seeking evidence in the current climate.

Members have received scrutiny officer briefings on tourism strategies and trends in Cardiff, Wales and the UK, including analysis of tourism statistics to see which provided the best economic impact for Cardiff, as well as a comparison between Visit Wales and Visit Scotland's approaches to promoting tourism for cities and their resource levels. Members have requested that scrutiny officers carry out a high-level comparison between Cardiff and other core cities regarding their approach to tourism and resource levels and have also asked to see copies of successful Destination Management Plans used by other

core cities, information on the impact of the recently opened Doha-Cardiff flights, and information on Airbnb in Cardiff.

Members have also asked scrutiny officers to carry out desk-based research into the lessons learnt by other cities in the UK that have recently opened indoor arena, regarding how to maximise the impact of these arena.

During budget scrutiny, Members discussed the proposal to move a Tourist Information Centre from the Old Library to St David's Hall, where staff would signpost visitors to online services. Members intend to explore this proposal further as part of this inquiry.

The desk-based research for this Inquiry is ongoing, whilst face-to-face meetings have been paused because of the need for social distancing as part of the response to Coronavirus 19.

Economic Development & Regeneration

This Committee scrutinises economic development and regeneration initiatives, looking at how to use these to boost job opportunities and increase local wealth whilst tackling climate change and ensuring development is sustainable. We scrutinise the financial contribution of the Council, how risks to the Council are addressed and mitigated, and how the impact of developments and regeneration can be maximised for citizens and communities, such as via employment, training, improved connectivity and other community benefits. We also check that schemes work together and fit cohesively into the wider economy of the city region.

This year, the Committee has continued its scrutiny of both the Indoor Arena and International Sports Village and looked at new initiatives including Cardiff East Industrial Strategy, Llanrumney Development, a Town Centre Loan for the Coal Exchange, land at James Street and land at Callaghan Square. Much of the information shared with the Committee on these items is confidential; the summaries below provide an overview of the aspects of our scrutiny that we can put into the public domain.

Multi-Purpose Indoor Arena

We carried out two pre-decision scrutinies of reports to Cabinet on the Indoor Arena; in July 2019, we scrutinised the proposed Delivery Strategy; and in December 2019 we scrutinised the proposed procurement process, a new financial strategy and acquisition of the Red Dragon Centre. At both of these scrutinises we checked the risks to the Council and how these were addressed and we tested the recommendations to Cabinet.

At our July committee meeting, we heard from Councillor Goodway, Cabinet Member – Investment and Development, senior officers and a representative from Capita, which has been assisting the Council on this project. We discussed the Committee’s views on the importance of ensuring top quality design and the opportunity to have a carbon neutral building, thus contributing to the Council’s commitment to tackle the climate emergency. We considered access to the arena and the need to provide high quality, accessible and affordable public transport. We looked at how the arena will complement existing facilities in Cardiff and how this scheme fits with other regeneration schemes in Cardiff Bay. Overall, we supported the recommendations to Cabinet and made it clear that we wished to scrutinise the proposed procurement process and choice of operator.

At our December committee meeting, we heard from Councillor Goodway, Cabinet Member – Investment and Development, senior officers and a representative from Bevan Brittan LLP, which has been assisting the Council on this project. We sought assurance regarding the acquisition of the Red Dragon Centre, seeking clarification on State Aid and Treasury Management implications. We questioned whether there needed to be an additional recommendation regarding the management of the Red Dragon Centre and were pleased with officer assurances that they would double check this with Legal colleagues. We asked about the possible impact of Brexit on the proposed financial strategy and sought other assurances regarding proposed changes. Having considered the advice received at the meeting and the independent advisors’ reports attached as confidential appendices, Members supported the recommendations to Cabinet as necessary to move to the next stage of delivering the Indoor Arena.

Members note that several of the independent advisors reports recommend further sensitivity analyses and due diligence checks and look forward to receiving this as part of future scrutiny. Given the complexity of future reports, Members will invite Legal and Finance officers to be present at these meetings to advise the Committee as requested.

Members also asked that officers work together to ensure the Committee receives papers on time, to give them an opportunity to read, digest and consider lines of enquiry, thus ensuring we can play our part in the governance of this scheme.

In his response, Councillor Goodway, Cabinet Member – Investment and Development, stated *'I am grateful for having the opportunity to explain our proposals to you and your committee in advance of the Cabinet reaching its decision on this important project. I am also grateful for constructive manner in which you and committee addressed the significant issues that inevitably arise in a project of this complexity and with the reception afforded to me and my team'*. He confirmed advice had been taken regarding the recommendations and that the issues were covered in the Council's scheme of delegations. He confirmed that the information requested by the Committee will be made available to the Committee as part of their scrutiny. He also offered his assistance to ensure that relevant officers and external advisors are present at the meeting to help it discharge its scrutiny obligations.

Cardiff East Industrial Strategy

At our October committee meeting, Members carried out pre-decision scrutiny of a report to Cabinet that sought approval for a proposed Cardiff East Industrial Strategy and support for the Cardiff Parkway development. Members heard from Councillor Goodway, Cabinet Member – Investment and Development and senior officers. We tested the alignment of the proposed Strategy with the UK Industrial Strategy, noting the possibility of using innovative financing solutions, including Tax Increment Financing and Free Ports. We discussed the need to improve transport connectivity, with active travel routes, a rail link and highway improvements. We considered the opportunities for boosting green tourism by improving the coastal zone and the positive impact that enhancing the environment of the industrial landscape of East Cardiff will have on overall wellbeing.

Overall, Members welcomed the Cardiff East Industrial Strategy and supported the recommendations to Cabinet.

Llanrumney Development

In December 2019, our Committee carried out pre-decision scrutiny of a report to Cabinet on proposals to improve transport connectivity, boost local employment opportunities,

enhance the environment and provide increased outdoor sports facilities in Llanrumney. We heard from Councillor Russell Goodway, Cabinet Member- Investment and Development, and senior officers, who gave a presentation providing visuals of proposed improvements.

At the meeting we explored the generation and use of capital receipts, the support required to ensure local unemployed people benefit from increased employment opportunities, the involvement of local ward councillors in reviewing proposed transport improvements to ensure these meet local needs and the proposals for the Outdoor Sports Complex. We expressed our wish to scrutinise more detailed proposals as these come forward.

In his response to our letter, Councillor Goodway, Cabinet Member – Investment and Development, wrote: *‘ Once again, I am grateful for having the opportunity to explain our proposals to you and your committee in advance of the Cabinet reaching its decision....I can confirm that economic development officials already work closely with the council’s Into Work Team and we will ensure that they both focus on promoting any job opportunities across the local area. In addition, we will also link up with younger people in the area through the Cardiff Commitment Project so that those about to enter the labour market are also aware of the opportunities.... These proposals form an important component of the Administration’s strategy for the east of the city... the support of your committee is very much valued.’*

International Sports Village (ISV)

Building on previous scrutiny in March 2018 of proposals for the International Sports Village (ISV), in October 2019, we carried out pre-decision scrutiny of a revised development strategy for the ISV, including considering land ownership and use as well as future operating models and appropriate procurement processes to identify these.

We considered financial and legal implications, risks to the Council and the fit between these proposals and the wider Cardiff Bay regeneration plans, including aspects we have previously scrutinised such as purchase of the Toys R Us site and land at Britannia Park.

We received confidential information relating to the Financial Strategy and Contractual Issues as well as information on land ownership, proposed phasing and the new development strategy. We heard from Councillor Russell Goodway, Cabinet Member – Investment and Development and senior officers and discussed with them the need to apply lessons learnt from earlier schemes regarding how best to build a sense of place and a sense of community. Members highlighted the need to factor in appropriate, open spaces for residents as well as enhancing the leisure offer of Cardiff and were pleased to note that public and active transport infrastructure are highlighted for improvement and enhancement.

Having considered the evidence received, Members gave their support to the recommendations to Cabinet, recognising the need to utilise a pragmatic strategy to finish the ISV and ensure benefits to the surrounding communities, Cardiff and the region.

Town Centre Loan – Coal Exchange

In January 2020, we agreed to accommodate an urgent item looking at a proposed loan of Town Centre regeneration funds to the Coal Exchange. We received confidential information as part of a report to Cabinet, which Councillor Russell Goodway, Cabinet Member – Investment and Development, and Neil Hanratty, Director of Economic Development, took Members through at the meeting.

We explored the due diligence undertaken and the risks to the Council and were pleased to hear reassurances on these and to hear details of the work to mitigate risk and to reduce the Council's exposure. On this basis and with confidential caveats in place, Members gave their support to the recommendation to Cabinet, to approve a Town Centre regeneration loan for the Coal Exchange. Members recommended some changes to the report to Cabinet, to help ensure clarity. Members also made it clear that they wish to undertake pre-decision scrutiny of any further applications for loans for the Coal Exchange project, even if the amount requested falls under delegated authority and sought Councillor Goodway's assurance that this would happen. Members also requested a summary showing all the projects funded by Town Centre regeneration loans and the amount lent to each.

In his response, Councillor Goodway, Cabinet Member Investment and Development, stated: *'Can I thank you and your Committee for agreeing to take the report as an urgent item and for the constructive comments included in your letter... As requested, I can confirm that the recommended changes to the Cabinet report set out in the letter were incorporated in Appendix 1 and 2 to provide more clarity. I can also assure your Committee that if any further applications for funding toward the Coal Exchange project are received they will be subject to further due diligence and will be brought to your Committee for pre-decision scrutiny.'* Councillor Goodway included a summary of Town Centre regeneration loans, as requested.

Land at James Street

In March 2020, Members carried out pre-decision scrutiny of a report to Cabinet on acquisition of derelict land at James Street, Butetown. Members heard from Councillor Russell Goodway, Cabinet Member Investment and Development, and senior officers and reviewed plans to bring the land back into productive use as well as restore and enhance the council owned workshops at Royal Stuart and Douglas buildings. Members explored the risks, financial and legal implications for the Council and the work to mitigate these.

Members sought clarification on the work in relation to the workshops; our previous scrutiny of workshops highlighted what a crucial resource they are for small and medium sized enterprises and Members are aware these particular workshops play a key role in the creative industries of Cardiff. Members recommended a communication plan be put in place to ensure tenants are kept informed of plans and progress.

Overall, Members are supportive of the recommendations to Cabinet and placed on record our thanks to the team of officers who have worked to enable this. It is clear that significant work has been undertaken to bring together the various elements that allow the proposals to be brought together as one scheme.

Members wish to be kept informed of progress with this site.

Land at Callaghan Square

At Committee in March 2020, Councillor Russell Goodway, Cabinet Member Investment and Development, and senior officers provided Members with a confidential briefing on the current position regarding land at Callaghan Square. Members noted that the briefing showed the progress to date and that final proposals to Cabinet had yet to be decided. Members noted the overall policy of the Council to increase the return on land assets and that any proposals for this site will go through the planning process as usual.

Whilst appreciating the briefing, Members were clear it could not constitute pre-decision scrutiny, as they did not have access to the report to Cabinet. Members appreciate that officers are working to align report timelines, as discussed with Scrutiny Chairs and the Leader; this will help ensure stronger scrutiny and so help boost transparency and accountability for the Council.

City Deal

This Committee has continued to receive regular update reports on the work of the Joint Overview and Scrutiny Committee (JOSC) for the Cardiff Capital Region City Deal. These update reports provide a brief summary of items scrutinised, with a hyperlink to meeting papers and draft minutes, as well as a summation of the outcome of the JOSC scrutiny. This is in order for Members to see which areas are being scrutinised, to ensure that we avoid duplication, and keep abreast of information shared with the JOSC. The update reports also include a brief summary of reports taken to the City Deal Cabinet, with hyperlinks to their meeting papers.

At the Committee meeting in September 2019, Members discussed their concerns with the existing scrutiny, including concerns that CCRCD Members were not attending JOSC meetings, items were briefings rather than policy development or pre-decision scrutiny, and the information provided to the JOSC seemed scant when considering the topics being scrutinised. Councillor Howells explained that the Cardiff Council Scrutiny Chairs had written to the Chair of the Cardiff Capital Region City Deal (CCRCD) Cabinet to stress that more resource is needed to undertake sufficiently rigorous scrutiny of the City Deal, for example to enable site visits, research and engagement activities. Economy & Culture Scrutiny Committee Members asked the Chair to write to Cardiff Council's representative on the JOSC, Councillor Patel, proffering their support for more resources for the JOSC.

We discussed these concerns further in February 2020 with the Leader, Councillor Thomas, during the Committee's scrutiny of the budgetary proposals. Members were pleased that Councillor Thomas stated he would feedback their concerns about the existing scrutiny arrangements and noted his support for this Committee undertaking appropriate scrutiny of the City Deal. This is something Members are interested in and intend exploring in more detail during work programming for 2020-2021, ensuring any scrutiny we undertake is constructive and avoids duplication with JOSC scrutiny.

Front Facing Services

A key role of this Committee is to scrutinise the delivery of front facing services covered by our terms of reference, including venues, culture, sport, leisure, employment services, libraries and hubs. These services are vital to improving people's lives, providing employment, boosting health and well-being and promoting community cohesion. This year, we have scrutinised significant changes proposed for one of our venues, the New Theatre, as well as proposals for a new Music Strategy, the next stage in the Sport Cardiff Joint Venture, the Welsh Government sponsored review of Cardiff Harbour Authority, the delivery of Cardiff Commitment and proposals for libraries and hubs.

New Theatre

In October 2019, we considered a report to Cabinet that presented the outcome of a market process to secure a theatre operator to rent, operate and maintain the New Theatre and sought Cabinet approval for the recommended tenant. Members heard from the relevant Cabinet Member, Councillor Bradbury, and senior officers and explored with them the key factors shaping future plans, any risks to the Council, the next steps and the timelines involved. Importantly, Members tested the recommendations to Cabinet.

Overall, Members supported the direction of travel set out in the report, in terms of moving to a property lease with a theatre company that then has responsibility for operating the theatre in a sustainable way for the benefit of Cardiff and the region. We noted that the Council retains responsibility for external maintenance and also noted that the Equalities Impact Assessment stated that *'any positive/negative impact will be considered and evaluated as part of the lease negotiations.'*

We requested further details of the likely costs to the Council re external maintenance and recommended that rental income received via the property lease is ring-fenced for future external maintenance costs. We asked to be kept informed of progress in lease negotiations, highlighting it is essential that the theatre operator maintain the current level of accessibility and inclusion. We also asked to receive details of the NNDR for the New Theatre.

We questioned the wording of the recommendations to Cabinet and asked for these to be reconsidered and tightened.

In his response, the Cabinet Member Councillor Bradbury: thanked the committee for their *'considered and supportive response'*; provided further details of the external maintenance liabilities; explained a more detailed report was being prepared re these costs and this would *'form the basis on which rental monies are ring fenced to support any ongoing maintenance considerations'*; provided assurance that *'officers have been asked to reflect Members concerns as part of the final lease negotiations'*; and provided details of the NNDR, as requested.

With regard to the recommendations to Cabinet, Councillor Bradbury explained that, on reflection, his preference is to return to Cabinet to ask for authority to confirm an alternative bid if this proves necessary. He went on to state that this *'would also provide Scrutiny an opportunity to further consider the full detail of the alternative bid.'*

Music Strategy

Having previously received a presentation briefing, in April 2019, summarising the findings of the work undertaken to map the music ecosystem in Cardiff, Members re-iterated their wish to scrutinise the proposed Music Strategy. In October 2019, Members carried out pre-decision scrutiny of a report to Cabinet detailing the next steps for a Music Strategy.

Members are clear that a Music Strategy for Cardiff will lead to a number of creative and economic benefits for residents, visitors, businesses and those working in Cardiff, as well as across the region. We are pleased that the proposed scope of strategy is broad, not limited to live music or a particular genre but encompassing all genres and the music ecosystem across the city.

In terms of the proposed partnership Music Board, Members were pleased to hear that membership is broad and inclusive, having followed an open and transparent appointment process, and that there will be a number of sub-groups to provide focus on particular aspects. Members noted that a route map and plan of action will be developed to implement the recommendations arising from the initial mapping exercise. Members were pleased to hear the Cabinet Member, Councillor Bradbury, offer to bring these to this committee, prior to Cabinet, and we will make time in our work programme for this. Similarly, Members are interested in scrutinising proposals for the Signature Event and were pleased to hear this event will not be based solely in the city-centre/ Cardiff Bay but will reach into communities across Cardiff.

Overall, Members were content with the recommendations to Cabinet and support the need for collective creative thinking to maximise impact from available resources and in-kind contributions.

Sport Cardiff

In 2014, Cardiff Council signed a Joint Venture (JV) agreement with Cardiff Metropolitan University to deliver sports services in the city, with Sport Cardiff staff transferring from Cardiff Council to Cardiff Metropolitan University. Each year, Cardiff Council, Cardiff Metropolitan University and partners work together to develop a Local Sports Plan that sets out the projects and actions designed to deliver the vision and priority objectives set out in the Joint Venture agreement, ensuring reach across Cardiff and within prioritised groups.

In June 2019, Members invited representatives from Cardiff Council, Cardiff Metropolitan University, Sport Cardiff and Sport Wales to Committee to review the outcomes of the Local Sports Plan 2018-19 and discuss how to respond to key changes in the landscape for sport. These changes include the '*Wellbeing of Future Generations (Wales) Act 2015*', the Council's '*Capital Ambition*' and Sport Wales' proposed regionalisation of community sport.

Members were impressed with the work to tackle social isolation, boost wellbeing and increase physical activity and were pleased to hear Sport Wales state that Sport Cardiff is doing a good job. Members asked to receive quantitative information on the number of participants by gender, ethnicity and disability in order to check accessibility and inclusivity of service. Members offered their support as school governors in encouraging more schools to complete the annual survey and recommended that sports officers work with central education services to ensure communication of the wider benefits of survey completion to schools and, critically, school governors.

Members noted the changing emphasis for Sport Wales meaning that Sport Cardiff will need to refocus and restructure, with resources more focused on the southern arc of Cardiff, whilst ensuring that there will still be resources available to respond to needs identified of a similar magnitude in other areas of Cardiff. Members noted that information would be shared with Councillors regarding surgeries to help with community chest applications for funding. Members noted that the performance measures used would

change, to reflect the change in focus and to reflect lessons learnt to date on which types of measures are useful. Members asked to hear more about the opportunities to amplify the benefits of the links with Cardiff Metropolitan University and to hear more about the detailed proposals for restructure and service delivery. Members also passed on their thanks to Sport Cardiff, partners and grassroots volunteers for all their work.

Councillor Bradbury, Cabinet Member –Leisure & Culture, responded thanking the committee *‘for including this very important agenda item’* and for hosting a debate that was *‘intuitive and challenging’*. He committed to sharing the end of year report and monitoring figures for 2018/19 and stated that he and officers have met with the Director of Education to gain his support for improving the response rates to the School Sports Survey. He finished by committing to reporting back on the outcomes of meetings with Sport Cardiff and Cardiff Metropolitan University regarding restructure and service delivery proposals. Subsequently, details of these changes and monitoring figures were shared with Committee Members, as agreed.

Cardiff Harbour Authority

In December 2018, Welsh Government announced they had appointed Local Partnerships to carry out a review of the current arrangements for funding and managing the Cardiff Bay Barrage, inland lake and outer harbour. In May 2019, Members received a presentation outlining the emerging findings from this review and stated that they wished to carry out further scrutiny of the final review.

In January 2020, a Welsh Government representative attended Committee to take Members through the final findings of the review. Councillor Bradbury, Cabinet Member – Leisure & Culture and senior officers were also present and joined in a panel question and answer session enabling Members to explore the implications for citizens, residents, visitors, businesses, partners, Welsh Government and the Council, including risks to the Council.

Members were pleased to hear the Review found the work of the Cardiff Harbour Authority to be in line with legal requirements and to offer high quality and value for money services. Members noted that Welsh Government and Cardiff Council will be having on-going discussion re implementing the agreed recommendations of the review and asked that this Committee be kept informed of any significant changes that arise from this.

Members noted the intention to return to a three yearly funding cycle from 2021, that changes to the funding agreement are not required given the findings of the Review, that there is further work to do regarding capital receipts once the relevant post is filled in Welsh Government and that an independent Asset Condition survey has been procured. Members asked to be updated on these costs and how these will be addressed. Members asked for a copy of the groundwater control measures report, which was circulated to them the following day. Members also asked that the Cabinet Member and senior officers pass on the Committee's appreciation to all staff at Cardiff Harbour Authority for the vital work they do in maintaining this important asset for Cardiff and the region.

In his response, Councillor Bradbury, Cabinet Member – Culture & Leisure, assured the Committee that he would pass on the Committee's remarks to Cardiff Harbour Authority staff and committed to ensuring scrutiny of the asset management plan and property/ land review at the appropriate juncture. He also reassured Committee that any proposals flowing from the review '*will be subject to due diligence*' and that '*Any significant changes arising from the implementation of the report recommendations will be communicated to you.*'

Cardiff Commitment

The Administration's policy programme, Capital Ambition, states that the Administration will prioritise delivery of the '*Cardiff Commitment: helping young people, particularly those from disadvantaged and deprived communities, into employment, education or training*'² and ensuring that every child has access to these opportunities when leaving school. The Cardiff Commitment connects the Education and Economic Development Directorates and works across the Council and with partners. It contributes to partnership work on Inclusive Growth and complements the *Improving Employer Engagement Capital Ambition* programme, which aims to coordinate and manage the range of training, apprenticeships, work experience and employment opportunities in Cardiff.

In January 2020, Members received a presentation briefing to consider the results of the work to date to implement the Cardiff Commitment and make comments, observations and/ or recommendations to inform the way forward for this work. Councillor Sarah Merry, Deputy Leader and Cabinet Member – Education and Lifelong Learning, and Councillor

² Capital Ambition 2017

Russell Goodway, Cabinet Member - Investment & Development, attended Committee with officers from Education and Economic Development.

Committee Members were clear that it is essential to prepare young people for life after school and were pleased with the excellent work outlined at Committee aimed at helping young people identify and access work and career opportunities. It was clear to Members that productive partnerships have been formed, between economic development officers and education officers, business, academic institutions and schools and Members recognised and applauded the hard work required to initiate and sustain these.

Members noted that these partnerships are benefiting pupils, teachers and schools, helping to enhance learning, with attainment levels rising and the percentage of Year 11 school leavers not in education, employment or training significantly reduced since the implementation of the Cardiff Commitment.

Members were pleased with the aim to expand Cardiff Commitment as a universal offer across the city, having understandably initially focused on the deprived Southern Arc of Cardiff. Members suggested that more publicity to schools, parents and pupils about what is available from the Cardiff Commitment would help to increase school take-up across the city.

In addition, Members believe it is essential to offer targeted support to the most vulnerable children so that they can also benefit from the Cardiff Commitment; this includes those in Pupil Referral Units, Specialist Resource Bases and similar.

Libraries & Hubs

This Committee has undertaken regular policy development scrutiny of proposals re Libraries and Hubs. This Committee also undertakes annual monitoring scrutiny of the Council's performance re Welsh Public Library Standards and Chief Librarian Universal Offers. In February 2020, Members carried out pre-decision scrutiny of the proposed Hub and Library Strategy and Library Collections Policy. Members received a statement from Councillor Lynda Thorne, Cabinet Member - Housing & Communities, and briefing presentations from senior officer taking them through the report to Cabinet. During this scrutiny, Members explored the proposed Strategy and Library Collections Policy, the implications of these, the risks to the Council, the timeline and next steps and the

recommendations to Cabinet. Members also received a copy of the latest Welsh Public Library Standards monitoring report for Cardiff, which helped to set the context for their discussions.

Members were keen to understand the impact of proposals for citizens in Cardiff and were impressed by the amount of thought and effort that had gone into fine-tuning proposals to ensure these were maximised. Members were pleased to see that the Strategy seeks to address various causes of social isolation and provide advice and assistance to those that require it, for example via the Money Advice Team and Dementia Friendly work.

With regard to the Welsh Public Library Standards, Members noted that the publication of an approved Strategy would mean that the Council would meet all the Core Entitlements set out in these Standards. Members also noted that the Council is querying the relevance for Cardiff of two quality indicators that we currently do not meet in full, namely staff qualified to degree level and the level of spend on books, and that discussions are being held with Welsh Government on this.

With regard to the Library Collections Policy, Members were content with the proposed approach and are interested to receive an update on progress in 12 months; we recommend this be included in this committee's work programme for 2020-21.

At the meeting, Members asked for an update on work regarding the provision at the Cardiff Royal Infirmary and were pleased to hear that progress is being made. Members asked that a briefing be arranged for Members of the surrounding wards to ensure they were aware of progress and next steps; officers assured the Committee that they would make sure this took place.

Overall, Members are supportive of both the Hub & Library Strategy and the Library Collections Policy and commended them to Cabinet.

Corporate Plan 2020-23 and Budgetary Proposals 2020-21

In early February 2020, Councillor Howells participated in a Policy Review and Performance Panel, along with other Scrutiny Chairs, scrutinising the draft Corporate Plan. He raised several points relating to this Committee's terms of reference regarding Tourism, Innovation & Workshops, Adult Community Learning and Shared Regulatory Services. At our February 2020 meeting, Members were pleased to note that several of these points were taken on board and the Corporate Plan strengthened as a result.

Members considered the Council's draft budgetary proposals for 2020–21 at their February 2020 committee meeting. Members noted that:

- The Financial Resilience Mechanism contains £478,000 for use in Parks and Sports
- The use of £750,000 reserves is believed to be appropriate and prudent and it comes from an earmarked reserve
- Savings proposals have been subject to strong due diligence checks, with £1M already achieved and the remainder expected to be achieved in year.
- The use of a Budget Contingency Fund will be reviewed this year to determine whether one is required for 2021-2022; this process will be informed by a review of trends in the deliverability of savings and Welsh Government settlements.
- The New Theatre income is due to rental income and that the Cardiff Castle income will come from new products stocked in the shop.
- The savings coming from the Dr Who experience building relates to cessation of security costs and rates.
- The Economic Development Directorate is losing 16.15 FTE posts, one of which is due to their role no longer being required as it relates to EU funding.
- It is not yet clear whether the review of Learning for Work funding will be part of a broader review of Further Education strategies and approaches.
- An Adult Community Learning service review is underway and a report will be brought for pre-decision scrutiny.
- Room hire charges in libraries and hubs generate approximately £100,000 per annum.

Members decided to monitor achievability of the income target for St David's Hall, with concerns expressed about whether the target was sufficiently stretching. Members accepted the offer to receive regular progress updates on work to increase the tree canopy of Cardiff. Members expressed their concerns about the proposal to relocate the Tourist

Information Centre from the Old Library to St David's Hall, in terms of both the impact on service provision and the impact on existing staff at St David's Hall; Members decided to explore this further via their ongoing Tourism task group inquiry. Members also expressed their concerns about changes to Adult Community Learning funding and offered the Committee's support to the Council in lobbying Welsh Government to ameliorate the impact of these changes.

Councillor Chris Weaver, Cabinet Member - Finance, Modernisation and Performance, responded, noting the above points and thanking the Committee for their support in the budget process.

Monitoring

Performance Monitoring

We decided to continue the approach we trialled in 2018/19 to scrutinising performance, and received Quarter 1 and 2 performance reports by email, with a summary of key points provided by the Committee's Scrutiny Officer. We then had the opportunity to review the reports, raise any concerns and decide if we needed to invite the relevant Cabinet Member and officers to a Committee meeting to discuss performance issues and mitigating actions; for Quarters 1 and 2 we have not needed to do that, with good performance reported in all the areas we scrutinise.

The corporate approach to performance reporting changed in-year, meaning reports were not published for Quarter 3. The Council has now moved to a twice-yearly performance reporting, with Quarter 4 reports expected to be available in June/ July 2020.

Budget Monitoring

We decided to continue with the approach to budget monitoring that we trialled in 2018/19, receiving Month 4, Month 6 and Month 9 budget monitoring reports by email, with a summary highlighting key areas to look at provided by the Committee's Scrutiny Officer. These reports highlighted no issues, in the areas that we cover, that required scrutiny at committee.

Directorate Delivery Plans

We considered the relevant sections of the Economic Development Directorate Delivery Plan at our meeting in June 2019 and received the Housing & Communities Directorate Delivery Plan via email in June 2019, for review and comment.

We assessed whether these Plans assisted in the delivery of Cardiff's Wellbeing Plan and the Council's Corporate Plan, whether they focused on the right issues for local communities and whether the plans were robust and fit for purpose. We checked whether resources were sufficient to deliver the Plans and whether the performance measures were sufficient to monitor delivery. We recommended that the performance indicator 'Attendance at Commercial Venues' be altered to 'Attendance at Council Venues' to make it clearer to the general public that the indicator measures attendances at venues run by the Council; this was accepted and actioned for 2019-20.

We found that the Plans were fit for purpose and that there was a sound process and performance management framework in place to monitor implementation and delivery. We used the information gained regarding future challenges and proposed actions to help inform our work programme for 2019-20.

WORK PROGRAMME FOR 2020- 21

Members of the Committee will be invited to consider items for possible inclusion in the Committee's work programme during 2020-21. Work is currently in progress to draw together issues for the Committee to consider. A draft work programme will then be developed and brought to Committee for approval and implementation. The Committee would welcome suggestions for scrutiny items from other Members. The work programme will consider post- Covid 19 recovery plans for frontline services and economic development.

FUTURE SCRUTINY WORK

Over the course of its deliberations this year, the Committee has recommended that the following items be considered for inclusion in the Committee's 2020-21 work programme:

- ❖ Cardiff Capital Region City Deal.
- ❖ Cardiff Bus Station.
- ❖ Metro Central - Cardiff Central Station.
- ❖ Cardiff East Industrial Strategy.
- ❖ Llanrumney Development
- ❖ Music Strategy.
- ❖ Multi-Purpose Indoor Arena.
- ❖ International Sports Village.
- ❖ Dumballs Road regeneration.
- ❖ Cardiff Bay regeneration.
- ❖ Heritage Buildings.
- ❖ Canal Quarter Masterplan.
- ❖ Chapters Arts Centre.
- ❖ Other Economic Development plans.
- ❖ Cardiff Harbour Authority.
- ❖ Cardiff Sport.
- ❖ Sports & Physical Activity Strategy.
- ❖ Leisure Management.
- ❖ Library Collections Policy Update
- ❖ Libraries & Hubs.
- ❖ Welsh Public Library Standards.
- ❖ Performance Reports.
- ❖ Savings Reports.
- ❖ Relevant Audit, Inspection and Regulatory Reports.
- ❖ Cabinet Responses to previous Inquiries, and implementation of agreed recommendations from previous Inquiries.

Scrutiny Services, Cardiff Council,
Room 263, County Hall, Atlantic Wharf, Cardiff CF10 4UW.
Tel: 029 2087 2431 Email: scrutinyviewpoints@cardiff.gov.uk
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Mae'r dudalen hon yn wag yn fwriadol

**CYNGOR CAERDYDD
CARDIFF COUNCIL****ECONOMY & CULTURE SCRUTINY COMMITTEE****14 September 2020**

**CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW & SCRUTINY
COMMITTEE: UPDATE**

Background

1. This report provides Members with an update on meetings of the Cardiff Capital Region City Deal (CCRCD) Cabinet since March 2020 and details of the CCRCD Joint Overview & Scrutiny Committee (JOSC).
2. Members have received updates and hyperlinks to meeting papers and minutes for previous meetings, with the last update provided at Committee on 12 March 2020.

CCRCD Cabinet

3. Since the Covid-19 lockdown, the CCRCD Cabinet has met remotely three times. The agenda and papers for these meeting are available here:

<https://www.cardiffcapitalregion.wales/documents/>

4. These meeting considered the following items:

4 May 2020

- a. AGM – appointment of Cllr Anthony Hunt as Chair, Cllr Huw Thomas and Cllr Peter Fox as Deputy Chairs.

18 May 2020

- b. Regional Investment Wales Consultation
- c. COVID Strategy
- d. Investment Panel
- e. City Deal Audit Plan
- f. Outturn

- g. Quarter 4 Performance
- h. Gateway Review – Risks and Issues

15 June 2020

- i. Investment Panel
 - j. Challenge Fund
 - k. Western Gateway
 - l. Statement of Accounts
 - m. Annual Governance Statement
 - n. Disclosures of Interests Update
 - o. Portfolios of Cabinet Members Update.
5. The next scheduled meeting of the CCRCD Cabinet is on 14 September 2020.
6. The CCRCD has produced a Summer Newsletter, which is attached for information at **Appendix A**. This includes details of their response to the Covid-19 pandemic. The full report on how the CCRCD intends to address the economic impact of the Covid-19 pandemic is attached at **Appendix B**.

Joint Overview & Scrutiny Committee (JOSC)

7. The last meeting of the JOSC was due to be held on 20 January 2020, with substantive agenda items as follows:
- a. Economic Growth Partnership – Initial Industrial and Economic Growth Plan
 - b. Q2 Performance Report
 - c. Minutes of Regional Cabinet – for noting
 - d. Forward Work Programme, Training and Schedule of Meetings.
8. Meeting papers can be accessed here:
- <https://democratic.bridgend.gov.uk/ieListDocuments.aspx?CId=441&MId=3784&Ver=4&LLL=0>
9. The meeting could not be held, as it was inquorate.

10. A further meeting of the JOSC was expected to be held in late March/ early April: agenda items were expected to include:
 - a. Q3 Performance Report
 - b. Regional Business Council
 - c. Supporting Enterprise and Business Growth
 - d. State of the region: competitiveness and resilience
 - e. Investment Tracker.

11. This meeting was not held due to the Covid-19 lockdown.

12. The next meeting scheduled for the JOSC is 11 September 2020; this meeting will be held remotely. It is anticipated the agenda will include an update from the Director of City Deal and a Governance report that will give Members the opportunity to reflect on the JOSC to date and to raise any areas they would like enhanced moving forward. Responsibility for managing the JOSC has moved to Rhondda Cynon Taff Council.

Way Forward

11. During their meeting, Members will have the opportunity to note the update provided re the CCRCDC Cabinet and Joint Overview and Scrutiny Committee. Members will be able to bear this information in mind when discussing their work programme for the remainder of 2020/21.

Legal Implications

12. 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

13. 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.

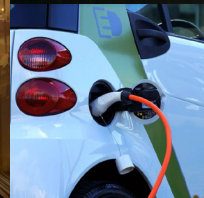
RECOMMENDATIONS

The Committee is recommended to note the update provided on the CCRCDC Cabinet and Joint Overview and Scrutiny Committee.

Davina Fiore

Director - Governance and Legal Services

8 September 2020



Welcome to the summer edition of our CCR City Deal Team Newsletter

In this bumper update we bring together a summary of the key things that our team has been engaged in throughout the lockdown period with the aim of “keeping you in the picture” on projects, progress and performance.

It’s been a particularly busy period. Despite the weather tempting us to down tools and soak up the sun the workload has been unrelenting and so has our commitment! Not a team to let small challenges such as lockdown get in the way of progress we have wholeheartedly embraced the virtual world with both arms and have racked up an impressive tally of online meetings with our governing bodies and key leaders that includes:

- 4 Investment Panel and 2 Economic Growth Partnership Board meetings
- 2 Regional Cabinet Briefings and 3 full cabinet meetings including an AGM
- 1 meeting of the Compound Semi- Conductor Foundry Board
- 1 Regional Transport Authority Briefing and 1 full Regional Transport Authority Board meeting
- 1 Regional Skills Partnership Board meeting

And that’s on top of all the day-to-day meetings and interactions that take place in the immense effort everyone, everywhere is making to keep collaborating, communicating and engaging in order to maintain momentum and keep on track!

Many of the key outcomes achieved and decisions that have been made throughout this period of unprecedented change and equally unprecedented levels of virtual engagement will be shared in this update. We hope you enjoy the read. There will be more editions to come later this year!

“...we have wholeheartedly embraced the virtual world with both arms and have racked up an impressive tally of online meetings with our governing bodies and key leaders...”

1

A Selection of Key Highlights



Anthony Hunt appointed CCR Regional Cabinet Chair

CCR sets out 10 priorities for the region in the wake of the Covid-19 pandemic

CCR provides full response to Welsh Government and the UK Government Welsh Affairs Select Committee on a consultation paper for Regional Investment in Wales

Our Investment Pipeline comes of age with no shortage of opportunities for consideration

2

A Selection of New Investments



Life Sciences Innovation Park

Strategic Premises

CCR Healthcare Data

In principle agreement to a £10m Challenge fund

Seed Funding for Fintech Wales

3

A Selection of Current Project Updates



CCR Graduate Scheme

Transport

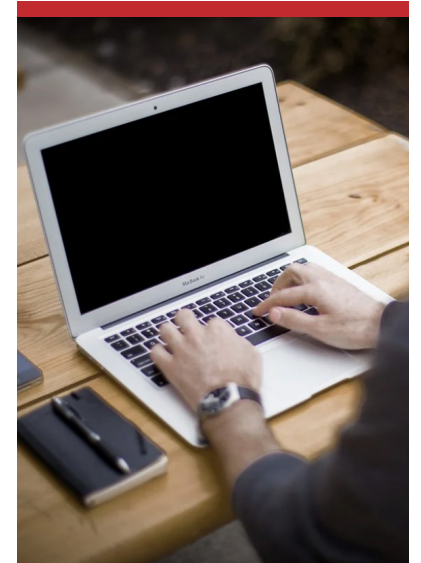
Digital

CS Connected

Homes for the Region Housing Fund

4

Governance, Process & Procedures



Gateway Review

Enhancing and Improving Internal and External Governance

Embracing the move towards remote working



Anthony Hunt appointed CCR Regional Cabinet Chair

On May 4th Cllr. Anthony Hunt, Leader of Torfaen Borough Council was appointed to succeed Cllr. Andrew Morgan as the chair of the Cardiff Capital Region's Regional Cabinet, with Cllr. Huw Thomas and Cllr. Peter Fox remaining as Vice Chairs. Cllr. Hunt affirmed he

was passionate about the stated ambition to become a truly Connected, Competitive and Resilient region and committed to working with the leaders of our 10 local authorities, the City Deal staff, and the members of the expert panels, together with all partners across the public and private sectors to shape the region's economic recovery.

[Read full article »](#)

CCR sets out 10 priorities for the region in the wake of the Covid-19 pandemic

The 10 priorities, approved by the CCR Regional Cabinet on May 18th, come as an addendum to the CCR'S Industrial and Economic Plan. This plan was always intended to be flexible so that it could be adapted to the changing needs of the regional economy over its 20-year lifespan. The pandemic necessitated an early reassessment to make sure it still met the needs of the region and the resultant priority areas of focus are as follows:

1. **Helping CCR businesses navigate the funding support packages available and identifying gaps in provision.** This includes communicating information, getting feedback, and raising awareness of arising issues.
2. **Building a strong evidence base to enable ongoing assessment of regional economic health.** This includes working with the School of Economic Geography at Cardiff University to create a regional data dashboard of Key Performance Indicators, and getting feedback from stakeholders to identify issues and opportunities.

3. **Reviewing current City Deal initiatives to make sure they align with CCR economic and social imperatives in a post-Covid 19 world.**

This will include accelerating our Digital Infrastructure programmes on full fibre connectivity and 5G and considering the application of a broader reskilling/ HE/ FE support programme to mirror the changing sector dynamics.

4. **Ensuring entrepreneurs and start-ups get the support they need.** This includes facilitating access to mentoring programmes and network groups, unlocking routes to obtain seed capital and influencing the potential creation of a bespoke shared prosperity funding programme.

5. **Setting up a new Rebuilding Local Economies Challenge Programme, to capitalise on the business innovation and ingenuity seen during the crisis.** Two or three challenges such as healthy ageing, foundational economy renewal, future mobility or decarbonisation, will form the focus for the new challenge funds.

6. **Developing new, targeted funding interventions and new investment application support mechanisms.** This includes working with investment partners to create an SME Co-investment Fund to help scale up business in priority sectors.

7. **Supporting key businesses in the CCR priority clusters to increase their resilience and capacity for growth through increased flexibility on lending/investments.** This includes consideration of alternative funding mechanisms such as convertible equities, greater flexibility in ways of assessing debt capacity, and increased use of guarantees and asset-backed securities.

8. **Accelerating the development of our medtech cluster through encouraging and supporting investment opportunities in medtech innovation.** This will allow us to build upon the strategic opportunities for the sector and the region presented by the scale of businesses diversifying their manufacturing bases to accommodate the production of medical tools and equipment.

9. **Expediting the creation of resilient industrial clusters with thriving regional ecosystems.** This includes creating formal cluster bodies in priority sectors, and prioritising investment support to complement strategic cluster company inward investment activities.

10. **Increasing our overall competitiveness and wealth creation as a region by improving the financial performance of medium-sized businesses.** This will include focused interventions such as facilitating greater networking opportunities between CEOs, for the sharing of best practice advice and guidance.

[Read full article »](#)



CCR provides full response to Welsh Government and the UK Government Welsh Affairs Select Committee on a consultation paper for Regional Investment in Wales

The full response is available to read on our website but in essence the response urges that the impact of Covid-19 on the economy must be reflected in the framework with the opportunity taken to focus on the right things, and not the quick fix, easy things, in order to create a positive and resourceful post Covid-19 legacy.

In particular the response stressed that;

- There needs to be an urgent focus on ramping up the proportion of public investment programmes injected into Science and Innovation and Research and Development with a focus on problem-solving and building resilience and internationalisation through innovation-readiness.
- We need to develop more distinctive ways of working and a different type and scale of interaction between public-private-community sectors and, above all, to be ambitious through a combination of leveraging the brilliance of businesses which have engaged in innovation and rapid adaptation, setting our own grand challenges and focusing on delivery that is measurable in ROI terms.

[Read report »](#)

Our Investment Pipeline comes of age with no shortage of opportunities for consideration!

The City Deal Investment and Intervention Framework was introduced mid 2019 as a means of providing a comprehensive assessment toolkit for the evaluation and approval of proposals received into the City Deal Wider Investment Fund.

The process operates via a series of stage gates, with proposals providing ever increasing levels of detail as and when they progress through the pipeline. Alongside robust assessment criteria, the staged key decision-making points support an agile but strong governance approach and ensures that only those proposals that resonate with the City Deal core priorities and evaluation criteria are taken forward.

In a relatively short space of time, the Investment Framework has come alive and there are no shortages of opportunities for consideration. To put it in context at the time of writing there are:

- **20** known proposals considering making a formal application. These have yet to submit any paperwork but are actively considering doing so in consultation with ourselves.
- **8** Proposals are currently in our “Sift 1A or 1B stages – which constitute successive level of questioning around the nature/ purpose and form of the investment request.
- **5** Proposals are at what is known as Strategic Outline Case.
- **7** are at the advanced stages of producing business cases to secure full funding.
- **4** projects have passed on stage gateways and are actively in delivery.

To add even more perspective, creating this pipeline over recent weeks and months has meant our Investment panel has convened **4** times, has considered **14** new investment proposals – **8** of which were rejected and **6** supported for further consideration - and has spent considerable time progressing through the various stage gates projects that were already approved pre lockdown.



What new investments are “In the Picture”?

As the region emerges from lockdown into recovery phase, the CCR aim of making the region more Connected, Competitive and Resilient has become more important than ever. At the two cabinet meetings held on May 18th and June 15th, agreement was reached to progress a further suite of investment opportunities to their respective next stages. Here are some of those decisions:

£120k to progress a proposal to develop a Life Sciences Innovation Park at Coryton.

This is a co-investment proposal with a Cardiff based developer to establish the site as a strategic hub for fuelling regional medtech growth.

The project proposal seeks to provide up to 225,000 sq. ft. of Grade A office/ R&D and space and services for about 2000 high-value jobs.

This project is of strategic significance to the region and will help facilitate the development of the characteristics associated with more mature sectors such as Compound Semi-Conductors.

[Read full article »](#)

£125k to progress to the next stages of an “Evergreen Fund” for Strategic Premises

This is a £50m plus investment intended to support otherwise viable industrial development projects where there is evidence of market failure affecting financial viability. There will be particular emphasis on projects that support innovation and job creation and make use of brownfield sites to create Grade A or equivalent space.

The hope is that this will help bring forward schemes that otherwise might struggle to progress without this type of strategic support because they cannot get all the funding they need in the current environment. This is a great example of putting investments into initiatives that help the CCR City Deal move away from “business as usual” investments and enable it to support initiatives that bring about differentiated approaches, approaches that will support home and local working and, in turn, help create positive new futures.

The next stage is appointment of a fund manager and production of a full business case over the summer months.

£40k to progress a potential £4m investment for a CCR Healthcare Data company.

This is an innovative development in the healthcare-related, data science field for an organisation that provides independent evidence for healthcare services and the pharmaceutical industry.

The proposal is for an investment to finalise the development, and subsequent commercialisation, of a new analytical software product that has the potential to cut the time to analyse data from months to days, particularly pertinent when considered in the current Covid-19 environment.

A £40k spend from the City Deal Programme Development Fund has been agreed in order to move this proposal forward through due diligence and creation of a full business case.

This investment is a great example of one that is wholly aligned with the objectives and outcomes of the City Deal. Specifically, the company aims to employ a large number of local graduates and postgraduates in highly skilled, highly paid jobs that are future proofed.



In principle agreement to a £10m challenge fund

Re-building local wealth at a foundational-level is one of the 10 CCR post-Covid priorities published in May.

The focus of the proposed new £10m programme is to re-build local economies through solving societal challenges that have economic impact and potential commercial-scale opportunities.

In practice this will work through selecting 2-3 challenges to form the focus of individual challenge funds with the idea being to contribute to new ideas, solutions and projects that contribute to the new momentum and 'new reality' of the post COVID world.

We are delighted to welcome Gareth Browning to the team who will be taking this initiative forward.

[Read report »](#)



£250k Seed funding for Fintech Wales

Fintech is recognised as one of Wales's leading clusters and is currently playing a key role in supporting the UK through the various Covid-19 impacts on the economy. The seed funding proposal is designed to support the growth of this key cluster within the CCR and establish a thriving leading edge ecosystem in the region. The funding allocation is intended to allow a 9 month programme of essential work to be undertaken to establish and evidence the building blocks required to grow the Fintech sector's sustainability in the region/Wales. This work, which will output in a series of studies and reports, will include feasibility assessments to build strategic hubs in Cardiff, Bridgend and Cwmbran.

CCR Graduate Scheme

Open for business

We might not have been able to accelerate the scale up of this programme at the levels agreed at the Regional Cabinet back in early March, but we have been working hard to keep our programme on track.

Adapting and Overcoming

We have been able to adapt our recruitment processes so that they can take place remotely and are pleased to report they are working successfully. For example, rather than face-to-face assessment we've introduced the ability for candidates to do video presentations. We understand that many employers are reevaluating their options at the moment and some will be facing an imminent demand through a combination of reaction, adaption and diversification tactics. We are now well placed to be able to act quickly to match this anticipated demand in certain sectors.

Additionally, for the July graduate ceremonies, we will be working with our partner universities to hold a Webinar for new graduates focussing on the skills they will need, giving them more information on the application process along with a plethora of case studies. We are working really closely with local universities as they look ahead to equip their graduates with the skills they might need in the workplace and what the new workplace might look like.

In response to Covid-19 we've also been in touch with our existing employers and graduates to gauge their response. We are pleased to report that on the whole our graduates have been adapting well, have proved extremely resilient and flexible to the changes.

New Proposition, New Campaign

We have been looking at how we can boost the benefits we offer to employers and graduates to strengthen the proposition and will be introducing some new features as part of a sector specific targeted marketing campaign in July in which we will be actively marketing our updated services.

Reflect and Review

We have also taken the opportunity in this period to commission Gradcore, a Sheffield based social enterprise that works in the graduate recruitment sector and works closely with universities and employers, to undertake a critical review of our Graduate Programme so that we can continue to learn and continue to enhance the programme for both employers and graduates.

[Visit CCR Graduate Scheme Website »](#)



Transport

Metro Plus Programme Development.

All our Metro Phase 1 projects are being developed in accordance with the agreed programme.

The Porth Park & Ride scheme was completed in March 2020 as a first stage of the Porth Interchange, and the Pontypool and New Inn Park and Ride scheme has recently gained approval through the planning process. The Severn Tunnel Junction Park and Ride project and the Cardiff Bus Priority schemes are progressing and are estimated to commence into the delivery stage in the autumn of this year. Options for the Barry Docks Transport Interchange are currently being developed and a full business case, including full design and costs, is expected to be completed by the end of the financial year. The other schemes that make up the Metro Plus Phase 1 Programme are ongoing and further progress is expected in the coming months thanks to the Welsh Government commitment of funding through their Local Transport Fund and the City Deal match funding allocated to the programme this year.

The progress made by the Park and Ride schemes is a big success story for our region but unfortunately this has been overshadowed of late by a combination of first, the flooding and then Covid-19.

[Read full article »](#)

Metro Central

The Metro Central redevelopment project is critical to the success of the overall South Wales Metro project. Metro Central is the sole connection between the Great Western Mainline and the Core Valley Lines, and therefore the ability of the station to deal with increased patronage is fundamental to the future success of the city-region transport infrastructure. By increasing its capacity, the overall capability and resilience of the network will improve, making it more resilient for future generations.

Approval has been given to commit up to £4m from the City Deal Investment Fund to match fund investment of up to £5.8m from the Department for Transport to deliver a Programme Full Business Case for the project, including a fuller understanding of the economic, social and environmental benefits, essential design specifications and technical requirements. The overall investment from the City Deal funds set aside toward the costs of this project totals £40m. The City Deal team is actively working in collaboration with TFW, Welsh Government and partners on delivering this project.



Ultra Low Emission Vehicles

Preparation work has been undertaken to enable the transition to Ultra Low Emission Vehicles (ULEV) vehicles in accordance with Welsh Government's Low Carbon Delivery Plan 2019. An initial focus is on delivering the requisite charging infrastructure for taxis to transition. With lower operating costs than conventionally fuelled vehicles, transitioning to a ULEV vehicle is likely to make long term economic sense for taxi drivers. This would be a big step forward in the ambitions for not only improving the transport infrastructure of the Cardiff Capital Region but also for the reduction in emissions, noise pollution and the knock on benefits of improvements in biodiversity in the region. By taking a regional approach it will ensure that operationally, the end user will have a uniform process for using charging infrastructure across all 10 Local Authorities.

Further work is being progressed to consider how investment into infrastructure can encourage other modes to transition. Funding has been awarded by Welsh Government, through its ULEV Transformation Fund to enable the Region to prepare a Full Business Case to provide infrastructure at Transport Interchanges which will be available to other modes, including bus and the public.

[Read full article »](#)

Active Travel

Work is underway looking at post Covid life and considering the big question of how behavioural change will impact on our methods and modes of transport. Ideally, as a region we would embrace the opportunities to encourage Active Travel and minimise car movement but the reality of this is all unknown and uncharted territory at the moment. Work is ongoing in this area to consider the options whilst monitoring and learning from the actions and behaviours of other countries as they slowly open up to a new normal.

Digital

5G Connected Communities across our Region

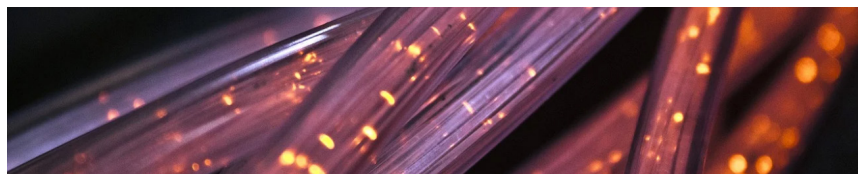
The 10 City Deal local authorities are partners in a project being co-funded by UK Government's Department of Culture, Media and Sport (DCMS) which will focus on using 5G to support the rural economy, farm security and farmers' mental health, bus transport and virtual reality tourism. These projects are currently primarily based in Monmouthshire and Blaenau Gwent but have the potential to be scaled up across the region and the rest of the UK. The 5G user case development is currently in process and a wide range of stakeholder partners are being engaged. Ensuring there are solid requirements from communities and businesses is absolutely key to ensure the deployment of 5G technology throughout the region.

We are also actively working with Cardiff based private sector partners in the Creative sector with the aim of submitting a bid for "5G Create" DCMS funding in July this year.

Local Full Fibre in the Region

The Cardiff Capital Region LFFN project will upgrade 186 PSBA public sector sites that currently only have DSL connectivity, to "Fibre to the Premise" (FTTP) connectivity. The fibre build will use Openreach's FFIB (**Full Fibre Infrastructure Build**) technology which will also lead to an additional 881 premises along the fibre routes being able to access FTTP.

In total, 1,067 premises will have access to full fibre connectivity, significantly enhancing their bandwidth speeds on completion of the project.



Regional Collaboration

Collaboration meetings have been taking place with the Swansea Bay, Mid and North Wales regions. It is a fact that sometimes, even regions are not individually truly strong enough to compete with the rest of the UK for public and private investment and the practice competing between ourselves for the same pots of money is inefficient and suboptimal. Therefore, if we all work together we can demonstrate a holistic view regarding digital infrastructure and connectivity, this offers Wales a much greater chance of being heard and being successful.

CS Connected



UKRI Strength in Places Award

The UK Government has announced £25.4m in funding to CSConnected, a major project within our CCR Compound Semiconductor Cluster.

The funding comes through UK Research and Innovation's Strength in Places Fund and amounts to more than half the £43.7m project cost. Other funding will come from the Cardiff Capital Region City Deal, Welsh Government, Cardiff and Swansea Universities, IQE, SPTS, NWF, MicroChip, the CS Centre and the CS Catapult. The funding package represents a huge boost to the Cardiff Capital Region and reinforces our strategic focus on the compound semiconductor sector.

Compound semiconductors are critical components across a wide range of new technologies, and the primary aim of the CSconnected project is to develop a competitive advantage in key enabling technologies, which will allow the UK to increase trade globally in critical sectors such as communications, 5G, autonomous and electric vehicles, and medical devices.

The CSConnected project is based around integrating research excellence from the region's universities with the region's unique supply chains in advanced semiconductor manufacturing.

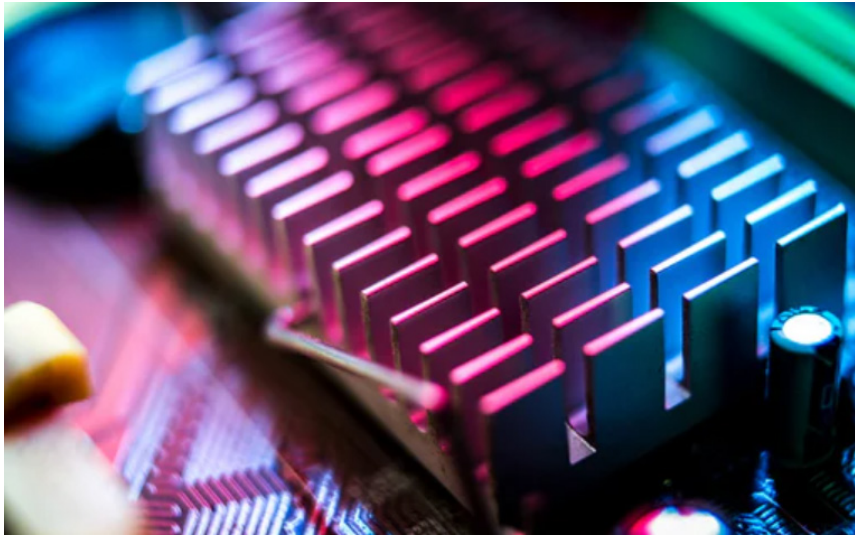
In economic impact terms, it is expected to provide a significant additional uplift to regional GVA over organic growth forecasts, delivering more than 1,000 additional high value jobs in the regional supply chain from 2025 onwards.

[Read full article »](#)

Imperial Park Development Opportunity

We are exploring the opportunity to acquire the freehold interest in the development land at Imperial Park in Newport. The intention is to use this land for a strategic investment in three phases; which will enhance and strengthen the existing Compound Semiconductor cluster which is a key strategic sector identified within the Cardiff Capital Region Industrial & Economic Plan 2019. It is intended that these sites will be developed into a campus of buildings, which will foster the conditions for rapid growth within the sector, in line with the approach taken in other semi-conductor industrial clusters across the world.

We are currently undertaking technical assessments of the site and are in consultation with partners at Cardiff City Council and Welsh Government to fully understand the utility constraints of the site and explore opportunities for sustainable energy provision.



Skills and Apprenticeships in the CSC sector

Significant progress has been made on developing the CS educational/ skills agenda over the last twelve months. Activities have included a number of workshops hosted by core sector partners, Newport Wafer Fab, IQE and SPTS. In addition, discussions are underway with Cardiff City Region City Deal (CCRCDD) to tap into the Blaenau-Gwent originated ASPIRE programme for the development and delivery of shared apprenticeship provision within the Compound Semi-Conductor industry in the region.

A skills group has been established and held its first meeting in March. The Skills Group will meet every two months and will review and agree priorities on:

- No of employees in sector (current and forecast)
- Mapping of learners in sector to industry demands
- Training, skills and educational provision
- Review and approval of course modules
- Review and approval of skills activities
- Development of common educational messaging pack for use by all cluster partners
- Review and advise on inclusion of CS related subject matter for 2021 Curriculum
- Addressing diversity issues across the sector
- Schools / outreach activities

Homes for the Region Housing Fund

Approved by Cabinet in March, the creation of a Housing Investment Fund entitled 'Homes for all the Region' is a potential £45m fund set to address the shortage of quality, affordable housing in ways that will compliment not duplicate the range of existing programmes already in place. To achieve that, this scheme will look at utilising "stalled sites" – sites left vacant as a result of de-industrialisation that are currently unviable for housing delivery.

The aim is to create up to 2,800 homes for the region, with at least 50% of the fund targeted at the areas of lowest economic competitiveness.

Viability Gap and SME Funding Provision

There are 2 funds within this programme; a viability gap fund as, if left unaddressed, development would be pushed onto alternative sites that would not enable us to address the resilience and inclusion issues that exist across the region, and an SME fund, to encourage local house builders to participate and keep the work in the region.

Progress

Since March, and particularly post Covid-19, much work has taken place to move this programme forward. We have been working with Pinsent Masons to procure an FCA accredited fund manager for the SME fund and have appointed CBRE as technical advisor to help with the prioritisation and allocation of the viability gap fund.

Meetings are taking place with each of the 10 LAs to identify viable schemes.

Gateway Review

The UK Government has convened the National Evaluation Panel (NEP) to evaluate the impact of locally-appraised interventions on economic growth. Consultants leading the NEP are currently undertaking an independent evaluation of local growth interventions across the UK, including the Cardiff Capital Region City Deal Wider Investment Fund.

The consultants are currently undertaking the final part of the evaluation process, which will be submitted to inform the UK Government's first Gateway Review of the Wider Investment Fund, which is due to take place in March/April 2021.

The evaluation provides an update on Wider Investment Fund progress in relation to projects completed, jobs created and safeguarded, private sector leverage and GVA enhancement to date.

The Gateway Review is set to take place in March/April 2021 and will build upon the evaluation outputs described above.

Enhancing and improving internal and external governance

As the scale and scope of our activity increases at pace, we have been simultaneously reviewing and updating our governance processes and procedures to ensure that they remain fit for purpose for all stakeholders.

Examples of this include activity includes:

- Implementing all the recommendations made by the Welsh Audit Office on enhancing and reinforcing the processes and protocols around disclosure of interests plus extending the responsibilities to other partnership bodies such as the Economic Growth Partnership, Investment Panel and CS Foundry Board. This is in recognition of the operationalisation of the Investment and Intervention Framework and the increased pipeline of activity now being actively developed and delivered.
- Reviewing the way we are organising and disseminating information to the cabinet, key partnership and various sub committees with a view to ensuring it is as streamlined and efficient as possible. This is including looking at options around adopting “Modgov” – a tool used by several of the LA democracy teams.
- Updating our cabinet portfolio leads and the revised responsibilities are detailed in the June 15th cabinet papers available for viewing on the website.

- Undertaking reviews of the Terms of Reference of each of our Partnership bodies, starting with our Business Council to ensure their remits remain fit for our purposes as we scale up our activity.
- Introducing regular bi-monthly meetings with the LA Economic Development leads, Welsh Government, WLGA and UK Government with a view to developing relationships, exchanging information and ensuring that broader communication whilst we are all in lockdown. This has been welcomed by all partners and has proved a real success.



Embracing the move towards remote working

To enable efficient remote working, Cardiff Council successfully rolled-out Office 365 in just two weeks. This was mirrored across all LAs and everyone has had to adapt to a new, virtual version of “business as usual”. This has necessitated a mind-set change and it has taken digital transformation forward in leaps and bounds. Hopefully we will learn from this period, become more flexible and more resourceful, allowing it to move us forward as a region and resist the temptation to just revert back to the old ways of doing things in due course. The speed of transformation to remote working has been impressive and has demonstrated what can be achieved when we all collaborate and commit.

Contact Us

Marketing Team Contacts:
suzanne.chesterton@cardiff.gov.uk
nathan.llewellyn@cardiff.gov.uk

Web: www.cardiffcapitalregion.wales
Email: info@cardiffcapitalregion.wales

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Mae'r dudalen hon yn wag yn fwriadol

18 MAY 2020

CCR PRIORITIES FOR ADDRESSING ECONOMIC IMPACT OF COVID-19 AND BEYOND

REPORT OF CCR CITY DEAL DIRECTOR

AGENDA ITEM 8

Reason for this Report

1. To seek Cabinet approval of a set of new priorities emerging in response to COVID-19 and the ensuing economic fallout. To seek endorsement of Cabinet to convert the ten priorities into a clear, concise and reader/user friendly addendum to both the Regional Industrial and Economic Growth Plan and the Investment and Intervention Framework. This will act as a guide to set out the ways in which CCR is best able to make a help mitigate some of the worse effects on the economy and businesses in the region as a result of the crisis and its ongoing impact. The document is not a fixed strategy – it is a set of priorities that can be updated and iterated continually as shifts and changes occur and the situation continues to evolve.
2. Cabinet approval is also sought to submit the document in its current form into the urgent Inquiry into the Welsh Economy and COVID-19 on 15 May 2020 convened by the Welsh Affairs Select Committee. It is also means CCR has a response to hand in the light of news that Counsel General has appointed a Taskforce to inform the post-COVID future for Wales.

Background

3. The economic fallout of COVID-19 is already dramatic and serious. However, the situation is a quickly evolving one. It is highly unlikely that we will see the UK economy simply ‘snap back’ – but equally must try and strike a balance in CCR avoiding knee-jerk reactions, focussing on our 20 year outlook and working in real-time. The independent Office of Budget Responsibility published a report in April 2020 that forecast a 35% drop in GDP for Q2 of 2020 with incremental improvements expected over the remaining quarters. At this time, it is early to predict how things will play out with any certainty and it is the firm view of the CCR Economic Growth Partnership that CCR should keep an open mind; monitor the situation closely and rather than prepare solely for bleak scenarios, prepare to keep adjusting and adapting.

4. There is also a clear view that the Industrial and Economic Growth Plan stands the test of COVID with its focus on sectors and building clusters around Med-tech, compound semi-conductors, Data/ AI, infrastructure, fin-tech and energy – which is anything must be now be accelerated.
5. The challenge therefore is not so much about preparing for fixed scenarios of whole-scale long-term change, but a scenario of constant rapid adaptation and being clear about the kind of positive legacy, post COVID-19, that CCR could achieve. For example, new working patterns, framing public policy and societal challenges, reframing the way we view key foundational occupations and focusing on the unevenness of impact – both in terms of effects across places in the CCR and across economic sectors, organisations and occupations.
6. In recent weeks, CCR has devoted time to building the intelligence & data, informing criteria and priorities for government; helping navigate businesses through frameworks and programmes and ensuring they are able to optimise support available, as well as planning for next steps as the economy emerges from hibernation. Within this, new scheme proposals are also being brought forward in direct response to COVID.
7. In consultation with the Regional Economic Growth Partnership and wider stakeholders, it is recommended that CCR should seek to:
 - keep out of the short-term crowded immediate ‘funding’ response space;
 - stick with the plan – strategic and focussed on industries of future balanced with an approach to building local wealth;
 - adjust and adapt programmes to ensure they are fit for purpose;
 - deploy relevant financial tools and solutions where there is proven viable company or proposal to assist with business resilience moving forward;
 - accelerate cluster support and in particular, Med-tech innovation and R&D intensity which will re-grow the economy in sustainable ways;
 - take opportunities to create a positive public sector-led post-COVID legacy.
8. To do this, a clear set of priorities has been established under the headings of ‘Account Management Plus’; ‘Response and Resilience’ and ‘Recovery and Re-emergence’. The priorities are all framed and set out in the attached document ‘Priorities for Addressing Economic Impact of COVID-19 and beyond’. These include starting with basics such as reframing the business intelligence base, kicking the tyres on existing schemes to ensure they are fit for a changing future; assisting start-ups; introducing structured funds and stabilising businesses through offerings such as convertible equity as well as support for priority sectors and medium sized businesses. This is attached at Appendix 1.
9. This document is a key reference point and shows how CCR is adapting. It is not a strategy or fixed in any way. CCR has an adopted Industrial and Economic Growth Plan and a clear Investment Framework. This set of priorities works with these and will be updated, refined and iterated as things shift and evolve.

Reasons for Recommendations

10. This approach is necessary for the following reasons:
 - demonstrates the ability to pivot and adapt and have a clear 'offer' and approach in light of volatility;
 - acts as a guide to partners and those wishing to work with CCR setting out what's important and how it can be best achieved;
 - is at hand to demonstrate to both UK and Wales Governments that we have a thoughtful approach and are prepared;
 - can be submitted to the Welsh Affairs Select Committee Inquiry into the impact of COVID-19 on the Wales economy – which is said to be one of the worse affected areas of the UK;
 - can be used to inform and guide input into the Taskforce convened by Welsh Government's Counsel General for post-COVID recovery;
 - can be used as basis to secure any future funds into the regions resulting from the Chancellor's recent statement that the best way out of the future slump is to re-boot economies through the different regions of the UK.

Financial Implications

11. Regional Cabinet approved the Annual Business Plan for 2020/21 in December 2019. This report refers to potentially bringing forward new proposals in direct response to COVID 19 . The report indicates that this may include deploying financial tools and solutions such as structured funds, loans, convertible equity. Consideration should be given to whether financial support proposed is classified as capital or revenue expenditure to ensure that the financial and budgetary implications can be considered at an early stage. Robust due diligence will need to be undertaken as part of business case development to ensure risks are clearly communicated and understood by Regional Cabinet. Potential financial issues should be considered at the very early stages of the IIF framework, to ensure key issues are identified and considered in the development of proposals being recommended.
12. Business cases need to be clear on the options considered, proposed delivery mechanisms and how risks, such as state aid, the legal powers to offer support and enter into financial transactions, financial risks, and security in place will be managed.
13. HM Treasury funding is 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. Where proposals are brought forward, the financial implications will need to consider existing commitments and affordability as part of regular monitoring reports and updates to the annual business plan.

14. In this regard it is important that the provisions of the Investment and Intervention Framework (IIF) continue to be robustly followed, as this is a key requirement of the City Deal Funding Terms & Conditions. This is important to demonstrate good governance, whilst ensuring the risk of non-compliance with Funding Terms & Conditions is minimised. Business cases should be developed in line with HM Treasury Green Book (5 Case Model), although, clauses 3.5 (Appraisal Framework) and 3.7 (Business Case Development), make an important reference the concept of 'proportionality' depending on factors such as project value, complexity.
15. Where any steps in the business case process are fastracked, or not deemed relevant in bringing forward proposals for Cabinet to approve, the risks of undertaking such a approach need to be communicated clearly as part of the decision making process.

Legal Implications

16. In approving the recommendations in this report, Regional Cabinet must comply with its's duties under the Well-being of Future Generations (Wales) Act 2015, and the Equality Act 2010, as set out below.
17. There are no other legal implications other than those already set out within the report.

Well-being of Future Generations

18. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:
 - a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;
 - 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 (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. age; b. gender reassignment; c. sex; d. race – including ethnic or national origin, colour or nationality; e. disability; f. pregnancy and maternity; g. marriage and civil partnership; h. sexual orientation; i. religion or belief – including lack of belief, and;
 - c) the Well-being of Future Generations (Wales) Act 2015. The Well-being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act,

each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:

- look to the long term;
- focus on prevention by understanding the root causes of problems;
- deliver an integrated approach to achieving the 7 national well-being goals;
- work in collaboration with others to find shared sustainable solutions;
- involve people from all sections of the community in the decisions which affect them.

19. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 2.

RECOMMENDATION

20. It is recommended that the Cardiff Capital Region Regional Cabinet:
- a) approves the document 'Priorities for Addressing Economic Impact of COVID-19 and beyond' which is contained at Appendix 1 and the development of a user friendly version to form an addendum (which will be iterated as required) to the Economic and Industrial Growth Plan and Investment and Intervention Framework; and,
 - b) approves submission of the document to the Welsh Affairs Select Committee Inquiry into the economic impact of COVID-19 on the Welsh economy.

Kellie Beirne
Director, Cardiff Capital Region City Deal
18 May 2020

Appendices

- Appendix 1 CCR Priorities for Addressing the Economic Impact of COVID-19 and Beyond
Appendix 2 Well-being of Future Generations Assessment

SUMMARY – CCR PRIORITIES FOR RESPONDING TO COVID-19 & BEYOND

- The economic fallout of COVID-19 is dramatic and horrible. However things are changing and evolving all of the time and whilst the economy will not ‘snap back’ – we must keep an open mind, avoid knee jerk reactions & work in real-time
- The things we have previously prioritised still stick and in fact the focus on priority sectors such as med-tech, fin-tech, cyber, energy AI/Data, infrastructure and compound semis all have heightened relevance
- The challenge is not so much about preparing for a fixed view of whole-scale and long-term change but the ability to adapt and adjust and be clear about the kind of legacy, this crisis might enable CCR to achieve
- For example – working patterns, public policy challenges, re-framing how we value ‘key’ occupations and focusing on the unevenness of impact across places and economic sectors in CCR
- CCR has devoted time to building the intelligence & data, informing criteria and priorities for government; helping navigate businesses through frameworks and programmes and ensuring businesses optimise support available, as well as planning for next steps as the economy emerges from hibernation. Within this, new scheme proposals are also being brought forward in direct response to COVID.
- In terms of future priorities, CCR should therefore:
 - stay away from short-term crowded response space;
 - stick with the plan – long-term, strategic and focussed on industries of future and balance with local foundational growth;
 - ensure it can adjust and adapt programmes & future-proof;
 - deploy relevant financial tools and solutions where there is proven viable company or proposal;
 - support med-tech innovation and innovation-readiness and R&D;
 - take opportunities to create a positive public sector-led post-COVID legacy.

CCR response contains 10 priorities to frame future focus under 3 headings:

1. Account Management:
 - Building business intel base and helping businesses navigate options/opportunities.
 - Preparing for what next.
 - Kicking tyres of existing programmes to adjust and adapt to new normal.
2. Response and Resilience:
 - Support for new businesses – assistance for start-ups.
 - Structured funds: SME Co-investment Fund; Evergreen Premises Fund and Investment Readiness.
 - Challenge Fund Programme to re-build local wealth post COVID.
 - Med-tech open call for innovation.
 - Stabilising key businesses through different products – convertible equity, IP shares, guarantees and security and potential match for Future Ready Fund.
3. Recovery and Re-emergence:
 - Forging forward with support programmes for industrial scale priority clusters
 - Support for medium sized businesses

INTRODUCTION

It was only 9 March but feels like a lifetime ago CCR Cabinet last sat to approve Homes for all the Region, Graduate Scheme, Metro Central and kick-starting life sciences and digital activity. So great is the difference now to the world that was, the first iteration of this report cast a bleak outlook for the economy. The outlook is still dramatic and horrible. However this is an evolving space. What is a priority one day, isn't so much the next. Schemes, initiatives and new flexibilities are being introduced all of the time. Economic forecasts, whilst still predicting large-scale recession, show that the 'V' shape revival could still occur over time and, the full year arithmetic on GDP projections, whilst clearly radically different to anything pre-COVID, may not be as intensely bad as first thought.

This is not to say the economy will just 'snap back'. It won't. But the challenge in such a period of volatility and uncertainty is keeping an open mind, avoiding quick structural reactions and working in 'real time'. In the long-term, things may not change as much as we might expect and it certainly seems that priorities such as infrastructure, data, cyber, compound semis, energy and med-tech will have heightened relevance. The future priorities set out below are not so much about preparing for whole-scale long-term change. But they do provoke the question: **can** we change – and for the better? Never waste a crisis. What added impetus can CCR in its 20 year outlook give to patterns of working and to re-setting public policy challenges and issues? How can we re-frame how we view and value certain occupations and focus on the unevenness of economic impact across communities and sectors of the economy?

THE CHALLENGE

COVID-19 is having profound impacts on the global economy. In April the independent Office of Budget Responsibility published a report forecasting a steep 35% drop in GDP for Q2 2020 with incremental improvements thereafter. The scale of government's response by way of fiscal stimulus is unprecedented and the package of mass market measures, undeniably generous. Nevertheless there are gaps and companies of all sizes and operating scales are falling between the cracks. Liquidity has improved with Quantitative Easing, extension of financial support schemes and in Wales, the £500m economic resilience fund. However, challenges remain in getting money to eligible and viable businesses quickly enough.

The response of local public sector organisations has been exceptional - both in dealing with civil contingencies deployment and a public health crisis. In addition, many CCR Councils were getting rate relief/business grants out the door within days. In terms of the cost of this however, public sector liabilities are rising; and, bond markets will find it increasingly difficult to digest the scale of government debt issuance needed in short time to fund extra spending.

The pandemic will continue to affect households for a sustained period of time – no longer judged in just weeks or months. The response to date has focussed mainly on the medical/public health emergency with a secondary emphasis on the economy. However, the psychological/ societal impacts will also need to be explored.

In global economic terms, supply chains and thus, business order books are being impacted. Signs now suggest that China is recovering faster from COVID-19 which could mean the Chinese economy strengthens its position in trade wars with the USA which could see the shift in the centre of the global economy.

There is a growing focus on the state taking equity shares and provision of security. Feedback from medium/larger businesses shows that whilst access to commercial finance is holding – the need to sensitise future strategies in volatile trading settings highlights risk for even the strongest businesses. This impacts covenant strength and thus, cost of borrowing.

Behaviour in the banking sector has also been variable. From tardy responses to imposition of Personal Guarantees against the CBILS and through to again, recurrence of the security/guarantee challenge – questions are raised about the ability of financial institutions (some of which were themselves ‘saved’ by the state during the 2007/08 financial crisis) to respond.

The position of Universities is also critical. The reliance on overseas students is being seriously undermined by COVID-19. For the upcoming academic year 20/21, there are major viability challenges with calls for government intervention not to mention the impact on innovation and science – one of the positives of the pandemic – and not just in terms of finding a vaccine, but in data mapping genomics features, rapid sanitisation and agile manufacturing of devices and diagnostics. This has consequences for the 2.4% R&D target by 2027.

For CCR, this means:

- Responding in a way which is considered/complementary to stimulus packages. The immediate response space is crowded. We must stick in large part to the plan, albeit, accelerating it and in line with the 20 year outlook, show preparedness for ‘what next’.
- Catalysing & backing innovation readiness. COVID-19 is fuelling the next wave of innovation – particularly in the digital, med-tech, e-commerce, remote working, supply chains and data and AI. Firms are already showing signs of the ability and agility to capitalise on these underlying and disruptive changes.
- Deploying different financial tools and solutions where due diligence requires them and where there is a viable company or proposition to support.
- Continue to support priority clusters given evidence shows sectors like compound semis, med-tech, fin-tech, AI, infrastructure & energy are key to re-building economies.
- Taking opportunities to do things differently. Countries are setting out plans for new economic manifestos post-COVID. From Universal Basic Income in Spain to Holland’s plan to transform agriculture to boost food security – there is a will for a different post-COVID legacy. This is not about accepting ‘change/ no change’ as an inevitability – it is about deciding *what* CCR wants to change through public sector leadership.

All this suggests that CCR’s approach should be structured through three main phases:

1. **Ph 1/ Early Response ‘Account Management Plus’** – co-ordinating information; signposting and directing; building a rich economic intelligence base and influencing. This includes highlighting gaps and helping to broker solutions as well as kicking the tyres of existing programmes to assess continued relevance and need for adaptation.
2. **Ph 2/ Stabilising and Building Resilience** – supporting survivability of key businesses and firms through new approaches and financial levers that respond to evidenced challenges; acceleration of plans for more targeted structural support (SME Co-investment Fund; Strategic Premises Fund and an Investor Readiness Programme); establishment of a Challenge Fund and specific focussed support around the Med-tech innovation opportunity. This latter is critical. Even though we have a fairly well developed sector in the region around devices and diagnostics specifically, over 60% of tools are still coming from China.
- **Ph 3/ Preparing for Recovery and Re-emergence** – developing an approach to economic re-growth and revival. This should back our priority clusters as evidenced ‘industries of the future’ capable of having a transformative impact. This will require more tailored packages of support and a long-term approach to access to finance.

What we’ve found so far

In March CCR commissioned a Business Survey. Over 700 responses were received with scores more coming through company insights and leveraging networks with industry bodies:

- 98% businesses confirmed they'd be affected by COVID-19 – with declining customer base, cash-flow and loss of income being main concerns along with worker welfare
- Eligibility and how to access support. A finance function is now always a given
- Dissatisfaction with the CBILS scheme and banking behaviour/ procedures
- Beyond access to quick funding – medium/long-term bespoke patient finance is critical
- Challenges around securitisation and collateral
- Speed of implementation and measures implemented as a comprehensive package
- Support for sole traders and self-employed
- Innovation needed to extend practices like Invoice Discounting
- Support for business diversification and in particular, e-commerce/ digital businesses
- Need for LAs to run 'keeping in touch' sessions and a need for webinars for SMEs
- Giving thought to 'what next' – the current schemes merely give a holding position
- Support needed around growing active cluster of med-tech businesses many of which have gone out of their way to innovate & solutions-focussed
- Tailored packages of support needed for medium and larger enterprises. When key vulnerabilities show, the ripple effects work down through supply chains
- Disproportionate impact of the rate relief thresholds and the £500k imposition and affects for hoteliers, retail and larger supermarkets

What we've done

We have developed and shared with UK & Welsh Governments influential advice notes and guides. The first was Business Support Schemes Overview; the second Gaps in provision and the third Business Support Expectations v Reality. (Gambit). Additional actions include:

- Ongoing engagement across all ten LAs, WG, Business Wales, Chief Regional Officers and WLGA to share early communication and strive for consistency
- Focussed engagement with Innovate UK and UKRI on new challenge & open calls
- Developed one co-ordinated comms campaign across LAs to help businesses maximise support available
- Engaged with Chambers of Commerce, CBI, IoD, British Business Bank, Wales Government and Wales Office to share intelligence and co-ordinate key messages
- Over 20 articles published via Business News Wales portal & LinkedIn
- Developed our own COVID-19 section on the CCR website
- Developed FAQs and handy links which have been updated daily
- Continued communications on key schemes and programmes
- Media focus on R&D and science and innovation showcasing Medtech
- A series of podcasts and 121 interviews on the above subjects
- Continued to originate and develop schemes, accelerating timescales and impacts through 2 Investment Panels

Forward Focus

Phase 1 - Account Management, Business Intelligence & Influencing

The economy is evolving and currently, contracting at a rapid rate. The immediate assistance 'rescue & bail-out' space is a crowded and often frustrating one. Access, eligibility and the differing criteria for each of the schemes can present barriers to entry.

PRIORITY 1 – Helping to navigate CCR must continue to play a vital role in helping businesses navigate this landscape; interpret guidelines and highlight gaps so that governments are able to flex/refine their offering. We will do this through continuation of the communications strategy for signposting and coordinating; updates to the 'Expectations v

Reality' piece; support to governments and British Business Bank on implementation and ensuring that businesses have the information needed to fully capitalise on what's on offer.

PRIORITY 2 – Evidencing what next We will use this initial phase to gather the evidence and build analytical capability provided by the School of Economic Geography at Cardiff University and through work on the data dashboard; bringing on board the KESS data PhD studentships and continuing thought-leading publications. This will enable us to pick out the trends and see the priorities – for example – the unevenness of economic impact with aviation, tourism, non-food retail and leisure closed down for an extended period whilst healthcare facing industries, equipment and consumables are seeing massive upsurges.

This phase will help us move beyond directing others to 'funding' to informing medium term issues around patient access to finance. Using data to guide development of more bespoke support will also help mitigate the social risks emanating from economic contraction. This will be key in CCR given the already well established link between poverty, poor health and limited life chances. There will be a pivotal role for the revised Business Council to play here.

PRIORITY 3 – Kicking the tyres AA and other experts have reported on transit changes post-Coronavirus, predicting a permanent reduction in demand for travel due to the take-up of remote working and big gains made in improved air quality. Some commentators are arguing that more policy emphasis/public expenditure should go on digital infrastructure rather than road infrastructure. Maintaining a focus on public transport will be key given the potential for a better balance across home, office and local working.

Early discussion with WG suggests that all transport related forecasts should be re-run and it has been recommended that a joint piece of work is carried out via the Regional Transport Authority to inform a shared position on future transport investment in the region. There is a real opportunity to think about how this might lead to a more differentiated strategy for CCR striving for better ratios than the current 80:10:10 of car use, public transport & active travel.

For the Graduate Scheme – the emphasis at this time is on maintenance and working with those companies that have participated to sustain relationships and interest (Through the Looking Glass series). Demand has fallen drastically for the scheme in most areas, however there are signs of new interest in others (health/ med-tech). It is likely though the focus will need to pivot into a broader reskilling/ HE/ FE support programme that mirrors shifts seen as some sectors become redundant whilst others grow and require talent and capacity.

Work on the housing fund to test assumptions and see it in the context of lower risk thresholds (SME Finance Fund in particular) has demonstrated it can still work – albeit perhaps with a slower start and through portfolio-led approaches that mitigate the now more prevalent risks.

Increased levels of entrepreneurship, growth and productivity will be vital in the region recovering from the COVID 19 lockdown. Programmes such as full fibre connectivity, 5G and Data /AI need acceleration given reliance upon them as core infrastructure. A meeting with the DCMS Digital Minister in March has resulted in a request for CCR to share its digital ambitions. It is further that advanced manufacturing, fin-tech, compound semiconductors and life sciences will be fundamental to CCR's long-term endeavours.

Phase 2 - Response and Resilience

Easing lockdown at the relevant points will need careful judgement of when the health imperatives give way to economic concerns. CCR has to be in the space of what happens post-exit from economic hibernation and mitigating macro-economic fallout.

PRIORITY 4 – Supporting new businesses. Ensuring that entrepreneurs are supported through the process of starting up and developing a business is vital to ensure that the region recovers, especially as new businesses create the majority of the jobs in an economy. Entrepreneurs need access to expertise, knowledge, seed capital and to a supportive community but the COVID 19 lockdown has seen many start-ups unable to access support. Such funding provision would be an ideal fit for Shared Prosperity Funds.

Traditional models of business support may no longer be applicable. Instead, there can be different solutions driven through online provision that will create a more supportive environment to increase the number of start-ups, improve their survival rate and ensure more companies grow. Key interventions to strengthen the environment for entrepreneurship will include more co-working spaces in all parts of CCR, strong local networks of entrepreneurs to ensure mentorship support and an interactive online business support programme.

PRIORITY 5 - Developing more structured funding support. It is time to accelerate ambitions for establishment of a first wave of key targeted funds with which to mitigate some of the worse effects on businesses. A second phase of funds could see CCR looking to Shared Prosperity Funds for further support on a range of programmes.

- The first priority is to develop a **SME Co-investment Fund** as a key part of an entrepreneurship, growth and productivity plan for the region. Dialogue is progressing with prospective investment partners regarding capitalisation. In light of the need for more medium-term tailored access to finance, this will operate in the scale-up space, promote priority sectors and create more structured support systems beyond the fund to encompass entrepreneurship support. The potential size of the fund will be upward of £50m, with at least a requirement of £25m of CCR (subject to business case) & will provide equity into commercially viable businesses.
- Aligned to this, is **Investment Readiness** support that facilitates access to finance and focuses on raising the quality of deal-flow. Often investment proposals take longer than we'd like to 'pull through' because even though they are interesting – the proposer cannot explain its impact; simply describe the business model and succinctly articulate the investment proposition. This would also work as an active investment leverage tool.
- CBRE has been commissioned to develop a **Strategic Premises Fund** drawing on the evidence and research done by JLL (for CCR) and SQW (for WG). Whilst again, demand impacts on office accommodation in a 'business as usual' scenario will adapt, the emphasis here is more about a distinguished strategy, linked to likely changes in travel to work; alignment to priority sectors/ cluster strategic sites and flexible working. In particular, increasing the number of new businesses located outside of the two main cities is vital in ensuring a more entrepreneurial region.

PRIORITY 6 – Establishing a Re-building Local Economies Challenge Programme

There is a real opportunity for public bodies to build a positive legacy post-COVID. The measures, behaviours and adaptations now in place as we continue to lockdown should not be temporary crisis responses. Organisations, services and people everywhere have moved quickly beyond comfort zones. We have re-connected with what matters and perhaps more importantly, one another. Changed operating models, new collaborations and recognition of digital/ data as a core resilience pillar have all featured – and must continue to do so.

The programme would work through selecting a 2 or 3 challenges to form the focus on individual challenge funds. The idea is these would aim to build new thinking, services, ways

of working and potentially products, that contribute to new momentum and the 'new normal' in a post-COVID world.

The core principle is about putting innovation capability and skills in alongside the changes and challenges so that learning and value is *applied* and can continue to spread, scale and develop. This is as opposed to a reversion to 'business as usual' – when the worse of the pandemic is over. There is a real danger that when the healthcare imperatives give way to more long-term economic concerns, we will reach for what we know and not stick with what we have learned. The proposed programme will therefore involve:

1. An innovation skills and capacity building element aligned with InFuSe – our bid under the WEFO P5 Building Institutional Capacity Programme
2. Investment to support the development of new innovations through a SBRI style programme considering challenges such as healthy ageing, decarbonisation, foundational economy renewal, digital democracy and future mobility/ better jobs closer to home
3. A unique blended partnership across CCR, Cardiff University, Nesta/ Y-Lab and Alacrity (the emergent Public Services Testbed) and potentially, colleagues within WG Innovation and the SBRI Centre of Excellence
4. A funding programme that is made up of £10m CCR, £4m WEFO and contributions from challenge owner partners as progress is made through the programme and further leveraged investment through potential first or end customer commitments. There is also potential to 'match' SBRI run through WG and SBRI Centre of Excellence and achieve further leverage.

PRIORITY 7 – Accelerating CCR Med-tech Cluster through supporting Med-tech innovation. There is a moment in time to capture the full benefits of a Med-tech Cluster in CCR. Intelligence suggests that it is our second most mature economic prospect with a strong supply chain, good anchor companies, international market reach and represents about 6-7% of GVA output for the region totalling some £1.5bn annually. Despite having all of the ingredients of a 'cluster' – it is estimated that more than 60% of the devices and diagnostics in the region are imported from China.

CCR has received a high level of contacts and proposals from Med-tech and diversifying manufacturing companies. CCR Cabinet recently approved the Devices and Diagnostics Strategic Framework and the first stage due diligence of a Life Sciences Park – both of which support the EOI to UKRI for a Med-tech Cluster. A massive response has been seen from businesses diversifying their manufacturing base to medical tech and tools and there are many more strategic opportunities to build upon. Emphasising and reinforcing the importance of this sector through the CCR Investment Framework is an important signal to growing the maturity of this sector and play to unique advantages around: 3D printing of devices for on the job deployment, data mapping for prediction/prevention, alternative materials for face shields filtration methods, non-medical viable manufacture of oxygen & clean room pop-up space.

PRIORITY 8 – Stabilising key businesses. This is about responding quickly to the needs of businesses in our priority clusters that are starting to fall between the cracks and alleviating more specific challenges that will help viable businesses achieve the sustainability/continuity needed to be able to think about growth and inward investment again. Beyond provision of 'funding' – this is about access to bespoke patient capital.

There are key 'ways CCR could help' in this phase of building resilience. The overwhelming feedback from businesses, financial and legal advisors – as well as government – has been:

- Payment holidays & rental breaks & easing cash flow burdens

- Consider equity buy ins – which can be diluted over time or transferred into debt as company balance sheets improve (convertible equity)
- Consider the important role that could be played by guarantees, collateral support, asset-backed security to bridge gaps and help mitigate the prospect of risk where more stringent banking requirements apply
- Potential to match complementary initiatives such as the Future Ready Fund
- Considering shares of IP and know-how
- Re-set some of the metrics – some of the financial performance metrics commonly used will have limited use in this new environment. Increased collaboration to identify key transparent achievable KPIs will be vitally important and must be progressed with Wales and UK Govts, as well as a new approach to Risk Management.
- Greater emphasis could be placed on EBITDA (or equivalent) ratings to assess debt capacity and EBITDA(c) concept to assess core company stability
- Greater role for CCR and indeed other City Deals in this phase. The way and pace of working must change. In this period of re-emergence – it will timely to think about the establishment of a CCR Development Agency and ways to enhance democratic legitimacy at the same time as utilising new levers and opportunities.

Phase 3 - Recovery and Re-emergence.

PRIORITY 9 – BUILDING LONG-TERM INDUSTRIAL CLUSTERS The focus is identified ambitions to build viable and resilient industrial clusters in which connections, collaboration and competition enable the eco-system to thrive. Our evidence base for supporting Data/ AI, infrastructure, Compound semis, Cyber, Med-tech and Fin-tech is robust. The diligence regarding potential for future growth is continually updated and early indications show, if anything will need acceleration in a post-COVID world. They also offer potential to address challenges such the disruptive impact of automation, ageing society and energy.

For re-emergence, seed funds will be needed to catalyse the creation of formal cluster bodies, with some prioritisation given to how funds and investment can be deployed in support of their inward investment and FDI opportunities and alongside funds such as Strength in Places. Reinforcing clusters through the blueprint of skills, marketing, building connections, collaborative R&D and key strategic sites, will be critical.

In addition to this, the renewal of the foundational economy in ways which connect into future challenges and opportunities and making food, farming, retail and tourism adaptive and resilient in the light of disruptive forces of AI and machine learning –so jobs are enhanced not displaced or replaced – will be crucial. This could also help channel future government 'recovery' funds as well a more focussed approach for Shared Prosperity Funds and emergent ambitions for the Western Gateway.

PRIORITY 10 – IMPROVING THE PRODUCTIVITY OF MEDIUM SIZED FIRMS In terms of improving the competitiveness of the CCR as the region emerges from COVID-19, one of the more focused approaches would be to target the medium sized firm sector (approximately 1300 firms across the region) that currently employs between 50 and 249 staff. This group of firms has a lower performance than its UK equivalent both in terms of turnover per enterprise. This underperformance could be addressed through the development of focused interventions such as greater networking opportunities between CEOs, sharing of best practice and access to a high-level executive education programme. This could result in considerable impact on both employment and wealth creation within CCR. If this group of medium-sized businesses were performing at the same level as UK equivalents, annual turnover could be in region of £10 billion with an additional 52,000 jobs.

Future Generations Assessment

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal Responding to the Covid-19 economic fallout and beyond
Proposal: Covid-19 and beyond – CCR priorities	Date Future Generations Evaluation form completed: 18 May 2020

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1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	There is no proposal – it is a priorities document that sets the context for future proposals and projects. However it does provide a backdrop for maximizing prosperity in a changed economic situation.	The current approach of CCR has been reviewed comprehensively to ensure we can be optimally effective at this time of crisis as well as when the fallout hits most hard
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The new set of priorities is aimed at optimizing economic vitality and charting a course through downturn in line with 20 year strategy.	Resilience is referenced as the key goal and actions such as support for start ups; new types of funding and models etc all seek to make a contribution to this.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A healthier Wales People’s physical and mental wellbeing is maximized and health impacts are understood</p>	<p>The new priorities emerge directly in response to Covid and sustainability challenges and opportunities</p>	<p>Discrete proposals that will emerge from this framework will make more of a direct impact upon this</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The new priority set is about creating the conditions needed to balance investments, take into account place and the way in which we value certain sectors and occupations</p>	
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The proposal shows how the CCR can lead the way in pioneering new solutions and showing the foresight to get ahead.</p>	
<p>A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation</p>	<p>N/A</p>	
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>The new priority set is about levelling across the region and ensuring a balance across interventions that will support the wider region and those which will be locally specific.</p>	

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2. How has your proposal embedded and prioritized the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The proposal is about balancing short term account management with building resilience and planning for the long-ter,</p>	<p>This will be under constant review.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The report sets out the different partners and sectors engaged in this work</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The report sets out the different partners and sectors engaged in this work – and has engaged widely with REGP, business partners, HEI and others</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The focus of this is around providing economic support and resilience emasures which will support the economy as it comes out of economic hibernation.</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>This report helps chart a course for CCR as the healthcare imperative sof Covid give way to economic concerns.</p>	

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3. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	This is not a proposal but a new and emergent priority set	None arising at this time.	Monitoring data and evidence required as part of ongoing evaluation and project management.
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		
Sex	As above		
Sexual Orientation	As above		
Welsh Language	As above		

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4. Safeguarding & Corporate Parenting. Are your proposals going to affect either of these responsibilities?

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Not directly relevant –however, building the future economy should have a profoundly positive impact on ability to safeguard the future of our residents		
Corporate Parenting	Not directly relevant – however building strength in the economy should create opportunities for all of the young people entrusted in our care and makes a direct contribution to wellbeing.		

5. What evidence and data has informed the development of your proposal?

- Economic evidence data and insight
- Business survey
- Government and ONS data
- CBILS data
-

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

As above, the main implications will be in the delivery of this work.

7. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	Quarterly via the IIF reports to Cabinet and quarterly performance monitoring.
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**CYNGOR CAERDYDD
CARDIFF COUNCIL**

ECONOMY & CULTURE SCRUTINY COMMITTEE

14 September 2020

DEVELOPING A WORK PROGRAMME 2020-2021

Purpose of Report

1. This report seeks the views of Members with regard to the approach they wish to take to discuss and agree priorities for Committee's Work Programme for the remainder of 2020/21.

Background

2. The Constitution states that each Scrutiny Committee will set its own work programme for the forthcoming year (Scrutiny Procedure Rule 7). This Committee's terms of reference give the Committee responsibility for scrutinising, measuring and actively promoting improvement in the Council's performance in the provision of services and compliance with Council policies, aims and objectives in the following areas:

- Cardiff City Region City Deal
- Inward Investment & the Marketing of Cardiff
- Economic Strategy & Employment
- European Funding & Investment
- Small to Medium Enterprises
- Cardiff Harbour Authority
- Lifelong Learning
- Leisure Centres
- Sports Development
- Parks & Green Spaces
- Libraries, Arts & Culture
- Civic Buildings
- Events & Tourism
- Strategic Projects
- Innovation & Technology Centres
- Local Training & Enterprise

3. This Committee's terms of reference also include the ability to '*assess the impact of partnerships with and resources and services provided by external organisations including the Welsh Government, joint local government services, Welsh Government Sponsored Public Bodies and quasi-*

departmental non-governmental bodies on the effectiveness of Council service delivery’.

4. During the Covid-19 lockdown, standing scrutiny committees were suspended, with Council agreeing to enable measured and proportionate scrutiny via a Covid-19 Scrutiny Panel, consisting of the Scrutiny Chairs. To ensure all previous scrutiny informed the internal challenge of the Panel, all scrutiny committee members were offered the opportunity to pass their comments and enquiries on to Panel Members on reports relevant to their scrutiny committee.

5. In July 2020, Full Council agreed to restart standing scrutiny committees, with a specific remit, within their area of responsibility, to:
 - i. Undertake pre-decision scrutiny of all Cabinet decisions, where appropriate and proportionate to do so;
 - ii. Scrutinise any issues which are time critical and/ or may have a significant adverse reputational impact on the Council; and
 - iii. Develop priorities for potential scrutiny consideration during 2020/21, in consultation with the relevant Cabinet Member/s and Director/s.

6. The report to Council also specified that, in the event of a second peak in Covid-19 cases and further lockdown measures, the Covid-19 Scrutiny Panel would again take on the scrutiny function, until such time as the standing scrutiny committees were able to be supported to resume their functions.

7. Scrutiny plays an essential role in promoting accountability, efficiency and effectiveness in the Council’s decision-making process and the way in which it delivers services. The main roles of the Scrutiny Committees are:
 - i. Holding to account the Cabinet and officers, as decision-makers.
 - ii. Being a ‘*critical friend*’, questioning how decisions have been made, providing a ‘*check and balance*’ to decision makers and undertaking reviews of services and policy.
 - iii. Providing a voice for citizens.

Developing a work programme

8. The remit for the restart of Scrutiny Committees provides direction and boundaries to the committee's work programme. The work programme needs to focus on pre-decision scrutiny, issues that are time critical, items that may have a significant adverse reputational impact on the Council and priorities identified following consultation with relevant Cabinet Members and Directors.
9. It is suggested Committee Members hold a remote forum meeting to discuss their work programme. Ahead of the meeting, the Chair and Principal Scrutiny Officer will liaise with relevant Cabinet Members and Directors to ensure they are offered the opportunity to identify priority areas. Information arising from these discussions will be shared with Committee Members prior to the forum meeting. Following discussions at the forum meeting, the proposed work programme will be brought to Committee for amendment and formal approval.

Length of committee meetings

10. In setting their work programme, Members are advised to be mindful of Wales Audit Office advice for scrutiny committees to aim to achieve committee meetings that last no longer than three hours, whilst maintaining robust and appropriate levels of scrutiny across the terms of reference, by ensuring agendas are of a manageable size and that work occurs outside committee meetings. On average, this equates to agendas consisting of no more than two substantial items.
11. This timeframe takes on added significance with meetings held remotely, given advice to keep remote meetings as short as possible. Scrutiny Chairs have discussed the length of meetings and decided to aim to keep meetings to 2.5 hours, where possible.

Proposed Dates of Committee Meetings

12. A report is being taken to Full Council on 24 September to enable Members to consider the calendar of committee meetings, including remote monthly committee meetings for this Committee.

13. To inform the development of the calendar, Members views are sought on the following:
- i. Time of day to hold remote meeting
 - ii. Whether meetings should be compressed into the week that Cabinet meets or whether meetings should be spread out across the fortnight prior to Cabinet meeting.

Way Forward

14. During their meeting, Members are asked to explore the best approach to developing the work programme for the remainder of 2020/21 and to give their views on factors affecting the timing of future scrutiny committee meetings.

Legal Implications

15. 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

16. 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. Discuss and agree the approach to developing the Committee's work programme for the remainder of 2020-21, so that a final version of the programme can be brought back to the Committee for formal approval;
- II. Provide their views on factors affecting the timing of future scrutiny committee meetings.

Davina Fiore
Director of Governance & Legal Services
8 September 2020

Mae'r dudalen hon yn wag yn fwriadol