

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

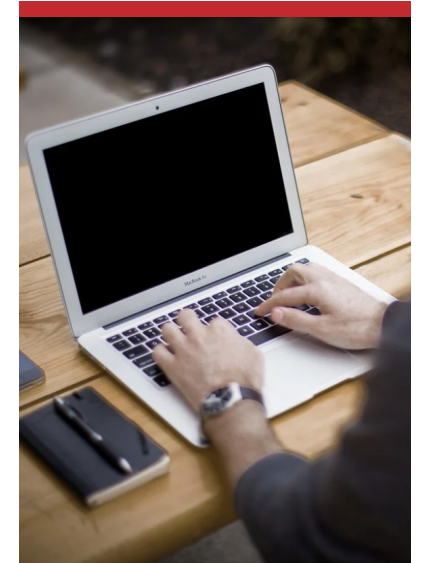
Digital

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

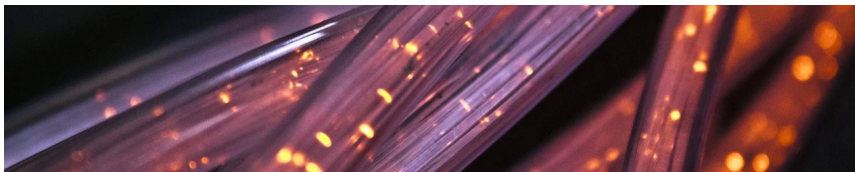
The 10 City Deal local authorities are partners in a project being co-funded by UK Government's Department of Culture, Media and Sport (DCMS) which will focus on using 5G to support the rural economy, farm security and farmers' mental health, bus transport and virtual reality tourism. These projects 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.

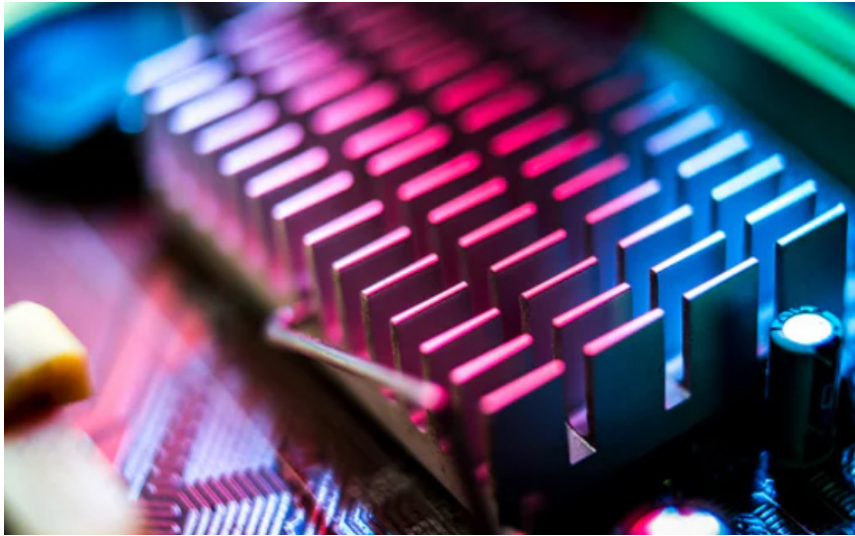
In economic impact terms, it is expected to provide a significant additional uplift to regional GVA over organic growth forecasts, delivering more than 1,000 additional high value jobs in the regional supply chain from 2025 onwards.

[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