

CARDIFF CAPITAL REGION CITY DEAL

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 1

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT AND PARTNERSHIPS)

Reason for this Report

1. To outline the next steps for the Cardiff Capital Region City Deal.
2. To seek approval for the formal establishment of the Cardiff Capital Region Joint Committee, which will oversee the region's economic growth agenda and delivery of the 20 year Cardiff Capital Region City Deal.
3. To seek approval of the Joint Working Agreement, Assurance Framework, Implementation Plan and Cardiff's role as the Accountable Body that will enable the establishment of the Cardiff Capital Region City Deal.

Background

4. The Council report of 24 March 2016 outlined that the City Deal was signed in Cardiff on 15 March 2016 by the ten local authority leaders, the First Minister of Wales, the Welsh Government Minister for Finance, the Secretary of State for Wales and the Chief Secretary to HM Treasury.
5. The associated 'Heads of Terms' agreement attached as Appendix A outlines the parameters for the detailed development of the City Deal and sets out how the ten local authorities will work in partnership with the Welsh Government and UK Government to support economic growth.
6. In order to progress enhanced regional working, and the establishment of the Investment Fund, the Heads of Terms outline proposals to establish a Cardiff Capital Region governance model that:
 - Complies with the existing statutory framework that exists in Wales to deliver the City Deal proposals;
 - Strengthens and streamlines the existing governance and partnership arrangements across the Capital Region;

- Improves business involvement in local decision making;
 - Provides confidence and assurance to both the UK and Welsh Governments that local authority leaders are making collective decisions which will serve to drive economic growth across the Capital Region; and
 - Enables local authorities to explore with Welsh Government arrangements for local government reform in the medium term.
7. In particular, the development of the City Deal is reliant on the establishment of a Joint Committee comprising the participating local authorities. This Joint Committee in the first instance will have collective responsibility for decisions relating to the agreed investment programme. However, it will also be the lead body for any local authority regional collaboration on issues highlighted within the City Deal Heads of Terms.
 8. Securing a final City Deal agreement is also reliant on the establishment of an Investment Fund Assurance Framework. By adopting the Assurance Framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes taken forward (outside of the South East Wales Metro which will be subject to a separate Welsh Government assessment) represent good value for money and are underpinned by a robust business case.
 9. The Council, at its meeting of 24 March 2016, resolved to: “delegate authority to the Chief Executive, in consultation with the Leader of the Council, the Corporate Director Resources and Monitoring Officer to conclude any interim arrangements necessary to facilitate the development of the final City Deal (including without limitation to the generality of the foregoing appointment of external consultants and any interim appointments that may be required), provided the requisite budget provision is available”. The development of a City Deal has also been identified in the Corporate Plan as a key commitment to: “deliver with partners a proposal to Central Government for a City Deal for Cardiff by March 2017, along with a subsequent programme for delivery”.
 10. This report updates Members on the position and seeks approval for the Council to commit to a Joint Working Agreement that represents a fundamental and long-term shift in the way in which local government in the city-region functions, bringing about a step change in collaboration in the areas of economic development, skills and training, regeneration, strategic planning, housing and transport.

The City Deal in Context: Cardiff’s Economic Strategy and the Wider Region

11. In considering next steps, the fundamentals of Cardiff’s role in the city-region need to be underlined. The City Deal process represents a significant enhancement of Cardiff’s – and all partners’ - commitment to working in partnership. But it also needs to be viewed in the context of the successful economic, regeneration and investment strategy that the Council has been pursuing over recent decades.

12. Cardiff has undergone an unrivalled physical transformation that has seen the city emerge as one of the best places to live and work in the UK. The city's economic base has been successfully transitioned into a modern service economy which despite major restructuring continues to provide employment opportunities right across the city-region. For a sustained period the Council has implemented a consistent economic strategy of place-making and reputation building as the basis for attracting and retaining investment and talent. This has included major projects, developed and delivered by partnerships between the Council and a range of public and private sector organisations, such as the regeneration of Cardiff Bay, the Wales Millennium Centre, St David's 2, and the International Sports Village.
13. The city is set to change even further - driven by population growth, predicted to reach nearly 25% over the period 2006-26 - one of the fastest rates of city expansion in the UK. This will require a new wave of public sector investment to address housing pressures, to support job creation, and to deliver the transport and other infrastructure that will maintain and enhance Cardiff's recent success.
14. The Council has already put in place an investment plan with private sector partners to drive the momentum of city development. Numerous regeneration projects are underway including Central Square, the Brains development, Callaghan Square, Capital Quarter, Dumballs Road and the continued regeneration of Cardiff Bay. These projects will provide the high quality urban context for attracting the next wave of jobs and investment. In addition, to ensure Cardiff's growth is delivered in the right way, the Council is committed to delivering a number of nationally significant facilities and attractions including a new 15,000 seat Indoor Arena, improved city centre open spaces, stronger connections between the city centre and Cardiff Bay and a range of improvements to bus, car, cycle and pedestrian networks.
15. Cardiff's recent economic success has been fuelled by a regional workforce that has enabled the city to punch above its weight. There is a long history of co-dependency between the city and region and although the nature of the relationship has changed over the years they remain inextricably linked and will continue to be in the future. The critical mass to compete internationally can only be achieved through the collective power of 1.5 million people working together in a joined up system and sharing the benefits. Through the City Deal, local partners can now work together to develop strategic plans based on economic geography rather than arbitrary local authority boundaries to make the best of opportunities and to address key barriers to growth.
16. One particular issue that presents a barrier to the city-region's long-term growth aspirations is the increasing congestion caused by traffic flows between the city and region. The City Deal has helped unlock the delivery of the Metro project with a procurement process currently underway to determine the next phase of implementation. The Council has also been instrumental in taking the case to UK Government for

investment in the redevelopment of Cardiff Central Station. There is also potential to develop a Metro+ package of measures that includes bus, cycle and rail based initiatives, and a ring of park and ride sites around the city's perimeter.

17. In addition to this, regional partners have agreed a broad framework for collaboration and investment based around a number of key themes including transportation, innovation, skills, and regeneration. The next 12 months will see the development of a programme of projects that will shape how investment will be delivered over the next 10 years.
18. Given scarce capital resources, it is imperative that Cardiff's investment plans are closely integrated with the emerging City Deal investment plan for the whole region so that that the Council's contribution maintains the momentum of city development and addresses issues and opportunities that will spread the benefit across the whole city-region. This is fundamental to Cardiff's continued ability to deliver nationally significant projects from which local communities, as well as the wider region, benefit.

Recent Progress in the Delivery of the City Deal

Heads of Terms

19. The Cardiff Capital Region City Deal Heads of Terms signed in March 2016 is attached to this report as Appendix A. It outlines the joint commitments made by the ten local authorities of the Cardiff Capital Region, the UK Government and the Welsh Government to unlock £1.2 billion of investment to increase the performance of the city-region economy. Over its lifetime of 20 years, partners envisaged that the City Deal would deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.
20. As its core proposition the City Deal provides funding to support investment in projects to stimulate economic growth: £734m is allocated to Metro; £495m covers an Investment Fund to support additional economic development activities. The latter provides the focus of the local government contribution to the deal and consists of a local government capital contribution of £120m with the remaining £375m provided by the UK Government over a 20 year period. Any expenditure incurred in advance of receipt of the flow of UK Government monies would require borrowing by local authorities. In addition the City Deal is also subject to five year 'Gateway Reviews'.
21. The Heads of Terms made clear that further work was needed to conclude the City Deal, particularly in relation to the development of governance arrangements. This has been prioritised since the experience of every city-deal partnership to date has tended to highlight the importance of laying sound foundations in terms of good governance. Recent work has encompassed the establishment of:
 - Cardiff Capital Region Joint Cabinet;

- A Programme Management Office;
 - Growth and Competitiveness Commission;
 - Employment and Skills Board;
 - Regional Transport Authority;
 - Cardiff Capital Region Economic Growth Partnership
 - A Regional Business Organisation.
22. In addition, in order to discharge the Cardiff Capital Region's City Deal commitments and implement an ambitious economic strategy in the longer term, the ten local authorities requested that greater financial autonomy and flexibility should be granted by government in order to accelerate the delivery of critical infrastructure across the region at a time of local authority funding constraints.

Cardiff Capital Region Shadow Cabinet

23. Following the signing of the Cardiff Capital Region City Deal Heads of Terms the Cardiff Capital Region Shadow Cabinet was established in the summer of 2016, comprising the ten leaders of the participating local authorities. The Shadow Cabinet has provided the interim governance arrangements as a pre-cursor to the development of the proposed Joint Committee and has met on a monthly basis, with more regular fortnightly meetings taking place in recent months.

Programme Management Office

24. In order to progress the development of the City Deal, a Programme Management Office has been established comprising a Programme Director and Project Manager. The Programme Management Office is responsible for supporting the activities of the Cardiff Capital Region Shadow Cabinet and has also been responsible for progressing key elements of the City Deal; in particular, the development of an Assurance Framework (see Appendix C, Schedule 8) that will assess the programme of projects that will be taken forward by the City Deal partners, as well as the Cardiff Capital Region City Deal Implementation Plan (see Appendix C, Schedule 9), which outlines how the commitments of the City Deal Heads of Terms will be delivered.
25. In addition, external legal support was appointed to develop a Joint Working Agreement (see Appendix C) that will provide the legal framework for the establishment of a Joint Committee for the Cardiff Capital Region.

Growth and Competitiveness Commission

26. In accordance with the Heads of Terms - and reflecting broadly the approach taken by Greater Manchester to draw on academic and professional expertise to explore the case for city-region collaboration - an independent Growth and Competitiveness Commission was established under the chairmanship of Professor Greg Clark with a remit

to examine the challenges and opportunities for economic growth and competitiveness in the city-region, and to make recommendations on how the Cardiff Capital Region can achieve its full growth potential. The Commission produced a final report on the 16th December 2016, attached as Appendix B.

27. The Growth and Competitiveness Commission's core assertion is that: "The Cardiff Capital Region's potential to develop into a prosperous capital city-region for Wales, requires an integrated economic strategy."
28. The Growth and Competitiveness Commission report provides a number of key recommendations for the development of the city-region. In particular: *"The Cardiff Capital Region Cabinet should quickly establish itself as the primary strategic decision making body for the city-region and build a strong partnership with WG to ensure that Local and Welsh Government act in tandem, as the City Deal requires. This means that the CCR Cabinet should integrate appropriate strategic activities in Economic Development, Spatial Development, Transport, and Skills and Employment within a single framework of authority and reporting, and avoid fragmented initiatives."*

Cardiff Capital Region Employment and Skills Board

29. The Cardiff Capital Region committed to strengthening the existing Learning, Skills and Innovation Partnership, to be re-launched as the Cardiff Capital Region Skills and Employment Board. The Board will represent a wide range of stakeholders, including: business organisations; higher and further education; local authorities and the Welsh Government. It will be responsible for:
 - Cardiff Capital Region's skills and worklessness strategy;
 - Pooled local authority skills resources including any devolved Welsh Government budget;
 - Producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed;
 - Influencing and monitoring the delivery and impact of employment and skills programmes across the region;
 - Ensuring an industry-led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices;
 - Supporting the Welsh Government's "Curriculum for Wales, Curriculum for Life" plan, by encouraging closer alignment between future employer skills needs and education provision across the region; and
 - Ensuring European Union funding investments in skills and employment add value and align with other programmes.

Regional Transport Authority

30. The City Deal Heads of Terms also committed to establish a new non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. The Cardiff Capital Region Transport Authority will be responsible for:
- Pooled local transport resources;
 - Regional planning for the local transport network;
 - Working with Transport for Wales to ensure objectives for transport investment are aligned;
 - Exploring the creation of a single integrated ticketing platform for public transport across the Cardiff Capital Region;
 - Working in partnership with the Welsh Government to define the priorities of the South East Wales Metro concept and to support its delivery; and
 - Working in partnership with the Welsh Government to promote the development of integrated aviation routes from Cardiff Airport and St Athan Enterprise Zone, to deliver economic benefit.
31. A shadow Regional Transport Authority involving relevant Cabinet portfolio holders has met to initiate work to establish formal arrangements once the Joint Working Agreement is approved.

Regional Economic Growth Partnership

32. The Heads of Terms included a commitment for local government to initiate the establishment of a Cardiff Capital Regional Economic Growth Partnership – in effect, a multi-agency advisory board to shape the development of the wider city-region economic development agenda. The remit of the partnership has been agreed to include: recommending a regional economic vision to the Cardiff Capital Region Cabinet; providing recommendations relating to City Deal Investment Fund decisions; and providing a broader advocacy role for the Cardiff Capital Region. The overall membership will cover local government, business and employee bodies, higher education and skills, community development, the third sector and social enterprise.
33. An independent person will be appointed in early 2017 to lead the process of formation of the Regional Economic Growth Partnership and the appointment of an independent Chair. Again, this broadly reflects the approach taken by city-region partnerships across the UK to ensure wider public, private and voluntary sector buy-in to city-region governance and strategy.

Regional Business Organisation

34. Finally, in terms of Heads of Terms commitments, the development of a Regional Business Organisation consisting of key business stakeholder

groups across the city-region was viewed by all signatories to the deal as an important step towards effective city-region governance. The creation of a single voice for business in the city-region will serve to strengthen the ability of businesses to design and deliver economic development and regeneration activities across the region, and influence the implementation of city deal projects and initiatives.

35. A joint Confederation of British Industry, Federation of Small Businesses, Institute of Directors and South Wales Chamber of Commerce statement outlined the underlying principles for the Business Organisation. The final structure is being designed by the Cardiff Capital Region business community with the launch anticipated in the spring of 2017.

The Next Phase of City Deal Decisions

36. On the basis of recent progress, councils across the region are now being asked to consider several matters which relate to the governance and financial principles on which the City Deal will rest. Crucial to the deal is the establishment of a Joint Committee of the ten local authority leaders: the principles of the financial commitment local authorities are being requested to make need to be understood; the process by which investment proposals are assessed needs to be in place; and, an Accountable Body to oversee the administration of the City Deal needs to be appointed. In summary, there are key issues of governance, financial commitment, project assessment and administration that now need to be considered.
37. Three key documents have been produced to provide more certainty relating to these issues. These documents are the Joint Working Agreement; the Assurance Framework; and the Implementation Plan. These documents need to be considered, along with the Heads of Terms, as the “foundation” documents of the City Deal. In addition a Joint Working Agreement Business Plan will be developed outlining an indicative investment programme against the key programme themes and agreed strategic projects. This document is required for local authorities to understand the detail of their financial commitment. The Business Plan has yet to be prepared and, therefore, approval of this key document is held back as a ‘reserved matter’ in the Joint Working Agreement for future consideration by all councils.

Financial Principles

38. Participating in the City Deal requires a major financial commitment covering the local government capital contribution, the cost of servicing debt used to finance projects in advance of receiving UK Government funding, and the cost of administering the Joint Committee arrangements.
39. In the absence of a programme of projects it is not possible to provide complete detail in terms of the financial implications for Cardiff. However, an indicative model of expenditure has been developed based on the profile of spend from other city-regions in the UK. This model suggests

that for the ten local authorities of the city-region the lifetime cost of the City Deal would be £210.8m. This represents a reduction of £63.8m (23.2%) against the position reported in March 2016 and would unlock funding of £375m, equating to leveraging in £1.78 of additional funds for every £1 contributed. It should be noted that this is an indicative funding profile based on a series of different assumptions, such as interest rates and an assumed spend profile that will be subject to change.

40. It is agreed that the local authority contribution will be shared between local authorities based on a population basis. A model has been developed using 2015 ONS population data which will be used as the baseline for sharing costs moving forward. This baseline position will continue throughout the duration of the payback period.

Table 1: 2015 Mid-Year Population Estimates

Councils	Proportion of Contribution
Blaenau Gwent	4.6%
Bridgend	9.4%
Caerphilly	12.0%
Cardiff	23.7%
Merthyr Tydfil	3.9%
Monmouthshire	6.1%
Newport	9.8%
Rhondda Cynon Taff	15.8%
Torfaen	6.1%
Vale of Glamorgan	8.5%

41. Members were previously advised that the costs of the City Deal could be structured to reflect population and/or projects “on-patch”. In the absence of project proposals, the Joint Working Agreement reflects agreement among local authorities that the most transparent, equitable and simple way to share costs is on a pro-rata, population-based formula.
42. Calculated on this basis, Cardiff would be required to make a financial commitment over the long term of circa £50m - a reduction of £14.7m against the position reported in March 2016. Using the same model the estimated total cumulative costs for the first five years would be £2.5m, with costs peaking in year 11 at £3.2m for that year. These costs remain indicative and will be subject to change pending the agreement of a programme which will firm up the actual profile of spend, as well as other assumptions relating to the financial modelling.
43. It is also important to note that the UK Government aspect of the Investment Fund is dependent on five-year Gateway Reviews. The Reviews are intended to ensure that money is being spent correctly, and ultimately is delivering the key objectives of the City Deal. The Gateway Review process is, however, still in development for all City Deals, and hence there is an element of uncertainty regarding the process. It is therefore important that decisions made with regard to the Investment Fund are cognisant of the risks associated with under-delivery.

44. The lack of a programme at this stage also highlights the need for local authorities to clearly understand the profile of their financial commitments and project proposals. It is proposed that individual local authorities will need to agree the region's indicative programme for investment as part of approving the Business Plan. This "reserved matter" will be subject to approval by the Council in due course prior to drawing down the wider Investment Fund.

Joint Working Agreement

45. The Joint Working Agreement, which is attached to this report as Appendix C, has been developed as the legal framework for establishing a Joint Committee. Legal Advisors were commissioned as an independent body to produce the relevant agreement documentation. The Joint Working Agreement is in essence the agreement that will establish the governance arrangements determining the roles and responsibilities for a Joint Committee that rests on the powers and responsibilities of a Joint Committee.
46. From a local government perspective, this is a model that is considered an effective, tried and tested way of formalising governance arrangements at the pan-local authority level. The Council is already involved in similar arrangements (such as Prosiect Gwyrdd and Shared Regulatory Services), and this approach is also replicated in the Glasgow and Clyde Valley City Deal.
47. Overall the Joint Working Agreement establishes the following principles:
- The establishment of a Joint Cabinet of the ten Cardiff Capital Region local authorities;
 - The areas of delegation for the Joint Committee (which focus on the management of the City Deal fund and project approval);
 - The establishment of City of Cardiff Council as the Accountable Body;
 - Financial principles for the Joint Committee;
 - The matters reserved to individual Councils; and
 - The means by which decisions relating to the programme of investment (linked with the Assurance Framework) are agreed.
48. The Joint Working Agreement confirms that the Joint Committee would be formed by the ten local authority representatives of the Cardiff Capital Region. The Joint Committee would work on a one member one vote basis, and decisions would be made by simple majority reflecting the position in other city-region arrangements. It is intended, however, that decisions would be sought on a consensus basis before any proposal is taken to the vote. It is also proposed that meetings would require a quorum of seven.
49. The Joint Working Agreement also establishes that the Joint Committee will establish as sub-committees, as soon as reasonably practicable, the

Regional Transport Authority and the Cardiff Capital Region Region Skills and Employment Board.

50. There are also “conditions subsequent” which would need to be met in order for the Joint Working Agreement to become operational. These include the requirement for all local authorities to sign up to the Joint Working Agreement, as well as some technical financial issues relating to the passporting of funding from the Welsh Government to the Accountable Body.
51. In approving the Joint Working Agreement it needs to be clearly understood that the Council would be delegating responsibility for overseeing the implementation of the City Deal to the Joint Committee, with only the ‘reserved matters’ being brought back to the Council for approval. The key reserved matters are the approval of the Joint Working Agreement Business Plan and any expenditure in excess of the Affordability Envelope. The Joint Committee will be required to report progress to constituent councils and it is intended this will be on an annual basis. Further, it is intended that a joint scrutiny panel will be established at a regional level to provide additional accountability with representation from each individual council. Individual councils’ scrutiny committees would also remain a vital source of advice and challenge relating to their council’s participation in the process
52. Importantly, the Agreement commits councils to participation in the Joint Committee for a minimum of five years or, if later, the completion of the first five year Gateway Review – this is the “lock-in” period. "Lock-in" provisions also feature in other collaborations involving the Council, including the Shared Regulatory Service. For the sake of completeness only, it should be appreciated that if the Council sought to withdraw from the joint working arrangement during the lock-in period it would be in breach of the provisions of the Joint Working Agreement, unless a negotiated arrangement could be reached with the other councils. Entering the agreement creates a legitimate expectation that the Council will remain a party to the City Deal arrangements for at least the lock in period.
53. Following the lock in period, councils may withdraw from the Agreement at any time - in accordance with the defined withdrawal provisions - but this would be subject to liabilities determined by, among other matters, the extent of financial commitments made.
54. If the reserved matter relating to the Joint Working Agreement Business Plan is not approved, then the Council would still be locked into the Joint Committee for the lock in period. This would serve to constrain the Committee since it would not have an agreed plan against which to deliver the City Deal investment programme. In practice it is intended that all parties will be actively involved in the preparation of the Joint Working Agreement Business Plan and that this will be agreed by all councils.
55. The Joint Working Agreement also authorises the Joint Committee to have discretion over £50 million of HM Treasury funding ahead of the

agreement by the councils of the Joint Working Agreement Business Plan. This is equivalent to the first 5 years of HM Treasury funding or 10% of the total Investment Fund. Any projects covered by this funding will still be subject to the Assurance Framework and all associated evaluation. In the event that a council does not agree the Joint Working Agreement Business Plan it would still be liable for any spend committed under these arrangements. Accordingly, approval of the Joint Working Agreement will incur a level of liability related to the amount of expenditure committed for Councils in advance of the agreement by the councils of the Joint Working Agreement Business Plan.

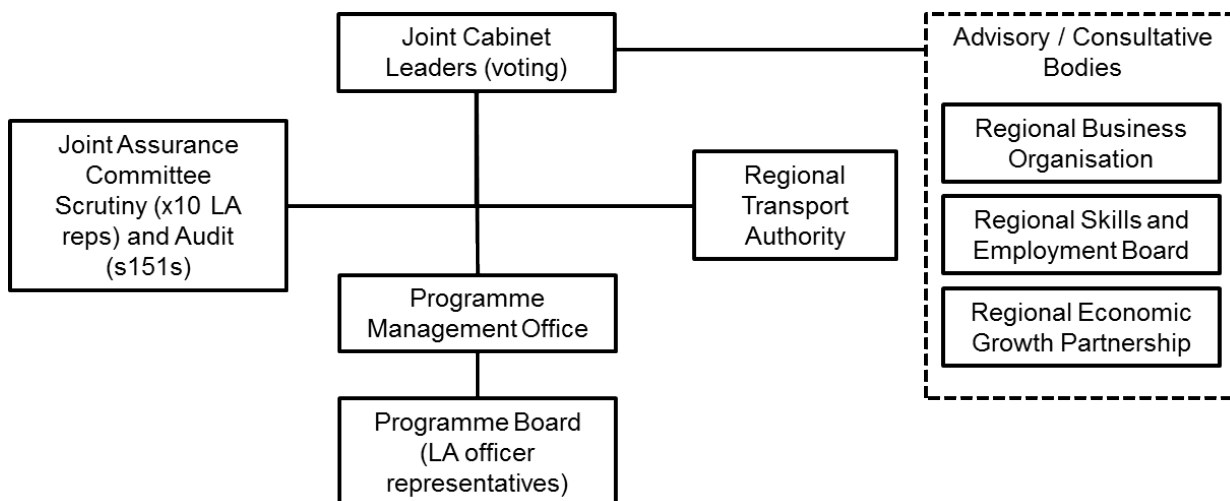
Accountable Body

56. The Joint Working Agreement outlines the administrative arrangements that will be put in place, including the establishment of an Accountable Body. The Accountable Body will administer the City Deal and will hold the funds from UK Government, local government and other sources. The Accountable Body will also be responsible for ensuring financial and legal compliance.
57. It is proposed that the City of Cardiff Council should become the Accountable Body of the City Deal.
58. As outlined in the Joint Working Agreement, the Accountable Body will be required to:
 - Act diligently and in good faith in all its dealings with the other councils and it shall use its reasonable endeavours to discharge the councils' obligations in relation to the City Deal pursuant to and in accordance with the Agreement and all applicable legislation;
 - Act as the primary interface (on behalf of itself and the other councils) with the Welsh Government, the UK Government and the European Regional Development Fund and any other body necessary to discharge the councils' obligations in relation to the City Deal; and
 - Act as the Accountable Body to hold any funds received directly from the Welsh Government, the UK Government, the Regional Development Fund, the councils and/or any other sources in relation to the City Deal and only to use and release such funds as agreed in accordance with the terms of such funding and this Agreement.
59. It should be noted that acting as the Accountable Body does mean that there will be additional responsibilities associated with the City of Cardiff Council's participation in the City Deal.
60. Resources to cover the costs of the Accountable Body role will be allocated on a population basis among constituent local authorities. It is intended that local authorities would commit funds in addition to the capital contribution and cost of borrowing.
61. In taking on the role of Accountable Body, Cardiff Council's Contract Standing Orders and Procurement Rules, Financial Procedure Rules and all other Policies and Procedures will be adopted by the Joint Committee.

Assurance Framework

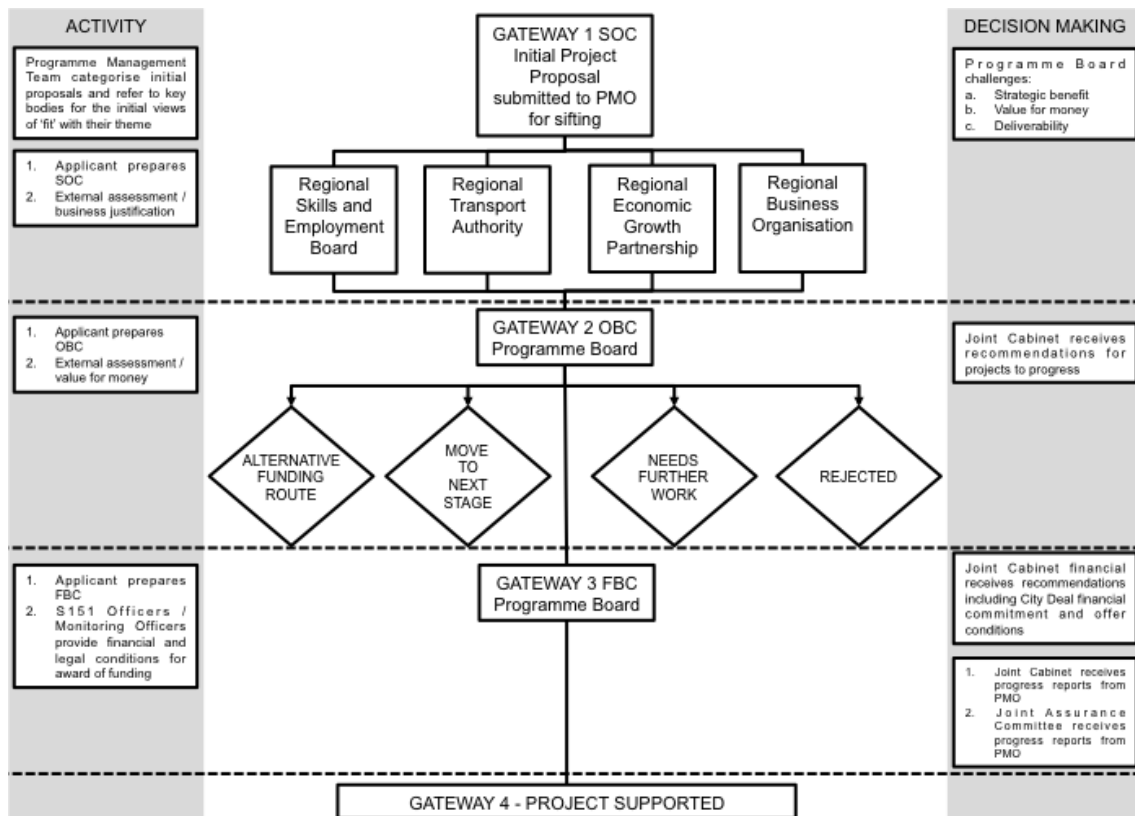
62. The Assurance Framework – attached in Appendix C, Schedule 8, – applies to the £495 million Cardiff Capital Region City Deal Investment Fund and is the document that outlines the set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of the Investment Fund.

Assurance Framework Governance and Resource Structure



63. The Assurance Framework should also be considered in tandem with the Joint Working Agreement in as much as both documents outline decision making processes relating to the City Deal. The diagram above outlines the governance and reporting structure of the Assurance Framework in relation to the development and approval of a programme and projects.
64. Adherence to the processes detailed in the Assurance Framework will ensure that funding and resources will be applied appropriately to deliver stated outcomes.
65. The Assurance Framework commits to the development of a Regional Economic Strategy, a Regional Impact Assessment Tool and a Prospectus for Growth and Prosperity in order to determine eligible projects for consideration.
66. The Assurance Framework will apply to any:
- Additional devolved funding provided to the Cardiff Capital Region;
 - Additional borrowing by the constituent authorities provided to the Cardiff Capital Region; and
 - Use of devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement.

Cardiff Capital Region Assessment Process



67. The Assurance Framework outlines the process and decisions that are required for approval of the programme and overall projects, which includes the appraisal criteria for projects. This process requires projects to be submitted to the Programme Management Office for initial consideration to ensure that the proposal is in line with City Deal objectives. After initial assessment the proposal will be shared with appropriate advisory groups and an external business case assessor for further review. Following this review the initial proposal will be submitted to a Programme Board (which comprises senior officials from each participating local authority) for approval prior to being presented to the Joint Committee. A more detailed outline of this process is included in the Assurance Framework and outlined in the flow diagram above.

68. The Assurance Framework makes clear that the ultimate decision for approval of projects will lie with the Joint Committee.

Implementation Plan

69. The Implementation Plan – attached in Appendix C, Schedule 9 - details the work to be undertaken over the next three to five years, setting out the key milestones and activities, against which the independent Gateway Review will assess performance of the City Deal activities at the first 5 year milestone.

70. The Implementation Plan outlines the approach that will be taken to delivering key elements of the City Deal Heads of Terms, covering the following areas:
- South East Wales Metro and Connecting the CCR
 - Additional Flexibilities
 - Investing in Innovation and the Digital Network
 - Developing a Skilled Workforce and Tackling Unemployment
 - Supporting Enterprise and Business Growth
 - Housing Development and Regeneration
 - Cardiff Capital Region Cabinet
 - Strategic Regional Planning
 - Cardiff Capital Region Economic Growth Partnership
 - Independent Growth and Competitiveness Commission
 - Delivery, Monitoring and Evaluation

Local Government Reform

71. The City Deal provides, through the Joint Committee, a framework for progressing the emerging local government reform agenda. A major statement on public service reform is anticipated in the near future and is likely to emphasise the importance of city-regions for delivering public services in the future.
72. As a result, the proposals outlined in this report are likely to chime with those of Welsh Government. The Welsh Local Government Association (WLGA) has made the following points: “New developments like the Capital Region City Deal are based on local councils coming together at the regional level. These developments have been locally led, are maturing quickly and have the potential to offer vast benefits to our local communities.”
73. The establishment of the Joint Committee will provide a governance vehicle to build further collaboration – subject to the approval of constituent councils - given that there is no legislation in place at present to establish vehicles similar to a Combined Authority in Wales.
74. The governance arrangements outlined in the Cardiff Capital Region City Deal, and those proposed in the other City Deals being developed in Wales, provide a platform for the delivery of key elements of the local government reform agenda, notably matters relating to spatial and place-based developments. In this context, work is underway to consider the development of streamlined strategic planning and transport arrangements for the city-region.

Future Generations and Wellbeing Act

75. The Future Generations and Wellbeing Act aims to make public bodies think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. The Act places a duty that the public bodies will be expected to carry out. The well-being duty states:

Each public body must carry out sustainable development. The action a public body takes in carrying out sustainable development must include:

- a) Setting and publishing objectives (“well-being objectives”) that are designed to maximise its contribution to achieving each of the well-being goals, and*
 - b) Taking all reasonable steps (in exercising its functions) to meet those objectives.*
76. Given the importance of the City Deal and the development of the Cardiff Capital Region Joint Committee to the city-region it is important that the Future Generations and Wellbeing Act is given due consideration in the development of any proposals. The Future Generations and Wellbeing Commissioner has outlined clearly expectations that the City Deal will need to be based on evidence of its contribution to the well-being ‘goals’ identified in the Act.
77. In considering this matter, Members should note that the strategic direction of the Capital Region City Deal reflects key tenets of the Act: in particular, the Investment Fund is based on principles of joined-up interventions, planned over the long-term to deliver sustainable improvements in the performance of the city-region economy. In addition, the development and implementation of the Metro is designed to represent a key contribution to increasing public transport use.

Next Steps

78. As outlined above, the implementation of the City Deal is dependent on putting in place fundamental governance arrangements. Following agreement by councils, the Joint Working Agreement, Assurance Framework and Implementation Plan will be submitted to the Welsh Government and the UK Government. It is anticipated that these will be approved by March 2017 in order to release the first phase of funding contribution from UK Government.
79. As outlined in Schedule 1 of the Joint Working Agreement, a number of matters will be reserved for consideration by councils at a later date. This will include the development of a more detailed financial profile and a Joint Working Agreement Business Plan outlining in more detail how the City Deal funding will be invested. It is intended that a further report is brought to Cabinet and Council later in 2017 to consider these matters further.

80. Further detail of the proposed arrangements for financial passporting will need to be established prior to the Joint Working Agreement coming into force. Further work is required to establish the Joint Committee, including the establishment of the Regional Economic Growth Partnership and the Regional Business Organisation. The Accountable Body will also need to be established with appropriate financial control, monitoring, legal and staffing arrangements put into place.

Reasons for Recommendations

81. To enable the formal establishment of the Cardiff Capital Region Joint Committee, which will oversee the region's economic growth agenda and delivery of the 20 year Cardiff Capital Region City Deal.
82. To approve the Joint Working Agreement, Assurance Framework, Implementation Plan and agree Cardiff's role as the Accountable Body to enable the establishment of the Cardiff Capital Region City Deal.

Financial Implications

83. The attached report provides an update on the work completed since the report to the Council on 24th March 2016. In addition, the report seeks the approval of key documents that will form the basis of how the City Deal will be governed (Joint Working Agreement), how the Investment Fund will be managed and approved (Assurance Framework) and the proposals for implementing the City Deal (Implementation Plan).
84. The ten local authority partners established a Memorandum of Understanding (MOU) during 2015 to enable them to progress work on the City Deal. The MOU set out a Partnership Contribution Budget required to fund the work needed based on an annual sum of £500,000. Whilst the final out-turn position against this budget will be reported to the Joint Committee in due course, Council should note that a significant underspend is projected at this time.
85. Recommendation (c) of this report seeks approval to utilise Cardiff's share of any underspend towards meeting its share of the Joint Committee costs of up to £1 million. In addition, the Council's proposed revenue budget for 2017/18 includes a budget of £150,000 which together with the underspend, should be sufficient to meet Cardiff's share of Joint Committee costs for that year. The 5 year Joint Committee Budget Plan will provide an indication of the likely level of contributions needed in future years. It will be matter for the Joint Committee to set its 'actual' budget each year.
86. The Joint Working Agreement appended to this report sets out the establishment of a Joint Committee. Furthermore, Recommendation (e) seeks approval for the City of Cardiff Council to undertake the role of 'Accountable Body', which is akin to the role of 'Host Authority' typically associated with Joint Committee arrangements. Whilst the Council is well rehearsed in the management of Joint Committees, additional complexities (and demand on resources) will arise from accepting this

role, primarily due to the fact that is the first City Deal in Wales, but also due to the involvement of nine other partnering councils, in addition to Cardiff.

87. Officers have been assessing the practical and resource implications of an Accountable Body since late autumn 2016 and have made an assessment of the various strands of work which need to be completed. This work is progressing in line with the work programme established and can be summarised into the following headings:
- Preparation of a 5 year Budget Plan covering Joint Committee costs and determining each local authority partner's indicative contribution over that period;
 - Formal establishment of the Programme Management Office (Regional Office) arrangements, including recruitment and selection of staff;
 - Consideration of detailed Accounting & Reporting arrangements for Joint Committee income and expenditure;
 - Understanding the operational and financial implications associated with setting-up the range of Regional Bodies referred to in this report as the detailed work for each is taken forward;
 - Consideration of wider implications for hosting the City Deal e.g. ICT arrangements, information management, committee clerking, insurances, support services, welsh language translation etc.
88. As outlined above, this is the first City Deal awarded to Wales and the operation of an Investment Fund totalling £495m on behalf of ten local authorities introduces a number of practical and accounting considerations. With this in mind project officers have commenced dialogue with senior officials from both Welsh Government and Wales Audit Office to work through the implications of a number of detailed accounting and reporting matters.
89. Schedule 4 of the Joint Working Agreement outlines 'Heads of Expenditure' envisaged in relation to Joint Committee costs, although this does not represent an exhaustive list. The Heads of Expenditure will need to be kept under review and updated from time to time as the roles and responsibilities of the Accountable Body 'bed down'. For example, Cardiff will need to be clear on the expectations in relation to resourcing the development of projects (and the associated documentation), which are agreed as part of the Joint Working Agreement Business Plan. Another area that will need to be clearly understood is how responsibilities for delivering the agreed list of projects will be determined etc. For these reasons the Joint Working Agreement contains the necessary provisions to share Accountable Body costs and liabilities 'back to back' with the other nine partnership councils.

90. Once approved, if the Joint Committee budget is exceeded by more than 5%, then the Joint Working Agreement outlines that any increase will need to be met from the Wider Investment Fund rather than falling on individual council budgets. Similarly, if the Joint Committee wishes to set a budget which is more than 5% greater than the previous year's budget, then any increase will also need to be met from the Wider Investment Fund.
91. The March 2016 Council report outlined details of the high-level affordability modelling work undertaken at that time to provide partnering councils with an indication of the overall cost and profile associated with delivering an Investment Fund totalling £495m. The costs consisted of (i) the interest costs arising from spending HM Treasury funding ahead of receipt, referred to as the 'Cost of Carry' and (ii) the Local Authority funding share of £120 million, plus any interest costs.
92. In addition, the report outlined that the indicative modelling was predicated on a range of assumptions and therefore subject to change as the City Deal is developed. In essence the assumptions can be categorised as (i) Partnership - those which Cardiff, along with the other nine partnering councils need to agree e.g. basis for allocating the costs amongst partners, whether the £120m is capital, revenue or a mix of each etc. (ii) External - those which are to some extent outside the direct control of the project e.g. funding terms and conditions, accounting treatment etc. and (iii) General - those which remain general and can only be determined at the time when the actual costs are incurred e.g. interest rates, inflation costs etc.
93. Officers have reviewed the assumptions it made for the March 2016 report and updated these to reflect the decisions taken by partnering authorities since that date. In addition, some 'external' and 'general' assumptions have also been revisited and amended to reflect accounting guidance (repayment term) and changes in general economy (interest rate). A summary of the revised affordability modelling is set-out in table 2 overleaf.

Table 2. – Cardiff Capital Region City Deal Investment Wider Fund Indicative Modelling and Proposed Affordability Envelope

CCRCD Investment Fund	HoTs March 2016	JWA Jan 2017	Change
UK Contribution	£375.0m	£375.0m	-
LA Contribution (Capital)	£120.0m	£120.0m	-
Repayment Term	20 years	25 years	+5 years
Interest Rate	5.0%	3.0%	- 2.0%
UK/WG 'Cost of Carry'*	£111.9m	£44.0m	- £67.9m
LA £120M Cost of Capital**	£162.8m	£166.8m	+£4.0m
Proposed 'Affordability Envelope'	£274.6m	£210.8m	-£63.8m
<u>CARDIFF ONLY Figures</u>			
Total @ 23.7%	£64.7m	£50.0m	£-14.7m
Years 1-5 (MTFP)	£4.5m	£2.5m	£-2.0m
Peak Debt (Year 11)	£5.7m	£3.2m	£-2.5m

*Cost of Carry refers to the interest costs associated with up-front borrowing of the UK Government funding ahead of receipt

**Cost of Capital refers to the Principle and interest cost associated with borrowing the capital contribution to be made by the local authorities

94. In summary, the revised modelling provides for a Total Affordability Envelope of £210.8m, and represents a reduction of £63.8m (23.2%) against the position reported in March 2016. Cardiff's share has reduced by £14.7m from £64.7m to £50.0m. The partnership has resolved that approval of the above modelling will represent the project's 'Affordability Envelope' i.e. the financial envelope in which the ten Local Authority partners will manage the cost of the Wider Investment Fund over its life.
95. As set-out in this report, approval of the Joint Working Agreement Business Plan is a Reserved Matter and will be brought back to the Cabinet and Full Council for final consideration and approval. Central to this will be the development of the proposed programme of investment that will be undertaken as part of the City Deal initiative. The Joint Working Agreement Business Plan will provide the Council with confirmation of its affordability exposure over the life of the City Deal i.e. whilst the overall financial envelope is being agreed now, any changes to Cardiff's annual profile will need be set-out in the Joint Working Agreement Business Plan along with the implications of any financial matters unresolved at this time.

96. Once the Reserved Matter is satisfied, a report will be brought back to Cabinet and Full Council to provide an update on the Joint Working Agreement Business Plan and deal with the budget framework issues that arise from its approval, as well as the impact on the Council's Treasury Management Strategy and performance indicators. The Local Authority (Capital Finance and Accounting) (Wales) Regulations 2003 and the Prudential Code for Capital Finance in Local Authorities put the principles of Prudence, Affordability and Sustainability at the centre of all decisions made in relation to capital expenditure. The reports setting the final approvals will need to ensure that these principles are fully satisfied over the full term of the Joint Working Agreement Business Plan.
97. Once the Joint Working Agreement is approved, councils will be 'locked-in' for a minimum period of five years. As with other Joint Committee's such as Prosiect Gwyrdd the Legal Implications set out that the cost of withdrawing are likely to be substantial and are effectively designed to keep councils locked in for the duration of the City Deal.
98. In addition to the above, Council should note that there are a number of 'Regional financial issues and risks' at this time i.e. they are matters that all ten local authority partners acknowledge and agree the importance of ensuring these are reported in a consistent way. These are summarised as follows:
- (i) *Discretionary Spend - The report outlines that, ahead of the Joint Working Agreement Business Plan being agreed, the Joint Committee is given the discretion to commit up to £50m of the HM Treasury funding, subject to funding Terms & Conditions. This 'discretionary spend' would be subject to the Assurance Framework processes and any commitments made would need to be incorporated into the Joint Working Agreement Business Plan once agreed. Council should note that in the event that a Business Plan cannot be agreed Cardiff may still be liable for its share of any commitment.*
 - (ii) *Affordability Modelling Assumptions - As set-out above, in arriving at the Total Affordability Envelope (Table 2.) the project has agreed a range of assumptions based on the position understood at this time. These assumptions will need to be reviewed and updated as the project progresses. In particular, as agreement is reached on 1. Partnership matters, 2. Resolution of External matters and 3. Through the General passage of time i.e. as the Joint Working Agreement Business Plan is agreed an individual project business cases come forward.*
 - (iii) *UK/Welsh Government 5 year Gateway reviews - It is understood that the continuation of HM Treasury's funding is subject to securing satisfactory 'Gateway Reviews' as part of the Investment Fund Assurance Framework adopted. Reviews are likely to be structured to occur at Years 5, 10 and 15. Therefore, funding from Year 6 onwards will be subject to the agreed performance objectives being achieved at each of the gateway stages.*

- (iv) *An Investment Fund structured on this basis introduces a level of uncertainty, as there will be a requirement to borrow in advance of receipt of UK Government grant and meet the associated interest costs. Therefore, in the event that the agreed performance targets are not fully achieved, there is a risk that UK Government funding may be reduced or even cease. Under these circumstances any reduction will represent a further cost to the City Deal in the event that there are committed projects that are reliant on the receiving the full level of future grant. Furthermore, this position assumes that there is no 'clawback' provision within the UK/Welsh Government Terms & Conditions, which is yet to be confirmed. In order to mitigate this risk, the projects selected will go through a detailed economic modelling assessment to inform the key discussions that will take place around performance measures. The final performance targets agreed will include a 'margin of safety', which will further reduce the risk of targets not being achieved.*
- (v) *The Investment Fund Assurance Framework has been developed by the project and will need to be approved by UK and Welsh Government. An independent panel is to be established to monitor compliance with the agreed framework and it is understood that a representative from the Cardiff Capital Region City Deal will be invited to key meetings as the work of that panel is developed.*
- (vi) *UK/Welsh Government Funding Terms & Conditions (T&Cs) - The project is yet to see a copy of the funding T&Cs, although a number of discussions have taken place with UK and Welsh Government officials on the key principles that will underpin any T&Cs. Therefore, the Joint Working Agreement contains a condition that its formal adoption is subject to the T&Cs being acceptable to the Accountable Body and the wider partnership.*
- (vii) *Resolution of Technical Accounting Matters - As outlined above there are a number of detailed technical accounting matters that remain unresolved at this time. These matters need to be resolved with the Wales Audit Office and be confirmed with the external auditors responsible for the audit of the ten partnership councils. These matters have arisen due to the way City Deal Investment Funds tend to typically operate i.e. grant expenditure being incurred ahead of receipt. The Glasgow & Clyde Valley City Deal also faced these challenges, and successfully resolved these matters with their auditors. In relation to those matters which could give rise to affordability implications, the approach adopted within the affordability modelling (outlined in table 2.) reflects the successful approach adopted by the Glasgow City Deal. However, it should be recognised that until such time as written agreement is in place with Wales Audit Office on these matters, these remains as key project risks, albeit that any changes that result in an increase to the Affordability Envelope is a matter reserved back to each council*

Legal Implications

99. Legal Powers - There are a number of legal powers available to the councils to facilitate the proposed collaboration and creation of the Joint Committee. These powers include Sections 101 and 102 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000, section 9 of the Local Government Wales Measure 2009 and Local Authorities (Goods and Services) Act 1970. These powers include the ability to delegate functions, the ability for two or more authorities to discharge any of their functions jointly, and where this occurs, to do so via a Joint Committee, and/ or by their officers and the ability to supply administrative professional and technical services.
100. Councils have the power to spend outside of their area, where there are benefits to their area from doing so.
101. To facilitate the delivery of the City Deal it is proposed that the 10 constituent Councils conclude a Joint Working Agreement which will serve to establish a Joint Committee to be known as the 'Cardiff Capital Region Joint Cabinet'. It is proposed that the councils will delegate their relevant Executive and Councils function relating to delivering the City Deal to the Joint Committee. These legal implications highlight the salient legal issues raised by the Joint Working Agreement, with the body of the report (paragraphs 45 to 55) setting out further detail on the proposed governance arrangements.
102. Of relevance are the following factors:
 - (i) Accountable Body - The Joint Committee has no separate legal identity and so cannot own property, accept grants or enter into contracts in its own right. It is proposed that one authority, namely Cardiff Council, will act as the 'Accountable Body'. As the Accountable Body, the Council will take responsibility for employment of the staff directly affected, enter any third party agreements required and provide all support services required by the Joint Committee. Of significance, the Council will act as the primary interface (on behalf of itself and the other councils) with the Welsh Government, the UK Government and the European Regional Development Fund (if applicable) and any other body necessary to discharge the Councils' obligations in relation to the City Deal. Further, as the Accountable Body, the Council will hold any funds received directly from the Welsh Government, the UK Government (if any), the European Regional Development Fund (if any), the Councils and/or any other sources in relation to the City Deal. Cardiff Council will have the primary obligation to ensure that the funding received is only used and released in accordance with the terms of the funding imposed by WG, which in turn are passed back to the other councils via the Joint Working Agreement.
 - (ii) Funding conditions - At the time of writing the report the terms that will attach to the City Deal funding are not definitively known. Accordingly the Joint Working Agreement contains a condition

(referred to as a condition subsequent) that approval of the terms of any Welsh Government funding conditions relating to the City Deal is a “Matter Reserved to the Joint Committee and Cardiff Council, as the Accountable body for approval”.

- (iii) The Joint Working Agreement sets the extent of the matters to be delegated to the Joint Committee. See schedule 2 of the Joint Working Agreement.
- (iv) The Joint Working Agreement sets out that each Authority would appoint 1 elected member to the Joint Committee. Decisions would be taken by simple majority vote and each authority would have one vote exercisable by their appointed elected member. It is proposed that the Chairperson would be one of the elected member representatives, appointed for 12 months, with the position of Chairperson allocated in turn to each authority. The Joint Working Agreement providing that the Chair would agree not to exercise their casting vote.
- (v) The Joint Working Agreement provides that Joint Committee would be supported by a Programme Board comprising one officer nominated from each authority. This board would not be a decision making body. The Board would be chaired by a Programme Director, who is given certain delegated powers (which are primarily intended to relate to day to day operational matters). See schedule 1. The Joint Committee will provide an annual report on progress which could be reported to the Council/Cabinet as appropriate.
- (vi) ‘Lock-in’ and exit provisions. It is important to note that the Joint Working Agreement contains ‘lock-in’ provisions. What this means in practice is that no council can withdraw from the Joint Working Agreement for a period of five years from the commencement date (Proposed to be 1st March 2017). Thereafter a party can withdraw but such withdrawal is likely to come at significant costs to the withdrawing authority. The reason for this is that, put simply, the withdrawing party has to make good to the other authorities in respect of any additional costs they would incur as a result of the withdrawal (in effect the monies the authority has agreed to contribute).
- (vii) The Joint Working Agreement contains what are referred to as reserved matters. These are matters which cannot be decided upon by the Joint Committee but which must be referred back to each council for approval. A key such matter is approval of the City Deal Joint Working Agreement Business Plan. If the reserved matter is not approved, then the Council would still be locked into the Joint Committee for the lock in period but in effect the Committee would be stymied in its actions because it would not have an agreed Joint Working Agreement Business Plan against which to deliver the City Deal investment programme. In practice it is intended that all parties will be actively involved in the preparation of the Joint Working Agreement Business Plan and that the same would not be presented

to councils for formal approval until all were content. It is however proposed that prior to approval of the reserved matter (The Joint Working Agreement Business Plan) that the Committee would be empowered to spend up to £50m on City Deal projects identified as having regional benefit and meeting the other requirements set in the Assurance Framework. It should be appreciated that even if the Council does not approve the Reserved matter (Joint Working Agreement Business Plan) that it will none the less be obliged to meet its part of any expenditure committed up to the sum of £50m.

(viii) The Joint Working Agreement at clause 12 sets out the totality of the Council's agreed financial contributions.

(ix) The Joint Working Agreement sets out how the costs associated with delivering the City Deal and running the Joint Committee are to be met, which will be shared on a per capita population basis as at 2015 figures.

(x) The Joint Working Agreement contains provision to address matters such as disputes, variations, data protection and freedom of information. As Accountable Body the Council's Senior Information Risk Owner (SIRO) will retain responsibility for all information security and information management policies regarding the upkeep and exchange of data.

103. Scrutiny Arrangements - There are a range of approaches to scrutiny of collaborative activities, which include scrutiny by existing Scrutiny Committees on a 'council by council' basis, joint meetings between Councils' Scrutiny Committees through to the establishment of new joint overview and a Scrutiny Committee. It is proposed that initially scrutiny will be undertaken by Councils' existing Scrutiny Committees but that the Councils will work together to create a new City Deal joint overview and Scrutiny Committee. It is anticipated that Scrutiny would be involved in monitoring the performance and governance of the City Deal on an ongoing basis; but it would be a matter for the Scrutiny Committee to determine what areas it wishes to scrutinise.

Equality Act 2010

104. In considering this matter the decision maker must have regard to the Council's duties under the Equality Act 2010. 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.

RECOMMENDATIONS

It is recommended that subject to the terms of the Joint Working Agreement the Cabinet and Council agree the following in so far as it applies to each of their functions:

- a) Approve the Joint Working Agreement (Appendix C) as the legal document that formally establishes the Cardiff Capital Region Joint Cabinet (the Regional Cabinet) as a Joint Committee, with delegated functions, with a Commencement Date of the 1st March 2017. The elected member representative to the Regional Cabinet shall be the Leader of the council, or his/her nominated Deputy.
- b) Approve, the financial contributions towards the collective £120m total, (together with such associated costs e.g. carry costs), as detailed in paragraph 94 of this report.
- c) Approve the carry forward of any remaining revenue funds from 16/17, contributed by each Council, into 17/18 in order that the support structure for the Joint Committee continues.
- d) Approve the collective revenue contributions of up to £1 million (inclusive of recommendation (c) above, on a proportionate basis as set out in the Joint Working Agreement) to the 17-18 budget, in order that the support structure for the Regional Cabinet continues.
- e) Approve that the City of Cardiff Council acting as the Accountable Body with the responsibilities as set out in the Joint Working Agreement.
- f) Approve the Assurance Framework as the open and transparent, robust decision making process for considering all proposals requiring support from the Cardiff Capital Region City Deal Wider Investment Fund.
- g) Approve the Implementation Plan in the form attached to the Joint Working Agreement, subject to each council approving the Joint Working Agreement Business Plan.
- h) That the Chief Executive in consultation with the Leader of the Council, the Monitoring Officer and s151 Officer be granted delegated authority to agree such amendments as are necessary to the Joint Working Agreement, Assurance Framework and Implementation Plan (as are appropriate) from the date of acceptance of these recommendations to the Commencement Date of the 1st March.
- i) That the Chief Executive in consultation with the Leader of the Council, the Monitoring Officer and s151 Officer be granted delegated authority to decide whether the Council should continue to explore the opportunity in the CCR City Deal in the event that one or more of the 10 Constituent Councils fail to agree any of recommendations (a) to (g) above.
- j) That the Leader of the Council or his/her nominated Deputy be granted delegated authority to sign the Joint Working Agreement on behalf of the Council.

PAUL ORDERS

Chief Executive
19 January 2017

The following appendices are attached:

Appendix A: Heads of Terms

Appendix B: Growth and Competitiveness Commission Report

Appendix C: Joint Working Agreement