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

Purpose of Report

1. This report provides Members with an update on meetings of the Cardiff Capital Region City Deal (CCRCD) Cabinet and the CCRCD Joint Overview & Scrutiny Committee (JOSC).
2. The previous Committee Members received updates and hyperlinks to meeting papers and minutes for previous meetings, with the last update provided at Committee in January 2022.

Background – City Deal

3. A City Deal is an agreement between government and a city/ city region. They give new freedoms, powers, and tools to help cities and regions go for growth. On 15 March 2016, the ten leaders of the local authorities in the Cardiff Capital Region¹, Secretary of State for Wales, Chief Secretary to the Treasury, and Welsh First Minister met to sign the City Deal document. This included:
 - Cardiff Capital Region Investment Fund – *approximately £1.2 billion over 20 years*
 - Connecting the Cardiff Capital Region
 - Investing in Innovation and the Digital Network
 - Developing a Skilled Workforce and Tackling Unemployment
 - Supporting Enterprise and Business Growth

¹ The Cardiff Capital Region's ten local authorities are Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen, and Vale of Glamorgan

- Housing Development and Regeneration
 - Cardiff Capital Region Governance.
4. The **high-level aims** of the CCR City Deal are to create 25,000 jobs and lever in £4bn private sector investment, enabling economic change, improved digital and physical connectivity, improved skills and educational opportunities and regeneration across the region. The aim is to use the City Deal to act as a catalyst to drive positive change in the region.
 5. The **Joint Working Agreement** provides the legal framework for the City Deal, establishing the governance arrangements and outlining the roles and responsibilities of the Regional Cabinet², as well as the relationship with other regional bodies and organisations. It also includes the principles for financial contributions by local authorities.
 6. The Cardiff Capital Region Investment Fund provides £1.2 billion, of which £734m is allocated to the Metro programme. The remaining balance of £495m is known as the '**Wider Investment Fund**'. This is made up of:
 - a. £375m grant from UK Government (HM Treasury) paid over 20 years, with £50m in years 1-5; and
 - b. £120m local authority partnership capital contribution – the value of each local authority's contribution determined by their percentage population; Cardiff Council's contribution is £50m.
 7. The CCRCD has its own website at:
[Cardiff Capital Region - Re-energising our Region, Reshaping our Future](#)
 8. This website contains useful background information on the role of CCRCD, the team supporting CCRCD, its priority sectors, as well as the following:
 - i. Research to inform CCRCD
[Research & Policy Papers - Cardiff Capital Region](#)
 - ii. Business Plans and Annual Reviews
[Key Documents - Cardiff Capital Region](#)

² The Regional Cabinet consists of the Leaders and Chief Executives of the Cardiff Capital Region's ten local authorities.

- iii. Quarterly reviews of CCRCD publications
[Newsletters & Publications - Cardiff Capital Region](#)
 - iv. Updates on projects
[Project Hub - Cardiff Capital Region](#)
 - v. Updates on investments
[Investment Hub - Cardiff Capital Region](#)
 - vi. News & Events
[News & Events - Cardiff Capital Region](#)
9. The website also provides details on the governance of the CCRCD, including links to:
- i. Regional Cabinet meetings
 - ii. Joint Scrutiny Committee
 - iii. South East Wales Corporate Joint Committee
 - iv. Regional Transport Authority
 - v. CSWC Foundry Board
- [Governing Bodies - Cardiff Capital Region](#)
10. In January 2021, the formal Gateway Review process commenced. Gateway Reviews are a critical step required by U.K. Government, focused on ensuring fit for purpose governance and delivery, in order to qualify for release of future tranches of funding. In May 2021, CCRCD received confirmation from U.K. Government that it had successfully passed the Gateway Review; the letter is included in the report to Regional Cabinet on 24 May 2021, available here: [item-7-gateway-review.pdf \(cardiffcapitalregion.wales\)](#)

Background - JOSOC

11. The CCRCD Joint Overview and Scrutiny Committee (JOSOC) was established in 2018, via reports agreed at all ten local authority council meetings; in Cardiff, this council meeting was held on 21 June 2018. The JOSOC consisted of one non-executive Member from each of the ten local authorities, with a deputy who was only entitled to speak and vote at meetings of the JOSOC in the absence of the principal representative.

12. The first meeting of the JOSC was held on 15 October 2018 and it has met every few months since then until the local elections in May 2022, including remotely during the covid pandemic lockdown. Initially, the JOSC was supported by Bridgend Council Scrutiny Services; it is currently supported by Rhondda Cynon Taf Scrutiny Services. The CCRCDD had an initial budget line of £69,000 allocated for scrutiny.

13. During their meetings, Members of the JOSC have requested several changes to practice to improve their scrutiny, including:
 - i. Pre-meetings to be held to enable JOSC Members to consider lines of enquiry
 - ii. Executive Summaries to be included in all reports
 - iii. To revisit the Terms of Reference of the JOSC – via a facilitated workshop - to ensure they are relevant and allow sufficient scrutiny of the CCRCDD
 - iv. That Regional Cabinet Members attend if Regional Cabinet items are being considered, so that they can be held to account
 - v. That the resources allocated for JOSC be reconsidered, via a workshop focused on how to deliver effective, outcome-focused scrutiny.

14. At the JOSC meeting 11 September 2020, Members decided to hold another workshop to discuss further the governance arrangements of the JOSC, including terms of reference and quorum arrangements. This workshop was held in November 2020 and changes were agreed at their December 2020 meeting, including:
 - i. Reviewing the Committee's Terms of Reference
 - ii. Reducing the quorum from seven members to six members
 - iii. Including Deputy Members in the quorum, if the substantive member is absent, and enabling them to take forward the voting rights at Committee if the substantive Member is absent.

15. More details and papers for meetings since 2020 can be found here:
[Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee | Rhondda Cynon Taf County Borough Council \(rctcbc.gov.uk\)](https://www.rctcbc.gov.uk/capital-region-city-deal-joint-overview-and-scrutiny-committee)

CCRCD Cabinet

16. The CCRCD Cabinet has met several times since January 2022. The agenda and papers for these meetings are available here, with a list of items considered at each meeting shown below:

[Browse meetings - Regional Cabinet - Modern Council \(modern.gov.co.uk\)](#)

31 January 2022

- Joint Working Agreement – Annual Business Plan 2022/23 and CCR's Vision, Mission, Values and Goals
- 2022/23 Joint Committee Revenue Budget
- media.cymru Full Business Case – Strength in Places Funding Award
- Report of the Investment Panel

21 February 2022

- Acquisition and remediation of the former Aberthaw Power Station – Final Full Business Case

14 March 2022

- 2021/22 Month 10 Joint Committee Revenue Budget Monitoring Report
- 2021/22 Annual Business Plan – Quarter 3 Performance Report
- Seeding a Northern Valleys Fund
- Local Authority Transport Levelling-Up Fund Bids
- Full Business Case for the Cyber Innovation Hub
- Full Business Case for Master's degree in Cyber Security and Technology
- Full Business Case for FinTech Wales
- Report of the Investment Panel

27 June 2022

- Annual General Meeting (AGM)
 - o Appointment of Chair and Vice Chair
 - o Updated Regional Cabinet Portfolios, Forward Planner and Key Milestones 2022/23
- 2021/22 Draft Statement of Accounts and Draft Annual Governance Statement
- 2021/22 Joint Committee Revenue Budget Final Outturn Position
- Annual Audit Plan 2021/22
- 2021/22 Annual Business Plan – Quarter 4 Performance Report

- Administration of CCR Project Payments to Cardiff Council
- CCR Headquarters and Registered Office
- Report of the Investment Panel
- Case for Loan to Human Data Science

25 July 2022

- Metro Plus and Ultra Low Emissions Vehicles Update
- Homes for All the Region – Housing Viability Gap Fund Update
- Governance Framework
- CSC Foundry Limited – Annual Business Plan and Annual Update Report
- Report of the Investment Panel
- Full Business Case for Equity Investment in Biotech Company
- Approval of Supplier and Interim Funding for CCR Innovation Investment Fund
- Full Business Case for Equity Investment and Loan for an Additive Manufacturing Company

26 September 2022

- 2022/23 Month 5 Joint Committee Revenue Budget Monitoring Position
- 2022/23 Annual Business Plan – Quarter 1 Performance Report
- Metro Central Update and Co-Operation Agreement
- Homes for All the Region – Housing Viability Gap Fund Update
- Report of the Investment Panel
- Approval of the CCR Innovation Investment Fund Strategy and Full Business Case
- Full Business Case for Equity Investment in Fintech Company

17. The next meeting of the CCRCDC Cabinet is scheduled for 28 November 2022.

Joint Overview & Scrutiny Committee (JOSC)

18. The JOSC met remotely on 27 October 2022. The agenda and papers for this meeting are available here:

[Agenda for Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee on Thursday, 27th October, 2022, 10.00 am - Rhondda Cynon Taf County Borough Council \(moderngov.co.uk\)](#)

19. The JOSOC considered the following items:
- a. Proposed work programme 2022-23 – attached at **Appendix A**
 - b. Introduction and Overview of Cardiff Capital Region City Deal – attached at **Appendix B**.
20. The next meeting of the JOSOC is still to be scheduled. It is also proposed that there will be a site visit to the former power station at Aberthaw.

Previous Scrutiny

21. The previous Economy and Culture Scrutiny Committee received regular updates prior to and during the establishment of the City Deal. At these meetings, Members raised the following points:
- i. The Committee did not wish to see the full allocation of City Deal finance being used to fund the Metro.
 - ii. Members stressed the importance of aligning Local Development Plans across the local authorities signed up to the City Deal.
 - iii. Members noted that Cardiff will be required to pay an estimated £65m toward the City Deal over a 20-year period – a figure lower than was originally anticipated.
 - iv. Members considered it imperative that the City Deal Agreement be underpinned by robust governance arrangements and were mindful that developments may be required in terms of a joint or collaborative approach to scrutiny across all the local authorities involved.
 - v. Members noted that, as part of the City Deal, the ten local authorities requested greater financial autonomy and flexibility, including exploring the devolution of business rate income above an agreed growth level.
 - vi. Members agreed that the Joint Working Agreement should be in place before each local authority committed substantial amounts of money. The Committee felt it was imperative that the Assurance Framework be agreed, alongside the Joint Working Agreement, prior to any commitment to projects or allocation of finances.
 - vii. Members were pleased to be informed that the existence of a Joint Scrutiny Committee will not limit the ability of other Scrutiny Committees to consider

projects and proposals affecting residents of Cardiff that fall under their respective terms of reference.

- viii. Members noted the potential for Cardiff to become a worldwide centre of excellence for Compound Semiconductor Components, noting that IQE are a global leader in this field with its headquarters in Cardiff.

22. The following responses were received to these points:

Leader on 18 February 2016:

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

Leader on 31 May 2016:

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

Leader on 25 January 2017

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

‘In terms of the issue of regional Scrutiny, I will also ensure that the more detailed discussions in how this is established will involve the relevant Scrutiny Chairs in Cardiff. I believe that this is a very important function for the Joint

Cabinet, and will help in the development of the new governance arrangements for the city region.'

23. The previous Economy and Culture Scrutiny Committee received regular updates on the work of the Regional Cabinet and the Joint Overview and Scrutiny Committee (JOSC).

Way Forward

24. During their meeting, Members will have the opportunity to note the update provided re the CCRCDC Cabinet and Joint Overview and Scrutiny Committee.

Legal Implications

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

Financial Implications

26. The Scrutiny Committee is empowered to enquire, consider, review, and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However,

financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

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

Davina Fiore

Director - Governance and Legal Services

10 November 2022