

# Agenda



## Newport City Council

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Date: Tuesday, 27 March 2018  
Time: 5.00 pm  
Venue: Council Chambers - Civic Centre  
To: **All Members of the City Council**

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<b>Item</b>	<b>Wards Affected</b>
1. <u>Agenda yn Gymraeg</u> (Pages 3 - 4)	
2. <u>Preliminaries</u> <ul style="list-style-type: none"><li>i. To receive any apologies for absence.</li><li>ii. To receive any declarations of interest.</li></ul>	
3. <u>Cardiff Capital Region City Deal - Joint Working Agreement Business Plan</u> (Pages 5 - 74)	All Wards

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# Agenda



## Cyngor Dinas Casnewydd

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Dyddiad: 27 Mawrth 2018

Amser: 5 y.p.

Lleoliad: Siambrau'r Cyngor - Canolfan Ddinesig

At sylw: **Pob Aelod o'r Cyngor Dinas**

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### **HYSBYSIAD GWE-DDARLLEDU**

Gall y cyfarfod hwn gael ei ffilmio ar gyfer darllediad byw neu ddarllediad wedi hynny trwy wefan y Cyngor.

Ar ddechrau'r cyfarfod, bydd y Maer, Cadeirydd neu'r Person sy'n Llywyddu yn cadarnhau os yw cyfan neu ran o'r cyfarfod yn cael ei ffilmio. Efallai y bydd y delweddau a recordiad sain yn cael eu defnyddio hefyd at ddibenion hyfforddiant o fewn y Cyngor.

Yn gyffredinol, nid yw'r ardaloedd eistedd cyhoeddus yn cael eu ffilmio. Fodd bynnag, wrth fynd i mewn i'r ystafell gyfarfod a defnyddio'r ardal seddau cyhoeddus, rydych yn rhoi caniatâd i chi gael eich ffilmio a defnydd posibl o rhai delweddau a recordiadau sain ar gyfer gwe-ddarlledu a/neu ddibenion hyfforddiant.

Os oes gennych unrhyw ymholiadau ynghylch hyn, cysylltwch â Phrif Swyddog Gwasanaethau Democraidd.

### **Eitem**

1. **Agenda Cymraeg**
2. **Rhagarweiniau**
  - i) **Ymddiheuriadau am absenoldeb**
  - ii) **Datganiadau o fuddiant personol**
3. **Rhanbarth Cyfalaf Caerdydd Bargaen y Ddinas - Cynllun Busnes Cytundeb Gwaith ar y Cyd**

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# Report

## Council

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### Part 1

Date: 27 March 2018

### **Subject Cardiff Capital Region City Deal – Joint Working Agreement Business Plan**

**Purpose** For Council to consider the draft Joint Working Agreement Business Plan (JWA Business Plan) attached which is recommended to you by the Cardiff Capital Region Cabinet; and if content, agree and adopt it as the formal JWA Business Plan.

**Author** Chief Executive

**Ward** ALL

**Summary** The Cardiff Capital Region City Deal (CCRCD) is a partnership that brings together the 10 authorities across South East Wales: Bridgend, Rhondda Cynon Taff, Merthyr Tydfil, Vale of Glamorgan, Cardiff, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire and Newport, along with Welsh and UK Governments to work together to improve economic outcomes for the SE Wales region. The Heads of Terms document signed in March 2016 outlines the agreement to create an investment fund of £1.229bn over a 20 year period to be spent on a variety of projects ranging from the development of the SE Wales Metro to creating a more focused approach to skills development.

On March 1<sup>st</sup> 2017 the CCRCD Regional Cabinet was established, bringing together the Leaders of the 10 councils, creating the main decision making forum for the city deal. The main task over the last 12 months has been the development of the Joint Working Agreement (JWA) business plan. The final document was considered and agreed by the Regional Cabinet on 23<sup>rd</sup> February 2018.

The roles and responsibilities of the Regional Cabinet relate specifically and exclusively to the City Deal – enabling the joint development and implementation of a programme for investment linked to the City Deal's Wider Investment Fund of £445m. However the Regional Cabinet's powers were also confined to the first £50m funding from HM Treasury (HMT) until a "reserved matter" – approval of the JWA Business plan – was discharged by individual councils.

This report presents the business plan to Council for agreement. A similar report is being considered by the other 9 authorities across SE Wales and for the city deal to progress to full implementation, unanimous agreement from all 10 authorities is required.

The main issues considered in this report are as follows:

- Outline of the priorities for investment over the 20 year life of the city deal
- Progress to date
- Financial implications for the council
- Recommendation to agree the JWA Business Plan.

**Proposal** Council is asked to approve the JWA Business Plan attached as Appendix A which commits Newport City Council to the obligations of the Cardiff Capital Region City Deal.

**Action by** Council Leader and Chief Executive

**Timetable** Immediate and on-going.

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Head of Finance
- Head of Law and Regulation

**Signed**

## Background

The **JOINT WORKING AGREEMENT (JWA)**, in relation to the delivery of the Cardiff Capital Region City Deal, was signed and the Regional Cabinet established on March 1<sup>st</sup>, 2017.

The JWA requires the constituent Councils to take a subsequent decision, as a “Matter Reserved to The Councils”, on the approval and adoption of the draft JWA Business Plan.

The JWA requires the Regional Cabinet to:

*“..... no later than twelve (12) months after the Commencement Date, prepare (or procure the preparation of), finalise (acting in the best interests of the Joint Committee) and recommend for agreement and adoption by the Councils the draft JWA Business Plan which shall comply with the provisions of Clause 7.1.4 below. The intention is to create an overarching five (5) year JWA Business Plan that, amongst other matters, shall set out the Councils objectives and priorities for the delivery of the City Deal that is updated annually.”*

Clause 7.1.4 of the JWA providing that:

*The JWA Business Plan shall, amongst other matters, address the following:*

- a) the updated Affordability Envelope; (see section 9 of the JWA Business Plan)*
- b) the methodology for agreeing the nature, scope and prioritisation of projects to be developed for the overall benefit of the Cardiff Capital Region (in accordance with the terms of the Implementation Plan); (see section 3 of the JWA Business Plan)*
- c) the methodology and responsibility for any external audits in relation to this Agreement; (see section 9 of the JWA Business Plan)*
- d) the methodology and responsibility of any performance monitoring along with any performance indicators to enable the Joint Committee to measure progress against the JWA Business Plan (see section 3 of the JWA Business Plan); and*
- e) any revenue and capital monitoring reports to be prepared for the Joint Committee and the frequency of such reports. (see section 9 of the JWA Business Plan)*

For clarity and cross reference to the JWA, the draft JWA Business Plan is now referred to as the ‘CCR Strategic Business Plan for the Wider Investment Fund’, to reflect its status and focus, and is titled accordingly on the attached appendix.

## Priorities for Investment

The draft JWA Business Plan (CCR Strategic Business Plan for the Wider Investment Fund) is attached as **Appendix A**.

In accordance with the requirements of the JWA the draft JWA Business Plan contains:

- The Strategic Context which includes:
  - Our Vision; and Strategic Objectives (see section 2 of the JWA Business Plan)
- Our Approach (see section 3 of the JWA Business Plan)
- Spatial Priorities (see section 4 of the JWA Business Plan)

- Our Strategic Themes (Programme Themes<sup>1</sup>) which includes:
  - Skills and Employment; (see section 5 of the JWA Business Plan)
  - Innovation; (see section 6 of the JWA Business Plan)
  - Connecting the Region; (see section 7 of the JWA Business Plan) and
  - Regeneration and Infrastructure. (see section 8 of the JWA Business Plan)
- Indicative Five Year Spend Profile (see section 9 of the JWA Business Plan)
- Additional Opportunities for Regional Funding (see section 10 of the JWA Business Plan)

The draft JWA Business Plan identifies, and provides some detail on, emerging opportunities which will be considered and developed within the life of the plan:

- Skills for the Future;
- Innovation Portfolio;
- Metro Plus;
- Digital Portfolio;
- Housing Investment Fund; and
- Strategic Sites.

The Plan, which will take the City Deal passed its first Gateway Review, due in December 2020, also indicates that other proposals will emerge, within the life of the plan, all of which will be rigidly assessed in accordance with the Assurance Framework.

### **Progress to Date**

The City Deal provides funding to support schemes which will stimulate the economic growth of the region. The agreement with the UK Government and Welsh Government provides £1.229 billion of which £734m is allocated to the Metro, with the balance of £495m being made available as the 'Wider Investment Fund'.

The Wider Investment Fund is made up of:

- £375m grant from the UK Government paid over 20 years, HMT Contribution, with year 1-5 being £50m revenue grant, followed by years 6-20 being £325m capital grant; and
- £120m Local Authority Partnership capital contribution to be drawn down as required.

The Regional Cabinet has stated that the high level aims of the Wider Investment Fund is the creation of 25,000 new jobs and £4bn of private sector investment. The first investment has been made in the Compound Semi-conductor Project in Newport, providing a loan of £38.5m, to be repaid, which has the potential to generate 2,000 jobs and over £380m of private sector investment.

As the JWA Business Plan has not yet been adopted the Regional Cabinet has substantially funded this initial investment by use of the HMT Contributions received to date. As these funds are revenue it is hoped that the adoption of the JWA Business Plan will take place in financial year 2017/2018 allowing the Local Authority Partnership capital contributions to be substituted for the revenue grant, thereby protecting the revenue funding for future use on schemes and programmes which are revenue intensive such as skills. Funding of the Local Authority Partnership capital contributions will be based on the council contributions agreed and contained in the JWA.



Following this initial investment, the Regional Cabinet has agreed in principle to support a number of schemes:

- *The Metro Central Project*  
Aims to deliver a new Central Transport Interchange at the heart of Cardiff's city centre core employment zone.
- *Regional Housing Investment Fund*  
Will seek to support house building ranging from larger builders and developers on stalled housing sites, through to small, community and custom builders on small sites across the city region.
- *Digital Strategy*  
To enhance the digital capability and potential of the region.
- *Skills for the Future*  
Aims to provide region wide school engagement with pupils and parents to offer careers advice and guidance, support for businesses to address barriers to participation, a skills investment fund, and a commitment to support delivery of over 10,000 additional apprenticeships, graduate internships and upskilling employees in the private sector.

These 'in-principle' schemes, along with others which may emerge, will be developed and assessed to ensure they comply with the City Deal Assurance Framework, contribute to the sustainable economic growth of the region, and demonstrate value for money prior to any implementation investment being made.

This method of identifying, developing, assessing and approving schemes ensures that the Regional Cabinet have the flexibility to ensure investments accurately reflect the needs and encourage the continued development of the region. However, it does also mean that it is difficult to predict accurately the financial implications of the investment programme. Financial modelling for the Wider Investment Fund will therefore be based on educated assumptions and an indicative programme of investment which will be developed and refined as more investment decisions are made.

### **Implications for this Council**

Newport is at the heart of the city region with a diverse economy which provides a wide range of opportunities for our communities. The city is influenced by economic activity within the region and beyond and one of the key aims of the city deal is to work with partners to create a dynamic and modern economy to enable our communities to face the future with confidence.

The new corporate plan entitled, "Building on Success, Building a Better Newport" was adopted by council at its meeting in November 2017. Agreeing the JWA Business Plan and therefore enabling the city deal investment to be confirmed will enable the council to deliver on its overall mission – Improving People's Lives.

The corporate plan also outlines four themes which will underpin the activity of the council over the period to 2022; Resilient Communities, Thriving City, Aspirational People and Modernised Council.

The city deal will focus activity in two of these themes – Thriving City and Aspirational People. Since the signing of the original Heads of Terms document in 2016, Newport has already benefited from the city deal, with a number of projects being based in the city.

For instance the establishment of the Cyber Security Academy at the University of South Wales and the opening of the National Software Academy by the University of Cardiff, both based in Newport have created new facilities which will both develop skills within the city and also stimulate further investment in high quality jobs.

The largest single investment from the city deal, the creation of a compound semi-conductor cluster, focused on a £38m investment in the technology company IQE has also taken place in Newport, with the potential to create around 2,000 jobs across the region.

The city deal initiative is a long term commitment and investment and needs to be considered in that light. However the benefits also need to be considered in the long term as it will take time to secure the changes to the foundations of the regional economy which are at the heart of the city deal proposition.

## Financial Implications

As noted above, Local Authorities are contributing £120m to the overall investment fund. Newport City Council is contributing 9.8% of that - £11.8m:

Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Remaining Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total LAs contribution	24,210	17,705	5,055	5,055	7,961	7,961	52,053	<b>120,000</b>
Newport Contribution @ 9.8%	2,376	1,738	496	496	781	781	5,111	<b>11,779</b>

In terms of the revenue implications of this and the Wider Investment Fund – this is the ‘overall affordability envelope’. As shown in Appendix A section 9, the overall affordability envelope for the Local Authorities wider investment fund is £210.8m over the life of the project. This is made up of:

- The usual minimum revenue provision and interest costs related to the Councils £120m total capital contribution to the wider fund as and when it is spent
- Cost of carry i.e. interest costs of front-loading HMT capital funded costs. As noted above – HMT capital funds are not received until year 6 onwards but the business case is predicated on spending ahead of HMT funds being received which the Local Councils will fund therefore incurring cost of carry costs before HMT capital grants are used to repay.

Newport City Council’s contribution rate is 9.8%; therefore its modelled total contribution to the overall affordability envelope (£210.8m) over the life of the project is £20.6m.

The table below shows the total and Newport revenue costs implications. Costs increase per year and peak in 2027/28 before reducing. The costs incurred in the current life of this Councils MTFP (2018/19 to 2022/23) are relatively modest but increase in the next 5 years to its peak in 2027/28.

Year	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total LAs contribution	940	1,440	1,810	2,560	3,570	5,000	6,820	8,860	11,260	12,440
NCC Interest @ 9.8%	92	126	141	191	252	342	458	595	754	792
NCC MRP @ 9.8%	0	16	36	60	99	148	211	275	351	429
<b>Total Newport Contribution @ 9.8%</b>	<b>92</b>	<b>142</b>	<b>177</b>	<b>251</b>	<b>351</b>	<b>490</b>	<b>669</b>	<b>870</b>	<b>1,105</b>	<b>1,221</b>

	Remaining years (28/29 – 52/53)	TOTAL
	£'000	£'000
Total LAs contribution	156,100	210,800
NCC Interest @ 9.8%	5,153	8,896
NCC MRP @ 9.8%	10,137	11,762
<b>Total Newport Contribution @ 9.8%</b>	<b>15,290</b>	<b>20,658</b>

The Minimum Revenue Provision (MRP) and interest costs to 2021/22 are built into to the current MTFP and the future increases will need to be factored into those future years in due course, resulting in a pressure on the Council's MTFP in those years. It is important that these are reviewed and updated on a regular basis as the financial model supporting the Wider Investment Fund is updated for known projects and changes to expenditure profile.

In addition to the revenue costs above, there are annual revenue contributions by each partner authority to the running cost of the project management team of c£100k per annum for NCC. This has been included in 2018/19 revenue budgets onwards.

## Legal Implications

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

Pointing out the obvious, the JWA Business plan is a key document in relation to the delivery of the Cardiff Capital Region City Deal. The content of the Plan serving to create a legitimate expectation that the matters referred to (proposals, projects and themes) will be progressed as set out in the Plan. Accordingly, it is important that Regional Cabinet and each constituent council is content with the content of the JWA Business plan. As regards the progression of individual themes and projects, and as stated in the body of the report, matters will need to be considered in accordance with the provisions of the Assurance Framework, at which stage any legal issues raised by a project can be considered and detailed legal advice provided. The Plan refers, section 10, to a case being made for a range of powers to be devolved to the local authorities of the Cardiff Capital Region. To the extent that any further powers are sought to be delegated to the Regional Cabinet, then this will be a matter for each of the Councils comprising the CCRCD to determine.

In considering this matter regard should be had, amongst other matters, to:

- (a) the Councils' duties under the Well-being of Future Generations (Wales) Act 2015, (The Plan noting at section 3 that, '... we (CCRCD) will follow the five ways of working and sustainability principles detailed in the Well-being of Future Generations (Wales) Act 2015, and reflect and support the well-being goals); and
- (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to a) eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by that Act; b) advance equality of

opportunity between people who share a relevant protected characteristic and those who do not; and c) foster good relations between people who share a protected characteristic and those who do not. Protected characteristics are: a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief. In Wales, public sector bodies listed are required to take certain steps in order to demonstrate that they have due regard to the public sector equality duty. These Welsh specific equality duties include assessing the impact of policies and procedures on equality (often called Equality Impact-Assessment).

## Risks

As the JWA Business plan identifies activity over a 5 year period and the city deal commitment is for 20 years one of the risks is uncertainty of outcome. The city deal process is subject to 5 year Gateway reviews by HM Treasury which could introduce further risk.

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure of Gateway Review	H	L	Working with other authorities to secure outcomes which will ensure economic growth.	Chief Executive
Projects in Business Plan not delivered.	H	L	Regional Cabinet is focused on ensuring projects proceed and deliver agreed outcomes.	Chief Executive

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

The Corporate Plan, “Building on Success, Building a Better Newport”, sets out four themes which will guide activity over the period to 2022: Resilient Communities, Thriving City, Aspirational People & Modernised Council. The city deal business plan will help the council to meet its overall mission – “Improving People’s Lives”.

## Options Available and considered

Two options were considered:

- 1) Agree the CCR City Deal Business Plan
- 2) Not agree to support the CCR City Deal Business Plan

## Preferred Option and Why

Option 1. Regional working is being encouraged by Welsh Government and there is a great deal of evidence to show that economic growth is most effectively secured on a regional basis. Option 1 will ensure that Newport can play a positive role in this agenda and provide the best possible opportunities for the communities of the city.

## Comments of Chief Financial Officer

The financial implications of the Wider Investment Fund are significant – at c£210.8m for all the Local Authorities and £20.6m for Newport City Council itself. It is a long term financial commitment. These costs represent the revenue implications of funding their own capital contributions to the Overall

Investment Fund (@£120m) and the cost of carry costs of front loading costs before HMT capital grants are received.

Annual costs are relatively modest until about 2022/23 – the end of this Council's current MTFP but increase faster beyond that for the following 5 years, peaking at an annual cost of c£1.2m in 2027/28, before then decreasing. The increased costs over the next 10 years or so will be additional budget pressures on the Council's overall budget and are already built into the current MTFP to 2022/23

The HMT contributions are dependent on the achievement of key objectives and specifically on increasing the economic output of the region. No details are currently known on how this will be measured though failure to achieve this will adversely impact on HMT grant, precise details of this are also not yet known. But, there will, most likely, be financial consequences if this was to be the case and that being the case, would impact on the Wider Investment Fund and/or Councils costs. The first gateway review is after 2020/21. In this respect, the robust evaluation of schemes to meet this objective and delivery are key issues.

## **Comments of Monitoring Officer**

In January 2017, Council agreed to enter into a legally binding Joint Working Agreement (“JWA”) to establish the necessary joint governance arrangements for the Cardiff Capital Region City Deal and to commit the necessary funding to establish the Regional Investment Fund. The JWA was completed and signed by all of the participating local authorities on 1<sup>st</sup> March 2017. For the most part, all of the councils have delegated power to the Regional City Deal Cabinet under Section 20 of the Local Government Act 2000 to take collective executive decisions regarding the approval of individual City Deal projects. However, there was one outstanding “Reserved Matter” relating to the approval of the JWA Business Plan, which had to be referred back to each of the individual councils for unanimous approval. The councils gave a commitment under the JWA to approve the Business Plan within 12 months.

The Regional Cabinet has agreed the JWA Business Plan (now referred to CCR Strategic Business Plan for the Wider Investment Fund), a copy of which is attached at Appendix 1, and they are recommending its approval and adoption by each of the councils.

This should not be seen as an opportunity for each of the councils to reconsider its commitment to the City Deal; the JWA has already locked the councils into a legally binding commitment to these collaborative arrangements for a minimum period of 5 years and sets out their respective financial contributions towards the overall financial envelope for City Deal. The CCR Strategic Business Plan simply sets out an overarching strategic plan for the implementation and delivery of City Deal, including specific objectives and priorities for regional investment and growth, spending profiles and a framework for the assessment and evaluation of individual projects. This Business Plan is necessary in order to meet the requirements of first Gateway review and the funding conditions of Welsh Government and the Treasury.

The previous Council report set out the detailed legal issues, the Council's statutory powers to enter into the JWA and to incur expenditure in relation to City Deal. Council was satisfied that the City Deal strategic objectives and the assessment criteria for individual projects were consistent with the priorities and objectives set out in the Council's Community Strategy and should promote and improve the economic and social well-being of Newport and its citizens. There is nothing in the CCR Strategic Business Case that changes any of these considerations and it serves to confirm the regional and local benefits of City Deal in terms of growth and investment.

The Report to the Regional Cabinet refers to the need for each authority to have due regard to the impact of the recommended CCR Strategic Plan in terms of its well-being and equalities duties. A well-being and equalities impact assessment is set out at Appendix 2. It can be seen from the assessment that the CCR Strategic Plan specifically applies the sustainable development principle and ways of working set out in the Well-Being of Future Generations (Wales) Act 2015 and the strategic themes within the Plan are entirely consistent with the Council's own well-being objectives. In terms of the

Council's public sector equality duty under the Equality Act 2010, the assessment confirms that the aims and objectives within the Business Plan should advance equality issues.

Therefore, the proposed CCR Strategic Business Plan for the Wider Investment Fund is fully compliant with the Council's well-being and equalities duties and is entirely consistent with the reasons for the decision previously taken to commit to the JWA. As such, it is recommended that the Plan is formally approved and adopted by the Council, in order to satisfy the reserved matter within the JWA and meet the requirements of the Gateway process.

### **Comments of Head of People and Business Change**

There are no human resource implications arising from this report.

### **Comments of Cabinet Member**

The Leader of the Council has responsibility and delegated authority for matters relating to the CCRCD and has endorsed the recommendation in the report.

### **Scrutiny Committees**

There will be a regional scrutiny function to evaluate the activities of the CCRCD. Where appropriate reports will be presented through Newport City Council scrutiny processes to oversee ongoing activity and commitments.

### **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

### **Wellbeing of Future Generations (Wales) Act 2015**

A comprehensive Wellbeing and Equalities Assessment has been conducted at a city region basis. This is attached as Appendix B to this report.

### **Children and Families (Wales) Measure**

No direct implications

### **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

**RECOMMENDATION:**

It is recommended that Council:

Consider the draft JWA Business Plan (CCR Strategic Business Plan) attached as Appendix A; and if content, approve the JWA Business Plan on behalf of this Council.

**Background Papers**

Set out a list of any relevant background papers and whether they are available to the public.

Dated: 19<sup>th</sup> March 2018

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CCR City Deal  
Strategic Business Plan  
Wider Investment Fund

Our Vision:

# A Prosperous Capital City-Region for Wales.





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# Chair's Foreword

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

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

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

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

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

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

**Councillor Andrew Morgan**  
Chair, Cardiff Capital Region City Deal





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

# 01.

## Executive Summary

In compliance with the Joint Working Agreement this 5 year City Deal Strategic Business Plan:

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

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

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

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

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

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

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

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



British Airways Maintenance Cardiff, St Athan



Sony UK Technology Centre, Bridgend

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## The Next 5 Years

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### Investment

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

### Emerging Opportunities

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

- **Skills for the Future**  
A regional programme of interventions to provide school engagement, support for businesses and a skills investment fund to deliver over 10,000 additional apprenticeships, graduate internships and upskilled employees. See Section 5 for details.
- **Innovation Portfolio**  
A regional Innovation Portfolio with the aim of developing industry ‘clusters’, new space for innovative start-ups, and incentives to attracting high-tech firms to the region. The first project of this portfolio is currently being implemented, the Compound Semi-conductor Project,

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

### Metro Plus

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

### Digital Portfolio

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

### Housing Investment Fund

A proposal to establish a fund to support housing growth across the region with a focus on former industrial sites in the Valleys areas and across all tenures to support both economic and social objectives. See Section 8 for details.





## Strategic Sites

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

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

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

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

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### All investments will be required to:

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



## 02. The Strategic Context

<sup>1</sup> Growth & Competitiveness Commission Report Review and Recommendations Page 22.

<sup>2</sup> Cardiff Capital Region “Powering the Welsh Economy”

### Our Vision

“A Prosperous Capital City-Region for Wales” - a decision making centre, a global gateway for capital, trade, and visitors, a knowledge hub and a major population centre and business cluster for Wales<sup>1</sup>

### Our Regional Strategic Objectives

- 1. Prosperity and Opportunity** - Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy
- 2. Inclusion and Equality** - A vibrant and sustainable economy which contributes to the well-being and quality of life of the people and communities in the region now and in the future
- 3. Identity, Culture, Community and Sustainability** - Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life

### Strategic Themes



#### Skills & Employment

Developing a Skilled Workforce and Tackling Unemployment



#### Connecting the Region

Improving Connectivity Globally, Regionally and Locally



#### Innovation

Creating an Innovation District and Increasing Entrepreneurial Activity and Innovation



#### Regeneration & Infrastructure

Providing the right physical place and environment to support growth

### Measuring Success

Job Creation, Private Sector Leverage, Employment and Skill levels, Productivity levels, GVA



Top: Redhouse Cymru, Merthyr Tydfil

Bottom: Springboard Innovation Centre, Cwmbran




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### To achieve our vision, we must be:<sup>2</sup>

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#### **Ambitious**

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

#### **Collaborative**

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

#### **Well-connected**

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

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### To achieve our vision, we must offer:

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#### **A confidence and lifestyle**

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

#### **Sustained success**

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

#### **An international and national stage**

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

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

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## Our Regional Strategic Objectives:

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### 1. Prosperity and Opportunity

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

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

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

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

- encourage and promote research and development and entrepreneurial enterprise.

### 2. Inclusion and Equality

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

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

We will promote:

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

### 3. Identity, Culture, Community and Sustainability

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

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

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



Penderyn Whisky Distillery, Aberdare

## 03. Our Approach

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

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

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

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





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

Government's 'Prosperity for All: economic action plan', of growing the economy and reducing inequality<sup>3</sup>.

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### City Deal Strategic Themes

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

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



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## Partnership and Engagement

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

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

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

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

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

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

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



Ford Manufacturing, Bridgend



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## Regional Impact, Scheme Appraisal and Monitoring

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

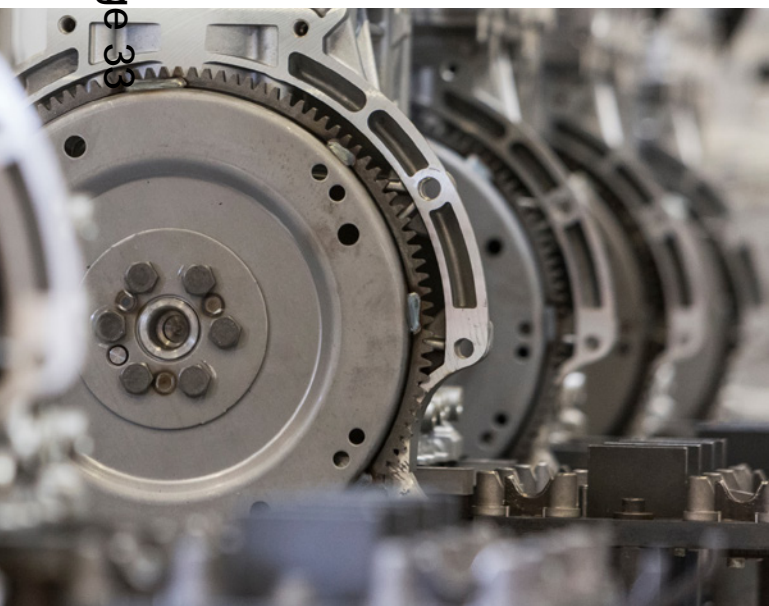
All proposed schemes will be required to follow the same appraisal process as detailed in the Assurance Framework. Schemes will be assessed on their potential to contribute to our high-level aims and strategic objectives; demonstrate value for money, use of the five ways of working and how they contribute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

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

programme of interventions which will meet all our strategic objectives.

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

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



## 04. Spatial Priorities

<sup>4</sup> Growth & Competitiveness Commission Report and Recommendations Page 38.

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

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

The Growth & Competitiveness Commission (Commission) considered spatial development in the region and concluded<sup>4</sup>:

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

The Commission recommended<sup>5</sup>:

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

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

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

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

We are working with the Local Government Data Unit (Wales) on a data platform to understand the role of our two cities and the individual towns within the region. This work will enable us to make more informed decisions on how we can tailor support for specific settlements and areas to allow them to better understand and achieve their potential and maximise the prosperity and well-being of the people who live in them<sup>6</sup>.

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

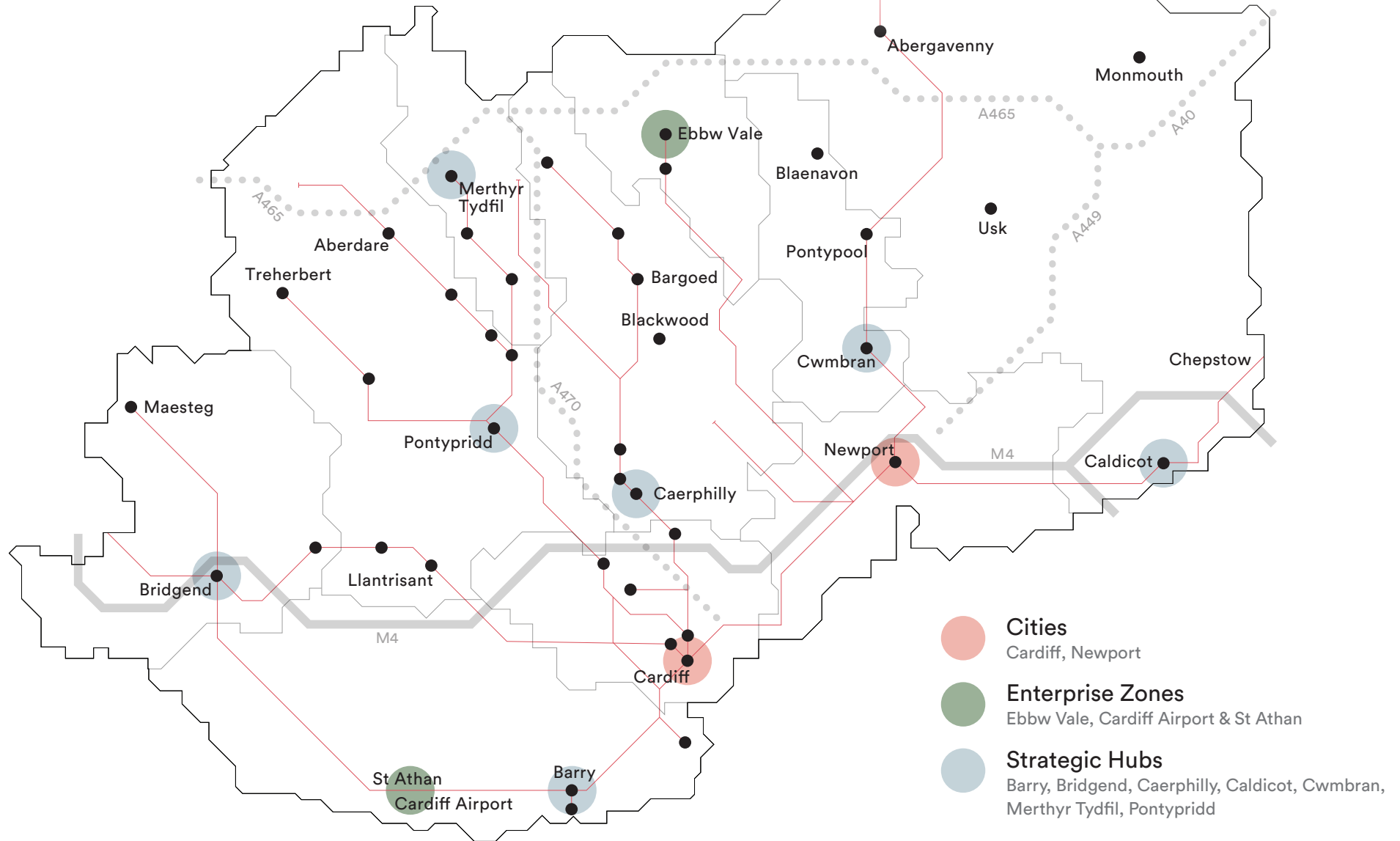
This initial spatial perspective, which will be reviewed and refined as part of the development of the Regional Growth Strategy, is detailed on the plan to the right.

# Strategic Hubs and Opportunity Areas

Page 35

35 Miles Deep

55 Miles Wide



## 05. Developing a Skilled Workforce and Tackling Unemployment

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

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

### Regional Priorities for Employment & Skills

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

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

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



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

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

- **Regional skills brokerage service** – a local authority led and therefore impartial service that works with businesses, projects and investments, in conjunction with economic development and business support services, to secure appropriate and relevant skills solutions through education, training and other providers. Connecting both employees and businesses to regional skills projects and programmes that invest in the upskilling of the existing workforce to support progression and improvements in productivity.
- **Schools engagement** – activities to encourage career choices that align with future demand whilst promoting parity of esteem between different pathways to help young people attain quality and sustained employment.
- **Access to apprenticeships including shared apprenticeships** – employer engagement to increase the number and range of apprenticeships available in the region and schools engagement to increase the number of young people choosing apprenticeship pathways. Delivered in conjunction with work based learning providers and extending access through shared apprenticeship

programmes, such as Y Prentis and Aspire, where appropriate.

- **Graduate internship programme** – employer engagement to increase the number of graduate opportunities available including placements and internships, delivered in conjunction with our Universities. To encourage greater graduate retention within the region and improve the skills utilisation of graduates by businesses to support improvements in innovation and productivity.
- **Regional SME support** – to encourage apprenticeship and graduate take up by SMEs there will be a financial incentive and provision of a human resource support service. In the immediate term the service will support SMEs to maximise use of the current Welsh Government apprenticeships subsidy.
- **Skills Investment Fund** – a co-investment fund for SMEs that supports the upskilling of existing employees to meet technical, specialist and higher level skills needs, that can be accessed in the absence of other sources of funding. A fund of last resort to support co-investment in business led development linked to the achievement of growth, productivity and performance improvements.

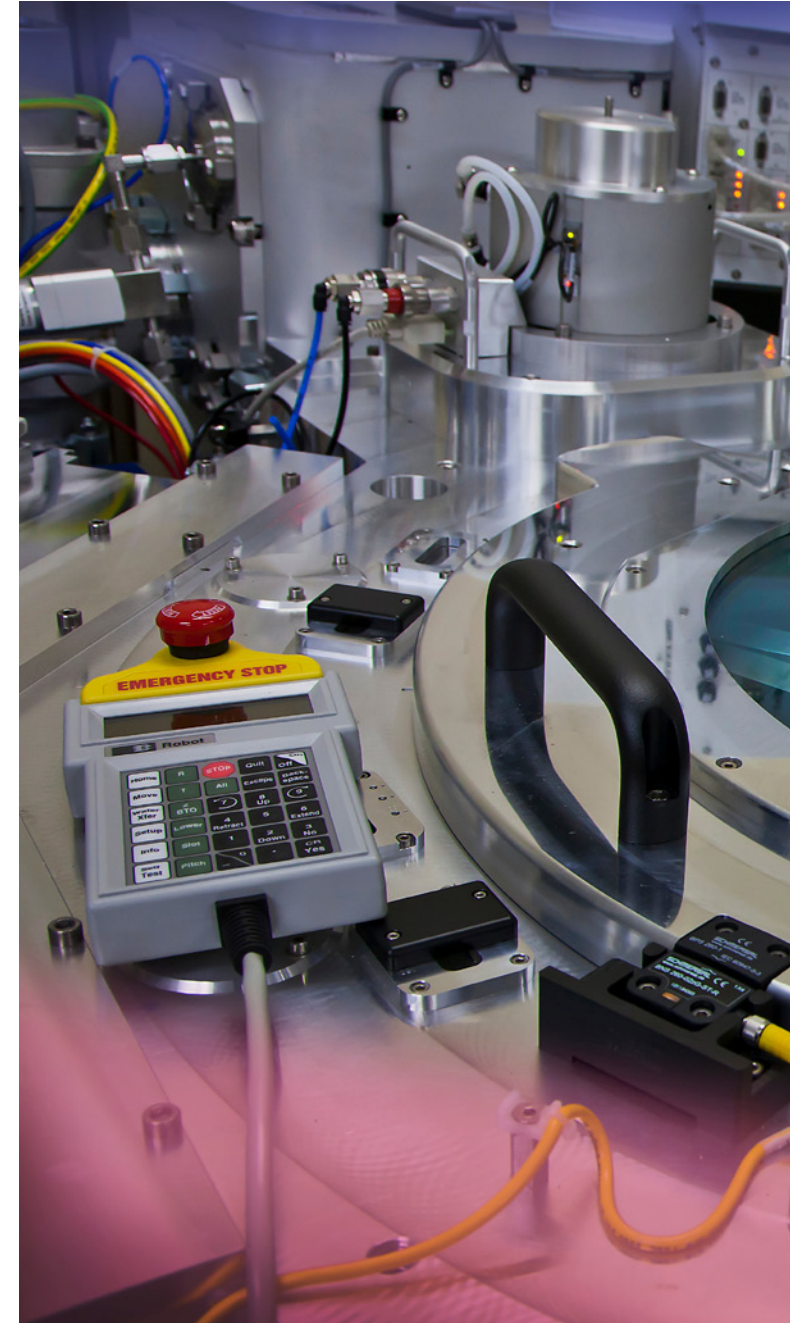
Implementation is proposed in phases commencing early stages beginning in **September 2018**.

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

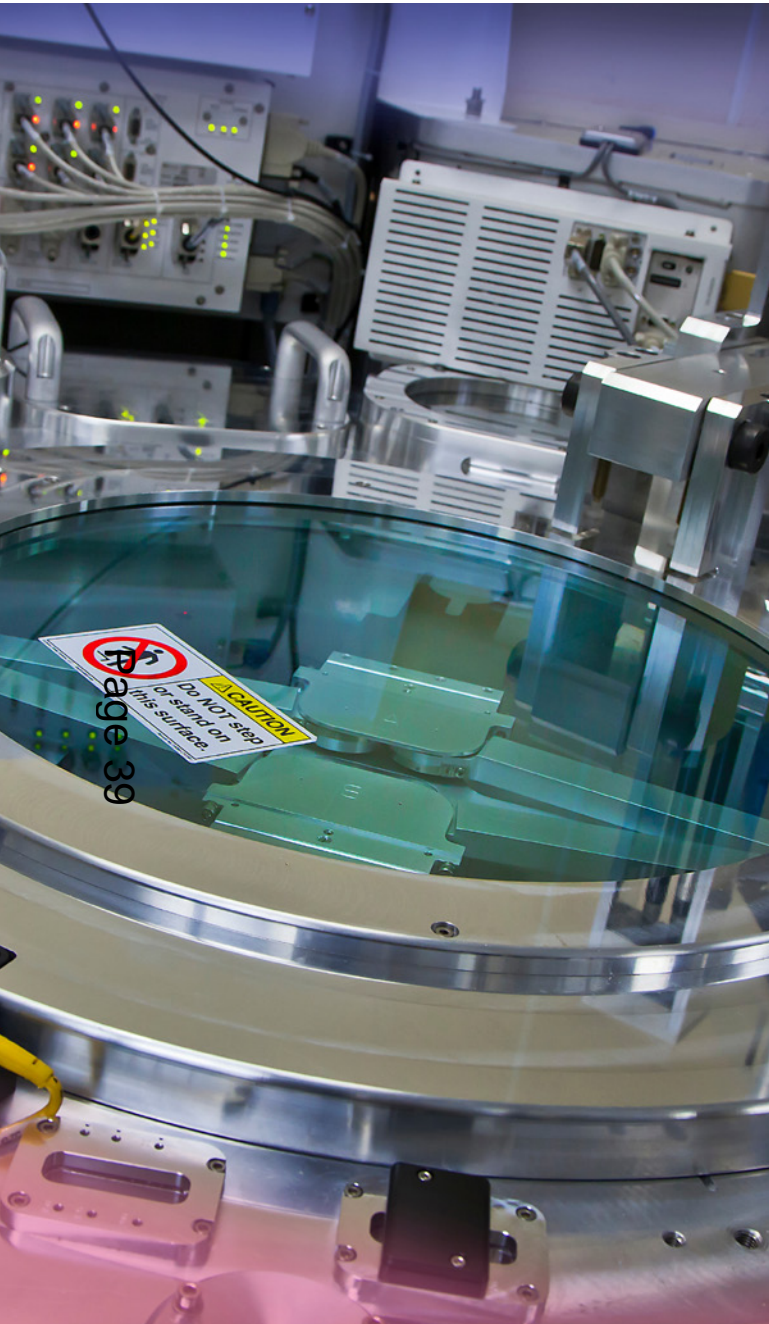
Innovation is a dynamic driver of economic growth. It underpins the development and application of ideas and technologies that yield better or new goods and services for the marketplace. Innovation is directly linked to raising productivity. Relative to other regional and international economies, productivity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

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

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



SPTS Technologies, Newport



## The Innovation Prospectus includes:

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

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

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

## 07. Improving Connectivity Globally, Regionally and Locally

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

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

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

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### Transport

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

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

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



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

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

## »»» Metro Plus

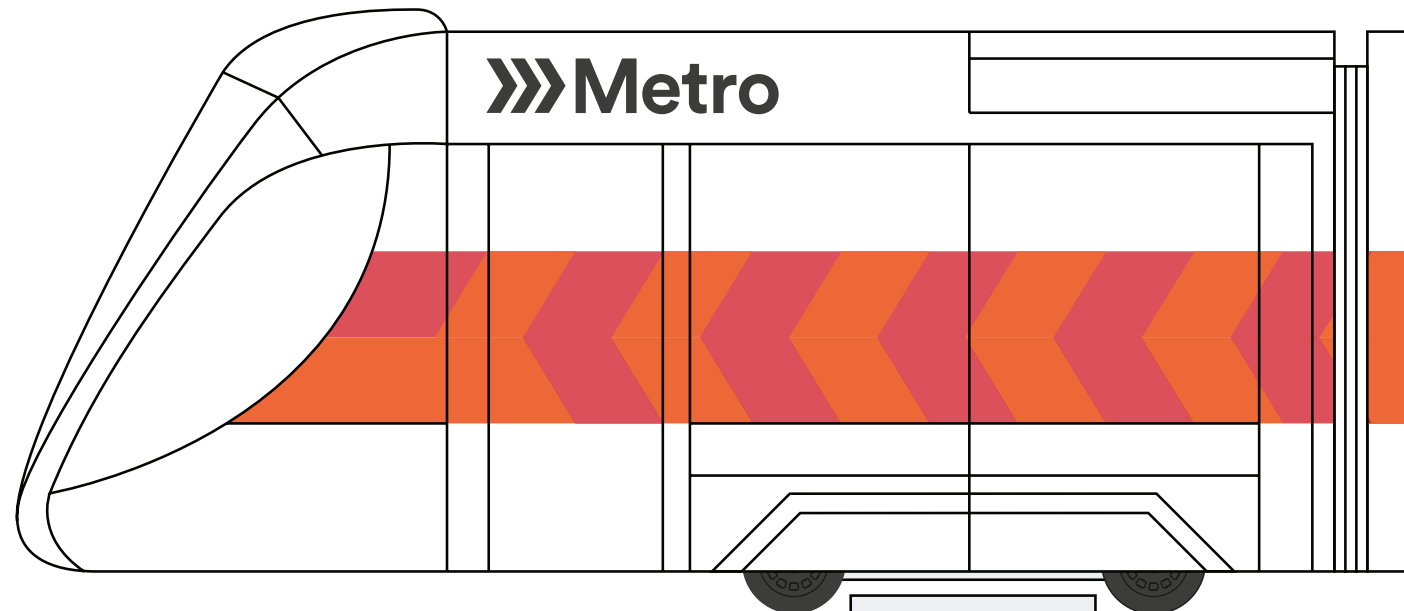
As part of the City Deal there is a pre-allocated sum of £734m committed to the Metro.

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

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

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

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



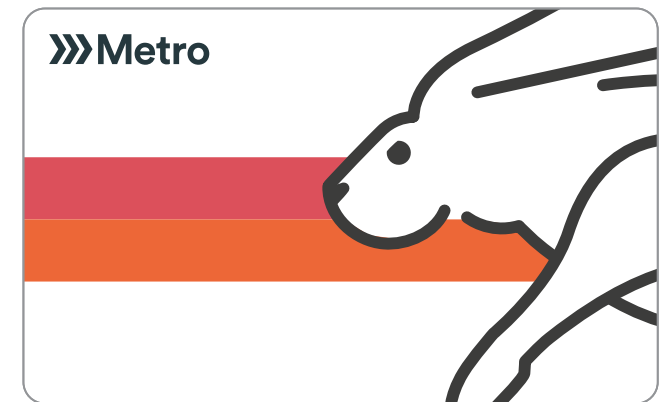
In addition the proposal has the potential to leverage significant commercial development and create more than 30,000 jobs over the next 10-15 years.

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

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

**Other emerging opportunities being explored are:**

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



Potential Metro smartcard

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## Digital

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

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

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

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

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

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

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

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

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

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

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

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

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### Housing

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

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

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



View from Abergavenny Town Centre

## Regional Housing Fund

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

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

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

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

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## Strategic Sites and infrastructure

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

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

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

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

### Strategic Sites Programme

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

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

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

- **Enabling infrastructure**

Opening-up strategic sites, housing and employment, this includes possible transportation and road linkages, drainage and other high value enabling works to bring forward large sites;

- **Joint developments with the HE / FE sectors**

Could provide space for spin-out of research and technology emanating from the educational establishments in the region and linking to the prioritised sectors;

- **Work / live space**

Where residential and employment is combined' with the potential for such shared use developments to be concentrated alongside key development 'nodes' of the Metro project.



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

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## Energy related projects

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



Ocean Colour Scene at Caerphilly Castle





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## Urban Renewal / Regeneration

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

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

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

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## Visitor Economy

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

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

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

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

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

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### Introduction – ‘The City Deal’

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

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

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### Wider Investment Fund (WIF) – Funding Streams

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

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

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### WIF Approvals to-date

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

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

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## WIF 'In-Principle' Commitments and Fund Availability

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

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

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



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

JWA 5 Year Business Plan

### WIF Indicative Programme and Updated Affordability Envelope

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

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

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

### Updated Affordability Envelope

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

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

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



Orangebox, Treforest

### Council Contributions

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

### Agreed Council Contributions % Rates

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

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

Indicative Programme Expenditure	Yr 3 2018/19 £m	Yr 4 2019/20 £m
Wider Investment Fund Top Slice	0.74	0.74
Approved Projects	13.84	0.00
Future Revenue Projects	1.00	1.00
Future Capital Projects	4.02	28.26
<b>Total Investment</b>	<b>19.60</b>	<b>30.00</b>
Funded by		
HMT Contribution (Revenue)	-1.89	-3.90
HMT Contribution (Capital)	0.00	0.00
<b>Total HMT Contribution</b>	<b>-1.89</b>	<b>-3.90</b>
Council Contribution	-17.71	-5.06
Temp Borrowing 'Cost of Carry'	0.00	-21.04
<b>Total Funding</b>	<b>-19.60</b>	<b>-30.00</b>

	Yr 5 2020/21 £m		Yr 6 2021/22 £m	Yr 7 2022/23 £m	Total Yrs 3-7 £m	Total Yrs 1-20 £m
	0.74		0.74	0.74	<b>3.71</b>	<b>14.11</b>
	0.00		0.00	0.00	<b>13.84</b>	<b>38.50</b>
	1.00		1.00	1.00	<b>5.00</b>	<b>18.00</b>
	28.26		43.26	43.26	<b>147.05</b>	<b>424.39</b>
	<b>30.00</b>		<b>45.00</b>	<b>45.00</b>	<b>169.60</b>	<b>495.00</b>
	-3.90		-3.90	-3.90	<b>-17.51</b>	<b>-50.00</b>
	0.00		-22.00	-22.00	<b>-44.00</b>	<b>-325.00</b>
	<b>-3.90</b>		<b>-25.90</b>	<b>-25.90</b>	<b>-61.51</b>	<b>-375.00</b>
	-5.06		-7.96	-7.96	<b>-43.74</b>	<b>-120.00</b>
	-21.04		-11.13	-11.13	<b>-64.35</b>	<b>-0.00</b>
	<b>-30.00</b>		<b>-45.00</b>	<b>-45.00</b>	<b>-169.60</b>	<b>-495.00</b>

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

	Yr 3 2018/19 £m	Yr 4 2019/20 £m
Blaenau Gwent (4.6%)	0.04	0.07
Bridgend (9.4%)	0.09	0.14
Caerphilly (12.0%)	0.11	0.17
Cardiff (23.7%)	0.22	0.34
Merthyr Tydfil (3.9%)	0.04	0.06
Monmouthshire (6.1%)	0.06	0.09
Newport (9.8%)	0.09	0.14
Rhondda Cynon Taf (15.8%)	0.15	0.23
Torfaen (6.1%)	0.06	0.09
Vale of Glamorgan (8.5%)	0.08	0.12
<b>Total (100%)</b>	<b>0.94</b>	<b>1.44</b>



	Yr 5 2020/21 £m	Yr 6 2021/22 £m	Yr 7 2022/23 £m	Total Yrs 3-7 £m	Total Yrs 1-38 £m
	0.08	0.12	0.16	<b>0.48</b>	<b>9.74</b>
	0.17	0.24	0.34	<b>0.97</b>	<b>19.90</b>
	0.22	0.31	0.43	<b>1.23</b>	<b>25.23</b>
	0.43	0.61	0.85	<b>2.45</b>	<b>50.01</b>
	0.07	0.10	0.14	<b>0.41</b>	<b>8.31</b>
	0.11	0.16	0.22	<b>0.63</b>	<b>12.95</b>
	0.18	0.25	0.35	<b>1.01</b>	<b>20.69</b>
	0.29	0.40	0.56	<b>1.63</b>	<b>33.25</b>
	0.11	0.16	0.22	<b>0.63</b>	<b>12.86</b>
	0.15	0.22	0.30	<b>0.87</b>	<b>17.87</b>
	<b>1.81</b>	<b>2.56</b>	<b>3.57</b>	<b>10.31</b>	<b>210.80</b>

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### WIF External Audit / Monitoring and Reporting

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

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

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

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

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

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### HMT Contribution - Funding Terms & Conditions

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

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

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



Cardiff Airport, Rhoose

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

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

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

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

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

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### European Funding

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#### **Maximising opportunities from current European Funding Programmes**

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

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

#### **Influencing future funding arrangements**

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

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

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

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



The Senedd, Cardiff Bay

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### Additional Flexibilities

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

The proposed powers and flexibilities may include:

- retention of business rate income;
  - explore proposals for the Cardiff Capital Region to control above forecast growth in business rates to support economic development proposals for the Cardiff Capital Region
- the ability to levy an infrastructure supplement;
  - explore proposals for introducing an additional levy for infrastructure, based on a supplement to business rates
- use of alternative finance sources;
  - **explore other potential sources of funding including the following:**
  - private sector funding / market opportunities
  - tax increment financing
  - local authority bonds
  - housing finance
  - private public partnerships
  - pension funds

- online alternative finance sources.
- the removal of conditions around some specific Welsh Government grants;
  - aggregating specific grants to a regional level and removing the conditions that currently apply

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### Additional Funding Opportunities

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

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

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



Cardiff, Penarth and Barry, Southern border of the Region





## CARDIFF CAPITAL REGION CITY DEAL

### WELL-BEING & EQUALITIES ASSESSMENT

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

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

Page 65	<b>Long-term</b>	How does your proposal balance short-term need with the need to safeguard the ability to meet long term needs by planning for the future?
		<p>The Strategic Business Plan states:</p> <p><i>“The City Deal is a long-term programme and no one can, with confidence, predict what changes will occur over the next 20 years.</i></p> <p><i>When considering the current pace of innovation in areas such as artificial intelligence, drones, driverless vehicles, 3-D printing, robotics, and automation, the future infrastructure and skills needs of the region is changing radically.</i></p> <p><i>We must therefore ensure our policies, plans and programmes are flexible and sufficiently dynamic to not only cope with change but to act as a catalyst to drive positive change in the region.”</i></p> <p>The Plan also states:</p> <p><i>“Our Regional Strategic Objectives also reflect the need to focus on improving the quality of life of people and communities now and in the future and ensure our approach and actions are responsible and meet our current needs without compromising the quality of life of future generations.”</i></p> <p>This demonstrates that the Regional Cabinet are mindful of their responsibilities and that they will regularly undertake reviews to ensure they are achieving the correct balance in the short, medium and long-term.</p>
	<b>Integration</b>	How does your proposal demonstrate an integrated approach to considering economic, social, environmental & cultural outcomes together?
		<p>The Strategic Business Plan states:</p> <p><i>“We have identified four Strategic Themes where we feel we can make the biggest difference and a real improvement to the wellbeing of people in the region and in so doing support our regional objectives, wellbeing goals and the twin goals, in the Welsh Government’s ‘Prosperity for All: economic action plan’, of growing the economy and reducing inequality.</i></p> <p><i>City Deal Strategic Themes:</i></p>

	<ul style="list-style-type: none"> <li>❖ <b>Skills &amp; Employment;</b></li> <li>❖ <b>Innovation;</b></li> <li>❖ <b>Connecting the Region; and</b></li> <li>❖ <b>Regeneration and Infrastructure.</b></li> </ul> <p><i>Identifying these themes provides a structure and method of developing proposals and schemes. However, the themes are indivisible, and all proposals will be expected to be cross-cutting and contribute, to differing degrees, to our objectives and the well-being goals.”</i></p> <p>In addition, when appraising schemes within the City Deal the Strategic Plan states:</p> <p><i>“All proposed schemes will be required to follow the same appraisal process as detailed in the Assurance Framework. Schemes will be assessed on their potential to contribute to our high-level aims and strategic objectives; demonstrate value for money, use of the five ways of working and how they contribute to the well-being goals.”</i></p> <p>Both these statements demonstrate how the Regional Cabinet are taking an integrated approach when developing and assessing proposals and schemes.</p>
<p>Page 66</p>	<p><b>Involvement</b></p> <p>How does your proposal involve those stakeholders, who you are seeking to support, and those with an interest in promoting and supporting economic, social, environmental and cultural well-being in the region, whilst ensuring engagement reflects the diversity of the region?</p> <p>The Strategic Business Plan has been prepared using the research and recommendations of the Growth and Competitiveness Commission, as required by the Assurance Framework para 3.1. The Growth and Competitiveness Commission was established as an Independent Commission by the Regional Cabinet specifically to undertake research and extensive consultation on the City Deal, and from this work provide advice and recommendations to the Regional Cabinet.</p> <p>In addition, the Regional Cabinet will be submitting the Strategic Business Plan to each of the regions ten constituent authorities’ councils for approval.</p> <p>This means that up to 536 local councillors, all of whom have been elected by and represent their diverse communities, will determine whether to adopt this Business Plan.</p>
<p><b>Collaboration</b></p>	<p>How does your proposal involve working together with partners (internal and external) to deliver well-being objectives?</p> <p>The City Deal is a collaboration of the ten local authorities of south east Wales.</p> <p>In defining the Regional Cabinets ‘Vision’ there is a statement related to collaboration – <i>“To make the most of the opportunities our combined size gives us, we must all work together – public sector, private sector, education establishments and our communities – for the benefit of all.”</i></p>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Using these Strategic Objectives will assist the Regional Cabinet in supporting the well-being goal of ‘a prosperous Wales’.

**Resilient Wales:**

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

The Regional Cabinet, as decision makers, will need to consider existing and future demands which will include new forms of sustainable energy generation, housing, new infrastructure, and facilities which will generate job opportunities such as strategic sites.

In response to these pressures the Regional Cabinet will, seek appropriate advice, and work in a way that ensures efficient and effective solutions that not only maintain the environment but where ever possible enhance it and make it more resilient, supporting economic growth with responsible environmental management.

This is referenced in “**Strategic Objective 3** – *respect, protect and support our rural and natural environment and use it to promote economic and social outcomes*”.

See the way of working detailed above and how this approach by the Regional Cabinet will seek to support the regions communities and the well-being goals.

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

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



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

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

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

**APPENDIX B**

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

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

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

**Officer responsible for completing this form:**

**Date form completed:**

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