Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

Cardiff Capital Region
Regional Cabinet Meeting

9:30am–11:30am on Monday 26 September 2022
Microsoft Teams

Agenda

1.	Welcome and Apologies	
2.	Declarations of Interest - Elected Members' Protocols	Attached
3.	Minutes of the meeting held on 25 July 2021	Attached
4.	2022/23 Month 5 Joint Committee Revenue Budget Monitoring Position *To receive the Report of the Section 151 Officer, Cardiff Capital Region*	Attached
5.	2022/23 Annual Business Plan - Quarter 1 Performance Report *To receive the Report of the Director of the Cardiff Capital Region*	Attached
6.	Metro Central Update and Co-operation Agreement *To receive the Report of the Director of the Cardiff Capital Region* *Appendices 1-2 to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, and because they contain information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972.*	Attached
7.	Homes for all the Region – Housing Viability Gap Fund Update *To receive the Report of the Director of the Cardiff Capital Region* *Appendices 1-4 to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, and because they contain information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972.*	Attached

EXEMPT ITEMS

The reports and all appendices below are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information

8.	Report of the Investment Panel: Recommendations Logs, Strategic Outline Case and Project Updates *To receive the Report of the Director and Chief Operating Officer of the Cardiff Capital Region*	Attached

9. Approval of the CCR Innovation Investment Fund Strategy and Full Business Case — Attached
To receive the Report of the Director and Head of Innovation & Clusters of the Cardiff Capital Region

10. Full Business Case for Equity Investment in Fintech Company — Attached
To receive the Report of the Director and Head of Innovation & Clusters of the Cardiff Capital Region

Kellie Beirne
Director, Cardiff Capital Region
26 September 2022

Prifddinas-Ranbarth Caerdydd
Cyfarfod Cabinet Rhanbarthol
9.30-11.30am ar Ddydd Iau 26 Medi 2022
Microsoft Teams

Agenda

1.	Croeso ac Ymddiheuriadau	
2.	Datgan Buddiannau - Protocolau Aelodau Etholedig	Atodedig
3.	Cofnodion y cyfarfod a gynhaliwyd ar 25 Gorffennaf 2021	Atodedig
4.	Sefyllfa Monitro Cyllideb Refeniw'r Cydbwyllgor Mis 5 2022/23 *Derbyn Adroddiad Swyddog Adran 151, Prifddinas-Ranbarth Caerdydd*	Atodedig
5.	Cynllun Busnes Blynyddol 2022/23 – Adroddiad Perfformiad Chwarter 1 *Derbyn adroddiad Cyfarwyddwr Prifddinas-Ranbarth Caerdydd*	Atodedig
6.	Diweddariad a Chytundeb Cydweithio'r Metro Canolog *Derbyn adroddiad Cyfarwyddwr Prifddinas-Ranbarth Caerdydd* *Mae atodiadau 1-2 i'r adroddiad hwn wedi'u heithrio rhag cael eu cyhoeddi oherwydd maent yn cynnwys gwybodaeth o'r fath a ddisgrifir ym mharagraffau 14 (gwybodaeth yn ymwneud â materion ariannol neu fusnes unrhyw berson penodol) a 21 (prawf budd y cyhoedd) o rannau 4 a 5 Atodlen 12A i Ddeddf Llywodraeth Leol 1972 ac o dan holl amgylchiadau'r achos mae budd y cyhoedd o ran cynnal yr eithriad yn gwrthbwyso budd y cyhoedd o ran datgelu'r wybodaeth, a gan eu bod yn cynnwys gwybodaeth o'r fath a ddisgrifir ym mharagraff 16 (gwybodaeth y gellid cynnal braint broffesiynol gyfreithiol mewn perthynas â hi mewn achosion cyfreithiol) rhan 4 Atodlen 12A Deddf Llywodraeth Leol 1972*	Atodedig
7.	Cartrefi i'r holl ranbarth – Diweddariad ar gyfer y Gronfa Bwlch Hyfywedd *Derbyn adroddiad Cyfarwyddwr Prifddinas-Ranbarth Caerdydd* *Mae atodiadau 1-4 i'r adroddiad hwn wedi'u heithrio rhag cael eu cyhoeddi oherwydd maent yn cynnwys gwybodaeth o'r fath a ddisgrifir ym mharagraffau 14 (gwybodaeth yn ymwneud â materion ariannol neu fusnes unrhyw berson penodol) a 21 (prawf budd y cyhoedd) o rannau 4 a 5 Atodlen 12A i Ddeddf Llywodraeth Leol 1972 ac o dan holl amgylchiadau'r achos mae budd y cyhoedd o ran cynnal yr eithriad yn gwrthbwyso budd y cyhoedd o ran datgelu'r wybodaeth, a gan eu bod yn cynnwys gwybodaeth o'r fath a ddisgrifir ym mharagraff 16 (gwybodaeth y gellid cynnal braint broffesiynol gyfreithiol mewn perthynas â hi mewn achosion cyfreithiol) rhan 4 Atodlen 12A Deddf Llywodraeth Leol 1972*	Atodedig

EITEMAU A EITHRIWYD

Mae pob adroddiad ac atodiad isod wedi'u heithrio rhag cael eu cyhoeddi oherwydd eu bod yn cynnwys gwybodaeth o'r fath a ddisgrifir ym mharagraffau 14 (gwybodaeth yn ymwneud â materion ariannol neu fusnes unrhyw berson penodol) a 21 (prawf budd y cyhoedd) o rannau 4 a 5 Atodlen 12A i Ddeddf Llywodraeth Leol 1972 ac o dan holl amgylchiadau'r achos mae budd y cyhoedd o ran cynnal yr eithriad yn gwrthbwyso budd y cyhoedd o ran datgelu'r wybodaeth

8.	Adroddiad Panel Buddsoddi P-RC: Cofnodion Argymell, Achos Amlinellol Strategol a Diweddariad Projectau *Derbyn adroddiad Cyfarwyddwr a Prif Swyddog Gweithredol o'r Prifddinas-Ranbarth Caerdydd*	Atodedig
9.	Cymeradwyo Strategaeth Cronfa Buddsoddi Arloesi ac Achos Busnes Llawn P-RC	Atodedig

Derbyn adroddiad Cyfarwyddwr a Pennaeth Arloesedd a Clystyrau Prifddinas-Ranbarth Caerdydd

10. Achos Busnes Llawn ar gyfer Buddsoddiad Ecwiti mewn Cwmni Technoleg Ariannol Atodedig
Derbyn adroddiad Cyfarwyddwr a Pennaeth Arloesedd a Clystyrau Prifddinas-Ranbarth Caerdydd

Kellie Beirne
Cyfarwyddwr, Prifddinas-Ranbarth Caerdydd
26 Medi 2022

Declarations of Interest

Procedural Note for Elected Members

All members are required by law to complete a declaration of interests form to register their financial and other interests that could potentially conflict with their role as local councillor, including their membership of the Joint Committee. In addition, each Council has its own process for recording such interests, as well as its own adopted members' code of conduct. If in doubt, members should seek advice from their Council's Monitoring Officer in the first instance.

In addition to completing a declaration of interests form, members are also required to declare any interests at the start of a meeting of the Joint Committee, where that particular interest conflicts with some or all of the business to be discussed at that meeting. When making a declaration of interest, members should state whether the interest is personal or prejudicial. It is a matter for the member whether or not they choose to declare an interest, and whether or not that interest is personal or prejudicial. Members should refer to their Council's Code of Conduct and seek advice from their Council's Monitoring Officer prior to the start of meeting. If members become aware of a potential interest during the course of the meeting, they should make a declaration at the earliest opportunity and seek advice from the legal representative of the Accountable Body if required.

In respect of personal interests, member may remain in the meeting and take part in any debate and vote on the item of business. In respect of prejudicial interests, then they must leave the meeting immediately, not take part in the discussion of or vote on those items in which they have declared a prejudicial interest.

The interest will be recorded in the minutes of the meeting.

Datgan Buddiannau

Nodyn Gweithdrefnol ar gyfer Aelodau Etholedig

Mae'n ofynnol yn ôl y gyfraith i bob aelod lenwi ffurflen datganiad buddiannau i gofrestru eu diddordebau ariannol a diddordebau eraill a allai o bosibl wrthdaro â'u rôl fel cynghorydd lleol, gan gynnwys eu haelodaeth o'r Cyd-bwyllgor. Yn ogystal, mae gan bob Cyngor ei broses ei hun ar gyfer cofnodi diddordebau o'r fath, yn ogystal â'i god ymddygiad aelodau mabwysiedig ei hun. Os oes amheuaeth, dylai'r aelodau ofyn am gyngor gan Swyddog Monitro eu Cyngor yn y lle cyntaf.

Yn ogystal â chwblhau ffurflen datgan buddiannau, mae'n ofynnol hefyd i aelodau ddatgan unrhyw ddiddordebau ar ddechrau cyfarfod o'r Cyd-bwyllgor, lle mae'r diddordeb penodol hwnnw'n gwrthdaro gyda rhywfaint neu'r holl fusnes i'w drafod yn y cyfarfod hwnnw. Wrth wneud datganiad o fudddiannau, dylai'r aelodau ddatgan a yw'r diddordeb hwnnw yn un personol neu'n rhagfarnol. Mae'n fater i'r aelod p'un a ydynt yn dewis datgan buddiant ai peidio, ac a yw'r diddordeb hwnnw'n bersonol neu'n ragfarnol ai peidio. Dylai aelodau gyfeirio at God Ymddygiad eu Cyngor a gofyn am gyngor gan Swyddog Monitro eu Cyngor cyn dechrau'r cyfarfod. Os daw aelodau'n ymwybodol o ddiddordeb posibl yn ystod y cyfarfod, dylent wneud datganiad ar y cyfle cyntaf a gofyn am gyngor gan gynrychiolydd cyfreithiol y Corff Atebol os oes angen.

O ran diddordebau personol, gall aelod aros yn y cyfarfod a chymryd rhan mewn unrhyw ddadl a phleidleisio ar eitem busnes. O ran diddordebau rhagfarnol, yna mae'n rhaid iddynt adael y cyfarfod ar unwaith, peidio â chymryd rhan wrth drafod na phleidleisio ar yr eitemau hynny y maent wedi datgan diddordeb rhagfarnol ynddynt.

Bydd y diddordeb yn cael ei gofnodi yng nghofnodion y cyfarfod.

Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

EXTERNAL MINUTES EXCLUDING EXEMPT DISCUSSIONS

Cardiff Capital Region
Regional Cabinet Meeting

9.30am-11.30am on Monday 25 July 2022
Microsoft Teams Meeting

Minutes

Leaders and Chief Executives

Cllr Stephen Thomas	Leader	Blaenau Gwent CBC
Damien McCann	Interim Chief Executive	Blaenau Gwent CBC
Mark Shephard	Chief Executive	Bridgend CBC
Cllr Huw Thomas (Vice Chair)	Leader	Cardiff Council
Paul Orders	Chief Executive	Cardiff Council
Cllr Sean Morgan	Leader	Caerphilly CBC
Cllr Geraint Thomas	Leader	Merthyr Tydfil CBC
Ellis Cooper	Chief Executive	Merthyr Tydfil CBC
Cllr Paul Griffiths	Deputy Leader	Monmouthshire CC
Paul Matthews	Chief Executive	Monmouthshire CC
Cllr Jane Mudd (Vice Chair)	Leader	Newport CC
Beverly Owen	Chief Executive	Newport CC
Cllr Andrew Morgan OBE (from 09:58)	Leader	Rhondda Cynon Taf CBC
Christopher Bradshaw	Chief Executive	Rhondda Cynon Taf CBC
Cllr Anthony Hunt, Chair	Leader	Torfaen CBC
Stephen Vickers	Chief Executive	Torfaen CBC
Cllr Lis Burnett	Leader	Vale of Glamorgan Council
Rob Thomas	Chief Executive	Vale of Glamorgan Council

Officers

Mark Williams (until 11:03)		Corporate Director for Economy & Environment	Caerphilly CBC
Christopher Lee	(CL)	Section 151 Officer	Accountable Body
Gill Brown		Group Accountant	Accountable Body
Lindsey Yeoman		Accountant	Accountable Body
James Williams		Solicitor – Monitoring Officer	Accountable Body
Kate Amos		Solicitor	Accountable Body
Kellie Beirne	(KB)	Director	Office of the CCR
Rhys Thomas	(RT)	Chief Operating Officer	Office of the CCR
Hrjinder Singh		Head of Finance, Risk & Assurance	Office of the CCR
Keith Mitchell		Chief Operations Consultant (Interim)	Office of the CCR
Nicola Somerville		Head of Inclusive Growth & Business Development	Office of the CCR
			Office of the CCR
Rob O'Dwyer	(RO'D)	Head of Infrastructure	Office of the CCR
Jon Wood		Head of Innovation & Clusters	Office of the CCR
Colan Mehaffey	(CM)	Head of Digital & Data Innovation	Office of the CCR

Louise Corbett		Homes for the Region Manager	Office of the CCR
Clare Cameron	(CC)	Transport & Energy Manager	Office of the CCR
Jonathon Segarty (from 09:45)		Corporate Governance Manager	Office of the CCR
Steven Hazleton		Marketing & Communications Lead	Office of the CCR
Vikky David		Social Media & Website Officer	Office of the CCR
Rory Pugh (from 10:27)		CCR Graduate - Innovation & Business Engagement	Office of the CCR
Liz Fitzgerald		Business Development & Partnership Officer	Office of the CCR

Observers

Gareth Ashman	(GA)	Head Of Infrastructure	UK Government
Filippos Toskas (from 09:49)		Department for Levelling Up, Housing & Communities	UK Government

Apologies

Cllr Huw David OBE	Leader	Bridgend CBC
Christina Harrhy	Chief Executive	Caerphilly CBC
Cllr Mary Ann Brocklesby (Vice Chair)	Leader	Monmouthshire CC
Gareth Gates	Accountant	Accountable Body
Suzanne Chesterton	Head of Governance, Policy and Communications	Office of the CCR
Nicola Butler	Business Development & Partnership Officer	Office of the CCR

Recording of the meeting was started at 09:34

1. Welcome and Apologies

Cllr Hunt opened the meeting and apologies were noted. Cllr Hunt thanked Cllr Huw Thomas for chairing the previous meeting in his absence.

2. Declarations of Interest

No declarations of interest were received.

3. Minutes of the meeting held on 27 June 2021

Cllr Geraint Thomas moved to accept the minutes; the minutes of the previous meeting held on 27 June were agreed to be a true and accurate record of the meeting.

4. **Metro Plus and Ultra Low Emissions Vehicles (ULEV) Update**
Appendix 1A to this report is exempt from publication because it contains information of the kind described in paragraphs 14 (information relating

to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information

(1) KB introduced the item and provided some background. Some schemes were still in the development phase whilst others were underway. KB noted the work that had been done on ULEV; it would be important to build upon the work done to date. Leaders were happy to support the report. A previous report to Regional Cabinet had indicated that an additional cost may be required as requested in the present report; inflation and other supply chain issues had also resulted in a higher cost.

(2) **ACTION**: It was agreed that TfW would be invited to attend a Briefing after the RTA meeting on 8 September to provide further information around Metro Plus. **KB**

Filippos Toskas joined the meeting at 09:49

(3) It was noted that the EV market was rapidly changing and CCR should be mindful of ensuring that the region's provision was up to date by the time activity was underway. CC confirmed that ancillary matters such as installation of new cabling were covered by the concession agreement.

(4) **ACTION**: KB would share the Cenex report that had gone to the RTA on 14 July with Regional Cabinet. **KB**

(5) Cllr Hunt noted the important issues raised, the impact of existing and future housing types on these kinds of projects and that an end-user perspective was key.

(6) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Monmouthshire, Newport, Caerphilly, Blaenau Gwent, Merthyr Tydfil, Cardiff, Vale of Glamorgan and Torfaen.

Cllr David and Cllr Andrew Morgan were not present to vote for Bridgend CBC and Rhondda Cynon Taf CBC respectively.

(7) It was resolved that the CCR Regional Cabinet:

(1) approved an increase in the budget to the Metro Plus Phase One Programme to the value of an additional £2m;

(2) approved an element of the funding for the Metro Plus Phase One Programme to be carried forward into 2023/24 to match fund any LUF funding award to Caerphilly CBC (if Caerphilly CBC is successfully with its LUF bid later this year), and Merthyr Tydfil CBC (if Merthyr receives a successful LUF award in 2023/24) in accordance with the figures detailed in Exempt Appendix 1A;

(3) approved that should schemes not be confirmed and in drawdown

phase by end of September 2022, that any residual budget is redistributed to approved schemes in delivery – subject to the discretion of the CCR Director in consultation with the Portfolio Lead for Transport and all relevant reporting to the Regional Transport Authority;

(4) approved an increase in the budget to the ULEV Programme to the value of an additional £5m to enable a contribution towards the OZEV delivery programme, to deliver the E-Car Club project and to enable further expansion of the decarbonisation of transport programme, subject to forthcoming full business case.

5. Homes for all the Region – Housing Viability Gap Fund Update

Appendices 1-6 to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, and because they contain information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972.

(1) KB introduced the report.

(2) KB said that whilst security for schemes had been unproblematic, it had been difficult to get security for local authorities in order to enter into back-to-back agreements with developers. The suggestion was therefore that the CCR provided support direct and engaged in contracts where this priced to be an issue. this was subject to commissioning and receiving tax advice which had already been sought. Everything was moving in the right direction and drawdown of funds would start from the autumn, so long as LAs were able to get into contracts in the next few weeks. Subsidy (previously State Aid) would apply to a couple of the schemes. There was discussion around the rationale of CCR taking on the risk for local authorities when they had their own risk strategies.

Recording of the meeting was stopped at 10:04 to allow a discussion which was exempt from publication because it contained information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information

(3) Cllr Geraint Thomas moved to accept the recommendations of the report.

(4) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Monmouthshire, Caerphilly, Blaenau Gwent, Merthyr Tydfil, Cardiff, Vale of Glamorgan and Torfaen.

Cllr Mudd was happy to support provided a further report was submitted to Regional Cabinet at the next meeting to provide further development.

Cllr David and Cllr Andrew Morgan were not present to vote for Bridgend CBC and Rhondda Cynon Taf CBC respectively.

Cllr Andrew Morgan joined at 09:58

(5) It was resolved that the CCR Regional Cabinet:

(1) approved entering into contract directly with the developers for the two schemes as outlined in this report and set out in Exempt Appendices 2 and 3, subject to confirmation of tax treatment which will be reported back at a future date;

(2) delegated authority to the CCR Director to approve the terms of and arrange execution of those contracts referred to in recommendation (a) with authority for the CCR Director to further sub-delegate that authority to another Officer within the Accountable Body.

Recording of the meeting was restarted at 10:10

6. Governance Framework

(1) KB introduced the item and provided an update around the delay of the implementation of the CJC. Leaders were happy to accept the report.

(2) The motion to accept the recommendations of the report was moved by Cllr Stephen Thomas and seconded by Cllr Andrew Morgan.

(3) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Merthyr Tydfil, Blaenau Gwent, Caerphilly, Newport, Monmouthshire and Torfaen

Cllr David was not present to vote for Bridgend CBC.

(4) It was resolved that the CCR Regional Cabinet:

(1) noted and endorsed the Governance Framework and associated Terms of Reference and membership composition for each committee, sub-committee and board.

Recording of the meeting stopped at 10:17

The reports and all appendices below are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing

the information

7. CSC Foundry Limited - Annual Business Plan and Annual Update Report

(1) KB introduced the item and provided an overview of recent activity.

Rory Pugh joined at 10:27

(2) **ACTION**: RO'D would prepare a short summary for Leaders to take back to their members. **KB / RO'D**

(3) **ACTION**: RO'D would arrange a visit to the CSC Foundry for Leaders. **KB / RO'D**

(4) The motion to accept the recommendations of the report was moved by Cllr Stephen Thomas.

(5) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Merthyr Tydfil, Blaenau Gwent, Caerphilly, Newport, Monmouthshire and Torfaen.

Cllr David was not present to vote for Bridgend CBC.

(6) It was resolved that the CCR Regional Cabinet accepted the recommendations of the exempt report.

8. Report of the Investment Panel: Recommendations Logs, Strategic Outline Case and Project Updates

(1) RT introduced the item and provided an update on the projects.

(2) The motion to accept the recommendations of the report was moved by Cllr Stephen Thomas.

(3) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Monmouthshire, Newport, Caerphilly, Blaenau Gwent, Merthyr Tydfil, Cardiff, Vale of Glamorgan, Rhondda Cynon Taf and Torfaen.

Cllr David was not present to vote for Bridgend CBC.

(4) It was resolved that the CCR Regional Cabinet accepted the recommendations of the exempt report

9. Full Business Case for Equity Investment in Biotech Company

(1) CM introduced the item and provided background and context.

(2) The motion to accept the recommendations of the report was moved by Cllr Stephen Thomas.

(3) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Monmouthshire, Caerphilly, Blaenau Gwent, Merthyr Tydfil, Cardiff, Vale of Glamorgan, Rhondda Cynon Taf and Torfaen.

Cllr Mudd experienced connection issues and was unable to vote for Newport CC.

Cllr David was not present to vote for Bridgend CBC.

Mark Williams left the meeting at 11:03

(4) It was resolved that the CCR Regional Cabinet accepted the recommendations of the exempt report

10. Approval of Supplier and Interim Funding for CCR Innovation Investment Fund

(1) RT introduced the item.

(2) The motion to accept the recommendations of the report was moved by Cllr Geraint Thomas.

(3) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Merthyr Tydfil, Blaenau Gwent, Caerphilly, Monmouthshire and Torfaen

Cllr Mudd experienced connection issues and was unable to vote for Newport CC.

Cllr David was not present to vote for Bridgend CBC.

(4) It was resolved that the CCR Regional Cabinet accepted the recommendations of the exempt report

11. Full Business Case for Equity Investment and Loan for an Additive Manufacturing Company

(1) CM introduced the item and provided background and context for the project.

(2) **ACTION**: Future FBCs would have a 2-page rationale appended to the Cabinet reports. **KB**

(3) The motion to accept the recommendations of the report was moved by Cllr Geraint Thomas.

(4) Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Monmouthshire, Newport, Caerphilly, Blaenau Gwent, Merthyr Tydfil, Cardiff, Vale of Glamorgan, Rhondda Cynon Taf and Torfaen.

Cllr David was not present to vote for Bridgend CBC.

(5) It was resolved that the CCR Regional Cabinet accepted the recommendations of the exempt report

The meeting ended at 11:27

Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

COFNODION ALLANOL AC EITHRIO'R TRAFODAETHAU EITHRIEDIG

Prifddinas-Ranbarth Caerdydd
Cyfarfod y Cabinet Rhanbarthol

9.30am-11.30am ddydd Llun 25 Gorffennaf 2022
Cyfarfod Microsoft Teams

Cofnodion

Arweinwyr a Phrif Weithredwyr

Y Cyng Stephen Thomas	Arweinydd	CBS Blaenau Gwent
Damien McCann	Prif Weithredwr Dros Dro	CBS Blaenau Gwent
Mark Shephard	Prif Weithredwr	CBS Pen-y-bont ar Ogwr
Y Cynghorydd Huw Thomas (Is-gadeirydd)	Arweinydd	Cyngor Caerdydd
Paul Orders	Prif Weithredwr	Cyngor Caerdydd
Y Cyng. Sean Morgan	Arweinydd	CBS Caerffili
Y Cynghorydd Geraint Thomas	Arweinydd	CBS Merthyr Tudful
Ellis Cooper	Prif Weithredwr	CBS Merthyr Tudful
Y Cynghorydd Paul Griffiths	Dirprwy Arweinydd	Cyngor Sir Fynwy
Paul Matthews	Prif Weithredwr	Cyngor Sir Fynwy
Y Cynghorydd Jane Mudd (Is-gadeirydd)	Arweinydd	Cyngor Dinas Casnewydd
Beverly Owen	Prif Weithredwr	Cyngor Dinas Casnewydd
Y Cynghorydd Andrew Morgan OBE (o 09:58)	Arweinydd	CBS Rhondda Cynon Taf
Christopher Bradshaw	Prif Weithredwr	CBS Rhondda Cynon Taf
Y Cynghorydd Anthony Hunt, Cadeirydd	Arweinydd	CBS Torfaen
Stephen Vickers	Prif Weithredwr	CBS Torfaen
Y Cynghorydd Lis Burnett	Arweinydd	Cyngor Bro Morgannwg
Rob Thomas	Prif Weithredwr	Cyngor Bro Morgannwg

Swyddogion

Mark Williams (hyd at 11:03)		Cyfarwyddwr Corfforaethol yr Economi a'r Amgylchedd	CBS Caerffili
Christopher Lee	(CL)	Y Swyddog Adran 151	Corff Atebol
Gill Brown		Cyfrifydd Grŵp	Corff Atebol
Lindsey Yeoman		Cyfrifydd	Corff Atebol
James Williams		Cyfreithiwr – Swyddog Monitro	Corff Atebol
Kate Amos		Cyfreithiwr	Corff Atebol
Kellie Beirne	(KB)	Cyfarwyddwr	Swyddfa P-RC
Rhys Thomas	(RT)	Prif Swyddog Gweithredol	Swyddfa P-RC
Hrjinder Singh		Pennaeth Cyllid, Risg a Sicrwydd	Swyddfa P-RC
Keith Mitchell		Prif Ymgynghorydd Gweithrediadau (Dros Dro)	Swyddfa P-RC
Nicola Somerville		Pennaeth Twf Cynhwysol a Datblygu Busnes	Swyddfa P-RC
			Swyddfa P-RC
Rob O'Dwyer	(RO'D)	Pennaeth Seilwaith	Swyddfa P-RC

Jon Wood		Pennaeth Arloesedd a Chlystyrau	Swyddfa P-RC
Colan Mehaffey	(CM)	Pennaeth Arloesedd Digidol a Data	Swyddfa P-RC
Louise Corbett		Rheolwr Cartrefi i'r Rhanbarth	Swyddfa P-RC
Clare Cameron	(CC)	Rheolwr Trafnidiaeth ac Ynni	Swyddfa P-RC
Jonathon Segarty (o 09:45)		Rheolwr Llywodraethu Corfforaethol	Swyddfa P-RC
Steven Hazleton		Arweinydd Marchnata a Chyfathrebu	Swyddfa P-RC
Vikky David		Swyddog Cyfryngau Cymdeithasol a'r Wefan	Swyddfa P-RC
Rory Pugh (o 10:27)		P-RC Graddedigion - Arloesi ac Ymgysylltu â Busnes	Swyddfa P-RC
Liz Fitzgerald		Swyddog Datblygu Busnes a Phartneriaethau	Swyddfa P-RC

Arsylwyr

Gareth Ashman	(GA)	Pennaeth Seilwaith	Llywodraeth y DU
Filippos Toskas (o 09:49)		Yr Adran Codi'r Gwastad, Tai a Chymunedau	Llywodraeth y DU

Ymddiheuriadau

Y Cynghorydd Huw David OBE	Arweinydd	CBS Pen-y-bont ar Ogwr
Christina Harrhy	Prif Weithredwr	CBS Caerffili
Y Cynghorydd Mary Ann Brocklesby (Is-gadeirydd)	Arweinydd	Cyngor Sir Fynwy
Gareth Gates	Cyfrifydd	Corff Atebol
Suzanne Chesterton	Pennaeth Llywodraethu, Polisi a Chyfathrebu	Swyddfa P-RC
Nicola Butler	Swyddog Datblygu Busnes a Phartneriaethau	Swyddfa P-RC

Dechreuwyd recordio'r cyfarfod am 09:34

1. Croeso ac Ymddiheuriadau

Agorodd y Cynghorydd Hunt y cyfarfod a nodwyd yr ymddiheuriadau. Diolchodd y Cynghorydd Hunt i'r Cynghorydd Huw Thomas am gadeirio'r cyfarfod blaenorol yn ei absenoldeb.

2. Datgan Buddiannau

Ni dderbyniwyd unrhyw ddatganiadau buddiannau.

3. Cofnodion y cyfarfod a gynhaliwyd ar 27 Mehefin 2021

Symudodd y Cyng Geraint Thomas i dderbyn y cofnodion; cytunwyd bod cofnodion y cyfarfod blaenorol a gynhaliwyd ar 27 Mehefin yn gofnod

gwir a chywir o'r cyfarfod.

4. **Diweddariad Metro+ a Cherbydau Allyriadau Isel Iawn**

Mae Atodiad 1A yr adroddiad hwn wedi'i eithrio rhag cael ei gyhoeddi gan ei fod yn cynnwys gwybodaeth o'r math a ddisgrifir ym mharagraffau 14 (gwybodaeth sy'n ymwneud â materion ariannol neu fusnes unrhyw berson penodol) a 21 (prawf budd y cyhoedd) rhannau 4 a 5 Atodlen 12A Deddf Llywodraeth Leol 1972, ac ym mhob un o amgylchiadau'r achos, mae budd y cyhoedd mewn cynnal yr eithriad yn drech na budd y cyhoedd o ran datgelu'r wybodaeth.

(1) Cyflwynodd KB yr eitem a rhoddodd rywfaint o gefndir. Roedd rhai cynlluniau yn dal yn y cyfnod datblygu tra bod eraill ar y gweill. Nododd KB y gwaith a wnaed ar ULEV; byddai'n bwysig adeiladu ar y gwaith a wnaed hyd yma. Roedd arweinwyr yn hapus i gefnogi'r adroddiad. Roedd adroddiad blaenorol i'r Cabinet Rhanbarthol wedi nodi y gallai fod angen cost ychwanegol fel y gofynnwyd amdano yn yr adroddiad presennol; roedd chwyddiant a materion eraill yn y gadwyn gyflenwi hefyd wedi arwain at gost uwch.

(2) **CAM GWEITHREDU:** Cytunwyd y byddai Trafnidiaeth Cymru yn cael gwahoddiad i fynychu Prifwyl ar ôl cyfarfod yr ATRh ar 8 Medi i ddarparu rhagor o wybodaeth o amgylch Metro+. **KB**

Ymunodd Filippos Toskas â'r cyfarfod am 09:49

(3) Nodwyd bod marchnad cerbydau trydan yn newid yn gyflym a dylai P-RC fod yn ymwybodol o sicrhau bod darpariaeth y rhanbarth yn gyfredol erbyn i'r gweithgaredd amser fynd rhagddo. Cadarnhaodd CC fod materion ategol fel gosod ceblau newydd wedi eu gorchuddio gan y cytundeb consesiwn.

(4) **CAM GWEITHREDU:** Byddai KB yn rhannu adroddiad Cenex oedd wedi mynd i'r ATRh ar 14 Gorffennaf gyda'r Cabinet Rhanbarthol. **KB**

(5) Nododd y Cynghorydd Hunt y materion pwysig a godwyd, effaith mathau o dai presennol ac yn y dyfodol ar y mathau hyn o brosiectau a bod persbectif diwedd defnyddiwr yn allweddol.

(6) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr Arweinwyr yn y drefn ganlynol: Sir Fynwy, Casnewydd, Caerffili, Blaenau Gwent, Merthyr Tudful, Caerdydd, Bro Morgannwg a Thorfaen.

Nid oedd y Cynghorydd David a'r Cynghorydd Andrew Morgan yn bresennol i bleidleisio dros Gyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr a CBS Rhondda Cynon Taf yn y drefn honno.

(7) Penderfynwyd bod Cabinet Rhanbarthol P-RC:

(1) cymeradwyo cynnydd yn y gyllideb i Raglen Cam Un y Metro+ i werth £2m yn ychwanegol;

(2) cymeradwyo elfen o'r cyllid ar gyfer rhaglen Cam Un y Metro Plus i'w gario ymlaen i 2023/24 i ariannu unrhyw ddyfarniad ariannol LUF i CBS Caerffili (os yw CBS Caerffili'n llwyddiannus gyda'i gais LUF yn ddiweddarach eleni), a CBS Merthyr Tudful (os yw Merthyr yn derbyn dyfarniad LUF llwyddiannus yn 2023/24) yn unol â'r ffigurau y manylir arnynt mewn Atodiad 1A wedi'u Heithrio;

(3) cymeradwyo na ddylid cadarnhau cynlluniau ac yn y cyfnod tynnu i lawr erbyn diwedd mis Medi 2022, bod unrhyw gyllideb gweddilliol yn cael ei hailddosbarthu i gynlluniau a gymeradwywyd wrth eu cyflawni – yn amodol ar ddisgresiwn Cyfarwyddwr P-RC mewn ymgynghoriad ag Arweinydd Portffolio ar gyfer Trafnidiaeth a'r holl adroddiadau perthnasol i'r Awdurdod Trafnidiaeth Ranbarthol;

(4) cymeradwyo cynnydd yn y gyllideb i Raglen ULEV i werth £5m ychwanegol i alluogi cyfraniad tuag at raglen gyflawni OZEV, i gyflawni prosiect Clwb E-Car ac i alluogi ehangu ymhellach y rhaglen datgarboneiddio rhaglen drafnidiaeth, yn amodol ar achos busnes llawn sydd ar ddod.

5. Cartrefi i Bawb yn y Rhanbarth – Diweddariad y Gronfa Bwlch Hyfywedd Tai

Mae atodiadau 1-6 i'r adroddiad hwn wedi'u heithrio rhag eu cyhoeddi oherwydd eu bod yn cynnwys gwybodaeth o'r math a ddisgrifir ym mharagraffau 14 (mae gwybodaeth yn ymwneud â materion ariannol neu fusnes unrhyw berson penodol) a 21 (prawf budd y cyhoedd) rhannau 4 a 5 o Atodlen 12A i Ddeddf Llywodraeth Leol 1972 ac ym mhob amgylchiadau'r achos mae budd y cyhoedd mewn cynnal yr eithriad yn drech na budd y cyhoedd wrth ddatgelu'r wybodaeth, ac oherwydd eu bod yn cynnwys gwybodaeth o'r math a ddisgrifir ym mharagraff 16 (gwybodaeth y gellid cynnal hawliad i fraint broffesiynol gyfreithiol mewn cysylltiad â hi mewn achosion cyfreithiol) i ran 4 o Atodlen 12A i Ddeddf Llywodraeth Leol 1972.

(1) Cyflwynodd KB yr adroddiad.

(2) Er bod diogelwch ar gyfer cynlluniau wedi bod yn ddi-broblem, dywedodd KB ei bod wedi bod yn anodd cael diogelwch i awdurdodau lleol er mwyn ymrwymo i gytundebau cefn wrth gefn gyda datblygwyr. Yr awgrym felly oedd bod y P-RC yn darparu cefnogaeth yn uniongyrchol ac yn cymryd rhan mewn contractau lle'r oedd hyn yn prisio i fod yn broblem. roedd hyn yn amodol ar gomisiynu a derbyn cyngor treth a geisiwyd eisoes. Roedd popeth yn symud i'r cyfeiriad cywir a byddai tynnu arian yn dechrau o'r hydref, cyn belled â bod ALlau yn gallu mynd i gytundebau yn ystod yr wythnosau nesaf. Byddai Cymhorthdal (Cymorth Gwladwriaethol yn flaenorol) yn berthnasol i gwpl o'r cynlluniau. Roedd trafodaeth ynghylch rhesymeg CCR yn ymgymryd â'r risg i awdurdodau lleol pan oedd ganddynt eu strategaethau risg eu hunain.

Daeth recordiad o'r cyfarfod i ben am 10:04 er mwyn caniatáu trafodaeth a eithriwyd rhag cyhoeddi oherwydd ei fod yn cynnwys gwybodaeth o'r math a ddisgrifir ym mharagraffau 14 (gwybodaeth yn ymwneud â

materion ariannol neu fusnes unrhyw berson penodol) a 21 (prawf budd y cyhoedd) rhannau 4 a 5 o Atodlen 12A i Ddeddf Llywodraeth Leol 1972 ac o dan holl amgylchiadau'r achos mae budd y cyhoedd mewn cynnal yr eithriad yn drech na diddordeb y cyhoedd wrth ddatgelu'r wybodaeth

(3) Cynigiodd y Cynghorydd Geraint Thomas i dderbyn argymhellion yr adroddiad.

(4) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr Arweinwyr yn y drefn ganlynol: Sir Fynwy, Caerffili, Blaenau Gwent, Merthyr Tudful, Caerdydd, Bro Morgannwg a Thorfaen.

Roedd y Cyng Mudd yn hapus i gefnogi ar yr amod bod adroddiad pellach wedi ei gyflwyno i'r Cabinet Rhanbarthol yn y cyfarfod nesaf i ddarparu datblygiad pellach.

Nid oedd y Cynghorydd David a'r Cynghorydd Andrew Morgan yn bresennol i bleidleisio dros Gyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr a CBS Rhondda Cynon Taf yn y drefn honno.

Ymunodd y Cyng Andrew Morgan am 09:58

(5) Penderfynwyd bod Cabinet Rhanbarthol P-RC:

(1) cymeradwyo ymrwymo i gontract yn uniongyrchol gyda'r datblygwyr ar gyfer y ddau gynllun fel yr amlinellir yn yr adroddiad hwn a nodir yn Atodiadau Eithriedig 2 a 3, yn amodol ar gadarnhad o driniaeth dreth a fydd yn cael ei adrodd yn ôl ar ddyddiad yn y dyfodol;

(2) dirprwyo awdurdod i Gyfarwyddwr P-RC i gymeradwyo telerau gweithredu'r contractau hynny y cyfeirir atynt mewn argymhelliad (a) gydag awdurdod i Gyfarwyddwr P-RC i is-ddirprwyo ymhellach yr awdurdod hwnnw i Swyddog arall o fewn y Corff Atebol.

Ailddechreuwyd cofnodi'r cyfarfod am 10.05.

6. Y Fframwaith Llywodraethu

(1) Cyflwynodd KB yr eitem a rhoddodd ddiweddariad ynghylch oedi gweithredu'r CBC. Roedd arweinwyr yn hapus i dderbyn yr adroddiad.

(2) Cynigiwyd derbyn argymhellion yr adroddiad gan y Cynghorydd Stephen Thomas a'i eilio gan y Cynghorydd Andrew Morgan.

(3) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr Arweinwyr yn y drefn ganlynol: Rhondda Cynon Taf, Bro Morgannwg, Caerdydd, Merthyr Tudful, Blaenau Gwent, Caerffili, Casnewydd, Sir Fynwy a Thorfaen

Nid oedd y Cynghorydd David yn bresennol i bleidleisio dros CBS Pen-y-bont ar Ogwr.

(4) Penderfynwyd bod Cabinet Rhanbarthol P-RC:

(1) nodi a chymeradwyo'r Fframwaith Llywodraethu a'r Cylch Gorchwyl cysylltiedig a chyfansoddiad aelodaeth ar gyfer pob pwyllgor, is-bwyllgor a bwrdd.

Rhoddwyd y gorau i gofnodi'r cyfarfod am 10:17

Mae'r adroddiadau a phob atodiad isod wedi'u heithrio rhag cael eu cyhoeddi oherwydd eu bod yn cynnwys y fath wybodaeth a ddisgrifir ym mharagraffau 14 (gwybodaeth sy'n ymwneud â materion ariannol neu fusnes unrhyw berson penodol) a 21 (prawf budd y cyhoedd) rhannau 4 a 5 o Atodlen 12A i Ddeddf Llywodraeth Leol 1972 a dan holl amgylchiadau'r achos, mae budd y cyhoedd o ran cynnal yr eithriad yn gwrthbwyso budd y cyhoedd o ran datgelu'r wybodaeth.

7. CSC Foundry Limited – Cynllun Busnes Blynyddol ac Adroddiad Diweddaru Blynyddol

(1) Cyflwynodd KB yr eitem a rhoddodd drosolwg o weithgaredd diweddar.

Rory Pugh ymuno am 10:27

(2) **CAM GWEITHREDU:** Byddai RO'D yn paratoi crynodeb byr i Arweinwyr fynd yn ôl at eu haelodau. **KB / RO'D**

(3) **CAM GWEITHREDU:** Byddai RO'D yn trefnu ymweliad â'r CSC Foundry ar gyfer Arweinwyr. **KB / RO'D**

(4) Cafodd y cynnig i dderbyn argymhellion yr adroddiad ei symud gan y Cynghorydd Stephen Thomas.

(5) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr Arweinwyr yn y drefn ganlynol: Rhondda Cynon Taf, Bro Morgannwg, Caerdydd, Merthyr Tudful, Blaenau Gwent, Caerffili, Casnewydd, Sir Fynwy a Thorfaen.

Nid oedd y Cynghorydd David yn bresennol i bleidleisio dros CBS Pen-y-bont ar Ogwr.

(6) Penderfynwyd bod Cabinet Rhanbarthol P-RC yn derbyn argymhellion yr adroddiad eithriedig.

8. Adroddiad y Panel Buddsoddi: Logiau Argymhellion, Achos Amlinellol Strategol a Diweddariadau Prosiect

(1) Cyflwynodd RT yr eitem a darparodd ddiweddariad ar y prosiectau.

(2) Cafodd y cynnig i dderbyn argymhellion yr adroddiad ei symud gan y Cynghorydd Stephen Thomas.

(3) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr

Arweinwyr yn y drefn ganlynol: Sir Fynwy, Casnewydd, Caerffili, Blaenau Gwent, Merthyr Tudful, Caerdydd, Bro Morgannwg, Rhondda Cynon Taf a Thorfaen.

Nid oedd y Cynghorydd David yn bresennol i bleidleisio dros CBS Pen-y-bont ar Ogwr.

(4) Penderfynwyd bod Cabinet Rhanbarthol P-RC yn derbyn argymhellion yr adroddiad eithriedig

9. Achos Busnes Llawn dros Fuddsoddi Ecwiti mewn Cwmni Biodechnoleg

(1) Cyflwynodd CM yr eitem a darparodd gefndir a chyd-destun.

(2) Cafodd y cynnig i dderbyn argymhellion yr adroddiad ei symud gan y Cynghorydd Stephen Thomas.

(3) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr Arweinwyr yn y drefn ganlynol: Sir Fynwy, Caerffili, Blaenau Gwent, Merthyr Tudful, Caerdydd, Bro Morgannwg, Rhondda Cynon Taf a Thorfaen.

Profodd y Cynghorydd Mudd broblemau cysylltiad ac nid oedd yn gallu pleidleisio dros CS Casnewydd.

Nid oedd y Cynghorydd David yn bresennol i bleidleisio dros CBS Pen-y-bont ar Ogwr.

Fe adawodd Mark Williams y cyfarfod am 11:03

(4) Penderfynwyd bod Cabinet Rhanbarthol P-RC yn derbyn argymhellion yr adroddiad eithriedig

10. Cymeradwyo Cyflenwyr a Chyllid Dros Dro ar gyfer Cronfa Buddsoddi Arloesi P-RC

(1) Cyflwynodd RT yr eitem.

(2) Cafodd y cynnig i dderbyn argymhellion yr adroddiad ei wneud gan y Cynghorydd Geraint Thomas.

(3) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr Arweinwyr yn y drefn ganlynol: Rhondda Cynon Taf, Bro Morgannwg, Caerdydd, Merthyr Tudful, Blaenau Gwent, Caerffili, Sir Fynwy a Thorfaen

Profodd y Cynghorydd Mudd broblemau cysylltiad ac nid oedd yn gallu pleidleisio dros CS Casnewydd.

Nid oedd y Cynghorydd David yn bresennol i bleidleisio dros CBS Pen-y-bont ar Ogwr.

(4) Penderfynwyd bod Cabinet Rhanbarthol P-RC yn derbyn argymhellion yr adroddiad eithriedig

11. Achos Busnes Llawn dros Fuddsoddi Ecwiti a Benthyciad i Gwmni Gweithgynhyrchu Ychwanegion

(1) Cyflwynodd CM yr eitem a darparodd gefndir a chyd-destun ar gyfer y prosiect.

(2) **CAM GWEITHREDU:** Byddai gan FBCau y dyfodol resymegol 2 dudalen wedi'i atodi i adroddiadau'r Cabinet. **KB**

(3) Cafodd y cynnig i dderbyn argymhellion yr adroddiad ei wneud gan y Cynghorydd Geraint Thomas.

(4) Derbyniodd y Cynghorydd Hunt bleidleisiau derbyn unigol gan yr Arweinwyr yn y drefn ganlynol: Sir Fynwy, Casnewydd, Caerffili, Blaenau Gwent, Merthyr Tudful, Caerdydd, Bro Morgannwg, Rhondda Cynon Taf a Thorfaen.

Nid oedd y Cynghorydd David yn bresennol i bleidleisio dros CBS Pen-y-bont ar Ogwr.

(5) Penderfynwyd bod Cabinet Rhanbarthol P-RC yn derbyn argymhellion yr adroddiad eithriedig

Daeth y cyfarfod i ben am 11:27

Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

26 SEPTEMBER 2022

2022/23 MONTH 5 JOINT COMMITTEE REVENUE BUDGET MONITORING POSITION

REPORT OF ACCOUNTABLE BODY – SECTION 151 OFFICER, CARDIFF CAPITAL REGION

AGENDA ITEM 4

Reason for this Report

1. To provide the Cardiff Capital Region Joint Committee (Regional Cabinet) with details of actual expenditure, income, and the projected full year outturn position as at the 31 August 2022 (Month 5), against its approved 2022/23 Joint Committee Revenue Budget.

Background

2. At its meeting of the 31 January 2022, Regional Cabinet approved its 2022/23 Joint Committee Revenue Budget. The budget supports the City Deal Office (CDO) and the Accountable Body (AB) support arrangements for the work of the Regional Cabinet.

3. The budget is funded from Local Authority Revenue Contributions and the Wider Investment Fund 'Top-Slice'.

4. General Reserves of £212,080 carried forward from previous years' underspends are also available to fund expenditure incurred in 2022/23. It is not currently anticipated that a drawdown from this fund will be required.

5. In addition, Earmarked Reserves were created at 2021/22 Year End for the following purposes:

    - £227,221 to fund CJC transition costs in 2022/23;

    - £30,000 towards the building up of a reserve to be used to fund expenditure which will be required in preparation for and during the next Gateway Review in 2025/26.

6. All reserves are subject to the completion of the Audit of the 2021/22 Accounts.

Issues

7. At Month 5, actual expenditure incurred and committed amounts to £879,090 representing just over 30% of the annual budget. The projected outturn position indicates that the budget will be underspent by £117,257 at year end. Table 1 summarises the position at Month 5 and a narrative summary is outlined below.

Table 1: Month 5 Joint Committee Revenue Budget Monitoring Position

	Budget 21/22 £	Month 5 Actual £	Projected Year End £	Variance £
Staffing Costs	2,174,211	684,686	2,054,405	(119,806)
Total Employee Costs	**2,174,211**	**684,686**	**2,054,405**	**(119,806)**
Office Lease	15,000	6,250	51,250	36,250
Office Other	5,000	1,308	5,000	0
Total Premises Costs	**20,000**	**7,558**	**56,250**	**36,250**
Travelling & Subsistence Costs	6,500	838	6,500	0
Total Transport Costs	**6,500**	**838**	**6,500**	**0**
ICT Equipment	13,000	639	13,000	0
Office Equipment & furniture	2,600	1,342	2,600	0
Software Licenses & Mobiles	31,310	7,983	31,310	0
Meeting Room Hire & Refreshments	15,000	11,302	15,000	0
Events, Marketing & Branding	10,000	2,665	10,000	0
Media Management	76,200	18,341	29,566	(46,634)
Web Design / Social Media Management	3,800	0	3,800	0
Training & Development	19,500	2,260	27,412	7,912
Welsh Translation	10,000	0	10,000	0
General Expenses	2,500	880	2,500	0
Contingency Budget	30,000	0	30,000	0
Total Supplies & Services	**213,910**	**45,411**	**175,188**	**(38,722)**
5 Yr Gateway Review Support	30,000	0	30,000	0
Programme Development & Support	25,000	15,312	25,000	0
WAO Performance Audit Fee	15,000	0	15,000	0
Western Gateway Membership	10,000		10,000	0
Procurement Support	10,000	0	10,000	0
Joint Scrutiny	25,000	0	25,000	0
CJC Expenditure	227,221	6,786	227,221	0
CJC Reserve Drawdown	(227,221)	(6,786)	(227,221)	0
Total External Support	**115,000**	**15,312**	**115,000**	**0**
HR People Services	16,185	10,702	17,162	977
Finance & Accountancy Support	125,000	52,083	125,000	0
Exchequer, Internal Audit & Insurance	2,857	1,189	4,857	2,000
Legal & Governance Support	121,060	50,442	121,060	0
ICT, Information & Governance	24,040	10,868	26,084	2,044
External Audit Fee	24,500	0	24,500	0
Contingency	20,000	0	20,000	0
Total Support Services (AB)	**333,642**	**125,285**	**338,663**	**5,021**

Total	**2,863,263**	**879,090**	**2,746,006**	**(117,257)**
Local Authority Partner Contributions	(1,218,061)	(243,612)	(1,218,061)	0
Wider Investment Fund Top Slice Contribution	(1,645,202)	(305,589)	(1,527,945)	117,257
Total Funding	**(2,863,263)**	**(549,201)**	**(2,746,006)**	**117,257**

Employee Related Budgets: (£119,806)

8. The Employee Related budget of £2,174,211, is based on an establishment of 25.8 FTEs with various anticipated start dates along with a contingency for additional staffing resources should they be required. An assessment of the resources currently expected to be required during 2022/23 is reflected by this underspend which includes a £150,000 contingency to allow the City Deal Director further flexibility to react to resource requirements which may become clear during the second half of year. This will continue to be reviewed and updated during the financial year.

Premises Costs: £36,250

9. There will be an overspend against the premises costs budget as a result of the decision taken by Regional Cabinet at it's meeting of 27 June 2022 to relocate its core Headquarters and Registered Office to the sbarc|spark building at the Cardiff University Innovation Campus.

Transport Related Expenditure: On Target

10. The annual budget for travel and subsistence costs was reduced for 2022/23 as a result of the impact of the pandemic on agile working practices. It is anticipated that this reduced budget will be on target.

Supplies & Services: (£38,722)

11. While most budgets are expected to be on target there is a projected underspend of £46,634 against the approved Media Management budget which reflects a temporary post that has been created to provide this service 'in-house' rather than via a 3rd party and an overspend of £7,912 against the Training & Development budget as a result of the procurement of staff skills development for the City Deal Office team.

External Support: On Target

12. This section includes a commitment of £30,000 to increase the Earmarked Reserve for future Gateway Review work referred to in Paragraph 5. Recent correspondence with UK Government has confirmed that the process for the second Gateway Review will be funded in a different way from the first and may result in reduced costs to the City Deals. Further updates will be provided to Regional Cabinet in future reports as the impact of this becomes clearer.

Support Services (Accountable Body Support): £5,021

13. It is anticipated that HR support costs will be £977 above the approved budget on the basis of anticipated activity.

14. The level of Internal Audit support has been increased as a reflection of increased activity and will result in an overspend against this budget of £2,000.

15. ICT costs are expected to be above budget by £2,044 as a result of increased anticipated headcount by year end and subsequent support and account provision charges.

Month 05 Summary

16. The forecast expenditure for 2022/23 is projected to underspend the total funding sources approved by Regional Cabinet by £117,257.

17. Any general underspend will be used to reduce the amount required to be drawn down from the Wider Investment Fund Top-Slice.

18. Further monitoring reports will be reported back to Regional Cabinet at future meetings.

19. Invoices will be raised to each of the 10 Partner Authorities in Quarter 4 of 2022/23 for their contributions to this Budget.

Reasons for Recommendations

20. To provide Regional Cabinet with an update of the monitoring position against its approved 2022/23 Joint Committee Revenue Budget, as at 31 August 2022 (Month 5).

Financial Implications

21. As stated in the main body of the report, there is an underspend projected for year-end against the approved Joint Committee Revenue Budget. Future reports to Regional Cabinet will provide updates on the proposed expenditure and provide the opportunity to approve any plans for the reallocation of any budget not being used for its original purpose.

22. As a result of the projected underspends, as set out above, it is proposed that there will be a reduction in the required drawdown from the Wider Investment Fund (WIF) 'Top Slice' contribution to the Joint Committee Revenue Budget.

Legal Implications

23. This is a revenue budget monitoring report for noting and based on the information contained in this report, does not raise any direct legal issues.

Well-being of Future Generations Act 2015 (Wales)

24. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:

    a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;

    b) public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. age; b. gender reassignment; c. sex; d. race – including ethnic or national origin, colour or nationality; e. disability; f. pregnancy and maternity; g. marriage and civil partnership; h. sexual orientation; I. religion or belief – including lack of belief, and;

    c) the Well-being of Future Generations (Wales) Act 2015. The Well-being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

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

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

25. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act

in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 1.

Equality Act 2010

26. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet must in making decisions have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are:

- age;
- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATION

27. It is recommended that Cardiff Capital Region Regional Cabinet:

(1) notes the actual expenditure, income and projected full year out-turn position as at the 31 August 2022 (Month 5), against its approved 2022/23 Revenue Budget.

Christopher Lee
Section 151 Officer
CCR Regional Cabinet
26 September 2022

Appendix
Appendix 1 Well–being of Future Generations Assessment

Future Generations Assessment Evaluation
(includes Equalities and Sustainability Impact Assessments)

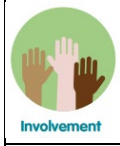
Name of the Officer completing the evaluation:	**Please give a brief description of the aims of the proposal**
Christopher Lee **Phone no:** 02920 72300 **E-mail:** christopher.lee@cardiff.gov.uk	To provide details of expenditure, income and projected full year outturn position against the approved 2022/23 Joint Committee revenue budget.
Proposal: 2022/23 Month 5 Joint Committee Revenue Budget Monitoring Position	**Date Future Generations Evaluation form completed:** 26 September 2022

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

Well Being Goal	**Does the proposal contribute to this goal? Describe the positive and negative impacts.**	**What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?**
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The report sets out progress against agreed revenue budgets and the way in which resources are being used to deliver outcomes and targets.	Set out in report
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Not directly relevant however financial support and investments will have regard to these principles and will be set out on a business-case by business-case basis.	
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Not directly applicable	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Not directly applicable	
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Not directly applicable	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Not directly applicable	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	City Deal is about delivering as far as possible across 10 LAs and a population of £1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people's lives. Some of the specific interventions around skills and housing – will seek to make a more direct contribution to equity of access and equal opportunity for all.	

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
Balancing short term need with long term and planning for the future	The report sets out short-term interventions and balances these against the long-term delivery of major programmes.	
Working together with other partners to deliver objectives	A cornerstone of our process is the strength of partnership working.	
 Involving those with an interest and seeking their views	Communications and engagement remain a feature of our work.	
Putting resources into preventing problems occurring or getting worse	Demonstrated in the report through detailed funding allocations and investment cases	
Considering impact on all wellbeing goals together and on other bodies	City Deal seeks to make a contribution on place and to improving the life chances of people in the region.	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The report is an overview of financial performance. The protected characteristic assessments related to specific proposals will need to be drawn out in the relevant business cases and proposal documents.	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above	As above	
Race	As above	As above	
Religion or Belief	As above	As above	
Sex	As above	As above	.
Sexual Orientation	As above	As above	
Welsh Language	As above	Not at this time but the situation will be kept under review.	

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

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

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

- Evidence and input contributed by theme leads
- Outcomes of assessments such as audit reports
- The Draft Annual Governance Statement
- Delivery against targets set out in individual business cases/ approved project documentation
- Financial data and recording

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

The areas requiring attention and focus are set out and follow-up actions will be assessed and monitored ongoing through the quarterly reporting mechanism.

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

The impacts of this proposal will be evaluated on:	Future Monitoring Reports

Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

26 SEPTEMBER 2022

2022-23 ANNUAL BUSINESS PLAN - QUARTER 1 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM 5

Reason for this Report

1. To inform key stakeholders, principally, Regional Cabinet and also Wales and UK Governments of the Quarter 1 reporting position against the 2022/23 City Deal Business Plan, thus discharging the reporting requirements of the Assurance Framework in relation to performance reporting.

2. To provide regional Cabinet with an update of actual expenditure as at Quarter 1 against the approved Wider Investment Fund budgets as set out in the Annual Business Plan for the financial year 2022/23.

3. To recommend that Regional Cabinet approve the Quarter 1 report, in order for formal submission to government partners.

4. To note the overarching context of the five year Strategic Business Plan for Cardiff Capital Region City Deal and the priority themes and headings it sets out, through which the performance lens has been created: 1) Building Back Better 2) Becoming a City Region 3) Scaling up delivery of peak WIF programme for City Deal 4) Making the case for levelling up of CCR and 5) Developing industrial-led clusters and innovation-led growth.

Background

5. Regional Cabinet approved its 2022/23 Annual Business Plan at its meeting in January 2022 which included details of the Wider Investment Fund budgets for that year. The report also provided an overview of the key work streams that would need to be progressed during the year in accordance with key priorities agreed with cabinet in November 2021 . The 2022/23 Annual Business Plan sets out the activities, tasks and objectives to be delivered in the period; alongside an assessment of the resources required to deliver.

6. The Annual Business Plan 2022/2023 and the priority action contained within it, form the basis of the Quarterly Performance Monitoring Reports which are issued

to the UK and Welsh Governments as well as provide the basis for ongoing evaluation, impact assessments and wider detailed monitoring work. Alongside this process sits one-to-one sessions with individual Cabinet Members, whole-Cabinet briefings and deep dive assessment work as part of the ongoing Gateway Review process. Against the backdrop of the five strategic priority headings set out in 4. above, in 22/23 the clear priorities for action are against:

- an innovation-led region, fuelled by competitive clusters;
- connected places, in which investment is made into cutting edge physical and digital infrastructure;
- an inclusive approach which will help close the gap in regional economic and social disparities;
- a green and sustainable region which is embracing decarbonisation objectives
- becoming a City Region – shifting from becoming a single funding programme to a corporate legal entity that operates a number of programmes and portfolios
- creating effective and efficient delivery capability.

7. The planning process translates into a comprehensive framework for measuring, monitoring and recording progress. This is important in performance and impact on an ongoing basis. With a new Benefits Realisation Framework to support measurement of Impact Delivery, this also dovetails into work now needed to support the UKG's new approach to Gateway Review, the second stage of which will begin in earnest for CCR, with a new mid-point report to be conducted into progress in and around the summer of 2023. Given the changes this will bring to the process of external evaluation assessment – and the internal capability required to support it - a separate report will be brought on this subject to Regional Cabinet in November 2023.

8. This whole approach is maturing all of the time and offers more outcome focussed insights and information regarding CCR's growing output and impact. Whilst the focus is clearly retained on the three primary targets of jobs, growth (GVA) and private leverage – it is supplemented by wider priorities around decarbonisation, sustainable and inclusive growth, benefits for people and places and social value considerations.

Summary of Progress – Quarter 1

9. A summary of progress is outlined below, with detailed information included within key appendices attached to this report. The Performance Report attached at **Appendix 1** details the further progress made on the delivery and mobilisation of our current portfolio along with progress made on other strategic objectives outlined in the 2022/23 Annual Business Plan:

- **257m** funds committed as at Q1 (30/6/22); **95%** of which will be drawn down by March 2027;
- **£8.6m** actual spend in **Q1** with a further **£32m** forecast to be spent as follows; **Q2: £3.5m, Q3:£9m and Q4: £19m**;
- **£5m** additional funds committed in July for **Jellagen and Apex** with further FBC's worth **£54m** scheduled for cabinet in September;

- Impacts generated by current portfolio are predominantly realised in subsequent years. As at Q1 we are **on track on both jobs and leverage trajectories**;

- Significant points of note within the individual investment portfolios includes:

    - agreement to provide an additional **£2m** funding to **HDS** (ex-Pharmatelligence) in June;
    - launch of Cyber Innovation Hub in May;
    - payments made for **£7.4m** for work on **3 Metro Plus projects** (Porth, Pontypool and Cardiff East)and **£800k** on **ULEV** in June;
    - some slippage on projected contract commitment and hence spend on both HVGF and SS+P programmes which will be made up in subsequent years;
    - Challenge Fund commitments equal **£4.85m** with **£1.5m** expected to be paid out across the LEV fleet schemes, Endoscopy and Food sustainability challenges in Q2 and Q3.

- **8m** Aberthaw (balance of purchase costs) on track for completion in Q4;
- Cohort 3 launched on the Graduate programme and has received over 750 applications for 48 roles. New Graduate accelerator scheme devised for launch in September which will further enhance the proposition;
- Cyber Masters MSc nominated for Fintech Awards as best academic programme and provisionally certified by NCSC;
- considerable Pipeline activity throughout the quarter; **10** Expressions of interest, **6** investments appraised and **8** business cases in the development process;
- significant activity in the non-investment activity includes:

    - **Cyber and Creative sector working groups** established;
    - creation of a draft **Regional Cluster Strategy;**
    - draft updated versions of our **Regional Economic and Industrial Plan and Investment Strategy** produced to take account of the changing landscape, additional responsibilities and experience to date;
    - agreement to host a **Regional Business Conference in April 2023.**

10. In respect of the Metro Central scheme, this has been highlighted as a red risk within Appendix 1. The rating reflects that there have been some delays to the scheme as a result of accounting treatment and tax issues that have been outstanding, some of which have procurement implications. This has resulted in delays to funding agreements being finalised but is now in the process of being resolved by CCR and TfW respective legal advisors via the establishment of a Co-operation Agreement. The Metro Central scheme is the subject of a separate report that will be considered by Regional Cabinet at its September meeting.

Wider Investment Fund Budget Updates (Current & Future Years)

11. The Wider Investment Fund (WIF) 2022/23 Budgets were approved by Regional Cabinet at its meeting of 31 January 2022 as part of the 2022/23 Annual Business Plan and reflected the indicative spend profiles known at that time. These spend profiles are updated as circumstances within the projects in delivery and those in the pipeline develop throughout the year.

12. Since the approval of the Business Plan, and in order to keep the Partner Authorities updated in terms of Capital Contribution requests, the WIF Financial Model is regularly reviewed and updated. The result of the most recent review is fully set out in Appendix 2.

13. The figures in Appendix 2 deal with the full £495m CCR Wider Investment Fund over its whole 20-year life and reflect assumptions around future spend which are yet to be approved, including, for example a £3m contingency for potential currently unknown expenditure in the current financial year. Similarly, the overall funding model includes return on investments and reinvestment and does not include expenditure against other sources of funding such as the ULEV grant.

14. Therefore, the updates set out in Appendix 2 should be read in this context. Furthermore, Appendix 2 provides details of the Medium Term Financial Plan and Funding Strategy, an update against the approved Local Authority Affordability Envelope and finally, considerations in respect of the future WIF Funding Strategy.

AGS Action Plan

15. Six of the ten actions relating to the approved 2021/22 AGS Action Plan are complete.

16. The remaining four actions are planned to be delivered through 2022/23 developing on an array of areas which will further enhance the governance around the ways of working at CCR. This includes the development of the KPMG Impact Delivery Framework with a specialist resource joining the team to manage the delivery, the implementation of risk management practises with phase three of AON's work commencing in the autumn of 2022. The consideration of the IIF Investment Strategy, and a peer review of internal audit's practises by Monmouthshire County Council is expected in quarter three. Further details are set out in Appendix 4.

Internal Audit Action Plan

17. All thirteen actions agreed as part of the 2022/21 Internal Audit Action Plan have been completed.

18. The Terms of Reference and Audit Objectives for the 2021/22 audit were agreed in May 2022, the audit work is due to be completed during the summer, with the initial findings and any proposed recommendations due in September/October 2022. Where Recommendations have been identified, a new Action Plan for 2021/22 will be agreed, with regular progress updates provided via future quarterly performance reports.

19. It should also be noted that in line with the Joint Committee Annual Revenue Budget Report of March 2021, it was agreed that a record of appointments made, in relation to the new resourcing structure, would be reported for information. To date, the following posts set out below have been agreed and appointments made with others pending. Overall, this brings a strong balance to the team of fresh external perspectives, sectors and backgrounds, as well as career development

opportunities for the officers within the 10 CCR Councils. New appointments in Q1 include:

- Social Media and Website Executive (fixed term contract);
- Communications Officer - Venture (short term contract appointment).

20. It should be further noted that whilst the quarterly performance reporting information will be focussed and pertain only to those tasks embodied in the Annual Business Plan – there is a wider programme of activity ongoing which includes:

- Thought leadership, public speaking and policy development in respect of:
    - CCR work with Regional Investment Wales;
    - participation in several Learned Society Wales Network on Innovation Strategies;
    - MIPIM 2022 Sponsor Dinner;
    - National PMO Networking Group;
    - participation at UK REiiF;
    - Keynote speaker at the National Social Value Conference 2022;
    - Keynote Speaker at Science and the Senedd;
    - Keynote Speaker at SPARK launch;
    - Keynote Speaker at RSP Conference;
    - contribution to Foreign Policy Focus on Wales;
    - support for Beyond 2022;
    - hosting ACCIO – Trade and Invest Catalonia;
    - sponsorship of IOD Awards 2022;
    - participation in National Cyber Security Conference 2022.

- Committee and partnership/ advisory board cycles for:
    - Regional Cabinet;
    - CJC Transition Board;
    - Regional Transport Authority;
    - Programme Board;
    - Regional Economic Growth Partnership;
    - Regional Business Council;
    - CSC Foundry Board;
    - Challenge Fund Board (Advisory and Strategy);
    - Graduate Scheme Strategy Board;
    - Strategic Premises Fund Advisory Board;
    - Valleys Regional Park Executive Board;
    - monthly meetings with LA Economic Development Leads.

Financial Implications

21. This report and its appendices provide an update of progress and expenditure against approvals made by Regional Cabinet in respect of the CCRCD Wider Investment Fund.

22. It is important to note that, depending upon the nature and timing of any in-year project expenditure approvals, the components of the ‘funding mix’ may vary and

subsequently impact upon the funding requirements of the Partner Authorities. The established stakeholder networks will be used to provide updates on this as and when necessary.

23. Regional Cabinet will continue to be provided with regular project performance reports, supplemented by final budget monitoring statements, where matters such as progress against the Project Delivery Pipeline and associated budgets can be assessed and the proposed funding arrangements can be reviewed as appropriate.

Legal Implications

24. The report sets out the Quarter 1 performance and is submitted to Regional Cabinet for consideration pursuant to the reporting requirements within the Cardiff Capital Region City Deal Assurance Framework. There are no other legal implications for this report.

Well-being of Future Generations (Wales) Act 2015

25. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:

    (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;

    (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; I. Religion or belief – including lack of belief, and;

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

- look to the long term;
- focus on prevention by understanding the root causes of problems;
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- work in collaboration with others to find shared sustainable solutions;
- involve people from all sections of the community in the decisions which affect them.

26. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at appendix 5.

Equality Act 2010

27. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet must in making decisions have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are:

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- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATIONS

28. It is recommended that the Cardiff Capital Region Joint Cabinet:

(1) notes the overall progress at Quarter 1 2022/23 including the budget position reported at Appendix 2;

(2) considers and if deemed acceptable, approves the Quarter 1 performance report and authorise the Director of the Cardiff Capital Region City Deal to formally submit the report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet.

Kellie Beirne
Director, Cardiff Capital Region
26 September 2022

Appendices

Appendix 1 Q1 Performance Report 2022-2023
Appendix 2 Wider Investment Fund Budget Updates (Current & Future Years)
Appendix 3 Communications Report
Appendix 4 Annual Governance Statement (AGS) Action Plan
Appendix 5 Well-being of Future Generations Assessment

Appendix 1

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

Cardiff Capital Region City Deal

Q1 22/23 Performance Report

Contents

1. Operating Context
2. Executive Summary
3. Finance and Expenditure – Overall View and 2022/23 by Quarter
4. Outcomes and Impact - Overall View
5. Funding Mix
6. Innovation Portfolio 22/23 View and Q1 Update
7. Infrastructure Portfolio View and Q1 Update
8. Challenge Portfolio View and Q1 update
9. Skills Portfolio View and Q1 update
10. Q2 Milestones
12. Portfolio Risk Overview
13. Other Strategic Objectives Q1 Progress Update

1. Operating Context : CCR City Deal Principles and Strategy

Guiding Principles:

- **£1.23bn CCR City Deal Signed In March 2017 By UKG And Ten Political Leaders Of CCR With A Vision To Deliver A Unique And Different Kind Of City Deal**
  - An open 'flexible' & competitively focussed Wider Investment Fund (WIF) of £495m with the other £734m of WG funding ringfenced for Metro.
  - £495M WIF has no pre-ordained or fixed projects – flexibility seen as key to being more market led and opportunity focussed. No vanity or pet projects.
  - Ambitious Targets of 5% GVA, £4BN leverage and 25,000 jobs – BUT they cover the whole £1.23bn not just the £495m within our control.
- **CCR City Deal Seen As A Catalyst For A New Approach – Hand Ups Not Hand-outs**
  - Dedicated team determined to break dependency cultures and 'live off the interest' not spend down the capital.
  - To balance strong local political leadership with visible business leadership as we set about the task of region building.
- **CCR Playing The Long Game**
  - Focus on building productivity and competitiveness for priority sectors and clusters which deliver comparative advantages.
  - WIF will maximise co-investment and leverage: CCR City Deal should never invest alone – only alongside others.

CCR Investment Strategy:

- **Two-pronged Approach**
  1. Ensure all areas of the region have access to schemes that deliver on basic infrastructure needs – Metro Plus, housing viability gaps, ULEV, digital and strategic sites.
  2. Balance with more market focussed interventions, maximising supply chains, local skills impact and a distributed impact.
- **Return Of Investment & Evergreen Principles**
  - Adopted wherever possible enabling the ability to invest and build our future resilience (commercial loans, impact funds and equity).
  - CCR investment should always go in latterly, or at least alongside co-investors, ensuring that projects are de-risked, appropriately securitised and asset backed.
- **Portfolio Approach To Programme – Innovation, Infrastructure, Challenge And Skills**
  - Focus on securing additional public funding – UKRI, SIPF, DCMS, UKIB.
  - No wholesaling of programmes or grant giving – CCR recognised as part of a wider funding package in order to drive confidence and balance risk-reward and responsibility.
  - CCR has a robust and legally reviewed process which underpins all commercial investments – evaluation, developing robust business case and legal and finance due process.
  - Established ***Investment Panel & Regional Economic Growth Partnership*** *forums which* includes private & public (50-50) who provide rigour and business-like discipline to all investment decisions .

2. Executive Summary

- **£257m** funds committed as at Q1 (30/6/22); **95%** of which will be drawn down by March 2027
- **57%** of committed portfolio funds are funded by UKG and **43%** by LA capital.
- **£8.6m** actual spend in **Q1** with a further **£32m** forecast to be spent as follows; **Q2: £3.5m, Q3:£9m and Q4: £19m.**
- **£5m** additional funds committed in July for **Jellagen and Apex** with further FBC's worth **£54m** **scheduled for** cabinet in September.
- Impacts generated by current portfolio are predominantly realised in subsequent years. As at Q1 we are **on track on both jobs and leverage trajectories.**
- Significant points of note within the individual investment portfolios includes:
  - Agreement to provide an additional **£2m** funding to **HDS** (ex-Pharmatelligence) in June.
  - Launch of Cyber Innovation Hub in May
  - Payments made for **£7.4m** for work on **3 Metro Plus projects** (Porth, Pontypool and Cardiff East)and **£800k** on **ULEV** in June
  - Some slippage on projected contract commitment and hence spend on both HVGF and SS+P programmes which will be made up in subsequent years.
  - Challenge Fund commitments equal **£4.85m** with **£1.5m** expected to be paid out across the LEV fleet schemes, Endoscopy and Food sustainability challenges in Q2 and Q3.

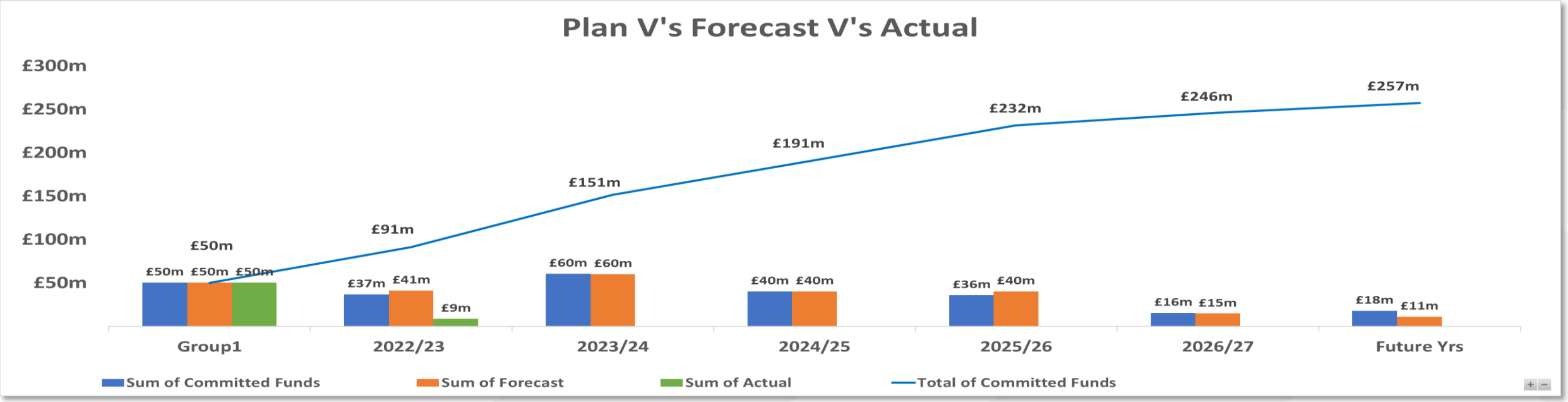
2. Executive Summary (Continued)

- **£8m** Aberthaw (balance of purchase costs) on track for completion in Q4.
- Cohort 3 launched on the Graduate programme and has received over 750 applications for 48 roles. New Graduate accelerator scheme devised for launch in September which will further enhance the proposition.
- Cyber Masters MSc nominated for Fintech Awards as best academic programme and provisionally certified by NCSC.

- Considerable Pipeline activity throughout the quarter; **10** Expressions of interest, **6** investments appraised and **8** business cases in the development process. Over £100m of collective potential opportunities on top of the £54m FBCs scheduled for consideration in September 2022.
- Significant activity in the non-investment activity includes:
  - **Cyber and Creative sector working groups** established
  - Creation of a draft **Regional Cluster Strategy**
  - Draft updated versions of our **Regional Economic and Industrial Plan and Investment Strategy** produced to take account of the changing landscape, additional responsibilities and experience to date.
  - Agreement to host a **Regional Business Conference in April 2023**

3. Finance & Expenditure – Overall Programme

CCR Programme	Committed Funds	Spend To date 31/03/2022	22/23 Plan	22/23 Forecast	22/23 Actual
	£257m	£50m	£37m	£41m	£8.6m



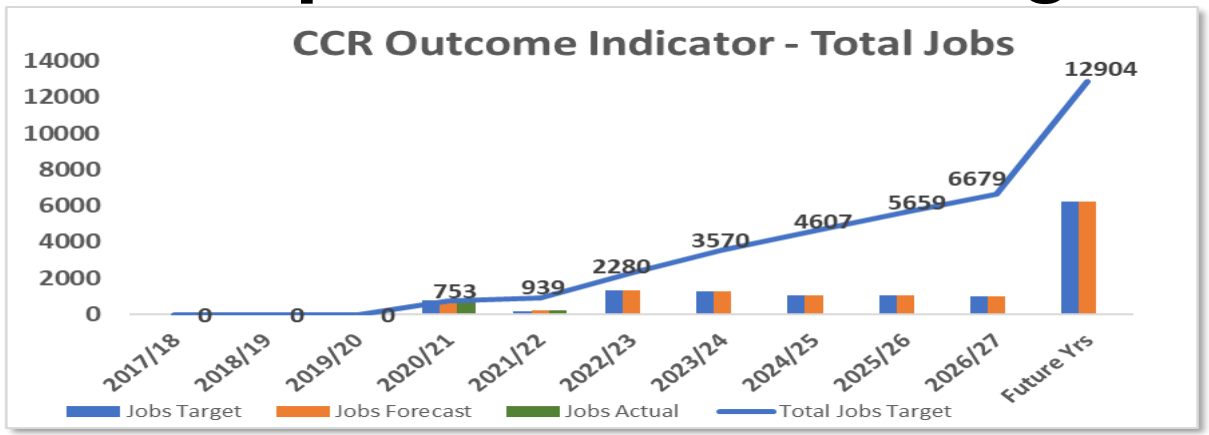
CCR Programme Narrative

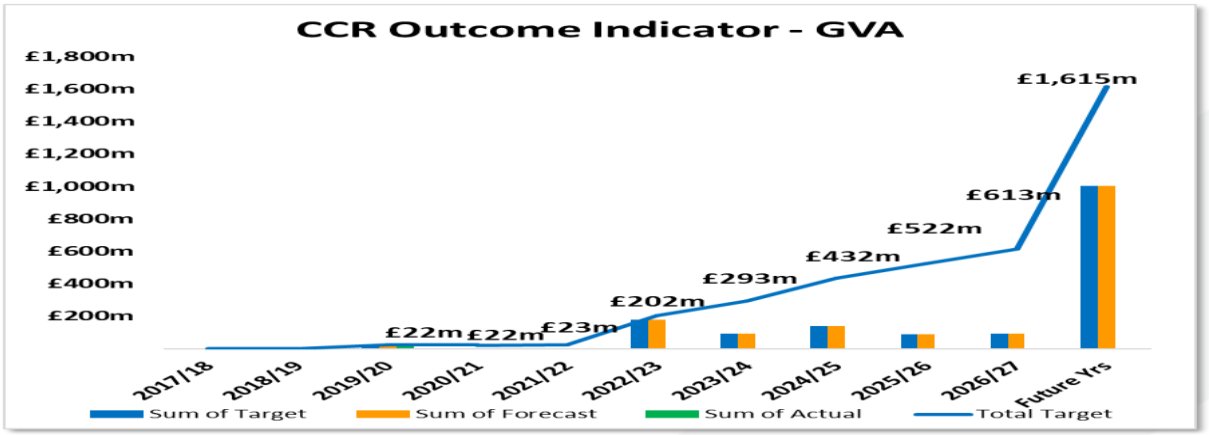
- ✓ ***£257m*** portfolio commitments as at 30/6/22 of which ***95%*** is scheduled to be drawn down by March 2027.
- ✓ ***£8.6m*** actual spend for Q1 representing ***£7.4m*** Metro Plus, ***£0.8m*** ULEV and approx. ***£1m*** of operational revenue spend across the Innovation, Challenge and Skills portfolios.
- ✓ ***£41m*** predicted 2022/23 spend is ***£4m higher than the £37m*** submitted in March 2022 and represents primarily an additional***, £1m*** spend for a further loan facility for Pharmatelligence (HDS) and a ***£3m*** increase in the infrastructure portfolio representing the net effect of predicted increases in Metro Plus £1.8m and ULEV £2.2m, increases in Aberthaw ***£1.6m,*** Metro Central, ***£1.5m*** and a reduction in predicted HVGF spend of ***£4m*** due to slower than planned mobilisation.
- ✓ This significant acceleration of spend is currently forecast to be maintained throughout the forthcoming 3 years whilst simultaneously accelerating pipeline development to enable further deployment of the WIF. An additional ***£5m*** has been approved since the qtr end with a further ***£54m*** due to go before the September cabinet. The improved information we now have on the future financial position will henceforward enable us to manage the pipeline to ensure we optimise portfolio spend and impact.

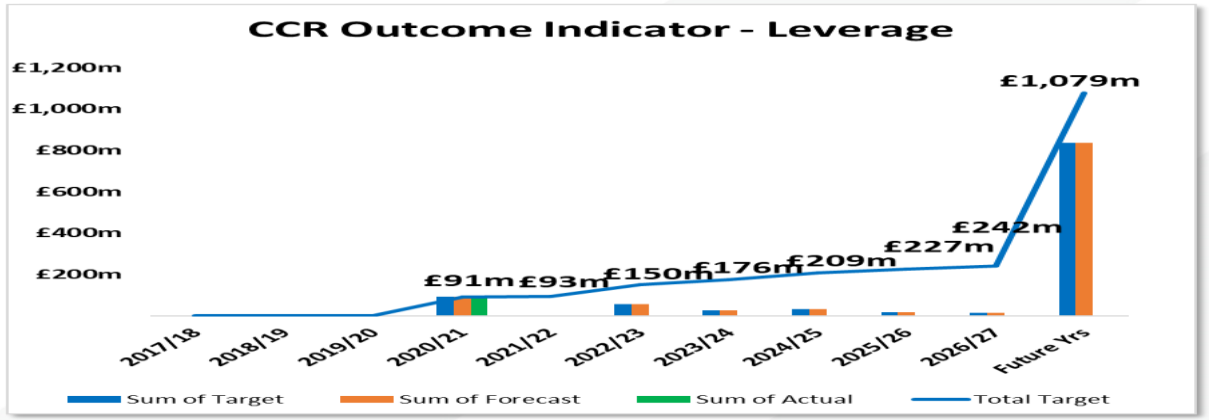
3. 22/23 Spend Projections by Quarter

Portfolio	Investments In Delivery	Q1 Actual	Q2 Forecast	Q3 Forecast	Q4 Forecast	22/23 Total
Infrastructure	Metro Plus (inc ULEV)	£8.09m	£0.7m	£2.69m	£0.74m	£12.19m
Infrastructure	Aberthaw	£0.06m	£0.1m	£0.13m	£9.84m	£10.15m
Infrastructure	Strategic Sites & Premises	£0.00m		£1.80m	£4.58m	£6.38m
Infrastructure	HVGF	£0.12m	£0.2m	£1.58m	£0.97m	£2.91m
Challenge	Challenge	£0.14m	£0.9m	£0.91m	£0.23m	£2.19m
Infrastructure	Metro Central	£0.01m	£0.0m	£1.02m	£1.03m	£2.06m
Innovation	HDS Pharmatelligence		£0.5m		£0.50m	£1.01m
Innovation	FinTech Wales	£0.05m	£0.8m			£0.80m
Innovation	Cyber Innovation Hub			£0.37m	£0.37m	£0.74m
Innovation	Media Cymru	£0.02m	£0.1m	£0.20m	£0.29m	£0.57m
Infrastructure	Zipworld	£0.00m	£0.1m	£0.26m	£0.18m	£0.54m
Skills	CCR Graduate Scheme (Venture)	£0.10m	£0.1m	£0.16m	£0.13m	£0.54m
Innovation	CS Connected				£0.41m	£0.41m
Skills	Cyber Masters		£0.0m	£0.22m		£0.24m
Skills	Shared Apprenticeship				£0.13m	£0.13m
	Grand Total	**£8.6m**	**£3.5m**	**£9m**	**£19m**	**£41m**

4. Impact – Overall Programme







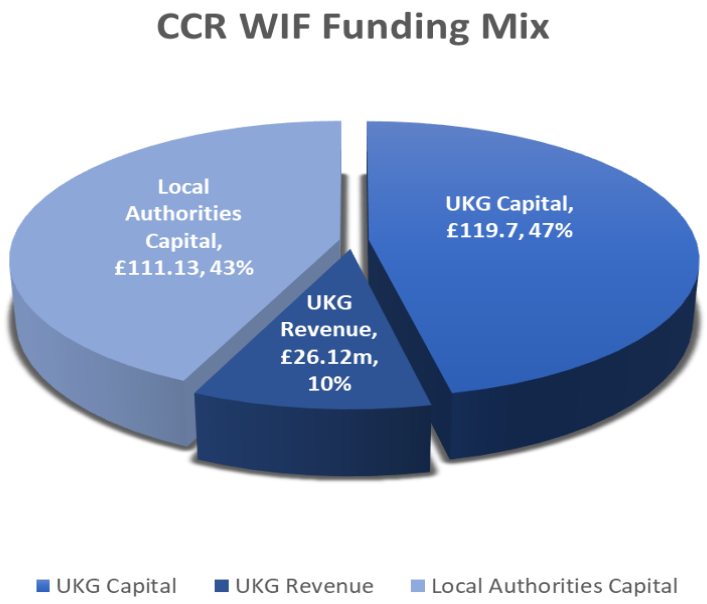
Commentary

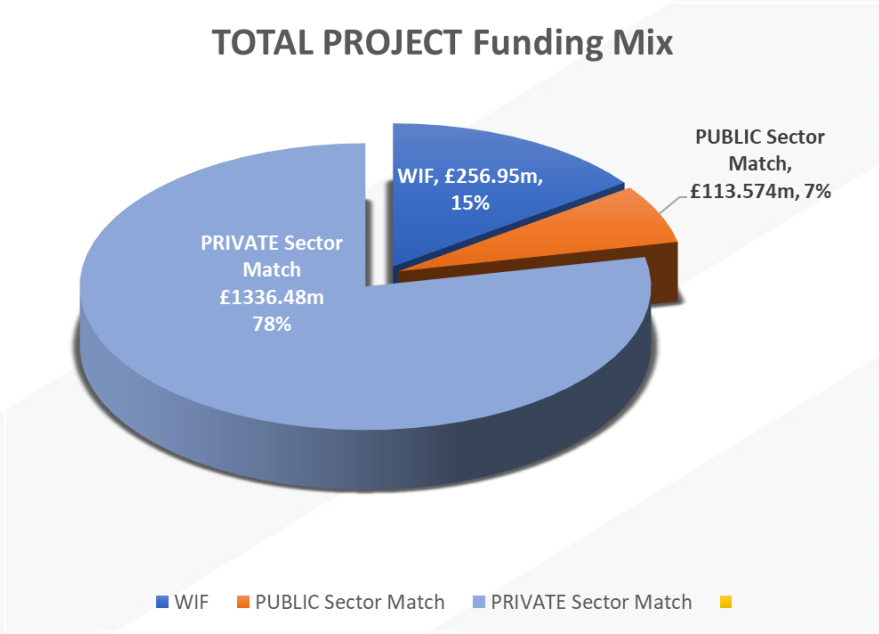
- ✓ The charts indicate that the impact of the current portfolio is substantial BUT back ended.
- ✓ By the end of 22/23 our expectation is that **2280** jobs will have been generated, **1,341** of which are expected to be realised in 22/23..
- ✓ However, It should be noted that our ambition is not just about quantum of jobs it is also about **quality, high value jobs**. The majority of the jobs in these forecasts (and actuals) relate to the CSC sector where the average job value is worth considerably more. Jobs in this sector are estimated to be **60%** above the Welsh average.
- ✓ GVA similarly is back ended with the expectation that this portfolio can generate approx**. £1.6bn** in the fullness of time.
- ✓ Leverage is similarly weighted with an expectation this portfolio of commitments will generate approx. **£1bn** in due course.

NB: This quarter we have spent considerable time improving our financial planning and monitoring. We have also had considerable internal dialogue on how best to manage benefit realisation for 22/23. As a result, in September, we will be taking on an additional resource with particular expertise in this arena.

This part time deployment will help us further embed our impact framework and ensure we have a local framework that aligns with the National Evaluation Framework. We will also be looking to further consider social value measures, including Equality, Diversity & Inclusion (EDI) and Environmental, Social & Governance (ESG) factors to enable us to report a more holistic suite of impact measures and attribution mechanisms.

5. CCR CD Funding Mix Q1 2022/23 Overview





CCR WIF Funding Mix

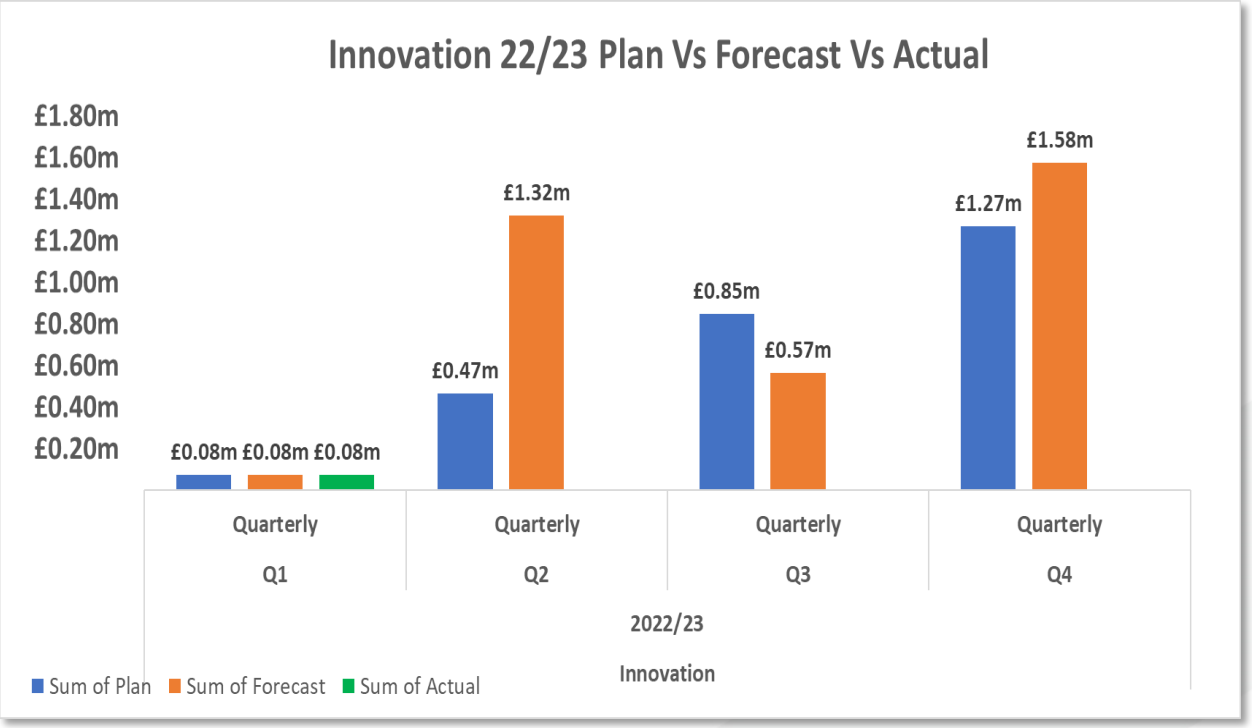
- £120m of the £325m UKG capital funds have been committed at the end of Q1; £111m of the £120m Local Authorities capital funding; and £26m of the £50m UKG revenue funding (a further £17m revenue funding has been earmarked for Programme Development & Support costs over the programme period).
- The mix of capital funding is dependent upon the drawdown profile agreed for the UKG funds; if more UKG capital funds could be drawn-down sooner then they would be prioritised, saving LA monies for later projects.

Total Project Funding Mix

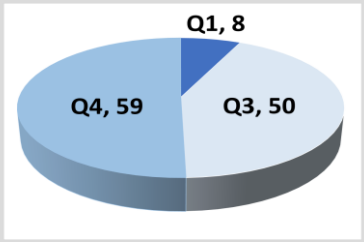
- Based on the current committed projects totalling £257m CCR WIF funding, public sector match should be £114m and private sector match/leverage should be £1,336m, giving a total estimated investment project value of £1.71B.
- ***Please note that the match figures do not include leverage unlocked on Metro Central wider site development, which could potentially be a minimum of £500m, or leverage unlocked in the CSconnected cluster industry partners, which could be a minimum of £200m.***

6. Innovation Portfolio – 22/23 Overview

Innovation	Committed Funds	Spend To date 31/03/2022	22/23 Plan	22/23 Forecast	22/23 Actual	22/23 Jobs Target	22/23 GVA Target	22/23 Leverage Target	22/23 Public Match Target
	£60m	£42m	£2.7m	£3.5m	£0.082m	117	£140m	£11m	£7m

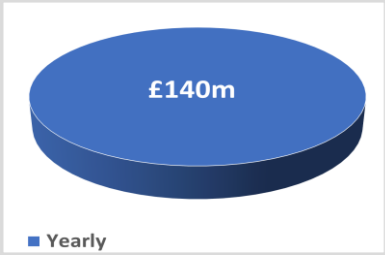


22/23 Jobs Target



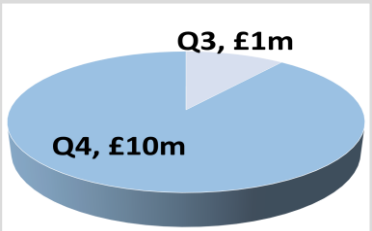
6 Jobs crystallised to date for media.cymru and **2** for Fintech Wales . 82 of the 117 relate to Mediacymrus and CIH – both of which are not scheduled to launch until Q3. Of the remaining jobs the 15 for HDS are expected for the 2nd half of the year along with the 20 for Creo and the remaining 8 for FinTech Wales.

22/23 GVA Target



GVA will be considered on an annual basis only not quarterly. Info on the wider impact of the CS sector (the£140m GVA relates entirely to that sector - can be found here: published by the Welsh Economy Research Unit

22/23 Leverage Target



No leverage actuals expected this quarter. The targets relate to CIH, Media Cymru and FTW – all of which comes on stream in the 3rd and 4th quarters of this year.

Portfolio Highlights

- ✓ ***£2m*** increase in committed funds over last quarter due to the additional loan facility agreed for HDS. ***Of the current £60m portfolio 75% is evergreen (loans/equity) and 25% grant)***
- ✓ Expenditure in line with plan. No significant actuals for the quarter - limited predominantly to **£55k** paid to Fintech Wales in accordance with the recently agreed Grant agreement and on going operational set up costs of £24k relating to Media.cymru.
- ✓ Forecast variations to plan of expenditure for the remainder of the year are all due to timing not due to material profile changes. Q2 sees the acceleration of **£750k** of the Fintech spend plus **£500k** of the HDS loan. Q3 is the first expected **£370k** CIH drawdown which is repeated in Q4 along with the other half of the HDS loan.
- ✓ ***8 jobs*** created within the quarter. No leverage within this quarter but none expected until Q3. GVA not due for calculation until year end.
- ✓ Majority of effort this quarter has been spent on progressing business cases through to FBC for cabinet approval. ***Jellagen (£2m) and Apex (£3m) were agreed in July, with Yoello (£4m) and IIF (£50m) scheduled for decision in September. This will increase committed funds within this portfolio to £118m.***
- ✓ Recruitment also underway for 3 roles to increase the capacity of the team to manage the workload associated with this portfolio.

6. Innovation Portfolio Q1 Update

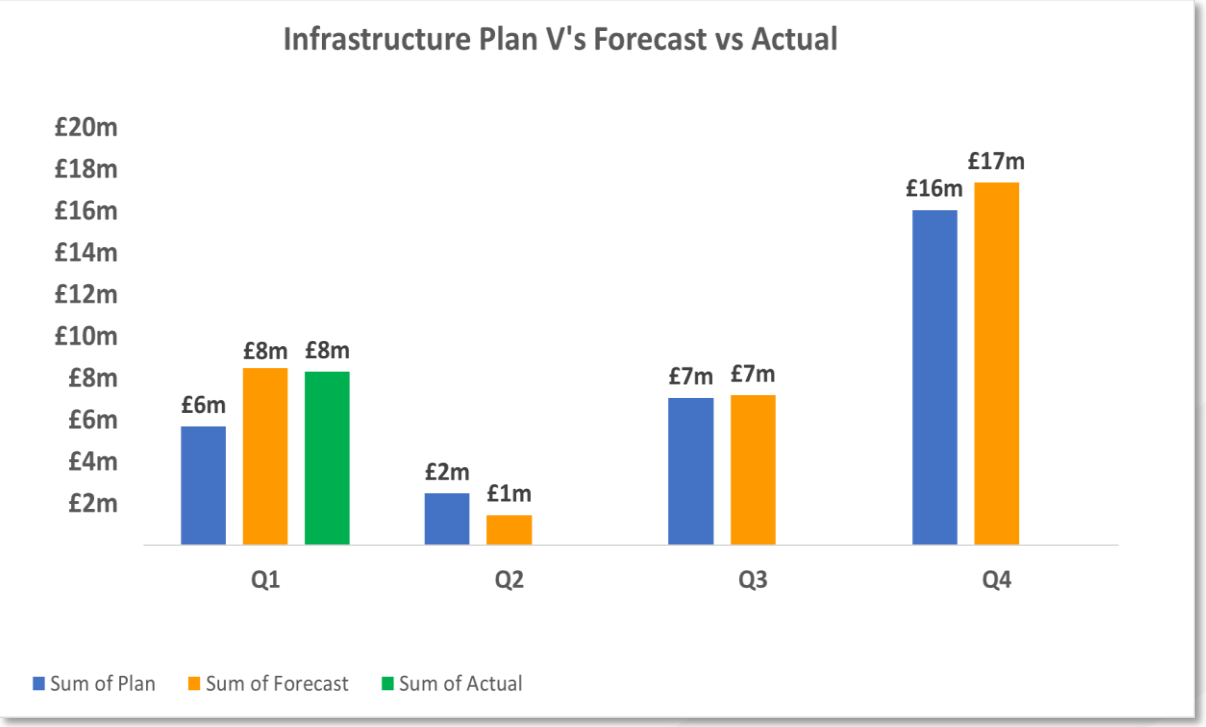
APS = Approved Project Spend
STD = Spend to Date
AF= Annual Forecast

O = Operational Risk
F = Financial Risk
R = Reputational Risk

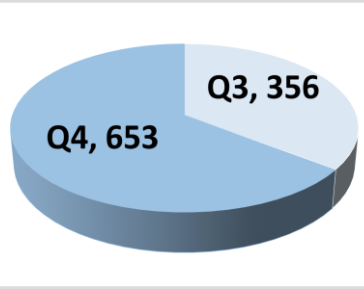
Investment	APS	STD 31/03/22	AF 22/23	Q1 Exp Actuals	22/23 Remaining	Commentary	O	F	R
CSC Foundry	£38.5m *Loan*	£37.1m	NA	NA	NA	**£450k** income received for re-cycle funding. Discussions ongoing on whether IQE will exercise their option to purchase. Decision linked to wider group capital structure considerations alongside commercial/market considerations. Decision expected in the autumn.			
CSconnected	£3.3m *Grant*	£0m	£0.41m	£0m	£0.41m	Work has focused this quarter on the formulation of a 'change control request' for the re-profiling of the £3.3m CCR contribution to the CSconnected programme to enable it to focus on strengthening the supply chains and skill provision into the sector (as opposed to the creation of 'front of house' facilities). That case will go to cabinet in September. No expenditure to report this quarter. The £400k expected this year will be paid in Q4.			
Cyber Innovation Hub	£7.26m *Grant*	£0m	£0.74m	£0m	£0.74	In May our collective investment in the Hub was announced by the First Minister at the launch of CyberUK. Subsequent to this Cardiff University have been formally onboarding partners and mobilising the Hub, with a scheduled **launch date of 1 September 2022**. No expenditure to report this quarter. None expected until Q3			
Creo Medical	£2.06m *Loan*	£2m	NA	NA	NA	Nothing to note this quarter. From Creo's perspective, they have had an extremely successful period with significant commercialisation of its core products. The uniqueness of their product set coupled with their first class training programmes has resulted in them now being a global med-tech player.			
HDS (Pharmatelligence)	£4m Equity / *Loan*	£2m	£1m	£0.005m	£1m	A further **£2m loan funding was approved in June**. This quarter has been significant for Pharmatelligence who have rebranded, plus rolled out their flagship new data analytics software product. The additional CCR investment will allow this innovative company to continue on its growth trajectory. No expenditure of note this quarter.			
Fintech Wales	£2.1m *Grant*	£0.153m	£0.8m	£0.053m	£0.75m	This quarter's activity has focused on contract finalisation post cabinet approval in March and payment of the **first £50k of the grant agreement**. The funding will be primarily used to increase FinTech Wales capacity to create bespoke talent pool and enhances skills pathways in order to ensure our FinTech businesses can recruit the skills and talent they require.			
Media.Cymru	£3m *Grant*	£0.036m	£0.573m	£0.024m	£0.549m	The media.cymru programme continued to build at a pace this quarter, growing their delivery team and supporting Consortium members to develop their media innovation plans. The £24k spend was primarily a mix of internal egal set-up costs CCR and payment to USW for direct staffing costs. **6 jobs** have been created in this set up phase. **The launch event is on target for October**.			
Total	£60.22m	£41.289m	£3.523m	£0.082m	£3.359m				

7. Infrastructure Portfolio – 22/23 Overview

Infrastructure	Committed Funds	Spend To date 31/03/2022	22/23 Plan	22/23 Forecast	22/23 Actual	22/23 Jobs Target	22/23 GVA Target	22/23 Leverage Target	22/23 Public Match Target
	£184.6m	£6M	£31m	£34M	£8.3m	1009	£39m	£36m	£4m

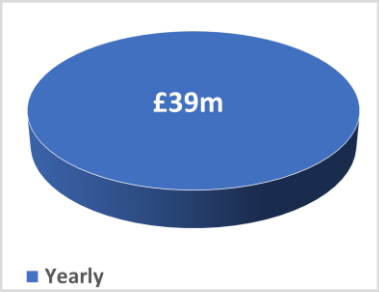


22/23 Jobs Target



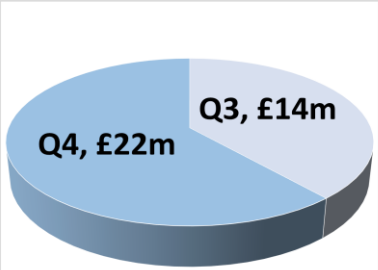
No jobs planned for Q1. Targets linked to the profiling of spend and construction on HVGF, SS+P and MP all of which are due to commence in subsequent quarters.

22/23 GVA Target



GVA will be calculated at the year end. The target is split over SS+P (£31m and HVGF £8m)

22/23 Leverage Target



The leverage targets are all related to the delivery of the SS+P, MP and HVGF schemes with further inward investment likely off the back of Zip World's continued success. This will be reviewed at the half year point.

Portfolio Highlights

- ✓ ***£184m*** **committed funds of which** ***50%*** **is grant,** ***20% is purchase and 30% is repayable***.
- ✓ The ***£8.3m actual*** this quarter comprises ***£7.4m for Metro Plus, £800k on ULEV*** and small amounts of operational spend on the other schemes.
- ✓ The £26m forecast spend for the rest of 22/23 consists of £***10m for*** *Aberthaw* in Q4 for purchase completion and ancillary costs, ***£6.4m*** for Strategic Sites and Premises in q3 and 4, ***£3m for the Housing Viability Gap Fund*** and potentially ***£2m for Metro Central*** *and a further £****4m on Metro Plus/ULEV***.
- ✓ There ***was no planned job creation in Q1 and Q2. The*** target of 1,009 represents **712** jobs from the Strategic sites and premises and HVGF programmes which are yet to commence construction, **50** for Aberthaw which isn't planned to come on stream until the demolition works commence which will be end of Q4 and post purchase, and **167** for Metro Plus.
- ✓ The same principle also applies to the leverage targets which is linked to the longer term spend profile
- ✓ Work has been undertaken this quarter on pipeline initiatives for 23/24, refining the proposed approach to utilising the Valleys transformation fund **and** progressing the concept of a Green energy fund.

7. Infrastructure Portfolio Q1 Update

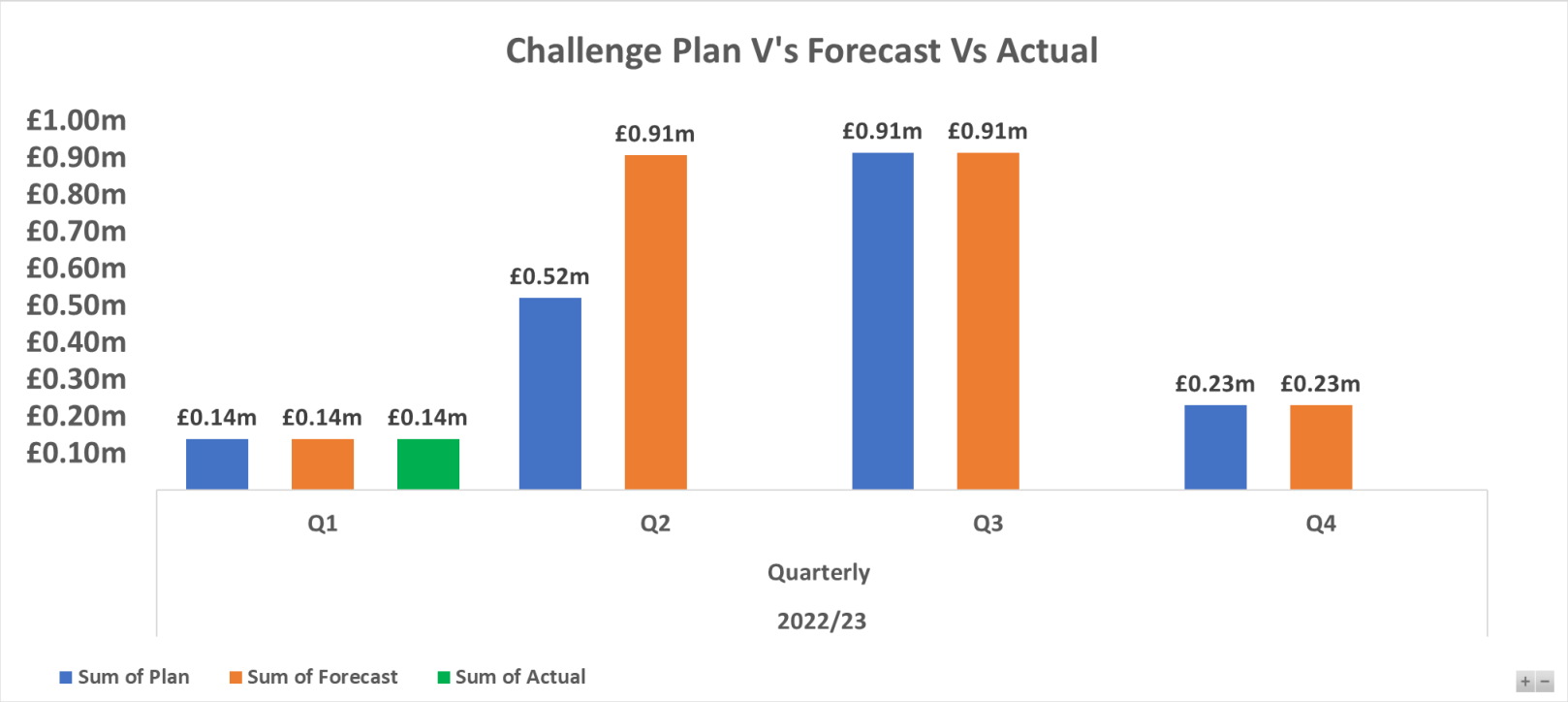
APS = Approved Project Spend
STD = Spend to Date
AF= Annual Forecast

O = Operational Risk
F = Financial Risk
R = Reputational Risk

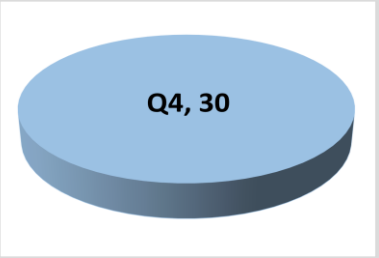
Investment	APS	STD 31/03/22	AF 22/23	Q1 Actuals	22/23 Remaining	Commentary	O	F	R
Aberthaw	**£38.75m** *Purchase*	**£1.1m**	**£10.150m**	**£0.058m**	**£10.092**	Throughout the last quarter work has focused on; preparing for handover of the power station site with RWE Generation. Applications for National Resources Wales environmental permits have been submitted. Procurement of future planning services to start the process of reviewing the future Masterplan has commenced alongside demolition procurement preparation which is being progressed for us by WSP. **Q1 spend relates to the ongoing professional services and procurement.**			
HVGF	**£32.45m** *Grant*	**£1.109m**	**£2.910m**	**£0.121m**	**£2.789m**	The programme has experienced some slippage due to technical and legal complexities. Focus this quarter has been on resolving these issues to allow the shortlisted schemes to progress to contract stage. Solutions have been agreed that now enables CCR to contract direct with the developers on two of the schemes and expectation is the programme will drawdown £2.9m in 22/23. Spend this quarter relates to the professional and operational costs of progressing the programme.			
Metro+ (incl Ulev)	**£18m** **Grant**	**£0m**	**£12.188m**	**£8.17m**	**£4.018m**	A highlight of this quarter has been the payment of **£7.38m** to progress the 3 schemes that are actively under construction – Porth Interchange, Cardiff East Bus Priority and Pontypool Inn Park and Ride. A further £788k has been paid on ULEV – on a combination of £**83k** on the Green Taxi Try before you Buy pilot scheme plus **£705k** on the installation of EV charging infrastructure. It is anticipated that a further £1.8m will be paid out on the BG scheme plus the remaining approved Ulev spend of £2.2m during 22/23.			
Metro Central	**£39.9m** ***Grant***	**£1.086m**	**£2.060m**	**£0.010m**	**£2.05m**	There have been some delays to the scheme as a result of accounting treatment and tax issues that have been outstanding, some of which have procurement implications. This has meant delays to funding agreements being finalised. This is now in the process of being resolved by CCR and TfW respective legal advisors via the establishment of a Co-operation Agreement. This will be considered by Regional Cabinet in September and if approved, will enable funding to be passported to TfW to complete the final full business case and confirmation of preferred design option.			
Strategic Sites & Premises	**£50.75m** ***Loan***	**£0.07m**	**£6.379**	**£0.004m**	**£6.375m**	As reported previously this scheme has experienced slippage due to reasons beyond our control. There are now 5 schemes being progressed which are collectively scheduled to pay out £1.8m in Q3 and 4.5m in Q4.			
Zip World	**£4.46m** ***Loan***	**£2.698m**	**£0.722m**	**£0.005m**	**£0.717m**	Nothing of note this quarter for CCR other than the fact that conversations are underway regarding accelerating the drawdown of the remaining facility. From ZipWorld's perspective their focus has been on the launch of their new 'Tower Climber' adventure – the biggest high ropes course in the UK which is expected to contribute significantly to visitor traffic. '			
Total	**£184.31m**	**£6.066m**	**£34.409**	**£8.368m**	**£26.041m**				

8. Challenge Portfolio – 22/23 Overview

Challenge	Committed Funds	Spend To date 31/03/2022	22/23 Plan	22/23 Forecast	22/23 Actual	22/23 Jobs Target	22/23 GVA Target	22/23 Leverage Target	22/23 Public Match Target
	£10m	£1.1m	£1.80m	£2.19m	£0.14m	30	NA	£6m	£1m

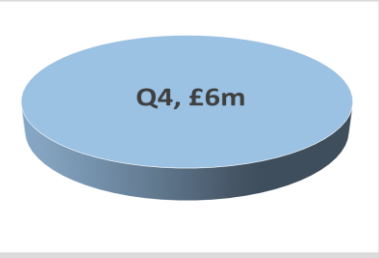


22/23 Jobs Target



The 30 jobs envisaged in the 22/23 plan relate to the potential outcome of the commercialisation of the challenge solutions in progress. Thus there are no actuals to report for Q1.

22/23 Leverage Target



The £6m leverage target relates to ESF funding of Infuse which is running in parallel with the CF. Those monies have been received. Further leverage potential will emerge as the challenges crystallise into solutions that can be commercialised.

Portfolio Highlights

- ✓ Work has continued this quarter refining the 4 EV Fleet challenges alongside the Food sustainability and Endoscopy challenges. The collective sum of potential committed funds within the £10m fund Challenge portfolio for current challenges in train is now **£4.85m.**
- ✓ ***£140k*** expenditure in Q1 is in line with plan and relates to operational revenue spend in accordance with our Cardiff University co-operation agreement.
- ✓ Forecast expenditure for the rest of 22/23 will include ***£750k*** *in Q2 and Q3* on a combination of the LEV fleet challenges, Food and the Endoscopy challenge as those challenges are mobilised.
- ✓ Outcomes in terms of jobs are expected to flow in line with the commercialisation of the challenge solutions so are not expected until Q4.
- ✓ The ESF funding has been received by the Infuse programme .

8. Challenge Portfolio Q1 Update

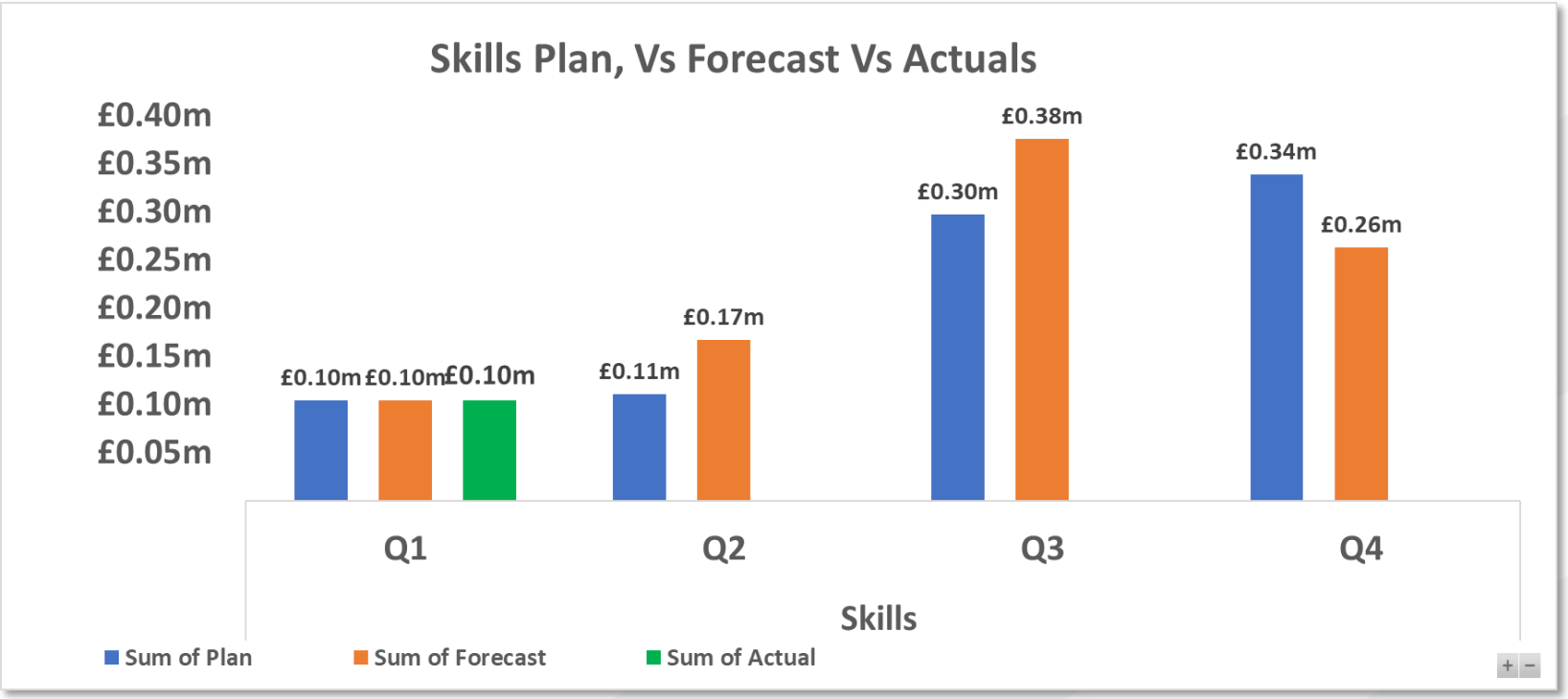
APS = Approved Project Spend
STD = Spend to Date
AF= Annual Forecast

O = Operational Risk
F = Financial Risk
R = Reputational Risk

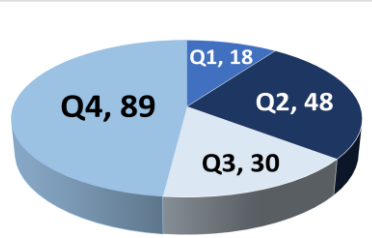
Investment	APS	STD 31/03/22	AF 22/23	Q1 Actuals	22/23 Remaining	Commentary	O	F	R
CCR Challenge Fund	**£10m** *Grant*	**£1.08m**	**£2.186m**	**£0.138m**	**£2.048m**	Within this quarter, 4 projects relating to EV Fleet Challenges were approved at a cost of £1.5m. Substantial progress has been made progressing already approved challenges for CAV/UHB Endoscopy (CAV/UHB) and Food (Cardiff and Monmouth). This takes the total current commitments within the Challenge Fund up to £4.85m Management consultants - Steer – appointed to support us in the ongoing development of our future Challenge Strategy and 5 Year plan with the findings scheduled to present to Regional Cabinet in September, Expenditure to date relates to operational payments to Cardiff University as part of our co-operation agreement.			
Total	**£10m**	**£1.08m**	**£2.186m**	**£0.138m**	**£2.048m**				

9. Skills Portfolio – 22/23 Overview

Skills	Committed Funds	Spend To date 31/03/2022	22/23 Plan	22/23 Forecast	22/23 Actual	22/23 Jobs Target	22/23 GVA Target	22/23 Leverage Target	22/23 Public Match Target
	£2.7m	£0.7m	£0.85m	£0.91m	£0.10m	185	NA	£4.75m	£0.03m

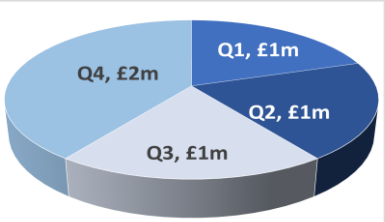


22/23 Jobs Target



18 jobs were secured this quarter against a target of 20. Expectation is this will ramp up significantly due to the work that has put into professionalising the graduate programme.

22/23 Leverage Target



Leverage actuals for Q1 are **£500k** for the graduate scheme and **80K** for PWC's contribution to Cyber Masters. This is below the £1m target simply due to the annual target apportionment plus the decision to pause the shared apprentice scheme. It is anticipated we will make this up throughout subsequent quarters.

Portfolio Highlights

- ✓ The Graduate scheme concluded Cohort two securing 18 jobs. Whilst less than envisaged, significant learning took place and cohort 3 is looking extremely promising with over 755 applications received to date for 48 jobs. Decision also been made to run more than 4 cohorts which will facilitate the ability to catch up on the annual target of 140 jobs secured.
- ✓ The actuals to date and increased forecast spend for 22/23 reflects the increased operational cost of professionalising the graduate proposition. The uplift in Q3 reflects the annual payment to Cardiff Uni of £225k for the 22/23 new Cyber Masters course as well as the graduate ops costs.
- ✓ The 30 jobs attributed to the shared apprentice scheme and associated leverage in the 22 targets will need to be subject to reforecast later in the year when it is clearer how the ringfenced monies may be re-purposed due to the fact this pilot will be closing down.

9. Skills Portfolio Q1 Update

APS = Approved Project Spend
STD = Spend to Date
AF= Annual Forecast

O = Operational Risk
F = Financial Risk
R = Reputational Risk

Investment	APS	STD 31/03/22	AF 22/23	Q1 Actuals	22/23 Remaining	Commentary	O	F	R
Graduate Scheme	**£1.54m** *Grant*	**£0.54m**	**£0.543m**	**£0.104m**	**£0.438m**	Cohort 3 launched generating **48 jobs** which have attracted over 750 applications. Cohort 2 concluded having placed **18** graduates into CCR businesses. A new **Graduate accelerator programme** has been developed with USW for launch in September. Q1 expenditure relates to the operational cost of running the programme including the cost of promoting the opportunities.			
Cyber Masters	**£0.7m** *Grant*	**£0.179m**	**£0.237m**	**£0m**	**£0.237m**	A successful period in which: ✓ MSc programme has been provisionally certified by NCSC, this is a very prestigious national recognition of the quality of the programme https://www.ncsc.gov.uk/information/ncsc-certified-degrees#section_5 ✓ MSc programme has been shortlisted for FinTech Wales Award as the Best Academic Programme https://www.fintechawardswales.com/2022-awards/ ✓ The MSc programme teaching team has been nominated for Cardiff University Celebrating Excellence Award in the category of Excellence in Teaching and Scholarship ✓ 1st intake on the pilot scheme is expected to conclude in September with all 15 students graduating. Course work has completed and dissertations in progress. ✓ Work now also focused on gearing up for the next intake in September 2022.			
Shared Apprenticeship	**£0.5m** *Grant*	**£0m**	**£0.130m**	**£0m**	**£0.130m**	This scheme, and associated ringfenced funding, is being re-purposed and is going through a change control process to close it down.			
Total	**£2.74m**	**£0.723m**	**£0.910m**	**£0.104m**	**£0.805m**				

10. Q2 2022/2023 Milestones

Investment	Original Plan Q2 Milestones	Update
FinTech Wales	FinTech Wales Office Opens	➢ On track for taking up residence in September. ➢ **Drawdown of £750k as per forecast has been made in Q2**
Innovation Investment Fund	IIF Launched to Market	➢ Fund Manager appointed ➢ Press Release issued ➢ Investment Strategy to be approved by cabinet in September. ➢ **Launch event scheduled (October 19)**
CSconnected	FBC submitted	➢ Plans for redistributing the £3.3m earmarked for this scheme being worked through. Change Control for how the £3.3m is to be spent – supply chains, skills and cluster awareness - to be scheduled for discussion at the November cabinet.
HVGF	Construction commences on a number of the 11 shortlisted sites.	➢ Contracts in place on 3 of the 11 schemes. ➢ Agreement reached to contract direct on two of these where LA's not able to front the security packages required.
Metro Plus	Construction starts at Porthcawl and Barry Docks Charging Infrastructure roll out commences.	➢ Planning approved for Barry Docks in July but Porthcawl scheme delayed ➢ Severn Tunnel Junction construction works tender issued. ➢ Roll out of charging infrastructure commenced in August. 1st of 159 public use chargers installed in Blaenau Gwent. ➢ **Launch Event being planned with Cenex for October..** ➢ Levelling Up bids submitted for Caerphilly and Merthyr ➢ OZEV in principle approval for £2.8aM ULEV funding with £850K match committed by WG. .
Cyber Masters	Cyber Masters Students graduate	➢ On Track – students currently submitting their dissertations. ➢ Graduation will be September.
CSC Foundry	Catapult Front of House Delivered	➢ This has been de-coupled from CCR investment. Still the intention of Csconnected to deliver this but not with CCR funds. Delivery

10. Q2 2022/2023 Milestones

Investment	Milestones	Commentary
Metro Central	Co-operation Agreement in place with TFW to address Metro Central funding issues	➢ High risk scheme to date due to partnership and procurement issues ➢ Issues now unblocked via a co-operation agreement with TFW. ➢ This will open enable the £4m ringfenced for the business case to be transferred and matched with £6m from DfT ➢
Valleys Seed Fund	Soc for Valleys seed fund Approved	➢ Awaiting confirmation of WG match funding. (meeting Sept 5)
Regional Investment Plan	Combined 10 LA Regional Investment plan submitted to Shared Prosperity Fund and match funded by CCR	➢ CCR match on regional spend that includes cluster and academies related initiatives.
CJC	Transition Plan Updated	➢ Taxation issues on VAT expected to be resolved by December which will leave short window for set up in time for new FY.
Human Data Sciences	Hard Roll out of Livingston IQ Draw down of 1st tranche of additional loan funding	➢ Draw down of £0.5m has taken place.
Jellagen and Apex	Business Cases approved (£2m and £3m)	➢ £5m new investments approved by cabinet in July. ➢ Expected to draw down £3.5m across Q2 and Q3.
Yoello	Business Case approved ((£4m)	➢ Scheduled for September
Hydrogen	Ministerial Meeting	➢ Ministerial meeting with Bridgend, CCR and WG Minister for Economy on the Marubeni (SBRI – BEIS hydrogen challenge) project with forward path agreed
CCR Business Conference	Conference approved by cabinet Venue selected	➢ High profile CCR hosted Business conference scheduled for April 2023
Venture Graduate	Venture Career Accelerator Programme delivered	➢ Augments the Venture Graduate programme with an enhanced proposition.

11. Risk Assessment

Risk	Nature of potential impact	Likelihood/Impact		Mitigation
The hangover effects of the pandemic coupled with heightened geo-political tensions emerging from invasion of Ukraine, is impacting global economy, financial systems and energy security	• Increased inflationary pressures impacting costs of pricing and materials in construction sector, delaying or disrupting capital projects • Increased pricing of commodities – gas, oil and silicon chips could have a direct impact on certain projects, costs and performance of key sectors • Increased risks around energy supply and capability, to potentially impact delivery of the Energy Strategy	High	High	• Ongoing economic analysis • Individual project plans and issue and risk monitoring • CCR making direct investments in securing domestic energy supply
Transition to CJC 'lift & shift' is delayed due to outstanding technical issues, requiring a twin-tracked approach to separately operating CJC and CCRCD	• Twin-track approach necessitates inefficient operation of 2 separate joint committee governance and delivery structures • Disjointed approach to 'regionalism' which does not maximise alignments and leverage opportunities	Medium	High	• Ongoing support to WG to resolve technical issues • Ongoing dialogue with UKG re: CCRCD funding agreement • 'minimalistic' operating structure in place as interim measure
The fast-growing nature of the programme requires a more rapid scaling up in terms of quality delivery resources in order to hit targets and realise objectives	• Insufficient delivery capability and capacity delays or fails to maximise benefits & impact • Re-integrating largely 'new' team & partnerships around a new base & HQ will be critical to embodying vision, mission and value and delivering impact	Medium	Medium	• £500k of additional resources approved by Cabinet for 2022/23 • Interim specialist appointments made to fill immediate capability gaps
Post-election changes could have an impact on future programme continuity	• Potential for changes to be brought via LG elections, which could impact composition of Regional Cabinet and CJC • Potential for discontinuity	Medium	Low	• Five-year strategic business plan in place • Induction programme to be developed
Distinctiveness of CCRCD and investment approach risks being diluted and misunderstood without ongoing articulation	• Adverse impact on potential for region-building. Comparisons with growth deals could pose risks to distinctive WIF (ROI, leverage, co-investment & maximising resources of others). • Potential adverse impact on partners across public-private-community-HE who contribute pro-bono & on high levels of local political ownership	Low	High	• Re-articulation of core operating principles and enhanced investment strategy • Benefits realisation framework established
Insufficient co-ordination and alignment of submissions to LUF/SPF could exacerbate local socio-economic disparities – not address them	• Some of the evidence to date shows a patchwork quilt effect of provision and services • Inability to demonstrate strategic fit	Medium	Medium	• Recognition of need for optimisation and leverage via light touch co-ordination • Regional co-ordination around local investment plans

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12. Annual Business Plan 2022/23

Q1 Strategic Objectives Update

Goal - An innovation led region fuelled by competitive clusters

Q1 Target Milestones	Status	Comments
1. Cluster strategy published	In-progress	1. First Draft Cluster Strategy paper produced and feedback on first draft received. Decision made to halt production in order to align with the revised Regional Economic and Industrial Plan (REIP) which is in the process of being created. 2. An Innovation in Action campaign has been initiated covering thought leadership pieces on the role innovation plays in driving economic growth and explaining how our portfolio of investments demonstrated innovation in action. Supplementary pieces have been created showcasing examples of innovation in action across the region. 3. Planning Templates have been created 4. Working groups have been established for Cyber and Creative and the first meeting of Advisory Boards for Creative & Cyber are scheduled for Jul-22. TORs drafted and will be approved at first meetings 5. With regard to the observatory – a paper has been produced for Local Policy Innovation Partnerships, submitted to ESRC, ONS, Welsh Government and Cardiff University. Roundtable discussion of LPIP also took place on 8 June 2022.Agreement reached from all stakeholders on next steps.
2. Innovation Thought Leadership Campaign initiated	Completed	
3. Strategy & action plan boilerplate format agreed for priority clusters	Completed	
4. Cyber and Creative Working Groups established	Completed	
5. Establish agreed CCR view on innovation observatory	Completed	

Goal – An Inclusive Approach

Q1 Target Milestones	Status	Comments
1. Cluster related skills and talent mapping plans created	Completed	1. Workshops with RSP being arranged for July (initial conversations and engagement has taken place) 2. Concepts and approach have been trialled with CAVC and Fintech Wales Funding for bootcamps will be sought through SPF. Initial engagement has taken place, submission into Regional Investment plan is being progressed. Investment plan to be submitted to UK Gov on 1 August. 3. Enhanced alignment with priority sectors, closer working partnerships established with cluster bodies to assist with marketing. Key messages have been reworked. 4. Cyber Masters 3 year business plan approved. Mid term review will be arranged for Dec to plan long term sustainability 5. New Accelerator programme Is being developed with USW and currently being trialled. Intention is to make it available for cohort 2 and 3 graduates.
2. New skills opportunities Identified	Completed	
3. Current graduate proposition reviewed and enhanced	Completed	
4. Cyber Masters Programme review completed	Completed	
5. Venture Graduate "Future skills" qualification development programme completed	Completed	
6. CCR commitment to the development of a Northern Valleys Transformation Fund scoped.	In progress	6. £30m Commitment agreed. Definition of approach and focus for the spend in progress
7. Challenge Fund strategy review commenced	Completed	7. Consultants appointed to undertake review. Initial overview expected by August.

Goal – A Green Sustainable Region

Q1 Target Milestones	Status	Comments
Energy Planning Technical Advisor and Lead Consultant for the delivery of a 2 year Local Area Energy Planning Programme appointed	Completed	1. Energy Catapult appointed 2. Local Partnership advisor appointed. 3. LA working group assembled and work underway 4. Resource commissioned to undertake CDP. Work underway with completion scheduled for Sept 2022.
Domestic Retrofit Joint Flexible Eligibility Statement of Intent for delivery of the ECO Flex Programme agreed and approved.	Completed	1. Draft Statement of Intent issued to Working Group 2. Soft market test for ECO Flex partner completed. EDF and EON selected to progress discussions

Goal – Connected Places

Q1 Target Milestones	Status	Comments
Digital Call to Market initiated	Delayed	This is a capacity issue and will be picked back up at a later date.

Goal - Enabling Capability

Q1 Target Milestones	Status	Comments
Strategic Publications - update economic industrial growth plan to reflect current economic environment and refresh/ re-align our investment strategy IIF framework documentation	In Progress	Both documents have been revised and refreshed and drafts have been circulated for review within CCR team and with Frank Holmes and Kevin Gardiner. Intention is to get cabinet feedback and input in September with a view to publishing in last quarter of 2022.
Communications- Create & Deliver a communications and marketing plan that is fully aligned to the desired business plan outcomes	Completed	Communications activity has centred around an “our Region in Action” campaign platform where we are taking the opportunity to amplify our strategic focus on Sustainability, Inclusivity, Innovation and Connectivity through a variety of regional round-ups, thought leadership pieces and spotlights on key investments / decisions etc.
Capture and make accessible team business engagement and business development activities	Delayed	Delayed due to resource constraints. See below for team hub solution to event related engagement tracking. Wider CRM solution will be scheduled for review later in the year.
Enable improved document accessibility, security and data sharing	Delayed	Delayed due to uncertainty over longevity of a Cardiff council SharePoint site pending transition to a CJC and the transition of infrastructure to either RCT or an outsourced provider. In the interim intention is to create a teams based info and engagement hub and look into options on streamlining access to and distribution of Governance related meeting documentation

Goal - Enabling Capability

Q1 Target Milestones	Status	Comments
Performance/ Impact/ Portfolio Monitoring Create and deploy Financial / benefit/ impact realisation frameworks (templates and processes) for tracking and reporting investment performance	Completed	During Q1 each investments in delivery had a individual Investment Monitoring Sheet (IMS) created. The data within the IMS reflects the approved funding, forecast, and actuals for duration of investment. The IMS reflects the targeted benefits. All IMS are stored on the shared drive with corresponding approved business case.
Risk Implement/ Embed the risk framework into BAU processes and procedures	In Progress	AON has been contacted regarding the progression of the Risk Management Policy application into practice. Completion of risk mop-up sessions underway to conclude the capture phase of the work being done.
Processes Produce an operating manual and SOP for the end to end investment process and funds to ensure that businesses practices and procedures are accessible, efficient, compliant and adequately controlled	Completed	Operating Manual and E2E processes were produced, these document are stored on shared drive. During Q1 CCR employees attended a one day briefing session which provided an overview of E2E processes, where to locate the Operating Manual, and how to access agreed templates.
People management Enhance capability within and across the team to accommodate additional CJC responsibilities and enable delivery of business plan	In Progress	This is being picked up within the CJC transformation planning activity thus starting later than originally planned. A consultant has been appointed to do an initial overview and that work is now in progress.
Finance Agree requirements for finance support for, monitoring and reporting at investment and portfolio level and granularity and frequency of budget info dissemination	In Progress	Formal budget monitoring arrangements now in place which ensures budget holders receive regular information on their approved Revenue and Capital Budgets. This forms the basis of budget discussions to update the information which is aggregated up and discussed at SLT, prior to inclusion in key reports and dissemination to CCR's stakeholders.

Wider Investment Fund Budget Updates (Current & Future Years)

1. The Wider Investment Fund (WIF) 2022/23 Budgets were approved by Regional Cabinet at its meeting of 31 January 2022 as part of the 2022/23 Annual Business Plan which included the programme of activity detailed in Table 1 below, along with the proposed funding priority.

Table 1: Approved Annual Business Plan 2022/23: Wider Investment Fund Budget and Indicative Budgets to 2026/27

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Indicative Programme Expenditure					
Wider Investment Fund Top Slice	2,225.3	2,206.7	2,185.8	2,209.6	1,000.0
Approved Projects - Revenue	2,244.0	1,527.8	142.4	(2,029.9)	75.0
Future Revenue Projects	2,000.0	4,196.3	4,085.3	3,692.3	3,508.3
Sub Total Revenue	**6,469.3**	**7,930.8**	**6,413.5**	**3,871.9**	**4,583.3**
Approved Projects - Capital	19,011.8	49,391.8	15,857.5	6,828.7	(5,284.2)
Future Capital Projects	20,800.0	29,052.1	58,491.7	77,763.3	47,763.3
Sub Total Capital	**39,811.8**	**78,443.9**	**74,349.2**	**84,592.0**	**42,479.1**
Total Investment	**46,281.1**	**86,374.6**	**80,762.7**	**88,463.9**	**47,062.3**
Funded by					
HMT Contribution (Revenue)	(6,469.3)	(7,930.8)	(6,413.5)	(3,871.9)	(4,583.3)
HMT Contribution (Capital)	(36,600.0)	(27,000.0)	(34,500.0)	(34,500.0)	(37,000.0)
Total HMT Contribution	**(43,069.3)**	**(34,930.8)**	**(40,913.5)**	**(38,371.9)**	**(41,583.3)**
Council Contribution	(3,211.8)	(51,443.9)	(25,739.9)	0.0	0.0
Temp Borrowing 'Cost of Carry'	0.0	0.0	(14,109.1)	(50,092.0)	(5,479.0)
Total Partner Authority Contributions	**(3,211.8)**	**(51,443.9)**	**(39,849.0)**	**(50,092.0)**	**(5,479.0)**
Total Funding	**(46,281.1)**	**(86,374.7)**	**(80,762.6)**	**(88,463.9)**	**(47,062.3)**

2. The budgets allocated via the Annual Business Plans reflect an indicative spend profile which is updated regularly as circumstances within the projects in delivery and those in the pipeline develop.

3. Since the approval of the Business Plan, and in order to keep the Partner Authorities updated in terms of Capital Contribution requests, the WIF Financial Model is regularly reviewed and updated. The result of the most recent review undertaken is set out in table 2 below.

Table 2: Wider Investment Fund Update: Quarter 1 2022/23

	Annual Business Plan 2022/23 £'000	Update as at Quarter 1 2022/23 £'000	Change 2022/23 £'000	Indicative Future Years 2023/24 £'000	Indicative Future Years 2024/25 £'000	Indicative Future Years 2025/26 £'000	Indicative Future Years 2026/27 £'000	Indicative Future Years 2028-2036 £'000	Programme Total £'000
Indicative Programme Expenditure									
Wider Investment Fund Top Slice	2,225.3	1,476.9	(748.4)	2,093.2	2,073.0	2,050.3	1,000.0	4,000.0	15,864.2
Approved Projects - Revenue	2,244.0	5,692.4	3,448.4	5,045.7	3,827.3	2,326.6	3,724.5	1,825.0	28,354.8
Future Revenue Projects	2,000.0	0.0	(2,000.0)	722.6	722.6	722.6	722.6	2,890.5	5,781.0
Sub Total Revenue	**6,469.3**	**7,169.3**	**700.0**	**7,861.6**	**6,622.9**	**5,099.6**	**5,447.2**	**8,715.5**	**50,000.0**
Approved Projects - Capital	19,011.8	44,362.8	25,351.0	56,234.7	33,358.4	17,165.6	14,570.8	(69,989.5)	138,517.1
Future Capital Projects	20,800.0	3,000.0	(17,800.0)	(6,239.8)	22,786.1	47,822.8	47,822.8	191,291.0	306,482.9
Sub Total Capital	**39,811.8**	**47,362.8**	**7,551.0**	**49,994.9**	**56,144.5**	**64,988.3**	**62,393.6**	**121,301.5**	**445,000.0**
Total Investment	**46,281.1**	**54,532.1**	**8,251.0**	**57,856.5**	**62,767.4**	**70,087.9**	**67,840.7**	**130,017.0**	**495,000.0**
Funded by									
HMT Contribution (Revenue)	(6,469.3)	(7,169.3)	(700.0)	(7,861.6)	(6,622.9)	(5,099.6)	(5,447.2)	(8,715.5)	(50,000.0)
HMT Contribution (Capital)	(36,600.0)	(40,790.0)	(4,190.0)	(27,000.0)	(34,500.0)	(34,500.0)	(37,000.0)	(148,000.0)	(325,000.0)
Total HMT Contribution	**(43,069.3)**	**(47,959.3)**	**(4,890.0)**	**(34,861.6)**	**(41,122.9)**	**(39,599.6)**	**(42,447.2)**	**(156,715.5)**	**(375,000.0)**
Council Contribution	(3,211.8)	(6,572.8)	(3,361.0)	(22,994.9)	(21,644.5)	(29,183.4)	0.0	0.0	(120,000.0)
Temp Borrowing 'Cost of Carry'	0.0	0.0	0.0	0.0	0.0	(1,304.9)	(25,393.6)	26,698.5	0.0
Total Funding	**(46,281.1)**	**(54,532.1)**	**(8,251.0)**	**(57,856.5)**	**(62,767.4)**	**(70,087.9)**	**(67,840.8)**	**(130,017.0)**	**(495,000.0)**

Wider Investment Fund Commitments to Date

4. The figures in this Appendix deal with the full £495m CCR Wider Investment Fund over its whole 20-year life and reflect assumptions around future spend which are yet to be approved, including, for example a £3m contingency for potential currently unknown expenditure in the current financial year. Similarly, the overall funding model includes return on investments and reinvestment and does not include expenditure against other sources of funding such as the ULEV grant.

5. Appendix 1 of this report includes detailed updates on the projects currently in delivery.

Medium Term Financial Plan and Funding Strategy

6. As set out in both the 5-year JWA and 2022/23 Annual Business Plans, Regional Cabinet have approved indicative expenditure and funding profiles for the Wider Investment Fund for the medium to long term.

7. Depending upon the nature, value, and timing of in-year project expenditure, the components of the 'funding mix' may vary and subsequently impact upon the funding requirements of the Partner Authorities. The established stakeholder networks will be used to provide updates on this as and when necessary.

Local Authority Affordability Envelope

8. At the outset of the City Deal, the 10 Local Authorities agreed to an overall affordability envelope of £210.8m. This reflected assumptions around the cost of providing the LAs £120m contribution along with the costs projected to be incurred in borrowing to fund City Deal projects in advance of the receipt of HMT Capital Grant Funding ('Cost of Carry').

9. This calculation is updated with each iteration of the overall programme funding model and currently indicates that, as a result of expenditure being undertaken later than expected, returns on investment and the acceleration of HMT Capital Grant Funding between years 8-15, the overall affordability envelope now stands at £168.5m. It should be noted that any changes to the timeline of expenditure and the funding sources and mix would cause this figure to fluctuate in future.

Future Funding Strategy

10. The original affordability envelope and the current model are predicated on the principle that recycled funds (loan repayments, interest, and equity returns) are re-utilised in-year, thereby reducing the funding requirement from either the HMT Capital Funding, the £120m LA Contribution, or LA Cost of Carry.

11. The City Deal Office and the Accountable Body agreed that in-year returns would be carried forward on CCR's Balance Sheet in 2021/22 as a reserve to fund future expenditure. As there was no call on LA funds in 2021/22 this did not impact the value of any drawdowns required, However, discussions will need to take place with the Local Authorities during 2022/23 to agree upon the future

treatment of such returns as continuing such a strategy would lead to an acceleration of provision of both the £120m and Cost of Carry contributions.

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Appendix 3

Communications Summary Report

April to June 2022

Executive Summary

In this quarter we have produced, published and distributed:

- ✓ 7 bi-weekly Skills and Talent Round Ups
- ✓ 6 bi-weekly Innovation, Inclusivity, Connectivity and Sustainability regional round ups.
- ✓ 12 Feature Articles (corporate profiling/ sector specific features and thought leadership)
- ✓ 3 Press Releases (CIH, Fintech and Catalan Collaboration)
- ✓ 4 podcasts (Challenge Fund and 3 on intro to CCRCD)
- ✓ 1 Video production – Human Data Science.

We have also:

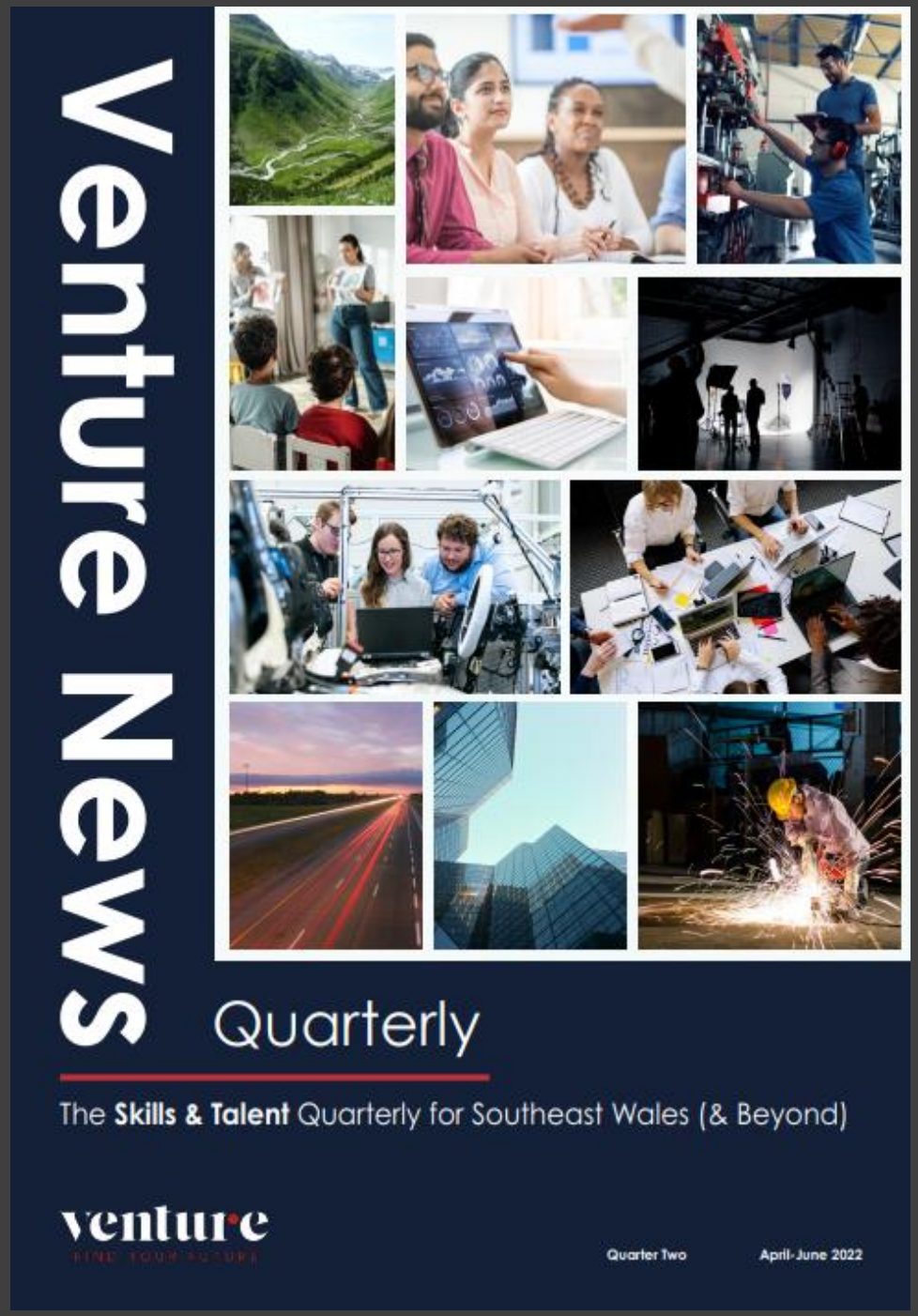
- ➢ Commenced our 2022/23 campaign series “Our Region in Action” – a range of thought leadership pieces, spotlight features on our own activity and a range of local success stories under the 4 thematic areas of Innovation, Inclusivity, Sustainability and Connectivity.
- ➢ Curated and published Q1’s thematic content on Innovation in Action and Inclusivity in Action in one integrated publication.
- ➢ Created and distributed a comprehensive quarterly City Deal Newsletter covering a broad spectrum of our own activity and updates
- ➢ Produced a second edition of CCR Venture News – a series of Round-Ups and news bulletins on all things Skills and Talent across South East Wales.
- ➢ Produced a series of podcasts for our new members induction pack
- ➢ Further increased our LinkedIn followers (our primary social channel) by 13% from 1762 end of March to 1992 as at the end of June. On Twitter we maintained our followers.
- ➢ Hard launch of our Challenge Fund Website

Summer Newsletter Produced and Issued

- A summary of progress and performance and the key activities undertaken throughout the second quarter of 2022.

- *See attached link to download the report:*

ccr-newsletter-q2-summer-2022.pdf (cardiffcapitalregion.wales)



Venture Skills and Talent Curation Produced and Issued

- A summary of the pioneering skills programmes and inspired talent investments in the Cardiff Capital Region from the second quarter of 2022.

See attached link to download the report
venture-quarterly-review-q2-2022-1.pdf (cardiffcapitalregion.wales)

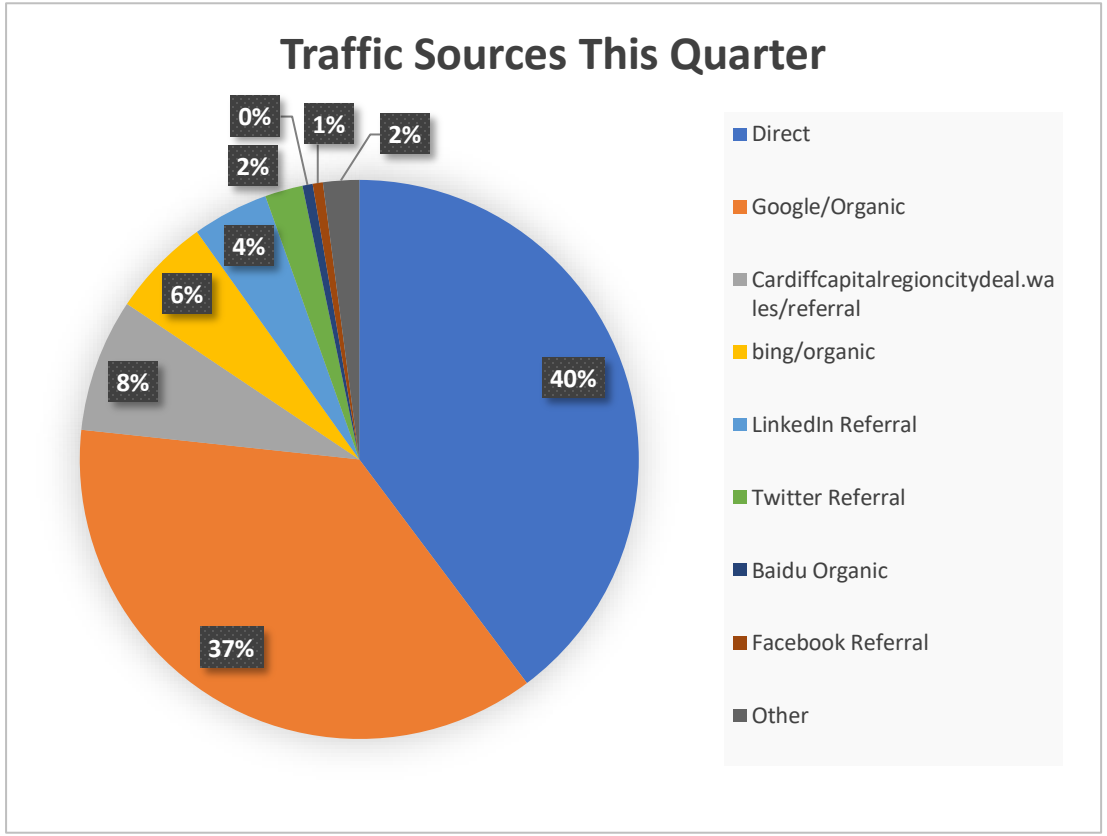
April to June Content Curation Produced

- All our Q1 articles in features in one publication.
- *See attached link to download the publication:*

ccr-curated-content-april-july-22.pdf (cardiffcapitalregion.wales)

CCR Website

Last quarter saw the announcement of the purchase of the Aberthaw Power Station which brought many new users to the website. This quarter saw the announcement of the Cyber Innovation Hub, investment in FinTech Wales and the launch of the Challenge Fund website.



Popular Pages This Quarter		
Page	Views	% change from last quarter
Home	4,993	-15%
About	1,605	-14%
Latest News	1,299	+28%
Meet the Office Team	1,132	-7%
The City Deal	961	-1%

Popular Content This Quarter		
Content Sections	Views	% change from last quarter
News and Events	8,023	-12%
Home	4,993	-15%
About CCR	4,168	-17%
Project Hub	2,788	-25%
The City Deal	2,366	-4%

CCR Website

Popular Projects This Quarter	
Page Title	**Views**
Challenge Fund	368
Metro Plus - Pontypool New Inn Park & Ride	169
Metro Central	156
Venture Graduates	152
Sites and Premises Fund	120
The Foundry	109
Metro Plus: Caerphilly Interchange	81
Homes for the Region	79
Metro Plus: Porth Transport Interchange	78
Pharmatelligence - Project Livingstone	61

Popular News This Quarter	
Page Title	**Views**
5yr Business Plan	64
CCR Reimagining our Region	46
CCR March 2021 Investment Prospectus	46
CCR Newsletter Q4 2021-22	40
CCR Business Plan 20-21	30
Industrial and Economic Growth Plan	23
CJC Statement of Accounts 20-21	23
CCR Strategic Business Plan 2020	21
Newsletter Q1 Spring 2022	16
Regional Skills Plan 2020	14

Popular Downloads This Quarter	
Page Title	**Views**
Cardiff Capital Region's green energy plans for Aberthaw Power Station set to create thousands of jobs	329
New Cyber Innovation Hub supporting Wales to become a global leader in Cyber Security, secures funding commitments from Welsh Government, Cardiff Capital Region City Deal and Industry Partners.	237
Virtual Discussion - The Purchase of Aberthaw Power Station	122
Pharmatelligence Launches 'Livingstone IQ'	117
Innovation in Action - Young Innovators - Beren Kayali	115
New Challenge Fund Website Set to Stimulate Innovation in the Public Sector	108
Glucose Republic: a world-first system for living, eating and being better	103
Our Region in Action - An introduction to our new bi-weekly feature	91
PRESS RELEASE - FinTech Wales secures £1.6million investment from Cardiff Capital Region	86
Innovation in Action - Young Innovators - Abbie Lawrence	76

- The Challenge Fund came top of the project views list this quarter after launching the standalone Challenge Fund website.
- The CCR 5 year Business Plan gained interested this quarter, this could be due to the investment updates and press releases released during this quarter.
- The Aberthaw Power Station still remains at the top of the downloads this quarter, with the announcement of the Cyber Innovation Hub close behind.

CCR Twitter @CCRCityDeal

	April	May	June
Followers	3464	3475 ↑	3474 ↓
Tweets	9 ↓	12 ↑	33 ↑
Engagements	209 ↑	280 ↑	424 ↑
Likes	49 ↑	63 ↑	69 ↑
Retweets	30 ↑	23 ↓	23
Link clicks	53 ↓	89 ↑	142 ↑

Commentary

- This quarter saw a steady increase as we released more content and began engaging more with our audience on our City Deal Twitter channel.

- The best performing tweets for this period are illustrated on slides 10 and 11.

CCR LinkedIn

	April	May	June
Followers	1823 ↑	1921 ↑	1992 ↑
Posts	17 ↓	19 ↑	33 ↑
Impressions (views)	8447 ↓	12275 ↑	10296 ↓
Clicks	349 ↓	1438 ↑	715 ↓
Reactions	166 ↓	270 ↑	239 ↓
Shares	24 ↓	27 ↑	14 ↓

Commentary

- LinkedIn continued to be the highest referral source for users heading to our website via LinkedIn.

- The best performing posts for this period are illustrated on slide 12.

Social Media Top Performing Posts – Twitter @CCRCityDeal

April

CCRCityDeal @ccrcitydeal
We're excited to announce the launch of our brand new **@CCRChallenge** Fund website!

Here you'll find resources to guide you through the Challenge Fund journey, as well as previous organisations who have benefitted from similar funding

https://www.challengefund.wales/ pic.twitter.com/o2XRseKy1F

May

CCRCityDeal @ccrcitydeal
We are pleased to announce that the **#Cyber #Innovation** Hub has secured funding commitments from **@WelshGovernment** , **@ccrcitydeal** and industry partners.

The Hub will support **#Wales** in becoming a **#global** leader in **#CyberSecurity**!

Find out more here:
https://www.cardiffcapitalregion.wales/news-events/latest-news/new-cyber-innovation-hub-supporting-wales-to-become-a-global-leader-in-cyber-security-secures-funding-commitments-from-welsh-government-cardiff-capital-region-city-deal-and-industry-partners/ …

June

CCRCityDeal @ccrcitydeal
Cllr. Anthony Hunt has been re-elected as Chair of the Regional Cabinet for 2022/23.

Cllr. Jane Mudd and Cllr. Mary Ann Brocklesby have been appointed to serve as Deputy Chair, alongside Cllr. Huw Thomas who was re-elected in his existing position as Deputy Chair. pic.twitter.com/R1aByCwmCm

Social Media Top Performing Posts – Twitter @aCapitalRegion

April

Cardiff Capital Region @aCapitalRegion
CALLING ALL EMPLOYERS - do you want to help shape the future of skills policy and provision in our region? Then please fill out this **@CCR_RSP** survey and make your voice heard.😊
https://twitter.com/CCR_RSP/status/1516769505254465538 …

May

Cardiff Capital Region @aCapitalRegion
Nicola Somerville, Head of Business Development and Inclusive Growth at **@ccrcitydeal**, is at **@UKREiiF** today discussing what **#LevellingUp** means for the **#CCR** and how we are working to combat the **#ClimateCrisis**.

@nicp15

Find out more about the event here: https://www.ukreiif.com/event/annual-event-2022/ … pic.twitter.com/uz3ZafNBci

June

Cardiff Capital Region @aCapitalRegion
In our latest regional roundup, we look at some of the key developments driving transformation across the **#CCR**, featuring:

-**@UniSouthWales**
-**@acttrainingltd**
-ReAct+ Programme
-**@ThalesUK**

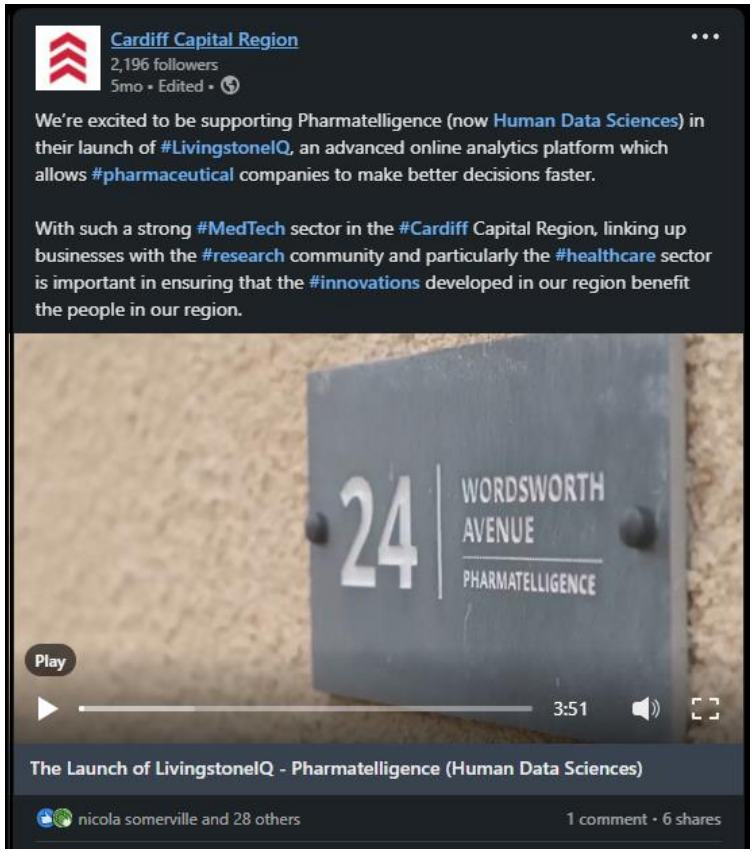
Read more here: https://www.cardiffcapitalregion.wales/news-events/latest-news/our-region-in-action-the-latest-in-innovation-sustainability-inclusion-and-connectivity-3/ … pic.twitter.com/962foyZzlw

Social Media Top Performing Posts – LinkedIn

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

April

1,189 impressions

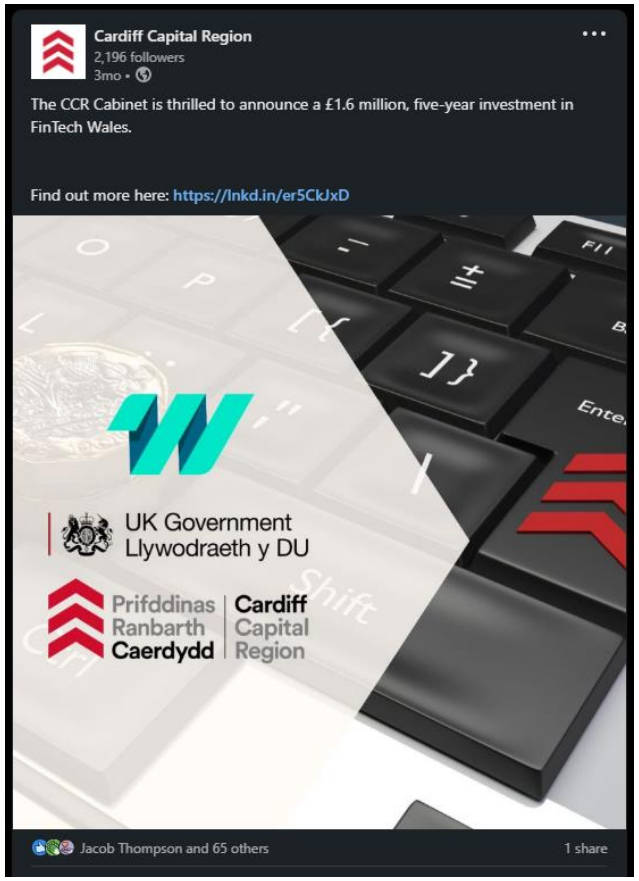


May

2,395 impressions

June

1,737 impressions



Quarter 1 Update: AGS Action Plan 2021/22

Action No.	Assurance Statement	Suggested Action	Update/Action Plan Completed	Target Date
1	We ensure: • Compliance with relevant laws and regulations; • compliance with internal policies and procedures; • that expenditure is lawful. (Statement 2)	1. Further strengthen governance arrangement with the addition of the Corporate Governance Manager Role.	**Complete.** The Corporate Governance Manager role was appointed in April 2022.	Q1
2	We are committed to openness and acting in the public interest. (Statement 3)	2. To enact public live streamed meetings as and when. In person meetings to resume in-line with guidance/regulations issued. Hybrid solutions will be considered as an interim measure.	**Complete.** CCR continues to investigate venues equipped to broadcast hybrid live streaming of public meetings. In the meantime, all public meetings are recorded via Microsoft Teams functionality and uploaded to the website the same day. The arrangements will continue to be reviewed in line with the latest guidance/regulations issued.	As soon as possible with given guidelines
3 & 4	We have mechanisms in place to review the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to	3. Endorsement will be sought to implement in full the new Investment & Intervention Framework operating protocols and full roll out subsequently undertaken throughout 22/23.	**Complete.** Following the internal review of the IIF, we've updated and improved the robustness of the process and have rolled out as outlined previously to Regional Cabinet.	Q4

Action No.	Assurance Statement	Suggested Action	Update/Action Plan Completed	Target Date
	decision makers and robustness of data quality. (Statement 7)	4. Implement training of the Investment and Intervention Framework to the team and undertake a 6-month review of the impact of the framework.	**Complete.** During Q1 CCR employees attended a one day briefing session which provided an overview of E2E processes, where to locate the Operating Manual, and how to access agreed templates.	Q2
5 & 6	We measure the performance of services and related projects and ensure that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money. (Statement 8)	5. Produce and put forward an updated IIF Investment Strategy.	**Ongoing.** IIF Investment Strategy on the agenda for the Regional Cabinet to consider at their November meeting.	Q2
		6. Ensure work undertaken with KPMG of Impact Delivery Framework is transitioned into an operational approach and bed-in practises for further review.	**Ongoing.** During Q1 we have established a Benefit Realisation Database; further discussion on how best to manag26WEMBLEYroad£3 e benefit realisation long term concluded the need for additional resource with a specialist economic expertise in this arena. A resource has been identified and will join CCR on a part time deployment and help us further embed our impact framework and ensure we have a local framework that aligns with the National Evaluation Framework. We will also be looking to further consider social value measures, including Equality, Diversity & Inclusion (EDI) and Environmental, Social & Governance (ESG) factors to enable us to report a more holistic suite of impact measures and attribution mechanisms.	Q3

Action No.	Assurance Statement	Suggested Action	Update/Action Plan Completed	Target Date
7	Our financial management arrangements conform to all relevant legislative and best practice requirements. (Statement 10)	7. Undertaking the actions from the Financial Management Code Review.	**Complete.** CJC Bare Minimum Model now in place and operating. Transition Plan to be reinstated once outstanding Technical Issues have been addressed, which will assess next steps and associated timescales in respect of 'Lift & Shift' model, which in turn will assess any requirements in respect of the FM Code.	Q2
8	We provide relevant induction training and have mechanisms in place to identify the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training. (Statement 13) We have an effective scrutiny function in place. (Statement 16)	8. Induction of new members to take place in June 2022.	**Complete.** Induction pack prepared for and issued to new cabinet members and new local authority councillors in July 2022. It is also suitable to be used for all new officers as well. Follow up sessions offered and still in the process of being taken up. In addition, CCR is supporting RCT to help support the creation of an appropriate and effective scrutiny agenda for the CCRCD Programme.	Q1
9	We have mechanisms to review the effectiveness of our framework for identifying and managing risks and performance and for demonstrating clear accountability. (Statement 14)	9. Further embed Enterprise Risk Management policy into CCR practice to identify, monitor, manage, and escalate risks in live projects and programmes	**Ongoing.** Phases 1 & 2 to embed the approved Enterprise Risk Management policy into CCR practice have been completed. Work ongoing to design and embed Phase 3, which will work alongside the new IIF operating protocols and ensure that risks are reviewed, updated and where appropriate escalated in a timely manner.	Q4

Action No.	Assurance Statement	Suggested Action	Update/Action Plan Completed	Target Date
10	Our internal audit assurance arrangements conform to Public Sector Internal Audit Standards and relevant best practice. (Statement 17)	10. External peer review to be undertaken, to be led by Monmouthshire County Council.	**Ongoing.** Planned peer review coordinated by Cardiff Council internal audit and due to commence in Q3	Q4

Future Generations Assessment Evaluation
(includes Equalities and Sustainability Impact Assessments)

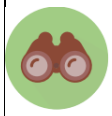
Name of the Officer completing the evaluation: **Kellie Beirne** **Phone no:** 07826 919286 **E-mail:** kellie.beirne@cardiff.gov.uk	**Please give a brief description of the aims of the proposal** Quarterly performance reporting
Proposal: Q1 2022-23 Performance Reporting	**Date Future Generations Evaluation form completed:** 26 September 2022

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

Well Being Goal	**Does the proposal contribute to this goal? Describe the positive and negative impacts.**	**What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?**
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The report seeks to track performance towards CCR targets and objectives	Ongoing refinement and targeting of baseline – data, evidence, assessments and benefit realization
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Discrete objectives feature as part of this work around reporting in energy strategy and responsible investing	ESG framework, risks focused on ED&I and Carbon Disclosure Project.
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	N/A	N/a
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	This is part of the societal aims articulated through responsible investing and the revised principles of the investment strategy	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Monitoring performance and outcomes is about taking steps towards meeting our global economic, social and environmental responsibilities	As the work progresses on CJCs – opportunity will be taken to draw work together with that ongoing around the future Investment Strategy. Future inward investment strategy work will be part of this.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		.
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Having robust and progressive processes and procedures for decision making and evaluating impact of interventions is critical and our efforts in this regard must be continually reinforced and developed.	ESG focus, ED&I and macro risk of climate change and climate reporting.

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 Balancing short term need with long term and planning for the future	The performance framework is quarterly but is against both the annual and five-year strategic business plans. In addition, we have recently updated our Vision, Mission and Values which is detailed in the 2022/23 Annual Business Plan.	
Working together with other partners to deliver objectives	The performance framework draws on myriad partnership contributions.	
Involving those with an interest and seeking their views	Engagement with multiple stakeholders spanning various different panels, stakeholder groups and advisory boards has informed this process.	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
Putting resources into preventing problems occurring or getting worse	The purpose of the performance framework and its continual evolution is to contribute to future proofing the CCR operating environment	
Considering impact on all wellbeing goals together and on other bodies	Having an overview of all areas of performance enables wellbeing goals and objectives to be considered in the round.	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The proposal is about an underpinning project monitoring framework and will not have a direct impact. However, the provision it will provide for, will all contribute to an environment where difference is celebrated and ESG, inclusion and diversity all become embedded parts of the operating environment	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Religion or Belief	As above		
Sex	As above.		.
Sexual Orientation	As above		
Welsh Language	As above	Not at this time but the situation will be kept under review.	

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

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

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

- IIF data and evidence
- Stakeholder interviews
- IIF and Industrial Growth Plan
- IIF Review
- Highlight reports
- Risk review
- Internal audit work
- AGS

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

The main positives are to do with a more professional approach to risk and embedding key principles of ED&I, ESG and sustainability. This will be an ongoing approach but it is clear that as the city deal transitions into a city region – the approach needs to flex and develop to be fit for future requirements.

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

The impacts of this proposal will be evaluated on:	**Q2 2022/23**

Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

26 SEPTEMBER 2022

METRO CENTRAL UPDATE AND CO-OPERATION AGREEMENT

REPORT OF THE DIRECTOR OF CARDIFF CAPITAL REGION

AGENDA ITEM 6

Appendices 1 and 2 to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Reason for this Report

1. To provide an update on the CCR's funding arrangements for the outstanding contribution of £2.8m from the £4m agreed by CCR towards the overall c£10m cost of completing essential design specification and technical requirements, and the preparation of the Full Business Case for the Metro Central programme.

2. To seek agreement to enter into a short-form Co-operation Agreement with Transport for Wales to transfer the remaining funds and ensure agreed objectives are delivered.

3. To provide a wider brief programme update in respect of key milestones and dates for the remainder of the Full Business Case Development process.

Background

4. In January 2018, the Cardiff Capital Region City Deal Regional Cabinet agreed in-principle to set-aside £40m of City Deal funding to support the redevelopment of Cardiff Central Station under the Metro Central programme, on the basis that match funding would be forthcoming from both UK and Welsh Governments - and subject to a Full Business Case. On 22 July 2019, the UK Government announced a similar in-principle funding contribution of £58.3m. It should be noted that these figures are illustrative and subject to confirmation through ongoing business case testing, procurement and development.

5. The capacity enhancements to Cardiff Central Station are a critical component of the overall South Wales Metro programme. The station's capacity determines the overall capability and resilience of the network and is also the sole connection

between the South Wales Mainline and the Core Valley Lines. As such, the ability of the station to deal with increased patronage is fundamental to the future success of city-region infrastructure, and its ability to achieve dispersed and inclusive growth and uplifts in productivity across the CCR.

6. The original case for CCR investment was predicated on a funding stack comprising both public and private investment, as well as on c5M sq. ft of commercial development, seeking to leverage some £2BN of commercial funds and up to £1BN in additional GVA to the region and helping to create, support, and induce between 20,000-30,000 jobs

Project Update

7. Transport for Wales (TfW) is presently working through the design process to develop the project to a sufficient point to fully support the development of a final Full Business Case (FBC) which will secure the delivery funding for the scheme through the GRIP (Governance for Railway Investment) process and TfW has been remitted to complete the first 4 stages in order to secure planning consents and funding.

2020 - GRIP 1 - Output Definition

8. Building on previous work completed for the 2018 Outline Business Case, the project team completed the option definition work. This stage concluded with approval of six project objectives, agreement on the scheme boundary, a set of interventions to be further developed and the procurement strategy for the subsequent stages. This work was delivered in five months, significantly quicker than usual due to the previous work that had already been undertaken. Specific deliverables produced at this stage included:

- Full GRIP 1 Report;
- Stakeholder Engagement Strategy;
- Initial Economic Impact Assessment.

2021 – 2022 GRIP 2 – Feasibility

9. The Feasibility work took the 12 separate interventions identified previously, tested their feasibility and combined them into three alternative holistic scenarios focussed on enhancing the transport capacity and enabling a wide range of benefits to be achieved. As part of this stage of work, public engagement was undertaken to inform thinking on issues at the station and broad stakeholder engagement undertaken. This stage concluded with the recommendation of three alternative capacity scenarios. A decision was reached to extend Platform 0 without altering the Grade II listed ticket hall. This stage was delivered in 10 months, and specific deliverables produced at this stage included:

- Design Feasibility Report;
- updated WelTAG 1;
- public engagement work;
- pedestrian surveys and modelling scope.

2022 – 2023 GRIP 3 – Option Selection

10. The option selection stage is currently in progress. In this stage detailed pedestrian modelling and forecasting is being undertaken for the station which will help to identify the best performing capacity scenario. Once that scenario is confirmed, the design team will progress through decision making on other components including platform building configuration, concourse extensions and cycle parking. This stage of work is due to be completed within 12 months of starting (by February 2023), and specific deliverables produced at this stage will include:

    - Option Selection Report;
    - updated WelTAG 2 report;
    - detailed surveys and modelling of the station;
    - public engagement to inform the Option Selection.

    The total spend to date is £3.80 million with the total final cost estimated at £9.83 million by the completion of GRIP Stage 4, including the FBC.

Governance Change

11. Cardiff Central Enhancements Project Strategy Board (the Strategic Board) was established in July 2022 to replace the Metro Central Development Partnership Board and provides the strategic oversight of the project delivery. The Strategic Board has been established to bring together senior decision makers and funders for the Cardiff Central Enhancements Project, and to provide focussed strategic leadership through both the design and construction phases of developments at Cardiff Central Railway Station in line with the objectives agreed by the two principal funders for the project: Cardiff Capital Region (CCR) and the UK Government's Department of Transport (DfT).

12. The purpose of the Strategic Board is to:

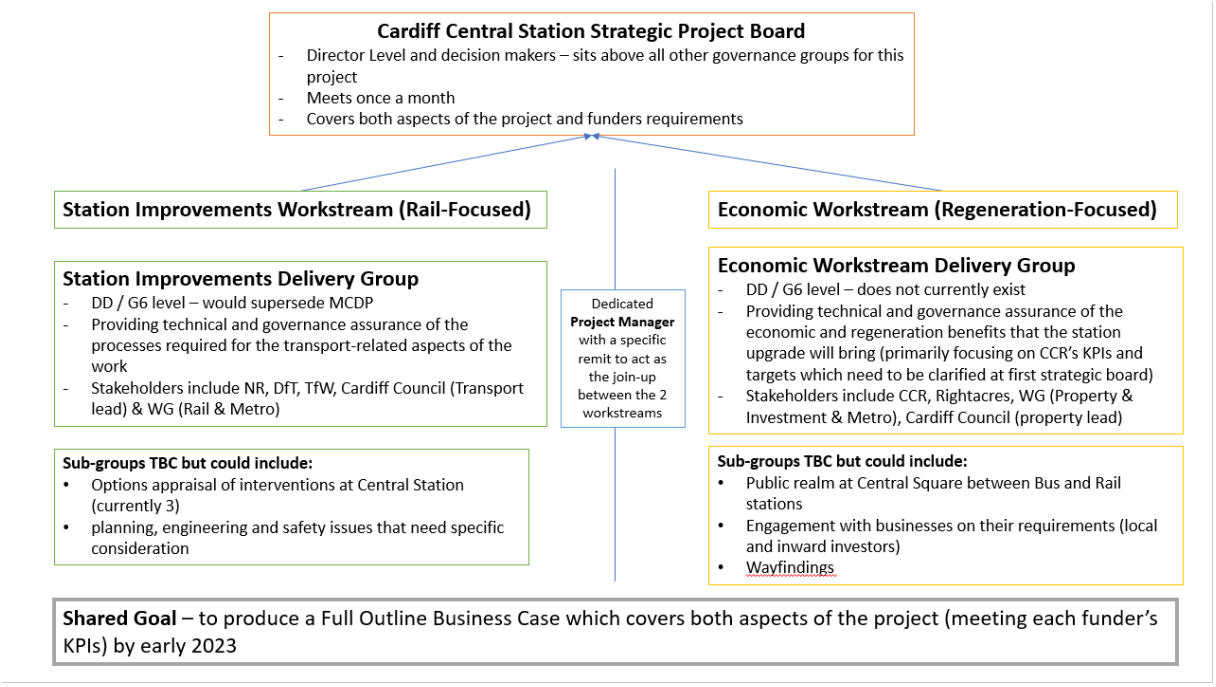
    - provide focussed strategic leadership through both the design and construction phases of developments at Cardiff Central Railway Station which fall under the remit of this project;
    - provide assurance to funders that the project is being delivered in accordance with their agreed priorities;
    - ensure that the project is being delivered in accordance with project management good practice, financial controls and appropriate governance mechanisms; and
    - communicate decisions effectively to stakeholders as required to provide transparency in decision making.

    The Strategic Board will focus its business on:

    - achieving consensus between key stakeholders and funders of the delivery objectives and requirements for the entire project (the station infrastructure work itself and the wider economic and regeneration

benefits this will bring to the city), and re-visit these Key Performance Indicators and Objectives on a regular basis to ensure they remain current;

- providing assurance on progress of the project's delivery and alignment with the project's objectives through the use of highlight reports from the Strategic Board's sub-groups;
- consider the risks and issues associated with the project, which may also be escalated through the Strategic Board's sub-groups, through the Strategic Board's Risk and Issues Register, and taking appropriate mitigating actions as required; and
- provide assurance on the financial management of the project, balancing the needs of all parties whilst ensuring prudent management of public funds.



Costs Incurred to Date

Spend to-date		
Funder	**TfW Spend to July 2022**	**% Split**
Cardiff Capital Region via Welsh Government	**£1.085 Million**	**29%**
Department for Transport	**£2.711 Million**	**71%**
Total	**£3.796 Million**	**100%**

Next Steps – Finalising Design Specification and a Programme-level Full Business Case

Co-operation Agreement

13. In order to ensure the commissioning process is robust, tax efficient and demonstrates clear lines of accountability, CCR commissioned specialist procurement advice. Full details of advice provided is found at exempt Appendix 1 – Procurement Advice Note.

14. The Procurement Advice Note identified that TfW and CCR would benefit from entry into a partnership and Cooperation Agreement to progress the delivery of the Cardiff Central Enhancements Programme. In the long-run, it is anticipated the Co-operation Agreement will comprise all key partners to the project – CCR, TfW and Network Rail. However, for this stage of the project, which is to simply passport the remainder of the funding for the business case development process, the initial Co-operation Agreement shall be in short-form, with members initially restricted to CCR and TfW. The Co-operation Agreement will outline the intentions and goals of the parties as well as the conditions of the future working partnership. The Co-operation Agreement will allow CCR to provide funding to TfW and will ensure that both parties have a role in steering the project to delivery of the goals. A draft version of the Co-operation Agreement is attached at Appendix 2. A delegation is sought to enable the Chair of CCR, Chair of RTA and CCR Director to finalise all outstanding details, in accordance with the principles and stated amounts set out in this report.

15. Whilst the Co-operation Agreement is currently being prepared, there are still some issues around specific CCR objectives to be considered and included within that agreement, along with the inclusion of the CCR Governance arrangements and sign off of each element of the scheme. This is currently being worked up and will be included within the formal short-form Co-operation Agreement prior to signing. With this in mind, it is proposed that the CCR top slices the £4m provisional budget by £150k to enable the CCR to fund a client role project manager to ensure the commercial outcomes are delivered as part of the CCR investment. This will also include any technical, legal and financial due diligence required by the CCR to inform the Programme.

16. Whilst this report provides an overview of progress to date in relation to the early stages of programme development and that a Co-operation Agreement is proposed to be entered into as a means of progressing important matters concerning governance and procurement, it should be noted that further detail will be brought forward through a separate project briefing. This is because the issues emerging with the development of the project business case, demonstrate a number of potential challenges regarding:

    - the overall budget for the programme and the need to work through what is termed a ‘Minimum Viable Product Plus’ process which will help reconcile stakeholder aspirations, determine affordability, phasing and additional financing mechanisms for the wider proposed masterplan

- the current Car Park and proposed re-provision through the Multi Modal Transport Hub and impact on wider CCR Funds and Projects such as the Strategic Premises Fund;
- the commercial factors associated with the Southern Concourse and South-side development;
- economic benefits for the region and the wider re-development of the Station area, Central Quay and Central Square as a key business district for the Capital City Region;
- the wider masterplan for the site.

17. The project has been identified currently as having a higher risk profile. However, and progressively, these risks are being worked through and mitigated and the project has received renewed impetus through the recent news of the c£200M deal secured by Legal and General to develop the South-side area for residential accommodation. This helps to better anchor some of the key interdependencies and creates renewed momentum for the wider programme and the opportunity to see the technical transport upgrades to the Station as part of richer and bigger picture of driving opportunity into the region. All these factors will be examined further through the FBC development process and progress reports brought back to both the Regional Transport Authority and Regional Cabinet at regular intervals.

18. In respect of timeframes, the following should be noted as an indicative guide, with further updates and confirmations to follow in due course:

- June-September – MVP+ work;
- Nov-December – draft FBC (OBC in our terms);
- Feb-April 2023 – FBC produced and reviewed;
- May 2023 – Planning;
- Sept-October 2023 – Tendering Complete and FBC finalised;
- Nov 2023 – FBC to be considered by Regional Cabinet and relevant DfT SoS thereafter;
- 2024/25 – Works Commence;
- 2027/28 – Projected Completion.

Reasons for Recommendations

19. To ensure that the project can be developed and can satisfy all commissioning requirements and demonstrating tax efficiency.

20. To ensure that the project can be developed and CCR funding deployed within a timely manner in accordance with the programme timetable.

Financial Implications

21. At the Regional Cabinet meeting of 15th January 2018, it was agreed in principle to allocate £40m of CCRCD Wider Investment Fund (WIF) capital resources towards delivery of the Metro Central project, subject to receipt and approval of a full business case (FBC).

22. A report to Regional Cabinet on 9th March 2020 sought approval for release of up to £4 million from the in-principle allocation of £40 million to contribute towards the circa £10 million cost of finalising design work and technical specifications required to inform an FBC.

23. This FBC was considered necessary to give a more detailed and comprehensive view of the overall vision for the programme proposals and to provide key evidence which would inform the requirement for CCRCD investment.

24. Issues have since been identified with regard to potential tax implications for some of the participating bodies within the Metro Central Delivery Partnership (MCDP). This partnership was established to oversee the overall Metro Central project with the shared aim of a coordinated and managed approach to the redevelopment.

25. The proposed establishment of a Cooperation Agreement between CCRCD and TFW is the recommended solution which allows CCRCD to provide funding to TFW for this phase of the programme and to facilitate finalisation of the TfW works set out in this report. Formal tax and procurement advice and legal due diligence undertaken in this regard has concluded that such an arrangement would be fully compliant with financial and procurement regulations.

26. The Cooperation Agreement will need to reflect the supply of services between CCRCD and TfW with Cardiff Council as the Accountable Body acting on behalf of CCRCD and able to fully recover the related VAT.

27. It is additionally proposed that a top slice of £150,000 from the £4 million provisional budget is approved to fund the necessary technical, legal and financial due diligence required by the CCRCD to inform the programme and ensure achievement of scheme objectives.

28. Members should note that it is recommended that following the conclusion of stage 1 and prior to entering into any formal contract for works at stage 2 that any tax, legal and procurement implications are further reviewed.

29. Further updates will be brought to the Regional Transport Authority and to Regional Cabinet and should clearly set out any risks to the programme and identified mitigations, particularly with regard to future governance arrangements and achievement of CCRCD objectives.

Legal Implications

30. This report seeks approval to submit a request to Regional Cabinet for approval for CCRCD to enter into a Co-operation Agreement with TFW in order for CCRCD to release to TfW funding of up to £4 million to contribute towards the costs of the finalisation of the design work and technical specifications required to inform a FBC for this stage of the Project. Formal tax and procurement advice and legal due diligence undertaken has concluded that entering into a Co-operation Agreement as detailed in this report would be fully compliant with financial and procurement regulations. Both the Public Contracts Regulations 2015 and the

Utilities Contracts Regulations 2016 contain specific exemptions that enable contracting authorities to award public contracts outside the scope of those Regulations. This includes contracts concluded between two or more contracting authorities which establish or implement co-operation between contracting authorities to carry out public service tasks that each has an obligation to perform. There are specific conditions which must be fulfilled in order to rely on this exemption and it is considered that this arrangement satisfies those conditions.

31. Cardiff Council, acting in its capacity as Accountable Body for CCRCD, is expected to enter into the Co-operation Agreement with TfW on behalf of CCRCD.

32. As the Metro Central proposal develops, detailed legal advice will be required, (along with all other relevant professional advice) and set out in the Full Business Case, to ensure that the proposals as developed meet (i) all legal requirements; (ii) HMT and Welsh Government funding conditions and are in accordance with the Investment and Intervention Framework.

33. It is understood that this Co-operation Agreement only covers Stage 1 of the Project. Should the Project pass Stage 1, a further report will be brought to members and Regional Cabinet for approval to proceed to Stage 2 and, if required, approve any variations required to the Co-operation Agreement for Phase 2.

Well-being of Future Generations Act 2015 (Wales)

34. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:

    a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;

    b) public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. age; b. gender reassignment; c. sex; d. race – including ethnic or national origin, colour or nationality; e. disability; f. pregnancy and maternity; g. marriage and civil partnership; h. sexual orientation; I. religion or belief – including lack of belief, and;

    c) the Well-being of Future Generations (Wales) Act 2015. The Well-being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the

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

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

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

36. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 3.

Equality Act 2010

37. In considering this matter regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet must in making decisions have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are:

- age;
- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATIONS

38. It is recommended that Regional Cabinet:

(1) approves the entering into a short form Cooperation Agreement with TfW as detailed in this report and attached at Appendix 2;

(2) approves the Director of CCR City Deal representing CCR on the Co-Operation Board and delegates authority to the Director of the CCR City Deal to make decisions in respect of the Project in line with the delegations policy within the Co-operation Agreement.

Rob O'Dwyer
Head of Infrastructure
Cardiff Capital Region
26 September 2022

Kellie Beirne
Director

Appendices

Appendices 1 and 2 to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

EXEMPT	Appendix 1	Procurement Advice Note
EXEMPT	Appendix 2	Draft Co-operation Agreement
	Appendix 3	Well-being of Future Generations Assessment

Future Generations Assessment Evaluation
(includes Equalities and Sustainability Impact Assessments)

Name of the Officer completing the evaluation: **Clare Cameron** **Phone no:** 07976 704839 **E-mail:** clare.cameron@cardiff.gov.uk	**Please give a brief description of the aims of the proposal** Unlocking up to £4m funding mechanism for detailed design work finalisation
Proposal: Metro Central	**Date Future Generations Evaluation form completed:** 26 September 2022

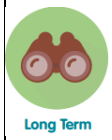
1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	**Does the proposal contribute to this goal? Describe the positive and negative impacts.**	**What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?**
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Assessing progress with City Deal and the targets set around GVA, jobs and leverage – is our key means of securing greater prosperity. Creating he transport connectivity to drive capacity in the whole region will make a significant contribution to this.	Investment Panel has requested conditions are placed – which require more information and evidence relating to investment proposal, full economic impact, a programme level business case and enhanced sustainability and active travel measures
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and	Regard will have to be given in detailed design and WelTag phases to resilience and sustainability	Conditions imposed around active travel, wellbeing measures and sustainability

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
can adapt to change (e.g. climate change)		Proposed MMTH will also be focused on clean growth with LEV charging infrastructure Wider ambitions exist around a green canopy roof and ensuring the whole development is equipped for active travel, in particular, supporting walking and cycling.
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The focus on multi-modal public transport is front and centre in this proposition to build capacity and capability region-wide	Assessments of opportunity for active travelled to be fully appraised as part of GRIP and FBC process
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Improving regional infrastructure and connectivity will make a key contribution to travel to work modes, denser labour market creation and development of human connections	Clear evidence of this capability will be tested through the business case process
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	This could see the region grow its strengths through connecting and linking key areas, economic zones and places	Masterplan approach taken to optimizing the development in order to ensure it is equipped for future generations.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Our City Deal is uniquely Welsh – but pitches towards being world leading in areas of competitive strength. This enables a strong reflection on our rich culture and heritage.	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Metro Central is a regional connectivity enhancement scheme that aims to drive provision to places that currently lack it.	Business case will test true regional capability benefits

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 Balancing short term need with long term and planning for the future	This scheme will support the CCR over the long-term	Through the business case development process
Working together with other partners to deliver objectives	The scheme is a partnership across public and private and involves all ten councils	
Involving those with an interest and seeking their views	TfW and WG are the scheme proposers and there will be opportunities for comprehensive public engagement as part of the full scheme business case	
Putting resources into preventing problems occurring or getting worse	This is set out in the REGP work on the developing Regional Economic and Industrial Plan.	This will be an increasing focus of scheme and programme delivery.

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
Considering impact on all wellbeing goals together and on other bodies	As the business case progresses through the framework, this can be further considered.	The renewed focus on clean growth and driving mobility of the future has been supported by the RTA which will act as critical friends in ensuring the project meets its wider sustainability and wellbeing goals.

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	N/A at this stage which is detailed design and WelTag	None arising at this time.	As the case passes through the business case development process and should a FBC be forthcoming, this will be looked at comprehensively as part of sustainability requirements.
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Race	As above		
Religion or Belief	As above		
Sex	As above		.
Sexual Orientation	As above		
Welsh Language	As above	Not at this time but the situation will be kept under review.	

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

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

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

- Evidence and input contributed by theme leads
- Outcomes of assessments such as audit reports
- Delivery against targets set out in individual business cases/ approved project documentation
- DfT OBC
- ARUP economic impact work
- Weston Williamson detailed design work

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

As the business case develops and the causes/ effects and consequences are understood – provision will be ongoing.

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

The impacts of this proposal will be evaluated on:	**March 2023**

Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

26 SEPTEMBER 2022

HOMES FOR ALL THE REGION – HOUSING VIABILITY GAP FUND UPDATE

REPORT OF THE CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM 7

Appendices 1-4 to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, and because they contain information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972.

Reason for this Report

1. To provide Regional Cabinet with an update regarding the legal and financial due diligence for the two Housing Viability Gap Fund schemes where CCR are proposing to contract directly with developers.

Background

2. At its meeting of 25 July 2022, CCR requested approval to enter into contracts directly with developers for two Housing Viability Gap Fund schemes. Paragraphs 7, 8 and 9 of the July cabinet report comprehensively set out the justification for CCR to deal the developers directly, instead of the Local Authority responsible for the area in which those schemes are located.

3. The July cabinet report outlined that some developers are highly leveraged and therefore unable to provide the required levels of security, which is then being pushed back onto the LA. To overcome this issue and ensure momentum of the fund continues, CCR proposed that in these exceptional circumstances and only for the two schemes set out in Exempt Appendices 1 and 2, CCR contract directly with the developers and thereby absolve the LA of any obligations with regards the contracting requirements.

4. At its meeting of 25 July 2022, Regional Cabinet requested further due diligence was carried out in relation to financial matters, particularly in relation to any VAT implications before approval could be granted.

Issues

5. CCR's legal advisors have undertaken further work and considered HMRC's guidance on the circumstances in which they consider a payment is, or is not, a grant. The advice concluded that a grant is not a payment, for a supply for VAT purposes.

6. The funding agreements have been reviewed against the indicators provided by HMRC and the opinion is that funding provided under those agreements should be considered as a grant, in order to determine the treatment for VAT purposes.

7. Whilst there are reporting requirements and milestones, these are considered proportional and limited in nature. Similarly, there is a clawback mechanism designed to ensure compliance with the conditions of funding, which is unlikely to be present, were the payment consideration for a supply. The opinion cannot identify any goods or services and does not consider there is a supply of goods or services made by the developer to CCR to which VAT could attach.

8. Regional Cabinet should note the advice is based on UK tax law and practice current at the date of issue insofar as it relates to issues discussed in the note. The advice is, therefore, subject to any change in law or any change in the attitude or practice of HMRC occurring after this date.

9. The full confidential legally privileged VAT advice provided by CCR's legal advisors is set out in Exempt Appendix 3. Following advice received in this note the template funding agreements have been amended to reflect the advice and the parties intention.

Housing Viability Gap Fund Programme Update

10. Completing contracts is a key programme milestone, however, there remain various pre drawdown conditions which must be met before the funding can be made available for drawdown. Some contract conditions are consistent across all schemes and others are bespoke to the individual scheme, each LA has been issued with a conditions tracker for each scheme which clearly state the requirements. Examples of some of the more significant conditions or milestones which remain outstanding include:

    - planning consent and other statutory consents – The majority of schemes are still required to gain approval from the Local Planning Authority and some schemes require other statutory consents such as from Cadw;

    - land ownership – Not all developers are in ownership of the land and are still to complete the purchase;

    - Local Authority appointment of Independent Project Monitor – The role of the Monitoring Surveyor is to review the project both prior to drawdown and for the duration of the project until practical completion. The Monitoring

Surveyor's reporting will provide the Council with an overview of the project and highlight any key project risks.

11. Progress across the wider programme has continued with a number of schemes now in contract with more to follow shortly. At this time, three of the sites have contracts which have been fully completed, three sites are in the process of completing contracts, with a further three schemes still subject to further discussion concerning the funding agreement. In addition, CCR have been working directly with developers on a further two schemes and expect to be able to complete these contracts in October following the required cabinet approval. An individual scheme update can be found in Exempt Appendix 4.

Next Steps and Timescales

12. Cardiff Council, acting in its capacity as Accountable Body for CCR, is expected to enter into the contracts with the developers for the two schemes for and on behalf of CCR. It is anticipated that this will be completed before the end of October 2022.

Reason for Recommendations

13. To seek Regional Cabinet's approval for CCR to enter into contract directly with developers where CCR and its advisors are satisfied the LA risk exposure is unmanageable and are comfortable with the further due diligence concerning financial matters.

Financial Implications

14. The report to Regional Cabinet on 25 July 2022 updated on the Housing Viability Gap Fund (HVGF) scheme progress and sought approval for CCRCD to contract directly with developers for 2 schemes where the exposure to risk and other barriers were considered too onerous. Under the proposed approach, CCRCD would absolve the Local Authority concerned of any future obligations with regards to the contracting requirements.

15. A condition of approval at the July Regional Cabinet was the completion of legal and financial due diligence in order to ensure that there would be no adverse impact as a result of this revised approach for the participating local authorities or for the Accountable Body who would be required to contract in this regard on behalf of CCRCD.

16. This report updates on the legal and financial due diligence process completed since the earlier report and the outcomes of this process.

17. Exempt Appendices 1 and 2 set out the background detail to the 2 schemes in question including scheme security options and some high-level financial and performance indicators for the related developers. Key risks to the completion of the development schemes and the proposed mitigating factors are also detailed along with the recommended approach to security provisions.

18. Members are also directed to the HVGF VAT Notice at Exempt Appendix 3 which sets out the due diligence in relation to tax matters. In line with this advice, the

Direct Contract Scheme template for funding agreements have been amended accordingly.

19. Prior to determining the recommendations in this report, members should be content with the proposed approach and with the legal and financial due diligence undertaken.

20. It should also be noted that the due diligence and advice within the report does not extend beyond the 2 schemes in question. It is assumed that each participating Local Authority will already have determined the VAT supply and any tax issues linked to the funding agreement for its own schemes. CCRCD colleagues have confirmed that all authorities have been consulted in this regard and that no concerns have been identified to date.

21. Any risks to the proposed approach should be considered at the outset and throughout the duration of the schemes with any issues brought back to Regional Cabinet for consideration.

Legal Implications

22. This report updates on the legal and financial due diligence process completed since the report to Regional Cabinet at its meeting of 25 July 2022 and the outcomes of this process. It also seeks approval for CCRCD to enter into contracts directly with developers for 2 identified schemes as part of the Housing Viability Gap Fund (HVGF). Cardiff Council, acting in its capacity as Accountable Body for CCR, is expected to enter into the contracts with the developers for the two schemes for and on behalf of CCRCD.

23. The legal implications of the VAT position are as referred to in the attached VAT advice attached to this report at Exempt Appendix 3 Regional Cabinet is referred to the legal implications referenced in the report prepared ahead of the 25 July 2022 Regional Cabinet meeting for the wider implications of the proposal.

Well-being of Future Generations (Wales) Act 2015

24. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to

    a) In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:

    b) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;

    c) public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. age; b. gender reassignment; c. sex; d. race – including ethnic or national origin, colour or nationality; e. disability; f. pregnancy and maternity; g. marriage and civil partnership; h. sexual orientation; I. religion or belief – including lack of belief, and;

d) the Well-being of Future Generations (Wales) Act 2015. The Well-being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

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

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

25. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 5.

Equality Act 2010

26. In considering this matter regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet must in making decisions have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are:

    - age;
    - gender reassignment;
    - sex;
    - race – including ethnic or national origin, colour or nationality;
    - disability;
    - pregnancy and maternity;

- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATIONS

27. It is recommended that the Cardiff Capital Region Joint Cabinet:

(1) approves entering into contract directly with the developers for the two schemes as outlined in this report and set out in Exempt Appendices 1 and 2, following the further due diligence concerning financial and legal matters;

(2) delegates authority to the CCR Director to approve the terms of and arrange execution of those contracts referred to in recommendation (1) with authority for the CCR Director to further sub-delegate that authority to another Officer within the Accountable Body.

Louise Corbett
Lead for Housing Viability Gap Fund
Cardiff Capital Region
26 September 2022

Kellie Beirne
Director

Appendices

Appendices 1-4 to this report are exempt from publication because they contain information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, and because they contain information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972.

EXEMPT	Appendix 1	Security Options Scheme 1
EXEMPT	Appendix 2	Security Options Scheme 2
EXEMPT	Appendix 3	Pinsent Masons Advice in Relation to Tax Treatment
EXEMPT	Appendix 4	Individual Scheme Update
	Appendix 5	Well-being of Future Generations Assessment

Background Papers

Homes for All the Region Cabinet Report – 25 July 2022
Homes for All the Region Cabinet Report – 29 November 2021
Homes for All the Region Cabinet Report – 15 March 2021
Homes for All the Region Cabinet Report – 14 September 2020
Homes for All the Region Cabinet Report – 9 March 2020

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

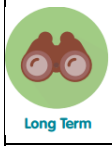
Name of the Officer completing the evaluation:	**Please give a brief description of the aims of the proposal**
Louise Corbett **E-mail:** Louise.Corbett@cardiff.gov.uk	Development and operation of the Housing Viability Gap Fund
Proposal: Homes for all the Region	**Date Future Generations Evaluation form completed:** 26 September 2022

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

Well Being Goal	**Does the proposal contribute to this goal? Describe the positive and negative impacts.**	**What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?**
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Shared prosperity is a feature of the fund with a focus on economic inclusion, viability appraisals and priority for areas of lower competitiveness that can show connections with public transport, jobs and regeneration opportunities.	The scheme seeks to move beyond creating wealth – to spreading wealth and aims to stimulate local housebuilding, promoting local skills growth and development and ensuring local benefits and retained and recycled back into local areas.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The scheme sets the conditions only for unlocking sites and the weight of responsibility around delivering on core objectives will be through local-led delivery and effective partnership working.	Resilience is embedded through the focus on areas of lower competitiveness and productivity and the need for demonstrations of connections to jobs, public transport and community infrastructure. Independent assessments have been carried out as part of the business case development stages with CHC, RSLs, Home Builders Federation, CBRE, DBW and Savills to comprehensively test assumptions and deliverability and contributions to sustainability and resilience.
A healthier Wales	The link between good quality housing and people's health and wellbeing is documented and the Homes for region programme will deliver a range of housing for a variety of purposes i.e. affordable, open market.	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
People's physical and mental wellbeing is maximized and health impacts are understood		
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Improving regional infrastructure and building new homes (improving the overall quality of housing stock within the region) will make a key contribution to travel to work modes, denser labour market creation and development of human connections	This will feature as a core part of the viability assessment and VFM checks and local planning policies will need to be adhered to. The appointed Technical Advisors will support the Fund's design and implementation, as well as monitor and review such conditions.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The fund has been designed to solve market failure in all areas of the region and has recognised that other existing initiatives may be available but aims to address gaps in existing provision.	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	The Cardiff Capital Region City Deal is uniquely Welsh – but pitches towards being world leading in areas of competitive strength. This enables a strong reflection on our rich culture and heritage.	The fund will be accessible by all LAs within the Region and key stakeholders.
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Economic Inclusion is a central objective of this initiative and it's aimed at levelling up provision, accessibility and opportunities for all within the region.	

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

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 Balancing short term need with long term and planning for the future	The scheme operates over four years but will build legacy for the future around which denser labour markets can be created and access to new opportunities such as Metro and Metro Plus.	The scheme viability criteria and VFM credentials have been tested and validated by CCR's appointed Technical Advisors and secured onward recommendation from Investment Panel to Regional Cabinet for approval.
Working together with other partners to deliver objectives	The scheme is a partnership across public and private sectors and involves all ten councils, RSLs, developers and land owners and agents.	Ongoing co-ordination and support is being offered through a Fund co-ordinator role and the establishment of a dedicated fund to support all LA's.
Involving those with an interest and seeking their views	WG are the Funds partners and there will be opportunities for comprehensive public engagement as part of the full scheme operation and delivery.	Local planning policies will need to be adopted and adhered to in relation to local consultation and public engagement.
Putting resources into preventing problems occurring or getting worse	The evidence base shows such sites have blighted communities. Continuing to 'do nothing' will ensure problems will grow worse and situations that impact communities negatively will not improve.	Each scheme will need to demonstrate contribution to wellbeing goals as part of investment criteria.
Considering impact on all wellbeing goals together and on other bodies	At the front of the FBC is a consideration of wellbeing objectives and the potential of the scheme to maximise contributions towards resilience and prosperity.	Each scheme will need to demonstrate contribution to wellbeing goals as part of investment criteria.

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	LAs will be required to inform the shape, type and nature of provision required including tenure, flexibility, lifetime homes and so on.	None arising at this time – needs to be assessed through scheme delivery and compliance.	Relevant criteria to be developed via CCR's Technical Advisors and key stakeholders progress individual schemes.
Disability	As above – the LA will be required to comply with local planning requirements and to demonstrate the value it is adding through scheme development in accordance with local housing needs assessments such as LHMA and housing registers.	As above.	This will be demonstrated at criteria application stage
Gender reassignment	As above –With regard to any allocation of affordable housing, this will be done in strict compliance with adopted lettings policies and procedures for the fair and independent allocation of homes.	As above.	Ongoing and long-term monitoring frameworks for demonstrating scheme benefits
Marriage or civil partnership	As above.	As above.	As above.
Pregnancy or maternity	As above.	As above.	As above.
Race	As above.	As above.	As above.
Religion or Belief	As above.	As above.	As above.
Sex	As above.	As above.	As above.
Sexual Orientation	As above.	As above.	As above.
Welsh Language	As above.	Not at this time but the situation will be kept under review.	As above.

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

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	**Describe any negative impacts your proposal has on safeguarding and corporate parenting**	**What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?**
Safeguarding	Not directly relevant however, building the future economy should have a profoundly positive impact on ability to safeguard the future of our residents.	All Councils will have individual adopted safeguarding procedures and policies which must be complied with.	
Corporate Parenting	Not directly relevant – however building strength in the economy should create opportunities for all of the young people entrusted in our care.	As above.	

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

- Engagement with LAs and their key partners in 2020 and again in 2021
- PIN Notice – July 2020
- Evidence of market supply and demand – Savills 2019
- KPMG SOC 2019 • KPMB OBS – 2019
- Testing site viability and deliverability – Savills 2019-20
- Partner data and evidence
- WG evidence on Innovative Housing Fund
- Soft market testing
- Evidence from similar Homes England programmes

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

Ensure the adopted evaluation framework is implemented and monitoring the impacts.

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

The impacts of this proposal will be evaluated on:	Ongoing from April 2021 to March 2024