Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

30 JANUARY 2023

JOINT WORKING AGREEMENT – CCR ANNUAL BUSINESS PLAN 2023/24

REPORT OF CARDIFF CAPITAL REGION DIRECTOR AND SECTION 151 OFFICER

AGENDA ITEM 5

Reason for this Report

1. To set out the proposed CCR Annual Business Plan for 2023/24 which constitutes Year 3 of the 5-year Strategic Business Plan approved in December 2020. The plan is in adherence with the provisions of the Joint Working Agreement for the Cardiff Capital Region City Deal (CCRCD). However, given 2023/24 is the year in which the regulations for the SEW Corporate Joint Committee (CJC) appear sufficient to allow for 'lift and shift' to occur – it also combines activity for the CJC in 2023/24 in order to represent one integrated plan for the Cardiff Capital Region.

2. To further underline some of the new issues and challenges that emerge as the City Deal begins to enter the mid-point of its operation and thus, some of the factors that will grow in significance such as a future revised Funding Strategy.

Background

3. The JWA contains a requirement for both the JWA Annual Business Plan and JWA 5-Year Strategic Business Plan to be developed, considered, and approved by Regional Cabinet ahead of the commencement of the new financial year. The JWA 5-year Strategic Business Plan is an overarching one and aims to present an understanding of what is required to achieve long-term aims; distilling this into a 5-year timeframe with high level detail of activities likely to benefit from the Wider Investment Fund (WIF).

4. The JWA 5-year Strategic Business Plan was approved by Regional Cabinet on 7 December 2020 with subsequent Annual Business Plans representing the yearly instalments of the wider plan and in line with CCR's adopted vision, mission and values.

5. To date, successive Annual Business Plans have come under the auspices of the Regional Economic and Industrial Plan (REIP), published in 2019. Work has recently been undertaken, supported by a wide group of stakeholders to revise and refresh this plan and whilst this maintains focus on the same principles and goals, there is an element of adaptation and evolution required to be fit for future. Therefore, it is in the context of this new REIP (also to be considered by Regional Cabinet on 30 January 2023) that the 23/24 Annual Business Plan is presented.

The JWA 5-year Strategic Business Plan 2021-26

6. The existing JWA 5-year Strategic Business Plan is helpfully, something of a hybrid document. It discharges all of the duties and provisions relating to City Deal and the delivery of the Wider Investment Fund Programme – but also articulates the transition from a standalone City Deal focus – to a wider and more expansive City Region focus. This not only reflects the future policy development landscape in respect of CJCs and the 'lift and shift' ambitions of Regional Cabinet as well as the wider and longer-term economic and societal objectives held for the region. In so doing, it seeks to enable CCR to be prepared in the light of:

    a) the need to grow resilience and in the face of Covid-19, the ability to withstand socio-economic shocks;
    b) the need to look outward and develop international trade, partnership and research agreements;
    c) the need to double down on R&D investment – public and private;
    d) The need to develop thinking around infrastructure investment vehicles and addressing the issue of sustainable funding for transport schemes;
    e) the need to leverage natural assets and resources and take bold action as required by the CCR Energy Strategy;
    f) the need to respond to intractable economic and societal problems through adoption of a mission driven approach;
    g) the need to become a 'pioneer' City Region in relation to regional economic governance, shaping and informing a CJC for the CCR;
    h) the need to begin developing a 20-year City Region outlook which will integrate all of the above and develop the outlook for strategic regional development in the CCR.

7. The JWA 2021-2026 Strategic Business Plan reflects comprehensively on progress made to date and builds a bridge between today and 2026 when the second gateway period will conclude. It sets out 5 main priorities to guide progress in the next 5 years and as CCRCD begins the process of becoming a full functioning City Region:

    - Build Back Better – playing our part in economic recovery and building resilience;
    - Becoming a City Region – strengthening regional economic governance;
    - scaling-up and delivering the City Deal 'peak' Wider Investment Fund pipeline and programme;
    - making the case for Levelling-up CCR;
    - developing the plan for industrial-scale clusters and innovation-led growth.

JWA Annual Business Plan 2022-23

8. The third year's Annual Business Plan has been created as a further appendix to the original Strategic Business Plan and is attached at Appendix 1.

9. The WIF Budget Strategy for 23/24 is also set out in the Annual Business Plan document – (See Appendix 1). A summary of the budget can be found below in the Financial Implications section.

10. As stated above, the document represents a shift to strategic planning for the whole region and integrates activities falling under both the CCR City Deal funding programme and the immediate duties of the CJC. This helps to present an integrated Cardiff Capital Region to external stakeholders. In respect of budgets, whilst these are broken down into their component parts in order to respect and observe the different contractual requirements of funding and strategic bodies such as UK Government (UKG), Welsh Government (WG) and local authority partners, the focus on the transition budget for the CJC, which sits with CCRCD, helps to demonstrate the important alignment that is underway.

11. Under the headings of Competitive, Connected and Resilient, examples of **key objectives** for next year include:

    - Competitive: enabling businesses within priority sectors and public services to be more productive through a focus on innovation:
        - taking forward detailed business plans for cluster groups;
        - target £10M of investment through Innovation Investment Capital;
        - building the Regional Data Ambition initiative.

    - Connected: investing in cutting-edge digital infrastructure and growing the green economy through investments in companies, technologies and community initiatives:
        - commencement of early preparation work via the CJC on a Strategic development Plan and Regional Transport Plan;
        - conclude Metro Central Business Case;
        - remediation and planning strategies for Aberthaw approved;
        - second phase roll-out of the LEV infrastructure network.

    - Resilient (external): maximising good growth through shared prosperity and taking direct steps to reduce economic and social disparities:
        - commence delivery of Shared Prosperity Fund programmes;
        - progress food security challenge and establish the Social Care Mission;
        - review of all talent delivery programmes to ensure robust focus on developing human and community capital.

    - Resilient (internal): building effective, efficient monitoring and evaluation processes, delivery capability and operating structures for the future:
        - commencing key aspects of lift and shift into the CJC structures;
        - develop a local evaluation framework for the second Gateway Review commencing summer 2023;

- building the Target Operating Model for the CJC;
- addressing recruitment and retention challenges;
- development of a comprehensive Investment Review and Funding Strategy.

2023/2024 – a Key Inflection Point

12. As set out above, 2023/24 marks the commencement of the second Gateway Review process and hence marks progress of the 'mid-point' of the City Deal. This also heralds a change in emphasis as regards the assessment process, with a keener focus on self-evaluation and self-designed processes for deep-dive evaluation, benefits realisation and impact delivery.

13. This is timely since to date and due to sustained efforts over the past few years, c£320m of the Wider Investment Fund (WIF) has been committed. Taking into account the allocation of £50M revenue, this leaves only £125M of uncommitted funds. When taking into account future pipeline and prospects and subject to decision-making processes, a reliance is placed almost immediately on recycled funds. However, there are timing and myriad commercial issues bound up with the approach to how recycled funds are treated and applied, not to mention how these accord with LA funding profiles and commitments.

14. It will therefore be important to understand the interplay of all these issues; to understand the consequences of a narrowing set of options and choices and consider how resources can be most effectively maximised. This will require a focus through Resilience activity (internal) above, on developing key tasks such as Investment Portfolio Review and a revised future Funding Strategy.

15. City Deal is a finite and time-limited funding programme, and it is important legacy, exit and sustainable future funding sources are examined and progressed now. The fact that a proportion of the WIF has been applied to schemes that deliver economic impact first – but a secondary 'evergreen' or Return on Investment (ROI) impact is an important fillip to this approach. Ensuring recycled funds can be considered comprehensively alongside the WIF portfolio and not just applied in a piecemeal or disparate way – will enable impact to be created long into the future.

16. Looking further afield at new investment and policy opportunities such as Investment Zones, Net Zero opportunities and Innovation Accelerators will be an important part of this and will demonstrate a proactive approach to securing the programmes and investment that best fits the region's likely future context and ambitions.

Reasons for Recommendations

17. The reasons for this report are:

- the requirement for Cabinet to approve the Annual Business Plan prior to the end of January 2023;

- the developing move to an integrated planning process that begins to more closely align objectives for the CJC and CCRCD in anticipation of realising Regional Cabinet's vision for one integrated model of regional economic governance;
- foreseeing as far as is possible, future issues and challenges, for which planning, and development needs to begin now;
- the need to establish high level WIF budget priorities for the forthcoming year;
- the need to set the context for the budget and operational activities of the CJC in 2023/24.

Financial Implications

18. This report seeks approval of the 2023/24 Annual Business Plan and sets out the Wider Investment Fund and Investment Strategy, including background to the sources of funding for CCRCD from local authority partners as well as Welsh Government and HM Treasury Grant totalling £495 million.

19. The 2023/24 Annual Business plan is set in the context of the shift to strategic planning for the whole region and the proposed integration of activities for both CCRCD and the CJC. It considers the budget and operational activities for CCRCD and the CJC and one integrated plan for the CCRCD. It is set in the context of the new Regional Economic and Industrial Plan which will also be considered by Regional Cabinet.

20. The Annual Business Plan outlines the current position in respect of project approvals to-date, in-principle commitments and sums available for future revenue and capital projects as these are brought forward for consideration and approval.

21. Therefore, the Annual Business Plan can only provide an indication of the financial implications arising from the Wider Investment Fund at this time. The actual approvals outlined above have been supplemented by an indicative programme of investment along with a range of other financial and technical assumptions, details of which are set out further below.

22. In line with the Assurance Framework, all investment proposals will need to be subject to business case development and approval, providing detailed information on matters such as the expenditure profile (and whether it is revenue and/or capital in nature), and the proposed funding streams, proposed delivery mechanisms and how risks will be allocated and managed.

23. It is important that the provisions of the IIF are followed, as this is a key requirement of the City Deal Funding Terms & Conditions. This sets out that business cases will be developed in line with HM Treasury Green Book (5 Case Model), although clauses 3.5 (Appraisal Framework) and 3.7 (Business Case Development), make an important reference to the concept of 'proportionality'.

24. It also needs to be recognised that expenditure may be undertaken on due diligence in respect of development of proposals and business cases, which do

not result in a recommendation to progress. Such costs will need to be managed within existing resources.

Affordability Envelope

25. The Joint Working Agreement (JWA) defines the Affordability Envelope as:

> *"the overall costs and investment by each Council pursuant to their proportion of the Councils' Contribution under this Agreement over the evaluation period, which shall not exceed in aggregate £210,800,000 (two hundred and ten million eight hundred thousand pounds) and shall include, without limitation, all interest, inflation and UK Government cost to carry and shall be updated and will be reflected within the terms of the JWA Business Plan (as part of its approval by the Councils) to include, amongst other matters, the annual spend profile for each Council"*

26. The approved Affordability Envelope was based on indicative modelling that was undertaken in January 2017 and informed the reports approved by each of the City Deal partnering Councils in January/February 2017 and has been set at £210.8 million. The JWA acknowledges that the affordability implications arising from the 'whole-life cost' of the Wider Investment Fund will change over time, as investment decisions are made. Agreeing any increase to the affordability envelope is a matter reserved to each Council

Updated Affordability Envelope

27. The Affordability Envelope has been updated to reflect the changes made since the Joint Working Agreement was approved by Councils in January/February 2017. The updated modelling suggests that the 'whole-life cost' of the Wider Investment Fund to the constituent Councils remains within the approved envelope of £210.8m, including any headroom with the agreed initial implications for each partnering authority as shown in the table below:

Affordability Envelope / Partner Contributions

Local Authority Partner	**%**	**£m**
Blaenau Gwent	4.6%	9.7
Bridgend	9.4%	19.9
Caerphilly	12.0%	25.2
Cardiff	23.7%	50.0
Merthyr Tydfil	3.9%	8.3
Monmouthshire	6.1%	12.9
Newport	9.8%	20.7
Rhondda Cynon Taff	15.8%	33.3
Torfaen	6.1%	12.9
Vale of Glamorgan	8.5%	17.9
Total	**100%**	**210.8**

Technical Assumptions

28. As outlined earlier, the updated Affordability Envelope is based on an indicative programme of investment along with a range of other financial and technical assumptions which include:

- **Indicative Investment profile spend:** based on actual approvals to-date, results in the following cumulative profile; Years 1-5 = £46 million, Years 1-10 = £298 million and Years 1-20 = £495m. Inflation is excluded i.e., all figures are stated in nominal terms and therefore inflation will need to be met from within the overall £495m sum;

- **Repayment Period:** CCRCD Local Authority Partnership capital contributions totalling £120 million are assumed to be borrowed by individual authorities and repaid over 25 years. How each local authority pays for its share of £120 million in accordance with the JWA is subject to its own policy for funding capital expenditure commitments including its approach to making provision for Prudent Minimum Revenue Provision (MRP) reflecting the economic life of assets created where relevant;

- **Interest Rate:** The current and future forecasted Interest Rate is a key input to calculating the interest cost generated by the model and has been set at 2.8% over the evaluation period covered by the model.

  In recent months the cost of public sector borrowing has increased significantly, due to a variety of macro-economic factors. As at mid-November, the PWLB 25-year Equal Instalment of Principal Rate was circa 4.3% for Local Authorities (certainty rate), but the rate changes on a daily basis and has been volatile recently. However, it is understood that the forecasts are that in two years' time, rates may fall from current levels to around circa 3.5%, but these are just current forecasts and subject to wider UK economic performance.

  Therefore, discussions are taking place with the S151 Officer Group to review the interest rates included within the model, with a view to increasing these. Modelling work has been carried which increases the rate to 4.3% for the current and next two financial years, before reducing to 3.5% from financial year 2025/26. This confirms that 'whole life costs' remain within the approved Affordability Envelope, should these changes be agreed.

- **Funding Drawdown priority:** all revenue expenditure is funded exclusively from HM Treasury revenue grant. Capital expenditure is funded on a 'Net Funding Requirement' i.e., any recycled capital funds received during the year are used to reduce the amount to be funded. This 'net requirement' is then first met from HM Treasury capital grant 'in-hand', then from drawdown of the £120 million committed by the Local Authorities, with any balance being funded by Local Authority borrowing in advance of receipt of future capital grant (Cost of Carry). Opportunities to defer the timing of any call on Local Authority funds in the short term by utilising any temporary cash balances held by CCRCD will be considered where deemed achievable.

However, as outlined above, this approach will need to be revisited as part of any future Funding Strategy agreed, along with the resulting short and medium-term financial implications of moving away from the existing approach.

29. It is anticipated that the initial options work being progressed across the CCR Office, Accountable Body and the S151 Officer Group will be drawn to a conclusion in the coming months. The findings of this work will be discussed with the Investment Panel, given their role and proximity to the Investment & Intervention Framework pipeline. An update report, along with any recommendations put forward by the Investment Panel will be brought back to Cabinet for consideration and approval.

30. A number of actions will continue to be considered in order to mitigate any risk to the Affordability Envelope. Such actions include ensuring security for investments deemed to be evergreen where feasible to do so and continued review of assumptions such as the interest rate assumed for modelling purposes.

WIF Monitoring and Reporting

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

HM Treasury Contribution – Funding Terms and Conditions

32. HM Treasury grant funding is paid to the Accountable Body on behalf of the ten Cardiff Capital Region City Deal (CCRCD) constituent Councils. The funding must be used solely to support the objectives of CCRCD through the implementation of projects and schemes agreed by the Regional Cabinet and in accordance with arrangements set out in its Joint Working Agreement, Wider Investment Fund, Assurance Framework, and the JWA Business Plan.

Assurance Framework

33. As projects are presented for approval, it is important that the requirements of the Wider Investment Fund Assurance Framework are complied with as this is a key requirement of HM Treasury funding terms and conditions, as set out by Welsh Government.

Gateway Reviews

34. A second outcome-based Gateway Review of CCRCD led by HM Treasury will be undertaken in 2025/26. Funding for 2026/27 and beyond is conditional on CCRCD successfully passing this Gateway Review, whilst any unspent funding up to this point may be subject to repayment if the Gateway Review is not passed.

35. It has been confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. Carry forward in respect of the final year (2025/26), will also be permitted providing that the Gateway Review is passed.

Legal Implications

36. The legal implications surrounding the requirements set out in the JWA are set out in the body of the report.

37. All future investment proposals taken in implementation of this ABP will need to be subject to a full business case that complies with the requirements of HM Treasury Green Book.

Well-being of Future Generations (Wales) Act 2015

38. In considering its endorsement of this report the Regional Cabinet must have regard to, amongst other matters:

    (a) the obligations set out in the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

    (b) the public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, when making decisions, public bodies must 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, which are set out in section 4 of the Equality Act 2010.

    (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 and in so doing achieve the national well-being goals.

39. The well-being duty also requires the CCRCD to act in accordance with a 'sustainable development principle'. This principle requires CCRCD 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 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.

40. 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 2.

Equality Act 2010

41. 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

42. It is recommended that Regional Cabinet:

(1) notes and approves the proposed integrated Annual Business Plan for 2023/24;

(2) approves the submission of the document as required to UK and Welsh Governments;

(3) notes the initial options work being progressed across the CCR Office, Accountable Body and the S151 Officer Group, in consultation with the Investment Panel in order that a discussion paper on maximising use of available resources, is brought back to Regional Cabinet in due course for further consideration.

Kellie Beirne	**Christopher Lee**
Director	**Accountable Body Section 151 Officer**
Cardiff Capital Region	**Cardiff Capital Region City Deal**
30 January 2023	

Appendices

Appendix 1 JWA Integrated Annual Business Plan 2023-24
Appendix 2 Well-being of Future Generations Assessment

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Appendix One

Annual Business Plan 2023-2024

Contents

- Foreword
- Introduction
- CCR vision and mission
- 2023-2024 strategic goals and desired outcomes
- Key milestones

Foreword

‘Permacrisis’ has been proclaimed as the word of the year in 2022.

Some say it defines the era in which we live – from the Covid pandemic to War in Ukraine and the triumvirate of today’s cost of living/doing business/energy insecurity crisis – in that it describes this state of lurching from one unprecedented event to another. In an economic context, the notion of crisis is more about perpetual states of transition. In our newly published REIP, we talk about the role of CCR and the new form of regional economic governance we are building, as being critical in adapting our economy to be more resilient. **Our goal is thus, to see crisis as adrenalin for innovation and a means of accelerating the transition of past into a future where we take a more assertive approach to tackling low growth and high inequality.**

It is this idea of driving for ‘something better’ which is encapsulated in our Annual Business Plan for 2023/24 – recognising that this year will present ever more challenge – and yet also a different set of opportunities. **2023/24 is something of an inflection point year for CCR – a year in which we arrive at the mid-point of delivery of City Deal.** This doesn’t just mean entry to a new gateway or point of assessment, but a chance to take stock and to reflect on our current context and where we are headed.

CCR and CCRCD are terms often used interchangeably – but they are not the same things. City Deal is of course, something that remains important and high profile and is therefore material to our functioning. However, it is but one funding programme, which takes its place alongside many other current and future funding opportunities. **What is fundamental for us as ten LAs is who we are and what we stand for – the Cardiff Capital Region.**

As we increasingly take on the powers and freedoms and flexibilities of Corporate Joint Committees, it is important to remind ourselves that **CJCs are not what we will become – they are simply the mechanism through which we will largely achieve our goals for regional prosperity**. It is for this reason that the ABP for the first time, is an integrated ABP for the Cardiff Capital Region, detailing all of its different facets – CJC transition, CCRCD programme, Shared Prosperity Fund and so much more. This is important because as time moves on, and as funds become largely committed, City Deal will move into a new phase of evolution and attention will be re-balanced to consider wider elements of regional development.

This offers real opportunities around understanding the strengths and risks of our current investment portfolio in today’s climate and how we can adapt, recycle funds and **build legacy opportunities that can demonstrate the long-term potential of the seed and catalytic investments**

made through City Deal. It affords the potential to hunt down further investment opportunities, to build the portfolio even further and utilise all of the assets, skills and resources at our disposal to build our physical, human and financial capital.

With a backdrop of financial, economic and societal turbulence all around, **CCR has the opportunity to demonstrate ambition and optimism and provide a blueprint for faith in progress**. We cannot allow our crises to become so complex and embedded that they transcend our collective capacity to understand them. With a focus on evidence, insight, adaptive leadership, and a sense of collective responsibility we will shape a future that is built on progress, prosperity and recognises the uniqueness of our place.

Cllr Anthony Hunt

Chair CCR Regional Cabinet

Introduction to 2023/2024 Annual Business Plan

This document sets out the proposed CCR City Deal Annual Business Plan for 2023/24 which constitutes Year 3 of the 5-year Strategic Business Plan approved in December 2020.

The JWA 21-26 Strategic Business Plan, along with the updated Regional Industrial and Economic Plan, are both intended to provide the strategic framework in which a series of annual business plans can be formulated to guide direction throughout 21– 26 including the work necessary for CCRCD to continue the gradual process of becoming a fully functioning City Region.

The core themes encapsulated within the 21-26 JWA Strategic Business Plan are:

- Build Back Better – playing our part in economic recovery and building resilience.
- Becoming a City Region – strengthening regional economic governance.
- Scaling-up and delivering the City Deal 'peak' Wider Investment Fund pipeline and programme;
- Levelling-up CCR and helping remove the disparities that exist
- Developing the plan for industrial-scale clusters and innovation-led growth and productivity

All of which combine to make CCR more **competitive, connected, and resilient** – both externally and internally enabling us to deliver on our mission and realise our vision.

This year's plan is an **integrated regional plan** – bringing the two parallel tracks of CCR City Deal activity, and the wider regional remit through the creation of CJC's, into one plan. Although the transition into a single corporate entity is a gradual one, as we don't yet have all the resolutions and powers to do it all simultaneously, the priorities for 23/24, for evolving the current business model and bare minimum' adoption of the new remit, are interwoven into **the one plan and one budget**.

As the CCR mandate grows in importance - due in part to the addition of Corporate Joint Committees to the policy landscape - powers and duties awarded to these new public bodies mean greater freedoms and flexibilities, and a requirement to develop coherent regional approaches to land-use planning, transport, and economic wellbeing. To date CCR has been just a funding programme (City Deal) backed by a lead Council or accountable body. Our aim has always been to evolve into 'being a region' - via CJC powers – but it just hasn't been possible to date and thus the current business model operates through both CCRCD and 'bare minimum' CJC which is neither efficient nor desirable.

What we are proposing in our integrated 23/24 plan is not a transition but rather a slow steady evolution. An incremental – but progressive - approach that builds upon what we have and uses the new powers to respond to some of our current challenges around governance, partnerships, business model and resourcing. All of these we'd have to do anyway - as the current business model is no longer fit for purpose - whilst we await the resolution of the factors that will enable full "lift and shift" of the investment portfolio into a single Balance Sheet.

The following plan therefore builds on the significant achievements in 22/23 and continues the focus on investments and interventions that have Innovation, Connectivity, Inclusivity and Sustainability at their core but also interweaves some of the foundational activity that will facilitate a phased evolution toward a wider regional agenda.

Highlights of 22/23 to date include:

- £50m Strategic Premises Fund launched and 1st investment crystalized in Ebbw Vale for £1.7m for Pulse Plastics
- £36.4m purchase and remediation of Aberthaw
- £7m investment in Cyber Innovation Hub
- £3m investment into the Media Cymru consortium
- Unveiling of the CCR Unleash Ambition and Growth conference
- Creation of £50m Innovation Investment Capital fund and launch at Principality Stadium
- £2.6m Food Sustainability Challenge launched in conjunction with Cardiff and Monmouth
- £2m Investment in MedTech company Jellagen, £4m into Yoello and £3m for Apex
- CCR Climate Coalition launched
- Venture Graduate launched new Accelerator Programme
- Cyber Masters cohort successfully graduate, and funding agreed for a second year.

For more detail on 2022 highlights please see the following publication ccr-2022-monthly-milestones.pdf (cardiffcapitalregion.wales)

Following on from these achievements and recognizing the arrival of CCR at the 'mid-point' of delivery of its City Deal, a wider set of considerations now come into focus. These include:

- Approaching the commencement of the second Gateway review, with a mid-point evaluation scheduled for 2023.
- The change in emphasis of the UKG led evaluation process with a focus on self-evaluation and developing internal evidence, insight and intelligence in order for external assessors to gauge impact and outcomes.

- Funds committed to date as part of the formal approval process total £320M. This means that when the 'new investment pipeline' (i.e. schemes that are in the business case development process) are taken into account, subject to the continuing assessment and approvals process, the Wider Investment Fund, would be fully committed. It is important that this is clearly understood, and the narrowing set of options and choices considered fully, in this context.
- Revenue funds contained within the WIF are also diminishing. This applies to both investment proposals that require a revenue component and the 'brought forward' top slice of the WIF used to fund project costs, including staffing resources.
- This all serves to underline the messages that City Deal is a one-off funded programme, with finite resources….and is why the 'evergreen' focus of work to date continues to be important. Recycled funds and having in place proper policies for their use and application, via a coherent Funding Strategy and revisions to the current funding model, grows in importance.
- As the CJC component of the Cardiff Capital Region scales up, in time, City Deal operations will change in emphasis as the focus becomes more one of, recycled funds, and ongoing delivery, monitoring and evaluation.

This all reinforces why it is so important to have one integrated business plan for the Cardiff Capital Region. Funding programmes and projects will come and go – the one constant being the Cardiff Capital Region and the vision for strong regional growth in Wales. It will therefore be vital in 2023/24 to begin to consider scoping and implementing the following, which would work in tandem with delivery of the new Regional Economic and Industrial Plan:

- The nature and type of investments to be made with the remaining uncommitted WIF funds and the balance across seed, subsidy and ROI, as well as place considerations in driving economic impact and societal benefits.
- Opportunity cost assessment – are there ambitions and projects that remain important that haven't yet been conceived or originated?
- Scope and potential to drive further private sector leverage, in order to demonstrate the 'seed' and catalytic impact of CCRCD funds. For example, Aberthaw has been seeded at a basic level (acquisition and remediation by CCR) however the lion's share of investment needs to come from the private sector and a range of public-private partnerships.
- Investment Portfolio Review – the health and prospects of investments in relation to driving growth and inclusion goals and where relevant, ROI. This will inform future decision making and, help provide an evidence base for application of recycled reserves.
- Exit routes for existing projects that require ongoing funding – how can they become more self-sufficient and income generating? One example is the Venture Graduate Scheme and Skills Hub – these are services currently free at the point of use.
- Understanding the scope to secure additional public and private funds to continue to bolster and support legacy impact of CCRCD conceived projects. This should include the UK Infrastructure Bank, Innovation Accelerators, Innovation Launchpads and private funds.
- Understanding scope to secure more funding support directly into the Cardiff Capital Region City Deal and explore the 'devolution deal' landscape leveraging future opportunity – as has been the case for other UK City Regions.

Our Vision

A proud Cardiff Capital Region where everyone is connected locally and globally enjoying the work, business and life opportunities that make us the place to fulfil potential.

Our Mission

Through astute investment and targeted interventions, we will create an environment that provides opportunity for each individual - nurturing wellbeing in every community, fuelling ambition in every business, developing talent pipelines, and driving success throughout our economy.

Our 2023 to 2024 Strategic Goals and Desired Outcomes

Competitive

GOAL: Enable businesses within our priority sectors and public services to achieve higher levels of productivity through innovation-led growth

The focus on innovation-led growth is central to our plan – identifying and developing our areas of competitive strength, allied to collaborating with industry and HEIs, leading to innovation-led clusters that will be recognised internationally.

Successful Outcomes for 23/24 include:

- Business Plans in place for Cyber Innovation Hub, Fintech Wales and CSconnected.
- A healthy pipeline of quality business propositions into the Innovation Investment fund generated and £10m opportunities in contract process.
- Opportunities identified and proposals for accessing R+D funding streams (EG Fintech innovation launchpad) submitted
- Developing and expanding CCR business networks across Wales, UK and Internationally
- International profile, reputation, and investor interest increased through events such as MIPIM.
- Regional Data Ambition Business Case submitted, and Local Policy Innovation Partnership agreed.
- A formal agreement with a minimum of 1 international innovation partner signed.

Connected

GOAL: Invest in cutting-edge digital and physical infrastructure AND grow the green economy through investing in and promoting companies, technologies and community initiatives that are embracing the decarbonization agenda.

In addition to regional improvements to our transport system through the Metro scheme, continuous targeted investments and interventions will be made to utilise existing physical infrastructure assets across the Region, harnessing local supply chains and resources so that everyone in CCR benefits.

With the impact of increased energy costs and reduced energy security being felt across large capital-intensive industries, SMEs, micro-businesses the need to develop innovative solutions that accelerate the delivery of domestic capability has become an urgent objective. Accordingly, Green energy initiatives are cross cutting theme across all our areas of investment and intervention in the 23/24 plan.

Successful Outcomes for 23//24 include:

- Metro Central business case completed by TFW.

- Regional Strategic Transport Plan creation approach agreed
- Strategic Land Use Plan creation approach agreed.
- A series of business cases including digital connectivity, hydrogen development, energy systems development and a Northern Valleys / Strategic Utilities and a Green Energy Fund completed and put to Regional Cabinet for consideration
- Completion of the rollout of current EV Charging infrastructure programme completed.
- Options for future ULEV deployment assessed and business case produced for preferred way forward
- HVGF and SS+P programmes successfully progressed
- CCR Energy Ltd fully operational
- Approval of Remediation and planning strategies for Aberthaw.
- Aberthaw ACE Building opened and operational
- A Business Coalition Action Plan Issued
- Eco Flex Pilot Completed
- A Local Energy Planning Report Issued

Resilient (External)

GOAL: Maximise 'good growth' by ensuring prosperity is shared and spread across the Region and take direct steps to reduce the economic and social disparities between our places.

Schemes like Metro Plus, the Local Wealth Building Challenge Fund, the Housing Viability Gap Fund, investment into additive manufacturing companies like Apex and adventure tourism attractions like Zipworld are making an undoubted difference – but more must be done to support sustainable growth in the Northern Valleys. In addition, we must have the conditions where our businesses and our people are best equipped to embrace the future. Skills, talent, and employment opportunity across the Region remain a key consideration in both investment opportunities and direct intervention in support of priority sectors and eco-system evolution.

Success Measures for 23/24 include:

- Full talent programme review conducted, and future strategy and approach agreed
- A minimum of One new priority sector specific new skills and talent programmes initiated
- Solutions to Challenges on food security/ Endoscopy and LEV identified and completed.
- Tracheostomy Challenge solution adopted by Cav.

- Increased uptake on Missions / Challenge Outreach and Engagement activity
- Strategy, delivery approach, resourcing and funding requirement for future mission driven challenges agreed with Challenge Board and business case created.
- Mobilisation of the Shared Prosperity Fund programme of CCR initiatives including Assured Acadamies

Resilient (Internal)

GOAL: Create Effective, Efficient Delivery capability through ensuring a continuous evolution of plans, processes, and procedures throughout 23/24.

Successful outcomes for the 23/24 FY will include:

- Updated REIP and updated Investment strategies for the WIF and supporting Impact Funds agreed and published
- An actionable framework and processes to further embed ESG & EDI into investment strategy and assessment processes.
- Local Evaluation Framework developed and implemented
- Resources within the team scaled up to facilitate the effective delivery of the programmes in place (CCRCD and SPF).
- CJC set up for success
- A phased single entity Transition Plan including a Target Operating Model to facilitate bringing in all current staff corporate activity, projects, and investments is created and commenced
- An updated organizational governance model that simplifies the current modus operandi whilst ensuring robust investment decisions are made and advantage is taken of the freedoms, flexibilities, and additional powers available through the CJC legislation is created
- A plan is in place to ensure the new corporate structure has the tools and technology in place to support ambitions with data, document sharing and contact management.
- Review conducted across the Investment Portfolio to ensure there is ongoing focus on the health, outcomes and returns stemming from the Portfolio and helping to inform future investment pathway, as well as appropriate balance across the portfolio areas
- A focused action plan is created for increasing leverage private funds for significant projects that have been conceived or seeded by CCR such as Aberthaw
- A Funding Strategy and revised investment framework principles are developed to that the future financial decisions and consequences of investment activity are modelled and understood. This will be particularly important in the context of Recycled Funds
- Project reviews commenced where future exit and funding streams are considered as part of long-term legacy impact of projects
- Exploration of City Deal #2 with UKG and WG partners commenced.

ONE PAGE PLAN - STRATEGIC GOALS AND OBJECTIVES 2023-2024

COMPETITIVE **Enable businesses within our priority sectors and public services to achieve higher levels of productivity through innovation-led growth**	**CONNECTED** **Invest in cutting-edge digital and physical infrastructure AND grow the green economy through investing in and promoting companies, technologies and community initiatives that are embracing the decarbonization agenda**.	**RESILIENT - External** **Maximise 'good growth' by ensuring prosperity is shared and spread across the Region and take direct steps to reduce the economic and social disparities between our places.**	**RESILIENT - Internal** **Build an Effective, Efficient Delivery Capability**
Obtain Business Plans from Cyber Innovation Hub, Fintech Wales and CSconnected.	Commence engagement on a future integrated: Regional Strategic Transport Plan and Strategic Land Use Plan Consider approach to Regional Bus	Review Venture Programme & Implement Recommendations Initiate a minimum of 1 new sector specific skills and talent programme	Publish updated REIP & Investment strategies for the WIF and supporting Impact Funds. Review and embed the principles of ESG, EDI and Social Value into CCR investment frameworks. Funding strategy developed
Ensure PWC establishes a robust Innovation pipeline which delivers £10m Investments across Cardiff Capital Region	TfW Metro Central Full Business Case approved Complete Metro Plus Programme	Identify Challenge Solutions Food Security	Local Evaluation Framework developed and implemented Conduct outcomes/ financial returns review of current investment portfolio Project reviews commenced where future exit and funding streams are considered as part of long-term legacy impact
	EV Charging Infrastructure Programme Completed	Identify Challenge Solutions Endoscopy	
	Long Term ULEV Strategy Released & Business Cases Approved	Identify Challenge Solutions LEV	
	HVGF programmes successfully progressed Strategic Sites and Premises Programme progressed. Monitor CSC Foundry Consider approach to a Net Zero New Homes programme	CaV Adopt Tracheostomy Solution Undertake Missions / Challenge Outreach and Engagement activity	Ensure adequate resources within the team to facilitate the effective delivery of the current programmes in place (CCRCD and SPF) Conduct Corporate IT Tools and Technology review and make recommendations
Apply for R&D funding grants	CCR Energy Ltd Fully Operational	Commence Shared Prosperity Fund Programme of CCR Regional Initiatives	Create a phased single entity Transition Plan including a Target Operating Model to facilitate bringing in all current staff and all corporate activity, projects, and investments. Create an updated organizational governance model that simplifies the current model
Sign formal agreement with a minimum of 1 international innovation partner.	Remediation and planning strategies for Aberthaw approved by Board Aberthaw ACE Building Opened & Operational		
Submit Regional Data Ambition Business Case & Agree Local Policy Innovation Partnership	Business Coalition Action Plan Issued Local Energy Planning Report Issued Eco Flex pilot completed Energy Action Plan Delivered		
Develop & Expand CCR business network across Wales, UK and Internationally.	A series of business cases including digital connectivity, hydrogen development, energy systems development, Northern Valleys / Strategic Utilities and a Green Energy Funds completed and put to Regional Cabinet.	Agree Strategy, delivery approach, resourcing and funding requirement for future mission driven challenges with Challenge Board and create business case.	Action plan created for increasing leverage private funds for projects that have been conceived or seeded by CCR Exploration of City Deal #2 with UKG and WG partners commenced

2022-2023 MILESTONE PLAN

COMPETITIVE **Enable businesses within our priority sectors and public services to achieve higher levels of productivity through innovation-led growth** **Cabinet Leads: Mary Ann Brocklesby / Huw Thomas**		**Milestone(s) Per Quarter**			
	Team Resps	**Q1**	**Q2**	**Q3**	**Q4**
Obtain Business Plans from Cyber Innovation Hub, Fintech Wales and CSconnected.	CM	Desired business plan criteria defined by CCR Business Plan Requirements and timeframes discussed with CIH, FTW & CS Connected	Receive & Review Business Plans for FTW & CSConnected		Receive & Review Business Plans for CIH Conduct Annual Performance Review
Ensure PWC establishes a robust Innovation pipeline which delivers £10m Investments across the CCR	CM	Conduct quarterly performance reviews with PWC	Conduct quarterly performance reviews with PWC	Conduct quarterly performance reviews with PWC	Conduct quarterly performance reviews with PWC
Sign formal agreement with a minimum of 1 international innovation partner.	CM	Review Potential Partners Shortlist International Partners	Invite International Partner showcase CCR Opportunities		CCR & International Innovation partner sign Letter of Intentions
Submit Regional Data Ambition Business Case & Agree Local Policy Innovation Partnership	CM		Conclude Data Ambition Pilot, establish success outcomes, agree Vision & scope to generate investment business case for a permanent Regional Data Solution		Create Delivery Plan & Regional Innovation Partnership
Develop & Expand CCR business network across Wales, UK and Internationally	NS/ SC	Agree calendar of events for 23/24 CCR to host inaugural engagement event (Unleash)	CCR to host bi-annual local network events for northern valleys and south of M4 Agree approach and budget to MIPIM and WIL	Review & Monitor	CCR to host bi-annual local network events for northern valleys and south of M4 MIPIM 24 WIL 24

CONNECTED **Invest in cutting-edge digital and physical infrastructure AND grow the green economy through investing in and promoting companies, technologies and community initiatives that are embracing the decarbonization agenda.** **Cabinet Leads: Andrew Morgan/ Huw David**		**Milestone(s) Per Quarter**			
	Team Resps	**Q1**	**Q2**	**Q3**	**Q4**
Consider approach to the creation of an integrated Regional Strategic Transport Plan **(NB awaiting WG Guidance)**	RO'D	Brief RTA Members Group (Feb 23) Convene RTA officer group (Jan 23) Agree ToR and initial scope of work	Draft RTP Policy approach Gain RTA Approval for Policy Approach	Begin evidence gathering against objectives set in RTP and prioritisation	Continued Evidence Gathering Prioritise programme Begin creation of first draft plan
Consider approach to the creation of an integrated Regional Strategic Land Use Plan **(NB awaiting WG Guidance)**	RO'D		Identify key stakeholders and expertise to support CCR CJC with the creation of plans	Form working group Agree ToR and initial scope of work	Map out 5-year timeline for creation and development of SDP.
TfW Metro Central Full Business Case (FBC) Approved	RO'D	**CCR Transport resource support identified**		Tfw issue first draft of FBC CCR provide feedback via IP & RC ahead of final TfW FBC	Tfw issue final FBC for approval Regional Cabinet approve FBC
Complete Metro Plus programme	RO'D	Monitor output and impacts	Monitor output and impacts	Monitor output and impacts	Monitor output and impacts Complete 3 remaining project on site Review all Metro Plus investments & identify benefits delivered

Progress Regional Bus	RO'D	Agree Delivery Approach		Business Case Approved by Regional Cabinet	Mobilisation (Contract & Finance) Completed
Completion of a series of business cases including digital connectivity, hydrogen development, energy systems development, Northern Valleys/ Strategic Utilities and a Green Energy Fund completed and put to Regional Cabinet for approval	RO'D	Business Case Approved by Regional Cabinet	Business Case Approved by Regional Cabinet Mobilisation (Contract & Finance) Completed	Business Case Approved by Regional Cabinet Mobilisation (Contract & Finance) Completed	Business Case Approved by Regional Cabinet Mobilisation (Contract & Finance) Completed
EV Charging Infrastructure Programme Completed	**RO'D**	Issue 2023/24 Delivery / Roll-out Plan Agree monitoring data requirements and put in place process to align capture with quarterly reporting cycles	Monitoring data requirements Quarterly	Monitoring data requirements Quarterly	Monitoring data requirements Quarterly
Long Term ULEV Strategy Released & Business Cases Approved	**RO'D**	Review All ULEV investments & identify benefits delivered	Produce ULEV strategy & future Investments	Business Case Approved by Regional Cabinet	Mobilisation (Contract & Finance) Completed
HVGF Programme Successfully Progressed	**RO'D**	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles
Strategic Sites and Premises (SPF) programme successfully progressed	**RO'D**	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles	Conclude contracts and mobilisation Monitor fund drawdowns Monitor output and impacts and align with quarterly reporting cycles
CCR Energy Ltd Fully Operational	**CC**			Identify & Recruit Core Team Identify & Recruit NED	Complete all legal obligations relating to formal Ltd status

Remediation and planning strategies for Aberthaw approved by Board	**RT/NS**		Issue Draft Remediation and planning strategies	Final Remediation and planning strategies issued	Obtain Board Approval
Aberthaw ACE Building Opened & Operational	**NT/NS**	Obtain Renovation Building Estimates		Complete Renovation of ACE Building	Official Opening of ACE
Business Coalition Action Plan Issued	**RO'D**	Agree Key Criteria for Business Coalition Action Plan	Agree Delivery Approach	Issue Plan to all key stakeholders	
Eco Flex Pilot Completed	**RO'D**	Agree Critical Success Factors of Pilot Establish and obtain funding Monitor Pilot	Commence Pilot Monitor Pilot	Monitor Pilot	Create Pilot Closure Report including Lesson Learnt Monitor Pilot
Local Energy Planning Report Issued	**RO'D**	Agree key report criteria	Issue Draft report for review	Send final report	
Deliver Net Zero New Homes Programme	**RO'D**	Engagement and Consultation		Complete Business Case	Commence Implementation
Deliver Energy Action Plan	**RO'D**	Engagement and Consultation		Complete Business Case	Develop Implementation Plan in conjunction with LAEP Programme
Deliver CS Foundry	**RO'D**	Monitor output and impacts and align with quarterly reporting cycles		Administer deferred tax liability as a consequence of delayed IQE option to purchase	

RESILIENT **Maximise 'good growth' by ensuring prosperity is shared and spread across the Region and take direct steps to reduce the economic and social disparities between our places.** **Cabinet Leads: Jane Mudd, Geraint Thomas, Lis Burnett**		**Milestone(s) Per Quarter**			
	Team Resps	**Q1**	**Q2**	**Q3**	**Q4**
Venture Programme Review & Implement Recommendations	**NS / RO'S**	Conduct Full Talent Programme Review	Define and agree skills offer	Agree future funding & approach	
Design and deliver sector specific micro accreditation programmes.	**NS/ RO'S**	Conduct review Engage with partners.	Implement a micro accreditation programme for a CCR priority sector	Conduct review Engage with partners.	Implement a micro accreditation programme for a CCR priority sector
Progress Food Security Challenge project	**GB**	Completion of Phase 1 Feasibility delivery	Phase 2 Demonstrator contract awards	Monitor Progress	Monitor Progress
Progress Endoscopy Challenge Solutions Endoscopy	**GB**	Phase 2 Proof of Concept contract awards	Monitor Progress	Monitor progress	CaV healthboard procurement completed Assess commercialisation scale up options
Deploy LEV Challenge Solutions	**GB**	Commissioning and completion of Merthyr EV infrastructure	Prototype trial for Auxiliary power project- Monmouthshire	"Completion of Caerphilly EV Charging project"	Monmouthshire digital twin for depot deployed.
Originate and deliver Social Care Mission	**GB**	Obtain Board Approval of proposed Social Care Mission	Commence Mission		

Transition CCR Challenge Fund into CCR Missions	**GB**	Define and agree future approach with Challenge Board	Produce Business Case	Seek cabinet approval	Commence Implementation
Commence Shared Prosperity Fund Programme of CCR Initiatives (Cluster skills and Tourism)	**NS/ CM**	Business Case Approved by Regional Cabinet Mobilisation (Contract & Finance) Completed	Monitor Delivery	Monitor delivery	Monitor Delivery

RESILIENT – INTERNAL **Build an Effective, Efficient Delivery Capability** **Cabinet Leads: Chair and Vice Chairs**		**Milestone(s) Per Quarter**			
	Team Resps	**Q1**	**Q2**	**Q3**	**Q4**
Publish updated REIP & Investment strategies for the WIF and supporting Impact Funds.	**CM/ SC**	Publish Updated REIP and Investment strategies			
Review and embed the principles of ESG, EDI and Social Value into CCR investment framework	**CM/NS**	Form working group, conduct review, identify gaps.	Identify internal recommendations	Implement Recommendations	
Local Evaluation Framework in place	**CM**	Review and approval of local CCR framework	Develop action plan to implement LEF in advance of mid-term review		Completion of mid-term review
Conduct outcomes/ financial returns review of current investment portfolio	**RT/ HS**	Discuss and agree approach with REGP/IP Schedule reviews	Conduct review Produce report	Take action as appropriate	Conduct review
Commence Project reviews to consider future exit and funding streams as part of long-term legacy impact	**RT/HS**	Agree approach Produce Plan	Conduct reviews Analyse findings	Conduct reviews Analyse findings	Conduct reviews Analyse findings
Funding strategy, approach to recycled funds developed and implemented	**RT/HS**	Strategy approved	Modelling undertaken / Forecast produced	Monitor and Review	Monitor and Review
Create a phased single entity Transition Plan including a Target Operating Model.	**KB**	Identify all Transition activities. Begin phased implementation of Transition Plan Begin preparation of the existing portfolio for transition into the new corporate structure	Issue transition detailed project plan Transition Plan implementation Continue with preparation of the existing portfolio for	Transition Plan implementation Continue with preparation of the existing portfolio for transition into the new corporate structure Continue setting up the CJC for success, including	Transition Plan implementation Continue with preparation of the existing portfolio for transition into the new corporate structure Continue setting up the CJC for success, including

		Continue setting up the CJC for success, including proportional delivery of Public Sector Duties	transition into the new corporate structure Continue setting up the CJC for success, including proportional delivery of Public Sector Duties	proportional delivery of Public Sector Duties	proportional delivery of Public Sector Duties
Create an updated organizational governance model that simplifies the current model and ensures advantage is taken of the freedoms, flexibilities, and additional powers available through the CJC legislation.	**KB**		Full review of organizational governance model, identify gaps, improvement opportunities	Issue updated organizational governance model Obtain approval of updated organizational governance model	Implement changes relating to organizational governance model
Ensure adequate resources within the team to facilitate the effective delivery of the current programmes in place (CCRCD and SPF)	**KB/RT/ All**	Secure dedicated HR support Review and update structures / roles Identify resource required Recruit and onboard resources	Recruit and onboard resources	Recruit and Onboard Resources	Recruit and onboard resources
Conduct Corporate IT Tools & Technology Review & make recommendations	**KB / AG**	Identify & Document Corporate IT requirements relating to tools and technology Data Storage, File Sharing, CRM etc. .	Sign off High Level Requirements	Identify best route to market – agree procurement plan Commence procurement plan	Monitor IT Tools & Technology / procurement plan
Create action plan for increasing leverage private funds for projects that have been conceived or seeded by CCR EG Aberthaw.	**KB/RT/ Investment Leads**	Project approach determined	Opportunities assessed and plan created	Activity initiated	
Commence Exploration of City Deal #2 with UKG and WG partners.	**KB/RT/HS**	Discussions commenced	Options considered and approach agreed	Bid(s) Produced.	

Conclusions

2023/24 is something of an inflection point year for CCR. This is due to the following:

- Real progress is commenced on ‘lift and shift’ to the CJC vehicle for delivery
- This is significant because the CJC becomes the underpinning mechanism for shaping the future of regional development via the Cardiff Capital Region
- This throws into focus that the City Deal element of CCR – is just that – one element. As time moves on, and the mid-point of the Deal is arrived at, it will become increasingly clear that this is a finite programme with limited resources that require a different lens on the remaining options and choices
- It is therefore key that the overall portfolio and its performance is looked at in a ‘deep dive’ way in order to assess for appropriate balance, sufficient legacy investment to continue to demonstrate long-term impact and in order to identify future funding and investment opportunities that will allow CCR to build upon the strong foundations it has put in place
- The launch of a new REIP that brings together all the above and solidifies the ambitions of the various programmes, projects and policy ambitions into one integrated model of regional development.
- The continuing backdrop of economic turbulence, social instability and geo-political risks and issues, which continue to have an impact on regional public investment and to which CCR must provide an alternative to management of decline – providing businesses, communities and LA partners with a blueprint for targeted action that makes a demonstrable impact to the productivity and prosperity of our places

2023/24 will therefore be a year in which a new set of challenges – and opportunities are presented. The phrase ‘perma-crisis’ has entered the everyday nomenclature and whilst it is impossible to foresee exactly what is round the corner, ensuring we remain focused on insight and foresight; optimism and opportunity; and the kind of adaptive capable leadership that does not shy away from the doing the right things – we believe this plan will equip CCR to maintain its position as a force for good in Wales and the wider UK.

WIF Strategy for 2023/24

2023/24 Annual Business Plan – Budgets and Funding Strategy

Regional Cabinet have made a number of decisions to date, which have resulted in commitments against the Wider Investment Fund (WIF) in 2023/24 and beyond. Table 1 outlines the proposed 2023/24 budget and to assist with medium planning, the indicative budgets to financial year 2027/28 are also set out, along with the proposed funding strategy over this period.

Table 1: Proposed 2023/24 Wider Investment Fund Budget and Indicative Budgets to 2027/28

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Indicative Programme Expenditure					
Wider Investment Fund Top Slice	2,093.2	2,073.0	2,050.3	1,000.0	1,000.0
Approved Projects - Revenue	5,698.9	3,559.7	1,505.1	3,120.0	267.0
Future Revenue Projects	1,013.8	1,013.8	1,013.8	1,013.8	1,013.8
Sub Total Revenue	**8,806.0**	**6,646.5**	**4,569.2**	**5,133.8**	**2,280.8**
Approved Projects - Capital	50,619.6	48,381.1	35,231.7	24,771.6	(12,951.7)
Future Capital Projects	7,200.0	20,250.0	18,450.0	47,272.9	49,072.9
Sub Total Capital	**57,819.6**	**68,631.1**	**53,681.7**	**72,044.5**	**36,121.2**
Total Investment	**66,625.5**	**75,277.6**	**58,250.9**	**77,178.3**	**38,402.0**
Funded by					
HMT Contribution (Revenue)	(8,806.0)	(6,646.5)	(4,569.2)	(5,133.8)	(2,280.8)
HMT Contribution (Capital)	(28,181.0)	(34,500.0)	(34,500.0)	(37,000.0)	(37,000.0)
Total HMT Contribution	**(36,987.0)**	**(41,146.5)**	**(39,069.2)**	**(42,133.8)**	**(39,280.8)**
Council Contribution	(29,638.6)	(34,131.1)	(17,711.9)	0.0	0.0
Temp Borrowing 'Cost of Carry'	0.0	0.0	(1,469.8)	(35,044.5)	878.8
Total Partner Authority Contributions	**(29,638.6)**	**(34,131.1)**	**(19,181.7)**	**(35,044.5)**	**878.8**
Total Funding	**(66,625.6)**	**(75,277.6)**	**(58,250.9)**	**(77,178.3)**	**(38,402.0)**

Note: Approved Expenditure is shown net of any returns on investments made.

Table 2: Proposed 2023/24 Wider Investment Fund Revenue Budget

	£'000
Top-Slice Expenditure	2,093.2
Approved Projects – Revenue	5,799.3
Recycled Funds – Revenue	(100.3)
Future Schemes – Revenue	1,013.8
Total	**8,806.0**

Table 3: Proposed 2023/24 Wider Investment Fund Capital Budget

	£'000
Approved Projects – Capital	60,850.1
Recycled Funds – Capital	(5,230.5)
Future Schemes – Capital	7,200.0
Optimism Bias Adjustment	(5,000.0)
Total	**57,819.6**

WIF Top-Slice Budget
Regional Cabinet have resolved that up to 3% of the Wider Investment Fund (over a 20-year period) is set aside to meet the costs associated with Programme Development & Support and is referred to as the WIF 'Top-Slice'.

Approved Projects
The 2023/24 Annual Business Plan will also need to meet the revenue and capital costs of approved projects as well as indicative allocations in respect of future projects which may come forward during the year, subject to meeting the requirements of the Investment & Intervention Framework.

Affordability Envelope and WIF Funding Strategy
The sums allocated represent the amounts available to be spent in 2023/24, with future year budget allocations being updated accordingly to reflect each new approval's overall spend profile. This will ensure that the fund remains affordable and within its approved envelope at all times, as decisions to approve projects are made through the year.

The total expenditure for the 2023/24 Annual Business Plan is £66.626 Million. It is proposed that this level of expenditure is funded as follows:

- drawdown of HM Treasury Revenue Grant: £8.806 Million;
- drawdown of HM Treasury Capital Grant: £28.181 Million;
- drawdown of Council Contributions: £29.639 Million.

Finally, it should be noted that the actual funding applied will be dependent on the nature and timing of project expenditure and may differ from the proposed sums outlined above. With this in mind, the CCR Office, Accountable Body and the Section Officer Group have commenced some initial options work around maximising the use of existing resources, which will in turn will inform the future Funding Strategy, along with the resulting short and medium-term financial implications of moving away from the existing approach. This options

work will be drawn to a conclusion in the coming months and the findings will be discussed with the Investment Panel, given their role and proximity to the Investment & Intervention Framework pipeline and recent work commenced on an Investment Portfolio review. An update report, along with any recommendations put forward by the Investment Panel will be reported to Cabinet for consideration and approval.

Regional Cabinet will be provided with regular project performance reports, supplemented by quarterly budget monitoring statements, where matters such as progress against delivery plans and budgets can be assessed and the proposed funding arrangements can be reviewed as appropriate.

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

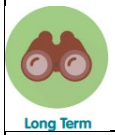
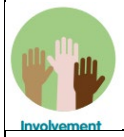
Name of the Officer completing the evaluation: Kellie Beirne **Phone no:** 07826 919286 **E-mail:** kellie.beirne@cardiff.gov.uk	**Please give a brief description of the aims of the proposal:** To set out the goals and objectives for the 2023-2024 12-month period. The document is the third annual plan instalment to the JWA 21-26 strategic Business plan agreed in December 2020.
Proposal: JWA Annual Business Plan 2023-2024	**Date Future Generations Evaluation form completed:** 30 January 2023

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 and appendix set out a progressive planned approach for driving prosperity within the region over the next five years. It is based on the 5 priority themes identified in the 21-26 JWA Plan and a set of goals that are focused on our ambitions to create a truly Connected, Competitive, Resilient, Inclusive and Sustainable Region - balancing the need to provide for wealth and well-being in so doing.	Further work is being undertaken to ensure that the outputs of our investments generate the right balance of impacts across the region, driving a healthy balance between economic, social, ESG and ethical considerations.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	A green and sustainable region is a key cross cutting theme and the plan contains a series of objectives dedicated to this ambition.	Collaborative working across local and national government to ensure unified activity and focus on delivering the right outcomes.

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 healthier Wales People's physical and mental well-being is maximized and health impacts are understood	Inclusion is a core theme of the plan as is and balancing a focus on levelling up the region with other regions in the UK to ensure CCR accesses all of the opportunities available to it – thus supporting not just sectors and industries but communities and people.	ESG and equality and diversity focus to ensure emphasis on societal and community needs.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Enabling Cohesive, inclusive communities are central to our planning goals and the sections under Connected and Resilient describes the work around housing viability, transport – including metro plus and ULEV and the strategic sites and premises fund – all of which will contribute toward community viability.	Consideration of specific Northern Valleys / strategic utilities fund will further assist with this goal.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental well-being	The document looks outward and focuses on the FDI and international opportunities.	Further work has been done with bodies such as Universities Wales and SIACW to consider impact of UK working outside of Horizon Europe.
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 document represents the strategic approach to developing the economy of the region – foundational and tradeable and projects a distinctively Welsh approach to doing so.	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The approach focuses on economic inclusion, levelling-up and a mission-driven approach capable of not just tackling economic problems – but societal ones too.	

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 Plan is both a five year one, and an annual one balancing the need to look ahead whilst setting out what the first 12 months of activity looks like.	This will be continually built upon and reinforced through the development and publication of concurrent Annual Business Plans which reflect back to the more medium-term ambition.
Working together with other partners to deliver objectives	All partnerships and groups are reflected in the plan setting out contributions required and fit.	Reinforcing shared purpose through distillation into annual business plans.
 Involving those with an interest and seeking their views	The plan is backed by a wider comms plan.	More thought needs to be given to how this work engages communities and citizens. The challenge fund will go some way to addressing this and opportunities will be developed
Putting resources into preventing problems occurring or getting worse	The mission-driven/ challenge-led approach embedded will be a key means of experimenting in the prevention space	Focus will be put on deriving a Social care mission.
Considering impact on all well-being goals together and on other bodies	The plan seeks to balance BBB with a focus on governance changes, clusters-development and 'levelling-up' all whilst delivering the existing City Deal programme. In this way, priorities that technically sit outside City Deal are integrated and connected in order to allow for smart objective setting and the achievement of higher-level policy goals.	This can be further reinforced in the CJC setting and when Cabinet and partners have access to greater freedoms and flexibilities.

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	Not relevant in this context since the plan, approach and ways of working apply to all prospective interests and stakeholders	Not relevant in this context since the plan, approach and ways of working apply to all prospective interests and stakeholders	Not relevant in this context since the plan, approach and ways of working apply to all prospective interests and stakeholders
Disability	As above	As above	As above
Gender reassignment	As above	As above	As above
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	As above	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		
Corporate Parenting	Not directly relevant – however, building strength in the economy should create opportunities for all of the young people entrusted in our care and makes a direct contribution to well-being.		

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

- Policy and data insights
- COVID-19 priority-set
- Levelling up UK frameworks – R&D Roadmap
- Industrial and Economic Growth Plan
- Challenge fund for LWB
- Government documents

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 above, the main implications will be in the delivery of this work.

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:	Quarterly via the IIF reports to Cabinet and quarterly performance