South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

30 JANUARY 2023

SOUTH EAST WALES CORPORATE JOINT COMMITTEE ANNUAL BUSINESS PLAN AND ANNUAL CJC GENERAL BUDGET REQUIREMENT 2023/24 AND CJC STRATEGIC PLANNING BUDGET REQUIREMENT 2023/24

a) TEN CCR CONSTITUENT COUNCILS TO CONSIDER PART A RECOMMENDATIONS
b) TEN CCR CONSTITUENT COUNCILS AND BRECON BEACONS NATIONAL PARK AUTHORITY TO CONSIDER PART B RECOMMENDATIONS

TO RECEIVE THE REPORT OF THE INTERIM CHIEF EXECUTIVE AND THE INTERIM SECTION 151 OFFICER

AGENDA ITEM 5

Reason for this Report

1. To set out the key principles and provisions underpinning the Annual Business Plan for the South East Wales Corporate Joint Committee (CJC) for the Financial Year 2023/24.

2. To seek approval of the CJC's annual budgets in respect of Financial Year 2023/24 in-line with the CJC Establishment Regulations.

3. To seek approval of the amounts payable by the Cardiff Capital Region (CCR) constituent councils, including a separate calculation involving the Brecon Beacons National Park Authority (BBNPA) in respect of the Strategic Development Plan Budget.

4. To set out the proposed funding strategy in respect of the amounts due from the 10 CCR constituent councils for the CJC period covering financial year 2023/24.

Background

5. The South East Wales CJC Establishment Regulations came into force on 1 April 2021 and established a corporate legal entity comprising of the 10 South East Wales Local Authorities, which are also member of the Cardiff Capital Region (constituent councils) and for the purposes of the creation of the Strategic Development Plan (SDP) – the Brecon Beacons National Park Authority (BBNPA).

6. It has been a long-held ambition of Regional Cabinet to develop one integrated model of regional public investment – as per the OECD recommendations to Welsh Government in their review of Regional Economic Governance in Wales

(2021). This would affect the evolution of Cardiff Capital Region City Deal CCRCD from a single funding programme supported through an 'Accountable Body' model, to a new corporate entity through which multiple programmes, investments and functions could be developed and delivered on a regional basis.

7. As set out in the 2021/22 and 2022/23 inaugural budget report, budgets were set on a minimal basis to mitigate detriment from unresolved technical issues. However, 2023/24 represents a further evolution into a Building Foundations model. In view of several technical issues which continue to be unresolved at this time, it is not possible to affect the above 'lift and shift' model of integrated regional governance through the CJC in full. As such, a pragmatic, proportionate and evidence-based approach has been developed to support the interim operation of the CJC – until such time the issues are resolved, and the lift and shift model can be fully implemented. This next phase of the CJC's evolution is referred to as the 'Building Foundations' approach.

Issues

Annual Business Plan 2023/24 – 'Building Foundations'

8. For the Financial Year 2023/24 a single annual business plan has been prepared integrating both the CJC and CCRCD. This is important because, as time moves on, and as CCRCD 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.

9. It is important to remember that the CJC is not what CCRCD is becoming, it is simply the legislative mechanism through which the constituent local authorities will achieve their goals for regional prosperity.

10. 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. Therefore, the priority for 23/24 is to evolve the current business model which seeks to adopt the new remit of CCRCD and CJC being two interwoven approaches ahead of the full lift and shift being enacted.

11. Therefore, the approach proposed in the integrated 23/24 plan is not a transition but rather a slow steady evolution. An incremental – but progressive - approach that builds upon what CCRCD has and uses the new powers to respond to some of the current challenges around governance, partnerships, business model and resourcing. All of these would have to be addressed regardless - as the current CCRCD business model is no longer fit for purpose - pending the resolution of the factors that will enable full "lift and shift" of the investment portfolio into a single integrated Balance Sheet under a corporate entity in its own right.

12. The annual business plan is attached at Appendix 1 to this report and sets out a clear set of objectives to guide efforts and progress throughout 2023/24. Given the nature of the current set of live and unresolved technical issues; again, the objectives reflect the need to lay foundations only at this stage. Once the issues are addressed and the optimal governance and delivery model established, further work will be undertaken to set out how the pillars of activity and

underpinning tasks will be developed and taken forward. This will be both in relation to activating the full 'lift and shift' model, as well as allowing the CJC to develop further its arrangements in respect of its commencement duties, principally regarding the Strategic Development Plan and the Regional Transport Plan.

13. The position regarding several of the outstanding technical issues is crystallising at the time of preparing this report, and once fully resolved will allow the CJC to lay down solid foundations during 2023/24. Subject to the successful resolution of outstanding matters it is anticipated that the lift and shift model can be fully implemented in 2024/25.

14. As a result of the outstanding technical issues which remain under review with work going on across Welsh Government and national bodies such as HMRC and HM Treasury – the development of the CJC is being kept under close review. At the time at which issues are resolved sufficiently to allow for integration and activity of the preferred governance and delivery model, both the Annual Business Plan and Annual Budgets will be revised to accommodate the next stage of evolution.

CJC Proposed Budget – 2023/24

15. In 2023/24 the CJC will be adopting a 'Building Foundations' approach, so that any detriment incurred by the CJC whilst the technical issues remain outstanding are minimised. Therefore, a minimal amount of £25,000 has been allocated to each of the CJC operational areas, for the commencement of:

- the Strategic Development Plan (SDP); and
- the Regional Transport Plan (RTP).

16. In addition, the proposed 2023/24 budget also includes additional budgets to build on the extant Standing Orders, for example to review the arrangements for sub-committees, which are required under the regulations. One such example is the need to establish a Governance & Audit Sub-Committee in 2023/24. Therefore, the proposed budget includes the costs associated with recruiting and appointing a chair and vice-chair for that committee. As these are renumerated roles, careful thought will need to be given around the optimal time to commence the recruitment process, so that the positions are filled in good time for when the sub-committee is in a position to be operationalised.

17. While the CJC operates on a Building Foundations basis, the work programme for its various sub-committees is likely to be limited and decisions around the formal commencement date for each of the sub-committees will be considered later in the year.

18. Therefore, as in prior years, the key aspect of the proposed budget revolves around the resources needed for CJC Management and Support services necessary to support the CJC's overall governance and decision-making processes, ensuring that the CJC convene meetings to comply with the minimal CJC regulations. Furthermore, the budget includes sums to allow the CJC to be compliant with wider legislation such as the preparation (and audit) of its accounts under the Accounts & Audit Regulations 2014.

19. In-line with the regulations, in each financial year the CJC must calculate the budget for its functions:

    a) Strategic Development Plan Function (the 'Strategic Development Plan Budget'); and
    b) other functions (the 'General Budget).

20. Management and support overheads have been calculated separately and then allocated 1/3rd to the Strategic Development Planning Budget and 2/3rd to the General Budget. The appropriateness of these allocations is reviewed on an annual basis as part of the CJC's budget setting process.

21. Based on the principles set out above, the proposed 2023/24 CJC Revenue Budgets are set out in Table 1 below, along with details of the proposed contributions due from the 10 CCR Constituent Councils and where applicable the Brecon Beacons National Parks Authority.

Table 1: Proposed 2023/24 Budgets

	Total (£s)	General Budget		SDP Budget	
Proposed CJC Expenditure			£s		£s
Direct Operational Costs	50,000		25,000		25,000
Management & Support					
Governance & Sub-Committees	8,000		5,333		2,667
Corporate Duties	5,000		3,333		1,667
Management, Support & Overheads	162,662		108,441		54,221
Contingency	30,000		20,000		10,000
	205,662	66.7%	137,107	33.3%	68,555
Total	**255,662**		**162,107**		**93,554**
Proposed Contributions:-		%	£s	%	£s
Blaenau Gwent CBC	11,628	4.5%	7,373	4.5%	4,255
Bridgend CBC	24,164	9.5%	15,322	9.5%	8,842
Caerphilly CBC	30,192	11.8%	19,144	11.8%	11,048
Cardiff Council	60,753	23.8%	38,522	23.8%	22,231
Merthyr Tydfil CBC	10,012	3.9%	6,365	3.9%	3,647
Monmouthshire CC	15,243	6.1%	9,956	5.7%	5,287
Newport CC	25,569	10.0%	16,213	10.0%	9,357
Rhondda Cynon Taff CBC	39,998	15.7%	25,396	15.6%	14,602
Torfaen CBC	15,520	6.1%	9,841	6.1%	5,679
Vale of Glamorgan Council	22,044	8.6%	13,977	8.6%	8,067
BBNPA	539	N/A	-	0.6%	539
Total	**255,662**	**100.0%**	**162,107**	**100.0%**	**93,555**

Approach to Value Added Tax

22. The initial CJC budgets set for Financial Years 2021/22 and 2022/23 were prepared on a 'VAT inclusive' basis, as at that time there was no clear timetable in place to resolve the section 33 status issue. For this reason, it was deemed that budgets are set on the basis that VAT would not be recoverable during those periods.

23. However, recent updates have confirmed that the Value Added Tax (Refund of Tax) Order 2023 was made on 11 January 2023 and is due to come into force on the 9 February 2023. This proposed change to VAT legislation will allow CJCs to reclaim VAT on their non-business activities.

24. Therefore, the proposed 2023/24 budgets have been prepared on the basis that VAT will be fully recoverable with the relevant enabling legislation being in force by 1 April 2023. However, in the unlikely event that the VAT legislation is not in force by this date, then the budgets will need to be revisited and the necessary adjustments made to bring them in line with the legislation in operation at that time.

Funding Contributions

25. The Strategic Development Plan Budget requirement must be paid by the 10 CCR Constituent Councils and the Brecon Beacons National Park Authority – the proportion to be paid by each is to be decided by unanimous agreement of the 10 CCR Council Members and the Brecon Beacons Member.

26. The General Budget requirement must be paid by the 10 CCR Constituent Councils – the proportion to be paid by each is to be decided by unanimous agreement of the 10 CCR Council members.

27. Similar to the position adopted for 2022/23, a levy will not be placed on CCR Constituent Councils to fund their share of CJC costs in 2023/24. Instead funds will be drawn from General Reserves held by CCRCD on behalf of the CCR Constituent Councils as shown in the Table 2. below, which projects that there will be sufficient resources in place to meet the proposed level of contributions due.

Table 2: General Reserves held on behalf of CCRCD Local Authorities

	2022/23 £s	Change £s	2022/23 £s
Opening Balance as at 01.04.22	193,745		193,745
Less 22/23 Projected Drawdowns		- 103,540	- 103,540
Add 22/23 Projected Contributions		383,748	383,748
Projected Balance as at 31.03.23			**473,953**

28. Brecon Beacons National Park Authority will be levied for its contribution to the proposed 2023/24 SDP budget.

29. With the future Lift & Shift model in mind, the existing CCR methodology (population basis) has been adopted as the basis on which the 10 CCR Constituent Councils will each contribute to meeting their respective share of the proposed 2023/24 CJC Revenue Budgets.

Basis for Calculation of BBNPA Contribution

30. As in 2022/23, it is proposed that the 2018 Sub-national Population Projections[1] are used as the basis for calculating BBNPA's contribution to the SDP Budget.

31. This methodology will be reviewed on an annual basis as the role and remit of CJCs evolves and collectively, there is a better understanding of how CJC costs should be reflected in member contributions. The 2018 dataset remains the most up to date version available from StatsWales at the time of preparing this budget and represents the basis on which the BBNPA contribution is calculated in Table 1 above.

CCRCD Transition Budget – 2023/24

32. Separately, a transition budget has also been prepared which sits under CCRCD and is intended to support the transition of CCRCD into the CJC under the lift and shift model previously agreed. This budget is intended to fund various advisory support services including HR, Corporate Governance, and tax. The tax implications, for example, of transferring assets from CCRCD's balance sheet to the CJC need to be understood to ensure these are managed in the most tax transparent way.

CJC Capital Programme Budget and Treasury Management Strategy

33. The Local Government Act 2003 refers to affordability and the requirement that local authorities in England and Wales determine and keep under review the amount of money they can afford to borrow for capital investment (Prudential Code for capital finance in local authorities (2021 edition)).

34. It is proposed that the CJC sets a nil capital budget for the Financial Year 2023/24, for the reasons outlined in this report. However, the requirement in respect of capital resources will need to be considered carefully as part of future budget setting processes, particularly the wider capital financing implications of the Lift & Shift model, once in place.

35. In respect of treasury management and the extent that such activities are required during the Building on Foundations period, the approved Treasury Management Strategy of Rhondda Cynon Taf County Borough Council will continue to be followed.

Reasons for Recommendations

36. To set out the South East Wales Corporate Joint Committee proposed 2023/24 Budgets, in-line with the regulations, along with the associated management and support arrangements.

Financial Implications

37. The report seeks approval of the CJC's Annual Business Plan and Revenue Budget in respect of financial year 2023/24.

[1] https://gov.wales/subnational-population-projections

38. The proposed budget for 2023/24 is based on the CJC activity levels anticipated for the year provided via Service Level Agreements with three provider organisations. The scope and level of services to be provided are based on discussions from 2022/23 with an appropriate uplift for increased activity levels in 2023/24.

39. One of the key outstanding technical issues to date relates to the CJC's application to secure section 33 status in respect of HMRC's VAT Refund Scheme. The Value Added Tax (Refund of Tax) Order 2023 was laid before UK Parliament on 11 January 2023 and is expected to come into force on 9 February 2023. This order provides that the Welsh CJCs are specified for the purposes of section 33 of the VAT Act 1994 and can therefore reclaim input VAT.

40. This is a welcome development, however, CJCs will need to submit a claim in order to recover any VAT refund due and it is understood this can be achieved via the VAT 126 procedure. To reflect this, all costs in the 2023/24 budgets are stated net of VAT on the basis that the necessary enabling legislation will be fully approve and in place no later than the 1 April 2023, allowing CJCs to fully recover VAT on their non-business activities.

41. In-line with the requirements of the regulations, Table 1 sets out the requirement in respect of the CJC's General Budget, along with the contributions due from the 10 CCR councils based on the existing CCR population methodology.

42. Table 1 also sets out the requirement in respect of the CJC's Strategic Development Budget and the proportions to be paid by the 10 CCR councils (99.4%) and the Brecon Beacons National Park Authority contribution of 0.6%. These contributions have been calculated using the 2018 Sub-national Population Projections but will be reviewed on a regular basis to ensure that the contributions established are fair and equitable.

43. In light of the 'Foundation Building' approach to CJC activities in 2023/24 and the resulting nominal nature of the proposed budgets, the CCRCD Cabinet have agreed that the funding contributions due from its 10 constituent councils will be met from the CCRCD General Reserve held on behalf of the 10 CCR councils. This Reserve is marked as being available to fund future Regional Cabinet requirements and the necessary governance arrangements to utilise this Reserve will be actioned.

44. The SLA with RCT includes provisions in respect of CJC accounting arrangements, including banking and control, treasury management and accounting for VAT. These arrangements have established the CJC's 'General Fund' to ensure that all sums received and paid by the CJC are appropriately accounted for, through its General Fund, as set out in the CJC Regulations. Furthermore, CJCs are required to follow proper practices and will need to prepare their accounts in line with the Code of Practice on Local Authority Accounting in the UK and meet the reporting requirements of the Accounts and Audit (Wales) Regulations 2014.

45. There is a nil requirement for capital resources in 2023/24. However, this area of the CJC resource requirement will need to be carefully thought through in future years, particularly once the Lift & Shift model is in place. CJCs are required to comply with the Local Authorities (Capital Finance and Accounting) (Wales)

Regulations 2003, which in turn gives rise to several considerations around prudential borrowing, associated KPIs and the proposed financing arrangements.

46. The report also details that a Transition Budget has been separately established by CCRCD to lay the foundations for implementing the preferred CJC 'Lift & Shift' model. The costs of the Transition Plan will be met from within existing Cardiff Capital Region City Deal resources. However, future CJC budget reports will need to consider the evolution and associated costs of the CJC moving from the proposed Foundation Building approach to a fully integrated Lift & Shift model, along with increasing requirements of the CJC, as further regulations are approved and come into force.

47. The CJC regulations include provisions for the approved budget to be revisited during the year where this is deemed necessary. Therefore, as further information becomes available, the adequacy of the proposed budgets can be reviewed and amended if required, subject to unanimous agreement as set out in the CJC's Standing Orders.

Legal Implications

48. Section 16 of The South East Wales Corporate Joint Committee Regulations 2021 requires the CJC for each financial year to calculate and agree budgets in relation to:

    a) it's strategic planning functions (s.16(1)(a)); and
    b) it's other functions.

49. The CJC must agree these budgets at a meeting no later than 31 January in each preceding financial year.

50. Member should note that if the Budget is not agreed at the meeting, Welsh Ministers may direct the proportion payable by each constituent council or each constituent council and the Brecon Beacons National Park Authority.

Well-being of Future Generations (Wales) Act 2015

51. 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.

(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 SEW CJC 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 SEW CJC must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, SEW CJC 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.

52. The SEW CJC must be satisfied that the proposed decision accords with the principles above. To assist the SEW CJC 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

53. 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

54. The recommendations to this report are set out in two parts which reflect the requirements included within the CJC Regulations. Part A recommendations relate to the responsibility of the 10 CCR constituent councils ONLY, whilst Part B recommendations relate to BOTH the 10 CCR constituent councils AND the Brecon Beacons National Park Authority.

PART A – RECOMMENDATIONS

55. It is recommended that the SEW CJC (10 CCR Council Members only):

(1) notes and approves the integrated Annual Business Plan for 2023/24 as set out at Appendix 1;

(2) considers and approves the CJC's General Budget requirement and the contributions payable by the 10 CCR Constituent Councils as set out in Table 1 of this report in respect of Financial Year 2023/24, noting that these amounts will be met from the CCR General Reserve held on behalf of the councils;

(3) notes the CJC Capital Programme Budget position and approves for CJC treasury management activities, where required during the Building Foundations period, to be undertaken in line with the approved Treasury Management Strategy of Rhondda Cynon Taf County Borough Council;

(4) notes that it will receive further reports during 2023/24 to provide updates on the outstanding technical issues and any related budgetary implications.

PART B - RECOMMENDATIONS

56. It is recommended that the SEW CJC (10 CCR Council Members & BBNPA Member):

(5) considers and approves the CJC's Strategic Planning Budget requirement and the contributions payable by the 10 CCR Constituent Councils and the Brecon Beacons National Park Authority as set out in Table 1 of this report in respect of Financial Year 2023/24;

(6) notes that the amounts payable by the 10 CCR constituent local authorities in respect of Recommendation (5) will be met from the CCR General Reserve held on behalf of the councils;

(7) notes that it will receive further reports during 2023/24 to provide updates on the outstanding technical issues and any related budgetary implications.

Kellie Beirne
Interim Chief Executive
South East Wales Corporate Joint Committee
30 January 2023

Chris Lee
Interim s151 Officer
South East Wales Corporate Joint Committee

Appendices

Appendix 1 CJC & CCR Integrated Annual Business Plan

Appendix 2 Well-being of Future Generations Assessment

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

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.

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

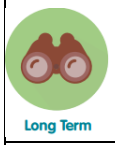
Name of the Officer completing the evaluation:	**Please give a brief description of the aims of the proposal**
Kellie Beirne Christopher Lee **Phone no:** 02920 72300 (Christopher Lee) 07826 919286 (Kellie Beirne) **E-mail:** christopher.lee@cardiff.gov.uk Kelllie.Beirne@cardiff.gov.uk	To set out in detail and agree the various arrangements for the CJC's Annual Business Plan and supporting budgets under the 'Building on Foundations' model approach, along with proposed funding contributions to be made by the CJC's Members in respect of the various budgets proposed.
Proposal: To agree and ratify the CJC Annual Business Plan for 2023/24 and associated budgets for 2023/24.	**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 details the Building on Foundations arrangements to be put in place for the South East Wales Corporate Joint Committee (SEW CJC). Initial work will commence in respect of Strategic Development Planning (SDP), Regional Transport Plan RTP) and wider Economic well-being functions. Once the CJC is fully functioning the core functions of the SEW CJC and as such will significantly impact the prosperity of the region.	Will be addressed as part of the work undertaken on the Commencement Duties and in-line with the prescribed timescales for full implementation (from 2024 onwards).
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Activity around the strategic development planning, regional transport planning and economic well-being will all contribute to enhancing and strengthening the resilience of the region. The SEW CJC provides new powers for the region to directly impact upon and implement activity in these areas.	As above
A healthier Wales	The SEW CJC will contribute towards meeting the well-being objectives set by each of the ten constituent local	As above

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	authorities in order to achieve the national wellbeing goals for the region.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The conferment of powers to the SEW CJC to develop and implement a Regional Transport Plan will significantly improve and enhance community travel and connectedness for the Cardiff Capital Region.	As above
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Not directly applicable although the conferred powers of the SEW CJC will impact the region and in tandem with the other three CJCs, will have a positive impact across the Welsh nation and will therefore present Wales as a destination for local, social, economic and environmental well-being.	As above
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 but see above.	As above
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The key functions of the SEW CJC around regional transport planning and economic well-being will impact on our communities by creating better connectivity and better quality of life for them. The strategic development planning aspect will help bring business and community together as the well-being of the region is scaled up. Partnering with the Brecon Beacons National Park Authority (BBNPA) on the rail and Strategic Development Plan will allow the region to achieve additional support in reaching these goals.	As above

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 interim 'Bare Minimum' twin track model moving towards the 'Lift & Shift' model means that activity around and implementation of the core functions of the SEW CJC will be staggered. Future reports will provide evidence of the necessary balance between short-term need and long-term planning.	
Working together with other partners to deliver objectives	A cornerstone of the region's process is the strength of partnership working. The BBNPA will be aligning with the Cardiff Capital Region around the Strategic Development Plan.	
Involving those with an interest and seeking their views	Communications and engagement remain a feature of our work and the region will continue with its regular communication updates disseminating the information to the wider public sector, private sector and local communities to ensure transparency of process.	
Putting resources into preventing problems occurring or getting worse	The 'Building on Foundations' twin track model moving towards the 'Lift & Shift' model will allow the region to maintain equilibrium until the region can move into one integrated model of regional public investment and economic governance under the SEW CJC.	
Considering impact on all wellbeing goals together and on other bodies	Regional partnership working and close liaison with UK and Welsh Governments and the private sector, within and outside Wales, will help ensure we meet this goal.	

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 seeking approval to proceed with the proposed CJC arrangements for 2023/24. The protected characteristic assessments related to specific activity in the SEW CJC will need to be drawn out in the relevant documentation at the appropriate time.	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 and effecting the well-being elements of the SEW CJC should have a profoundly positive impact on the region's ability to safeguard the future of its residents.		
Corporate Parenting	Not directly relevant; however, building the future economy and effecting the well-being elements of the SEW CJC 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?

- Legislation as set out by UK Government.
- Legislation as set out by Welsh Government.
- Discussion and advice from Audit Wales.
- Discussion and approval on activity in line with the legislation from the Cardiff Capital Region Joint Cabinet.
- Extensive legal advice and other legal due diligence.
- Legislation around financial matters relating to tax, financial status, borrowing powers, etc.

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 a reporting mechanism to be agreed in light of the ''Building on Foundations' approach being taken at this time.

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:	At least annually in light of the 'Building on Foundations' approach being taken at this time.