

Committee: **Council**
Date of Meeting: **12th December, 2019**
Report Subject: **Cardiff Capital Region City Deal Performance Review 2018/19 Q4**
Portfolio Holder: **Cllr Nigel Daniels, Leader / Corporate Services**
Report Submitted by: **Michelle Morris, Managing Director
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Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
13.08.19	03.09.19	09.09.19			14.11.19		12.12.19	

1. Purpose of the Report

- 1.1 To inform Members of the performance of the Cardiff Capital Region City Deal (CCRCD) during 2018/19.
- 1.2 This report highlights areas of interest in the attached report which has been produced by the Cardiff Capital Region Programme Director and was presented to the CCR Cabinet in June 2019. This report summarises and highlights key programmes of work Blaenau Gwent (BG) are engaged in and are of interest to BG.

2. Background and Context

- 2.1 The report includes progress of the programme against key targets identified within the CCR Business Plan for 2018/19. Detail includes:
- 2.2 Highlights for BG include:
- Metro and Metro+ - Transport for Wales (TfW) progress
 - Digital Strategy
 - Strategic Sites and Premises
 - Approval of the Investment Framework
 - Framework and principles agreed for Strategic Development Plan (SDP)
 - Housing Catalyst Fund
 - Skills Program - Graduate Scheme (Pilot)
 - MIPIM 2020
- 2.3 In its meeting on the 10th June CCRCD Regional Cabinet discussed and agreed the Quarterly Performance Monitoring Report for Quarter 4 – attached at Appendix One.

2.4 **Budget Position 2018/19**

It is important to understand the overall budget position which relates to funding remaining available for City Region projects in the future. Regional Cabinet 2018/19 Annual Business Plan Quarter 4 summary indicates the overall budget is as follows:

2.5 **Wider Investment Fund Top-Slice (£742,500)**

The final 2018/19 underspend against this budget amounts to -£571,493. The full value of any underspend is available to support the WIF Top-Slice in future years, subject always to observing the 3% cap (annual and cumulative) as approved by Regional Cabinet. The underspend consists of -£110,184 against the budget set aside for Regional Bodies and -£350,366 against the Programme Development & Support Budget (to support the 'Project Delivery Pipeline'). In addition, investment income totalling -£110,943 was received during the year in respect of unspent HMT revenue grant funding.

2.6 **2018/19 Approved Project Budgets (£13,840,000)**

Due to changes in the programme of work, there is slippage of £1,381,600 (or 10.1%) against the Compound Semi-Conductor Foundry approved capital budget. However, based on the revised programme, this amount is expected to be drawn down and fully utilised in 2019/20.

2.7 **2018/19 In-Year Project Approvals**

Given the current status of the Project Delivery Pipeline, Regional Cabinet has approved the slipping of this capital sum (£4.015M) forward, two years to financial year 2020/21, based on the projected out-turn positions at that time. This will ensure that funding is protected for investment in future projects.

2.8 **City Deal Programme Update Metro and Metro Plus**

The Regional Transport Authority (RTA) will oversee progress of the Metro Plus scheme which has established the principle of a programme of activity complementing and enhancing the proposed Metro and Metro Central investments. The concept is currently being developed and rolled out with the governance, co-ordination and leadership support of the RTA. Blaenau Gwent Council is represented by the Executive Member – Regeneration.

2.9 Metro Plus (Phase 1) is a programme of 10 transport schemes which are part of the wider metro infrastructure. Metro Plus schemes are not individual projects, but a programme of enabling infrastructure, to stimulate economic growth and regeneration across the region, supporting the sustainable mobility of people, and improving the way people make their economic contribution.

2.10 The initial schemes that make up the programme are:-

- a) Pontypool and New Inn Park and Ride
- b) Severn Tunnel Junction Park and Ride
- c) Pyle Park and Ride

- d) Pentrebach Interchange
- e) Porth Transport Interchange
- f) **Abertillery Transport Hub**
- g) Caerphilly Interchange
- h) Barry Docks Interchange
- i) Cardiff East Bus Priority
- j) Newport to Cardiff Transport Priority

- 2.11 Transport for Wales (TfW) is currently preparing an Outline Business Case for improved frequency of services on the Ebbw Vale Rail Line including the Abertillery Transport Hub. Options included delivery of 2 trains per hour to both Ebbw Vale and Abertillery with the potential to link to routes to both Cardiff and Newport. The OBC is expected to be completed this Autumn.
- 2.12 In addition, there has been progress made on the Low Emission Vehicle (LEV) studies and renewables as part of the integrated transport system. A bid for funding for electrical charge points across the Gwent local authorities has been successful and will enable BG to commence the installation of Electric Vehicle charging points.
- 2.13 **CCR Digital Strategy**
The CCR Digital Strategy continues to be developed for the CCR. However, in the meantime the expected early funding submission to implement a Local Full Fibre Network (LFFN) involving BGCBC, MCC, NCC and TCBC has now been delayed pending a package being put together for improvement to the digital infrastructure across the 10 CCR local authorities.
- 2.14 **Strategic Sites and Premises**
An initial report has been put together to identify the significant gaps in the supply of 'Grade A' employment floor space across a wide range of property types in CCR. The report sets out a broad-based strategy covering the provision of new employment property. It seeks to highlight those property types and interventions which may have the greatest impact as part of a balanced portfolio of employment buildings. A meeting has been held with the consultants to better understand and reflect the opportunities in BG particularly leveraging benefits of development along the Heads of the Valleys. A final report is awaited from the City Deal office.
- 2.15 **Approval of the Investment Framework**
The Cardiff Capital Region City Deal is a £1.229bn investment over twenty years that is expected to create 25,000 new jobs, leverage an additional £4bn of investment in the region and provide a 5% Gross Value Added (GVA) uplift.
- 2.16 There are two components to the Deal – the £734m investment in the South Wales Metro and the £495m Wider Investment Fund (WIF). The delivery of the Metro programme is being overseen by Transport for Wales and the deployment of the WIF is the responsibility of Regional Cabinet and is

available for the funding of high-potential projects in the region through its Investment and Intervention Framework.

2.17 A three-priority approach has been developed in partnership with the investor community to leverage maximum economic and social benefits from the £495 million WIF. The three priorities are:

- The *Innovation Priority*, worth £220 million, will look at proposals demonstrating unique intellectual property, market leadership and competitive strength. It will support propositions in targeted growth sectors that have the greatest potential for direct economic return on investment through job creation and GVA increase.
- The *Infrastructure Priority*, worth £200 million, will focus on targeted co-investment and pooling of resources to deliver maximum impact through the delivery of new physical and digital infrastructure projects including roads, public transport, broadband, skills, sites or testbeds.
- The *Challenge Priority*, worth £75 million, will seek to stimulate the adoption of new products and solutions in South East Wales. It will look at growing new markets and welcomes proposals that emerge from competitive spaces where more than one organisation or individual might be equipped to deliver, in order to offer more flexibility and scope for experimentation.

2.18 The funding model aims to build a delivery pipeline with partners, within and beyond the Cardiff Capital Region, while focusing on the priorities outlined in the Industrial and Economic Plan, which was launched in February 2019 – attached at Appendix Two.

2.19 **Framework and principles agreed for SDP**

Agreement has been reached at the CCR Cabinet to prepare a Strategic Development Plan (SDP) for the region. The 10 local authorities are currently presenting reports to their respective Councils to seek formal approval. A report seeking this Council's approval will be presented to Council on 12th December, 2019.

2.20 **Housing Catalyst Fund**

2.21 The Residential Investment Research & Strategy Division at Savills have been commissioned by the Cardiff Capital Region City Deal to conduct a specific piece of research to help understand the most appropriate approach to any the Housing Catalyst Fund that will be aimed at unlocking sites and accelerating supply.

2.22 As part of their research work, Savills have engaged with Local Authorities, including Blaenau Gwent (via Housing Strategy, Regeneration Division) to understand current programmes of development and associated challenges within the local housing market.

2.23 A range of challenges were identified and communicated to the research team, including; land reclamation grant clawback and the reducing capital receipts as a result, the need for Social Housing Grant or other grant incentive to support scheme viability, poor local ground conditions and topography, satisfying Sec 106 requirements, possible increase in housing standards from WG (energy, dimensions) etc.

2.24 For Blaenau Gwent it was highlighted that the marginal viability of schemes due to the issues above could be mitigated by an investment fund and thus creating a more level playing field (with other more favourable/viable areas) for quality development schemes.

2.25 Following the research exercise undertaking over the Summer, Savills were scheduled to present their findings and recommendations to the CCRCD in the Autumn (September) to inform the make-up/scope of the Housing Catalyst Fund.

Graduate Scheme (Pilot)

2.26 The initial pilot scheme will aim to deliver 50 graduate positions between April 2019 and March 2020 to businesses in the CCR through two key approaches:

- 1) The delivery of two cohorts of a graduate development scheme
- 2) Events to link students / graduates from key subject areas and employers from key sectors

The scheme offers free services to businesses and paid employment to graduates. We have engaged with local manufacturing and engineering businesses (linked to Aspire and on our data base). To date there has been some interest from businesses in participating in the scheme.

2.27 MIPIM 2020

The CCR Regional Business Council in conjunction with CCR City Deal Cabinet, has confirmed it will participate in International Property Event (Le marché international des professionnels de l'immobilier (MIPIM) 2020. This will ensure the presence of the region at a key international trade event raising the profile of the region and promoting investment opportunities.

2.28 Valleys Regional Park (VRP)

The CCR Cabinet has agreed with Welsh Government and relevant local authorities in the Swansea Bay City Deal that the development and implementation of the VRP will be hosted by Bridgend CBC, on behalf of all authorities, and with financial support from Welsh Government to fund the arrangements.

2.29 The VRP will be overseen by a Board of the Leaders from the partner authorities and supported by a Forum comprised of nominated officers also from those authorities, and other key stakeholders. All partner authorities will be asked to sign up to a legal agreement detailing these delivery and governance arrangements.

2.30 In 2018 Welsh Government announced a series of Valley Gateway Sites – Dare Valley Country Park (Rhondda Cynon Taff), Caerphilly Castle (Caerphilly), Cwmcarn Forest (Caerphilly), Blaenavon World Heritage Visitor Centre (Torfaen), Cyfarthfa Park (Merthyr Tydfil), Ynysangharad War Memorial Park (Rhondda Cynon Taff), Parc Bryn Bach (Blaenau Gwent CBC), Parc Slip Nature Reserve and Bryngarw Country Park (both Bridgend).

2.31 All sites were invited to submit proposals direct to Welsh Government for capital funding, outlining options for delivery against the ambition of the VRP prospectus. The outcome of this process was announced earlier in September and Parc Bryn Bach has been awarded funding of £500,000 to develop facilities including a bunk house and adventure play area.

3. **Recommendations for Consideration**

That the content of the CCRCD report is noted and an Option applied.

3.1 **Option 1**

For Council to consider the overall progress, and completion of the key targets for 2018/19 and endorse the report.

3.2 **Option 2**

For Council to consider the overall progress and make any specific comments on progress prior to endorsement of the report.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The CCRCD is a key strategic initiative for the Council, which will assist in delivering the Corporate Plan in terms of job creation, housing and improved transport connections in addition, alongside nine other Local Authorities we are working to deliver a range of programmes to improve the connectivity, infrastructure and business governance of the region

5. **Implications**

5.1 There are no direct implications as part of this report

6. **Monitoring Arrangements**

6.1 The CCRCD Annual Business Plan 2019/20 will be monitored on a quarterly basis by the Regional Cabinet and six monthly reports will be presented to the Blaenau Gwent Scrutiny and Council meetings.

Background Documents /Electronic Links

- *Appendix One - CCRCD 2018/19 Quarter 4 Performance Report*
- *Appendix Two – CCR Industrial and Economic Plan*

