



18 FEBRUARY 2019

2018-19 ANNUAL BUSINESS PLAN - QUARTER 4 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM: 6

Reason for this Report

1. To inform key stakeholders, principally, Regional Cabinet and also, Wales and UK Governments of the Quarter 4 reporting position against the 2018/19 City Deal Business Plan, thus discharging the reporting requirements of the Assurance Framework and providing a comprehensive overview of progress.
2. To provide regional Cabinet with an update of actual expenditure and projected full year out-turn as at Quarter 4 against the approved Wider Investment Fund budgets as set out in the Annual Business Plan for the financial year 2018/19.
3. To recommend that Regional Cabinet approve the Quarter 4 report, which has been seen and informed by Wales and UK Governments, in order for formal submission to government partners.
4. To note the continued changes to the format, structure and shape of the report, in order to provide a 'balanced scorecard' approach in order to provide a consistent, concise and coherent means of evaluating and monitoring performance and progress.

Background

5. Regional Cabinet approved its 2018/19 Annual Business Plan at its meeting on the 26th March 2018, which included details of the Wider Investments Fund budgets for that year. The report also provided an overview of the key work streams that would need to be progressed during the year.
6. At its meeting of the 18th June, Regional Cabinet received 2018/19 Work Programme, which provided details of the tasks and activities required in the coming year to address the requirements of the Joint Working Agreement and the Assurance Framework. That programme of work was accepted by Regional Cabinet as the Work Programme for the 18/19 financial year, and allowed the required resources to be identified and for progress to be monitored by the Regional Cabinet.
7. That Work Programme also forms the basis of the Quarterly Performance Monitoring Reports which are issued to the UK and Welsh Governments. Changes have been made to the structure, format and shape of the Performance report in order to:

- Situate plans, actions and priorities in the context of the targets that City Deal is required to deliver against;
 - Reduce extraneous information volume; place a clearer emphasis on delivery and provide a one page overview of headline issues and progress;
 - Provide a high-level account of strategy and 'direction of travel' alongside assurance on matters relating to Finance, Risk and Assurance;
 - Set out the key priority areas and activities guiding key interventions under the headings of Programme Delivery; Partnerships; Communications & Reach; Influence & Engagement and required Actions; and,
 - Demonstrate strength in the pillars underpinning delivery of City Deal around Culture, Capacity and Leadership.
8. In September 2018, the ten point plan to evolve the City Deal, in the light of new challenges and opportunities, was implemented. In the intervening seven to eight months, huge strides forward have been made in 2018/19, the most notable of which include:
- The undertaking of comprehensive **sectoral analysis** by Prof Max Munday at Cardiff University, which has established a clear evidence base, knowledge of key sectoral strengths and priorities and potential for comparative advantage. Coupled with this has been success in securing two KESS PhD studentships to develop the CCR data competency and dashboard facility and two MSc Data Science students who will join the team for the summer to work on specific projects;
 - The first city region in UK Government's City Deal Cohort 2 participants to have a full and agreed **Locality Evaluation Framework** in place. We have also received our first (of three) Baseline Report from National Evaluation Panel, Consortium Lead, which will inform the Gateway Review process in 2021.
 - Industry-led leadership of CCR's first **Economic and Industrial Growth Plan** which sets out priority sectors for intervention, signals the importance of inclusive economic growth and commits to growing eco-systems and industrial scale clusters. The Plan was launched in three locations (Caerphilly, London and Cannes) to a diverse audience of investors, businesses, public bodies, community organisations and academic institutions
 - The development of the **Investment and Intervention Framework** in close collaboration with the Regional Economic Growth Partnership in order to complete the Assurance Framework; establish three funds for priority intervention (Innovation, Infrastructure and Challenge) and set out the way in which City Deal intends to do business through the principles of 'evergreen', co-investment and challenge-led approaches
 - Extending **reach and influence** – developing closer links with Innovate UK through co-investment; UKRI Board through membership of the WG Science Advisory Council, links with the Royal Society and the Wales Government's London Office; the UK2070 Commission and, stepping up substantially social media reach and press reports, marketing activity and creating the CCR brand and reaching new audiences and investors through keynote addresses at scores of conferences, events and networks
 - **Accelerating delivery:** successful notification of SIPP ph 1 for the Compound Semiconductor Cluster; development of medical tools and diagnostics bid for Wave

2 SIFP; development and launch of CCR Graduate Scheme, approval of the case for Metro Plus and the energy, skills and digital model to support it (Low Vehicle Emissions, on-site renewables and Electric Vehicle Infrastructure). Two successful SBRI bids and three successful Govtech bids as well as the initial procurement work on a Housing Catalyst Fund. CCR has also received successful notification via WEFO for its first stage submission under the Institutional Capacity Call for a Public Services Testbed

- **Progress against targets:** with the first investment made by City Deal in the CSC Foundry, 60 new high-skill jobs have been created and recruited to, with a further 55 in progress in the CSA Catapult Centre. According to the UK Competitive Index 2019, Cardiff Capital Region is the second most improved region in competitiveness terms and ONS figures published on workplace analysis through the Annual Population Survey (April 2019) shows there are now c700,000 jobs in the Cardiff Capital Region.
- Establishing the **City Deal Office** with a new base in Tredomen, agreement of a new fit for purpose resourcing plan and the development of expertise, resources and assets across multiple partners, collaborations and networks
- **Strengthening the back office** – City Deal budget is on target; performance monitoring is consistently demonstrating key points of progress; the local evaluation framework is agreed; the Annual Governance Statement is in place as well as a comprehensive Risk Register and regular reports and updates are made to government colleagues and partners
- **Withstanding key governance tests** - City Deal has committed to developing a Strategic Development Plan – a first regional land use framework – reported to Regional Cabinet on 10 June 2019.
- **Internationalisation** – a good deal of focus has been spent on building the brand and developing a profile through engagement in shaping Wave 3 of Ser Cymru, launching the Industrial Growth Plan at Wales in London Week and participating in MIPIM 2019. Added to this are the developing links with the South West of England and membership of GW4
- **Building a region** – City Deal as seen against the backdrop of new challenges and tests takes on a greater significance. Beyond delivering a funding programme, developments such as Brexit and the loss of EU funding means that City Deal is our key means through which to build a sustainable, resilient and more self-reliant future for the region. In this respect, City Deal has started to carve out new principles and ways of working (co-investment, evergreen and challenge led investment) the practice for which is being sought after and replicated by others. CCR officers are in knowledge transfer discussions with several other City Deals ongoing across all parts of the UK.

9. It should be further noted that these changes and the furtherance of the above outcomes has now been embedded as part of the new Annual Business Plan for 2019/20 and reporting requirements will therefore be aligned with this consolidated approach from April 1st 2019. The detail ordinarily contained within this report is now set out in the attached appendices:

- Appendix 1: CCR City Deal Quarter 4 Performance 'Balanced Scorecard'
- Appendix 2: CCR City Deal Quarter 4 detailed Work Programme Update
- Appendix 3: AGS Quarter 4 Update (containing the Risk Log)
- Appendix 4: Internal Audit Action Plan
- Appendix 5: Wider Investment Funds Budget Quarter 4 Update

- Appendix 6: Wellbeing of Future Generations Assessment

Legal Implications

10. The report sets out the Quarter 4 performance and is submitted to Regional Cabinet for consideration pursuant to the reporting requirements within the Cardiff Capital Region City Deal Assurance Framework. As regards individual projects referred to in the Work Programme, then legal advice on those projects will be reflected in the relevant reports as and when such matters are reported to Regional Cabinet.

Wellbeing of Future Generations

11. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:
 - (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and
 - (c) the Well Being of Future Generations (Wales) Act 2015. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals.
12. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.

13. 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 6.

Financial Implications

14. Regional Cabinet approved its 2018/19 Annual Business Plan and the associated budgets at its meeting of the 26th March 2018. Appendix 5 provides an update as at Quarter 4, which in summary indicates:

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

15. 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.
16. 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.

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

17. Due to changes in the project's programme of work, there is slippage of £1,381,600 (or 10.1%) against the CSC Foundry Ltd's approved capital budget. Based on the revised programme, this amount is expected to be drawn down and fully utilised in 2019/20.

2018/19 In-Year Project Approvals

18. The 2018/19 Annual Business Plan contained uncommitted revenue and capital resources of £1.000 million and £4.015 million respectively. These resources were put in place to provide Regional Cabinet with a level of flexibility to approve additional sums during the year in the event that In-Principle and/or emerging projects found themselves in a position to be allocated approved project funding during 2018/19.
19. On 17th December 2018, Regional Cabinet approved the CCR Graduate Scheme with an indicative 2018/19 budget requirement of £31,450 to be funded from the revenue resources set aside in the 2018/19 Business Plan. As at the 31st March 2019, £7,034 had been spent against this budget, with the remaining £24,416 being carried forward to fund costs which will now be incurred in 2019/20. There were no other revenue resource commitments identified during 2018/19.
20. As outlined in previous monitoring reports, no in-year capital resource requirements have been identified during 2018/19. Given the current status of the Project Delivery Pipeline, Regional Cabinet at its meeting of the 18th February 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. It is normal practice to include projections (at

a point in time) within future year budgets, which are then subsequently updated to reflect the final out-turn position, once this has been established.

21. Regional Cabinet should note that the 2019/20 Annual Business Plan (ABP) incorporates the positions outlined above, to the extent these impact on budgets incorporated within the ABP. It is normal practice to include projections (at a point in time) within future year budgets, which are then subsequently updated to reflect the final out-turn position, once this has been established. Any material changes will be reported to Regional Cabinet as part of the regular budget monitoring reports.

RECOMMENDATIONS

22. It is recommended that the Cardiff Capital Region Joint Cabinet:
 1. Note the overall progress at Quarter 4 2018/19, including the budget position reported at Appendix 5 and approve that where relevant, the 2019/20 Annual Business Plan budgets will be prepared on the basis of the projections reported at this time
 2. Consider and if deemed acceptable, approve the Quarter 4 performance report
 3. Authorise th Director of the Cardiff Capital Region City Deal to formally submit the Quarter 4 performance report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet.

Kellie Beirne
Director, Cardiff Capital Region City Deal
10 June 2019

Appendix 1	CCR City Deal Quarter 4 Performance 'Balanced Scorecard'
Appendix 2	CCR City Deal Quarter 4 detailed Work Programme Update
Appendix 3	AGS Quarter 4 Update (containing the Risk Log)
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CCR CITY DEAL QUARTER 4 PERFORMANCE – MAY/JUNE 2019

GOOD GROWTH SUPPORTING & DELIVERING 5% GVA UPLIFT, 25K NEW JOBS & £4BN LEVERAGE

STRATEGY & DIRECTION

- CCR competitiveness analysis produced
- Industrial and Economic Growth Plan launched and published
- X4 reports commissioned and underway to inform long-term energy planning around sustainable transport (Metro Plus)
- Written/verbal evidence given to EIS Committee on RSPs in March 19
- Draft final version of the Intervention and Investment framework produced and awaiting decision (June 2019)
- Work nearing completion (May 2019) on Skills for Future, Strategic Sites and Premises and Digital Framework & procurement of Housing Fund
- Strength in Places – phase 2 ‘seed’ approval notified
- Work commissioned to inform a Clean Growth mission for CCR
- Framework and governance arrangements for SDP agreed in principle
- CCR response to WG proposals for creation of Joint Transport Authorities

FINANCE & ASSURANCE

- Three meetings held of CCR City Deal Overview and Scrutiny meeting now held and external training session delivered, with an agreed annual work plan in place
- Investment and Intervention enhancements to governance suggested by Investment Framework (establishment of Investment Panel and refreshed Programme/ CEX Board) underway
- Work on the Investment Fund to be translated into a supplemental and business friendly Assurance Framework by Local Partnership – underway with Metro Plus SOP as first test case
- Work on Metro Plus ‘Common Assessment Framework’ underway
- Production of consolidated Statement of Accounts underway
- Financial reporting for Q4 – posted and on budget
- Outturn report – awaiting approval (June 2019) and containing comprehensive Annual Governance Statement and updated Risk Log
- Agreed Local Evaluation Framework for SQW ‘one year out’ report to inform Gateway Review – awaiting formal approval (June 2019)
- 2019/20 Cabinet and Partnerships planner produced and operational

PROGRAMME PIPELINE & DELIVERY

- Draft project pipeline in development to underpin Investment framework
- Strategic Outline Programme approved for Metro Plus – programme management underway and all relevant supporting studies commissioned
- Graduate scheme operational with staff appointed and all promotional material underway
- Procurement of Housing Catalyst Fund underway
- Business case production for Strength in Places CS Cluster bid underway with economic analysis commissioned for submission in Sept 2019
- Work underway on Strength in Places 2 for CCR bid on Medical Tools and Diagnostics
- CSA Catapult co-located with CSC Foundry May’19 with 5 year business plan and budget in place
- Outline submission to WEFO ‘Building Institutional Capacity’ for Public Services Testbed
- LFFN submission revisions pending with agreement to work with WG on a regional scheme
- Interest expressed on £400m EV scheme, transport SBRI & 2 successful SBRI for Bridgend (energy) and Monmouthshire (food security)
- Torfaen successful Govtech bid addition to Monmouthshire
- Scheme proposal CS Cluster received

PARTNERSHIPS

- Regional Economic Growth Partnership:
- Regional Industrial Plan launched in Caerphilly, London and Cannes
 - Formation of Investment Panel
 - Secured PhD studentships to inform data insight & foresight
 - Commitment for bi-annual reports secured from Board of UKRI
 - Assistance to Swansea Bay CD
 - Secured speaking slot at CBI Spring event
 - Institutional Investor meetings lined up
 - Dinner with Ian Campbell and IUK – co-investment and delivery
- Regional Business Council:
- Sectoral groups now established
 - Communications plan established
 - Post MIPIM event planned for 1 May
 - New member appointment process
 - Roundtable event with BSA
 - Business Plan prepared and awaiting approval – June 2019
- Regional Skills Partnership
- Q2 performance report approved
 - Scheme developments on STEM & hard to reach young people underway
 - Stakeholder workshops held and evidence to EIS Committee
 - Planning for a youth regional forum
- RTA:
- SOP approved for Metro Plus
 - Response to JTA consultation

COMMUNICATIONS, MARKETING & REACH

- Press: Coverage has increased significantly, from 7 pieces in Q3 to 46 in Q4. Direct coverage by CCR has quintupled from Q3-Q4
- Website: Website has received more traffic – 2,000 clicks up on Q3
- Website: Overall page views has increased by 10,000 from Q3-Q4
- Website: Biggest news story: 50m Metro Plus Plans
- Social Media: 13% increase in followers; number of posts from CCR City Deal account has tripled, & there are more frequent posts (328% increase)
- Social Media: More engagement, which has quintupled and was over 10K in Q4
- Website: 4803 overall visitors & page views 18869
- Twitter: 2565 followers
- Twitter: 346.9k impressions
- Twitter engagement: 10,773
- City Deal featured in top 20 Women in Business and Wales’ most influential women (Western Mail)
- MIPIM coverage report appended to MIPIM Report

INFLUENCE & ENGAGEMENT

- CCRCD keynote speeches/ inputs to:
 - Various keynotes and panel contributions at MIPIM 2019
 - Science Advisory Council for Wales
 - UKRI Meeting with Cardiff University and Rebecca Endean
 - CS Connected
 - Royal Society events on net zero carbon and 2.4% R&D target
 - Study trip Belfast 2019 – invite received
 - Innovation Point Board, Caerphilly CBC & Monmouthshire CC
 - National Infrastructure Commission
- Commitment from UKRI Board members to provide bi-annual updates from UKRO direct to REGP
- Representation on Regional Investment Panel, Valleys Taskforce, Foundational Economy Advisory Group
- Selected to run Wales event on UK Commission 2070
- Request for City Deal to take on lead responsibility for Valleys Taskforce Regional Park programme

ACTIONS PENDING

- Operationalise Innovation and Investment framework with all related governance enhancements
- CCR MIPIM Launch 2020
- Compete all outstanding commissions to further the delivery programme – skills, energy, digital and housing and sites and premises
- Comprehensive proposals pending on SIPF 1 & 2 Compound semi-conductors and medical tools and diagnostics
- Respond to formal Shared
- Clarify position on top slice of Wider Investment Fund for resource and capacity investment – proposal now awaited
- Clarify position on treatment of leverage in the Gateway Review and target revision
- Focus work of s151 group on making progress with wider fiscal programme and measures - NNDR
- Production of Investment Prospectus now in train along with Investment Guidance and Manual
- Launch CCR Energy Mission
- Launch CCR Foundational Economy Challenge

KEY ACTIVITIES

CULTURE, CAPACITY & LEADERSHIP

- PhD KES studentships to commence in May 2019
- Additional support secured for expert programme management
- Prince2 Training for all City Deal Office staff
- Challenge prize training – delivered
- Knowledge development: KTN and bi-weekly team briefings
- CCRCD role in assessing current round of SBRI Accelerator bids
- CCRCD Director appointed to Chief Scientific Adviser’s Panel Wales

Cardiff Capital Region City Deal Work Programme 2018-19
Evolving our City Deal – Areas to Shape Emerging Regional Plan and Approach

(1) DATA RICH – EVALUATION READY

To address the issue of low levels of data insight and foresight and to ensure we have a robust baseline from which track progress and key advancements	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Commission sectoral analysis and an overview of competitiveness as regional and place level 		Work underway	First report due in Dec 2019	Final report received and embedded into Economic and Industrial Growth Plan
<ul style="list-style-type: none"> Commission work on a data dashboard to provide a portal that brings together and makes sense of data sources that are relevant to tracking and telling the story of the region 			Commissioned and due in Q2-3 2019/20	Underway and expected in Q2 2019/20
<ul style="list-style-type: none"> Adopt the National Evaluation Framework and work with SQW to develop the local evaluation frameworks, logic models and plans to inform the work needed for the Gateway review 		Report approved by Cabinet in Sept 2018		Local Evaluation Framework fully agreed – awaiting cabinet approval
<ul style="list-style-type: none"> Action in conjunction with SQW, the first set of stakeholder surveys and interview to inform the work needed for the Gateway Review 		Preparation work underway	Phase 1 to be completed	Completed
<ul style="list-style-type: none"> Secure investment through the KES Studentship scheme for PhD student to join the City Deal Office to inform and develop data capacity and competency 			Secured with start date of April/ May 2019	

To address the issue of low levels of data insight and foresight and to ensure we have a robust baseline from which track progress and key advancements	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Complete the work commenced by Data Cymru on the Regional Skills database 			Completed	Now being amalgamated with sectoral analysis work

(2) SETTING OUR STALL OUT – REGIONAL INDUSTRIAL STRATEGY / PLAN

To set out our core competitive strengths and have a key means of engaging with the WG Economic Action Plan and the UK Industrial Strategy	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop context to the JWA five year business plan 			Draft complete	Cabinet approval in Feb '19 launched in Caerphilly, London and Cannes
<ul style="list-style-type: none"> Set out core competitive and sectoral strengths and demonstrate synergies with Four Grand Challenges & priorities featuring in the Economic Action Plan 			As above	As above
<ul style="list-style-type: none"> Work with Welsh and UK Government to respond to the Local Industrial Strategy guidance and provide the first Industrial Strategy in Wales 			Opportunity set out in Cabinet Report Dec 2018	Agreement reached with WG to produce single economic framework for region
<ul style="list-style-type: none"> Demonstrate increased number of submissions into the Industrial Strategy Challenge Fund 			Submissions made to: Energy Revolution	Notification of successful phase 1

			SIPF Stations of Future	SIPF for CS Connected. Final submission underway. Second submission into SIPF 2 underway for Medical Tools
<ul style="list-style-type: none"> Convert the core elements of the Industrial Strategy/ Plan into a CCR Investment Prospectus and to be ready for MIPIM in March 2019 				1 st draft

(3) DELIVERY PIPELINE 'ECO-SYSTEM'

To develop the tools needed to enact robust assessment and decision-making in line with our key targets (GVA, jobs and leverage) and to monitor delivery against current work streams and projects	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Develop an integrated project pipeline document to be monitored and assessed by Regional Cabinet and informed by the REGP by end of 2018/19 			Work has commenced	To be completed in line with IIF
<ul style="list-style-type: none"> Develop and bring forward for approval by UK Govt, Wales Govt and CCR Cabinet, a new Investment and Intervention Framework and the establishment of three sub-funds to establish the criteria and evaluation tools for investment decision-making 			Work has commenced and Local Partnerships commissioned	Awaiting cabinet approval
<ul style="list-style-type: none"> Once approved, launch the three funds in early 2019 – Regional Infrastructure Fund, Challenge Fund and Innovation Investment Fund 				Q1 & 2 2019/20
<ul style="list-style-type: none"> Preparation of the Annual Business Plan for 2019/20 				Completed & approved in Feb '19

KEY PROGRAMMES (lifted from Annual Business Plan)			
<p>Regional Skills Partnership</p> <ul style="list-style-type: none"> • Redesign LSKIP to become CCR Employment and Skills Board • Plan delivery of WG contractual requirements • Develop a CCR Employability Plan <p>Skills for the Future</p> <ul style="list-style-type: none"> • To produce the Outline Business Case • To produce a full business case by August 2018 • To initiate phase 1 delivery <p>Connecting the Region</p> <ul style="list-style-type: none"> • RTA Meetings to take place quarterly with progress reports to Joint Cabinet • Finalise consultation on Regional Transport Plan • Secure agreement of all 10 Councils for Regional Transport Strategy • RTA to oversee development of Metro Plus scheme • To prepare a programme business case for Metro Central in Cardiff Central Square and Business District <p>Digital</p> <ul style="list-style-type: none"> • Secure project development support to design proposals for regional digital infrastructure 		<p>Reg Skills Partnership – now to be Transferred to NCC, Skills lead</p> <p>Q1 submitted and feedback received</p> <p>Re-worked bus case underway. Nesta commissioned. Graduate scheme for approval to Regional Cabinet Dec '18</p> <p>Complete Underway</p> <p>Underway</p>	<p>CITB secondment in place</p> <p>As above</p> <p>Underway under auspices of RSP</p> <p>Prog of quick wins underway Graduate Scheme approved and operational</p> <p>Nesta report due in Q1 2019/20</p> <p>Metro Plus SOP approved Feb '19 Cabinet and scheme development underway. Update pending Metro Central</p>

<ul style="list-style-type: none"> • Prepare a development plan business case for digital infrastructure OBC • To report to Regional Cabinet to progress • Sign up to Open Data Licence <p>Housing Investment Fund</p> <ul style="list-style-type: none"> • Secure project development support to enable design and development of proposal • To prepare and develop business case • To report to regional Cabinet on progress in forming a Fund and comply with Assurance Framework to secure investment alongside WG <p>Strategic Sites and Premises</p> <ul style="list-style-type: none"> • Identify agreed list of strategic sites • Prioritise into short/med/long terms opportunities with WG • Explore sources of investment and report findings • Explore potential for a Regional Development Fund supported by WG and City Deal • Establish a strategic property register • Identify sources of investment for sites and premises redevelopment and development <p>Visitor Economy</p> <ul style="list-style-type: none"> • Produce regional visitor economy plan and for Regional Cabinet agreement • Review constitution of Destination Management Group • Identify and secure opportunities for delivery against the Plan • WG resources and City Deal resources to be aligned for delivery in CCR <p>Energy</p>			<p>Underway OBC in draft and consultation day with EGP 12.12 Completed</p> <p>Business case underway with Dev Bank</p> <p>Phase work identified key sites and premises agreed with WG. Phase 2 work commissioned Work handed over to City Deal office</p> <p>Draft Plan produced Update to Regional Cabinet in Dec 2019</p>	<p>Revision work to Digital framework underway – contained in ABP 2019/20</p> <p>Discussion commenced with WG re: regional infrastructure plan and trunk road opportunity</p> <p>Procurement advert devised – report to Cabinet Q1 2019/20</p> <p>Interim report on Phase 2 work due in May 2019</p> <p>Site list and data visualisation to be complete</p> <p>To be completed. Interim report is ready</p>
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<ul style="list-style-type: none"> Identify regional investment opportunities in key renewable energy schemes, industrial energy management and manufacturing technologies Identify and secure potential resources Regional sustainable energy plan <p>Urban Renewal</p> <ul style="list-style-type: none"> Develop proposals that revitalise town centres and urban locations Identify all sources of funding to enhance centres and towns and opportunities for job creation and secure TRI <p>Innovation & Entrepreneurial Activity</p> <ul style="list-style-type: none"> Support meetings of RBC and report recommendations to regional Cabinet and investment support for proposals Secure project development support for the Technology Venture Capital Fund and secure investment support and decision through partners and Assurance Framework Report progress on National Software Academy and development of National Cyber Academy Public Services testbed to be rolled out and developed Support and develop internationally renowned CSC Cluster Support CSC Foundry Ltd and development of Foundry 			<p>Local Partnerships pro bono input Stations of Future submitted X two Energy Revolution schemes secured</p> <p>TRI proposals secured Bi-monthly TRI meetings</p> <p>MIPIM report supported 09.18 Superseded by Investment Framework Not relevant at this time</p> <p>SIPF bid submitted</p>	<p>Energy workshops held March and April 2019. Clean Growth mission work underway – as per ABP 2019/20</p> <p>2018/19 TRI schemes underway with 90% spend on target</p> <p>Ongoing. Tech fund incorporated into IIF</p> <p>EOI to be submitted to WEFO</p> <p>SIPF – notification and seed award secured</p>
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(4) CONSOLIDATED & EFFECTIVE 'GOOD GOVERNANCE'

To establish a streamlined effective 'good governance' that utilises the full range of talents, skills and assets available to City Deal	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop the detailed 'Evaluation Criteria, Methodology and Weightings' along with a range of 'practical, user-friendly guidance notes' which support the Assurance Framework that demonstrates we are open for business and the way in which that business will be conducted 			Under-way	Awaiting approval
<ul style="list-style-type: none"> Re-visit the number, variety, composition and frequency of the plethora of groups, partnerships and fora developed to support City Deal and streamline, consolidate and schedule into an appropriate and supportive governance network by end of Quarter 4 				Incomplete – ABP 2019/20
<ul style="list-style-type: none"> Transfer the 'host' authority status for the Regional Skills Partnership to lead body, Newport City Council 			Transition period in effect	Complete
<ul style="list-style-type: none"> Put in place arrangements for transitioning Lead Authority responsibility for CSC Foundry Ltd during 2019/20, including meeting all statutory requirements. 				Underway
<ul style="list-style-type: none"> Develop and monitor a concise and coherent Risk Register and complete work around City Deal wider Risk Environment 			Actioned	Risk register in place and shared with WAO
<ul style="list-style-type: none"> Develop and implement a comprehensive Annual Governance Statement 			Actioned	Actioned and 2018/19 update pending
<ul style="list-style-type: none"> Quarterly Financial Monitoring Reports to Regional Cabinet, Welsh Government and UK Government 			Actioned	Actioned
<ul style="list-style-type: none"> Develop a new Future Generations/ Sustainability Assessment to demonstrate that all decisions are foregrounded in FG considerations 			Actioned	

<ul style="list-style-type: none"> Actively contribute to and develop presence and profile at UK Govt Steering Group Meetings, Pan-UK Implementation Panel and all relevant cross-government partnerships 			Actioned	Actioned
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(5) DEVELOP CITY DEAL INFLUENCE, PROFILE & VISIBILITY

To establish the profile and visibility of the City Deal and City Region with key decision-makers, investment sources and the people and organisations who can help grow our high potential ideas	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Address full range of external partnerships, events, investment community and others to develop understanding of the purpose and profile of CCR 		City Deal input at 5 events	City Deal inputs to 20 events	15 events supported and attended
<ul style="list-style-type: none"> Develop relationship with UKRI and Innovate UK through direct interaction, University-led partnerships and input into key policy and strategy development 			CCRCD on GW4 Partnership	Support for Royal Society events and CSA Panel
<ul style="list-style-type: none"> Further develop relationship with WG and regional working structures and strategies 			Director appointed to CSA Council	Appointment to Reg Inv Panel
<ul style="list-style-type: none"> Develop role of REGP as industrial figure-heads supporting CCR and CCRCD 			REGP lead on Industrial Plan, data & investment framework	Invite to support Swansea
<ul style="list-style-type: none"> Obtain a seat for CCRCD at UKRI level by 2021 			ongoing	On-going

(6) CREATE 'OFFICE OF CITY DEAL'

Develop a professional, efficient and sufficiently resourced City Deal Office capable of driving and delivering step change in the region

	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Define and make a case for the capability and capacity needed to underpin delivery with a Resourcing Plan bringing forward for decision in January 2019 			Early thinking developed	Restructure & Resourcing Plan approved and recruitment underway
<ul style="list-style-type: none"> Develop branding and marketing required to establish the City Deal core identity and brand and value proposition 			Prototype designs established	Plans on track in Readiness for MIPIM 2019 and all branding in place
<ul style="list-style-type: none"> Establish a new CDO presence at the Innovation and Technology Centre in Tredomen with a clear 'front of house' provision 			CDO move date 10 Dec	Complete
<ul style="list-style-type: none"> Launch the new City Deal website 			Completed	Complete
<ul style="list-style-type: none"> Develop a comprehensive Communications plan and set targets for reach, profile and sentiment assessment 			Draft developed	ongoing
<ul style="list-style-type: none"> Develop a targeted social media campaign 				Ongoing – significantly improved results reported in Q4

(7) REFOCUS ROLE OF INDUSTRY & ENHANCE LOCAL LEADERSHIP

To demonstrate City Deal is enabled and overseen by strong local leadership alongside strong and vibrant industrial leadership	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop a challenge-led approach which focuses on Regional Cabinet’s approach and commitment to understanding and solving big problems in region 			Part of Investment Framework - underway	Part of Investment Framework – awaiting approval
<ul style="list-style-type: none"> Develop the ‘good growth’ proposition and articulate ambitions for growth that is sustainable and inclusive 			Part of Comms Plan - underway	Embedded in strapline & dedicated post and role
<ul style="list-style-type: none"> Work with Regional Business Council to establish the 2018/19 Business Plan to articulate their priorities and key activities to engage and involve the business community 			For decision Dec 2018	Underway – Q1 2019/20
<ul style="list-style-type: none"> Support the increasing profile and growing programme of work of the Regional Economic Growth Partnership 			Industrial Plan, data and investment framework	Underway – plan for 2019/20 produced
<ul style="list-style-type: none"> Develop and submit proposal to WEFO for building Institutional Capacity – Public Services testbed 			underway	Completed

(8) CHALLENGE FOCUSED & MISSION-LED

Growing our ability to secure investment on a competitive basis	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop a challenge-fund to align with UKRI and UKIS 4 Grand Challenges 			Underway as part of investment	Draft produced and Challenge Prize Centre

			framework work	training delivered. Discussion with WG re: collective challenge prize on Foundational Economy
• Secure co-investment commitments from Innovate UK and WG			Proposal paper to be developed by InnovateUK	In principle agreements
• Document learning from successful SBRI and GovTech work				Commenced through SBRI Accelerator
• Engage with work of Nesta's Challenge Prize Centre			Contact established	Completed
• Develop competency around Open Data and Open Data-led projects and propositions through the Digital OBC work				Commenced through SBRI Accelerator
• Secure UKRI resources in 5 major investment programmes in 2019/20				ongoing

(9) INTERNATIONALISM & COMPETITIVE ADVANTAGE

To grow the global reach and profile of CCR and CCRC and develop and market our comparative advantage	Q1	Q2	Q3	Q4
• Produce Investment prospectus by March 2019 for MIPIM that promotes both the region's liveability and investability				Draft produced

<ul style="list-style-type: none"> Promote region at MIPIM 2019 and work with Dept for IT to promote regionally significant scale projects and propositions in its Prospectus and take-up Panel opportunities 			Contact established and drafts in development	Complete
<ul style="list-style-type: none"> Support and sponsor Wales Week in London 2019 			Confirmed	Launch event successful in for 28 Feb & at Cannes in March 2019
<ul style="list-style-type: none"> Develop links with the Vanguard and Manumix and the wealth of Knowledge Transfer Partnerships & programmes, bringing global great practice into the region 			KTN participation with Innovate UK	Underway through WG Innovation
<ul style="list-style-type: none"> Promote our commitment to sustainable development through more targeted activity with public purpose organisations – Bcorps, Co-ops and employee-owned organisations and through a commitment to the Circular Economy 			Yet to progress	ABP 2019/20

(10) TOWARDS A MORE SELF-RELIANT CARDIFF CAPITAL REGION

To develop City Deal alongside other means and mechanisms for reducing dependency and increasing regional economic self-reliance	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop a plan to systematically explore, test and implement full range of fiscal powers and incentives – NNDR, Tax Increment Financing, Retail and Institutional Investment etc 			Yet to progress	Meeting sought with HMT and TIF Law Company
<ul style="list-style-type: none"> Develop, approve and implement Investment and Intervention Framework in order to target approach to investment leverage 			Underway	Awaiting approval
<ul style="list-style-type: none"> Identify the appropriate junctures at which to explore and develop the opportunities that currently sit outside of City Deal in order to begin bringing about greater coherence and clarity to the areas in which there is agreement to act as a region 			Progress with Regional Skills	Agreement in principle on SDP process

			Partnership and SDP	and governance
<ul style="list-style-type: none"> Develop inter-regional links and connections and identify areas in which collaboration to enhance competition will best serve CCR 			Input into Severnside Summit	Informing recent discussion on sub-regional brand and leadership

Appendix 3: AGS Action Plan – Quarter 4 Update

Table 1 below outlines the baseline position that was included in the audited version of the 2017/18 Statement of Accounts. As part of the preparation of the Annual Governance Statement (AGS), twenty assurance statements were assessed as demonstrating a strong, moderate or limited level of assurance (shown as red, amber and green respectively). Table 1 shows the distribution of ratings assigned to the twenty assurance statements, and outlines agreed actions required.

Table 1: Baseline Position (2017/18 Audited Statement of Accounts)

	Assurance Statement	Suggested Action	Responsible Officer/s	Review Period	Mechanism for Review
	Statements: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20	Periodic review of Good Practice Assurance Statements undertaken during the year.	Programme Director, s151 Officer, Monitoring Officer & CEXs	6 monthly	Half-year review of AGS
1	Codes of conduct exist and are effectively communicated	Clarity needed on the applicability of Policies and Procedures outside of those explicitly outlined in the JWA The need to correctly document the employment arrangements in place is paramount. HR (Accountable Body) to advise, with any non-compliance escalated to CEXs via Programme Director	Programme Director with advice from Accountable Body	Quarterly	Progress against action monitored and reported on a quarterly basis
2	We ensure compliance with all relevant laws, regulations and internal policies	Need to remind City Deal partnering authorities of the Governance Protocol approved by the Joint Committee in relation to the decision making framework	Programme Director / CEXs	Quarterly	Progress against action monitored and reported on a quarterly basis
3	We are committed to openness and acting in the public interest	It is recognised that the arrangements for Welsh Language need to be more visible and therefore, need to be strengthened.	Programme Director with advice from Accountable Body	Quarterly	Progress against action monitored and reported on a quarterly basis
14	We have mechanisms to review the effectiveness of our framework for identifying and managing risks	Programme Director to lead on putting in place the appropriate arrangements in respect of Strategic Risk Management	Programme Director	Quarterly	Progress against action monitored and reported on a quarterly basis

Table 2 tracks quarterly updates against the baseline position through the financial year 2018/19, with progress being reported to Regional Cabinet as part of the Quarterly Performance Reports.

Table 2: AGS Action Plan Progress Overview Table - Qtr 4 RAG assessment

Assurance Statement		Q1	Q2	Q3	Q4
1	We have and effectively communicate codes of conduct to define standards of behaviour for members and staff, and we have policies for dealing with whistleblowing and conflicts of interest.				
2	We ensure: a) Compliance with relevant laws and regulations, b) Compliance with internal policies and procedures, and c) that expenditure is lawful.				OA
3	We are committed to openness and acting in the public interest.				OA
4	We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.				OA
5	We have developed and communicated a vision, which specifies intended outcomes for citizens and service users, which is used as a basis for planning.				
6	We have translated the vision into courses of action for our function, its partnerships and collaborations.				OA
7	We have mechanisms in place to review the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.				OA
8	We measure the performance of services and related projects and ensure that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.				
9	We have defined and documented the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.				
10	Our financial management arrangements conform to all relevant legislative and best practice requirements.				
11	We have effective arrangements in place to discharge the monitoring officer function.				
12	We have effective arrangements in place to discharge the head of paid service function.				
13	We provide relevant induction training and have mechanisms in place to identify the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.				
14	We have mechanisms to review the effectiveness of our framework for identifying and managing risks and performance and for demonstrating clear accountability.				OA
15	We ensure effective counter fraud and anti-corruption arrangements are developed and maintained.				
16	We have an effective scrutiny function in place.				
17	Our internal audit assurance arrangements conform to Public Sector Internal Audit standards and relevant best practice.				
18	We have arrangements in place for the delivery of the core functions of an audit committee.				
19	We provide timely support, information and responses to external auditors and properly consider audit findings and recommendations.				
20	We incorporate good governance arrangements in our partnerships and other joint working arrangements.				

OA – Outstanding Actions. Following the completion of a Status Review during Quarter 3, these assurance statements were identified as having actions identified, either to improve or to maintain the level of assurance provided.

Performance monitoring conducted at Quarter 4 indicated that of the twenty assurance statements, 17 were rated 'green', whilst 3 remained at an 'amber' rating.

There are 6 Actions ongoing where work towards achieving a higher level of assurance is being undertaken. These actions relate to the 'amber' statements outlined above, as well as a number of 'green' statements, in order to maintain and enhance the level of assurance provided. The position is summarised in below.

Updates on Agreed Actions – Qtr 4

Assurance Statement 2 – Amber rating	
<i>Statement</i>	<i>We need to ensure compliance with all relevant laws, regulations and internal policies.</i>
Agreed action	Need to remind City Deal partnering authorities of the Governance Protocol approved by the Joint Committee in relation to the decision making framework.
Update Qtr 4	<p>Cabinet briefing and meeting dates for 2019/20 are agreed and in place.</p> <p>However, further work required on developing the Regional Cabinet 'Forward Plan' and communicating this to relevant officers and stakeholders to ensure that draft reports are developed and circulated for advice and comment in a timely manner, allowing sufficient time for officer consideration and input. Therefore, the rating remains amber at this time.</p>

Assurance Statement 3 – Green rating	
<i>Statement</i>	<i>We are committed to openness and acting in the public interest.</i>
Agreed action	It is recognised that the arrangements for Welsh Language need to be more visible and therefore, need to be strengthened.
Update Qtr 4	<p>Cabinet agendas and minutes are produced in Welsh as standard and all other reports and items are available in Welsh upon request. This protocol is applied to all policies, strategies, plans and consultation papers etc. as mandated by regulation.</p> <p>Policies and procedures will be constantly updated to reflect the latest guidance and to ensure there is clarity regarding the services that are available in Welsh and accessibility is clearly visible to all.</p> <p>The action in respect of the 'Register of Members Interests' is now complete and the relevant link is included under each Cabinet Member's profile within the City Deal website.</p> <p>Regional Cabinet meetings are not held in fixed locations and it is our aim to hold meetings in a variety of locations</p>

	and venues across the region in order to maximise accessibility and opportunity across the region's geography.
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Assurance Statement 4 – Green rating	
<i>Statement</i>	<i>We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.</i>
Status review	<p>Clear channels of communication have been established with the community and other stakeholders, however, it is recognised that further work is required to build on this position and respond to any feedback that is received.</p> <ol style="list-style-type: none"> 1. A key channel of communication employed by the Cardiff Capital Region is its dedicated website. This is in the process of being relaunched to improve accessibility and navigation to ensure that the required information can be found quickly. 2. Work ongoing to develop further the working relationships and understanding with the Skills Partnership Board and the Regional Business Council.
Update Qtr 4	<p>Website relaunched to improve accessibility and navigation and to assist with information being located quickly. New Marketing & Communications post (once in place) will undertake an audit of the new website to assess the impact of the changes made to to-date.</p> <p>Develop further the working relationships and understanding with the Skills Partnership Board and the Regional Business Council.</p>

Assurance Statement 6 – Green rating	
<i>Statement</i>	<i>We have translated the vision into courses of action for our function, its partnerships and collaborations.</i>
Status review	<p>Approval of the Joint Working Agreement (JWA) 5 year Strategic Business Plan and Annual Business Plans translates the Cardiff Capital Region's vision into tangible actions. However, to assist with monitoring actual progress against these plans, the need to introduce a mechanism for establishing and monitoring Key Performance Indicators (KPIs) has been identified.</p> <p>As a minimum these KPIs will need capture progress against the key criteria such as:</p> <ol style="list-style-type: none"> (i) £4bn of private sector leverage; (ii) creation of 25,000 jobs;

	<p>(iii) 5% uplift in GVA in the region.</p> <ol style="list-style-type: none"> 1. Consideration will be given to the introduction of KPIs as part of the 2019/20 Annual Business Plan approval process. 2. Work is now being progressed on developing the Evaluation Framework, including application of the HMT five-case business model. This work will need to recognise that a sense of proportionality is required, and that the Councils may opt for an alternative approach for smaller projects. Whilst the five-case approach may be appropriate for certain projects, it does not naturally lend itself to all projects.
Update Q4	<p>Approved 5 year JWA Business Plan is in place with the 2019/20 Annual Business Plan being approved by Regional Cabinet during Qtr 4.</p> <p>Work is being progressed on developing the Investment & Intervention Framework and associated Toolkit, including application of the HMT five-case business model. This work will need to recognise that a range of approaches will need to be developed that are ‘proportional’ to the value, complexity, timescales etc. of the proposal being evaluated.</p> <p>Furthermore, whilst the five-case approach naturally lend itself to typical infrastructure projects, the work outlined above will also need to consider business case development approaches for non-infrastructure type projects e.g. those coming forward under the Challenge Fund.</p>

Assurance Statement 7 – Green rating	
<i>Statement</i>	<i>We have mechanisms in place to review the effectiveness of the decision making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.</i>
Status review	<p>The Joint Working Agreement (JWA) contains the appropriate mechanisms to review the effectiveness of the decision making framework.</p> <ol style="list-style-type: none"> 1. The 2019/20 Work Programme includes an action in respect of delegation arrangements. 2. Work is being progressed to establish a series of measures on the economic and social make-up and performance of the region, as well as a baseline against which future performance can be assessed. This sectoral analysis data will inform the Gateway Review process and facilitate more effective decision making, through a better understanding of the region’s strengths, and the opportunities which exist to

	<p>make strategic interventions that are likely to have the greatest impact. The first draft of the sectoral analysis report was received in January 2019.</p>
Update Qtr 4	<p>The 2019/20 Work Programme will be monitored in respect of the ‘delegation arrangements’ action.</p> <p>First ‘State of the Region’ report is due w/c 01/04/2019. The report will bring together the sectoral analysis work undertaken during the second half of 2018/19 and inform the economic baseline against which future performance can be measured and assessed. This will be key to inform decision making going forward.</p> <p>REGP to formally consider the report during Qtr 1 2019/20. It will be important to ensure continuity of this workstream and provide regular update reports going forward. Bid submitted to KESS for PHD student support to assist with continuing this work over the medium term.</p>

Assurance Statement 14 – Amber rating	
<i>Statement</i>	<i>We have mechanisms to review the effectiveness of our framework for identifying and managing Risks.</i>
Agreed action	Programme Director to lead on putting in place the appropriate arrangements in respect of Strategic Risk Management.
Update Qtr 4	<p>A ‘Risk Register’ has been in place since the latter part of 2018/19 and work now needed to develop the wider Risk Management Strategy, including an assessment of the risk environment, appetite, monitoring and escalation processes.</p> <p>The Programme Director is in the process of implementing the City Deal Office restructure approved by Cabinet. Once in place, this will provide additional capacity and allow the next stage of the Risk Management Strategy to be developed through-out 2019/2020.</p> <p>In preparation for the above, the Programme Director is engendering a risk / performance culture to ensure risks are managed effectively and reported accordingly. This will be achieved through regular performance /risk management reviews taking into account the Investment & Intervention Framework and wider strategic risks that the City Deal programme of delivery may be exposed to.</p>

Appendix 4 - Internal Audit Action Plan: Quarter 4 Update

1. Cardiff Council's Internal Audit Service is responsible for providing internal audit services to the Cardiff Capital Region City Deal, through a Service Level Agreement (SLA) with the Accountable Body. To enable the Internal Audit Service to fulfil its role, a 5 year 'rolling' audit plan has been prepared covering the period from 2018-19 to 2022-23 and sets out the proposed work required each year, to secure appropriate levels of assurance.
2. The first audit of the 5 year plan covered governance, transparency and the effectiveness of decision making and was undertaken at the beginning of the current financial year (2018/19). The final report was issued in July 2018.
3. In summary, the key findings largely mirror the conclusions reached as part of the AGS process outlined above. The audit report's Recommendations, Risk Rating, Management Response and Agreed Actions have been captured as a separate Action Plan and a detailed update was provided as part of the Quarter 1 Performance Report.
4. At Quarter 4, three of the four actions have been completed and the position is summarised below:

R1. Development of a Risk Management Policy and Strategy – In progress.

Strategic Risk Register now in place which captures details of the 9 Strategic Risks along with current controls and further management actions clearly documented.

The Cardiff Capital Region relies on the policies, strategies and processes of the Accountable Body, however, work completed on preparing the Risk Register has identified the need to develop the wider Risk Management Strategy, including an assessment of the risk environment, appetite, monitoring and escalation processes.

The Programme Director is in the process of implementing the City Deal Office restructure approved by Cabinet. Once in place, this will provide additional capacity and allow the next stage of the Risk Management Strategy to be developed through-out 2019/2020.

In preparation for the above, the Programme Director is engendering a risk / performance culture to ensure risks are managed effectively and reported accordingly. This will be achieved through regular performance /risk management reviews taking into account the Investment & Intervention Framework and wider strategic risks that the City Deal programme of delivery may be exposed to.

R2. Establishment of a Joint Scrutiny Committee – Complete. Three Joint Scrutiny meetings have now taken place and a Work Programme has also been developed.

R3. Establish and maintain a register of declared interests – Complete. A link has been added to the Cardiff Capital Region's website directing the user to the 'declarations of interest forms' home website for each Cabinet Member.

In addition, every Cabinet meeting has an agenda item reminding members of the need to declare any interests, with any such declarations being added to the minutes and decision register for those meetings.

R4. Training to be provided on new Contract Standing Orders and Procurement Rules – Complete. There will be an ongoing review of training requirements for current and new staff throughout the year.

Appendix 5 - Wider Investment Fund Budget – Quarter 4 Update

1. The 2018/19 Wider Investment Fund (WIF) Annual Business Plan approved a programme of expenditure as detailed in Table 1 below, along with the proposed funding priority.

Table 1: 2018/19 Approved WIF Expenditure & Funding

	£'000
<u>Indicative Programme Expenditure</u>	
Wider Investment Fund Top Slice	742.5
Approved Projects	13,840.0
In Year Revenue Project resources	1,000.0
In Year Capital Project resources	4,015.0
Total Investment	19,597.5
<u>Funded by</u>	
HMT Contribution (Revenue)	-1,892.5
HMT Contribution (Capital)	0.0
Total HMT Contribution	-1,892.5
Council Contribution	-17,705.0
Temp Borrowing 'Cost of Carry'	0
Total Funding	-19,597.5

2. The WIF Top-Slice revenue budget is set at £742,500 and supports the work of the Regional Bodies. In addition, the budget includes amounts in respect of Programme Development & Support.
3. Regular updates have been provided to Regional Cabinet throughout the year via the Quarterly Performance reporting mechanism. As at Quarter 3 there was a projected under-spend of £286,123. Details of agreed budgets and final expenditure for 2018/19 are shown in Table 2.

Table 2. 2018/19 WIF 3% Top-Slice – Quarter 4 Update

	2018/19 Budget £	2018/19 Outturn £	2018/19 Variance £
<u>Regional Bodies</u>			
Regional Transport Authority	52,193	46,020	-6,173
Regional Skills Partnership	102,193	65,169	-37,024
Regional Economic Growth Partnership	70,000	19,316	-50,684
Regional Business Council	50,000	33,697	-16,303
Sub-total	274,386	164,202	-110,184
<u>Programme Development & Support</u>			
-			
<u>In-Principle Projects</u>			
Digital Strategy	130,000	81,958	-48,042
Metro Plus	0	1,634	1,634
Housing Investment Fund	100,000	2,388	-97,612
-			
Programme Dev' & Support (Un-allocated)	238,114	31,768	-206,346
Sub-total	468,114	117,748	-350,366
Investment Income	0	-110,943	-110,943
Total	742,500	171,007	-571,493

Regional Bodies: (-£110,184)

4. The Regional Bodies element of the WIF Top-Slice budget amounts to £274,386 and includes sums set aside to advance the work of the Regional Transport Authority, the Regional Skills Partnership (RSP), the Regional Economic Growth Partnership (REGP) and the Regional Business Council (RBC).
5. There are 2 FTE posts funded from these budgets (1 FTE each relating to the Regional Transport Authority (underspend £4,522) and the Regional Skills Partnership (underspend £715). These underspends are mainly due to a delay in recruitment to the Regional Transport Authority post.
6. As part of the RSP budget, £50,000 was allocated to Strategy Development. £13,446 of this budget has been used to fund the work of NESTA to inform the next steps of the Skills for the Future business case.
7. In terms of the REGP budget, expenditure to date includes the commissioning of external support to establish a 'Sectoral Analysis' for the region. This data will provide a baseline against which future performance can be measured and assessed, as well as supporting the Gateway Review process. Put simply, the data will facilitate more effective decision making, through a better understanding of the region's strengths and the opportunities which exist to make strategic interventions which are likely to have the greatest impact. This work is partly complete, with £15,000 spent in 2018/19 and the balance of the commission (£15,000) will be met from the 2019/20 allocation.

8. The RBC's Annual Business Plan was approved by Regional Cabinet at its meeting of the 17th December 2018. The expenditure for the year consists of the RBC's contribution (£33,697) to the City Deal's presence at MIPIM in March 2019, resulting in an underspend of -£16,303 against the approved budget.

Programme Development & Support Budget: (-£350,366)

9. A total budget of £468,114 was approved across Programme Development & Support and is allocated between projects that had secured an 'In-Principle' approval (£230,00) and with the balance (£238,114) being available to support emerging projects and initiatives during the year.
10. Work is ongoing on the Digital Strategy project with total spend in 2018/19 of £81,958. Of this, £79,000 was spent on business case development costs and the remaining budget will be carried forward to contribute towards further work planned for 2019/20. The £100,000 allocation approved in respect of the Housing Fund project was largely not utilised in 2018/19 and the balance will be available in 2019/20 to continue the work.
11. With regard to in year emerging projects and initiatives, a budget of £29,172 was approved to support a part-time secondment to lead the work on data analytics, economic forecasts and sectoral assessments. The actual cost for this support amounted to £31,768 in 2018/19.

Investment Income: (-£110,943)

12. In line with the Accountable Body's approved treasury management strategy for City Deal, balances held in respect of unspent HMT revenue funding has been invested, with net interest received during the year amounting to -£110,943.

Qtr 4 WIF Top-Slice Summary

13. In summary, a total of £117,748 was spent against the £468,114 budget approved for Programme Development & Support (including In-Principle projects), resulting in an under-spend of -£350,366. Once the under-spend on Regional Bodies is factored in, coupled with the unbudgeted investment income of -£110,943, the total net underspend for the year amounts to -£571,493.
14. As set in previous reports, the underspend reflects the reduced level of activity which has taken place during the due to the transition to the City Deal Office (restructure) and the development of the Investment & Intervention Framework, which is due to be considered by Regional Cabinet at their June meeting.
15. The full value of this underspend is available to support the WIF Top-Slice in future years, subject always to observing any caps approved by Regional Cabinet from time to time and compliance with grant funding terms and conditions.

2018/19 Approved Project Budgets

16. The 2018/19 Annual Business Plan approval included budgets in respect of Year 2 costs relating to the Compound Semi-Conductor Foundry Site project. These were budgeted at £13.84 million, consisting of both project related expenditure and the ongoing cost of servicing the Special Purpose Vehicle (Project Delivery & Implementation budget). An update against these budgets is outlined in Table 3 below.

Table 3: 2018/19 Approved Project Budgets

	2018/19 Budget £'000	2018/19 Outturn £'000	2018/19 Variance £'000
CSC Foundry Site Funding	13,690	12,308	-1,382
CSC Project Delivery & Implementation	150	150	0
Total	13,840	12,458	-1,382

17. At 31st March 2019, the majority (90.0%) of the budget has been released to Monmouthshire County Council as Lead Authority for the Compound Semi-Conductor Foundry project based on the arrangements contained within the project funding letter and the supporting legal documentation. These documents provide a maximum cap on the level of City Deal funding that can be made available to the project. The balance of £1.38 million represents budget slippage to financial year 2019/20.

2018/19 In Year Revenue and Capital Project Approvals

18. The 2018-19 Annual Business Plan contained additional revenue (£1.000 million) and capital (£4.015 million) resources which were made available to provide Regional Cabinet with a level of flexibility to approve sums during the year. This could be in respect of In-Principle and/or emerging projects that come forward as part of the Cardiff Capital Region's 'delivery pipeline' and also meet the requirements of the Assurance Framework.
19. Regional Cabinet were advised at Quarter 3, given the development of Investment & Intervention Framework referred to above, it was unlikely that any new commitments would crystallise in 2018/19, over and the approved Graduate Pilot Scheme. Table 4 outlines the position in respect of In-Year Approvals.

Table 4: 2018/19 In-Year Project Approvals

	Budget	Qtr 4	Variance
	£'000	Outturn	£'000
		£'000	£'000
<u>In Year (Revenue) Project Resources</u>			
Graduate Pilot Scheme	31	7	-24
Unallocated	969	0	-969
Total Revenue Resources	1,000	7	-993
In Year (Capital) Project Resources	4,015	0	-4,015

20. The Graduate Pilot Scheme was approved by Regional Cabinet at its meeting on 17th December 2018 and has incurred costs of £7,034 during 2018/19. Costs relate to some initial staffing resources and the setup of a bespoke website and are less than the £31,450 that had been estimated. Any unspent budget will be made available in 2019/20 to ensure the pilot scheme is fully resourced as set-out in the cabinet report.

Future Generations Assessment






<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Setting out substantive performance and progress against the approved annual business plan for 2018/19.</p>
<p>Proposal: Quarter 4 Performance</p>	<p>Date Future Generations Evaluation form completed: 28 May 2019</p>

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?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Assessing progress with City Deal and the targets set around GVA, jobs and leverage – is our key means of securing greater prosperity. Reporting progress in this way contributes to a growing sense of self awareness.</p>	<p>Proposals to improve progress against each of the projects currently in progress – are set out in the report. This report does not seek to simply report progress – but to address the actions needed to drive it.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>References to submissions around the ‘Energy Revolution’ challenge fund are described in the report. Also recent submissions around EV and work to underpin the roll out of LEV. In addition, the development of the Metro Plus scheme is critical to embodying resilience and sustainability.</p>	<p>This activity will be driven up in future. In addition as physical infrastructure schemes enter delivery – more comprehensive assessments will need to be carried out in full.</p>

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?
<p>A healthier Wales People’s physical and mental wellbeing is maximized and health impacts are understood</p>	<p>A number of the interventions in train – Skills, Housing and Transport improvements seek to make a contribution to the way the region ‘works’, how it promotes opportunity and unlocks potential</p>	
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The place-shaping component of our City Deal is set out in the report</p>	<p>A greater contribution will be made to this by the aforementioned data capability, sectoral analysis and place assessments.</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>Attending MIPIM, Wales in London week and CS Mantech to promote the CCR will see us play a stronger part in developing the economic wellbeing of our region and country, thus impacting social and community objectives. It will help make our country feel more connected and outward looking.</p>	<p>Develop the legacy impact of the event, sustaining new connections, sharing great practice and potentially securing propositions and deals that support economic growth.</p>
<p>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</p>	<p>Our City Deal is uniquely Welsh – but pitches towards being world leading in areas of competitive strength. This enables a strong reflection on our rich culture and heritage.</p>	
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>City Deal is about delivering as far as possible across 10 LAs and a population of 1.5m people. It is about economic gains – but importantly how this will convert as tools for improving people’s lives. Some of the specific interventions around skills and housing – will seek to make a more direct contribution to equity of access and equal opportunity for all. New role around Inclusive Growth will make a contribution to this as well as work to support the Foundational Economy.</p>	<p>The new Investment Framework is underpinned by criteria that focuses on economic inclusion – seeking to achieve shared prosperity and the spread of benefits across the region.</p>

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?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The report describes performance in the round. It sets out short-term interventions and balances these against the long-term delivery of major programmes.</p>	<p>The plan has been iterated to reflect a more co-ordinated format. This is now followed up in the production of the Annual Business Plan 2019/20.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A cornerstone of our process is the strength of partnership working. An update on governance is set out in the report.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work.</p>	<p>More needs to be done to develop engagement platforms – beyond formal partnerships – to reach communities, hard to reach groups and those who currently have a limited understanding of City Deal. Improving social media, web presence and marketing materials will increasingly make a contribution to this.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>This is set out in the REGP work on the developing Regional Economic and Industrial Plan.</p>	<p>This will be an increasing focus of scheme and programme delivery.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>City Deal seeks to make a contribution on place and to improving the life chances of people in the region.</p>	

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

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The report is an overview of performance in all of the relevant aspects of projects, partnership, governance and investment. The protected characteristic assessments related to specific proposals will need to be drawn out in the relevant business cases and proposal documents.	None arising at this time.	As plans develop and unfold as discrete activities requiring decisions – impacts will be comprehensively assessed. As with this and all the categories below, as work continues on data development and data analysis, we will glean better insights into our employment base and working demographic profiles.
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above		
Race	As above		
Religion or Belief	As above		

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

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

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

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

- Evidence and input contributed by theme leads
- Outcomes of assessments such as audit reports
- Delivery against targets set out in individual business cases/ approved project documentation

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

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

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

The impacts of this proposal will be evaluated on:	
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