

Committee: **Executive Committee**

Date of meeting: **13th January 2021**

Report Subject: **Cardiff Capital Region City Deal Performance Review 2020/21 Quarter 1**

Portfolio Holder: **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)
04.11.20	05.11.20	17.12.20			02.12.20	13.01.21	25.03.21	

1. Purpose of the Report

- 1.1 To inform Members of the performance of the Cardiff Capital Region City Deal (CCRCD) during 2020/21 Quarter 1.
- 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 September 2020 (attached at Appendix 1). 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 2019/20. Detail includes:
- 2.2 Highlights for BG include:
- Metro Plus Programme - Transport for Wales (TfW) progress
 - Ultra Low Emission Transformation Fund
 - Housing Catalyst Fund
 - Challenge Fund Launched
 - CCR Energy Strategy
 - Framework and principles agreed for SDP
 - Graduate Scheme
 - Aspire Roll Out
 - CCR Engagement within the Western Gateway Initiative
- 2.3 In its meeting on the 14th September CCRCD Regional Cabinet discussed the Quarterly Performance Monitoring Report for financial year 2020/21 Quarter 1.

2.4 Budget Position 2020/21 Quarter 1

It is important to understand the overall budget position which relates to funding remaining available for City Region projects in the future. Regional Cabinet 2020/21 Annual Business Plan Quarter 1 summary indicates the overall budget is as follows:

2.5 2020/21 In-Year Project Approvals and Expenditure

The CCR Regional Cabinet has signed off the £335,000 expenditure as of Q1 2020/21 against an original budget of £12,945,056. Review of the current pipeline of projects and an analysis of the likely timescales of expenditure indicates that the level of Local Authority capital funding included in the Annual Business Plan is significantly lower than anticipated in 2020/21. Expenditure at this level can be managed within existing funds held by City Deal, so no call on Local Authorities is likely during 2020/21, but will be subject to the timing of expenditure and any new approvals agreed by Cabinet during the remainder of the year.

2.6 Additional approvals which have been made by Regional Cabinet since the approval of the 2020/21 Annual Business Plan, reflects that while there has been acceleration of activity, this remains below the level originally anticipated.

2.7 Metro Plus Programme - Transport for Wales (TfW) progress

We have been working closely with Transport for Wales (TfW) on a number of project components put forward as part of the Metro Plus scheme in BG. This includes both the Ebbw Valley line and the Abertillery spur.

2.8 The work progressing with the Metro Plus (Phase 1) work is part of a programme of 10 transport schemes which are part of the wider metro infrastructure. These Metro Plus schemes are not individual projects, but a programme of regional enabling infrastructure, to stimulate economic growth and regeneration across Cardiff City Region, supporting the sustainable mobility of people, and improving the way people make their economic contribution. Merthyr Council is the financial host for this program.

2.9 Work has started on the improvements to the Ebbw Valley line at Crumlin and these improvements are the beginning of a number of work contracts that will be continuing over the next few years to enable the line to take more train capacity. We are also progressing with design work on the Abertillery line as the business case undertaken by Transport for Wales (TfW) for improved frequency of services clearly showed that there were significant additional economic benefits for the County Borough when the Abertillery line was included. The next stages of design work will be progressing with further CCR money award for the Metro Plus scheme.

2.10 Ultra Low Emission Vehicle Transformation Fund

CCR has been awarded £1.3million from the Welsh Government Ultra Low Emission Vehicle (ULEV) Transformation Fund. It will assist with the transition to Low Emission across the region. The funding will be used for the following:

- Taxi ULEV Infrastructure;
- Development of a business case to deliver ULEV infrastructure at transport interchanges; and
- Electric Vehicle road show with Drive and Ride Opportunities

2.11 Blaenau Gwent acted as Lead Partner for the Gwent Electric Vehicle project and has shared details of their procurement approach with the CCR team to assist with their procurement processes.

2.12 **Housing Catalyst Fund**

The CCRCD Viability Gap Fund was formally launched in the Summer, with the requirement that local authorities act as Project Leads, an invitation for applications has been made, with a submission deadline of 31.12.20. The Housing Delivery Group has considered known sites within Blaenau Gwent and evaluated against the main fund criteria to identify potential sites for progressing. A report has been submitted and approved at Executive outlining potential sites and the recommendation to further explore the preferred site, BKF Plastics, Ashvale. Additional to this, a call for interest was made to identify any additional sites that met the criteria and are able to progress in line with the fund requirements (limited response and has not instigated exploration of additional sites).

2.13 BKF Plastics is the only site being progressed through the fund and work during the reporting period includes:

- Project group established to progress the application (wider engagement with relevant officers where required e.g. Section 151 and Legal)
- Site visit with private land owners and private developers
- Project meeting with CCRCD, land agent and developer to discuss scheme and application process
- Meeting with Savills regarding potential support, primarily to test project viability and provide an independent assessment/assumptions made
- Exploring a revenue fund application to CCR to support development costs (professional services/advice)

2.14 The main known issue is the level of grouting required (circa £500k), this, when factored against other development costs; land values (noting that the BGCBC land is subject to WG land reclamation grant); against unit sales values is where the viability gap is believed to be. Work will continue, with a view to submitting an application, once viability gap is proven. The outcome of the first round sift will be known in the Spring of next year, if successful further work will be required before a final award.

2.15 Cardiff City Region Challenge Fund Launched

The Cardiff Capital Region (CCR) Challenge Fund is inviting public sector bodies to develop challenges and connect with organisations who can provide innovative solutions to those challenges, leading to better services, improved efficiency and effectiveness, and productivity.

2.16 The purpose of the funding is to help the public sector to obtain new solutions, products and services to challenges and in doing so, provide a route to market for those solutions. Up to 100% of a project to support the development of challenges will be available. Public Sector are invited to compete for a share of £10m with the strongest challenges being selected for funding.

2.17 The benefits for public sector getting involved include:

- Opportunity to explore creative solutions to local economic challenges
- Investment to find and develop innovative solutions
- Improved local service delivery that benefits from tailored solutions
- New market creation and ability to 'break through' public procurement frameworks
- Potential for commercial solutions which can be scaled and sold both locally and beyond
- Local supply chain growth and development

2.18 Eligible public sector organisations may include Local Authorities, Health Boards, Police Forces etc. However, for challenges to receive funding each challenge must demonstrate scope to:

- Solve the greatest societal challenges
- Create innovative solutions
- Deliver economic impact for the region
- Drive commercial scalable opportunities
- Build local wealth

2.19 All challenges will be assessed against the same criteria. The Fund is now open for expressions of interest from all public sector organisations active in the Cardiff Capital Region and all prospective Challenge Owners will be required to submit full applications by noon Friday 12th March 2021. Officers across the Council will be looking at ideas to put forward as EOIs over the next few months.

Cardiff Capital Region Energy Strategy

2.20 The strategy was commissioned by the Welsh Government and supported by the Welsh Government Energy Service. It has been developed by Cardiff Capital Region City Deal with additional support from regional stakeholders, including Local Authority Officers.

2.21 The objective of the strategy is to develop a strategic pathway identifying key interventions to deliver on the region's ambitions for decarbonising

energy systems. An energy vision scenario has been modelled to set out a potential decarbonisation route that will put the region on track to achieve a net zero energy system by 2050.

- 2.22 To be on track for net zero by 2050, Cardiff Capital Region needs to reduce emissions from its energy system by 55% by 2035, split by sector as follows:

- 51% reduction in domestic heat and power emissions;
- 54% reduction in commercial and industrial emissions; and
- 60% reduction in road transport emissions.

The strategy was considered by the CCR Regional Cabinet in December.

Framework and principles agreed for Strategic Development Plan (SDP)

- 2.23 The previous framework agreed for the SDP has been overtaken by the Government's Local Government Election Bill. This creates Corporate Joint Committees (CJC's) at a regional level to deliver SDP's, a Transport Plan and promote economic well-being. The proposal is that the CJC will replace the formerly proposed Strategic Planning Panel which was to have led the work on the SDP and has been the subject of previous reports to Council.

- 2.24 Welsh Government are consulting on the regulations and a Members Seminar has been held on this subject to inform a response from the Council and a debate at Council followed. We await next steps

Graduate Scheme (Pilot)

- 2.25 Engagement and communication is regular with the officers at City Deal on the graduate scheme, and we endeavour to circulate all their bulletins to our businesses. CCR has also held webinar for businesses in the last few weeks, out of 68 attendees only 1 was from Blaenau Gwent. We have arranged to meet with the team to establish how we can have a more targeted approach, with current climate there will only be a small amount of interest and we have other initiatives that may be more appropriate, so direct contact instead of general bulletins about the programme may increase take up. We will update again with progress on a different approach.

Aspire Roll-Out across the City Region

- 2.26 CCR Investment panel have received a proposal from Aspire BG to roll out the offer across the Region to provide support for Industries of the Future. The Investment panel have requested a review to be undertaken of the existing apprenticeship landscape across SE Wales, specifically focussing on Shared Apprenticeship Programme aspect and Industries of the Future. The review work will identify gaps in service delivery and business needs.
- 2.27 Following this the Aspire proposal will be reviewed to ensure it meets the required needs/gaps and there may be some recommendations for change. A Green Book Treasury assessment will also have to be undertaken for the project and some assistance with the development of this will be provided to

meet UK Gov Green Book Treasury requirements. The review is currently being procured and the findings will be determined early 2021.

CCR Engagement within the Western Gateway Initiative

- 2.28 CCR has agreed to join the Western Gateway Partnership, a collaboration with the West of England region.

The overall ambition of the Western Gateway Initiative is 'Propelling a greener, fairer, stronger Britain'. The three primary ambitions which the Western Gateway is striving to achieve focus on connectivity, being a global gateway and innovation. Achieving this in isolation for the Cardiff City Region would be more difficult than when combining with a greater area of the Western Gateway.

3. Recommendations for Consideration

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

3.2 Option 1

For Members to consider the overall progress on the CCR programme of work for 2020/21 and accept the report;

Option 2

- 3.3 For Members to consider the overall progress and make any comments on progress before the report goes to Council.

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.

These projects support the amendments made to the Outcome Statements within the Corporate Plan in its review in July 2020.

Corporate Plan 2020/22 Outcome Statements:

- Protect and enhance our environment and infrastructure to benefit our communities
- Support a fairer sustainable economy and community
- To enable people to maximise their independence, develop solutions and take an active role in their communities
- An ambitious and innovative council delivering the quality services we know matter to our communities

5. Implications

- 5.1 There are no direct financial, legal or HR implications as part of this report as it is monitoring other projects that will or have been reported and have separately listed implications.

6. Monitoring Arrangements

- 6.1 The CCRCDD Annual Business Plan 2020/21 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

- N/A