

12 FEBRUARY 2018 MEETING

QUARTER 3 PERFORMANCE REPORTING TO WELSH AND UK GOVERNMENT

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 4

Reason for this Report

1. To inform Regional Cabinet of the Quarter 3 reporting position, against the CCRCDC Implementation Plan 2016-2020 (formally adopted on the 1st March 2017) and CCRCDC Transition Plan (formally adopted on the 17th March 2017).
2. To discharge the reporting requirements within the Cardiff Capital Region City Deal (CCRCDC) Assurance Framework (JWA Schedule 8, point 2.2.9).
3. To recommend that Regional Cabinet approve the Quarter 3 report in Appendix 1, to be circulated to both Welsh and UK Government.

Background

4. The Regional Office are required, within the Assurance Framework, to provide the Regional Cabinet, the UK Government and the Welsh Government with quarterly performance reports that will:
 - Highlight City Deal success;
 - Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales;
 - Provide information on agreed outputs and outcomes; and
 - Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

Performance

5. Briefly, pending the finalisation of the CCRCDC Monitoring, Reporting and Evaluation Framework, the current approach (Appendix 1) to reporting can be summarised as:

- Primary: high level & strategic
- Secondary: detailed & operational
- Tertiary: operational with supporting evidence / documentation.

6. This is a primary level performance report for Q3, covering the period 01st October to 31st December 2017.

7. Where there have been significant delays or issues, these have been highlighted and mitigation measures have been put in place, which are as follows:-

T2.1: Establish the Regional Office (PMO)

8. Whilst there were technical delays to support the Regional Office in the first quarter, all necessary actions identified are now complete. The Programme Management Team's secondments were due to finish on the 31st December 2017. All contracts were extended to 31st March 2018 to enable the Transition Programme to be completed.

T2.2: Finance and Governance – Financial Flexibilities

9. In line with the Heads of Terms, proposals are currently being considered that specify the areas of additional flexibility the Regional Cabinet wishes to explore with Welsh Government.

10. Discussions have taken place, as previously reported, but responses from deliberations indicate a preference for all 4 Regional areas of Wales to be considered at the same time for Business Rate Growth retention proposals. Discussions regarding CCR are therefore slower than anticipated.

11. Draft Terms of Reference for a Joint Scrutiny Committee were agreed in Quarter 3 which will enable the finalisation by all ten Councils in Quarter 4.

T2.4: Work, Skills and Economy – Establish the REGP

12. As reported in Quarter 2, "a detailed proposal for the REGP was agreed by the Regional Cabinet, and Centre for Cities were procured at the end of March 17 to finalise proposals. Centre for Cities have completed their commission, following which a successful recruitment and selection process was undertaken resulting in Mr Frank Holmes being appointed as the Chair of the REGP".

13. Following the appointment of the Chair, the recruitment and selection process was completed in Quarter 3 and a full report on the progress of the appointment of the REGP will be presented to Regional Cabinet in Quarter 4.

T2.5: Business & Innovation

14. As reported in Quarter 2, good progress has been made in advertising, selecting and recruiting a Chair and independent private sector business representatives who will comprise the Regional Business Council. A full

report on the progress of formally establishing the Regional Business Council will be presented to Regional Cabinet in Quarter 4.

T2.6: Transport

15. Good progress continued to be made, with Regional Cabinet approving the Regional Transport Authority's Terms of Reference at its meeting of 20th November 2017.

Outputs and Outcomes

16. Overall requirements for outputs and outcomes continue to be finalised and a full report will be presented to Regional Cabinet in Quarter 4. Scheme specific targets for the Compound Semiconductor Project (the first investment proposal made by Regional Cabinet) are in place, and regular performance monitoring of this specific project will be the subject of separate reports.

Mitigation

17. No scheme is currently subject to mitigation.

Reasons for Recommendations

18. To discharge the reporting requirements within the Cardiff Capital Region City Deal (CCRCD) Assurance Framework (JWA Schedule 8, point 2.2.9).

Financial Implications

19. There are no direct financial implications arising from this report, which reports Quarter 3 performance against the CCRCD Implementation Plan 2016-2020 and the CCRCD Transition Plan. Regular budget monitoring reports will be presented to Regional Cabinet to ensure that any budget management issues that may arise, are highlighted at an early stage and appropriate actions is taken.

Legal Implications

20. Based on the information set out in this report, there are no direct legal implications arising from the report, which reports Quarter 3 performance against the CCRCD Implementation Plan 2016-2020 and the CCRCD Transition Plan.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- a) Consider and if deemed acceptable, approve the Quarter 3 performance report.
- b) Authorise the Programme Director of the Cardiff Capital Region City Deal to formally submit the Quarter 3 performance report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet.

Sheila Davies
Cardiff Capital Region Programme Director
06 February 2018

The following Appendix is attached:

Appendix 1: CCR City Deal Q3 Performance Dashboard

Appendix 1 - CCR City Deal Q3 Performance Dashboard

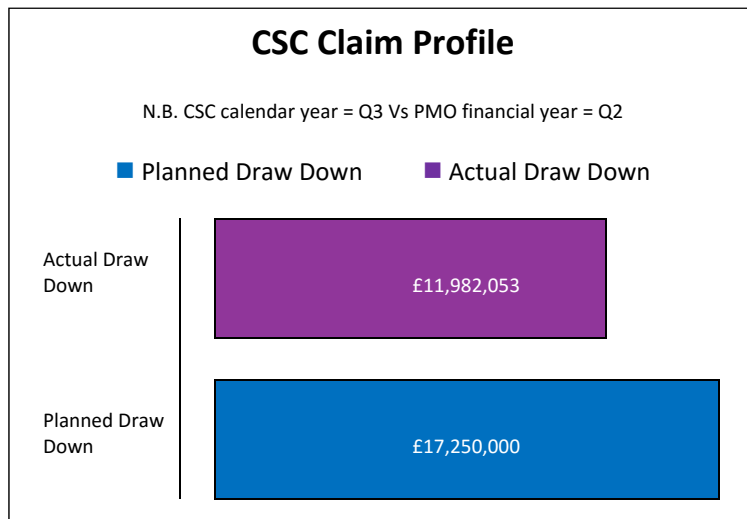
WIF BUDGET

	Year1 2016/17 £m	Year 2 2017/18 £m	Year 3 2018/19 £m	Year 4 2019/20 £m	Year 5 2020/21 £m	Total £m
HMT Funding	0.000	-20.000	-10.000	-10.000	-10.000	-50.000
Actual Expenditure & Commitments						
Wider RBO Investment Fund 'Top Slice'	0.000	0.743	0.743	0.734	0.743	2.970
Compound Semi-Conductor Investment	0.000	19.257	9.257	9.257	0.729	38.500
Uncommitted Sums	0.000	0.000	0.000	0.000	-8.528	-8.528

OUTPUTS - CSC FOUNDRY INVESTMENT

	Jobs Created		Jobs Safeguarded		Private Sector Leverage		Return on Investment		Investments Secured	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Forecast	501	N/A	156	550	£375m	N/A	£33.1m	N/A	1 IQE	1 (Catapult)
Actual @Q3	None due	N/A	156	500	£13.25m	None due	None due	N/A	1 IQE	Negotiation ongoing

CLAIM PROFILE - CSC FOUNDRY INVESTMENT



REGIONAL BODIES SPEND PROFILE

	Baseline £s	Q3 Actual £s	Projected Year End £s	Variance £s
Regional Bodies				
Regional Transport Authority	99,066	81,355	84,202	-14,864
Regional Skills Board	67,231	0	4,275	-62,956
Economic Growth Partnership	75,000	17,000	32,000	-43,000
Regional Business Council	90,000	2,620	10,000	-80,000
Total	331,297	100,975	130,477	-200,820
Programme Development & Support	411,203	0	100,000	-311,203
Total	742,500	100,975	230,477	-512,023

Appendix 1 - CCR City Deal Q3 Performance Dashboard

Q3 PROGRESS AGAINST 2016-20 IMPLEMENTATION PLAN & 2017-18 TRANSITION PLAN

KEY	Red:	HIGH PRIORITY, not delivered, no mitigations identified
	Amber:	MEDIUM PRIORITY, not delivered, mitigations identified
	Green:	LOW PRIORITY, delivered
	Grey:	IN DELIVERY, to be delivered across quarters or during the transition phase (March 18)

PORTFOLIO	COMMITMENTS	COMMENTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept	RAG STATUS Q3 Oct-Dec
T2.1: Regional Cabinet	Establish Regional Office	Regional Office was established at Ty Dysgu in May 2017. All connectivity issues were finalised at the end of Q3.	Amber	Green	Completed
	Establish the joint programme management team	All contracts extended from Dec 17 to March 18. Recruitment planned for Q4.	NA	Grey	Amber
	Establish the regional delivery team	Draft structures prepared for discussion with CEX.	NA	Grey	Grey
	Develop and deploy over-arching programme monitoring tools and processes	Drafted specifically in relation to CSC Foundry.	NA	Green	Green
	Introduce individual evaluation arrangements covering each portfolio area referenced	National Evaluation Framework finalised. Local Framework measures identified and under discussion.	NA	Green	Green
	Produce the 2017/18 business plan	Agreed by Regional Cabinet 17/03/17.	NA	Green	Completed
	Produce a comprehensive programme of work to ensure a seamless transition to City Deal arrangements	The transition programme is being delivered to plan.	NA	Green	Green
	Ensure that appropriate arrangements are put in place to support the CCRCD including accommodation, staff, resources, HR support, financial systems and audit and IT arrangements	There are on-going discussions with the Accountable Body to finalise arrangements regarding financial systems and IT system.	NA	Green	Grey
	Ensure effective internal communication	There are a variety of methods for internal communication, these continue to be developed and refined. Work commenced for new logo / branding for April 2018 launch.	NA	Green	Green
	Produce a comprehensive timetable to ensure requisite multilateral review and reporting arrangements are met by all partners	An agreed quarterly review and reporting timetable exists between the Regional Office, UKG and Welsh Governments. 18/19 reviews to be agreed in Q4.	NA	Green	Green
Establish a clear mechanism for refreshing the City Deal Implementation plan	It is envisaged that the BP will replace the implementation plan when it is approved, in the meantime the Regional Office will request any revisions that may be required in a report to Regional Cabinet.	NA	Green	Grey	
T2.2: Finance & Governance	Financial Flexibility: develop proposal	Progress has been slower than anticipated following discussion with Welsh Government.	Amber	Green	Red

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PORTFOLIO	COMMITMENTS	COMMENTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept	RAG STATUS Q3 Oct-Dec
	Financial Flexibility: Explore potential of business rate income above an agreed growth baseline	As above.			
	Develop a terms of reference for a Joint Scrutiny Committee for consideration and approval	The Cardiff Capital Region Cabinet received and agreed proposals for the establishment of a Regional Scrutiny Committee in November 2017. Bridgend CBC agreed to be the lead body to secure all 10 Council nominations to the Committee.	NA		
T2.3: Regeneration, Housing & Planning	Develop a Housing Fund	Work is continuing to develop a CCRC Housing Fund, and will be reflected in the JWA Strategic Business Plan, currently being drafted. Report for Joint Cabinet being prepared for Q4.	NA		
	Work with WG to ensure that housing programmes and initiatives align	Regular Housing Theme group meetings continue with representatives from planning and housing across all 10 LAs and WG, undertaking key projects / tasks to progress work on this theme. Welsh Government representatives attend the Housing Theme Groups to ensure the initiatives align, and the joint working is productive.	NA		
	Work with public and private housing providers to increase the delivery and quality of housing	Representatives of the house building industry have attended the Housing Theme Group to provide input, and met separately with the Theme Lead.	NA		
	Strategic Plan for Regional Housing delivery, including Market Assessment	The Theme group is updating all available research data on housing need and supply in the CCR, to inform the further development of a CCRC Housing Fund, subject to Joint Cabinet agreement in principle.	NA		
	Develop a process to capture, review and assess infrastructure and regeneration projects which accord with City Deal principles and ensure all submitted schemes and programmes undergo the assessment process and only those meeting the assessment criteria are progressed	Joint conference held with Transport, Planning and Economic Development teams from across the region on 12 th September to align major transport regeneration/economic development and planning projects. Joint meetings held through November and December with Valleys Task Force and Welsh Government are helping finalise data and progress.	NA		
	Develop a framework based on supporting information provided by the transport, housing, innovation and business support and skill strand to promote innovative infrastructure, regeneration and economic growth projects in collaboration and/or in partnership in order to maximise leverage from the private and public sectors	Working with WG on the regionalisation of the replacement for VVP (TRIP), with the aim of developing a rolling regeneration scheme which is complimentary to CCRC and maximises regional impacts through a pot of approximately £44M for the years 18/21. Through Q3 constructive joint meetings took place with Welsh Government to develop a Region Regeneration Plan.	NA		
	Facilitate the development of schemes with partners including Welsh Government which together have the potential to provide region wide benefits	Work continues with private sector/pension funds to highlight and promote the opportunities available in the region.	NA		
	Develop a program of support for the three Enterprise Zones within the region in conjunction with Welsh Government and review the boundaries and roles of the Zones going forward	Working with the EZ boards to further develop master planning. Plans awaited in Q4.	NA		
	The development of further innovative start-up and co-working space in strategic locations to serve the region along with the follow-on space innovative business need to grow	Work has commenced to produce a Regional Strategic Sites & Premises Programme, with a report for consideration being produced in Q4 by the Regional Working Group.	NA		

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PORTFOLIO	COMMITMENTS	COMMENTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept	RAG STATUS Q3 Oct-Dec
	Targeted investment for town centre regeneration to ensure our towns develop and thrive into the 21st century	Investigate the use of TRIP with WG to support investment in strategic town centres throughout the region. This work will result in activity in 18/19 and 19/20.	NA		
	The Development of a regeneration and infrastructure fund to support projects which deliver crosscutting regional benefits		NA		
	Use the outcomes of the assessment process and City Deal Regional Cabinet resolutions to prepare a regional programme of implementation based on available funding		NA		
	Ensure that the regional programme of implementation is monitored and updated based on revised funding and priorities and ensures that project implementation maximises added value benefits and sustainability principles		NA		
	Tourism development/investment – Development of a region wide destination investment plan	Appointed Consultants have completed the draft DMP, which is now being considered with Welsh Government to develop an action plan.	NA		
	Create an integrated strategic development plan	A report has been prepared to seek Cabinet approval to commence work on a SDP for South East Wales, which will be considered in Q4. SEWSPG are undertaking topic focused 'pathfinder' work to share best practice and agree shared methodologies to enable stronger joint working and to have comparable evidence in future for Development Plan preparation.	NA		
T2.4: Work, Skills & Economy	Establish the Regional Economic Growth Partnership	The recruitment and selection of the Chair and Board Members was completed in Q3.			
	Approve the appointment process and undertake recruitment of Chair of the REGP and progress recruitment of Board	Centre for Cities have completed their work and report approved for the establishment of the REGP was approved by the Regional Cabinet in July 2017. Advertisement issued on 2 nd October (following RBO recruitment exercise) with a closing date of 20 th October. Exercise completed in Q3.	NA		Completed
	DWP Work & Health	Ongoing engagement with DWP to complete the procurement process Information sought from the 10 LA's to inform the co-location requirement from CCRCD. M.O.U. to be renewed in Q4.	NA		
	Reducing Unemployment	Delayed publication of the WG Employability Strategy has delayed this activity.	NA		
	Increasing Employability	Regional Skills Plan prepared and published for 2017. Delayed publication of the WG Employability Strategy has delayed this activity.	NA		Completed
	Apprenticeship Programme	This will become part of the integrated Hub programme for consideration in the Business Plan. Proposals to be submitted in Q4.	NA		
	Provide people with skills for employability	A Task and Finish group is being established to prepare a regional employability strategy. The work has been reprogrammed as the anticipated Welsh Government Strategy on All Age Employability has been	NA		

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PORTFOLIO	COMMITMENTS	COMMENTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept	RAG STATUS Q3 Oct-Dec
		delayed which could have provided a national context. A Task and Finish group is currently reviewing and developing a common approach to Social Benefits in contracts for consideration by the Joint Cabinet.			
	Social Clauses Review	Task and Finish review of best practice to establish a sustainable approach to procurement. Task and Finish Group has prepared draft strategy. This needs to be presented to Regional Cabinet in Q4.	NA		
	Business Cluster (Skills) Collaboration	Structural engagement with business clusters to ensure skills needs are met.	NA		
	Virtual Academies	Development of the model of how the VA would operate in response to opportunity. Agreed model with TFW.	NA		
	Software Academy		NA		
T2.5: Business & Innovation	Creating the Regional Business Organisation	To establish the Board (now to be known as The Regional Business Council). Recruitment and selection completed in Q3. Update report on Terms of Reference to be presented in Q4.	NA		
	Link University-supported R&D & IP creation through to production and commercialisation – ensuring full TRL presence across 1-3, 3-6 and 6-9	Foundry is now up and running with first Directors installed and production commencing.	NA		
	Connect Centre for Excellence with Manufacturing and Production and Catapult Centre	All board members of CSC Foundry nominated and signed up as Company Directors. Meetings being held quarterly.	NA		
	Supporting the development of a globally recognised Compound Semi-conductor cluster through an open innovation system, FDI and specialist branding and marketing	Meetings with two interested potential cluster companies – actions set out, and awaiting results of interest.	NA		
	Supporting high growth connections through creating ‘collision spaces’ for semi-conductors, defence, automotive and digital sectors	Via the incorporation of CSCConnected all stakeholders are meeting regularly and connections are established across the Centre, institute and Foundry with seminars and workshops held to support knowledge transfer. Meetings also held with InnovateUK to establish potential for future challenge-based bids into the UKRI Industrial Strategy.	NA		
	Designate an innovation district with a ‘core’ around Cardiff University Innovation System and a ‘corridor’ that links growth poles	Initial scoping work started. Global conference on Innovation Districts hosted by NESTA and Govt. of Canada in Toronto in May 2018.	NA		
	Develop and match fund an Innovation Investment Fund targeted at the digital growth sector	Outline work done in partnership with Innovation Point.	NA		
	Improve subscription rate to Innovate UK funds and Investment streams Invest	Linked to work of Innovation Council and Innovation Point.	NA		
	Site the National Innovation Body for Wales within the Innovation District programmes and activities	Informed the Reid Review on the future of Science, Innovation and Research.	NA		
	Work with WG to support, consolidate and promote innovation through a new National Innovation Body	Contributed to AESIS International Conference on Innovation systems and developed new network of global partners to exchange knowledge and ideas with.	NA		

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PORTFOLIO	COMMITMENTS	COMMENTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept	RAG STATUS Q3 Oct-Dec
	Create testbed to try, test and develop new approaches to public service delivery – inverting notion of a ‘bloated’ and problem public sector into an opportunity. This would focus upon solving the ‘wicked problems’ in public services	Scoping work commenced by Cardiff University, Y-Lab and PPI.	NA		
	Development of data science campus for big data analytics	First blog for public consultation now published by Y-Lab.	NA		
	Open data standard for the region. Open data programme and strategy that targets useable apps based development; improves accountability and adds civic value	The Open Data Working Group has met a number of times and has defined two projects to take forward. The bulk of the ten Authorities have signed up to the Open Government Licence. The SRS has allocated a resource to work on the Open Data project for a fixed period.	NA		
	Drive forward new solutions to problems in social care, education, customer care, energy and asset optimisation and localism and service devolution	Core objective of public services testbed.	NA		
	Build upon the success and scale of the Software Academy through creation of a Digital Services Academy – targeting cyber, defence and social media alongside software development	Draft business case developed for cyber skills academy – awaiting consideration post JWA Business Plan approval.	NA		
	Explore scope for direct international connectivity	A number of bids were submitted into DCMS for LFFN funding.	NA		
	Increase WIFI capacity across public transport, opening opportunities for data portals and e-citizenship	Discussions around City Deal wide Public Wi-Fi procurement are in early stages, and developing.	NA		
	Re-invigorate and adapt the National Entrepreneurship Strategy for the region	Featured in a piece for BetheSpark.	NA		
T2.6: Transport	Develop a Regional Transport Strategy	Draft Outline RTS completed and agreed by shadow CCRTA. Consultation period to commence in Q4.	NA		
	Develop a Transport Strategy for Growth supporting the CCRCD	NA.	NA		
	Develop a [statutory] Regional Transport Plan supporting the Regional Spatial Strategy	NA. This is work planned for 18/19.	NA	NA	NA
	Support and inform Metro development	A secondment from South East Wales Councils has been working closely with TFW.	NA		
	Work in partnership with Welsh Government to define priorities of the South East Wales Metro concept and support its delivery	As above.	NA		
	LA officer seconded into TFW procurement team to support procurement process and assist definition of Metro to align with and complement other City Region aspirations	Agreed and in place from November 2016 to March 2018.	NA		
	Determine emerging mode type, service patterns and standards, scope of Phase 2	Franchise and Metro procurement is on programme.	NA		
	Identify opportunities for a programme of additional investment (Phase 3) to deliver wider regional benefits	The Metro Central proposal, as first phase of ‘Metro Plus’ programme has been developed to be considered by Regional Cabinet in Q4.	NA		
	Pooled Local Transport Network and Resources	ToR re-presented to CCRTA Board (due to 70% turnover of Board members due to elections). Delegation issues deferred sign off to Q3. CCRTA Board approved to come out of shadow form. Workshop held for new member induction.	NA		
	Establish CCRTA Joint Transport Committee (as sub-committee to Cardiff Capital Region City Deal Joint Committee)	CCR Cabinet approved the Terms of Reference in November 2017, Q3.	NA		
	Establish senior transport officer group	Working with WLGA and other regions to consider roles and	NA		

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PORTFOLIO	COMMITMENTS	COMMENTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept	RAG STATUS Q3 Oct-Dec
		responsibilities. IAB (WG/TfW/CCRTA/Bus Operators) continues to meet.			
	Establish joint working partnerships with Welsh Government and Transport for Wales with clear roles and responsibilities	As above.	NA		
	Establish the CCRTA as the focal point for regional engagement on all LA based transport issues and to respond/influence to third party proposals/services	Participation in initial workshops on WLGA- led regional collaboration agenda. (Note this assumes functioning RTAs. Furthermore, WG has requested regional road safety reps, and is looking for progress with regionalisation of Concessionary Fares Reimbursement administration - see below.)	NA		
	Identify and develop joint regional initiatives to provide a strategic regional approach to dealing with transport matters	No progress because of lack of resources.	NA		
	Develop and implement a phased approach to regionalising the delivery of transport services and functions, including appropriate staff, accommodation and establishment requirements	Regional administration of BSSG funding continues. SLA agreed with WG on Concessionary Fares. Work will be ongoing, subject to resources.	NA		
	Integrated Ticketing	As planned. Operators charged with bringing forward a quick win on joint ticketing (ref c). See below.	NA		
	Explore the creation of a single integrated ticketing platform for public transport across the region	As planned. See below.	NA		
	Develop integration initiative will be developed via an Integration Alliance Board (IAB) including improving availability of information; simplifying ticketing; making connections between different steps in the journey, and different modes of transport, easier; and providing better interchange facilities	As planned.	NA		
	Specific to ticketing, the CCRTA will work within the IAB to work with the operators to bring forward commercial ticketing products that will be accepted on all modes of transport by all operators; identify the most practical smart technology which can be introduced quickly to enhance the customer experience; ensure the capture of travel data is used to promote public transport options and provide other business opportunities such as shopping vouchers etc.	NA. The Open Data Group (of all 10 Council ICT officials and Welsh Government) have agreed to look at IT options to identify a solution to enable single ticketing financial transfers.	NA		
	Integrated Aviation Routes	NA.	NA	NA	NA
	Review current levels of accessibility and connectivity between the airport / enterprise zone and the wider region	Feasibility studies have been commissioned.	NA	NA	
	Identify options to enhance current levels of accessibility and connectivity	Resources required to focus on this work.	NA	NA	
	Develop a prioritised programme of enhancements and identify appropriate funding opportunities	JWA needs to evolve to meet the aspirations contained in the City Deal Heads of Terms. This legal requirement has been recognised and agreed that each Council will be asked to consider further delegations to the JWA.	NA		