

CARDIFF CAPITAL REGION JOINT CABINET

JOINT CABINET MEETING 15 JANUARY 2018

QUARTER 2 PERFORMANCE REPORTING TO WELSH AND UK GOVERNMENT

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 5

Reason for this Report

1. To inform Regional Cabinet of the Quarter 2 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 17).
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 2 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 Q2, covering the period 01st July to 30th September 17.
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.

T2.2: Finance and Governance – Financial Flexibilities

9. In line with the Heads of Terms, proposals are currently being developed that specify the areas of additional flexibility the Regional Cabinet wishes to explore with Welsh Government.
10. Discussions have taken place and as reported in Quarter 1 it is anticipated that an update report will be received in Quarter 3.
11. Draft Terms of Reference for a Joint Scrutiny Committee were considered in Quarter 2 which will be finalised for consideration by all ten Councils in Quarter 4.

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

12. As reported in Quarter 1, 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 continued in order to appoint the rest of the REG Partnership. 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. 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. The Shadow Transport Authority continued to make good progress in preparing proposals to formalise their work which has been considered by Regional Cabinet in Quarter 3 for approval of all ten Councils in Quarter 4.

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 2 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 2 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 2 performance report.
- b) Authorise the Programme Director of the Cardiff Capital Region City Deal to formally submit the Quarter 2 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
09th January 2018

The following Appendix is attached:

Appendix 1: CCR City Deal Q2 Performance Dashboard

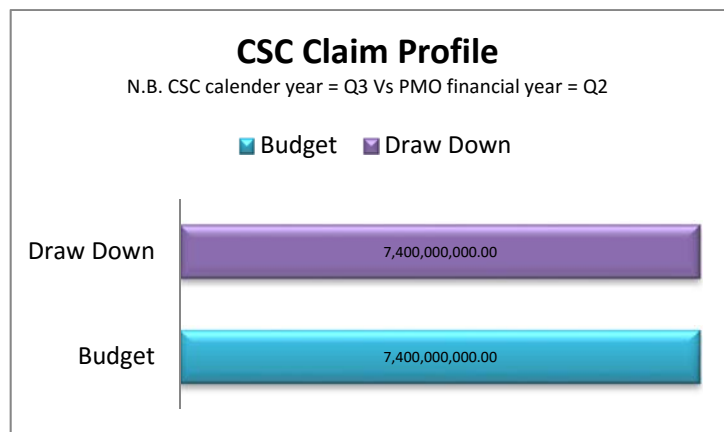
WIF SPEND PROFILE

	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 @Q2	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	Q2 Actual £s	Projected Year End £s	Variance £s
Regional Transport Authority	99,066	37,832	89,634	+9,432
Regional Skills Board	67,231	0	67,231	0
Economic Growth Partnership	75,000	0	75,000	0
Regional Business Organisation	90,000	2,125	90,000	0
Total	331,297	39,957	321,865	+9,432

Q2 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	COMEMNTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept
T2.1: Regional Cabinet	Establish Regional Office	On-going IT issues related to information governance, mitigating actions identified however	Amber	Green
	Establish the joint programme management team	All contracts extended from Dec 16 to March 18	NA	Grey
	Establish the regional delivery team	Draft structures prepared for discussion with CEX	NA	Grey
	Develop and deploy over-arching programme monitoring tools and processes	Drafted specifically in relation to CSC Foundry	NA	Green
	Introduce individual evaluation arrangements covering each portfolio area referenced	National Evaluation Framework finalised, therefore able to develop Local Framework	NA	Green
	Produce the 2017/18 business plan	Draft submitted to Regional Cabinet for their consideration Design concepts for publication developed	NA	Grey
	Produce a comprehensive programme or work to ensure a seamless transition to City Deal arrangements	The transition programme is being delivered to plan, however the request by Cabinet to compress the original plan timescales has not be achieved, this is fundamentally due to delays in	NA	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
	Ensure effective internal communication	There are a variety of methods for internal communication, these continue to be developed and refined	NA	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	NA	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	
T2.2: Finance & Governance	Financial Flexibility: develop proposal	NA-progress noted in Q3	Amber	Green
	Financial Flexibility: Explore potential of business rate income above an agreed growth baseline	NA-progress noted in Q3	Amber	Green
	Develop a terms of reference for a Joint Scrutiny Committee for consideration and approval	The Cardiff Capital Region commit to a) reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding; and b) consulting the Welsh Government and the UK Government to identify actions needed to take forward future governance options	NA	Green

Appendix 1 - CCR City Deal Q2 Performance Dashboard

PORTFOLIO	COMMITMENTS	COMEMNTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept
T2.3: Regeneration, Housing & Planning	Develop a Housing Fund	Work is continuing to develop of a CCRC Housing Fund, and will be reflected in the Business Plan, currently being drafted.	NA	
	Work with WG to ensure that housing programmes and initiatives align	Regular Housing Theme group meetings have been undertaken 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.	NA	
	Work with public and private housing providers to increase the delivery and quality of housing	Representatives of the house building industry attended the Housing Theme Group to provide input.	NA	
	Strategic Plan for Regional Housing delivery, including Market Assessment	A draft Housing Delivery Framework has been prepared to bring together all available research data on housing need and supply in the CCR, to set out the aims of a CCRC Housing Fund, proposed mechanisms to increase the delivery and quality of housing in the region, and to set out a framework / criteria for assessing potential sites / investment opportunities.	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.	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.	NA	
	Facilitate the development of schemes with partners including Welsh Government which together have the potential to provide region wide benefits	Work 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.	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		NA	
	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.	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	

PORTFOLIO	COMMITMENTS	COMEMNTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept
	Tourism development/investment – Development of a region wide destination investment plan	Work on the regional DMP continues and specific projects and proposals have been suggested. Appointed Consultants are currently working on a final draft supporting this work.	NA	
	Create and integrated strategic development plan	A report has been prepared to seek Cabinet approval to commence work on a SDP for South East Wales. 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	Approval for the appointment of Centre for Cities was given on the 30th March 2017.		
	Approve the appointment process ad 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. The report also outlined the appointment process based on Centre for Cities report. Advertisement issued on 2 nd October (following RBO recruitment exercise) with a closing date of 20 th October.	NA	
	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.	NA	
	Reducing Unemployment	Delayed publication of the WG Employability Strategy has delayed this activity. Regional Skills Plan prepared and published for 2017.	NA	
	Increasing Employability	Regional Skills Plan prepared and published for 2017. Delayed publication of the WG Employability Strategy has delayed this activity.	NA	
	Apprenticeship Programme	This will come part of the integrated Hub programme for consideration in the Business Plan.	NA	
	Provide people with skills for employability	A Task and Finish group is being established to prepare a regional employability strategy. The works has been reprogrammed as the anticipated Welsh Government Strategy on All Age Employability has been 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.	NA	
	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.	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		

Appendix 1 - CCR City Deal Q2 Performance Dashboard

PORTFOLIO	COMMITMENTS	COMEMNTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept
T2.5: Business & Innovation	Creating the Regional Business Organisation	To establish the Board (now to be known as The Regional Business Council)	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 rectors 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.	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.	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	
	Create testbed to try, test and develop new approaches to public service delivering – 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 have 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.	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.	NA	

Appendix 1 - CCR City Deal Q2 Performance Dashboard

PORTFOLIO	COMMITMENTS	COMEMNTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept
	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 deferred pending clarity on ToR.	NA	
	Develop a Transport Strategy for Growth supporting the CCRCD	NA	NA	
	Develop a [statutory] Regional Transport Plan supporting the Regional Spatial Strategy	NA	NA	
	Support and inform Metro development	NA	NA	
	Work in partnership with Welsh Government to define priorities of the South East Wales Metro concept and support its delivery	As planned	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	As planned	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	Pipeline of potential projects for programme developed as part of Outline RTS. List of potential quick wins / projects for further development agreed by CCRTG. Bus & active travel work as planned.	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 continues to meet in shadow form and workshop held for new member induction.	NA	
	Establish CCRTA Joint Transport Committee (as sub-committee to Cardiff Capital Region City Deal Joint Committee)	As planned.	NA	
	Establish senior transport officer group	Working with WLGA and other regions to consider roles and responsibilities. IAB (WG/TfW/CCRTA/Bus Operators) continues to meet.	NA	
	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.	NA	
Integrated Ticketing	As planned. Operators charged with bringing forward a quick win on joint ticketing (ref c).	NA		
Explore the creation of a single integrated ticketing platform for public transport across the region	As planned.	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		

PORTFOLIO	COMMITMENTS	COMEMNTS	RAG STATUS Q1 Apr-June	RAG STATUS Q2 July-Sept
	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	NA	
	Integrated Aviation Routes	NA	NA	NA
	Review current levels of accessibility and connectivity between the airport / enterprise zone and the wider region	NA	NA	NA
	Identify options to enhance current levels of accessibility and connectivity	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.	NA	