

24th SEPTEMBER 2018 MEETING

2018-19 ANNUAL BUSINESS PLAN - QUARTER 1 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 4

Reason for this Report

1. To inform Regional Cabinet of the Quarter 1 reporting position against the 2018/19 Annual Business Plan, associated work programmes, partnership activity and plans, and to discharge the reporting requirements of the Assurance Framework.
2. To provide regional Cabinet with an update of actual expenditure and projected full year out-turn as at Quarter 1 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 1 report attached at Appendix 1, so that relevant sections may be issued to the Welsh and UK Governments for review and assessment of progress to-date. To note that the format and structure of this report will change in future, given the need for wider adjustments to the work programme and the emergence of a project pipeline and new ways of working.

Background

4. Regional Cabinet approved its 2018/19 Annual Business Plan at its meeting of the 26th March 2018, which included details of the Wider Investment 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 and indicated that the formal Work Programme would be brought back for consideration and approval.
5. At its meeting of the 18th June, Regional Cabinet received the 2018/19 Work Programme, which provided details of the tasks and activities required in the coming year to efficiently address the requirements of the Joint Working Agreement and the Assurance Framework.

6. 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, and which:-
 - Highlights City Deal successes;
 - Provides a performance narrative for each element of the City Deal against agreed Implementation Plan timescales;
 - Provides information on agreed outputs and outcomes; and
 - Identifies mitigating actions for projects and programmes that are not being delivered to agreed timescales.
8. The Draft Annual Governance Statement (AGS) approved by Regional Cabinet on 18th June 2018, in respect of financial year 2017/18, identified an Action Plan relating to governance matters requiring action in 2018/19. The Action Plan identifies the need to establish an effective mechanism of regular review for each action and it is proposed that these quarterly performance reports are used as the vehicle for reporting and monitoring progress in this regard.

2018/19 Work Programme – Quarter 1 Performance Summary

9. Changes have been made to the layout of the Cardiff Capital Region City Deal Work programme 2018-19 so focus on key activity areas are shown at the front of the document, with the contributions made by enabling functions such as Finance and Governance shown towards the end. Performance in Quarter 1 reflects the ongoing delivery of the four endorsed frameworks and the CSC Foundry Project which is in full operation.
 - **Skills for the Future:** a significant body of work has been undertaken on establishing the key foundations of the Skills for the Future programme. In order to further develop the work, conclude production of the outline business case and set a course around early wins and a blueprint for leveraging the skills opportunities beginning to emerge from the CSC Foundry project, independent advisors are in the process of being procured. It is anticipated that this will enable finalisation of the business case and set a course of action for early deliverables in the New Year. This will enable City Deal to build upon the productive work driven by partners such as IQE, which has produced a 'Skills Survey' around drivers, needs and opportunities in the local CSC Skills industry and market. In addition, a recent Expression of Interest submission to the Strength in Places fund run by UKRI, highlights the potential to direct further investment into the CSC sector 'skills build' in the region.
 - **Metro Central Project Update:** a further round of stakeholder consultation is currently taking place and due to close at the end of September 2018. This consultation relates to access issues and land considerations. A full report on wider progress is scheduled for the next Regional Transport

Authority meeting from Transport for Wales and Cardiff City Council. Given the complexities and challenges associated with executing this significant infrastructure project, a more substantive update is expected to be provided in Quarter 4 of 2018/19.

- **Digital Strategy Update:** Cube Ultra has been appointed and work is underway to engage stakeholders and partners to inform and shape the work which is configured around a 'Smart City Region' strategy. It aims to create an integrated infrastructure approach around buildings, mobility, energy, waste management, water and health. Key project areas emerging from this include: global and local connectivity, community fibre connectivity, mobile 5G, sensing CCRCD and open data. Initial outputs will include establishing a baseline of activity that will inform a high-level review of opportunity in each of the areas. This strategic planning approach is balanced with rapid activity to pursue opportunities such as the £15m DCMS fund for the roll out of the Local Full Fibre Network Programme (Waves 2 & 3) – the developmental work for which is currently being underwritten by the ten Councils.
 - **Regional Housing Investment Fund** a potential public sector partner has been identified as a prospective co-delivery agent for the CCRCD Housing Investment Fund, subject to legal and procurement advice. Based on examples of other regions in the UK and two already live funds run by the operator in Wales, it is proposed that the live funds are supplemented by CCR investment in order to significantly advance and accelerate housing development in the region. The next stage of the proposal is to develop a joint outline business case with the prospective co-delivery agent to establish the clear rationale for a supplementary fund that is targeted at housing, commercial and regeneration projects in the region, in accordance with specific criteria. Further conversations are also ongoing with Innovate UK around wider opportunities to link with the four grand challenges set out by UK Government in its Industrial Strategy and in particular, opportunities around green investment for housing, the future of mobility and housing for an ageing population.
 - **CSC Foundry Project** – the project is in full operation with preparations being made for third quarter draw down of investment. Investment from UK Government to support the CSA applications-based Catapult of £51m was confirmed in August by the Welsh Secretary of State. Heads of Terms have now been agreed for the co-location of the Catapult with the CSC Foundry and in respect of the former, 23 people have been employed at the Catapult with plans to create another 100 jobs internally. By 2023, the Catapult aims to have helped create 1,000 new high-tech jobs within businesses supported across the region and wider UK.
10. In respect of wider work being progressed, initial submissions have been made in to the Innovate UK 'Energy Revolution Programme' and the Strength in Places Fund. The latter centres around embedding and strengthening the industrial cluster around CSC Foundry and the CSA Catapult. Seeking to bring together a fund totalling some £44m (across industry, City Deal, wider partners

and UK Government) the object is to create a 'front of house' facilitate focussed on developing supply chain and Foreign Direct Investment Opportunities, to run a Challenge Research and Development programme and to leverage further support for skills growth. Work is also underway around constructing a wider pipeline of opportunity, support and influence to augment project delivery – to better align with the four 'Grand Challenges' set out in the UK Government Industrial Strategy and to leverage some of the opportunities arising from Wave 3 of the challenge fund programme.

11. In relation to the work of the Regional Bodies, the Regional Skills Partnership has completed and submitted its Q1 Monitoring Report to Welsh Government in respect of the RSP Action Plan. This demonstrates good progress around key outcomes; continuing engagement with stakeholders and development of a data portal that will inform regional-wide planning and strategy. The Regional Business Council is finalising its Business plan centred around three key priorities: Marketing & Internationalisation; Influence and Networks and Driving up Competitive Approaches. The first case for investment has also been made with a proposal to participate in MIPIM 2019, in return for establishing a global profile, a new network and investment opportunities. The Economic Growth Partnership is working with Cardiff University to develop data capability and a portal to inform and support regional growth, to shape the foundations of a Regional Industrial Plan and has secured a session with the Chair of Innovate UK, on the evening of 24 October to discuss future strategy and competitive strengths. The work of the Regional Transport Authority continues to take shape with an intensity of activity around the announcement of the Metro core contract; early project planning and execution and improved co-ordination across local planning and delivery. Future work around the Regional Bodies will focus on improving co-ordination across the groups in order that better alignment and synergistic benefits are achieved.

Annual Governance Statement Action Plan - Quarter 1 Update

12. As part of Regional Cabinet's 2017/18 Statement of Accounts, its Annual Governance Statement (AGS) was assessed against the 20 good practice assurance statements as set-out in CIPFA's 'Delivering Good Governance in Local Government Framework'.
13. The assessment identified that strong assurance was in place in respect of 16 of the 20 assurance statements. 3 assurance statements were assessed as providing a moderate level of assurance, whilst 1 principle was deemed as providing limited assurance. Actions were identified in respect of all 20 assurance statements and incorporated into a formal Action Plan for 2018/19.
14. The Action Plan captured details of the next steps required and includes details of the:
 - relevant Delivering Good Governance assurance statement;
 - agreed action;
 - responsible officer/s;
 - review period;

- mechanism for review.

15. Table 1 below provides an update against the AGS Action Plan as at Quarter 1.

Table 1: AGS Action Plan & Quarter 1 Assessment

	Assurance Statement	Suggested Action	Responsible Officer/s	Review Period	Mechanism for Review	Qtr 1
	Statements: 3, 4, 5, 6, 7, 8 ,9, 10, 11, 12, 13, 14, 15, 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	N/A
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	In Progress
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	In Progress
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	In Progress
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	In Progress

Assurance Statements 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20

16. As outlined above, these 16 assurance statement were assessed as providing a strong level of assurance, however, the importance of ensuring this level of assurance is maintained was acknowledged and an action to this effect has been agreed. The action is not due for review until Quarter 2, however for completeness, an update on progress to-date is outlined below.

17. Some initial work has been carried to determine an approach that could be implemented in respect of these 16 assurance statements. It is proposed that the

2017/18 reported position against these statements are further analysed into following categories:

1. Status confirmations;
2. Actions required.

18. An initial high-level review indicates that most of the statements will fall into the 'status confirmation' category i.e. confirmation that either the controls remain in place at the mid-year position, or that the position has changed and needs to be accounted for and appropriately addressed. The remaining statements are likely to require the development of an appropriate action, for which an owner and target date will be introduced.

Assurance Statement 1: Codes of Conduct exist and are effectively communicated.

19. A moderate assurance rating was given to assurance statement 1 as it was acknowledged that some clarity was needed on the applicability of policies and procedures outside of those explicitly outlined in the Joint Working Agreement (JWA) e.g. specific employment arrangements etc.
20. **Quarter 1 Update:** The Accountable Body has provided the following clarity for circulation by the Programme Director in response to the action identified:

"All individuals working within City Deal Programme Office are subject to the policies and procedures of their employer and any policies and procedures highlighted in any secondment agreement. Any arrangements which are not clear have been escalated to the Programme Director."

Assurance Statement 2: We need to ensure compliance with all relevant laws, regulations and internal policies.

21. In respect of assurance statement 2, the moderate assurance rating reflected the need to remind City Deal officers of the approved Governance Protocol that is in place in respect of the decision making framework.
22. **Quarter 1 Update:** The Accountable Body has provided the following statement for circulation by the Programme Director in response to the action identified:

"Under the direction of the Regional Programme Director, colleagues involved in CCRCDC will be instructed and reminded of the importance of complying with the protocol. In particular, that draft reports are developed and circulated for advice and comment in a timely manner, so that all have appropriate time to consider and input. A Work Programme has been developed and matters will be kept under review."

Assurance Statement 3: We are committed to openness and acting in the public interest.

23. The moderate rating for assurance statement 3 recognises that arrangements for accommodating the requirements of the Welsh Language need to be more visible and therefore, require strengthening.
24. **Quarter 1 Update:** The Regional Cabinet meetings are not held in fixed locations and it is the goal to continue to hold meetings in a variety of locations and venues across the region in order to maximise accessibility across the geography. Consideration is currently being given the live-streaming of meetings and improved social media engagement.
25. In respect of Welsh Language Scheme requirements, Cabinet agendas are currently produced in Welsh and reports and items are available in Welsh upon request. The same applies to relevant policies, strategies and plans and consultation papers. Policies and procedures will be constantly updated to reflect changing guidance and to ensure there is clarity about our role and obligations in this regard and that services in Welsh are clearly visible to all.

Assurance Statement 14: We have mechanisms to review the effectiveness of our framework for identifying and managing Risks.

26. The assessment acknowledged that operational (including investment) decisions are informed by a good understanding of risks. All decision-making reports are considered to draw appropriate attention to relevant risks and are supported by the inclusion of detailed implications e.g. Legal, Finance, HR etc. prepared by professionally qualified staff.
27. However, it was also recognised that the absence of a risk management strategy to formalise a process for the identification, reporting, escalation and management of risks, represents a significant gap in assurance at a strategic risk management level. Accordingly, this area was considered to represent a limited level of assurance and required the Programme Director to lead on putting in place the appropriate arrangements in respect of Strategic Risk Management.
28. **Quarter 1 Update:** The Programme Director commissioned external consultancy support from the Vale of Glamorgan Council in July 2018 to undertake this work on assessing and preparing a Strategic Risk Register. In addition, the commission will identify and recommend appropriate monitoring and review mechanisms. This work is being supported by the Accountable Body, in-line with the requirements of the JWA.
29. A workshop session was held with the Programme Management Office (PMO) and officers from the Accountable Body with the focus being on the identification of the key risks to the delivery of the City Deal Projects and Programmes and the management of the Project Management Office. At this workshop, the group identified and prepared an initial list of risks over a range of areas.

30. A risk template has been developed that has been tailored to the needs of the City Deal in order to capture these risks within a Risk Register, which is also compliant with the Accountable Body's reporting requirements.
31. To ensure that the City Deal can evidence its alignment to the Well-being of Future Generations (Wales) Act, the register format makes reference to the Well-being Goals in terms of understanding the potential impact each risk could have on the City Deal's ability to contribute to delivery of these goals. The template (as part of the Risk Management Plan), has also been aligned to the 'Five Ways of Working'. This ensures that the Five Ways of Working are integral to defining the mitigating actions to these risks.
32. The next stage of the Risk Register's development will focus on further refining the detail behind these risks in terms of their definition, any existing controls in place, as well as an evaluation of the risks in terms of their scoring and putting in place a Risk Management Plan (action plan) of mitigating actions aligned to each Risk within the Register that can be monitored by the PMO and reported to the Regional Cabinet.
33. In addition to this, reporting mechanisms in-line with the Accountable Body's processes will be developed and documented to ensure that the City Deal risks are systematically reported and escalated (where required) on a regular basis. A further workshop is planned for September/October with PMO and Accountable Body officers in order to progress this work. On completion of this, a draft Risk Register will be presented to Cabinet for consideration and approval.

Internal Audit Action Plan - Quarter 1 Update

34. 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 audit plan has been prepared covering the period from 2017-18 to 2021-22 and sets out the proposed work required each year, to secure appropriate levels of assurance.
35. 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.
36. 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 are attached at Appendix 2 of this report. Additional columns have been added to reflect progress on a quarterly basis. At Quarter 1, actions have either been completed or are on target to be completed by the specified date. A summary is reproduced below.

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

R2. Establishment of a Joint Scrutiny Committee – In progress with the first committee meeting scheduled to take place shortly.

R3. Establish and maintain a register of declared interests – In progress

R4. Training to be provided on new Contract Standing Orders and Procurement Rules - Implemented

37. Progress against the Internal Audit Action Plan will be monitored and reported on through the quarterly performance reporting arrangements. This will ensure that Regional Cabinet are fully sighted on progress against the Action Plan throughout the year.

Wider Investment Fund Budgets – Quarter 1 Update

38. The 2018/19 Wider Investment Fund Annual Business Plan approved a programme of expenditure which is shown 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
Future Revenue Projects	1,000.0
Future Capital Projects	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

39. The Wider Investment Fund 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. Details of agreed 2018/19 budgets and expenditure are shown in Table 2 below.

Table 2. 2018/19 Quarter 1 Position – WIF Top-Slice

	Budget	Qtr 1 Actual	Projected Year End	Variance
	£	£	£	£
Regional Bodies				
Regional Transport Authority	52,193	6,104	47,641	-4,552
Regional Skills Board	102,193	12,727	101,412	-781
Economic Growth Partnership	70,000	0	70,000	0
Regional Business Council	50,000	0	50,000	0
Sub-total	274,386	18,831	269,053	-5,333
Programme Development & Support				
Digital Strategy Project	130,000	0	130,000	0
Housing Investment Fund Project	100,000	0	100,000	0
Programme Dev' & Support	238,114	0	260,311	22,197
Sub-total	468,114	0	490,311	22,197
Investment Income	0	-4,216	-16,864	-16,864
Total	742,500	14,615	742,500	0

Regional Bodies: (-£5,333)

40. 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 Board, the Economic Growth Partnership and the Regional Business Council.
41. There are 2 FTE posts funded from Regional Bodies budgets, 1 each from the Regional Transport Authority and the Regional Skills Board. There are underspends totalling £5,333 projected for the financial year against these posts, mainly due to delayed recruitment.
42. There was no actual expenditure against the other two Regional Bodies at Quarter 1. However plans are in place for expenditure to take place before the end of the financial year and therefore all budgets at Quarter 1 are projected as being on target for out-turn purposes.

Programme Development & Support Budget: +£22,197

43. As outlined above, a budget of £468,114 was approved for 2018/19 in respect of Programme Development & Support. This is split between sums allocated to

projects approved in-principle with the balance of the budget being available to support emerging projects.

44. It is understood that work has commenced on both the Digital Strategy and the Housing Investment Fund projects, however, no costs had been claimed as at Quarter 1. Requests for details will be made throughout the year, although both projects are projected to be on target at the year-end.
45. An additional £22,197 is available to spend on the Programme Development & Support budget and reflects both the under-spend on the RTA budget and the projected Investment Income generated on City Deal balances held.

Approved Projects Budget

46. The 2018/19 Annual Business Plan approval also covered the Year 2 costs of the Compound Semi-Conductor Foundry Site. This is budgeted at a cost of £13.84 million and consists of both the project related expenditure and the Special Purpose Vehicle's (SPV) second year project delivery and implementation budget. An update against this is outlined in Table 3 below.

Table 3: Approved Projects Budget

	Budget £'000	Qtr 1 Actual £'000	Projected Year End £'000	Variance £'000
CSC Foundry Site Funding	13,690.0	1,838.7	13,690.0	0.0
CSC Project Delivery and Implementation	150.0	150.0	150.0	0.0
Total	13,840.0	1,988.7	13,840.0	0.0

47. Whilst Table 3 outlines the position at Quarter 1, Regional Cabinet are due to receive an update report on the Compound Semi-Conductor Foundry project at its meeting of the 24th September and Members are directed to that report for further details.

Future Revenue and Capital Budgets

48. The 2018-19 Annual Business Plan contains approvals in respect of revenue (£1 million) and capital (£4 million) resources and are intended to provide Regional Cabinet with a level of flexibility to deal with In-Principle and/or emerging projects during the year, should these materialise. It should be noted that these approvals are subject to meeting the requirements of the Assurance Framework.

Reasons for Recommendations

49. To discharge the reporting requirements within the Cardiff Capital Region City Deal (CCRCD) Assurance Framework (JWA Schedule 8, point 2.2.9).
50. To note the overall progress of the areas of work agreed to be progressed in 2018/19 for Quarter 1.

Financial Implications

51. Regional Cabinet approved its 2018/19 Annual Business Plan and the associated budgets at its meeting of the 26th March. The attached report sets out the Quarter 1 performance which indicates that both plan and budgets are largely on target. Regular budget monitoring reports will be presented to Regional Cabinet throughout the year to ensure that any budget management issues that arise are highlighted at an early stage and appropriate action taken.

Legal Implications

52. The report sets out the Quarter 1 performance and is submitted to Regional Cabinet for consideration pursuant to the reporting requirements within the Cardiff Capital Region City Deal Assurance Framework. Legal Support and advice will be provided in respect of the improvement and action points identified.
53. 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.

Future Generations and Wellbeing Considerations / Well-being and Equalities Assessment

54. Consideration to aspects concerning the Future Generations (Wales) Act 2015 and Well-being & Equality are described in Appendix 3.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- a) Note the overall progress at Quarter 1 against the 2018/19 Annual Business Plan, associated work programmes, partnership activity and plans;
- b) Note the actual expenditure and projected full year out-turn as at Quarter 1 against the approved Wider Investment Fund budgets as set out in the Annual Business Plan for the financial year 2018/19;
- c) Authorise the Programme Director of the Cardiff Capital Region City Deal to formally submit relevant sections of the Quarter 1 Performance report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet; and
- d) Note that the format and structure of this report will change in future, given the need for wider adjustments to the work programme and the emergence of a project pipeline and new ways of working.

Kellie Beirne
Cardiff Capital Region Programme Director
18th September 2018

The following Appendices are attached:

Appendix 1: CCR City Deal Quarter 1 Work Programme

Appendix 2: Internal Audit Action Plan

Appendix 3: Future Generations Evaluation Q1 Performance

The following Background Papers have been taken into consideration:-

Cardiff Council Internal Audit Report – Cardiff Capital Region City Deal (July 2018)

Cardiff Capital Region City Deal Work Programme 2018-19

Activity	Update	Q1	Q2	Q3	Q4
(A) KEY PROGRAMME – SKILLS AND EMPLOYMENT					
SKILLS AND EMPLOYMENT PARTNERSHIP					
(A1) To re-design the constitution of LSKIP to be able to become the <u>CCR Employment and Skills Board</u> by end of Quarter 1.	This is in train and requires some wider governance adjustments. It is likely that the RSP status will need to remain – however – City Deal or CCR delegations will need to be evolved to encapsulate it.	✓			
(A2) Plan the delivery of the Welsh Government remit requirements.	These are now set out in the Annual Report/ Action Plan for which Q1 objectives have been achieved	✓			
(A3) To report quarterly on progress of joint working with the DWP.	This will be reported at half yearly intervals in the future	✓	✓	✓	✓
(A4) To report to Cabinet on a quarterly basis progress on developing and producing an Employability Plan.	This will be reported at half yearly intervals in the future	✓	✓	✓	✓
(A5) SKILLS FOR THE FUTURE PROJECT					
(A5) (i) To produce the outline business case.	Work has established the key pillars of an outline business case. Independent advisors will now convert this, working with stakeholders into a final outline business case	✓			

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
(ii) To produce the full business case.	In sequence with the above		✓		
(iii) To secure approval through Assurance Framework by the end of August.			✓		
(iv) To initiate phase 1 of project delivery by end of Quarter 2.	This will be informed by a programme of early wins identified through the process for priority delivery		✓		
(B) KEY PROGRAMME – CONNECTING THE REGION					
REGIONAL TRANSPORT AUTHORITY					
<ul style="list-style-type: none"> (B1) To programme and support the quarterly meetings of the Regional Transport Authority, and report progress to Regional Cabinet. 	RTA meetings now programmed monthly to enable workload to progress in a timely manner. Meetings will be cancelled where there is no business to be considered. June 2018. All progress reported to Regional Cabinet on a monthly basis where required.	✓	✓	✓	✓
<ul style="list-style-type: none"> (B2) To finalise the consultation exercise regarding the outline regional transport strategy. 	Consultation of ORTS complete. Work progressing to analyse responses and take on board for progression of Regional Transport Strategy. RTS to take into account other themes within City Deal to influence 20 year programme proposal. Report to be submitted to RTA and Regional Cabinet in Autumn for consideration of Draft RTTS, consultation responses on ORTS and to request that each	✓			

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
	partner Council be requested to consider through their Cabinet process.				
<ul style="list-style-type: none"> (B3) To secure agreement from Regional Cabinet for the draft regional transport strategy to be agreed by all ten partner councils. 	Regional Transport Strategy currently being drafted. Report with Draft RTS to be presented to Regional Cabinet in Autumn with request to report to 10 partner Councils for consideration.		✓		
<ul style="list-style-type: none"> (B4) For the Regional Transport Authority to oversee and report progress on the development of the Regional Metro Plus programme. 	Mapping exercise of proposals ongoing, taking on board other priorities linked to raising GVA and refocusing education and skills for future demand. Report to RTA in Autumn alongside Draft RTA.				✓
METRO CENTRAL					
<ul style="list-style-type: none"> (B5) To prepare a development programme business case for the Metro Central investment proposal for Cardiff Central Station and wider Business District. 	Update Report to RTA and Regional Cabinet on Metro Central to be requested for September from TfW and Cardiff Council.				✓
DIGITAL INFRASTRUCTURE STRATEGY					
<ul style="list-style-type: none"> (B6) To secure project development support to design proposals for investment in the regional infrastructure for ICT. 	Project development fund has been established	✓			
<ul style="list-style-type: none"> (B7) To prepare a development programme business case for the Digital Infrastructure Strategy 	Cube Ultra has been commissioned, research and engagement has begun			✓	

Activity	Update	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> (B8) To report to Regional Cabinet the progress in designing the Regional Digital Portfolio in order to secure investment. 	A first substantive report will be drawn up once the first phase of work is complete	✓	✓	✓	✓
<ul style="list-style-type: none"> (B9) Sign up to Open Gov licence. 	This has been approved across all Local Authorities and the development work associated with it, is a core part of the Digital Projects Portfolio	✓			
(C) KEY PROGRAMME – REGENERATION AND INFRASTRUCTURE					
ECONOMIC GROWTH PARTNERSHIP BOARD					
To programme and support the regular meetings of the Economic Growth Partnership Board and report their recommendations on investment to Regional Cabinet.	EGP Away Day on 12 September has established proposals around data capability and a data portal; pillars for the Regional Industrial Strategy and investment fund.	✓	✓	✓	✓
HOUSING INVESTMENT FUND					
<ul style="list-style-type: none"> (C1) To secure project development support to enable the design and submission of this regional proposal, in order to secure investment. 	Initial developmental project support funds have been secured and a potential public sector partner delivery agent identified. This will enable value added through co-investment and aligning with existing plans to leverage and accelerate housing development and associated returns.	✓			
<ul style="list-style-type: none"> (C2) To prepare a development programme business case for the Housing Investment Fund 	An outline business plan will now be produced with the prospective delivery agent	✓			

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> (C3) To report to Regional Cabinet the progress in formulating this proposal for a Regional Fund, through the Assurance Framework to secure investment, in conjunction with Welsh Government. 	On Target			✓	
STRATEGIC SITES AND PREMISES					
<ul style="list-style-type: none"> (C4) To establish an identified and agreed list of key strategic sites across South East Wales in conjunction with Welsh Government. 	Discussion ongoing with individual Authorities to refine long list		✓		
<ul style="list-style-type: none"> (C5) To establish the short/medium/ long term deliverability prioritised list, in conjunction with Welsh Government. 	On target for Q3			✓	
<ul style="list-style-type: none"> (C6) To identify all potential sources of funding to help deliver the sites for development, and report findings to Regional Cabinet. 	On target for Q3			✓	
<ul style="list-style-type: none"> (C7) To explore the potential of a regional funding mechanism in conjunction with Welsh Government/private sector supported by Cardiff Capital Region City Deal investment. 	On target for Q4				✓
<ul style="list-style-type: none"> (C8) To establish an identified and agreed list of strategic property requirements for business occupation across South East Wales in conjunction with Welsh Government. 	On target for Q3			✓	
<ul style="list-style-type: none"> (C9) To establish the short/medium/ long term deliverability prioritised list of development investment, in conjunction with Welsh Government. 	Subject to outcome of C4		✓		
<ul style="list-style-type: none"> (C10) To identify all potential sources of funding to help deliver properties for development/redevelopment. 	On target for Q4				✓
<ul style="list-style-type: none"> (C11) To explore the potential of a regional property development fund mechanism in conjunction with Welsh Government supported by Cardiff Capital Region City Deal investment, to be considered by Regional Cabinet. 	On target for Q3			✓	
VISITOR ECONOMY					
<ul style="list-style-type: none"> (C12) To produce a regional visitor economy development plan, in conjunction with Welsh Government, for Regional Cabinet approval. 	On Target		✓	✓	

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> (C13) Review constitution of Destination Management Board/group in South East Wales. 	Initial review complete by theme lead in readiness for a group discuss in Q2	✓			
<ul style="list-style-type: none"> (C14) To identify and secure potential funding sources for investment in the development opportunities identified in the plan. 	On Target		✓	✓	
<ul style="list-style-type: none"> (C15) Welsh Government funding for South East Wales be aligned with City Deal and Destination Management Plan. 	On Target		✓		
ENERGY					
<ul style="list-style-type: none"> (C16) To identify regional investment opportunities in key renewable energy sector schemes, including energy management and manufacturing technologies. 	Work is underway supported by pro bono resource from Local Partnerships			✓	
<ul style="list-style-type: none"> (C17) To identify and secure potential funding sources for investment. 	Two bids to the Energy Revolution submitted			✓	
<ul style="list-style-type: none"> (C18) To develop and produce a Regional Sustainable Energy Plan with identified sectoral priorities and action plan. 	Will shortly be underway in conjunction with above		✓		
URBAN RENEWAL					
<ul style="list-style-type: none"> (C19) To develop investment proposals that revitalise existing urban and town centre locations. 	These has been submitted and ratified as part local authority TRI submissions to WG			✓	
<ul style="list-style-type: none"> (C20) Identifying all sources of funding to help deliver proposals that enhance physical infrastructure in the centres and enable job creation including TRI funding from Welsh Government. 	As above and to be shaped via the roll-out of TRI			✓	
D KEY PROGRAMME – INNOVATION AND ENTREPRENEURIAL ACTIVITY					
REGIONAL BUSINESS COUNCIL					
<ul style="list-style-type: none"> (D1) To support the regular meetings of the Regional Business Council and report their recommendations to Regional Cabinet on investment proposals and their proposals for Regional Business Support requirements. 	All meetings supported by both City Deal and Innovate UK. First project support proposal submitted for MIPIM 2019	✓	✓	✓	✓
<ul style="list-style-type: none"> (D2) To secure project development support for the production of proposals for a 'Tech Venture Fund', and secure investment from 	Work is in development via theme lead Monmouthshire			✓	

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
Cardiff Capital Region City Deal and Partners through the Assurance Framework.	County Council and the Economic Growth Partnership				
<ul style="list-style-type: none"> (D3) To report on the progress of developing a National Software Academy and National Cyber Academy to ensure digital capacity and capability exists in the region for the future. 	Developmental work underway supported by Innovation Point				✓
<ul style="list-style-type: none"> (D4) Public services testbed development and roll-out. 	Strategic Outline Case work in preparation with Cardiff University, NESTA and Monmouthshire County Council				✓
<ul style="list-style-type: none"> (D5) To support the development of the globally recognised Compound Semi-Conductor cluster 	Quarterly meetings of CSC Foundry Ltd to oversee Development Agreement for Lease. Catapult soon to be co-located in the Foundry. Strength in Places bid submitted for Industrial scale cluster development.	✓	✓	✓	✓
<ul style="list-style-type: none"> (D6) To support the CSC Foundry Ltd. in terms of monitoring the progress of the delivery of the Foundry. 	As above.	✓	✓	✓	✓
<u>GOVERNANCE</u>					
<ul style="list-style-type: none"> Each quarter, a calendar of meetings of Cabinet, Programme Board, and the four Regional Bodies be reviewed and noted / agreed by Cabinet as appropriate. 	On target	✓	✓	✓	✓
<ul style="list-style-type: none"> The Joint Working Agreement be reviewed, amended and agreed by Cabinet for minor amendments. 	On target			✓	
<ul style="list-style-type: none"> The Joint Working Agreement be reviewed, specifically schedules 1 and 2 regarding delegations and Terms of Reference for Cabinet recommendations to the partner ten councils for approval. 	On target				✓
<ul style="list-style-type: none"> That Joint Cabinet develop closer working links with neighbouring City Deal areas by holding quarterly liaison meetings. 	Quarterly meetings of the 4 regional partnership lead officers are now in place. The		✓	✓	✓

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
	Programme Director attends, and is developing closer joint working opportunities with Swansea City Deal, in specific theme areas e.g. energy.				
FINANCE					
<ul style="list-style-type: none"> To report quarterly on Joint Cabinet budget spend for 2018-19. 	On target. Monitoring reports will be prepared on a periodic basis to keep Regional Cabinet informed on the position against its approved 2018/19 budget. The Month 04 position is to be considered by Regional Cabinet at its meeting of the 24.09.18.	✓	✓	✓	✓
<ul style="list-style-type: none"> To report quarterly on Wider Investment Fund (WIF) budget commitment and spend for 2018-19. 	On target. WIF budget updates will be included in Quarterly Performance Report. Quarter 1 report will be considered by Regional Cabinet at its meeting of the 24.09.18.	✓	✓	✓	✓
<ul style="list-style-type: none"> To review and renew (if agreed) the SLAs for services provided to the Joint Cabinet from the Accountable Body (Cardiff Council). 	On target at Quarter 1, with 8 of 9 SLAs prepared and signed-off.	✓	✓		
<ul style="list-style-type: none"> To prepare the draft Annual Governance Statement (AGS) as part of the Statement of Accounts. 	Complete. The AGS was approved by Regional Cabinet at its meeting of the 18.06.18. Progress against the AGS Action Plan will be monitored on a quarterly basis.	✓			
<ul style="list-style-type: none"> To progress the discussions with Welsh Government regarding financial flexibilities, as set out in the Heads of Terms. 	Further discussions have taken place with WG officials. We have the baseline data to take forward	✓	✓	✓	✓

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
	further work and this will be considered by the finance group. However, the current policy position adopted by WG will make it very difficult to construct a proposal which will deliver any significant additional resources. It needs to be recognised that the basis of the CCRCD agreement is fundamentally different from the Swansea deal and therefore progress in our context is much more complicated.				
<ul style="list-style-type: none"> To prepare the unaudited Statement of Accounts for Cabinet approval before 30 June 2018. 	Complete. The unaudited Statement of Accounts were approved by Regional Cabinet at its meeting of the 18.06.18.	✓			
<ul style="list-style-type: none"> To publish the Joint Committee's 2017/18 Statement of Accounts by 30th September 2018. 	On target. An update report will be considered by Regional Cabinet at its meeting of the 24.09.18.		✓		
<ul style="list-style-type: none"> Approval of 2019-20 budgets for Joint Committee and WIF before 28 February 2018. 	On target. The necessary budget planning and consultation will take place over the autumn period to ensure the target date is achieved.				✓
<ul style="list-style-type: none"> Update of WIF Funding Strategy each time project approvals and drawdowns made ongoing throughout 2018-19 and future years. 	On target. Funding Strategy will be reviewed in conjunction with updates provided as part of Quarterly Performance Reports,	✓	✓	✓	✓

APPENDIX 1

Activity	Update	Q1	Q2	Q3	Q4
	the first of which will be considered by Regional Cabinet at its meeting of the 24.09.18.				

Appendix 2 - Internal Audit Action Plan

Audit Title:	Cardiff Capital Region City Deal
Audit Assurance:	Effective with Opportunity for Improvement

REF	RECOMMENDATIONS	RISK RATING	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE (dd/mm/yyyy)	Qtr 1 Update
1	The Programme Director with the support of the Accountable Body, must establish a framework for identifying and managing risks for City Deal, together with a Risk Management Policy and Strategy to improve transparency and demonstrate a clear line of accountability within the governance framework. The framework should include a clear systematic method of identifying, analysing, cost effectively controlling, escalating, monitoring and reporting risks at strategic, programme, project, and operational levels.	Amber / Green	Annual Governance Statement approved by cabinet in June 2018. Agreed an action plan to ensure that this key document was in place by October 2018.	Programme Director	Workshop - 19/07/2018 Draft Document - 31/07/2018 Cabinet Report - 30/09/2018 Performance Report - 31/10/2018	On Target
2	To enhance governance arrangements, transparency and increase effectiveness of internal controls, the lead council, Bridgend County Borough Council, should ensure that a Scrutiny Joint Committee is prioritised, developed and implemented as part of the Work Plan 2018/19.	Green	Bridgend County Borough Council have commenced establishing the regional joint scrutiny committee and are awaiting confirmation of nominated representatives from each of the ten councils.	Chief Executive Bridgend County Borough Council	Officer Training - 31/05/2018 It is proposed that two meetings be held by the Regional Joint Scrutiny Committee within the first year - 30/03/2019	On Target
3	To ensure greater levels of visibility and improve transparency, the Programme Director, Programme Management Office should maintain a register of the joint committee and regional bodies / partnerships declared interests solely for City Deal. This will ensure greater levels of visibility and improve transparency.	Red / Amber	The Agenda for each CCRCD meeting has a standing item, 'Declaration of Interest' and any interests declared are recorded in the minutes. The CCRCD Director will request Members of the Regional Cabinet, RTA and REGP if there are any declarations of interest they wish to declare and record on the PMO City Deal declaration of Interest Register, in respect of the City Deal.	Programme Director	30/09/2018	On Target
4	Prior to the new Contract Standing Orders and Procurement Rules coming into force, the Programme Director should identify officers and any new appointed officers who procure and/or manage contracts and ensure that they attend the training offered. This will ensure that they are up to date on the latest good practices for procurement and contract management.	Green	Two PMO officers who place orders and process invoices on the SAP system have already had this training. Any further new appointments to the team will need to be assessed as to their need for training should they have any financial/budget responsibilities.	Programme Director	Implemented	Complete

Future Generations Assessment Evaluation

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal Setting out substantive performance and progress against the approved annual business plan for 2018/19.
Proposal: Quarter 1 Performance	Date Future Generations Evaluation form completed: 14 Sept 2018

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?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	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.	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.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	References to submissions around the 'Energy Revolution' challenge fund are described in the report.	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.

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 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.</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>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>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.	
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		
Sex	As above		
Sexual Orientation	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?
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:	Quarter 2
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