

CARDIFF CAPITAL REGION JOINT CABINET

JOINT CABINET MEETING 20 NOVEMBER 2017

QUARTER 1 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 1 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 1 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.

Highlights

5. On the **1st March 2017** the Leaders of the ten South East Wales local authorities signed the Joint Working Agreement, on behalf of their Councils, and by doing so established the Regional Joint Cabinet (Regional Cabinet). The Agreement contained the CCRCDC Assurance Framework (schedule 8) and CCRCDC Implementation Plan 2016-2020 (schedule 9).

6. On the **17th March 2017**, the Regional Cabinet agreed a programme of work, the CCRC D Transition Plan 2017-2018, which provides details of the tasks and activities required to efficiently address the requirements of the Joint Working Agreement and Assurance Framework.
7. Approval of CCRC D's Investment Fund was received from Welsh Government **on 9th March 2017**. The approval letter stated that Welsh Government do not intend to impose additional terms and conditions, to those of the UK Government, in line with the city deal ethos of local accountability. However, the Welsh Government expect matters to be conducted in a manner that ensures financial propriety and good governance. The UK Government funding conditions state that the funding must be used solely to support the objectives of CCRC D through the implementation of projects and schemes agreed by the Region Cabinet in accordance with arrangements set out in its Joint Working Agreement, Wider Investment Fund Assurance Framework, Implementation Plan and, when agreed, JWA Business Plan.
8. On **the 2nd May 2017**, the Regional Cabinet approved (subject to conditions) its first investment of £38m, from the Wider Investment Fund, to establish an anchor space in the region for high end production of compound semi-conductors.
9. The aim of CCRC D's first investment is to support the development of a Compound Semiconductor Industry Cluster in the region with the potential to:
 - lever £375m of private sector investment;
 - create up to 2,000 high skilled jobs; and
 - return the investment for use on other regional schemes.

Performance

10. Briefly, pending the finalisation of the CCRC D 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
11. This is a primary level performance report for Q1, covering the period April to June 17.
12. The Q1 position indicates good overall progress, as summarised in the table below.

Quarter 1 progress (overall completion):

| | | |
|--|---------------|---------------|
| T.2.1 Regional Cabinet | 66.6% overall | 33.3% overall |
| T.2.2 Finance & Governance | 66.6% overall | 33.3% overall |
| T.2.3 Regeneration, Housing & Planning | 100% overall | |
| T.2.4 Work, Skills & Economy | 50% overall | 50% overall |
| T.2.5 Business & innovation | 100% overall | |
| T.2.6 Transport | 100% overall | |

| | | | |
|---|-------------------------------|---|-------------------------------|
|  | % Actions Completed within Q1 |  | % Actions Outstanding from Q1 |
|---|-------------------------------|---|-------------------------------|

13. 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)

14. Whilst the Regional Office has been established at Ty Dysgu, Nantgarw, the office is not fully functional at the end of Q1.
15. There have been some technical delays across all the required 'back office' support systems, specifically the delivery and installation of ICT infrastructure and equipment, kit, the related transfer of all CCR stored data from the temporary host Bridgend CBC, financial systems and H.R. systems, as well as the production of Service Level Agreements. Discussions have taken place with relevant Officers who are now seeking to resolve delays and undertake the necessary actions.
16. The remaining 33.3% of this commitment is expected to be delivered in Q2 successfully.

T2.2: Finance and Governance – Financial Flexibilities

17. A proposal is currently being developed that specifies the areas of additional flexibility the Regional Cabinet wishes to explore with Welsh Government.
18. The report was scheduled to go before Regional Cabinet in Q2, but owing to the Local and General Elections and the changes in administrations, it is now anticipated in Q3.

T2.3: Work, Skills and Economy-Establish the REGP

19. 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. Initially Centre for Cities indicated a timeline of two months to complete their work, as the procurement process was not initiated until late March, their two month timescale slipped forwards.
20. At the end of this quarter Centre for Cities have delivered all month one activity, with month two activity on-track to be delivered within Quarter 2.

Outputs and Outcomes

21. Overall requirements for outputs and outcomes are being established. Scheme specific targets for the Compound Semiconductor Project are being developed and agreed.

Mitigation

22. No scheme is currently subject to mitigation.

Reasons for Recommendations

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

Financial Implications

24. There are no direct financial implications arising from this report, which reports Quarter 1 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

25. Based on the information set out in this report, there are no direct legal implications arising from the report, which reports Quarter 1 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 1 performance report.
- b) Authorise the Project Manager of the CCRCD Regional Office to formally submit the quarter one 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
14th November 2017

The following Appendix is attached:

Appendix 1: Transitional Reporting Framework (pending the finalisation of the CCRCD Monitoring, Reporting and Evaluation Framework).

Appendix 1

| | PRIMARY (<i>high level & strategic</i>) | SECONDARY (<i>detailed & operational</i>) | TERTIARY (<i>operational with supporting evidence/documentation</i>) |
|-------------------------|---|---|---|
| REGIONAL CABINET | Quarterly performance Red 'RAG' rated risks Finance Audit | | |
| CEX | Finance Audit | Quarterly performance Highlight Risk & Issue | |
| PROGRAMME BOARD | | Highlight Risk & Issues | Quarterly performance with supporting |
| REGIONAL OFFICE | Status Resource Project/Scheme | Status Resource Project/Scheme | Status Resource Project/Scheme |
| ACCOUNTABLE BODY | Finance Audit | Finance Audit | Finance Audit |
| UK GOVERNMENT | | Quarterly performance SQW Baseline SQW Annual SQW 1 year out | |
| WELSH GOVERNMENT | | Quarterly performance | |
| | | | |