

18 FEBRUARY 2019 MEETING

2018-19 ANNUAL BUSINESS PLAN - QUARTER 3 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM: 5

Reason for this Report

1. To inform key stakeholders, principally, Regional Cabinet and also, Wales and UK Governments of the Quarter 3 reporting position against the 2018/19 City Deal Business Plan, thus discharging the reporting requirements of the Assurance Framework and providing a comprehensive overview of progress.
2. To provide regional Cabinet with an update of actual expenditure and projected full year out-turn as at Quarter 3 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 3 report, which has been seen and informed by Wales and UK Governments, in order for formal submission to government partners.
4. To note the continued changes to the format, structure and shape of the report, in order to provide a 'balanced scorecard' approach in order to provide a consistent, concise and coherent means of evaluating and monitoring performance and progress.

Background

5. Regional Cabinet approved its 2018/19 Annual Business Plan at its meeting on the 26th March 2018, which included details of the Wider Investments 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.
6. At its meeting of the 18th June, Regional Cabinet received 2018/19 Work Programme, which provided details of the tasks and activities required in the coming year to address the requirements of the Joint Working Agreement and the Assurance Framework. 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. Changes have been made to the structure, format and shape of the Performance report in order to:

- Situate plans, actions and priorities in the context of the targets that City Deal is required to deliver against;
 - Reduce extraneous information volume; place a clearer emphasis on delivery and provide a one page overview of headline issues and progress;
 - Provide a high-level account of strategy and 'direction of travel' alongside assurance on matters relating to Finance, Risk and Assurance;
 - Set out the key priority areas and activities guiding key interventions under the headings of Programme Delivery; Partnerships; Communications & Reach; Influence & Engagement and required Actions; and,
 - Demonstrate strength in the pillars underpinning delivery of City Deal around Culture, Capacity and Leadership.
8. It should be further noted that these changes have now been embedded as part of the new Annual Business Plan for 2019/20 and reporting requirements will therefore be aligned with this consolidated approach from April 1st 2019. The detail ordinarily contained within this report is now set out in the attached appendices:
- Appendix 1: CCR City Deal Quarter 3 Performance 'Balanced Scorecard'
 - Appendix 2: CCR City Deal Quarter 3 detailed Work Programme Update
 - Appendix 3: AGS Quarter 3 Update (containing the Risk Log)
 - Appendix 4: Internal Audit Action Plan
 - Appendix 5: Wider Investment Funds Budget Quarter 3 Update
 - Appendix 6: Wellbeing of Future Generations Assessment

Legal Implications

9. The report sets out the Quarter 3 performance and is submitted to Regional Cabinet for consideration pursuant to the reporting requirements within the Cardiff Capital Region City Deal Assurance Framework. 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.

Wellbeing of Future Generations

10. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:
- (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and (c) the Well Being of Future Generations (Wales) Act 2015. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous,

resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals.

11. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them.
12. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 6.

Financial Implications

13. Regional Cabinet approved its 2018/19 Annual Business Plan and the associated budgets at its meeting of the 26th March 2018. Appendix 5 provides an update as at Quarter 3, which in summary indicates:

Wider Investment Fund Top-Slice (£742,500)

An underspend of -£286,123 is projected. Subject to the final out-turn, the full value of any underspend is available to support the WIF Top-Slice in future years, subject always to observing the 3% cap (annual and cumulative) approved by Regional Cabinet.

2018/19 Approved Project Budgets (£13,840,000)

There is projected slippage of £1,381,600 (or 10.1%) against the CSC Foundry capital budget. This is expected to be drawn down and fully utilised in 2019/20.

2018/19 In-Year Project Approvals

The 2018-19 Annual Business Plan contained uncommitted revenue and capital resources of £1.000 million and £4.015 million respectively. These resources were put in place to provide Regional Cabinet with a level of flexibility to approve additional sums during the year in the event that In-Principle and/or emerging

projects found themselves in a position to be allocated approved project funding during 2018/19.

There are no additional in year approvals (either actual or projected) as at the end of Quarter 3. Given the current status of the Project Delivery Pipeline, the Finance Group have recommended that Regional Cabinet consider slipping the capital sum (£4.015M) forward, two years to financial year 2020/21.

14. Regional Cabinet should note that the 2019/20 Annual Business Plan (ABP) incorporates the positions outlined above, to the extent these impact on budgets incorporated within the ABP. It is normal practice to include projections (at a point in time) within future year budgets, which are then subsequently updated to reflect the final out-turn position, once this has been established. Any material changes will be reported to Regional Cabinet as part of the regular budget monitoring reports.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

- a) Note the overall progress at Quarter 3 2018/19, including the budget position reported at Appendix 5 and approve that where relevant, the 2019/20 Annual Business Plan budgets will be prepared on the basis of the projections reported at this time;
- b) Consider and if deemed acceptable, approve the Quarter 3 performance report; and
- c) 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.

Kellie Beirne
Cardiff Capital Region Director
18 February 2019

Appendices:

Appendix 1: CCR City Deal Quarter 3 Performance 'Balanced Scorecard'
Appendix 2: CCR City Deal Quarter 3 detailed Work Programme Update
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CCR CITY DEAL QUARTER 3 PERFORMANCE – FEBRUARY 2019

GOOD GROWTH SUPPORTING & DELIVERING 5% GVA UPLIFT, 25K NEW JOBS & £4BN LEVERAGE

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	<p>STRATEGY & DIRECTION</p> <ul style="list-style-type: none"> • First version of Sectoral Analysis received and embedded within the REGP Industrial and Economic Growth Plan • Finalised Regional Industrial Plan developed by REGP to go to Regional Cabinet in December 2018 • Final report received from Cenex, commissioned to develop EV Plan and Infrastructure for Metro Plus received and incorporated into Strategic Outline Programme • Written and verbal evidence given to EIS Committee on City Deals in Wales December 2018 and January 2019 • Principles of Investment & Intervention Framework established and agreed with REGP. Legal framework development underway • Annual Business Plan for 2019/20 produced, consulted upon and to be presented to Cabinet in Feb 2019 • Co-investment agreement with Innovate UK on alignment of challenges. 	<p>FINANCE & ASSURANCE</p> <ul style="list-style-type: none"> • First meeting held of CCRCD Joint Scrutiny Committee in October 2018 and work programme agreed. Second meeting held on 5 February 2019 • Formal Future Generations assessment framework now in place for all decision-making reports • Second UK National Steering Group attended – first City Deal in cohort 2 to have agreed Evaluation Framework with SQW. Stakeholder work completed and economic forecasts completed. • Second meeting of Implementation Board across UK, WG and City Deal held – no concerns raised • New Annual Governance Statement in place containing comprehensive Risk Log • 3 of 4 areas actioned on Internal Audit Report for 2018/19 • Work on the Investment Fund to be translated into a supplemental and business friendly Assurance Framework by Local Partnership – underway with Metro Plus SOP as first test case • Financial reporting for Q3 – posted and on budget • Joint Committee budget for 2019/20 prepared – to be presented to Cabinet in Feb 2019 			
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">KEY ACTIVITIES</p>	<p>PROGRAMME PIPELINE & DELIVERY</p>	<p>PARTNERSHIPS</p>	<p>COMMUNICATIONS, MARKETING & REACH</p>	<p>INFLUENCE & ENGAGEMENT</p>	<p>ACTIONS PENDING</p>
	<ul style="list-style-type: none"> • Draft project pipeline in development to underpin Innovation & Investment framework • Innovation and Investment framework key principles agreed – first draft of Toolkit prepared • Strategic Outline Programme and Report produced on Metro Plus – decision of Cabinet Feb 2019 • Graduate Pilot scheme approved by Cabinet in Dec 2019. • Preparations for Graduate Scheme underway with recruitment commencing • Digital Proposition currently being reviewed and updated • Housing Investment Fund: Procurement advice received. Proposal development underway • Outcome of Strength in Places fund submission awaited • CSA Catapult co-located with CSC Foundry Jan'19 with 5 year business plan and budget in place • Outline submission prepared for submission to WEFO 'Building Institutional Capacity' for Public Services Testbed • LFFN submissions made on Wave 3 – unsuccessful. Awaiting Wave 4 and confirmation awaited on the £200m announced for rural/ valleys in Autumn budget statement • 2 successful submissions notified on Energy Revolution 	<p>Regional Economic Growth Partnership:</p> <ul style="list-style-type: none"> • Regional Industrial Plan produced • Membership renewed • Data work completed • Secured PhD studentships to inform data insight & foresight • Draft Innovation & Investment framework prepared • Commitment for bi-annual reports secured from Board of UKRI <p>Regional Business Council:</p> <ul style="list-style-type: none"> • Session with Innovate UK on workshops for business on IS Challenge Fund • Business Plan approved by Cabinet in Dec 2018 • MIPIM preparation underway • Meeting with UK Dept. for International Trade to agree features for prospectus and panel representation at MIPIM <p>Regional Skills Partnership:</p> <ul style="list-style-type: none"> • Handover to RSP to Newport City Council in progress • Q1 performance report approved • Graduate scheme approved in Dec 18 • Scheme developments on STEM & hard to reach young people underway • Stakeholder workshops to be held Feb 2019 <p>RTA:</p> <ul style="list-style-type: none"> • SOP produced for Metro Plus 	<ul style="list-style-type: none"> • Year to date, City Deal news articles directly generated: 100 • Website: 2380 overall visitors • Website: 8501 page views • Website: 206 contact page visits • Twitter: 2268 followers • Twitter: 78.3k impressions • Twitter engagement: 2k • Tweets: 42 RTs: 238 Link clicks: 590 • MIPIM promotional work in progress with production of video showcasing region & aerial photography • 1 potential scheme to feature in Dept for International Trade international investment prospectus • Role on the DfIT Investment Panel at MIPIM • New and improved City Deal website up and running • Sponsorship of Wales in London Week 2019 and Panel representation and session for CCRCD • WiL Week REGP Economic Growth plan launch with SoS on 28 Feb 2019 	<ul style="list-style-type: none"> • CCRCD keynote speeches/ inputs to: <ul style="list-style-type: none"> • Innovation Advisory Council Wales • Science Advisory Council for Wales • WEFO Programme Monitoring Committee • Cardiff University and Cyber Labs • Built Environment Conference • EstNet – Launch of Wales Technology Awards • MIPIM Partner Events • Commitment from UKRI Board members to provide bi-annual updates from UKRO direct to REGP • Ian Campbell CEO of IUK – meeting February '19 • Participation in the UK Steering Group convened by BEIS in Jan 2019 in Glasgow • Evidence to EIS Committee in Jan 2019 • City Deal represented on Ministerial Foundational Economy Advisory Group • City Deal Director and Chair of REGP nominated to WG Regional Investment Funding Committee 	<ul style="list-style-type: none"> • Formalise Innovation & Investment framework and 3 funds, decision in early 2019 with launch of Three Funds to follow, including launch events at WiL Week and MIPIM • Progress Phase 2 of Sites and Premises work – commissioned and work underway • Meeting with WG seeking clarity on position re: support for apprenticeships • Respond to formal Shared Prosperity Fund consultation • Respond to WG regional working proposals • Clarify position on topslice of Wider Investment Fund for resource and capacity investment – proposal now awaited • Clarify position on treatment of leverage in the Gateway Review • Focus work of s151 group on making progress with wider fiscal programme and measures - NNDR • Respond to WG Brexit impact assessment/ CCR impact • Production of Investment Prospectus now in train • Agree way forward on SDP
<p>CULTURE, CAPACITY & LEADERSHIP</p> <ul style="list-style-type: none"> • City Deal team in situ in new Offices at Tredomen Innovation and technology Centre • New structure and resourcing proposals devised for Cabinet in 2019 		<ul style="list-style-type: none"> • PhD KES studentships to commence in March 2019 • Prince2 Training for all City Deal Office staff • Challenge prize training – delivered 	<ul style="list-style-type: none"> • Knowledge development: KTN and bi-weekly team briefings • CCRCD role in assessing current round of SBRI bids 	<ul style="list-style-type: none"> • CCRCD Director appointed to Chief Scientific Adviser's Panel Wales 	

Cardiff Capital Region City Deal Work Programme 2018-19
Evolving our City Deal – Areas to Shape Emerging Regional Plan and Approach

(1) DATA RICH – EVALUATION READY

To address the issue of low levels of data insight and foresight and to ensure we have a robust baseline from which track progress and key advancements	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Commission sectoral analysis and an overview of competitiveness as regional and place level 		Work underway	First report due in Dec 2019	Final report received
<ul style="list-style-type: none"> Commission work on a data dashboard to provide a portal that brings together and makes sense of data sources that are relevant to tracking and telling the story of the region 			Commissioned and due in Q2-3 2019/20	Underway
<ul style="list-style-type: none"> Adopt the National Evaluation Framework and work with SQW to develop the local evaluation frameworks, logic models and plans to inform the work needed for the Gateway review 		Report approved by Cabinet in Sept 2018		Local Evaluation Framework fully agreed
<ul style="list-style-type: none"> Action in conjunction with SQW, the first set of stakeholder surveys and interview to inform the work needed for the Gateway Review 		Preparation work underway	Phase 1 to be completed	Completed
<ul style="list-style-type: none"> Secure investment through the KES Studentship scheme for PhD student to join the City Deal Office to inform and develop data capacity and competency 			Secured with start date of April 2019	
<ul style="list-style-type: none"> Complete the work commenced by Data Cymru on the Regional Skills database 			Completed	

(2) SETTING OUR STALL OUT – REGIONAL INDUSTRIAL STRATEGY / PLAN

To set out our core competitive strengths and have a key means of engaging with the WG Economic Action Plan and the UK Industrial Strategy	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop context to the JWA five year business plan 			Draft complete	Cabinet approval in Feb '19
<ul style="list-style-type: none"> Set out core competitive and sectoral strengths and demonstrate synergies with Four Grand Challenges & priorities featuring in the Economic Action Plan 			As above	
<ul style="list-style-type: none"> Work with Welsh and UK Government to respond to the Local Industrial Strategy guidance and provide the first Industrial Strategy in Wales 			Opportunity set out in Cabinet Report Dec 2018	To be agreed across Reg Cabinet UK & Wales Govts
<ul style="list-style-type: none"> Demonstrate increased number of submissions into the Industrial Strategy Challenge Fund 			Submissions made to: Energy Revolution SIPF Stations of Future	ongoing
<ul style="list-style-type: none"> Convert the core elements of the Industrial Strategy/ Plan into a CCR Investment Prospectus and to be ready for MIPIM in March 2019 				1 st draft

(3) DELIVERY PIPELINE 'ECO-SYSTEM'

To develop the tools needed to enact robust assessment and decision-making in line with our key targets (GVA, jobs and leverage) and to monitor delivery against current work streams and projects	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop an integrated project pipeline document to be monitored and assessed by Regional Cabinet and informed by the REGP by end of 2018/19 			Work has commenced	To be completed in line with IIF
<ul style="list-style-type: none"> Develop and bring forward for approval by UK Govt, Wales Govt and CCR Cabinet, a new Investment and Intervention Framework and the establishment of three sub-funds to establish the criteria and evaluation tools for investment decision-making 			Work has commenced and Local Partnerships commissioned	First draft complete pending consultation
<ul style="list-style-type: none"> Once approved, launch the three funds in early 2019 – Regional Infrastructure Fund, Challenge Fund and Innovation Investment Fund 				As above
<ul style="list-style-type: none"> Preparation of the Annual Business Plan for 2019/20 				Completed for approval Feb '19
KEY PROGRAMMES (lifted from Annual Business Plan)				
Regional Skills Partnership				
<ul style="list-style-type: none"> Redesign LSKIP to become CCR Employment and Skills Board Plan delivery of WG contractual requirements 			Reg Skills Partnership – now to be Transferred to NCC, Skills lead	CITB secondment in place As above

<ul style="list-style-type: none"> Develop a CCR Employability Plan <p>Skills for the Future</p> <ul style="list-style-type: none"> To produce the Outline Business Case To produce a full business case by August 2018 To initiate phase 1 delivery <p>Connecting the Region</p> <ul style="list-style-type: none"> RTA Meetings to take place quarterly with progress reports to Joint Cabinet Finalise consultation on Regional Transport Plan Secure agreement of all 10 Councils for Regional Transport Strategy RTA to oversee development of Metro Plus scheme To prepare a programme business case for Metro Central in Cardiff Central Square and Business District <p>Digital</p> <ul style="list-style-type: none"> Secure project development support to design proposals for regional digital infrastructure Prepare a development plan business case for digital infrastructure OBC To report to Regional Cabinet to progress Sign up to Open Data Licence <p>Housing Investment Fund</p> <ul style="list-style-type: none"> Secure project development support to enable design and development of proposal To prepare and develop business case To report to regional Cabinet on progress in forming a Fund and comply with Assurance Framework to secure investment alongside WG 			<p>Q1 submitted and feedback received</p> <p>Re-worked bus case underway. Nesta commissioned. Graduate scheme for approval to Regional Cabinet Dec '18</p> <p>Complete Underway</p> <p>Underway</p> <p>Underway OBC in draft and consultation day with EGP 12.12 Completed</p> <p>Business case underway with Dev Bank</p>	<p>To be completed</p> <p>Prog of quick wins underway Graduate Scheme approved</p> <p>Stakeholder workshops Feb '19</p> <p>Metro Plus SOP produced for Feb '19 Cabinet</p> <p>Update pending Metro Central</p> <p>Revision work to Digital Strategy underway – contained in ABP 2019/20</p> <p>Procurement advice rec'd. scheme development underway</p>
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<p>Strategic Sites and Premises</p> <ul style="list-style-type: none"> • Identify agreed list of strategic sites • Prioritise into short/med/long terms opportunities with WG • Explore sources of investment and report findings • Explore potential for a Regional Development Fund supported by WG and City Deal • Establish a strategic property register • Identify sources of investment for sites and premises redevelopment and development <p>Visitor Economy</p> <ul style="list-style-type: none"> • Produce regional visitor economy plan and for Regional Cabinet agreement • Review constitution of Destination Management Group • Identify and secure opportunities for delivery against the Plan • WG resources and City Deal resources to be aligned for delivery in CCR <p>Energy</p> <ul style="list-style-type: none"> • Identify regional investment opportunities in key renewable energy schemes, industrial energy management and manufacturing technologies • Identify and secure potential resources • Regional sustainable energy plan <p>Urban Renewal</p> <ul style="list-style-type: none"> • Develop proposals that revitalise town centres and urban locations • Identify all sources of funding to enhance centres and towns and opportunities for job creation and secure TRI <p>Innovation & Entrepreneurial Activity</p>			<p>Phase work identified key sites and premises agreed with WG. Phase 2 work commissioned Work handed over to City Deal office</p> <p>Draft Plan produced Update to Regional Cabinet in Dec 2019</p> <p>Local Partnerships pro bono input Stations of Future submitted X two Energy Revolution schemes secured</p> <p>TRI proposals secured Bi-monthly TRI meetings</p>	<p>Interim report on Phase 2 work due in Feb '19</p> <p>Site list and data visualisation to be complete</p> <p>To be completed. Interim report is ready</p> <p>Work to start on Energy Plan for region in March 2019</p> <p>2018/19 TRI schemes underway with 90% spend on target</p>
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<ul style="list-style-type: none"> • Support meetings of RBC and report recommendations to regional Cabinet and investment support for proposals • Secure project development support for the Technology Venture Capital Fund and secure investment support and decision through partners and Assurance Framework • Report progress on National Software Academy and development of National Cyber Academy • Public Services testbed to be rolled out and developed • Support and develop internationally renowned CSC Cluster • Support CSC Foundry Ltd and development of Foundry 			MIPIM report supported 09.18 Superseded by Investment Framework Not relevant at this time SIPF bid submitted ongoing	Ongoing. Tech fund incorporated into IIF EOI to be submitted to WEFO SIPF – awaiting notification
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(4) CONSOLIDATED & EFFECTIVE ‘GOOD GOVERNANCE’

To establish a streamlined effective ‘good governance’ that utilises the full range of talents, skills and assets available to City Deal	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • Develop the detailed ‘Evaluation Criteria, Methodology and Weightings’ along with a range of ‘practical, user-friendly guidance notes’ which support the Assurance Framework that demonstrates we are open for business and the way in which that business will be conducted 			Under-way	To be completed in line with IIF. First draft complete

<ul style="list-style-type: none"> Re-visit the number, variety, composition and frequency of the plethora of groups, partnerships and fora developed to support City Deal and streamline, consolidate and schedule into an appropriate and supportive governance network by end of Quarter 4 				Incomplete – ABP 2019/20
<ul style="list-style-type: none"> Transfer the ‘host’ authority status for the Regional Skills Partnership to lead body, Newport City Council 			Transition period in effect	To be completed
<ul style="list-style-type: none"> Put in place arrangements for transitioning Lead Authority responsibility for CSC Foundry Ltd during 2019/20, including meeting all statutory requirements. 				To have commenced
<ul style="list-style-type: none"> Develop and monitor a concise and coherent Risk Register and complete work around City Deal wider Risk Environment 			Actioned	To have commenced
<ul style="list-style-type: none"> Develop and implement a comprehensive Annual Governance Statement 			Actioned	Actioned
<ul style="list-style-type: none"> Quarterly Financial Monitoring Reports to Regional Cabinet, Welsh Government and UK Government 			Actioned	Actioned
<ul style="list-style-type: none"> Develop a new Future Generations/ Sustainability Assessment to demonstrate that all decisions are foregrounded in FG considerations 			Actioned	
<ul style="list-style-type: none"> Actively contribute to and develop presence and profile at UK Govt Steering Group Meetings, Pan-UK Implementation Panel and all relevant cross-government partnerships 			Actioned	Actioned

(5) DEVELOP CITY DEAL INFLUENCE, PROFILE & VISIBILITY
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To establish the profile and visibility of the City Deal and City Region with key decision-makers, investment sources and the people and organisations who can help grow our high potential ideas	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Address full range of external partnerships, events, investment community and others to develop understanding of the purpose and profile of CCR 		City Deal input at 5 events	City Deal inputs to 12 events	
<ul style="list-style-type: none"> Develop relationship with UKRI and Innovate UK through direct interaction, University-led partnerships and input into key policy and strategy development 			CCRCD on GW4 Partnership	
<ul style="list-style-type: none"> Further develop relationship with WG and regional working structures and strategies 			Director appointed to CSA Council	
<ul style="list-style-type: none"> Develop role of REGP as industrial figure-heads supporting CCR and CCRCD 			REGP lead on Industrial Plan, data & investment framework	
<ul style="list-style-type: none"> Obtain a seat for CCRCD at UKRI level by 2021 			ongoing	On-going

(6) CREATE 'OFFICE OF CITY DEAL'

Develop a professional, efficient and sufficiently resourced City Deal Office capable of driving and delivering step change in the region	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Define and make a case for the capability and capacity needed to underpin delivery with a Resourcing Plan bringing forward for decision in January 2019 			Early thinking developed	Restructure & Resourcing Plan
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				Cabinet Feb '19
<ul style="list-style-type: none"> Develop branding and marketing required to establish the City Deal core identity and brand and value proposition 			Prototype designs established	Plans on track in Read-iness for MIPIM 2019
<ul style="list-style-type: none"> Establish a new CDO presence at the Innovation and Technology Centre in Tredomen with a clear 'front of house' provision 			CDO move date 10 Dec	Complete
<ul style="list-style-type: none"> Launch the new City Deal website 			Completed	
<ul style="list-style-type: none"> Develop a comprehensive Communications plan and set targets for reach, profile and sentiment assessment 			Draft developed	Delivery commenced
<ul style="list-style-type: none"> Develop a targeted social media campaign 				Ongoing

(7) REFOCUS ROLE OF INDUSTRY & ENHANCE LOCAL LEADERSHIP

To demonstrate City Deal is enabled and overseen by strong local leadership alongside strong and vibrant industrial leadership	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop a challenge-led approach which focuses on Regional Cabinet's approach and commitment to understanding and solving big problems in region 			Part of Investment Framework - underway	Part of Investment – Framework draft produced
<ul style="list-style-type: none"> Develop the 'good growth' proposition and articulate ambitions for growth that is sustainable and inclusive 			Part of Comms Plan - underway	Embedded in strapline

<ul style="list-style-type: none"> Work with Regional Business Council to establish the 2018/19 Business Plan to articulate their priorities and key activities to engage and involve the business community 			For decision Dec 2018	Underway
<ul style="list-style-type: none"> Support the increasing profile and growing programme of work of the Regional Economic Growth Partnership 			Industrial Plan, data and investment framework	Underway – plan produced and activities planned
<ul style="list-style-type: none"> Develop and submit proposal to WEFO for building Institutional Capacity – Public Services testbed 			underway	Completed

(8) CHALLENGE FOCUSSED & MISSION-LED

Growing our ability to secure investment on a competitive basis	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> Develop a challenge-fund to align with UKRI and UKIS 4 Grand Challenges 			Underway as part of investment framework work	Draft produced and Challenge Prize Centre training delivered
<ul style="list-style-type: none"> Secure co-investment commitments from Innovate UK and WG 			Proposal paper to be developed by InnovateUK	In principle agreements

• Document learning from successful SBRI and GovTech work				Commenced through SBRO Accelerator
• Engage with work of Nesta's Challenge Prize Centre			Contact established	Completed
• Develop competency around Open Data and Open Data-led projects and propositions through the Digital OBC work				Commenced through SBRI Accelerator
• Secure UKRI resources in 5 major investment programmes in 2019/20				ongoing

(9) INTERNATIONALISM & COMPETITIVE ADVANTAGE

To grow the global reach and profile of CCR and CCRC and develop and market our comparative advantage	Q1	Q2	Q3	Q4
• Produce Investment prospectus by March 2019 for MIPIM that promotes both the region's liveability and investability				Draft produced
• Promote region at MIPIM 2019 and work with Dept for IT to promote regionally significant scale projects and propositions in its Prospectus and take-up Panel opportunities			Contact established and drafts in development	Scheduled for March 2019
• Support and sponsor Wales Week in London 2019			Confirmed	Launch event planned for 28 Feb
• Develop links with the Vanguard and Manumix and the wealth of Knowledge Transfer Partnerships & programmes, bringing global great practice into the region			KTN participation	Underway through

			with Innovate UK	WG Innovation
<ul style="list-style-type: none"> Promote our commitment to sustainable development through more targeted activity with public purpose organisations – Bcorps, Co-ops and employee-owned organisations and through a commitment to the Circular Economy 			Yet to progress	ABP 2019/20

(10) TOWARDS A MORE SELF-RELIANT CARDIFF CAPITAL REGION

To develop City Deal alongside other means and mechanisms for reducing dependency and increasing regional economic self-reliance	Q1	Q2	Q3	Q4
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<ul style="list-style-type: none"> Develop a plan to systematically explore, test and implement full range of fiscal powers and incentives – NNDR, Tax Increment Financing, Retail and Institutional Investment etc 			Yet to progress	Meeting sought with HMT and TIF Law Company
<ul style="list-style-type: none"> Develop, approve and implement Investment and Intervention Framework in order to target approach to investment leverage 			Underway	In Draft
<ul style="list-style-type: none"> Identify the appropriate junctures at which to explore and develop the opportunities that currently sit outside of City Deal in order to begin bringing about greater coherence and clarity to the areas in which there is agreement to act as a region 			Progress with Regional Skills Partnership and SDP	Draft paper on SDP Feb 2019
<ul style="list-style-type: none"> Develop inter-regional links and connections and identify areas in which collaboration to enhance competition will best serve CCR 			Input into Severnside Summit	Informing recent discussion on sub-regional brand and leadership

Appendix 3 – AGS Action Plan: Quarter 3 Update

Table 1 below outlines the baseline position that was agreed following the audit of the 2017/18 Statement of Accounts, as presented to Regional Cabinet at their meeting of 17th December 2018. As part of the preparation of the Annual Governance Statement (AGS), twenty assurance statements were assessed as demonstrating a strong, moderate or limited level of assurance (shown as red, amber and green respectively). Table 1 shows the distribution of ratings assigned to the twenty assurance statements, and outlines agreed actions required.

Table 1: Baseline position as per audited statement of accounts 2017/18

	Assurance Statement	Suggested Action	Responsible Officer/s	Review Period	Mechanism for Review
	Statements: 4, 5, 6, 7, 8 ,9, 10, 11, 12, 13, 15, 16, 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
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
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
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
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

Table 2 shows updates against the baseline, assessed at each Quarter as we progress through the financial year, again rating each assurance statement as green, amber or red. Updates against the agreed actions follow.

Table 2: AGS 2018-19 Progress Overview Table: position as at Quarter 3

Assurance Statement		Q1	Q2	Q3	Q4
1	We have and effectively communicate codes of conduct to define standards of behaviour for members and staff, and we have policies for dealing with whistleblowing and conflicts of interest.				
2	We ensure: a) Compliance with relevant laws and regulations, b) Compliance with internal policies and procedures, and c) that expenditure is lawful.				
3	We are committed to openness and acting in the public interest.				
4	We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.				
5	We have developed and communicated a vision, which specifies intended outcomes for citizens and service users, which is used as a basis for planning.				
6	We have translated the vision into courses of action for our function, its partnerships and collaborations.				
7	We have mechanisms in place to review the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.				
8	We measure the performance of services and related projects and ensure that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.				
9	We have defined and documented the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.				
10	Our financial management arrangements conform to all relevant legislative and best practice requirements.				
11	We have effective arrangements in place to discharge the monitoring officer function.				
12	We have effective arrangements in place to discharge the head of paid service function.				
13	We provide relevant induction training and have mechanisms in place to identify the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.				
14	We have mechanisms to review the effectiveness of our framework for identifying and managing risks and performance and for demonstrating clear accountability.				
15	We ensure effective counter fraud and anti-corruption arrangements are developed and maintained.				
16	We have an effective scrutiny function is in place.				
17	Our internal audit assurance arrangements conform to Public Sector Internal Audit standards and relevant best practice.				
18	We have arrangements in place for the delivery of the core functions of an audit committee.				
19	We provide timely support, information and responses to external auditors and properly consider audit findings and recommendations.				
20	We incorporate good governance arrangements in our partnerships and other joint working arrangements.				

Quarter 1 Summary



Quarter 2 Summary



Quarter 3 Summary



Strong (Green Rating) Level of Assurance (Statements 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19 & 20)

Quarter 3 Update: Following a 'status review', all 17 assurance statements listed above have remained Green at Quarter 3, indicating a strong level of assurance. However, to ensure this position is maintained going forward, the following additional actions have been identified at this stage:

Assurance Statement 4: We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

Clear channels of communication have been established with the community and other stakeholders, however, it is recognised that further work is required to build on this position and respond to any feedback that is received.

1. A key channel of communication employed by the Cardiff Capital Region is its dedicated website. This is in the process of being relaunched to improve accessibility and navigation to ensure that the required information can be found quickly.
2. Work ongoing to develop further the working relationships and understanding with the Skills Partnership Board and the Regional Business Council.

Assurance Statement 6: We have translated the vision into courses of action for our function, its partnerships and collaborations.

Approval of the Joint Working Agreement (JWA) 5 year Strategic Business Plan and Annual Business Plans translates the Cardiff Capital Region's vision into tangible actions. However, to assist with monitoring actual progress against these plans, the need to introduce a mechanism for establishing and monitoring Key Performance Indicators (KPIs) has been identified. As a minimum these KPIs will need capture progress against the key criteria such as (i) £4bn of private sector leverage, (ii) the creation of 25,000 jobs and (iii) a 5% uplift in GVA in the region.

1. Consideration will be given to the introduction of KPIs as part of the 2019/20 Annual Business Plan approval process.
2. Work is now being progressed on developing the Evaluation Framework, including application of the HMT five-case business model. This work will need to recognise that a sense of proportionality is required, and that the Councils may opt for an alternative approach for smaller projects. Whilst the five-case approach may be appropriate for certain projects, it does not naturally lend itself to all projects.

Assurance Statement 7: We have mechanisms in place to review the effectiveness of the decision making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.

The Joint Working Agreement (JWA) contains the appropriate mechanisms to review the effectiveness of the decision making framework.

1. The 2019/20 Work Programme includes an action in respect of delegation arrangements.
2. Work is being progressed to establish a series of measures on the economic and social make-up and performance of the region, as well as a baseline against which future performance can be assessed. This sectoral analysis data will inform the Gateway Review process and facilitate more effective decision making, through a better understanding of the region's strengths, and the opportunities which exist to make strategic interventions that are likely to have the greatest impact. The first draft of the sectoral analysis report was received in January 2019.

Moderate (Amber Rating) Level of Assurance (Statements 1, 2 & 3)

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

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.

Quarter 3 Update: Further work completed during Quarter 3 on developing the Regional Cabinet 'Forward Plan', however, the rating remains at Amber at this time as it is recognised that further work is needed to communicate and practically implement the Forward Plan and lead-in times for cabinet reporting.

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.

The moderate (amber) 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.

Quarter 3 Update: Whilst a number of actions relating to this assurance statement have been completed during the year, others actions are still in-progress at Quarter 3 and therefore the rating remains at amber.

The Regional Cabinet meetings are not held in fixed locations and it is the goal to continue 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 as part of the 2019/20 forward Work Programme when recommendations will be given to alternate between locations to access suitable IT solutions for web-casting.

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.

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.

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.

Quarter 3 Update: The rating for this assurance statement was reduced from Red to Amber following a second workshop session in November 2018, where 9 strategic risks to the City Deal delivery were identified for inclusion in the City Deal Strategic Risk Register. These strategic risks are as follows:

- CDR1: Business Plan Delivery
- CDR2: Governance & Effective Decision Making
- CDR3: City Deal Programme Scope & Funding
- CDR4: Financial Affordability
- CDR5: Funding Terms & Conditions

- CDR6: Workforce
- CDR7: Further Regional Working
- CDR8: Specific Project Delivery
- CDR9: Brexit

These risks have been assessed and evaluated using a Risk Register template that has been tailored to the needs of the City Deal and is compliant with the Accountable Body's reporting requirements (the full Strategic Risk Register is attached as Appendix 3.i). Outlined below is a high level summary of these risks extracted from the Strategic Risk Register as at Quarter 3, which provides a breakdown of risks by their risk status, their inherent (pre-control) risk score, the residual risk score (post-control score).

Risk Ref	Risk	Inherent Risk		Residual Risk	
		Likelihood	Impact	Likelihood	Impact
CDR1	Business Plan Delivery	B	1	C	2
CDR2	Governance & Effective Decision Making	C	2	D	2
CDR3	City Deal Programme Scope & Funding	B	1	C	2
CDR4	Financial Affordability	C	2	D	2
CDR5	Funding Terms & Conditions	C	1	C	2
CDR6	Workforce	C	3	D	3
CDR7	Further Regional Working	D	2	D	3
CDR8	Specific Project Delivery	B	2	C	3
CDR9	Brexit	B	2	C	2

The next steps will involve further refining the approach to risk to ensure that the Risk Environment (Risk Policies, Strategies, reporting and escalation etc.) is fully embedded within the City Deal. It is expected that over the longer term, the risk management approach is further developed and will be reported to Regional Cabinet as a standalone agenda item.

Appendix 4 - Internal Audit Action Plan: Quarter 3 Update

1. 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.
2. 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.
3. 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 have been captured as a separate Action Plan and a detailed update was provided as part of the Quarter 1 Performance Report.
4. At Quarter 3, two of the four actions have been completed. The overall position is summarised below:

R1. Development of a Risk Management Policy and Strategy – In progress. Strategic Risk Register now in place which captures details of the 9 Strategic Risks along with current controls and further management actions clearly documented.

The Cardiff Capital Region relies on the policies, strategies and processes of the Accountable Body, however, work completed on preparing the Risk Register has identified the need to prepare a bespoke Risk Management Policy and Strategy. It is expected that by the end of June 2019, the risk management approach is further developed and will be reported to Regional Cabinet as a standalone agenda item.

R2. Establishment of a Joint Scrutiny Committee – Complete. First and second Joint Scrutiny meetings have now taken place and programme of work to be developed going forward.

R3. Establish and maintain a register of declared interests – In progress. A link is to be added to the Cardiff Capital Region's website directing the user to the 'declarations of interest forms' home website for each Cabinet Member. This is due to be completed in February 2019.

In addition, every Cabinet meeting has an agenda item reminding members of the need to declare any interests, with any such declarations being added to the minutes and decision register for those meetings.

R4. Training to be provided on new Contract Standing Orders and Procurement Rules – Complete. There will be an ongoing review of training requirements for current and new staff throughout the year.

Appendix 5 - Wider Investment Fund Budget – Quarter 3 Update

1. The 2018/19 Wider Investment Fund (WIF) Annual Business Plan approved a programme of expenditure as detailed in Table 1 below, along with the proposed funding priority.

Table 1: 2018/19 Approved WIF Expenditure & Funding

	£'000
Indicative Programme Expenditure	
Wider Investment Fund Top Slice	742.5
Approved Projects	13,840.0
In Year Revenue Project approvals	1,000.0
In Year Capital Projects approvals	4,015.0
Total Investment	19,597.5
Funded by	
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

2. The WIF 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 projected expenditure as at Quarter 3 are shown in Table 2.

Table 2. 2018/19 WIF 3% Top-Slice – Quarter 3 Update

	Budget	Qtr 3 Actual	Projected Year End	Variance
	£	£	£	£
<u>Regional Bodies</u>				
Regional Transport Authority	52,193	33,796	47,641	-4,552
Regional Skills Board	102,193	38,583	76,478	-25,715
Regional Economic Growth Partnership	70,000	228	33,500	-36,500
Regional Business Council	50,000	0	35,000	-15,000
Sub-total	274,386	72,607	192,619	-81,767
<u>Programme Development & Support</u>				
Digital Strategy Project	130,000	49,500	130,000	0
Housing Investment Fund Project	100,000	0	20,000	-80,000
Programme Dev' & Support	238,114	19,448	130,622	-107,492
Sub-total	468,114	68,948	280,622	-187,492
Investment Income	0	-12,648	-16,864	-16,864
Total	742,500	128,907	456,377	-286,123

Regional Bodies: (-£81,767)

3. 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 Regional Economic Growth Partnership and the Regional Business Council.
4. There are 2 FTE posts funded from these budgets (1 FTE each relating to the Regional Transport Authority (underspend £4,522) and the Regional Skills Board (underspend £715). These underspends are mainly due to a delay in recruitment to the Regional Transport Authority post.
5. As part of the Regional Skills Board (RSB) budget, £50,000 was allocated to Strategy Development. As at Quarter 3, there is a projection of £25,000 against this budget, which relates to the work NESTA has been commissioned to undertake in respect of the Skills for the Future draft business case. On this basis an underspend of -£25,715 is projected against the Regional Skills Board.
6. In terms of the Regional Economic Growth Partnership (REGP) budget, there was a minimal level of actual expenditure incurred as at Quarter 3, however, a number of initiatives have been approved that will result in further expenditure being incurred during the final quarter of the year. This includes the commissioning of external support to establish a 'Sectoral Analysis' for the region. This data will provide a baseline against which future performance can be measured and assessed, as well as supporting the Gateway Review process. Put simply, the data will facilitate more effective decision making, through a better understanding of the region's strengths and the opportunities which exist to make strategic interventions which are likely to have the greatest impact. The overall cost of these initiatives are projected at £33,500, resulting in an underspend of -£36,500 against the approved budget.
7. The Regional Business Council's (RBC) Annual Business Plan was approved by Regional Cabinet at its meeting of the 17th December 2018. The report sought an 'in-principle' decision to commit a total of £35,000 towards the MIPIM event, taking place in March 2019. As at Quarter 3, no further expenditure is anticipated and therefore an underspend of -£15,000 is being projected.

Programme Development & Support Budget: -£187,492

8. As detailed above, a budget of £468,114 has been approved in respect of Programme Development & Support. This budget is allocated between projects that have secured an 'In-Principle' approval from Regional Cabinet (£230,000) with the balance (£238,114) being available to support emerging projects and initiatives during the year.
9. Work is commencing on both the Digital Strategy and the Housing Investment Fund projects, with business cases expected to be brought forward during the early part of the 2019. The Digital Strategy is projecting a full spend against its budget allocation of £130,000. However, it is understood the £100,000 allocation approved in respect of the Housing Fund project is unlikely to be fully spent in 2018/19. Therefore, the projection has been reduced to £20,000 whilst the

details are worked through with a potential 'fund partner'. Dialogue with the project teams will be maintained throughout the final quarter of the year and the projections updated accordingly.

10. As a result of the underspends referred to above, the level of uncommitted resources available to support new projects and initiatives in year have increased during the year. In terms of in year commitments - £29,172 has been agreed to support a part-time secondment to lead the work on data analytics, economic forecasts and sectoral assessments. Specific commitments are also included relating to the Metro Plus scheme and other potential costs which may crystallise in the final quarter of the year.
11. In summary, it is projected that a total of £280,622 will be spent against the £468,114 budget approved for Programme Development & Support, resulting in an underspend of £187,492. Once the underspend on Regional Bodies is factored in, coupled with the unbudgeted investment income, a total underspend of £286,123 is projected at Quarter 3. The full value of any underspend is available to support the WIF Top-Slice in future years, subject always to observing the 3% cap (annual and cumulative caps) approved by Regional Cabinet.

2018/19 Approved Project Budgets

12. The 2018/19 Annual Business Plan approval included budgets in respect of Year 2 costs relating to the Compound Semi-Conductor Foundry Site project. These were budgeted at £13.84 million, consisting of both project related expenditure and the ongoing cost of servicing the Special Purpose Vehicle (Project Delivery & Implementation budget). An update against these budgets is outlined in Table 3 below.

Table 3: 2018/19 Approved Project Budgets

	Budget	Qtr 3 Actual	Projected Year End	Variance
	£'000	£'000	£'000	£'000
CSC Foundry Site Funding	13,690.00	12,308.40	12,308.40	-1,381.60
CSC Project Delivery & Implementation	150	150	150	0
Total	13,840.00	12,458.40	12,458.40	-1,381.60

13. At Quarter 3, the majority (90.0%) of the budget has been released to the Compound Semi-Conductor Foundry project based on the arrangements contained within the project funding letter and the supporting legal documentation. These documents provide a maximum cap on the level of City Deal funding that can be made available to the project. It has now been confirmed that CSC Foundry will not require any further drawdown in Quarter 4, therefore the balance of £1.38 million is projected to slip forward to financial year 2019/20.

2018/19 In Year Revenue and Capital Project Approvals

14. The 2018-19 Annual Business Plan contained additional revenue (£1.000 million) and capital (£4.015 million) resources which were made available to provide Regional Cabinet with a level of flexibility to approve sums during the year. This could be in respect of In-Principle and/or emerging projects that come forward as part of the Cardiff Capital Region's 'delivery pipeline' and also meet the requirements of the Assurance Framework.

Table 4: 2018/19 In-Year Project Approvals

	Budget	Qtr 3 Actual	Projected Year End	Variance
	£'000	£'000	£'000	£'000
In Year Revenue Project approvals	1,000.00	0	0	0
In Year Capital Project approvals	4,015.00	0	0	0
Total	5,015.00	0	0	-5,015.00

15. Table 4 outlines that there are no additional in year approvals (either actual or projected) as at the end of Quarter 3. Given the current status of the Project Delivery Pipeline, the Finance Group have recommended that Regional Cabinet consider to slipping the capital sum (£4.015M) forward, two years to financial year 2020/21.

Future Generations Assessment

<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 9219286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>Setting out substantive performance and progress against the approved annual business plan for 2018/19.</p>
<p>Proposal: Quarter 3 Performance</p>	<p>Date Future Generations Evaluation form completed: 4 Feb 2019</p>

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?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>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.</p>	<p>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.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>References to submissions around the 'Energy Revolution' challenge fund are described in the report. Also recent submissions around EV and Stations of the Future. In addition, the development of the Metro Plus scheme is critical to embodying resilience and sustainability.</p>	<p>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.</p>

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 MIPIIM 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>Balancing short term need with long term and planning for the future</p> <p>Long Term</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>The plan has been iterated to reflect a more co-ordinated format. This is now followed up in the production of the Annual Business Plan 2019/20.</p>
 <p>Working together with other partners to deliver objectives</p> <p>Collaboration</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>Involving those with an interest and seeking their views</p> <p>Involvement</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>Putting resources into preventing problems occurring or getting worse</p> <p>Prevention</p>	<p>This is set out in the REGP work on the developing Regional Economic and Industrial Plan.</p>	<p>This will be an increasing focus of scheme and programme delivery.</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p> <p>Integration</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.	As plans develop and unfold as discrete activities requiring decisions – impacts will be comprehensively assessed.
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		

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?
Sex	As above		
Sexual Orientation	As above		
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 3