



9 MARCH 2020

2019-20 ANNUAL BUSINESS PLAN - QUARTER 3 PERFORMANCE REPORT

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM 5

Appendix 5 to this report is exempt from publication because it contains information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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 2019/20 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 as at Quarter 3 against the approved Wider Investment Fund budgets as set out in the Annual Business Plan for the financial year 2019/20.
3. To recommend that Regional Cabinet approve the Quarter 3 report, in order for formal submission to government partners.
4. To provide an update on arrangements for provision of Scrutiny support services in 2020/21, in conjunction with a forward meeting planner for Cabinet and its partnerships in 2020/21.
5. To advise Regional Cabinet that the Chief Executive of Rhondda Cynon Taf Council will now replace the Chief Executive of the Vale of Glamorgan Council as a representative on Investment Panel.
6. To note the continued changes to the format, structure and shape of the report, in order to provide a 'balanced scorecard' approach relevant to the performance

targets set – and their dates for completion/ achievement – as set out in Annual Business Plan.

Background

7. Regional Cabinet approved its 2019/20 Annual Business Plan at its meeting on the 19th February 2019, 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 in accordance with key priorities. This consolidated Annual Business Plan sets out the activities, tasks and objectives to be delivered in 2019/20; alongside an assessment of the resources required to deliver.
8. The Annual Business Plan for 2019/20 and the priority action contained within it, now forms the basis of the Quarterly Performance Monitoring Reports which are issued to the UK and Welsh Governments. Ongoing changes have been made to the structure, format and shape of the Performance report in order to situate plans and priorities in the context of the targets City Deal must deliver against; reduce extraneous information volume; provide a high-level account of strategy and direction; alongside measures of Finance, Risk and Assurance; and, set out performance against key priority areas such as Programme Delivery and Pipeline – which are relevant to the new Investment and Intervention Framework. Also included are priorities around Partnerships, Communications, Influence/ Engagement and Culture, Capacity and Leadership.
9. In addition to this, now that the Investment and Intervention Framework (IIF) is activated, further enhancements to the process have been made. This includes:
 - a revised version of the ‘balanced scorecard’ that relates to the targets specifically set for delivery in the relevant quarterly period – in this case – Q3;
 - a copy of Q2 Performance on the Compound Semi-conductor (CSC) Project – the single ‘live’ investment of CCRDCD. This Q3 update is in the format required by National Evaluation Leads, SQW and is presented as an update to the agreed Logic Model. This will keep reporting consistent, connected into all main reporting outlets – Cabinet, CSC Foundry Board and SQW;
 - as stated in the Q1 report, now attached is the most up-to-date version of the IIF ‘Current Status’ tracker document; enabling Regional Cabinet and partners to understand the status and progression of schemes through the Framework. This is attached at Appendix 5;
 - progress tracker for ‘in principle’ projects – Skills for Future, Digital, Metro Plus, Metro Central and Housing Investment Fund;
 - a rolling tracker of progress overall, that shows the quarterly delivery targets in the context of the objectives of the Annual Business Plan – in order to provide both a backwards and forwards-looking assessment of progress.
10. It should be further noted that whilst the quarterly performance reporting information will be focussed and pertain only to those tasks embodied in the Annual Business Plan – there is a wider programme of activity ongoing. The

Annual Business Plan represents the core tasks and activities crucial to making strategic progress in 19/20. In addition to this, there is work underway to:

- Contribute to current policy debates and developing thought leadership role:
 - Keynote at OECD Regional Economic Governance event in Cardiff
 - Keynote at GW4 anniversary event in London
 - Keynote at the Superwoman Wales event
 - Speaker at the City UK National Conference in Cardiff
 - Speaker at Resilient Local Economies and Communities in Merthyr
 - Speaker at CBI SME Network
 - Speaker at CBI Annual Dinner (via REGP)
 - Provided written evidence to the WG Economy, Infrastructure and Skills Committee
 - Participation in first UKRI Board dinner and meeting held in Wales
 - Collaboration proposals developing with Setsquared
 - Participation in DCMS Panel interviews for 5G testbed in London
 - Quarterly liaison and implementation board meetings with UK Govt and Welsh Govt
 - Participation in Ministerial Advisory Boards for Valleys TaskForce and Foundational Economy
 - Attendance and participation in various industry events
 - Participation in Royal Society Photonics event at CS Catapult
 - Promote the investment framework and originate quality projects:
 - initial collaboration with London Stock Exchange Group on investor readiness;
 - three meetings of Investment Panel;
 - continued input into the Regional Investment Steering Group Wales
 - development of series of podcasts to promote and market the Investment Framework;
 - development of the SIPF network and consortium for Devices and diagnostics and Medical Monday events;
 - sponsorship and participation in the British American Project;
 - sponsorship of the Valleys business category at the Fast Growth 50.
 - Develop the International presence – hosting the British America Project; learning visits to Cambridge and Glasgow City Deal Offices; hosting and coordination of Yole data workshop, participation in UN Global Compact Network and initial discussions around CCR participation in the Western Gateway and various partner events for MIPIM 2020.
 - Targeting external investment – initial EOIs to DCMS and UKRI for SIPF Devices and Diagnostics and 5G Testbed.
11. In respect of wider updates, it should be noted that the CCR Scrutiny Committee has now met for the fifth time, covering subjects spanning the CCR Business Plan, the Regional Economic and Industrial Growth Plan, the Investment Framework, Skills and the Graduate Scheme and, Metro Plus. For

this period of the Scrutiny Committee's existence, Bridgend County Borough Council has enacted the scrutiny support function at a cost of £25,000 per annum from the City Deal Office budget. Bridgend's tenure as Scrutiny lead has now come to an end and through an Expression of Interest process, Rhondda Cynon Taf CBC has come forward to deliver the function. This will comprise four meetings per year for a fixed fee of £25,000 per annum for a two-year period.

12. Scrutiny meetings are an important part of the overall governance and assurance arrangements for CCRC. The attached Forward Planner of meetings sets out the programme of CCR Cabinet meetings for the year 2020/21, around which meetings of the Regional Transport Authority, CSC Foundry Board, Regional Economic Growth Partnership, Regional Business Council and Regional Skills Partnership are all structured, in addition to the CCR Scrutiny Committee. This is contained at Appendix 6.
13. To note that Investment Panel has met on six occasions and is making good progress with the operation and oversight of the Investment & Intervention Framework. The Chief Executive of the Vale of Glamorgan Council has advised that he wishes to step down from the Investment Panel due to work commitments. The chair of the chief executives group/Programme Board has advised that the Chief Executive of Rhondda Cynon Taf County Borough Council will become the new member. This has been agreed and supported by the Chief Executive Group/Programme Board.
14. The detail attached to the report, sets out the core activity in priority areas:
 - Appendix 1: CCR City Deal Quarter 3 Performance 'Balanced Scorecard'
 - Appendix 2: CCR City Deal CSC Project Quarter 3 Logic Model
 - Appendix 3: AGS Quarter 3 Update
 - Appendix 4: Wider Investment Fund Finance Update
 - Appendix 5: IIF Current Status Tracker
 - Appendix 6: CCR Forward Planner 2020/21
 - Appendix 7: Wellbeing of Future Generations Assessment

Legal Implications

15. 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 attached, then legal advice on those projects will be reflected in the relevant reports as and when such matters are reported to Regional Cabinet.
16. The Joint Working Agreement (JWA) states, amongst other things, that the Councils shall work together to create and agree terms of reference for a Joint Scrutiny Committee and how the same will be resourced and funded.
17. Approval of any increase to the Council Contribution above that set out in the JWA is a matter reserved to the Councils.

Financial Implications

18. Regional Cabinet approved its 2019/20 Annual Business Plan and its associated budgets at its meeting of 18th February 2019. Appendix 4 provides an update as at Quarter 3.
19. Wider Investment Fund Top-Slice expenditure is projected to underspend the approved budget of £742,500 by £74,041 with this amount, should it materialise, able to be carried forward to supplement the Wider Investment Fund Top-Slice in future years.
20. In terms of Approved Projects, i.e. those that are in delivery stage, a sum of £1,381,600 is in place against the CSC Foundry Ltd.'s approved capital budget and this is now expected to be paid in 2020/21. There is also a budget of £143,550 in place to complete the Graduate Pilot Scheme which is currently expected to be fully required.
21. In addition to this, the Annual Business Plan contains currently uncommitted revenue and capital resources of £0.856 million and £26.110 million respectively. These resources are in place to provide Regional Cabinet with a level of flexibility to approve additional expenditure during the year in the event that In-Principle and/or emerging projects find themselves in a position to be allocated approved project funding during 2019/20. There are currently no extant decisions which would lead to draw down of these amounts.
22. It is important to note Paragraph 19 of Appendix 4 of this report which draws attention to the fact that, depending upon the nature and timing of any in-year project expenditure approvals, the components of the 'funding mix' may vary and subsequently impact upon the funding requirements of the Partner Authorities. The established stakeholder networks will be used to provide updates on this as and when necessary.
23. Regional Cabinet will be provided with regular project performance reports, supplemented by the final budget monitoring statements, where matters such as progress against the Project Delivery Pipeline and associated budgets can be assessed and the proposed funding arrangements can be reviewed as appropriate.

Well-being of Future Generations Act 2015 (Wales)

24. 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 well-being objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national well-being goals. When exercising its functions, the Regional

Cabinet should consider how the proposed decision will contribute towards meeting the 'well-being duty' and in so doing assist to achieve the national well-being goals.

25. The well-being duty also requires Councils to act in accordance with a 'sustainable development principle'. This principle requires 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.
26. Regional Cabinet must be satisfied that the proposed decision accords with the principles above
27. 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 as an appendix to this report (Wellbeing of Future Generations Assessment) for member's consideration (Appendix 7).
28. In preparing reports due regard must be given to the Statutory Guidance on the Act issued by the Welsh Ministers, which is accessible using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Equality Act 2010

29. In considering this matter regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet 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:
 - age;
 - gender reassignment;
 - sex;
 - race – including ethnic or national origin, colour or nationality;
 - disability;
 - pregnancy and maternity;
 - marriage and civil partnership;
 - sexual orientation;
 - religion or belief – including lack of belief.

RECOMMENDATIONS

30. It is recommended that the Cardiff Capital Region Joint Cabinet
- a) notes the overall progress at Quarter 3 2019/20, including the budget position reported at Appendix;
 - b) considers and if deemed acceptable, approves the Quarter 3 performance report and authorise the Director of the Cardiff Capital Region City Deal to formally submit the report, including supporting information to both UK and Welsh Governments, and other stakeholders as required, on behalf of the Regional Cabinet;
 - c) approves that Rhondda Cynon Taf County Borough Council becomes the lead for scrutiny support and administration of the CCR Scrutiny Committee for a two year period at a cost of £25,000 per annum to be met from the City Deal office budget;
 - d) notes the change in regards to Investment Panel and the Chief Executive of Rhondda Cynon Taf County Borough Council now becoming a member;
 - e) notes the Forward Planner contained at Appendix 6.

Kellie Beirne
Cardiff Capital Region Director
9 March 2020

Appendices

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Appendix 1	CCR City Deal Quarter 3 Performance 'Balanced Scorecard'
Appendix 2	CCR City Deal CSC Project Quarter 3 Logic Model
Appendix 3	AGS Quarter 3 Update
Appendix 4	Wider Investment Fund Finance Update
EXEMPT Appendix 5	IIF Current Status Tracker
Appendix 6	CCR Forward Planner 2020/21
Appendix 7	Wellbeing of Future Generations Assessment

Annual Business Plan Balanced Scorecard

	Q1	Q2	Q3	Q4	Status
Activities Completed	2	5	22	3	✓
Activities on Schedule	6	9	9	0	▲
Activities In progress with some issues	4	8	5	0	-
Activities Failing to Progress	0	0	2	0	✗

ACTION POINT	DUE DATES	Q1	Q2	Q3	Q4	Status Q1	Status Q2	Status Q3	Status Q4	ASSURANCE STATEMENT	ASSURANCE LEVEL Q1	ASSURANCE LEVEL Q2	ASSURANCE LEVEL Q3	ASSURANCE LEVEL Q4
1	Q1/4	ON TARGET	C/F TO NEXT Q	ON TARGET		▲	-	▲						
2	Q1/3	ON TARGET	C/F TO NEXT Q	ON TARGET		▲	-	▲						
3	Q3/4	C/F TO NEXT Q	C/F TO NEXT Q	ON TARGET		-	-	▲						
4	Q1/4	ON TARGET	ON TARGET	PROGRESSING - SOME ISSUES		▲	▲	-		7	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	
5	Q2/3	C/F TO NEXT Q	ON TARGET	PROGRESSING - SOME ISSUES		-	▲	-						
6	Q3	C/F TO NEXT Q	C/F TO NEXT Q	ON TARGET		-	-	▲						
7	Q2	C/F TO NEXT Q	COMPLETED	COMPLETED	COMPLETED	-	✓	✓	✓					
8	Q4	C/F TO NEXT Q	C/F TO NEXT Q	PROGRESSING - SOME ISSUES		-	-	-						
9	Q1	PROGRESSING - SOME ISSUES	ON TARGET	COMPLETED		-	▲	✓		2	MODERATE	MODERATE	MODERATE	
10	Q3	C/F TO NEXT Q	C/F TO NEXT Q	COMPLETED		-	-	✓		7	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	
11	Q3	C/F TO NEXT Q	C/F TO NEXT Q	COMPLETED		-	-	✓						
12	Q4	C/F TO NEXT Q	C/F TO NEXT Q	COMPLETED		-	-	✓		8	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	
13	Q2	C/F TO NEXT Q	COMPLETED	COMPLETED		-	✓	✓						
14	Q3	C/F TO NEXT Q	C/F TO NEXT Q	COMPLETED		-	-	✓						
15	Q3/4	C/F TO NEXT Q	C/F TO NEXT Q	PROGRESSING - SOME ISSUES		-	-	-						
16	Q2	C/F TO NEXT Q	COMPLETED	ON TARGET		-	✓	▲						
17	Q3	C/F TO NEXT Q	C/F TO NEXT Q	C/F TO NEXT Q		-	-	-						
18	Q3/4	C/F TO NEXT Q	C/F TO NEXT Q	PENDING		-	-	✗						
19	Q2/4	PROGRESSING - SOME ISSUES	PROGRESSING - SOME ISSUES	ON TARGET		-	-	▲						
20	Q2/4	C/F TO NEXT Q	C/F TO NEXT Q	PROGRESSING - SOME ISSUES		-	-	-						
21	Q1/3	ON TARGET	ON TARGET	COMPLETED		▲	▲	✓						
22	Q1/2	PROGRESSING - SOME ISSUES	PROGRESSING - SOME ISSUES	PENDING		-	-	✗		20	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	
23	Q2/3	C/F TO NEXT Q	ON TARGET	COMPLETED		-	▲	✓		20	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	
24	Q2/3	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	ON TARGET		-	-	▲						
25	Q1/4	ON TARGET	ON TARGET	ON TARGET		▲	▲	▲						
26	Q2	C/F TO NEXT Q	ON TARGET	COMPLETED		-	▲	✓						
27	Q3	C/F TO NEXT Q	C/F TO NEXT Q	COMPLETED		-	-	✓						
28	Q3	C/F TO NEXT Q	C/F TO NEXT Q	COMPLETED		-	-	✓						
29	Q4	C/F TO NEXT Q	C/F TO NEXT Q	C/F TO NEXT Q		-	-	-						
30	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	COMPLETED		-	-	✓		4, 9	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	
31	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	COMPLETED		-	-	✓						
32	Q3/4	C/F TO NEXT Q	ON TARGET	COMPLETED		-	▲	✓						
33	Q1/4	ON TARGET	ON TARGET	COMPLETED		▲	▲	✓						
34	Q4	C/F TO NEXT Q	C/F TO NEXT Q	COMPLETED		-	-	✓						
35	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	COMPLETED		-	-	✓						
36	Q1	COMPLETED	COMPLETED	COMPLETED	COMPLETED	✓	✓	✓	✓					
37	Q1	COMPLETED	COMPLETED	COMPLETED	COMPLETED	✓	✓	✓	✓					
38	Q1	PROGRESSING - SOME ISSUES	C/F TO NEXT Q	ON TARGET		-	-	▲						
39	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	COMPLETED		-	-	✓		13	MODERATE	MODERATE	MODERATE	
40	Q2	C/F TO NEXT Q	PROGRESSING - SOME ISSUES	COMPLETED		-	-	✓						

Key:	Total	Total	Total	Total
COMPLETED	2	5	22	3
ON TARGET	6	9	9	0
PROGRESSING - SOME ISSUES	4	8	5	0
PENDING	0	0	2	0
C/F TO NEXT Q	28	18	2	0
TOTAL	40	40	40	3

Quarter 3 Detailed Work Programme Update

Logic model title	Compound Semiconductor Cluster
Logic model type	Hybrid 4A: Sites and premises for enterprise and innovation and 4C: Science & R&D capacity
Interventions / projects covered by logic model	Compound Semiconductor Project

Theory of change

Investment Fund monies will be used to support the development of a compound semiconductor cluster in South Wales, centred on the former LG site between Cardiff and Newport. Monies will be used specifically to redevelop the facility to modern standards, including a clean room facility for the production of compound semiconductors, which is anticipated to leverage substantial private investment, by a single tenant (IQE), of £375m to kit out the factory. A Special Purpose Vehicle (SPV) has been set up as the site owner, and it will receive rental income for 11 years at which point IQE has an option to acquire the site. Through this arrangement, the expectation is that the Investment Fund monies would be repaid.

It is expected that the facility, and IQE’s location in South Wales, will act as anchor in the region for high end compound semiconductor production. The investment is expected to complement other investments in the compound semiconductor sector locally, including ERDF funding for Cardiff University’s Institute for Compound Semiconductors. The long-term intention is to create a cluster at the forefront of R&D in this technology area, and at the forefront of production of compound semiconductors, although this would rely on non-Investment Fund activities (unless additional Investment Fund monies are committed to other projects to develop the cluster).

Key assumptions underlying the ToC: site’s tenant could not have found alternative space locally, and would have moved production overseas without the intervention; retention and expansion of firm’s production in Wales results in jobs safeguarded and created as expected; the modernised factory and clean room facility is attractive as a property resulting in enhanced value; the development of this facility and its primary lessee is an essential component in the development of the cluster resulting, alongside other interventions, in helping current semiconductor firms in south Wales to move up the value chain, and attracting other new companies and activities.

Other factors: complementary activities, e.g. of Cardiff University and the Compound Semiconductor Applications Catapult; market demand for compound semiconductors and the continuing growth of the sector; and development of the necessary skills.

Inputs	Activities	Outputs	Outcomes
<u>Investment Fund inputs</u> <ul style="list-style-type: none"> £38.4m <u>Other inputs (including staffing and in-kind)</u> <ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Construction activities in relation to development of a clean room facility for the production of compound semiconductors at the former LG site between Cardiff and Newport Establishment of a Special Purpose Vehicle for the site 	<ul style="list-style-type: none"> Ha land acquired (LS) Ha land assembled for commercial development Commercial floor space developed (5,900 sq. m) Construction years of employment No. of learners enrolling/ completing course (i.e. apprentices in construction) (LT) 	<p>Theme-specific outcomes</p> <ul style="list-style-type: none"> Private sector leverage up to the value of £375m for kit out of the facility (LS) Secure a £50m investment from the Compound Semiconductor Catapult (LS) Increase in premises with access to connectivity infrastructure (one) – <i>Celtic Way, Newport has since seen improved road infrastructure and fibre connectivity</i> Positive property market sentiment survey Uplifted commercial sale value (£6m) Land value uplift Floor space occupied by firms at the facility

- Direct creation of new jobs at the site (501 - achieved over time) [65 direct jobs created to date]
- Safeguarding jobs (156 at head lessee company, 390 jobs at wafer fabrication plant)
- Indirect and Induced jobs (1088 - achieved over time) [259 indirect and induced jobs created to date]
- Apprenticeships [8 new apprenticeship opportunities created to date]
- Growth in employment of business located in the facility by number of employees
- Growth in turnover of business located in the facility
- Improved business survival rate of business located in the facility
- Increased expenditure on business R&D (tenant + subsequently in wider sector)
- Increase in exports (tenant + subsequently in wider sector)
- New/improved processes adopted (tenant + subsequently in wider sector)
- New/improved products entering the market (tenant + subsequently in wider sector)
- Intellectual Property (IP) registered (e.g. patents) within the cluster
- Improved attractiveness as a location for inward investment

Broader outcomes

- Return on investment up to the value of £33,108,000 (LS) [*anticipated that tenant will exercise option to purchase ahead of year 6 with full return of investment resulting*]
- A total of 259 indirect jobs have been created off the back of the foundry through local supply chain and household effects, with particular impacts in the construction and higher education sectors and the catapult, along with the creation of a further 8 apprenticeship opportunities.
- A further 697 jobs indirectly supported to date within the semiconductor sector in SE Wales since the commencement of the Foundry.
- Enhancement of local innovation ecosystems
- Increase in the number of businesses that are innovation active (i.e. in the wider compound semi-conductor sector)
- As of Oct 2019 it is estimated that IQE supports direct and indirectly around £22m of Welsh GVA and with much of this supported in the Cardiff City Region. Over the same period the wider semiconductor cluster has estimated to support direct and indirectly around £158m of GVA. The commercial fundamentals of the sector are strong and we are fortunate to have so many good companies in this area with the potential for further job creation and enhanced GVA support for the region.

Expected timescales for inputs / activities / delivery of outputs and outcomes

<u>Investment Fund inputs</u>	<ul style="list-style-type: none"> • 2017-18 	<ul style="list-style-type: none"> • Achieved on completion of the project and tenant moving into the facility. 	<ul style="list-style-type: none"> • Impacts to be realised over time. Some will be realised on or soon after completion of the project e.g. investment leveraged, improved attractiveness of the site, development of floor space.
<u>Other inputs (including staffing and in-kind)</u>	<ul style="list-style-type: none"> • 2017-18 	<ul style="list-style-type: none"> • Project delivery, including site occupation, phased so outputs achieved incrementally over time 	<ul style="list-style-type: none"> • Others will be realised as the principal beneficiary develops its business • Yet others will take longer, e.g. development of the ecosystem and outcomes relating to the wider sector.
<ul style="list-style-type: none"> • None 			

Relationship to other interventions

Other Investment Fund logic models:

- Unknown at this stage – further interventions (and logic models) to be confirmed

Other non-Investment Fund activities:

- Wider development of the Compound Semiconductor sector in Cardiff e.g. EU funding for Cardiff University's Institute for Compound Semiconductors

No.	Assurance Statement	2018-19	2019-20				2020-21	Review Date	Review Date	Review Date	Review Date
		Q4	Q1	Q2	Q3	Q4	b/f	15.07.2019	19.12.2019	09.03.2020	DD.MM.YYYY
		Assurance Rating	Actions OS	Progress status	Progress status	Progress status	Progress status				
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.	MODERATE	MODERATE	MODERATE	MODERATE			ON TARGET	ON TARGET	ON TARGET	
2	We ensure: a) Compliance with relevant laws and regulations, b) Compliance with internal policies and procedures, and c) that expenditure is lawful.	MODERATE	MODERATE	MODERATE	MODERATE			ON TARGET	ON TARGET	ON TARGET	
3	We are committed to openness and acting in the public interest.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE			ON TARGET	ON TARGET	ON TARGET	
4	We have established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.	MODERATE/LIMITED	MODERATE/LIMITED	MODERATE/LIMITED	MODERATE			ON TARGET	ON TARGET	ON TARGET	
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.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
6	We have translated the vision into courses of action for our function, its partnerships and collaborations.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
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.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE			ON TARGET	ON TARGET	ON TARGET	
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.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE			ON TARGET	ON TARGET	ON TARGET	
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.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE			PROGRESSING - SOME ISSUES	PROGRESSING - SOME ISSUES	ON TARGET	
10	Our financial management arrangements conform to all relevant legislative and best practice requirements.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
11	We have effective arrangements in place to discharge the monitoring officer function.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
12	We have effective arrangements in place to discharge the head of paid service function.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
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.	MODERATE	MODERATE	MODERATE	MODERATE			ON TARGET	ON TARGET	ON TARGET	
14	We have mechanisms to review the effectiveness of our framework for identifying and managing risks and performance and for demonstrating clear accountability.	MODERATE	MODERATE	MODERATE	MODERATE			ON TARGET	ON TARGET	ON TARGET	
15	We ensure effective counter fraud and anti-corruption arrangements are developed and maintained.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
16	We have an effective scrutiny function in place.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	MODERATE			ON TARGET	ON TARGET	ON TARGET	
17	Our internal audit assurance arrangements conform to Public Sector Internal Audit standards and relevant best practice.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
18	We have arrangements in place for the delivery of the core functions of an audit committee.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
19	We provide timely support, information and responses to external auditors and properly consider audit findings and recommendations.	STRONG	STRONG	STRONG	STRONG			ON TARGET	ON TARGET	ON TARGET	
20	We incorporate good governance arrangements in our partnerships and other joint working arrangements.	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE	STRONG/MODERATE			PROGRESSING - SOME ISSUES	PROGRESSING - SOME ISSUES	ON TARGET	

NB: DO NOT DELETE COLUMNS BEFORE THIS POINT

Key:	2018-19	2019-20	2019-20	2019-20	2019-20	2019-20
STRONG ASSURANCE	9	9	9	2	0	0
STRONG/MODERATE ASSURANCE	6	6	6	5	0	0
MODERATE ASSURANCE	4	4	4	0	0	0
MODERATE/ LIMITED ASSURANCE	1	1	1	0	0	0
LIMITED ASSURANCE	0	0	0	0	0	0
TOTAL	20	20	20	7	0	0

NB: DO NOT DELETE ROWS ABOVE THIS LINE

2019/20 Wider Investment Fund Budget: Quarter 3 Update

1. The Wider Investment Fund (WIF) 2019/20 Budgets were approved by Regional Cabinet at its meeting of 18th February 2019, and included a programme of activity as detailed in Table 1 below, along with the proposed funding priority.

Table 1: 2019/20 Approved WIF Expenditure & Funding (and Medium Term Overview)

	2019/20 £'000	Medium Term Overview		
		2020/21 £'000	2021/22 £'000	2022/23 £'000
<u>Indicative Programme Expenditure</u>				
Wider Investment Fund Top-Slice	743	743	743	743
Approved Projects - Revenue	144	0	0	0
Approved Projects - Capital	1,382	0	0	0
Revenue Resources Available	856	1,600	1,000	1,000
Capital Resources Available	26,110	31,325	42,964	45,663
Total Resources	29,235	33,668	44,707	47,406
<u>Funded by</u>				
HMT Contribution (Revenue)	(1,743)	(1,743)	(1,743)	(1,743)
HMT Contribution (Capital)	0.0	0.0	(22,000)	(22,000)
Total HMT Contribution	(1,743)	(1,743)	(23,743)	(23,743)
LA Contribution (£120M)	(6,418)	(9,073)	(7,964)	(7,964)
LA Funding 'Cost of Carry'	(21,074)	(21,052)	(11,146)	(11,146)
CSC Loan Funding Repayment	0.0	(1,800)	(1,854)	(4,553)
Total Funding	(29,235)	(33,668)	(44,707)	(47,406)

Wider Investment Fund Top-Slice

2. The WIF Top-Slice revenue budget is set at £742,500 and supports the work of the Regional Bodies, as well as including a range of budgets in respect of Programme Development & Support activity.
3. At the time when the budget was set, known commitments were identified which totalled £504,417, with the balance (£238,083) being available to fund new initiatives approved during the year.
4. The actual expenditure at Quarter 3 against the WIF Top-Slice budget is £290,716. Details of this expenditure to date and full year Outturn projections are shown in Table 2 below.

Table 2: 2019/20 Wider Investment Fund Top Slice Budget Monitoring Position

	2019/20 Budget £	2019/20 Q3 Actual £	2019/20 Outturn £	2019/20 Variance £
Forward Commitments:				
Contribution to Joint Committee Revenue Budget	163,417	0	163,417	0
Development of Metro Plus Programme	75,000	52,268	75,000	0
REGP PHD Student support	15,000	0	0	(15,000)
Housing Investment Fund	80,000	73,642	198,000	118,000
REGP Costs (Chair Expenses)	1,000	0	1,000	0
REGP Costs (MIPIM 2020)	0	76,095	0	0
Regional Business Council	15,000	7,500	7,500	(7,500)
Challenge Fund Set-Up and Management Support	25,000	0	0	(25,000)
Investment Fund Set-up / Manager	40,000	0	0	(40,000)
Emerging Projects	90,000	0	0	(90,000)
Sub Total	504,417	209,505	444,917	(59,500)
Programme Development & Support:				
Uncommitted Sum	238,083	94,018	223,542	(14,541)
Sub Total	238,083	94,018	223,542	(14,541)
Total	742,500	303,523	668,459	(74,041)

5. This expenditure and outturn position reflects the ongoing work against both emerging and approved in-principle projects, which have been approved by relevant Regional Cabinet decisions.
6. At Quarter 2, the projected outturn position was an overspend of £42,195, meaning that the outturn has reduced by £116,236. The reasons for this change are detailed in Table 3 below:

Table 3: Detail of change in Budget Monitoring Position

	Change £
Increase in estimated cost of Housing Investment Fund Work	35,000
Costs relating to CS Connected Land	20,500
Costs relating to CS Connected Team	25,000
Local Sustainable Growth in Bridgend Costs deferred to 2020/21	(50,000)
Expression of Interest SIPF2 Costs deferred to 2020/21	(50,000)
MIPIM Costs deferred to 2020/21 due to postponement of event	(59,883)
REGP PHD Student support costs deferred to 2020/21	(15,000)
Regional Business Plan Costs deferred to 2020/21	(16,600)
Other	(5,253)
Total	(116,236)

7. If realised, the underspend of £74,401 will be added to the surplus of balances carried forward for use in future years.
8. Assumptions have been made in respect of funding sources but there may be further changes as opportunities to maximise other sources of funding are identified. The Quarter 4 Performance Report will apprise Regional Cabinet of the final position for the financial year.

Approved Projects (Revenue & Capital)

9. Table 3 below sets out the budgets for Approved Revenue and Capital Projects for 2019/20. These are projects which are in their delivery stage.

	2019/20 Budget £	2019/20 Q3 Actual £	2019/20 Outturn £	2019/20 Variance £
Graduate Pilot Scheme (Revenue)	143,550	49,790	143,550	0
CSC Foundry Site Funding (Capital)	1,381,641	0	0	(1,381,641)
Total	1,525,191	49,790	143,550	(1,381,641)

10. The 2019/20 Annual Business Plan included a budget of £143,550 to fund the remaining aspect of the Graduate Pilot Scheme, which was approved during 2018/19. Recruitments have been completed and officers are in post, marketing and publicity work to advertise the scheme to both employers and graduates has been undertaken and graduate appointments have been facilitated. This budget must retain the flexibility to be able to respond to the needs of the Graduate programme and any underspend to this allocation within 2019/20 will be available to be carried forward to complete the scheme. A further report on this is being considered by Regional Cabinet on 9th March 2020. For this reason, and until any potential underspends are realised, the full allocation is shown as being required.
11. The balance of £1,381,641 from the £38,500,000 budget approved in respect of the CSC Foundry Ltd project is now expected to be paid in 2020/21.

Status of Delivery Pipeline and Revenue & Capital Resources Available

12. In addition to the sums outlined above, the 2019/20 Annual Business Plan included uncommitted revenue and capital resources which provide Regional Cabinet with the ability to make new project funding approvals during the year, subject to their approval via the Investment and Intervention Framework (IIF) Process.
13. A narrative update in respect of the Project Delivery Pipeline is provided in Appendix 5 and the resources available to support any projects coming through the IIF process are set out below.

Revenue Resources Available

14. Proposals which have secured Regional Cabinet approval to proceed, subject to the preparation and approval of their business cases, are categorised as In-principle Projects. There are revenue resources amounting to £856,000 available in 2019/20 set aside to support In-principle Projects as set out in Table 1. This budget was set-out to meet the cost of developing business cases, as well as carrying out the required level of due diligence as proposals are developed and move through the IIF process.
15. It is not currently anticipated that any revenue resources over and above those set-out above under the Top-Slice allocation will be required in Financial Year 2019/20. However, as previously stated, flexibility should be retained to allow Regional Cabinet or those bodies with the delegated powers to do so the ability to approve further expenditure during 2019/20. Further updates will be brought to Regional Cabinet in this regard, as necessary.

Capital Resources Available

16. Projects that have satisfactorily met all the requirements of the IIF process and which are subsequently approved by Regional Cabinet i.e. 'Approved Projects', will be allocated an 'Approved Project Budget', as set out in the project's accompanying 'Funding Letter'. Approved Project Budgets will be met from resources allocated over the medium term as most projects are likely to straddle a number of financial years. There is £26,110,000 of capital resources available in 2019/20 to fund projects during the year, whilst the sums available over the Medium Term amount to a further £120,000,000.
17. The Cardiff Capital Region Regional Transport Authority, at its meeting of 28th November 2019 approved, in accordance with its delegated powers for the Metro Plus Scheme, City Deal Capital Funding of £225,000 towards the Porth Transport Interchange and £85,000 towards the Cardiff East Bus Priority Scheme. Depending on necessary prioritisation of the LTF element of funding for this scheme which is time-bound, it is expected for these amounts to be drawn down before the end of the 2019/20 financial year.
18. There are currently no other extant Regional Cabinet decisions which would lead to any drawdown of these capital resources in the Financial Year 2019/20. It should be noted that, subject to compliance with the Investment and Intervention Framework, Regional Cabinet has the ability to make appropriate investment decisions. Any such decisions would be subject to the approval or noting of by Regional Cabinet as part of further reports.
19. Depending upon the nature, value and timing of any in-year project expenditure approvals, the components of the 'funding mix' may vary and subsequently impact upon the funding requirements of the Partner Authorities. The established stakeholder networks will be used to provide updates on this as and when necessary.

2020-2021 CCR Meetings Planner

	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March
1st						CCR Briefing Chief Exs							SH		
2nd								CCR Briefing Chief Exs				CSCConnected			
3rd								Housing RTA Board							
4th					CCR RC VRP Board Joint Scrutiny	RTA Board									
5th						Valleys Task Force				Ministerial Advisory Board -		Investment Panel			
6th															
7th							Investment Panel					CCR RC VRP Board Western Gateway Chief Ex meeting - Swansea Joint Scrutiny			
8th				May Day Bank holiday				Investment Panel Prog Board REGP RBC							CCR RC VRP Board
9th			CCR RC VRP Board												CSC Foundry Joint Scrutiny
10th		Metro Central DP		Easter-Bank holiday								Ministerial Advisory Board -			
11th														RTA Board - briefing	
12th			Valleys Task Force					Housing RTA Board - briefing							
13th				Easter-Bank holiday			Metro Central DP			Investment Panel					
14th		Housing						CCR RC VRP Board Western Gateway Chief Ex meeting - Swansea Joint Scrutiny							
15th						CCR RC VRP Board				Valleys Task Force					CSCConnected
16th										CCR RC Awayday CSC Foundry					Housing
17th									Ministerial Advisory Board -			Investment Panel Prog Board REGP RBC			Investment Panel Prog Board REGP RBC
18th							CSC Foundry								
19th						Housing									
20th								RTA Board - briefing							
21st															
22nd															CCR Briefing Chief Exs
23rd												CCR Briefing Chief Exs			
24th															
25th															RTA Board
26th															
27th															
28th															
29th															
30th															Investment Panel
31st															

Key:

CCR Cabinet
CCR Briefing
Chief Executives Placeholder
VRP Board
CCR RC Awayday
CSC Foundry
RTA Board
Investment Panel
Programme Board Placeholder
REGP
RBC
Joint Scrutiny
WG Steering
UK Steering Board
Ministerial Group
Regional Investment Steering Group
Housing
Metro Central DP
CSCConnected
Western Gateway Chief Ex meeting
Valleys Task Force
Ministerial Advisory Board - Foundational Economy
Weekend
Bank holiday

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 2019/20.</p>
<p>Proposal: Quarter 3 Performance</p>	<p>Date Future Generations Evaluation form completed: 2 March 2020</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 progress made with Metro Plus, EV and LEV and the WG Energy Service-led work.</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>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. Podcasts, an annual round-up and quarterly newsletters are now in place.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</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>

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 data-bbox="248 320 506 464">Considering impact on all wellbeing goals together and on other bodies</p>	<p data-bbox="546 288 1317 347">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	<p data-bbox="448 1090 1025 1326">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.</p>	<p data-bbox="1055 1090 1375 1118">None arising at this time.</p>	
Disability	<p data-bbox="448 1366 562 1394">As above</p>	<p data-bbox="1055 1366 1178 1394">As above</p>	

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?
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		
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 4
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