

Cardiff Capital Region City Deal Regional Cabinet Meeting

10.30am on Thursday 12 September 2019
Ebbw Room, Penallta House, Caerphilly County Borough Council,
Tredomen Park, Ystrad Mynach, CF82 7FQ

Minutes

Present

Leaders and Chief Executives

Cllr Garth Collier	Deputy Leader	Blaenau Gwent CBC
Cllr Richard Young	Cabinet Member for Communities	Bridgend CBC
Mark Shepherd	Chief Executive	Bridgend CBC
Cllr Sean Morgan	Deputy Leader	Caerphilly CBC
Christina Harrhy	Chief Executive	Caerphilly CBC
Cllr Huw Thomas	Leader	Cardiff Council
Paul Orders	Chief Executive	Cardiff Council
Cllr Kevin O'Neill	Leader	Merthyr Tydfil CBC
Cllr Peter Fox	Leader	Monmouthshire CC
Will Godfrey	Chief Executive	Newport CC
Cllr Andrew Morgan, Chair	Leader	Rhondda Cynon Taf CBC
Chris Bradshaw	Chief Executive	Rhondda Cynon Taf CBC
Cllr Richard Clark	Deputy Leader	Torfaen CBC
Cllr Neil Moore	Leader	Vale of Glamorgan Council
Rob Thomas	Chief Executive	Vale of Glamorgan Council

Officers

Hrjinder Singh	Accountancy Manager	Accountable Body
Anil Hirani	Accountancy Manager	Accountable Body
Gareth Gates	Accountant	Accountable Body
Elizabeth Weale	Solicitor	Accountable Body
Jenna Walters	Solicitor	Accountable Body
Christopher Lee	Section 151 Officer	Accountable Body
Phil Lewis (<i>Item 6 only</i>)	VRP Manager	Bridgend CBC
Kellie Beirne	Director	City Deal Office
Rhys Thomas	Chief Operating Officer	City Deal Office
Nicola Somerville	Head of Inclusive Growth & Business Development	City Deal Office
Liz Fitzgerald (minutes)	C&P Support Officer	City Deal Office
Frances O'Brien	Chief Officer, Enterprise	Monmouthshire CC
Gareth Nutt*	Director of Environment	Neath Port Talbot Council
Rachel Jowitt	Chief Officer	Torfaen CBC

Guests and Observers

Anne-Marie Harkin	Financial Audit Director	Wales Audit Office
Philip Pugh	Audit Manager	Wales Audit Office
Dr Angharad Penny Evans	South East Regional Team	Welsh Government

Apologies

Cllr Nigel Daniels	Leader	Blaenau Gwent CBC
Michelle Morris	Managing Director	Blaenau Gwent CBC
Cllr Huw David	Leader	Bridgend CBC
Cllr David Poole	Leader	Caerphilly CBC
Gareth Chapman	Chief Executive	Merthyr Tydfil CBC
Paul Matthews	Chief Executive	Monmouthshire CC
Cllr Debbie Wilcox	Leader	Newport CC
Cllr Anthony Hunt	Leader	Torfaen CBC
Alison Ward	Chief Executive	Torfaen CBC

* *By telephone for item 6*

ACTION

1. Welcome and Apologies

- (1) Cllr Andrew Morgan opened the meeting and apologies were noted.

2. Declarations of Interest

- (1) Cllr Sean Morgan declared a personal interest in respect of item 9, namely that he was a Director of CSC Foundry having been appointed to that body by his authority, Caerphilly CBC.
- (2) Cllr Clark declared a personal interest in respect of item 9, namely that he was a Director of CSC Foundry having been appointed to that body by his authority, Torfaen CBC.
- (3) Mark Shephard declared a personal interest in respect of item 9, namely that he was a Director of CSC Foundry having been appointed to that body by his authority, Bridgend CBC.
- (4) Cllr Richard Young, in his capacity as a Cabinet Member for Bridgend CBC, noted a potential conflict of interest in item 8 (given the item related to proposed funding to Bridgend CBC) and indicated that he would not exercise his right to vote on this matter.
- (5) Rob Thomas, Christina HARRY and Will Godfrey declared their interests as members of the CCR Investment Panel.

In respect of the declarations made above at paragraphs 2 (1) (2) and (3), whilst of the view that such interests were not prejudicial given the item of business falls within one of the exemptions specified in the code (namely paragraph 12.2 (III) –relates to a body to which you have been elected, appointed, or nominated by your authority) the members and officer concerned decided not to take part in the discussion and left the meeting whilst item 9 was considered.

3. Minutes of the meeting held on 15 July 2019

- (1) The minutes of the meeting held on 15 July 2019 were agreed as accurate.

4. Consolidated Statement of Accounts 2018/19 incorporating AGS**a 2018/19 Audited Statement of Accounts**

Christopher Lee presented his report.

b Audit of 2018/19 Financial Statements Report

- i. Anne-Marie Harkin presented the Wales Audit Office, Audit of 2018/19 Financial Statements Report - Cardiff Capital Region City Deal and advised that the WAO were comfortable with the accounts and an unqualified audit opinion had been given in respect of the closure process. Practical issues that needed to be addressed for the following year had been flagged. Anne-Marie thanked Kellie Beirne and the Accountable Body for their support in the process.
- ii. Anne-Marie noted an issue that had been flagged where the WAO work had identified an issue in respect of the registration of members interests within one authority and the process and procedure in place to notify the CCRC Director and Accountable Body of those interests. The process in place currently was one of compliance with individual local authority procedures and policies. The WAO would be writing separately to the local authority concerned and also to the Accountable Body and City Deal Office.

It was **RESOLVED** that the Cardiff Capital Region Joint Cabinet authorised:

- i. the Chair of the Joint Committee to sign the Statement of Responsibilities for the Financial Statements on **page 13 of Appendix A**, the Annual Governance Statement on **page 59 of Appendix A** and the Letter of Representation to the Wales Audit Office for 2018/19 (**Appendix C**);
 - ii. the Joint Committee Section 151 Officer to sign the Chief Financial Officer's Statement of Responsibilities on **page 14 of Appendix A**;
 - iii. the Director to also sign the Annual Governance Statement on **page 59 of Appendix A** and the Letter of Representation to the Wales Audit Office for 2017/18 (**Appendix C**); and
 - iv. the Accountable Body to publish the final, audited Statement of Accounts and to make arrangements for the necessary public notifications as soon as possible.
- 5. 2019/20 Month 04 Joint Committee Revenue Budget Monitoring Position**

- (1) Christopher Lee presented his report.

It was **RESOLVED** that the Cardiff Capital Region Regional Cabinet:

- notes the actual expenditure, income and projected full year out-turn position as at 31st July 2019 (Month 04), against its approved 2019/20 Revenue Budget.

6. Valleys Regional Park

Phil Lewis joined the meeting; Gareth Nutt dialled in.

- (1) Mark Shephard introduced the report.
- (2) Phil Lewis provided an update of the Valleys Regional Park's launch on 11 September.

It was **RESOLVED** that the Cardiff Capital Region Regional Cabinet:

- i. notes the progress to date in establishing the VRP as outlined above;
- ii. agrees to receive further reports on progress at appropriate stages.

Phil Lewis left the meeting; the conference call with Gareth Nutt was closed.

7. Regional Transport Authority Delegations

- (1) Kellie introduced the report .
- (2) Cllr Huw Thomas asked for an update relating to the appendix on the Metro Plus scheme summary as regards two of the items referred to. Kellie said there was an issue with land acquisition in Merthyr Tydfil which was expected to be resolved shortly and that Transport for Wales would be taking forward the feasibility study in respect of the proposed scheme at Abertillery. The current ratings were thus notional and indicated where each of the ten schemes were currently in progress.

It was **RESOLVED** that the Cardiff Capital Region Regional Cabinet:

- 1 notes the updates on the Metro Plus Programme and the 10 projects in scope;
- 2 notes and supports the need for the Regional Transport Authority to finalise and approve the CAF at its November meeting in order to establish the framework against which the requested delegations can apply;
- 3 Amend the Regional Transport Authority's Terms of Reference (under the paragraph headed 'Functions') to include the following additional functions and delegated authority:

ACTION

- [A] Delegate authority to the Regional Transport Authority ('RTA') to make decisions as regards:
- (1) the allocation of City Deal monies to individual Metro Plus projects within the envelop of the approved budget of up to £15m and
 - (2) all associated matters required to facilitate the implementation of the Metro Plus Projects within the envelop of the approved budget of up to £15m;
- [B] Delegate authority to the City Deal Director in consultation with the Chair of the RTA (or in his absence the Vice Chair of the RTA), the Accountable Body S151 Officer and the local RTA Member to authorise spend on individual approved Metro Plus projects up to the sum approved by the RTA in respect of the Metro Plus project concerned (pursuant to the above delegation) and to deal with all associated matters required to facilitate the implementation of the Metro Plus Project PROVIDED Always that in exercising any delegated powers all decisions made should:
- i. consider the broader aims and objectives of the Common Assessment framework;
 - ii. be made in accordance with the requirements of the Joint working Agreement in relation to the delivery of the Cardiff Capital Region City Deal;
 - iii. be within approved budgets and comply with any legal requirement and
 - iv. a full record (report) of the exercise of such powers shall be kept by the City Deal Director in respect of each decision taken and update reports provided to the RTA outlining decisions taken.

8. Supporting Local Sustainable Growth – Bridgend

- (1) Kellie presented the report.
- (2) Cllr Young thanked the Committee on behalf of Bridgend CBC for considering this matter and stated he would not take part in any further discussion on this item.
- (3) Cllr Richard Young, in his capacity as a Cabinet Member for Bridgend CBC, had noted a potential conflict of interest in item 8 (given the item related to proposed funding to Bridgend County Borough Council) and indicated that he would not exercise his right to vote on this matter.
- (4) Cllr Huw Thomas asked if the CCR Regional Cabinet would be writing formally to the Minister in respect of the match funding sought; Kellie confirmed that this was in hand but confirmation of match funding was awaited.
- (5) In respect of this issue, Cllr Andrew Morgan noted a lack of substantive

contact from Welsh Government and hoped some jointly funded projects could be taken forward in the coming months. It was suggested that a letter be sent to the Economy Minister, Ken Skates, setting out the CCR position and confirming the availability of £50,000 for proposal development.

It was **RESOLVED** that the Cardiff Capital Region Regional Cabinet:

- supports and approves the identification and allocation of £50,000 worth of investment from the Wider Investment Fund Programme Development Support Budget, in 2019/20 in order to develop proposal and business case propositions which can be used as the basis of driving forward place-based economic activity to mitigate and offset the proposed Ford Bridgend closure subject to securing the 'match' contribution of £50,000 from Welsh Government.

9. Strength in Places Submission of Full Business Place for CS Connected

Mark Shephard, Cllr Sean Morgan and Cllr Clark having declared personal interests left the room whilst this item was considered.

- (1) Cllr Fox introduced the report and thanked all officers who had been involved in preparing the bid. Cllr Fox reminded members that Appendices 1, 2, 3 and 5 were exempt from publication for the reasons stated on the report and agenda.
- (2) Cllr Andrew Morgan sought clarification that funding would not be drawn down until all dependent funding streams were in place.
- (3) Kellie thanked the consortium of partners who worked on the bid and confirmed the submission date of 18 September.
- (4) Cllr Thomas asked for clarity as regards comments made in respect of the bid being 'Brexit-proof' as Welsh Government had identified the CS sector as the most at risk; Kellie said Welsh Government may be referring to the impact on exchange rates and the cap-ex costs associated with construction such as imports of steel and palladium. The key trading partners and market was not Europe-based but in North America, Canada and South East Asia.
- (5) Cllr Moore queried the ratification process for the bid given it was critical that it received the highest levels of endorsement and what further support could be offered in the interim; Kellie confirmed it would be going to the CCR Investment Panel for review and consideration and a letter of support drafted. Notification of the bid would be received in February or March 2020.

It was **RESOLVED** that the Cardiff Capital Region Regional Cabinet:

ACTION

- 1) notes and approves the proposed bid/ business plan submission by the CCR Consortium on 18 September 2019 to the SIPP aimed at growing the CS Cluster;
- 2) notes the request for a financial contribution and 'match funding' from CCRCO of an indicative £3.3m to build the £43.3m investment package. To further note that this proposed contribution will be subject to the due diligence and decision-making process under the Investment Framework; the legal position regarding the Development Agreement for Lease (which may require renegotiation with IQE to carve out the CS Connected HQ 'site'); and State Aid considerations, should the bid be successful and compliance with all other relevant legal requirements;
- 3) endorses the commissioning of Yole to the value of £25k (from the approved Projects Development Fund) in order to secure independent data and evidence to supplement the bid and inform the future narrative around targeted regional cluster development;
- 4) approves the principle of exploring options with regards to land acquisition potential (as detailed in the report) and seeking of all relevant professional advice. To note that any formal proposal constructed will be subject to the Investment Framework process and full cabinet decision-making and
- 5) notes progress made with WG regarding joint support for the sector and future growth of the cluster.