



15 MARCH 2021

INVESTMENT PROSPECTUS 'PROSPERITY IN OUR PLACE' AND STRATEGIC RAIL PRIORITIES

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM 9

Reason for Report

1. To present Regional Cabinet with two key strategic investment documents that seek to set out Cardiff Capital Region's formal set of 'asks and offers' in relation to UK Government's 'levelling-up' and the wider 'Build Back Better' growth agenda and the WG mission for Economic Resilience and Reconstruction. To seek Cabinet's approval to both formally launch and submit the frameworks to the UK Government and Wales Government, given compatibility with the Framework for Regional Investment Wales and in order to proactively set out the contribution the region is able to make to UK-wide prosperity.

Background

2. The 'levelling-up' policy and economic agenda is a growing focus of UK Government as it plans future distribution of UK-wide investment as part of its strategy to 'build back better' in the COVID-19 aftermath. As the publication of the UK Government's Build Back Better Strategy starts to demonstrate, Levelling-up is more than a new £4.8BN fund – it is a wider objective running through public investment that aims to tackle the geographical inequalities that exist across the UK-regions in order to equalise investment into underperforming and left-behind parts of the UK. In this way, it is a key plank of what is an increasingly place-based set of policy tools and levers that reach individuals in specific areas.
3. As a result, the importance of having place-based institutions to enact this, is underlined and Welsh Government's Regional Investment Wales Framework is a key step in this direction. The development of Corporate Joint Committees (CJC) will be key to CCR's effectiveness in making the case for levelling-up the region, because they provides the mechanism by which to secure regional public investment and develop regional structures. This is key since the current

structure of a City Deal-specific Joint Committee, does not provide the scope, flexibility or levers required to fully participate and directly hold and host such benefits.

4. In view of plans to increase regional institutional capacity through a CJC and working closely with WG to shape and deliver it, and, on the basis of work done to date, CCR is well placed to make a case for accessing UK-wide investment. With an open and competitive Wider Investment Fund; an active innovation and infrastructure agenda; and, early challenge-driven development – CCR has a clear vision that recognises the inter-linked characteristics of COVID-19, Climate and low-growth productivity. CCR's partnership success with CS Connected through Strength in Places further signals a growing competitive flair.

The Opportunities

5. The opportunity-set brings together Corporate Joint Committees with UK-wide and WG investment in respect of:
 - £4.8BN Levelling-up Fund
 - Community Renewal fund – precursor to Shared Prosperity Fund
 - Infrastructure Investment Bank £12bn capitalisation
 - Intra-city transport settlements through regions
 - Investment in broadband
 - Investment in Low Emission Vehicles
 - Proposed four new industrial clusters
 - Place based R&D funding through new Places Strategy and Advanced Research and Invention Agency
 - UK Government trade hub in Wales
 - Freeports in devolved nations
 - COP 26
6. The UK Government Build Back Better objective to tackle regional economic disparities and ensure 'no region is left behind' coupled with the aim of Regional Investment Wales to create an effective place-based framework across Wales' regions to achieve inclusive growth – provides a strong platform to work with Wales and UK Governments to deliver in the best interests of the CCR.

Investment Prospectus – Prosperity in our Place

7. The Investment Prospectus has been developed in concert with the Regional Economic Growth Partnership (REGP) and is compatible with the principles and provisions of Welsh Government's Regional Investment Wales framework. It sets out a comprehensive set of investment requirements and results in relation to a core set of foundational needs – rail, energy, skills and sites and premises. This establishes the foundations for further investment potential in a core set of strategic cluster opportunities – Compound Semiconductors; digital, data, cyber, fintech and med-tech. Both these complementary measures then provide the backdrop for future aims and ambitions around frontier economies – and 'bigger bet' ideas which could be of further transformational value in the context of the UK economy. In addition

to investment requirements and results, the prospectus makes the case for a suite of fiscal flexibilities and levers; relocation of UK Government departments to the region; and, explicitly references the potential for co-investments and partnerships across the Industrial Strategy Challenge Fund; Department for Transport; and, UKRI.

8. With the opportunities above already emerging it is essential that CCR is on the front foot and sets out what a levelling-up and inclusive growth agenda looks like for the region. Indeed, with many non-departmental government bodies already based in the region, such as ONS, IPO and Companies House, there is a real opportunity to demonstrate how CCR is able to leverage these strengths and assets for the economic benefit of Wales and the UK.
9. The Investment Prospectus is therefore focussed on strong strategic intent, going with the grain of change and industries of the future; and, the potential to maximise returns to the region, Wales and UK Plc. It is evidence-based, has been co-produced with business, HE and community sector partners and looks forward to the imminent place-based structures that will enable the CCR to optimise economic and societal impact. Shifting and shaping comparative advantage for CCR's benefit will be a longer-term endeavour and in addition to regional economic stimulus, must have social and community-level benefits that help reinforce local civic pride and wellbeing.
10. The Investment Prospectus has a compelling Executive Summary with its other components and chapters reflecting core CCR policies and strategies. In this way, the document is 'modular' – with the chapters capable of detachment and serving a thematic purpose in their own right. This gives scope for targeting and pursuing discreet and opportunistic investment, in addition to providing a more joined-up and coherent story for how the region as a whole must work to deliver place-based prosperity for all. A draft version of the Investment Prospectus is attached at Appendix 1.

Strategic Rail Priorities

11. The Strategic Rail Priorities framework 'Passenger Rail Vision' has been led and overseen by the Regional Transport Authority and developed by Professor Mark Barry – architect of the South Wales Metro. The framework supplements and complements the Investment Prospectus, but has been deemed worthy of a publication in its own right given issues associated with unmet investment needs in the region and recent calls for devolution of rail. In addition to this, with the SE Wales Transport Commission (M4 around Newport) recommendations; the work led by Sir Peter Hendy on the Union Connectivity Review; the Western Gateway Sub-national Transport Plan; and, the prospective impact of Crossrail on the region – it is imperative that a distinct, separate and powerful case is made for rail in the CCR.
12. Investment in rail infrastructure in the region thus, makes sense at a number of different levels, not least as a key plank of 'levelling-up' ambitions. There is strong alignment with the wider themes of the core Investment Prospectus and demonstrates the significant potential for rail to connect and regenerate places; drive the productivity of businesses and the workforce and unlock the potential of the capital city and its hinterland. The outcomes sought, move beyond economic and focus on societal benefit, health improvements and net

zero. This significantly shifts the ambition of CCR beyond the phased development of the South Wales Metro and sets the tone for ambitious plans for a multi-modal transport strategy that is focussed on reducing car journeys, promoting public transport and active travel.

13. Both documents cannot and will not cover every issue, priority and nuance specific to CCR's wider ambitions.. There is an active and growing discourse on Radical Federalism which is an important reminder of the fragility of the United Kingdom. Whilst this will remain an important Wales-led debate to observe, there is also a need to ensure Wales and CCR has a place at the UK-table when it comes to influencing matters of UK-wide significance such as climate, rail, R&D and skills and labour markets. A draft version of Passenger Rail Vision is attached at Appendix 2.

Next steps – Proposed Engagement and Communications Plan

14. In the aftermath of the March 2021 budget and its look at the UK finances as it faces the fallout from the Coronavirus pandemic, it is a good time to announce CCR's ambitions and demonstrate the positive contribution the region is capable of making to recovery. Growing the economy will fast become a priority given the need for sustainable public finances over the long-term; the cessation of furlough and projections for record high levels of unemployment.
15. The proposed engagement and communication plan seeks to include identification of: primary target audiences and key stakeholders such as UK Government and relevant Whitehall departments and Welsh Government. It further focuses on clear approach, objectives and desired outcomes in seeking to ensure CCR is on the agenda and the coherence of the vision and strategy is articulated. Beyond this, the objectives relate to raising awareness within the Welsh media and the wider public and business community. The last area will be to engage with the wider investor community and influencer bodies at UK and international levels. Consideration will also be giving to attracting further profile and prominence around the R&D agenda specifically. Nesta's work on 'The Missing £4BN' and making R&D work for the whole of the UK has been influential. Officials working as part of the Place R&D Roadmap and Strategy must also be awakened to CCR's work and UKRI in particular.
16. Finally, there are real opportunities through the regional investment structures promoted through Regional Investment Wales and place-based institutions to support a radical localist agenda. Devolution of powers to local government via regional structures that allow for more experimentation and pilot interventions, minimising whole-system risk whilst maximising place-based system outcomes is a clear area of opportunity. CJsCs offer a route for optimisation in light of new and innovative approaches to public services leadership and management and institutional collaboration.

Reason for Recommendations

17. The report sets out a compelling case for investment and Competitive, Connected, Resilient and Inclusive growth within CCR and an agenda for how

this work may achieve wide-reaching impact in accordance with the principles of Regional Investment Wales.

Financial Implications

18. The report sets out a number of proposals to UK Government to secure investment for the Capital Cardiff Region. The financial implications on CCR and the accountable body of any funding received via grants or as a result of fiscal or other measures will need to be considered as part of any proposals. This will also need to consider capacity and resources to deliver the outcomes of any approved funding.

Legal Implications

19. There are no legal implications for this report. The legal implications for CCR in respect of any funding received as a result of these proposals will need to be considered on a case by case basis.

Well-being of Future Generations (Wales) Act 2015

20. 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. 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.

21. 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 3.

Equality Act 2010

22. 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

23. It is recommended that Regional Cabinet:

- a) notes and endorses the Investment Prospectus and Passenger Rail Vision as key planks of CCR's case for levelling-up and the complementarity with the Welsh Government Framework for Regional Investment in Wales; and,

- b) approves the key components of the Plan for engaging and communicating the documents in order to maximise exposure and chances of success, in ensuring CCR is able to access all funds and investment available to it.

Kellie Beirne
Director, Cardiff Capital Region
15 March 2021

Appendices

- Appendix 1 Investment Prospectus – Prosperity in our Place
- Appendix 2 Strategic Rail Priorities – Passenger Rail Vision
- Appendix 3 Well-being of Future Generations Assessment

Background Documents

Framework for Regional Investment in Wales

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal: to set out the proposed strategic principles and approach to levelling-up agenda.</p>
<p>Proposal: CCR – Levelling-up Prospectus and Strategic Rail Priorities</p>	<p>Date Future Generations Evaluation form completed: 15 March 2021</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>The proposal seeks to set out the aims and priorities for investment in the region to generate and spread wealth and prosperity that is generalised and shared.</p>	<p>Continued work will develop the detail of the sections in respect of core themes and issues.</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>The energy and climate focus permeates throughout and the focus on resilience and ability to withstand shocks and all aligned with inclusive growth – is under the umbrella of ‘grow back better’</p>	<p>The climate and energy section will build upon the ULEV work with a suite of measures aimed at making the best difference vis a vis the baseline, challenges and priorities set out in the prospectus.</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>Inclusion is a core theme of the approach and balancing a focus on levelling up the region with other regions in the UK to ensure CCR accesses all of the opportunities available to it – thus supporting not just sectors and industries but communities and people.</p>	<p>Wellbeing metrics as part of the measurement of success will be incorporated – as part of wider work to understand the impact of interventions.</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe and well connected</p>	<p>The levelling-up work has taken place at the regional level – to bind together an approach and take a comprehensive overview of the needs and priorities of our communities and economy.</p>	<p>Will need to tie in with local economic development approaches, regeneration schemes and how the benefits emanate locally through a focus on employment, training and skills. For example, schemes such as Y Prentis, Aspire and so on.</p>
<p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</p>	<p>The principles look outward and focus on the FDI and international opportunities, which will be particularly important post-EU exit.</p>	<p>This work will increasingly need to contribute to Wales' place in the world. Further work on carbon reduction, moral responsibility would complement this.</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>The document represents a distinctive regional strategic approach to developing the economy – foundational and tradeable and projects a distinctively Welsh approach to doing so.</p>	
<p>A more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>The approach focuses on economic inclusion, levelling-up and a mission-driven approach capable of not just tackling economic problems – but societal ones too.</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>Levelling-up equalities across the region and across other regions of the UK is a long-term endeavor. This plan is thus a plan for the future and will guide the pattern of future interventions.</p>	<p>The work will need to be constantly adapted and updated in order to remain relevant and fit for an evolving future.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The Prospectus is endorsed by all 10 Councils and is aimed at a collaborative not competitive approach.</p>	<p>The partnership underpinning this has mainly involved the REGP. This must now be extended more widely and other relevant partners brought into the proposals as they are worked up and strengthened.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The work has been informed by a wide range of views and perspectives with regard to expert evidence and data.</p>	<p>As programmes and scheme proposals gets worked up, engagement and communication plans – that ensure those who know best shape proposals, will need to accompany advancement of projects.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The mission-driven/ challenge-led approach embedded will be a key means of experimenting in the prevention space</p>	<p>This will need to be ramped up as part of the work set out under the auspices of the prospectus and will also involve exploitation of the INFUSE programme.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The proposed impact assessments will give a comprehensive and ongoing overview of benefits, costs and results. Outcome focused reporting and accountability will be key to this. Work done on the Investment Framework on outcome statement on Competitive, Connected and Resilient will underpin this.</p>	<p>Wellbeing metrics will be key to informing future work.</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	Not relevant in this context since the principles, approach and ways of working apply to all prospective interests and stakeholders		A full ESG agenda and diversity and inclusion reviews into partnerships and groups will help ensure this agenda is embedding in ways of working and the culture that is created.
Disability	As above	As above	As above.
Gender reassignment	As above	As above	As above.
Marriage or civil partnership	As above	As above	As above.
Pregnancy or maternity	As above	As above	As above.
Race	As above	As above	As above.
Religion or Belief	As above	As above	As above.
Sex	As above	As above	As above.
Sexual Orientation	As above	As above	As above.
Welsh Language	As above	As above	As above.

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		This is dependent upon the brief for regional education consortia and whether or not, it is intended to be grouped within CJs.
Corporate Parenting	Not directly relevant – however building strength in the economy should create opportunities for all of the young people entrusted in our care and makes a direct contribution to wellbeing.		

5. What evidence and data has informed the development of your proposal?

As above.

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?

As above, the main implications will be in the delivery of this work.

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:	Quarterly via the IIF reports to Cabinet and quarterly performance and through evolution to CJC
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