

Cardiff Capital Region
Regional Cabinet Meeting

11.00am-12.00pm on Monday 29 November 2021
Remote Meeting via Microsoft Teams

Minutes

Leaders and Chief Executives

Michelle Morris	Managing Director	Blaenau Gwent CBC
Cllr Huw David	Leader	Bridgend CBC
Cllr Philippa Marsden	Leader	Caerphilly CBC
Cllr Caro Wild	Cabinet Member	Cardiff Council
David Street	Acting Chief Executive	Caerphilly CBC
Cllr Lisa Mytton	Leader	Merthyr Tydfil CBC
Ellis Cooper	Chief Executive	Merthyr Tydfil CBC
Cllr Richard John	Leader	Monmouthshire CC
Paul Matthews	Chief Executive	Monmouthshire CC
Cllr Jane Mudd	Leader	Newport CC
Beverly Owen	Chief Executive	Newport CC
Cllr Ann Crimmings	Cabinet Member for Environment, Leisure & Heritage Services	Rhondda Cynon Taf CBC
Chris Bradshaw	Chief Executive	Rhondda Cynon Taf CBC
Cllr Anthony Hunt	Leader	Torfaen CBC
Stephen Vickers	Chief Executive	Torfaen CBC
Cllr Neil Moore	Leader	Vale of Glamorgan Council

Officers

Jon Day	Economic Development	Cardiff Council
Marcus Goldsworthy	Head of Regeneration and Planning	Vale of Glamorgan Council
Christopher Lee	Section 151 Officer	Accountable Body
Anil Hirani	Accountancy Manager	Accountable Body
Gill Brown	Group Accountant	Accountable Body
Lindsey Yeoman	Accountant	Accountable Body
Gareth Gates	Accountant	Accountable Body
James Williams	Solicitor	Accountable Body
Kellie Beirne	Director	Office of the CCR
Rhys Thomas	Chief Operating Officer	Office of the CCR
Hrjinder Singh	Head of Finance, Risk & Assurance	Office of the CCR
Jon Wood	Head of Innovation	Office of the CCR
Nicola Somerville	Head of Inclusive Growth & Business Development	Office of the CCR
Suzanne Chesterton	Marketing & Communications Lead	Office of the CCR
Robert O'Dwyer	Head of Infrastructure	Office of the CCR
Louise Corbett	Homes for the Region Manager	Office of the CCR

Nathan Llewellyn	Marketing & Communications Officer	Office of the CCR
Alison Merrifield	Project Officer	Office of the CCR
Jake Thompson	Graduate	Office of the CCR
Nicola Butler	Business Development & Partnership Officer	Office of the CCR
Liz Fitzgerald (minutes)	Business Development & Partnership Officer	Office of the CCR

Presenters

Derwyn Owen	Audit Manager	Audit Wales
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Observers

Jon Martin	Senior Auditor	Audit Wales
Sara-Jane Byrne	Audit Manager	Audit Wales
Gareth Ashman	Head Of Infrastructure	UK Government
Jenna Dillon	Senior Project Delivery Manager, South East Wales	Welsh Government

Apologies

Cllr Nigel Daniels	Leader	Blaenau Gwent CBC
Mark Shephard	Chief Executive	Bridgend CBC
Cllr Huw Thomas	Leader	Cardiff Council
Paul Orders	Chief Executive	Cardiff Council
Christina Harrhy	Chief Executive	Caerphilly CBC
Cllr Andrew Morgan	Leader	Rhondda Cynon Taf CBC
Rob Thomas	Chief Executive	Vale of Glamorgan Council

1. Welcome and Apologies

Cllr Hunt opened the meeting and apologies were noted.

2. Declarations of Interest

Declarations of interest were received as follows:

- 1) Cllr Jane Mudd declared an interest in Item 7 'Membership of Western Gateway' because Newport City Council is a member of Western Gateway independently;
- 2) Nicola Somerville declared an interest in Item 9 'Homes for All the Region – Update and Final Shortlist for Housing Viability Gap Fund' because she is Chair of Newport City Homes.

3. Minutes of the meeting held on 20 September 2021

The minutes of the meeting held on 20 September 2021 were agreed as a true and accurate record of the meeting as moved by Cllr Marsden

4. Audited 2020/21 Statement of Accounts and Annual Governance Statement (AGS)

a) 2020/21 Audited Statement of Accounts and AGS

Joint Report of Cardiff Capital Region Section 151 Officer and Cardiff Capital Region Director

**b) Audit of 2020/21 Financial Statements Report
*To receive the report of Audit Wales***

Christopher introduced report (a).

Derwyn introduced report (b) and confirmed that Audit Wales proposed to provide an unqualified opinion on the accounts. In terms of matters arising, there was one statement uncorrected in paragraph 17 of the report that he was required to bring to Regional Cabinet's attention; he accepted the comments of officers as to why it had not been amended and it did not represent an issue.

The motion to deal with the recommendations of the report was moved by Cllr Marsden moved and seconded by Cllr Moore.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Bridgend, Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Caerphilly, Merthyr Tydfil, Newport, Monmouthshire and Torfaen.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet:

- (1) approved the audited Statement of Accounts 2020/21 for Cardiff Capital Region City Deal (Appendix 1);
- (2) approved the audited Annual Governance Statement 2020/21 (Appendix 2);
- (3) noted the Audit reports of Audit Wales on the Statement of Accounts of Cardiff Capital Region City Deal for the year ending 31 March 2021 (Appendix 1a);
- (4) noted the final Letters of Representation for Cardiff Capital Region City Deal (Appendix 1b);
- (5) noted that the following documents will be formally signed at the conclusion of the meeting:
 - Statement of Accounts for Cardiff Capital Region City Deal – Chair of Regional Cabinet and S151 Officer;
 - Annual Governance Statement - Chair of Regional Cabinet and Programme Director;
 - Audit Certificate for the Cardiff Capital Region City Deal – Appointed Auditor, Wales Audit Office. To be signed at a later date;
 - letter of Representation for the Cardiff Capital Region City Deal – Chair of Regional Cabinet and Programme Director.

5. 2021/22 Month 07 Joint Committee Revenue Budget Monitoring Position

Christopher introduced the report.

The motion to deal with the recommendations of the report was moved by Cllr Marsden and seconded by Cllr David.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Bridgend, Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Caerphilly, Merthyr Tydfil, Newport, Monmouthshire and Torfaen.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet:

- (1) noted the actual expenditure, income and projected full year out-turn position as at the 31 October 2021 (Month 07), against its approved 2021/22 Revenue Budget.

6. 2021/22 Annual Business Plan - Quarter 2 Performance Report

Appendix 4 to this report is exempt from publication because it contains information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972

Kellie introduced the report.

The motion to deal with the recommendations of the report was moved by Cllr David and seconded by Cllr John.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Bridgend, Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Caerphilly, Merthyr Tydfil, Newport, Monmouthshire and Torfaen.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet:

- (1) noted the overall progress at Quarter 2 2021/22 including the budget position reported at Appendix 2;
- (2) considered and approved the Quarter 2 performance report and authorised 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;
- (3) noted the Quarter 2 Programme Monitoring Report at Appendix 3 that sets out the enhanced approach to highlight reports and overall comprehensive programme monitoring on the first tranche of delivery projects.

7. Membership of Western Gateway

Kellie introduced the report. Some progress had been made on the policy background but an issue had been the ability to take it to the next level due to resource issues.

Cllr Mytton left the meeting at 11:30

Leaders discussed the item:

- Cllr Hunt endorsed Newport CC and Cardiff Council's engagement with the Western Gateway;
- Cllr Moore said that fundamentally he could not agree to the report due to the issues around Regional Cabinet's lack of involvement during the inception of the Western Gateway and between local authorities and Welsh Government; therefore, he would not vote;
- Cllr Mudd agreed with Cllr Moore's comments but said that Regional Cabinet had enabled and facilitated the relationship so that it was complementary to and not competitive with the CCR. The potential for the region as a whole to develop and benefit from this significant investment was tremendous;
- Cllr John agreed with Cllr Mudd's comments and did not see it as a conflict with the region. Provided there was clarity of purpose, having multi-layered relationships with different partners was important for the region.
- Cllr Hunt suggested that the Western Gateway Director should be invited to attend a Regional Cabinet Briefing to provide some further clarity;
- Cllr Marsden had been sceptical but was grateful for the reassurance that it was complementary to the region's work so she was happy to support it. She agreed with Cllr Hunt's suggestion that the Western Gateway Director should be invited to attend a Regional Cabinet Briefing.

The motion to deal with the recommendations of the report was moved by Cllr John and seconded by Cllr Marsden.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Monmouthshire, Newport, Merthyr Tydfil, Caerphilly, Cardiff, Rhondda Cynon Taf, Bridgend and Torfaen.

Cllr Moore abstained from the vote.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet:

- (1) noted the contents of this report and endorses the proposed move to formalise its engagement in the Western Gateway partnership;
- (2) approved the £10,000 annual membership fee, putting CCR on a level-footing with other organisations - with an annual report that considers the progress made and benefits to the CCR;
- (3) agreed CCR representation to the Western Gateway Partnership Board.

Cllr Mytton re-joined the meeting at 11:43

8. ECO Local Authority Flexible Eligibility Energy Company Obligation ("ECOFLEX")

Kellie introduced the report.

Cllr David welcomed the report and the initiative, which would help the region respond to challenges around climate change and fuel poverty. Regarding the delivery of the programme; they have had some poor experience in Bridgend regarding cavity insulation and Cllr David wanted to ensure the risk was reduced

as much as it could be. Kellie confirmed the CCR would ensure that due diligence, legal advice and mechanisms were in place to resolve any issues that may arise. Cllr Mudd received clarification that it was a work in progress.

The motion to deal with the recommendations of the report was moved by Cllr Mudd and seconded by Cllr Marsden.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Monmouthshire, Newport, Merthyr Tydfil, Caerphilly, Cardiff, Vale of Glamorgan, Rhondda Cynon Taf, Bridgend and Torfaen.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet:

- (1) approved the establishment of an ECO Working Group with all local authorities to enhance the delivery of ECO programmes and agree a CCR joint Flexible Eligibility 'Statement of Intent for delivery of ECO Flex;
- (2) approved scoping a regional delivery vehicle for delivery of ECO and ECO Flex for commencement on 1st April 2022;
- (3) approved to proceed with market testing in order to select an energy company partner/s for commencement on 1st April 2022.

9. Homes for All the Region – Update and Final Shortlist for Housing Viability Gap Fund

Appendices 2, 3, 4, 5 and 6 of this report are exempt from publication because they contain 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. In all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Kellie introduced the report.

The motion to deal with the recommendations of the report was moved by Cllr Mytton and seconded by Cllr David.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Bridgend, Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Caerphilly, Merthyr Tydfil, Newport, Monmouthshire and Torfaen.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet:

- (1) approved the proposed Final Shortlist of Schemes in respect of the CCR Base Fund and WG Fund which total £42,872M and comprise the already approved Base Fund of £30M; the £5M WG Fund and the £7.8M approved (in March 2021) to supplement the Ringfenced Schemes – providing for 11 Final Shortlisted Schemes to move forward and 3 Ringfenced Schemes to be supported subject to next steps of the process;

- (2) approved progressing the 3 reserve schemes to the next phase of the fund and CCR and its advisors will begin the pre contract and further due diligence for schemes set out in Exempt Appendix 5;
- (3) approved an increase of £864,000 to the Housing Viability Gap revenue operating budget to take account of the increased number of schemes, due diligence on reserve fund schemes and to meet future needs;
- (4) approved the delegation to allow CCR City Deal Director in consultation with Portfolio Member and S151 and Monitoring Officer to progress the next stages of the fund through to legal completion and keep cabinet apprised;
- (5) approved to engage in discussions with WG regarding potential to repurpose £10 million SME Housing Fund and to identify any further additional funding opportunities to support optimisation of the Housing Viability Gap Fund.

10. Enterprise Risk Management Policy

Kellie introduced the report.

The motion to deal with the recommendations of the report was moved by Cllr John and seconded by Cllr Mytton.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following order: Bridgend, Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Caerphilly, Merthyr Tydfil, Newport, Monmouthshire and Torfaen.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet:

- (1) noted and endorsed the adoption of the CCR Enterprise Risk Management Policy;
- (2) noted alignment with the emergent principles of the Investment Strategy, making the links across Responsible Investing, ESG and sustainability.

11. Report of the Investment Panel: Recommendations Logs, Strategic Outline Case and Project Updates

This report and appendices 1 to 7 to this report are exempt from publication because they contain 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.

Rhys introduced the report.

The motion to deal with the recommendations of the report was moved by Cllr Marsden and seconded by Cllr Mytton.

Cllr Hunt obtained individual votes of acceptance from Leaders in the following

order: Bridgend, Rhondda Cynon Taf, Vale of Glamorgan, Cardiff, Caerphilly, Merthyr Tydfil, Newport, Monmouthshire and Torfaen.

Cllr Daniels was not present to vote for Blaenau Gwent.

It was resolved that the CCR Regional Cabinet accepted the recommendations of the exempt report.