South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

South East Wales Corporate Joint Committee

10.00am on Monday 21 October 2024
via Microsoft Teams

Minutes

Members	Constituent Authority
Councillor Mary Ann Brocklesby (Chair)	Leader, Monmouthshire County Council
Councillor Bronwen Brooks	Deputy Leader and Cabinet Member for Sustainable Places, Vale of Glamorgan Council (Substitute Member) and Chair of the Board of CCR Energy Ltd
Councillor Joanne Gauden	Executive Member for Economy, Skills & Regeneration, Torfaen County Borough Council (Substitute Member)
Councillor Sean Morgan	Leader, Caerphilly County Borough Council
Councillor John Spanswick	Leader, Bridgend County Borough Council
Mr Julian Stedman	Chair of Planning Committee, Bannau Brycheiniog National Park Authority (for items 1 – 6)
Councillor Emma Stowell-Corten	Cabinet Member for Communications & Culture, Newport City Council (Substitute Member)
Councillor Huw Thomas (Deputy Chair)	Leader, Cardiff Council
Councillor Stephen Thomas	Leader, Blaenau Gwent County Borough Council
Cardiff Capital Region Officers (CCR) unless stated	
Kellie Beirne	Chief Executive
Rhys Thomas	Deputy Chief Executive
Jayne La Grua	Strategic Director of Legal and Governance and Monitoring Officer
Colan Mehaffey	Strategic Director of Policy, Impact and Partnerships
Liam Hull	Strategic Director of Resources and S151 Officer
Hrjinder Singh	Head of Finance, Risk and Assurance and Deputy S151 Officer
Christian Cadwallader	Managing Director, CCR Energy Ltd
Julie Rees	Audit Manager (Financial Audit), Audit Wales

1. Apologies for Absence

1.1 Apologies were received from Councillor Dimitri Batrouni (Leader, Newport City Council), Councillor Lis Burnett (Leader, Vale of Glamorgan Council), Councillor Brent Carter (Leader, Merthyr Tydfil County Borough Council), Councillor Anthony Hunt (Leader, Torfaen County Borough Council & Deputy Chair, CCR) and Councillor Andrew Morgan (Leader, Rhondda Cynon Taf County Borough Council). Councillor Batrouni was substituted at the meeting by Councillor Emma Stowell-Corten, Councillor Burnett was substituted by Councillor Bronwen Brooks and Councillor Hunt was substituted by Councillor Joanne Gauden.

2. Declarations of Interests

2.1 Declarations of Interests were received during the meeting from the following:

- Cllr Bronwen Brooks declared a personal interest in respect of Item 6 on the agenda that she is the Chair of the Board of CCR Energy Ltd.
- Cllr Joanne Gauden declared a personal interest in respect of Item 7 on the agenda that there was an investment request included from within the area of Torfaen CBC.
- Cllr John Spanswick declared a personal interest in respect of Item 8 on the agenda that the Development Control Committee at Bridgend CBC is due to consider an application in relation to this matter.
- Cllr Emma Stowell-Corten declared a personal interest in respect of Item 9 on the agenda that Newport CC is a co-investor in relation to the Full Business Case.

3. Minutes

3.1 It was **RESOLVED** that the South East Wales Corporate Joint Committee (SEW CJC) **APPROVED** the minutes of the meeting of the Corporate Joint Committee held on 26 July 2024 as a true and accurate record.

4. 2022/23 Annual Report, Final Statement of Accounts & Annual Governance Statement

4.1 Liam Hull, presenting the report, thanked a number of colleagues for their hard work in progressing the accounts, Annual Governance Statement and Annual Report to the current stage. These included Cardiff Council representatives for acting in the capacity as the accountable body during the reporting periods and the Finance Team at CCR for preparing the accounts in a particularly challenging environment due to the complex and novel nature of some of the transactions in the accounts. This was alongside the work the Finance Team had been responsible for as the CJC had been established. He confirmed that the challenges had contributed to the extended period of time the process had taken and that there were plans in place now to bring the timescales back into line for the 2023/24 and 2024/25 accounts. Liam Hull also thanked Audit Wales colleagues for their work in providing CCR with the level of assurance required. He introduced Julie Rees, Audit Manager (Financial Audit), who was in attendance at the meeting.

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4.2 Members were advised by Liam Hull that it was positive that an unqualified audit opinion had been issued by Audit Wales with no uncorrected misstatements. He referred to the recommendation made by Audit Wales regarding the capacity and technical capability of the Finance Team and the Management Response to it. The Management Response set out that CCR had invested in significantly improving the Team in these areas. Robust quality assurance processes had also been put in place, led by the Executive Team, ahead of submission of the draft accounts to Audit Wales.

4.3 Mr Hull stated that the Audited CCR City Deal Joint Committee Annual Governance Statement 2022/23 in Appendix 2 of the report indicated strong governance arrangements with no specific concerns identified. Members were also requested to approve the Annual Report 2022/23 in Appendix 3 of the report.

4.4 Mr Hull also drew the CJC's attention to the fact that the Governance & Audit Sub-Committee had, at its meeting held on 27 September, recommended approval for the Statement of Accounts 2022/23 and the audited Annual Governance Statement 2022/23.

4.5 It was **RESOLVED** that the SEW CJC (including a motion for approval of recommendations 1 to 3 below from Councillor Sean Morgan, seconded by Councillor Stephen Thomas):

1) Approved the audited Statement of Accounts 2022/23 for Cardiff Capital Region City Deal in Appendix 1 of the report;
2) Approved the audited Annual Governance Statement 2022/23 in Appendix 2 of the report;
3) Approved the Annual Report 2022/23 in Appendix 3 of the report;
4) Noted the Audit reports of Audit Wales on the Statement of Accounts of Cardiff Capital Region City Deal for the year ending 31 March 2023 in Appendix 1a of the report;
5) Noted the final Letters of Representation for SEW CJC in Appendix 1b of the report; and,
6) Noted that the following documents would be formally signed at the conclusion of the meeting:
    - Statement of Accounts for Cardiff Capital Region City Deal – Chair of Joint Committee and S151 Officer;
    - Annual Governance Statement – Chair of Joint Committee and Chief Executive;
    - Audit Certificate for the Cardiff Capital Region City Deal – Appointed Auditor, Wales Audit Office. To be signed at a later date; and,
    - Letter of Representation for the Joint Committee – Chair of Joint Committee and Chief Executive.

5. 2024/25 Annual Business Plan Quarter 1 Performance Report

5.1 Members received a report providing the Quarter 1 reporting position against the 2024/25 CCR Business Plan, including the CCR City Deal and the transition to the SEW CJC. Approval was sought to formally submit the report, including supporting information, to both UK and Welsh Governments. Kellie Beirne, presenting the report, advised that she and senior CCR staff met with both governments on a quarterly basis to consider CCR's performance.

5.2 Kellie Beirne referred to the Q1 investment portfolio, including that CCR had spent £14.6m against a forecast of £15m. CCR had increased its forecasted spend for 2024/25 from £55m to £58.4m. She spoke about Innovation Investment Capital having announced investment in Transcend Packaging, an indigenous growth company based in Caerphilly. Members were advised that beyond the £5m investment, it was what was leveraged in terms of private investment, jobs and the benefits for the Northern Valleys area.

5.3 Ms Beirne mentioned the investments being made, including through the Strategic Sites & Premises Fund, the Northern Valleys Initiative and the completion of the Tŷ Newport Hotel. She also referred to the mobilisation of the full committee structure following the transition to the CJC. The non-investment CCR activity was also highlighted, including hosting and participating in events to influence and help shape opinion regionally and nationally.

5.4 In respect of the Risk Register section in the report, Ms Beirne stated that a high level risk area was the evolution of the investment strategy with matters to be resolved around targets being discussed with UK and Welsh Government and bringing together information required relating to performance and the investment dashboard which was being progressed with the Investment Board. She also emphasised the importance of return on investment in relation to the City Deal. Cumulatively, at 31 March 2024, these amounted to £11.089 million in principal returns and £0.848 million in interest charges. These amounts were held as usable reserves in CCR's Balance Sheet and would be available to fund expenditure in future years. A further £5.155 million in principal and £0.229 million in interest was due to be received during Financial Year 2024/25.

5.5 Members welcomed the achievements in Q1 and return on investment.

5.6 On a motion from Councillor John Spanswick, seconded by Councillor Stephen Thomas, it was **RESOLVED** that the SEW CJC approved the Quarter 1 2024-25 performance report in Appendix 1 of the report and authorised the SEW CJC Chief Executive to formally submit the report, including supporting information, to both UK and Welsh Governments, and other stakeholders as required.

6. CCR Energy Ltd Annual Report and Governance Update

6.1 Kellie Beirne presented the report. She commented that it was still early days for CCR Energy Ltd. The main thrust of activity at the moment was geared towards the demolition and remediation of the Aberthaw Power Station site. She made the point that the Western Gateway Conference the previous week had highlighted the recognition of the project from Government partners and other companies. Matters including progress with team development, the new iteration of the Masterplan, the commercial strategy including the potential opportunity around the Pulverised Fuel Ash and the health and safety aspects as well as the changes proposed to the CCR Energy Board and Strategic Steering Group in terms of governance and representation were set out in the report. Ms Beirne added that the Annual Report was required to be approved by the CCR Energy Board but as the subsidiary company it was important that the report was also noted by the CJC.

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6.2 Christian Cadwallader thanked the CJC for the support as CCR Energy Ltd's sole shareholder. Mr Cadwallader and Councillor Bronwen Brooks emphasised that the project was right at the start of an exciting journey and that whilst the report set out the first year of activity, it highlighted the big opportunities ahead.

6.3 Councillor Sean Morgan thanked the team for their good work and welcomed the potential for local energy and low carbon production. He asked that the project was communicated well throughout the region. Kellie Beirne advised that there would be a schedule of Member briefings for CCR Energy and the ongoing work at Aberthaw. It was currently intended that there would be three to four of these annually.

6.4 It was **RESOLVED** that the SEW CJC:

1) Noted the CCR Energy Limited Annual Report 2023/24; and,
2) Noted the changes to the CCR Energy Board and Strategic Steering Group.

Exclusion of Press and Public

The SEW CJC **RESOLVED** that the public and press be asked to leave the meeting during discussion of the remaining items of business because exempt information as defined in Part 4 of Schedule 12A to the Local Government Act 1972 is likely to be made known.

NOTE: In accordance to the Standing Orders in relation to the delivery of the Cardiff Capital Region City Deal, Bannau Brycheiniog National Park Authority was not represented during the Exempt Session.

EXEMPT SESSION

7. Investment & Intervention Framework Report

Rhys Thomas presented the report.

It was **RESOLVED** that the SEW CJC approved the recommendations in the report.

8. Hybont Full Business Case

The item was withdrawn from the agenda. It is due to be considered at a future SEW CJC meeting.

9. KLA Full Business Case

Rhys Thomas presented the report.

It was **RESOLVED** that the SEW CJC approved the recommendations in the report.

Meeting end: 11.04am

Date of Next Meeting: 18 November 2024

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