

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills Committee

Bargeinion Dinesig ac Economïau Rhanbarthol Cymru / City Deals and the Regional Economies of Wales

Ymateb gan Borgen Ddinesig Prifddinas-Ranbarth Caerdydd / Evidence from Cardiff Capital Region City Deal

The Cardiff Capital Region

The Cardiff Capital Region is comprised of ten local authorities: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taff; Torfaen; and Vale of Glamorgan. It is the largest city-region in Wales and accounts for approximately 50% of the total economic output of the Welsh economy, 49% of total employment and has over 38,000 active businesses.

The ten councils entered into an agreement to develop a City Deal Proposal in August 2015, the Cardiff Capital Region City Deal Heads of Terms were signed by the councils, UK Government and Welsh Government in March 2016. The Joint Working Agreement which established the Regional Cabinet and include the Assurance Framework was signed on the 1st March 2017, with the first meeting of the Regional Cabinet being held on 17th March 2017.

The signing of the Cardiff Capital Region City Deal signalled an intention by the UK Government, Welsh Government, and the ten Local Authorities to increasingly work together on issues of long term development, infrastructure, land use, economic development and employment. This important agreement provides a fresh start for the city-region and offers the possibility of an integrated, singular, and long term approach to the region.

This City Deal sets out a transformative approach in how the Cardiff Capital Region will deliver the scale and nature of investment needed to support the area's growth plans. Central to this will be the development of a 20 year £1.2 billion Investment Fund, which the Cardiff Capital Region will use to invest in a wide range of projects.

Given the importance of the Metro to the UK Government, Welsh Government and Cardiff Capital Region, a proportion of the Investment Fund, £734m, is pre-allocated to the delivery of this scheme. The remaining element of the fund, £495m, named the Wider Investment Fund, will be used to take forward a wide range of projects and schemes that support economic growth across the Cardiff Capital Region.

The Independent Growth and Competitiveness Commission

The Regional Cabinet established a 'task and finish' Commission to examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential, and contribute most to the Welsh economy.

The Commission concluded that "...although it is tempting to suggest that the Cardiff Capital Region will succeed best in the long term if we focus solely on one or two priorities such as growth sectors, education, enterprise, connectivity, promotion, or tourism. But our commission has found that a long-term strategy for the region needs to combine and sequence multiple interventions that are not in tension with one another but require careful integration. We believe the long-term strategy for the region will include at least:

- Investment in education to improve employability and productivity.
- Fostering of employment growth across distinct skills and income spectrums.
- Infrastructure investment to integrate the region better and provide more opportunities.
- Development in the spatial economy that will see multiple locations of growth.
- Improvements in the quality of place and the range of institutions investing in improving the city and town centres.
- Fostering of emerging sectors of employment and new/young companies.
- Increasing governance integration in the city-region to combine efforts and leverage investment.”

Regional Economic Strategy

The Regional Cabinet has highlighted its intention to support skills and tackling unemployment, investing in innovation and connectivity and supporting enterprise and business growth, regeneration and housing.

The Regional Cabinet, using the research and recommendations from the Growth and Competitiveness Commission, is preparing a Regional Economic Strategy that will support a competitive inclusive Cardiff Capital Region, playing to the strengths of the areas within the region to increase overall opportunity, mobility, jobs and investment. The Strategy will clearly define the regional objectives and include a programme detailing the targets expected from the City Deal during its lifetime and beyond.

Detailed in the Strategy will be a Regional Impact Assessment Toolkit to assist in the process of assessing Candidate Schemes and measure to what extent they will support the delivery of the targets, detailed in the Strategy. The tool will select a broad range of indicators and factors, which are known to have a positive impact on the agreed targets and be designed to consider wider sustainable development objectives and be able to assess and highlight the positive impact proposed Candidate Schemes can have on both social and environmental outcomes and other indirect and non-monetised benefits. An important aspect of this assessment tool will be its ability to identify the spread of any potential benefits to ensure geographic balance across the region and the ability of schemes to target need.

In developing the Regional Economic Strategy, further work is being undertaken on the potential outputs and outcomes expected from the City Deal, which will develop on the expectations currently expressed of delivery of up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.

Advisory/Consultative Bodies

The Regional Cabinet are currently establishing three advisory/consultative bodies to assist them in developing, articulating and delivering the Regional Economic Strategy:

- Business Organisation – to provide a strong business voice articulating the regional needs of business, identifying regional priorities for business support;

- Regional Skills and Employment Board – building on the current Employment and Skills Board and representing a wide range of stakeholders it will be responsible for the region's skills and worklessness strategy; and
- Economic Growth Partnership – to advise on the overarching city-region economic development strategy.

Assurance Framework

The Regional Cabinet have developed and adopted an Assurance Framework, approved by both the UK and Welsh Governments, which establishes a set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. The independence inherent to the Assurance Framework is derived from the separation between the sponsorship of projects/programmes and their appraisal and evaluation.

The Assurance Framework demonstrates how the Regional Cabinet will monitor, measure and scrutinise how objectives are being met and risks managed. It also details the processes used to ensure an adequate response to risks or lack of performance.

HM Treasury define Assurance Frameworks as “an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.”

Adherence to the processes detailed in this Assurance Framework will assist in ensuring that funding and resources utilised for the purposes of the Cardiff Capital Region City Deal, Wider Investment Fund will be use appropriately to deliver stated outcomes.

Performance Management System

The Regional Cabinet is developing a comprehensive performance management system and evaluation framework which will encompass the decision-making process and programme and scheme delivery. This system will enable the Regional Cabinet to:

- Assess the effectiveness, efficiency and value for money of schemes and the overall programme;
- Monitor impact and progress towards agreed aims and goals, and to understand whether schemes are on track to deliver projected outputs and outcomes;
- Maintain scrutiny and accountability;
- Inform future investment priorities and resource allocations; and
- Inform future activities and delivery and the sharing of best practice.

The City Deal and Inequality

The Regional Cabinet are working with the Welsh Government and the Department for Work and Pensions to co-design future employment support from 2017, for people with health conditions or disability and/or long term employment.

Investment in developing the skills of the current and future workforce is a priority of the Regional Cabinet and vital not only to improve competitiveness but also inclusion.

In seeking to increase employment rates and participation the Regional Cabinet are intent on ensuring that investment helps to address social and physical exclusion. There is a focus on improving accessibility to employment opportunities and also providing appropriate support to enable the economically inactive and unemployed to upskill and access relevant public services that will support their transition to employment.

The Joint Working Agreement includes an objective to “improving the co-ordination of skills and employment support, increasing the number of people moving into work, increasing the number of people undertaking an apprenticeship or other relevant skills provision, and giving people the skills they need.”

Co-ordination with Welsh Government

The Welsh Government are a signatory to the Cardiff Capital Region Heads of Terms, and are designated as an advisory/consultation body in the Assurance Framework where it states:

“It is therefore critical that any proposed investments are additional, complementary and support actions or proposals being implemented or developed by the Welsh Government. This can only be ensured by a close working relationship and effective information sharing.”

Related to the Wider Investment Fund the Welsh Government will be:

- Invited to actively participate in the work being undertaken in each portfolio area; and
- Consulted on all Candidate Schemes.

Approaches taken by other Growth Deals

	Transport	Site dev / regen	Housing	Digital / Broadband	Flood defence	Skills capital	Skills revenue	Business support	R&D, innovation	Community dev
Glasgow City Region	Yes	Yes								
Greater Cambridge	Yes									
Greater Manchester	Yes									
Liverpool City Region	(Yes)	(Yes)	(Yes)			(Yes)		(Yes)	(Yes)	(Yes)
Tees Valley				Yes			Yes	Yes		Yes
Leeds City Region	Yes									
Cambs and Peterborough	(Yes)	(Yes)	(Yes)	(Yes)		(Yes)	(Yes)	(Yes)	(Yes)	(Yes)
Cardiff Capital Region	(Yes)	(Yes)	(Yes)	(Yes)		(Yes)	(Yes)	(Yes)	(Yes)	
Sheffield City Region	(Yes)	(Yes)				(Yes)	(Yes)	(Yes)		
West Midlands	(Yes)	(Yes)	(Yes)			(Yes)	(Yes)	(Yes)	(Yes)	
West of England	(Yes)	(Yes)		(Yes)	(Yes)					