



CYNGOR BWRDEISTREF SIROL
RHONDDA CYNON TAF
COUNTY BOROUGH COUNCIL

**Bydd cyfarfod rhithwir o'r CABINET yn cael ei gynnal ar
Dydd Iau, 25ain Chwefror, 2021 am 10.30 am**

**Dolen gyswllt: Hannah Williams – Uned Busnes y Cyngor
(Rhif ffôn. 01443 424062)**

Os bydd cynghorwyr neu aelodau o'r cyhoedd yn dymuno cael cyfle i annerch y Cabinet am unrhyw fater ar yr agenda isod, rhaid iddyn nhw ofyn am gael gwneud hynny erbyn canol Dydd Mawrth, 23 Chwefror 2021. Rhaid iddyn nhw hefyd gadarnhau ai yn y Gymraeg neu yn y Saesneg y byddan nhw'n annerch.

Nodwch mai'r Cadeirydd biau'r penderfyniad i ganiatáu'r cais am annerch y Cabinet. Bydd pob cais yn cael ei ystyried ar sail y materion sy'n cael eu trafod ar yr agenda, buddiant y cyhoedd/y Cynghorydd ynglŷn â phob mater, a'r gofynion o ran y materion sydd i'w trafod ar y diwrnod hwnnw. I wneud cais, anfonwch e-bost i UnedBusnesGweithredolaRheoleiddiol@rctcbc.gov.uk

MATERION I'W TRAFOD

1. DATGAN BUDDIANT

Derbyn datganiadau o fuddiannau personol gan Aelodau, yn unol â gofynion y Cod Ymddygiad.

Nodwch:

1. Mae gofyn i Aelodau ddatgan rhif a phwnc yr agendwm mae eu buddiant yn ymwneud ag ef a mynegi natur y buddiant personol hwnnw; a
2. Lle bo Aelodau'n ymneilltuo o'r cyfarfod o ganlyniad i ddatgelu buddiant sy'n rhagfarnu, rhaid iddyn nhw roi gwybod i'r Cadeirydd pan fyddan nhw'n gadael.

2. COFNODION

Cadarnhau cofnodion o gyfarfod y Cabinet a gynhaliwyd ar 14 Ionawr 2021 a 28 Ionawr 2021 yn rhai cywir.

(Tudalennau 5 - 16)

3. CYTUNDEB DINESIG I BRIFDDINAS-RANBARTH CAERDYDD - PUM MLYNEDD YN DDIWEDDARACH

Derbyn adroddiad y Prif Weithredwr, sy'n rhoi diweddariad am gynnydd Cyd-gabinet Prifddinas-Ranbarth Caerdydd ('CCR') (y 'Cabinet Rhanbarthol' - cyd-bwyllgor), i oruchwyllo twf economaidd y Rhanbarth ac i gyflawni'r ymrwymadau a nodir ym Margen Ddinesig Prifddinas-Ranbarth Caerdydd.

(Tudalennau 17 - 126)

4. YMATEBION I YMGYNGHORIAD YR ARDOLL SEILWAITH CYMUNEDOL

Derbyn adroddiad y Cyfarwyddwr, Materion Ffyniant a Datblygu, sy'n rhoi diweddariad i'r Cabinet am yr ymatebion sy'n deillio o ymgynghoriad yr Ardoll Seilwaith Cymunedol mewn perthynas â Rhestr Rheoliad 123 y Cyngor.

(Tudalennau 127 - 132)

5. DEDDF RHEOLEIDDIO PWERAU YMCHWILIO 2000 – DEFNYDD O'R DDEDDF YN 2019-20 GAN GYNGOR BWRDEISTREF SIROL RHONDDA CYNON TAF A PHOLISI GORFODI CORFFORAETHOL Y CYNGOR

Derbyn adroddiad y Cyfarwyddwr, Gwasanaethau Cyfreithiol, sy'n galluogi Aelodau i adolygu defnydd y Cyngor o Ddeddf Rheoleiddio Pwerau Ymchwilio 2000 (fel y'i diwygiwyd) ('RIPA') am y cyfnod o 1 Ebrill 2019 i 31 Rhagfyr 2020, gan gynnwys ymateb i ymchwiliad Swyddfa'r Comisiynydd Pwerau Ymchwilio (IPCO); a'r Ddogfen Polisi a Gweithdrefnau Corfforaethol newydd ar Gaffael Data Cyfathrebu o dan Ddeddf Pwerau Ymchwilio 2016 (IPA).

(Tudalennau 133 - 156)

6. ADRODDIAD BLYNYDDOL Y CYDWASANAETH MABWYSIADU RHANBARTHOL 2019-2020

Derbyn adroddiad Cyfarwyddwr Cyfadran y Gwasanaethau Cymuned a Gwasanaethau i Blant sy'n cyflwyno Adroddiad Blynyddol y Cydwasaeth Mabwysiadu Rhanbarthol 2019-2020.

(Tudalennau 157 - 198)

7. RHAGLEN YSGOLION YR 21AIN GANRIF - Y DIWEDDARAF AM GYNIGION I WELLA DARPARIAETH ADDYSG YNG NGHWM CYNON

Derbyn adroddiad y Cyfarwyddwr, Gwasanaethau Addysg a Chynhwysiant, sy'n rhoi diweddariad i'r Cabinet am y prosiectau i wella addysg yng Nghwm Cynon, yn dilyn yr adroddiad a ddaeth gerbron y Cabinet ym mis Medi 2018.

(Tudalennau 199 - 206)

8. ADOLYGIAD O DDARPARIAETH YSGOLION ARBENNIG YNG NGHYNGOR BWRDEISTREF SIROL RHONDDA CYNON TAF

Derbyn adroddiad y Cyfarwyddwr, Gwasanaethau Addysg a Chynhwysiant, sy'n rhoi gwybodaeth i'r Cabinet am ymarfer casglu data a gynhaliwyd er mwyn hwyluso adolygiad manwl o ddarpariaeth ysgolion arbennig ledled y Fwrdeistref Sirol.

(Tudalennau 207 - 220)

9. DIWEDDARIAD AR WEITHREDU DEDDF TRIBIWNLYS ANGHENION DYSGU YCHWANEGOL AC ADDYSG (2018) YNG NGHYNGOR BWRDEISTREF SIROL RHONDDA CYNON TAF

Derbyn adroddiad y Cyfarwyddwr, Gwasanaethau Addysg a Chynhwysiant, sy'n rhoi diweddariad i'r Cabinet am weithrediad Deddf ALNET (Deddf Tribiwnlys Anghenion Dysgu Ychwanegol ac Addysg) (2018) a darparu gwybodaeth i'r Cabinet am oblygiadau'r ddeddfwriaeth newydd i'r Cyngor o safbwynt lleol.

(Tudalennau 221 - 230)

10. POLISI FFIOEDD A THALIADAU'R CYNGOR 2021/22

Derbyn adroddiad Cyfarwyddwr y Gwasanaethau Cyllid a Digidol, sy'n cyflwyno adolygiadau arfaethedig i ffioedd a thaliadau'r Cyngor ar gyfer y flwyddyn ariannol, 2021/22, (pob un i'w gweithredu o 1 Ebrill 2021 ymlaen neu cyn gynted ag y bo'n ymarferol wedi hynny).

(Tudalennau 231 - 238)

11. CYLLIDEB REFENIW'R CYNGOR AR GYFER 2021/22

Derbyn adroddiad Cyfarwyddwr y Gwasanaethau Cyllid a Digidol, sy'n cyflwyno'r cynigion sydd wedi bod yn destun ymgynghoriad ar gyfer ail gam yr ymgynghoriad o'r gyllideb, er mwyn i'r Cabinet drafod strategaeth gyllideb ddrafft y bydden nhw'n dymuno ei chyflwyno i'r Cyngor, a'i diwygio yn ôl yr angen.

(Tudalennau 239 - 298)

12. RHAGLEN GYFALAF Y CYNGOR 2021/22–2023/24

Derbyn adroddiad Cyfarwyddwr y Gwasanaethau Cyllid a Digidol, sy'n cyflwyno i'r Cabinet raglen gyfalaf dair blynedd arfaethedig ar gyfer 2021/22 hyd at 2023/24, a fydd yn cael ei chyflwyno i'r Cyngor i'w chymeradwyo, os yw'n dderbyniol.

(Tudalennau 299 - 320)

13. TRAFOD CADARNHAU'R CYNNIG ISOD YN BENDERFYNIAD

“Bod y cyfarfod hwn yn cadw aelodau o'r wasg ac aelodau o'r cyhoedd allan o ystafell y cyfarfod, dan Adran 100A(4) o Ddeddf Llywodraeth Leol (fel y'i diwygiwyd), yn ystod trafod yr agendwm nesaf, ar y sail y byddai'n debygol o olygu datgelu gwybodaeth eithriedig yn ôl diffiniad paragraff 14 o Ran 4 o Atodlen 12A i'r Ddeddf.”

**14. CYNLLUN RHEOLI ASED AU CORFFORAETHOL 2018/23:
GWYBODAETH INTERIM**

Derbyn adroddiad y Cyfarwyddwr Materion Eiddo'r Cyngor, sy'n rhoi'r wybodaeth ddiweddaraf i'r Cabinet am y cynnydd yn erbyn themâu allweddol y Cynllun Rheoli Asedau Corfforaethol 2018/23.

(Tudalennau 321 - 344)

15. MATERION BRY S

Trafod unrhyw faterion brys y mae'r Cadeirydd yn eu gweld yn briodol.



Cyfarwyddwr Gwasanaeth y Gwasanaethau Democrataidd a Chyfathrebu

Cylchrediad:-

Y Cynghorwyr: Y Cynghorydd A Morgan (Cadeirydd)
Y Cynghorydd M Webber (Is-gadeirydd)
Y Cynghorydd R Bevan
Y Cynghorydd A Crimmings
Y Cynghorydd M Norris
Y Cynghorydd J Rosser
Y Cynghorydd R Lewis
Y Cynghorydd C Leyshon
Y Cynghorydd G Hopkins

Swyddogion:

Chris Bradshaw, Prif Weithredwr
Christian Hanagan, Cyfarwyddwr Gwasanaeth y Gwasanaethau
Democrataidd a Chyfathrebu
Nigel Wheeler, Cyfarwyddwr Cyfadran – Ffyniant, Datblygu, a
Gwasanaethau Rheng-flaen
Paul Mee, Cyfarwyddwr Cyfadran y Gwasanaethau Cymuned a
Gwasanaethau i Blant
Richard Evans, Cyfarwyddwr - Materion Adnoddau Dynol
David Powell, Cyfarwyddwr Materion Eiddo'r Cyngor
Simon Gale, Cyfarwyddwr Materion Ffyniant a Datblygu
Andy Wilkins, Cyfarwyddwr y Gwasanaethau Cyfreithiol
Barrie Davies, Cyfarwyddwr Gwasanaethau Cyllid a Digidol
Louise Davies, Cyfarwyddwr – Iechyd a Diogelwch y Cyhoedd, a
Gwasanaethau'r Gymuned
Gaynor Davies, Cyfarwyddwr Addysg a Gwasanaethau Cynhwysiant
Derek James, Cyfarwyddwr Gwasanaeth – Materion Ffyniant a Datblygu
Paul Griffiths, Cyfarwyddwr Gwasanaeth – Gwasanaethau Cyllid a Gwella

PWYLLGOR CABINET CYNGOR RHONDDA CYNON TAF CABINET

Cofnodion o gyfarfod y Cabinet a gynhaliwyd Dydd Iau, 14 Ionawr 2021 am 3.00 pm

Y Cynghorwyr Bwrdeistref Sirol - Cabinet Aelodau oedd yn bresennol:-:-

Y Cyngorydd A Morgan (Cadeirydd)

Y Cyngorydd M Webber	Y Cyngorydd R Bevan
Y Cyngorydd A Crimmings	Y Cyngorydd M Norris
Y Cyngorydd J Rosser	Y Cyngorydd R Lewis
Y Cyngorydd C Leyshon	Y Cyngorydd G Hopkins

Swyddogion oedd yn bresennol

Mr C Bradshaw, Prif Weithredwr
Mr C Hanagan, Cyfarwyddwr Gwasanaeth y Gwasanaethau Democrataidd a Chyfathrebu
Mr N Wheeler, Cyfarwyddwr Cyfadran – Ffyniant, Datblygu, a Gwasanaethau Rheng-flaen
Mr P Mee, Cyfarwyddwr Cyfadran y Gwasanaethau Cymuned a Gwasanaethau i Blant
Mr R Evans, Cyfarwyddwr - Materion Adnoddau Dynol
Mr D Powell, Cyfarwyddwr Materion Eiddo'r Cyngor
Mr S Gale, Cyfarwyddwr Materion Ffyniant a Datblygu
Mr A Wilkins, Cyfarwyddwr y Gwasanaethau Cyfreithiol
Mr B Davies, Cyfarwyddwr Gwasanaethau Cyllid a Digidol
Ms L Davies, Cyfarwyddwr – Iechyd a Diogelwch y Cyhoedd, a Gwasanaethau'r Gymuned
Ms G Davies, Cyfarwyddwr Addysg a Gwasanaethau Cynhwysiant
Ms A Lloyd, Cyfarwyddwr Gwasanaethau i Blant
Mr C Nelson, Rheolwr Trafnidiaeth

45 DATGAN BUDDIANT

Yn unol â Chod Ymddygiad y Cyngor, doedd dim datganiadau o fuddiant ynglŷn â'r agenda.

46 Cofnodion

PENDERFYNODD y Cabinet gymeradwyo cofnodion y cyfarfod, a gynhaliwyd ar 3 Rhagfyr 2020, yn rhai cywir.

47 Y Diweddaraf mewn perthynas â Chyfrifiad 2021

Darparodd Cyfarwyddwr Gwasanaeth y Gwasanaethau Democrataidd a Chyfathrebu ddiweddariad cyntaf mewn perthynas â'r trefniadau cynllunio ar gyfer Cyfrifiad 2021 a'r gofynion sydd wedi'u gosod ar yr Awdurdod Lleol o ran gweithio mewn partneriaeth â'r Swyddfa Ystadegau Gwladol a'i chynorthwyo.

Dywedodd y Cyfarwyddwr Gwasanaeth wrth y Cabinet y byddai'r Cyfrifiad yn defnyddio dull 'digidol yn gyntaf'. Roedd yr Aelodau'n gyfarwydd â hyn yn dilyn ymgysylltiadau blaenorol o ganlyniad i'r amgylchiadau cyfredol gyda Covid-19. Nodwyd y byddai'n hanfodol i'r Cyngor weithio gyda thrigolion i sicrhau bod y broses mor hygyrch a chynhwysol â phosibl.

Fel bod modd edrych ar dueddiadau tymor hir, tra hefyd yn adlewyrchu'r gymdeithas newidiol rydyn ni'n yn byw ynddi heddiw, clywodd yr Aelodau am y tri maes gwybodaeth ychwanegol canlynol, a fydd yn cael eu cynnwys yng Nghyfrifiad 2021:

- profiad blaenorol o weithio yn Lluoedd Arfog Y du
- hunaniaeth rhywedd
- cyfeiriadedd rhywiol

Yn ogystal â hynny, eglurwyd y byddai'r Swyddfa Ystadegau Gwladol yn darparu cymorth i ysgolion o ran codi ymwybyddiaeth o'r Cyfrifiad.

Diolchodd y Dirprwy Arweinydd i'r Cyfarwyddwr Gwasanaeth am yr adroddiad a nododd fod gwybodaeth y Cyfrifiad yn hanfodol bwysig wrth helpu'r Cyngor gyda'i waith cynllunio. Roedd y Dirprwy Arweinydd yn arbennig o falch o nodi bod cwestiwn am y Lluoedd Arfog wedi'i gynnwys, ac eglurodd nad oedd gan unrhyw Gyngor yng Nghymru'r wybodaeth briodol o ran cyn-filwyr ar hyn o bryd.

Nododd y Dirprwy Arweinydd yr heriau sydd ynghlwm â dull digidol yn ystod y cyfyngiadau cyfredol, ond roedd yn hyderus y byddai'r Cyngor yn darparu cefnogaeth i'w breswylwyr er mwyn sicrhau bod y Cyfrifiad yn hygyrch.

PENDERFYNODD y Cabinet:

1. Bod y Cyngor yn darparu cefnogaeth i'r Swyddfa Ystadegau Gwladol ar gyfer proses Cyfrifiad 2021;
2. Y bydd y gefnogaeth, fel yn y gorffennol, yn cael ei chydlyn gan Reolwyr Cyswllt Cyfrifiad y Cyngor gyda chymorth adrannau eraill lle bo hynny wedi'i nodi;
3. Aros am ddiweddariadau pellach yn ystod y cyfnod sy'n arwain at Gyfrifiad 2021 a chrynodeb o'r data ar ôl y Cyfrifiad yn gynnar yn 2022.

48 Adroddiad Blynyddol 2019–20 y Bwrdd Rhianta Corfforaethol

Darparodd y Cyfarwyddwr Gwasanaeth, Gwasanaethau Democrataidd a Chyfathrebu Adroddiad Blynyddol y Bwrdd Rhianta Corfforaethol ar gyfer Blwyddyn y Cyngor 2019-20 i'r Aelodau.

Cyfeiriodd y Cyfarwyddwr Gwasanaeth y Cabinet at Adran 5 yr adroddiad ac esboniodd, er gwaethaf yr amgylchiadau gyda Covid-19 a nifer o gyfarfodydd a ganslwyd, fod y Bwrdd Rhianta Corfforaethol wedi trafod ystod o adroddiadau yn ystod Blwyddyn y Cyngor ac wedi nodi ei feysydd ffocws allweddol ar gyfer Blwyddyn y Cyngor 2020-2021.

Ychwanegodd y Cyfarwyddwr Gwasanaeth fod Cadeirydd y Bwrdd Rhianta Corfforaethol, sef yr Aelod Cabinet cyrifol, wedi cymryd rhan yng nghyfarfod y Pwyllgor Craffu - Plant a Phobl Ifanc ar 13 Ionawr 2021 i ateb unrhyw gwestiynau oedd gan yr Aelodau mewn perthynas â'r Adroddiad Blynyddol.

Esboniodd yr Aelod o'r Cabinet ar faterion Gwasanaethau i Blant fod y Bwrdd Rhianta Corfforaethol yn cynnwys Aelodau Etholedig trawsbleidiol a swyddogion, sy'n cwrdd yn rheolaidd fel ffrindiau beirniadol, i gefnogi, herio a cheisio sicrhau'r canlyniadau gorau posibl ar gyfer plant a phobl ifainc RhCT. Nododd yr Aelod o'r Cabinet fod cynnydd yn nifer y plant sy'n derbyn gofal, ar lefel leol a chenedlaethol, ond nododd fod y Cyngor yn dal i fod yn ymrwymedig i sicrhau bod plant a phobl ifainc Rhondda Cynon Taf yn ddiogel rhag niwed ac yn cael y gofal a'r gefnogaeth y maen nhw'n ei haeddu, waeth beth fo'u niferoedd.

Manteisiodd Aelod y Cabinet ar y cyfle i ddiolch i swyddogion ac Aelodau'r Bwrdd Rhianta Corfforaethol am eu gwaith yn ystod y flwyddyn, ac ychwanegodd fod yr adroddiad wedi'i groesawu gan y Pwyllgor Craffu - Plant a Phobl Ifainc yn ei gyfarfod ar 13 Ionawr 2021.

PENDERFYNODD y Cabinet:

1. Rhoi sylwadau ar yr Adroddiad Blynyddol fel sy'n briodol.

49 Adroddiad Blynyddol Gwasanaeth Mabwysiadu Cenedlaethol Cymru ar gyfer 2019-2020

Darparodd y Cyfarwyddwr Gwasanaeth, Gwasanaethau i Blant Adroddiad Blynyddol Gwasanaeth Mabwysiadu Cenedlaethol Cymru ar gyfer Blwyddyn y Cyngor 2019-2020 i'r Cabinet.

Esboniodd y Cyfarwyddwr Gwasanaeth fod y Gwasanaeth Mabwysiadu Cenedlaethol ar gyfer Cymru (NAS) wedi'i lansio ym mis Tachwedd 2014, gan ddod â phob awdurdod lleol yng Nghymru ynghyd er mwyn cydweithio'n unigryw i ddarparu gwasanaethau mabwysiadu.

Dywedodd y Cyfarwyddwr Gwasanaeth wrth y Cabinet y bu gostyngiad yn y galw o fewn yr Awdurdod Lleol yn ystod y flwyddyn ond dywedodd fod y galw am fabwysiadwyr wedi cynyddu yn ystod dechrau'r flwyddyn 2020-2021. O ganlyniad i hyn, esboniodd y Cyfarwyddwr Gwasanaeth fod sicrhau cyflenwad addas o fabwysiadwyr yn destun ffocws wrth edrych i'r dyfodol, a hynny ar lefel ranbarthol a chenedlaethol.

Diolchodd yr Aelod o'r Cabinet ar faterion Gwasanaethau i Blant i'r swyddog am yr adroddiad, gan gydnabod y bu llai o alw am fabwysiadwyr yn ystod y flwyddyn. Serch hynny, nododd fod hynny'n debygol o fod o ganlyniad i gamau a gymerwyd er mwyn atal plat rhag cael eu derbyn i'r system ofal. Adleisiodd yr Aelod o'r Cabinet bwysigrwydd cynyddu nifer y mabwysiadwyr yn y dyfodol, a hysbysodd y Cabinet, er gwaethaf yr amgylchiadau gyda Covid-19, fod y broses fabwysiadu wedi parhau yn ôl yr arfer drwyddi draw.

Cyn gorffen, nododd yr Aelod o'r Cabinet y gwelliannau a wnaed i'r Gwaith Taith Bywyd yn ystod y flwyddyn, sy'n hanfodol ar gyfer y bobl ifainc.

PENDERFYNODD y Cabinet:

1. Nodi cynnwys yr adroddiad;

50 Y Cynllun Brys ar gyfer y Sector Bysiau (BES) - Galw ar bob Cyngor i ymuno â Chynllun BES 2

Cyflwynodd y Cyfarwyddwr Gwasanaeth, Gwasanaethau'r Rheng Flaen, yr adroddiad i'r Cabinet, a nododd y cyd-destun ehangach, cefndir y Cynllun Brys

(BES) a'r rhesymau drosto, cyn gofyn i'r awdurdod gytuno i ymuno â'r Cynllun Brys ar gyfer y Sector Bysiau 2.

Siaradodd y Cyfarwyddwr Gwasanaeth am yr effaith niweidiol a gafodd y pandemig Covid-19 ar wasanaethau bysiau. Esboniodd y Cyfarwyddwr Gwasanaeth fod y mesurau cadw pellter cymdeithasol wedi lleihau nifer y teithwyr yn sylweddol ac felly roedd bysiau yn aml yn rhedeg ar golled ariannol.

Clywodd yr Aelodau fod trefniadau ffyrlo wedi cefnogi'r gyrwyr hynny nad oeddent yn gweithio ar hyn o bryd, ond roeddent yn pwysleisio'r angen am gymorth ychwanegol i gynnal rhwydwaith o wasanaethau yn ystod argyfwng Covid-19. O ganlyniad i hyn, roedd Llywodraeth Cymru, ar y cyd â Trafnidiaeth Cymru, wedi gofyn i Awdurdodau Lleol gytuno i egwyddorion cynllun BES 2, sy'n adeiladu ar becynnau cyllid blaenorol a gyhoeddwyd yn gynharach yn 2020, er mwyn diogelu'r gwasanaethau.

Cyfeiriodd y Cyfarwyddwr Gwasanaeth y Cabinet at Atodiad 2 yr adroddiad ac esboniodd fod cytundeb BES 2 yn ceisio rhoi rhagor o reolaeth dros y gwasanaethau i sicrhau eu bod nhw'n fwy effeithlon ac yn cyd-fynd â'r rhwydwaith o wasanaethau rheilffordd yn yr ardal yn well.

Clywodd yr Aelodau mai Cyngor Sir Fynwy oedd yr awdurdod arweiniol ar gyfer De Ddwyrain Cymru, ac roedd sicrwydd y byddai Cyngor Taf Rhondda Cynon yn sicrhau bod cytundeb ar waith gyda Chyngor Sir Fynwy i sicrhau bod modd diwallu ei anghenion penodol.

Cydnabu'r Arweinydd y gwaith enfawr a wnaed gan swyddogion a manteisiodd ar y cyfle i ddiolch iddyn nhw. Dywedodd yr Arweinydd nad oes gan wasanaethau bysiau ffrwd incwm reolaidd oherwydd y cwymp mewn teithwyr ac na fyddai'r gwasanaeth, yn gynaliadwy o dan yr amgylchiadau presennol, heb y cyllid yma.

Cytunodd yr Aelod o'r Cabinet ar faterion Gwasanaethau'r Amgylchedd, Hamdden a Thai sylwadau'r Arweinydd a diolchodd i'r swyddogion am eu hymroddiad parhaus trwy gydol y pandemig.

PENDERFYNODD y Cabinet:

1. I egwyddorion cytundeb BES 2 (Atodiad 2) i sicrhau cefnogaeth ariannol (amodol) i'r sector bysiau a sefydlu perthynas â Chyngor Sir Fynwy, fel llofnodwr ac awdurdod arweiniol De Ddwyrain Cymru, a hynny er mwyn sicrhau bod y cyllid yn bodloni blaenoriaethau'r awdurdod hwn ac yn cael ei gyflawni ar ei ran;
2. Dirprwyo awdurdod i'r Cyfarwyddwr Cyfadran - Datblygu Ffyniant a Gwasanaethau Rheng Flaen i drafod a chytuno ar unrhyw newidiadau pellach i'r cytundeb a allai fod yn ofynnol yn dilyn cymeradwyaeth y Cabinet; a
3. Galw am adroddiad pellach ar gynigion diwygio bysiau yn ymwneud â rheoli gwasanaethau bysiau yng Nghymru yn y dyfodol.

Daeth y cyfarfod i ben am 3.20 pm

**Cllr A Morgan
Cadeirydd.**



PWYLLGOR CABINET CYNGOR RHONDDA CYNON TAF CABINET

Cofnodion o gyfarfod y Cabinet a gynhaliwyd Dydd Iau, 28 Ionawr 2021 am 10.30 am

Y Cynghorwyr Bwrdeistref Sirol - Cabinet Aelodau oedd yn bresennol:-:-

Y Cyngorydd A Morgan (Cadeirydd)

Y Cyngorydd M Webber Y Cyngorydd R Bevan
Y Cyngorydd A Crimmings Y Cyngorydd M Norris
Y Cyngorydd J Rosser Y Cyngorydd R Lewis
Y Cyngorydd C Leyshon Y Cyngorydd G Hopkins

Swyddogion oedd yn bresennol

Mr C Bradshaw, Prif Weithredwr
Mr C Hanagan, Cyfarwyddwr Gwasanaeth y Gwasanaethau Democrataidd a Chyfathrebu
Mr N Wheeler, Cyfarwyddwr Cyfadrn – Ffyniant, Datblygu, a Gwasanaethau Rheng-flaen
Mr P Mee, Cyfarwyddwr Cyfadrn y Gwasanaethau Cymuned a Gwasanaethau i Blant
Mr R Evans, Cyfarwyddwr - Materion Adnoddau Dynol
Mr D Powell, Cyfarwyddwr Materion Eiddo'r Cyngor
Mr S Gale, Cyfarwyddwr Materion Ffyniant a Datblygu
Mr A Wilkins, Cyfarwyddwr y Gwasanaethau Cyfreithiol
Mr B Davies, Cyfarwyddwr Gwasanaethau Cyllid a Digidol
Ms L Davies, Cyfarwyddwr – Iechyd a Diogelwch y Cyhoedd, a Gwasanaethau'r Gymuned
Ms G Davies, Cyfarwyddwr Addysg a Gwasanaethau Cynhwysiant
Mr P Griffiths, Cyfarwyddwr Gwasanaeth – Gwasanaethau Cyllid a Gwella
Ms A Richards, Cyfarwyddwr Dros Dro – Ysgolion yr 21ain Ganrif a Materion Trawsnewid

Y Cynghorwyr Bwrdeistref Sirol eraill oedd yn bresennol

Y Cyngorydd S Bradwick
Y Cyngorydd H Fychan
Y Cyngorydd J Harries
Y Cyngorydd S Morgans

51 DATGAN BUDDIANT

Yn unol â Chod Ymddygiad y Cyngor, cafodd y datganiadau o fuddiant canlynol eu gwneud ynglŷn â'r agenda:

- Cyhoeddodd yr Aelod o'r Cabinet ar faterion Cymunedau Cadarn, Llesiant a Gwasanaethau Diwylliannol fuddiant personol yn Eitem 4 yr agenda, Diweddariad Blynnyddol Cynllun Strategol Cymraeg mewn Addysg 2020: 'Fi yw Cadeirydd y Llywodraethwyr yn YGG Abercynon, y

cyfeirir ato yn yr adroddiad',

- Cyhoeddodd Cyngorydd y Fwrdeistref Sirol J Harries fuddiant personol yn Eitem 5 yr agenda, Rhaglen Ysgolion yr 21ain Ganrif - Cynigion i Wella Darpariaeth Addysg ar gyfer Ysgol Gynradd Gymraeg Llyn-Y-Forwyn: 'Rwy'n gyn-ddisgybl yn Ysgol Gynradd Gymraeg Llyn-Y-Forwyn, mae gen i aelodau o'r teulu sy'n ddisgyblion yn yr ysgol, ac rydw i'n Aelod o'r Corff Llywodraethu.';
- Cyhoeddodd Cyngorydd y Fwrdeistref Sirol S Morgans fuddiant personol yn Eitem 5 yr agenda, Rhaglen Ysgolion yr 21ain Ganrif - Cynigion i Wella Darpariaeth Addysg ar gyfer Ysgol Gynradd Gymraeg Llyn-Y-Forwyn: 'Mae gen i berthynas agos a buddiant personol yn Ysgol Gynradd Gymraeg Llyn-Y-Forwyn.'

52 Cofnodion

PENDERFYNODD y Cabinet gymeradwyo cofnodion y cyfarfod, a gynhaliwyd ar 18 Rhagfyr 2020, yn rhai cywir.

53 Argymhellion Grŵp Llywio'r Cabinet ar faterion yr Hinsawdd

Cyflwynodd y Cyfarwyddwr Gwasanaeth, Gwasanaethau Democrataidd a Chyfathrebu argymhellion Grŵp Llywio'r Cabinet ar Faterion yr Hinsawdd, a wnaeth gyfarfod ar 16 Tachwedd 2020, er mwyn trafod adroddiad ar Asedau Natur, Cynlluniau Datblygu Strategol a Lleol a Materion Cynhyrchu Ynni.

Tynnodd y Cyfarwyddwr Gwasanaeth sylw'r Aelodau at Adran 4 yr adroddiad, a oedd yn manylu ar y sylwadau a'r argymhellion dilynol a wnaed gan y Grŵp Llywio mewn perthynas â phob un o'r adroddiadau a drafodwyd.

Roedd yr Aelod o'r Cabinet ar faterion Cymunedau Cadarn, Llesiant a Gwasanaethau Diwylliannol a Chadeirydd Grŵp Llywio'r Cabinet ar Faterion yr Hinsawdd yn falch o nodi bod y Grŵp Llywio wedi parhau i weithio'n dda, gan gydnabod mai newid yn yr hinsawdd oedd her yr oes. Tynnodd yr Aelod o'r Cabinet sylw at argymhelliad allweddol y Grŵp, sef i'r Cyngor ystyried y tir mwyaf addas ar gyfer adfer mawnog a dal a thrin dŵr a sut, ynghyd â defnyddio mannau gwyrdd a phwyntiau gwefru cerbydau trydanol, y mae modd i hyn gysylltu â Chynllun Datblygu Lleol y Cyngor.

Aeth yr Aelod o'r Cabinet ymlaen i siarad am Gynhyrchu Ynni a Phrosiect Ffynnon Taf, sydd ar y gweill ar hyn o bryd. Ar ôl ei gwblhau, bydd yn defnyddio ynni geo-thermol/tanddaearol adnewyddadwy gan ddefnyddio dŵr o'r Afon Taf. Diolchodd yr Aelod o'r Cabinet i Gyfarwyddwr Materion Eiddo'r Cyngor am y gwaith a wnaed i ddatblygu prosiectau o'r fath ac edrychodd ymlaen at gael diweddariadau pellach yn y dyfodol.

Adleisiodd yr Arweinydd ddiolch yr Aelod o'r Cabinet i'r Cyfarwyddwr a nododd fod lluo o waith wedi'i wneud dros nifer o flynyddoedd o ran cynhyrchu ynni, yn ogystal â gwaith Grŵp Llywio'r Cabinet ar Faterion yr Hinsawdd.

PENDERFYNODD y Cabinet:

1. Nodi cynnwys yr adroddiad a drafodwyd gan Grŵp Llywio'r Cabinet ar faterion yr Hinsawdd ar 16 Tachwedd 2020 (Atodiad 1 yr adroddiad);
2. Nodi adborth a thrafodaeth y Grŵp Llywio;

3. Nodi argymhelliad Grŵp Llywio'r Cabinet mewn perthynas â'r adroddiad Asedau Natur:

- I. Bod Cyfarwyddwr Materion Eiddo'r Cyngor ac Ecolegydd y Cyngor yn cynnal adolygiad o'r tir sy'n eiddo cyhoeddus, i nodi'r safleoedd hynny sydd fwyaf addas ar gyfer adfer mawnog a'r goblygiadau cost; gydag adroddiad wedi'i gyflwyno yn ôl i'r Grŵp Llywio ei drafod.

54 Cynllun Strategol Cymraeg mewn Addysg 2020

Rhoddodd y Cyfarwyddwr Gwasanaethau Addysg a Chynhwysiant, ddiweddariad ar y camau sydd wedi'u hamlinellu yng Nghynllun Strategol Cymraeg mewn Addysg Cyngor Bwrdeistref Sirol Rhondda Cynon Taf ar gyfer y cyfnod rhwng 2017 a 2020, a gafodd ei gymeradwyo gan Lywodraeth Cymru ar 15 Mawrth 2018. Nodwyd y disgwyliad mai'r diweddariad blynyddol blaenorol ar gyfer 2019 i 2020 fyddai'r un olaf ar gyfer y cynllun yma. Serch hynny, oherwydd pandemig Covid-19, mae'r Cynllun Strategol Cymraeg mewn Addysg yma wedi'i ymestyn i gwmpasu'r cyfnod rhwng 2020 a 2021.

Clywodd yr Aelodau fod Llywodraeth Cymru wedi newid rhai o'r rheoliadau sy'n ymwneud â'r Cynllun Strategol Cymraeg mewn Addysg, gan gynnwys Rheoliadau Cynllun Strategol Cymraeg mewn Addysg (Cymru) 2019 a Rheoliadau Cynlluniau Strategol Cymraeg mewn Addysg (Cymru) (Diwygiad) (Coronafeirws) 2020. Amlygwyd y ddau newid allweddol yma mewn perthynas â'r rheoliadau i'r Aelodau:

- Ymestyn hyd cylch gweithredu'r Cynllun Strategol Cymraeg mewn Addysg o'i dair blynedd gyfredol i ddeng mlynedd (2022 i 2032);
- Disodli'r ddyletswydd gyfredol sydd ar Awdurdodau Lleol i gynllunio darpariaeth eu haddysg gyfrwng Gymraeg yn seiliedig ar alw ar yr amod bod Awdurdodau Lleol yn cyflawni targedau sydd wedi'u gosod gan LIC. Nod y targedau yma yw cynyddu canran y disgyblion sydd yn eu blwyddyn gyntaf o addysg gyfrwng Gymraeg dros gyfnod y Cynllun Strategol Cymraeg mewn Addysg yma.

Tynnodd y Cyfarwyddwr sylw'r Aelodau at y tabl yn Adran 5.2 yr adroddiad, a oedd yn amlinellu cyfanswm canran y dysgwyr statudol oed ysgol sy'n cyrchu eu dysgu trwy Ysgolion Cynradd, Canol ac Uwchradd cyfrwng Cymraeg, a nododd mai CBSRhCT oedd â'r ganran uchaf o blith y pum ardal Awdurdod Lleol o dan Gonsortium Canolbarth y De am y tair blynedd academaidd flaenorol.

Dywedodd y Cyfarwyddwr fod gan y mwyafrif o ysgolion cynradd cyfrwng Cymraeg ym Mwrdeistref Sirol RhCT leoedd dros ben ar hyn o bryd, 28.1% mewn ysgolion cynradd cyfrwng Cymraeg. Aeth y Cyfarwyddwr ymlaen i siarad am y pwysau capasiti bach yn ysgolion cynradd cyfrwng Cymraeg, gan nodi bod y camau a gymerwyd i fynd i'r afael â'r materion wedi'u hamlinellu yn Adran 5.7 yr adroddiad. Enghraifft o hyn oedd ymrwymiad y Cyngor i fuddsoddi £3.69 miliwn yn Ysgol Gynradd Gymraeg Aberdâr er mwyn darparu 48 lle arall. Yn ogystal, mae CBSRhCT wedi buddsoddi \$ miliwn arall i gynyddu ansawdd ac argaeledd darpariaeth Gymraeg yn y blynyddoedd cynnar ar safleoedd ysgolion cynradd.

Diolchodd yr Aelod o'r Cabinet ar faterion Gwasanaethau Addysg a Chynhwysiant i'r Cyfarwyddwr am yr Adroddiad Blynyddol, a heriwyd gan y Pwyllgor Craffu – Plant a Phobl Ifainc ar 27 Ionawr 2021. Roedd yr Aelod o'r Cabinet yn falch o nodi'r nifer fawr o fuddsoddiadau a wnaed gan y Cyngor ac yn

benodol, yr ymrwymiad a wnaed i ddarpariaeth gyfrwng Cymraeg y n y blynyddoedd cynnar, sy'n galluogi plant i symud ymlaen i ysgolion cynradd cyfrwng Cymraeg.

Roedd yr Aelod o'r Cabinet o'r farn bod yr adroddiad yn dangos yn glir ymrwymiad yr Awdurdod Lleol i gefnogi'r camau a amlinellir o fewn y Cynllun Strategol Cymraeg mewn Addysg ac i gyfrannu at weledigaeth Llywodraeth Cymru o sicrhau bod miliwn o bobl yng Nghymru yn siaradwyr Cymraeg erbyn 2050.

Croesawodd yr Aelod o'r Cabinet ar faterion Gwasanaethau Cymdeithasol i Oedolion a'r Gymraeg yr adroddiad a phwysleisiodd bwysigrwydd Cynllun Strategol Cymraeg mewn Addysg fel dogfen strategol i'r Awdurdod Lleol a'r gymuned fel ei gilydd. Soniodd yr Aelod o'r Cabinet am y cyhoeddiad diweddar i ohirio'r Eisteddfod Genedlaethol, yng ngoleuni effeithiau parhaus pandemig bydeang COVID-19, a'r cyfyngiadau sydd ar waith o ran cynnal achlysuron cyhoeddus ac ymgynnull yn gymdeithasol. Roedd yr Aelod o'r Cabinet yn edrych ymlaen at groesawu'r achlysur mawreddog i RhCT yn 2024.

Ailadroddodd yr Aelod o'r Cabinet ar faterion Gwasanaethau Corfforaethol y sylwadau blaenorol ac roedd yn falch o nodi'r cyllid sylweddol ar gyfer cynyddu capasiti ysgolion cyfrwng Cymraeg, yn ychwanegol at y miliynau a fuddsoddiwyd eisoes yn Rhaglen Ysgolion yr 21^{ain} Ganrif.

Gyda chaniatâd y Cadeirydd, siaradodd Cynghorydd y Fwrdeistref Sirol H Fychan a Ms K Hadley (Llefarydd Cyhoeddus) ar yr eitem hon.

Aeth yr Arweinydd ati i gydnabod y sylwadau a wnaed a'r pryderon a godwyd am effaith y feirws ar blant a theuluoedd nad ydynt yn siarad Cymraeg. Dywedodd yr Arweinydd y byddai'n trafod cefnogaeth er mwyn helpu disgyblion i ddal i fyny â'r hyn a gollwyd gyda Gweinidogion yng nghyfarfod Cymdeithas Llywodraeth Leol Cymru yn ddiweddarach y diwrnod hwnnw. Roedd yn gobeithio, yn sgil pennu'r gyllideb, y byddai cyllid ychwanegol yn cael ei neilltuo ar gyfer ysgolion, gan gynnwys ysgolion cyfrwng Cymraeg.

O ran pwynt a godwyd am yr angen i'r Cyngor ymgysylltu ag unigolion ynghylch Rhaglen Ysgolion yr 21^{ain} Ganrif, cadarnhaodd yr Arweinydd ei fod ef a'r Aelod o'r Cabinet ar faterion Gwasanaethau Addysg a Chynhwysiant wedi ymrwymo i gwrdd â rhieni i drafod cynlluniau yn y dyfodol er mwyn tawelu unrhyw bryderon.

PENDERFYNODD y Cabinet:

1. Nodi cynnwys yr adroddiad; a
2. Trafod a chytuno ar y diweddariad blynyddol a ddarperir yn yr adroddiad hwn.

55 Rhaglen Ysgolion yr 21ain Ganrif - Cynigion i Wella'r Ddarpariaeth Addysg yn Ysgol Gynradd Gymraeg Llyn y Forwyn

Cyflwynodd y Cyfarwyddwr Gwasanaeth Dros Dro ar faterion Ysgolion yr 21ain Ganrif a Materion Trawsnewid yr adroddiad, sy'n ceisio cymeradwyaeth y Cabinet i gychwyn yr ymgynghoriad statudol perthnasol a gofynnol ar gyfer y cynnig i gynnal newid rheoledig yn Ysgol Gynradd Gymraeg Llyn-y-Forwyn

("YGG Llyn-y-Forwyn"), a hynny drwy symud yr ysgol i adeilad newydd ar safle newydd.

Esboniodd y Cyfarwyddwr Gwasanaeth fod YGG Llyn-y-Forwyn yn un o adeiladau tlotaf y Cyngor, gyda graddfa cyflwr adeilad 'D' ac ôl-gostau cynnal a chadw o fwy na £1.01 miliwn. Esboniwyd bod yr adeilad ddim yn hygyrch ac, o ganlyniad i hynny, ddim yn cydymffurfio â Deddf Cydraddoldeb 2010. At hynny, roedd y cyfleoedd ar gyfer chwarae yn yr awyr agored yn gyfyngedig, heb unrhyw fannau gwyrdd allanol ar gael a'r holl fannau chwarae caled yn cael eu heffeithio gan raddfa naturiol y tir.

Er mwyn mynd i'r afael â'r materion, cynigiodd y Cyfarwyddwr Gwasanaeth y dylid creu ysgol gynradd Gymraeg newydd ar safle newydd, gyda buddsoddiad oddeutu £8.5 miliwn er mwyn gwella ac ehangu'r cyfleusterau. Byddai'r buddsoddiad yn cynnwys:

- amgylcheddau dysgu modern a hyblyg i'r holl ddisgyblion, neuadd/ardal giniawa, ardal adnoddau dysgu amlbwrpas;
- cyfleusterau mewnol ac allanol hygyrch at ddefnydd y gymuned ehangach;
- mannau awyr agored gwell i gefnogi'r ystod lawn o weithgareddau'r cwricwlwm, gan gynnwys ystafell ddosbarth awyr agored ac ardal 'ysgolion coedwig';
- dulliau rheoli traffig gwell, gan gynnwys man gollwng disgyblion sy'n teithio ar fysiau i'r safle a maes parcio i'r staff.

Dywedodd y Cyfarwyddwr Gwasanaeth na fyddai dalgylch YGG Llyn-y-Forwyn yn cael ei newid ac y byddai'r cynnig yn creu capasiti cyfrwng Cymraeg ychwanegol yn ardal Cwm Rhondda Fach yn Rhondda Cynon Taf. Ymhellach, eglurwyd bod 65% o'r disgyblion sy'n mynychu YGG Llyn-y-Forwyn yn defnyddio Cludiant Cartref i'r Ysgol, a bod diffyg cyfleusterau gollwng disgyblion ar y safle presennol, gyda cherbydau'n defnyddio'r strydoedd cyfagos ar gyfer gollwng a chasglu ar ddechrau a diwedd y diwrnod ysgol. Clywodd yr Aelodau y byddai gan safle newydd yr ysgol gyfleusterau gollwng a chasglu pwrpasol ar y safle, gan wneud y broses yn fwy diogel, yn llai aflonyddgar i'r gymuned, ac yn fwy hylaw i staff yr ysgol.

Dywedodd y Cyfarwyddwr Gwasanaeth, yn dilyn arfarniad safle o 11 ardal, pob un wedi'i leoli yn Rhondda Fach, y cynigiwyd codi adeilad newydd yr ysgol ar ochr ogleddol Crib-y-ddôl, Glynrhedynog, CF43 4AD, ardal a gaiff ei hadnabod yn lleol fel hen Ffatri Chubb.

I gloi, dywedodd y Cyfarwyddwr Gwasanaeth, pe bai'r Cabinet yn cytuno, y byddai ymgynghoriad mewn perthynas â'r mater yn rhedeg o 1 Mawrth 2021 i 30 Ebrill 2021.

Canmolodd yr Aelod o'r Cabinet ar faterion Gwasanaethau Addysg a Chynhwysiant yr adroddiad, gan nodi, pe bai'n cael ei gymeradwyo, y byddai un o'r adeiladau tlotaf yn y portffolio addysg yn cael ei ddisodli gan amgylchedd dysgu newydd a modern ar gyfer disgyblion, sydd â chapasiti ychwanegol i ddarparu addysg cyfrwng Cymraeg.

Gyda chaniatâd y Cadeirydd, siaradodd Cynghorwyr y Fwrdeistref Sirol S Morgans a J Harries am yr eitem yma.

Nododd yr Arweinydd sylwadau a wnaed mewn perthynas â goblygiadau

priffyrdd a dywedodd y byddai Asesiad Effaith Trafnidiaeth llawn yn cael ei gynnal, ac y byddai unrhyw lwybrau cerdded diogel yn cael eu datblygu yn rhan o'r datblygiad. Sicrhodd yr Arweinydd yr Aelodau Lleol y bydd y Cyngor yn ymgynghori â nhw yn rhan o'r broses yma.

Croesawodd yr Aelod o'r Cabinet ar faterion Menter, Datblygu, a Thai yr adroddiad a'r safle newydd arfaethedig ar gyfer yr ysgol. Siaradodd yr Aelod o'r Cabinet am y caniatâd Cynllunio sydd eisoes wedi'i roi ar gyfer y safle ar gyfer cymysgedd o unedau preswyl a diwydiannol, a holodd sut y gellid goresgyn hyn. Dywedodd y Cyfarwyddwr - Materion Ffyniant a Datblygu ei fod yn gweithio'n agos gyda chydweithwyr yn adran Eiddo'r Cyngor i drafod y sefyllfa gyfredol o ran cynllunio. Dywedodd y Cyfarwyddwr y byddai'r dystiolaeth a gasglwyd ar gyfer galw diwydiannol a masnachol yn yr ardal yn bwydo i'r Cynllun Datblygu Lleol, a bod potensial i gynnwys y safle fel safle posibl ar gyfer addysg.

PENDERFYNODD y Cabinet:

1. Nodi cynnwys yr adroddiad;
2. Rhoi cymeradwyaeth ffurfiol i'r gwaith o ddechrau ymgynghori â rhanddeiliaid perthnasol ar y cynnig i symud YGG Llyn-y-Forwyn i adeilad newydd ar safle newydd, a chadw dalgylch presennol yr ysgol;
3. Nodi y bydd unrhyw gynnig, pe bai'n cael ei gymeradwyo ar ôl cwblhau'r prosesau statudol gofynnol, yn cael ei weithredu erbyn Mawrth 2024;
4. Rhoi awdurdod dirprwyedig i'r Cyfarwyddwr Gwasanaethau Addysg a Chynhwysiant i wneud unrhyw fân newidiadau sy'n ofynnol i'r ddogfen ymgynghori arfaethedig (sydd ynghlwm yn Atodiad B i'r adroddiad) cyn ei chyhoeddi a dechrau'r ymgynghoriad.

56 Cyllideb Refeniw'r Cyngor ar gyfer 2020/21

Rhoddodd Cyfarwyddwr Gwasanaethau Cyllid a Digidol wybodaeth i'r Cabinet am setliad llywodraeth leol 2021/2022 a chanlyniadau cam 1 o ymgynghoriad y gyllideb, i gynorthwyo gyda'i drafodaethau wrth lunio'r strategaeth cyllideb refeniw ar gyfer blwyddyn ariannol 2021/22, y bydd yn ei hargymell i'r Cyngor i'w chymeradwyo.

Cyfeiriodd y Cyfarwyddwr y Cabinet at y papur trafod a baratowyd gan Uwch Arweinwyr y Cyngor mewn ymateb i setliad llywodraeth leol 2021/22, a oedd ynghlwm yn Atodiad A i'r adroddiad.

Adroddodd y Cyfarwyddwr mai cyfanswm cyfredol Balansau Cronfa Gyffredinol y Cyngor ar hyn o bryd yw £8.709 miliwn a dywedodd ei fod yn parhau i fod o'r farn y dylai'r Cyngor ddal o leiaf £10 miliwn fel Balansau'r Gronfa Gyffredinol. Nododd y Cyfarwyddwr fod y cronfeydd wrth gefn wedi'u defnyddio i helpu preswylwyr a busnesau ar ôl Storm Dennis, sef y pwrpas priodol, yn ystod y flwyddyn ariannol ddiwethaf; ac roedd yn fodlon bod cynlluniau wedi'u rhoi ar waith i ailgyflenwi Cronfeydd Wrth Gefn y Gronfa Gyffredinol i'r lefel isafswm dros gyfnod ein Cynllun Ariannol Tymor Canolig (£0.5 miliwn y flwyddyn am y 3 blynedd nesaf). Aeth y Cyfarwyddwr ymlaen i siarad am Gronfa Ariannu Pontio'r Cyngor, sy'n £4.330 miliwn ar hyn o bryd, ac sydd, ers blyneddau lawer, wedi'i ddefnyddio'n synhwyrol fel rhan o'r strategaeth gyllideb gybtwys.

Cyfeiriodd y Cyfarwyddwr y Cabinet at Adran 3 yr adroddiad a rhoi gwybod i'r Aelodau am bwyntiau allweddol Setliad Llywodraeth Leol 2021/22 Dros Dro, a gyhoeddwyd ar 22 Rhagfyr 2020.

O ran gosod lefel Treth y Cyngor, soniodd y Cyfarwyddwr am darged cyllid digonol tuag at ddarparu gwasanaethau allweddol ac, ar yr un pryd, sicrhau bod swm Treth y Cyngor a godir y flwyddyn nesaf yn rhesymol ac y gellir ei chyfiawnhau i breswylwyr. Nododd yr Aelodau mai'r cynnig gwreiddiol a gafodd ei fodelu oedd cynyddu Treth y Cyngor yn 2020/21 o 2.85%, ond cynigiwyd y dylid cynyddu Treth y Cyngor o 2.65% yn lle hynny. Byddai hyn yn cynyddu'r bwlch cyllidebol sy'n weddill o £182,000.

O ran y Gyllideb Ysgolion, cynigiodd y Cyfarwyddwr gynnydd o £2.2 miliwn o £161.6 miliwn i £163.8 miliwn er mwyn cwmpasu yr holl bwysau chwyddiant a nifer y disgyblion yn llawn, gan gynnwys costau uwch Ardrethi Annomestig.

Rhoddodd y Cyfarwyddwr fanylion y cynigion a canlynol y manylir arnynt yn Adran 9 yr adroddiad, a fyddai'n ceisio amddiffyn gwasanaethau rheng flaen a blaenoriaethu neu ailddyrannu adnoddau i feysydd blaenoriaeth:

- Cynllun rhyddhad lleol - Ardrethi Annomestig
- Costau parcio
- Newid yn yr Hinsawdd a Lleihau Carbon
- Graddedigion
- Cefnogi lles.
- Ffioedd a chostau
- Gwasanaethau Iechyd a Diogelwch y Cyhoedd - Adnoddau Ychwanegol
- Cymorth Atal Llifogydd
- Carfan Torri Gordyfiant

Aeth y Cyfarwyddwr ymlaen i roi gwybod i'r Cabinet am adborth o Gam 1 y broses ymgynghori, a oedd yn ceisio barn y Pwyllgor Craffu - Cyllid a Chyflawniad, y Fforwm Cyllideb Ysgolion, preswylwyr a rhanddeiliaid. I gloi, dywedodd wrth y Cabinet, yn dilyn cymeradwyo'r cynigion ger eu bron, byddai Cam 2 yr ymgynghoriad yn cychwyn ar unwaith. Byddai'r Strategaeth Gyllideb ddrafft yn cael ei chyflwyno i'r Cabinet i'w chymeradwyo ar 25 Chwefror 2021 ac yna i'r Cyngor i'w gadarnhau ar 10 Mawrth 2021.

Manteisiodd yr Arweinydd ar y cyfle i ddiolch i'r Uwch Arweinwyr, swyddogion cyllid a rheolwyr gwasanaeth am yr adroddiad trylwyr ac am gyllideb heb unrhyw doriadau, a'r cynnydd isaf, o bosibl, yn Nhreth y Cyngor yng Nghymru. Gan gyfeirio at adborth ymgynghoriad Cam 1, dywedodd yr Arweinydd y bu cefnogaeth sylweddol gan breswylwyr o ran y blaenoriaethau buddsoddi a bod 77% wedi cefnogi'r cynnydd arfaethedig o 2.85% yn Nhreth y Cyngor.

Siaradodd yr Arweinydd am y blaenoriaethau buddsoddi amrywiol y manylwyd arnynt nhw yn yr adroddiad ar gyfer meysydd allweddol fel iechyd y cyhoedd, lles a chymorth atal llifogydd, ynghyd â'r rhewi arfaethedig ar daliadau ar Hamdden am Oes, ffioedd parcio, Ffioedd Chwarae Haf a Gaeaf, prydau ysgol, ffioedd profedigaeth, yn ogystal â'r Lido a Pharc Treftadaeth Cwm Rhondda.

Canmolodd y Dirprwy Arweinydd swyddogion am yr adroddiad cadarnhaol a chydabu fod arbedion effeithlonrwydd yn dod yn anos flwyddyn ar ôl blwyddyn, yn enwedig o ystyried effaith pandemig Covid-19 a Storm Dennis.

Cytunodd yr Aelod o'r Aelod o'r Cabinet ar faterion Gwasanaethau Corfforaethol gyda'r Cyfarwyddwr ei bod wedi bod yn hanfodol defnyddio cyfran o Gronfeydd Wrth Gefn y Gronfa Gyffredinol, ac roedd yn falch o nodi bod cynllun i'w ailgyflenwi dros y tair blynedd nesaf. Cytunodd yr Aelod o'r Cabinet hefyd â'r defnydd parhaus a synhwyrol o Gronfa Wrth Gefn Pontio'r Cyngor, a theimlai ei fod yn ategu gwaith caled pob adran wrth wneud arbedion effeithlonrwydd.

Croesawodd yr Aelod o'r Cabinet ar faterion Cymunedau Cadarn, Llesiant a Gwasanaethau Diwylliannol y buddsoddiad ychwanegol sydd wedi'i gynnwys yn y gyllideb arfaethedig mewn perthynas â Newid Hinsawdd a Lleihau Carbon, a oedd yn dystiolaeth o ymrwymiad y Cyngor i fynd i'r afael â newid yn yr hinsawdd a dod yn Awdurdod carbon niwtral erbyn 2030.

PENDERFYNODD y Cabinet:

1. Nodi bod y gweithdrefnau sy'n ymwneud ag adeiladu cyllideb refeniw, y broses ymgynghori cyllideb, ac adrodd i'r Cyngor, wedi'u nodi yn "Y Gyllideb a'r Fframwaith Polisi", sy'n cael ei gynnwys yng Nghyfansoddiad y Cyngor;
2. Nodi ac ystyried canlyniadau proses cam 1 o ymgynghori ar y gyllideb;
3. Strategaeth Gyllideb Refeniw ddrafft 2021/22, y manylir arni yn y Papur Trafod ynghlwm 'Atodiad A', fel sail ar gyfer ail gam yr ymgynghoriad;
4. Yr amserlen ddrafft ar gyfer pennu cyllideb refeniw 2021/22, sydd wedi'i nodi yn Atodiad A2;
5. Derbyn adborth o ail gam yr ymgynghoriad cyllideb er mwyn trafod a phenderfynu ar y strategaeth gyllidebol derfynol i'w chyflwyno i'r Cyngor;
6. Bod y Cyngor yn parhau i gefnogi'r strategaeth ariannol tymor canolig gyda'r nod o sicrhau'r effeithlonrwydd parhaus o ran darparu gwasanaethau, trawsnewid gwasanaethau wedi'u targedu a newidiadau eraill sy'n cynnal uniondeb ariannol y Cyngor wrth barhau i anelu cymaint â phosibl i ddiogelu swyddi a gwasanaethau allweddol.

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PENDERFYNWYD Cynllun Dirprwyo diwygiedig yr Arweinydd yn dilyn newidiadau diweddar i Garfan yr Uwch Arweinwyr.

Daeth y cyfarfod i ben am 11.25 am

**Cllr A Morgan
Cadeirydd.**



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25th FEBRUARY 2021

THE CARDIFF CAPITAL REGION CITY DEAL – FIVE YEARS ON

REPORT OF THE CHIEF EXECUTIVE

AUTHOR: Chris Bradshaw, Chief Executive

1. PURPOSE OF THE REPORT

The purpose of the report is to provide an update of the progress of the Cardiff Capital Region ('CCR') Joint Cabinet (the 'Regional Cabinet' - a joint committee), to oversee the Region's economic growth and to deliver the commitments set out in the CCR City Deal.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Note the information provided within the report, and the progress made by the Cardiff Capital Region Joint Cabinet in respect of the agreed commitments set out in the CCR City Deal.
- 2.2 Reviews and considers the UK Government commissioned report on the progress of the Cardiff Capital Region City Deal to inform the forthcoming Gateway Review of the CCR City Deal Wider Investment Fund over the past five years, as set out in Appendix A.
- 2.3 Requests that the results, conclusion and recommendations of the forthcoming Gateway Review, to be completed before 31 March 2021, are presented to a future Cabinet meeting, as soon as it becomes a public document.

3 REASONS FOR THE RECOMMENDATIONS

- 3.1 To provide an update of the progress of the Cardiff Capital Region City Deal, nearly five years after the Deal was signed by the ten South East Wales local authorities, Welsh Government and the UK Government.

4 BACKGROUND

4.1 To remind Members, on 15th March 2016, each of the ten constituent council leaders in South East Wales, the First Minister, the Welsh Government Minister for Finance and Government Business, the Secretary of State for Wales and the Chief Secretary to the Treasury signed the Cardiff Capital Region ('CCR') City Deal Heads of Terms Agreement. The City Deal is an agreement between the UK Government, Welsh Government and the ten leaders of the CCR. It includes:

- A £1.2 billion investment in the CCR's infrastructure through a 20-year Investment Fund;
- The creation of a non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government;
- The development of capabilities in Compound Semiconductor Applications;
- The creation of a CCR Skills and Employment Board;
- A CCR Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders; and
- The Welsh Government and the CCR commitment to a new partnership approach to housing development and regeneration. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

4.2 To ensure the right investments are made to achieve significant economic growth the CCR City Deal has set a small number of key targets, which are: the creation of 25,000 new jobs by 2036; and leveraging £4 billion of private sector investment as a result of the £1.2bn public sector investment.

4.3 The City Deal Agreement is very clear in what is expected of the ten constituent councils:

"The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region. The Cabinet, which will comprise the ten participating local authorities, will provide the basis for initial decision making regarding the Investment Fund. In addition the Cardiff Capital Region Cabinet will be responsible for:

- *management of the Cardiff Capital Region Investment Fund;*
- *additional devolved funding provided to the Capital Region;*
- *the Cardiff Capital Region Transport Authority;*
- *contracting with Transport for Wales on prioritised Metro projects;*
- *control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement;*
- *strategic planning including housing, transport planning and land use;*
- *influencing skills and worklessness programmes;*

- *an inward investment and marketing strategy; and*
- *considering the scope for strengthening Capital Region governance further.”*

4.4 The £1.2bn CCR investment comprises two distinct elements:

4.4.1 **£734m – METRO scheme** – this is focused on delivering the first phases of the South East Wales Metro principally focused on electrifying and improving the Core South Wales Valleys Lines. This element of the CCR Investment Fund is the direct responsibility of Welsh Government.

4.4.2 **£495m – Regional Cabinet Wider Investment Fund**, comprising the ten constituent councils’ commitment to borrow £120 million over the 20 year period of the Investment Fund, together with the £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and “Metro plus” transport proposals. This element is the responsibility of the CCR Regional Cabinet.

4.5 In addition, the Joint Cabinet has established:

- A CCR Transport Authority;
- The CCR Economic Growth Partnership that brings together business, higher education and local government in supporting the Joint Cabinet to set, monitor and evaluate the future economic strategy for the Region;
- The governance and accountability structures to support the decision making of the Joint Cabinet, which includes an Investment Panel that includes successful and experienced business leaders; and
- An independent Growth and Competitiveness Commission, which set the initial economic baseline for the Region, and to provide an evidence base to support the Region’s economic and investment strategy by reviewing the evidence about the CCR, its challenges and opportunities for economic growth and making recommendations as to how the CCR can achieve its full growth potential.

4.6 The independent Growth and Competitiveness Commission reported its findings on 16th December 2016, and it is important that Members reflect on the conclusions of the Commission:

*“The Cardiff Capital Region has the potential to **develop into a prosperous capital city-region for Wales**, with multiple benefits for the Welsh economy and all the people of Wales. The Capital Region can be a decision-making centre, a global gateway for capital, trade, and visitors, a knowledge hub, and a major population centre and business cluster for Wales, providing opportunities and resources for other regions*

to develop. There are many points of progress in the capital region over the past 20 years but more is needed in the next cycle to take it forward. In particular, an integrated economic strategy that is sequenced with increased investment in infrastructure and place renewal is now required. This should focus on:

- *Improving inter-connectivity within the region to increase opportunities, choices, and mobility of people, jobs and investment, to foster a region with multiple locations of growth that play to those area's strengths.*
- *Investment in education, skills and employability to improve productivity and participation the economy.*
- *Enhancing the business climate for emerging sectors, enterprises and innovation that can spawn new sources of jobs and incomes into the longer-term future.*

Such a strategy should be complemented by enhanced governance integration, confident promotion and story-telling, and leveraging of private sector and institutional investment.”

- 4.7 The Commission also highlighted the fact that the City Deal was not just about, what could actually be considered, a relatively small Investment Fund, but that it was also an opportunity for a new way in which the ten constituent councils could work with each other, UK and Welsh Governments and the business community.

“At the heart of this report is the need to prioritise and make informed choices. The City Deal represents a significant investment into the Cardiff Capital Region, but it cannot finance everything that is required, particularly given that much of the funding is already committed. The available funds are also limited in that they are phased over a twenty year timeframe.

*Not everything that would have a positive impact on the long term development of the economy and, more particularly, the communities of the Cardiff Capital Region, will be able to be funded. Choices will need to be made, which we hope will be informed by the principles and recommendations provided by the Commission. Rather than seeing the City Deal as a broad programme of investment, **we suggest that it may be better to regard it as the foundation to increase joint working and co-investment.** Resources should focus on key themes intended to signal a direction of travel and leverage wider investments, enhance the performance of existing assets, accelerate the process of change, and guide future policy options.”*

- 4.8 This report sets out the progress made by the Joint Committee, in responding to the challenges set by the Commission:

- Ensuring the CCR governance arrangements are suitable, effective and

robust in order to make the difficult decisions on strategic priorities for investment; and

- Utilising the £495m available over the 20 years to 2036, as a catalyst to attract additional funding and to drive economic growth and prosperity across the whole Region.

5. PROGRESS TO DATE

Wider Investment Fund - £495m

- 5.1 Under the terms and conditions of the Cardiff Capital Region City Deal, the funding programme is subject to a Gateway Review every five years. The Gateway Review is an assessment led by UK Government, supported by an independent National Evaluation Panel, which has commissioned SQW to undertake an evaluation of the impacts of the investments made to date by the CCR. SQW is a consortium of leading economic academics from Cambridge, Manchester, Sheffield and West of England universities.
- 5.2 The SQW independent evaluation into the impact of the CCR Wider Investment Fund of £495m is set out in Appendix A. The evaluation provides a clear overview of the strategic direction of the CCR, the governance arrangements, the economic context and the changes in this context over the course of the period up to the pandemic. The review, in particular Section 5 of the SQW report, focuses on the wider benefits of the CCR other than the investments, and Annex C considers a wide range of economic indicators within the Region.
- 5.3 Appendix B to this report includes the CCR Self Evaluation document, prepared to support the SQW evaluation of the CCR City Deal. This includes a further wealth of detail in respect of actions undertaken to date by the CCR in seeking to achieve its objectives.
- 5.4 The SQW evaluation also focuses on the CCR first investment of £38.5m in the Compound Semi-Conductor Foundry and considers the other investments that had been made when the evaluation was undertaken in the autumn and those potential investments being considered by the CCR.
- 5.5 The major investments to date are as follows:

Wider Investment Fund investments	CCR funding £'m	Other match funding £'m	Funding levered in as a result of investment £'m	Forecast total funding invested in the region £'m

Wider Investment Fund investments	CCR funding £'m	Other match funding £'m	Funding levered in as a result of investment £'m	Forecast total funding invested in the region £'m
Compound Semi-Conductor Foundry – this is a repayable loan	38.5	6.0	375.0	419.5
Metro Plus – a programme of public transport investments across the region to improve connectivity and complement investment in the South Wales Metro – In RCT this is a £5.33m investment in Porth Interchange.	15.0	35.0	TBC	50.0
Metro Central – redevelopment of Cardiff Central Station to increase the capacity of the Station to cope with the increased footfall as a result of the South Wales Metro programme and provides an improved interchange with the intercity network and the bus network.	40.0	145.0	1,000.0	1,185.0
Graduate Scheme – a programme to create graduate internships and roles with regional employer, retaining talent in the region and improving SME's access to skills.	1.5	0.0	11.0	12.5
Housing Investment Fund – Gap funding	31.5	15.0	750.0	796.5

Wider Investment Fund investments	CCR funding £'m	Other match funding £'m	Funding levered in as a result of investment £'m	Forecast total funding invested in the region £'m
scheme to enable housebuilding to proceed on sites where the upfront infrastructure costs currently make development unviable – this is a mix of grant and repayable loans. RCT has submitted three applications to initiate the process, with applications for the sites of the former Cwm Coking works, the former Aberdare Hospital site and land at Moss Place/Nant Y Wenallt in Abernant				
CREO Medical – A loan to Creo medical plc to support the development of cool plasma sterilisation and decontamination technology to kill bacteria and viruses including Covid19.	2.1	0.0	10.0	12.1
CS Connected – an investment in partnership with UK Research & Innovation Strength in Places Fund that brings together the cluster of private and public sector organisations across South Wales to invest in collaborative	3.3	40.4	300.00	343.7

Wider Investment Fund investments	CCR funding £'m	Other match funding £'m	Funding levered in as a result of investment £'m	Forecast total funding invested in the region £'m
R&D and new skills creating approx. 1,200 new jobs and levers in major capital investment in new facilities.				
Challenge Fund – to find, develop and scale innovative solutions to major societal challenges. The programme, which will run over three and a half years, aims to build local wealth, creating commercial opportunities for local authorities, public service providers and organisations across the CCR by inviting them to propose solutions to challenges across three priority themes: <ul style="list-style-type: none"> • accelerating decarbonisation; • improving the health and wellbeing of the region's citizens; • supporting, enhancing and transforming communities. 	10.0	6.0	3.0	19.0
Pharmaintelligence – an equity investment in Pharmatelligence, a Cardiff-based healthcare data	2.0	0.0	TBC	2.0

Wider Investment Fund investments	CCR funding £'m	Other match funding £'m	Funding levered in as a result of investment £'m	Forecast total funding invested in the region £'m
specialist. Pharmatelligence already has a world-leading reputation in the analysis of real-world data for healthcare organisations and major pharmaceutical companies.				
Zip World – Tower Colliery – a loan to Zip World to bring its very successful range of extreme and family experiences to South Wales and replicate the success it has achieved in North Wales.	4.4	3.0	TBC	7.4
Total to 31.12.20	148.3	250.4	2,449.0	2,847.7

- 5.6 A significant proportion of the investments are loans and where possible a financial return on the investment is expected in order that public funds are used effectively, and the Wider Investment Fund is sustainable after the 20 years period. Clearly, not all investments can be repayable, sometimes such as with the Metro projects, there is a requirement for public sector one-off investment.
- 5.7 The table evidences that the investments made to-date are enabling further investment from both governments, the private sector and other partners in the public sector such as the three universities in the region. The multiplier to date is for every £1 of CCR City Deal investment from the Wider Investment Fund has enabled a further £18 of other investment in the region.
- 5.8 There are also a range of other potential investments being evaluated by the CCR City Deal Office and these include major investments that seek to draw down other UK Government Funding. For example, potential

future projects include:

- UK Government Strength in Places Funding to bring in £70m to support the development of Cyber Security and Creative Industries Clusters;
- Creating a Strategic Premises Fund that provides predominantly loan funding to support the development of stalled commercial sites, on a similar basis to the Housing Investment Fund; and
- Creating an Innovation Investment Fund that seeks to support businesses in the CCR priority sectors of Artificial Intelligence, Compound Semi-Conductors, Creative Economy, Cyber Security, Energy & Environment, Fintech, Life Sciences, and Transport & Engineering, to scale up and grow;
- Skills development, such as shared apprenticeships and a cyber masters academy; and
- Full fibre connectivity across the region, which also considers rural connectivity.

5.9 In addition to the investments being made by the CCR, there is a wide range of other interventions being undertaken that bring together businesses and organisations across the region to facilitate economic growth, and to apply for other forms of funding that support the regional economy. For example:

- **Cluster development** – bringing together businesses across the region that operate in the same or similar markets stimulates business development and growth, and often has a very positive impact on other issues such as an organisations carbon footprint through procuring other services locally;
- **Economic data and understanding the regional economy** – developed a comprehensive data set that informs decision making and investments, and also supports measuring outcomes;
- **Influencing and promoting CCR** – the CCR has been able to secure seats on key UK Funding Councils and research bodies to raise the profile of the region and to help support funding applications;
- **EV Charging developments** – the CCR has led on a number of projects securing WG funding to help fund the expansion of the EV charging points, for example the CCR has secured funding to support councils to establish charging points for taxis across the region and has submitted a bid to fund EV charge points for public access in a number of public car parks across the region.

5.10 It is estimated that the approved £148m of investments, matched by c.£250M funds with projected leverage of other funding of £2BN, will create an initial 2,500 jobs. The Department of Transport has estimated that the Metro and Metro Central developments will create an additional 22,000 jobs both direct & indirect as a result of the investment.

5.11 We are also pleased to note that:

- Zip World is expected to create 58 full time and 20 part time direct jobs locally. Indirect employment is difficult to estimate at this point, but the expectation is that there will be significant local tourism and hospitality opportunities created. A 2018 study estimated that since its inception Zip World had generated over £250 million of tourist spend to the North Wales economy;
- The three Housing Investment Fund sites in RCT have an investment value of over £241 million and are anticipated to generate up to 190 direct jobs with a potential for over 250 indirect jobs.

5.12 As a result of the effective governance and working arrangements, South East Wales is well placed to introduce the Corporate Joint Committees being introduced by Welsh Government. The new CJC's can build upon the infrastructure and the working arrangements already in place, and also have the opportunity to take on more responsibilities, in particular functions of Welsh Government, such as from within the Economy and Transport Department, and its arms-length public bodies Careers Wales, and Natural Resources Wales.

South East Wales Metro

5.13 During 2020, the Core Valleys Lines were transferred from Network Rail to Transport for Wales and the transformational works in upgrading and electrifying 170km of track have started. The pandemic has had a significant adverse impact on public transport and Transport for Wales in particular. Recognising the low levels of usage, Transport for Wales has in the New Year started significant changes in the Core Valleys Lines to Aberdare, Merthyr, Treherbert and Rhymney.

5.14 The revised timescale for completion of the upgraded rail infrastructure and the deployment of new trains is now 2024, with the pandemic resulting in the receipt of the new trains being delayed by at least 6 months. The new Metro will be transformational for towns such as Porth, Aberdare, Pontypridd and Abercynon with high frequency fast trains running from four trains an hour in Aberdare and Porth, to eight trains in Abercynon and twelve trains an hour through Pontypridd to Cardiff.

5.15 The investment programme will also see improvements and upgrading of existing stations, signalling and facilities.

5.16 Within Rhondda Cynon Taf, good progress is being made in constructing the new £100m rail depot at Taffs Well, and the Council is currently exploring options with Transport for Wales to develop a new railway station that serves Treforest Industrial Estate.

5.17 Good progress is also being made in developing the Transport Hub. The

Porth Transport Hub is being substantially funded by a combination of Welsh Government, City Deal and Council investment as part of the £50m Metro+ Programme. It will see a modern bus/rail interchange being created at the rail station to enable seamless travel between bus and rail in a project that will also cater for cycles and taxis. The scheme will provide 7 bus bays, waiting and ticket facilities, together with a new access for buses. The project is the centre piece of the Station Quarter element of the Porth Regeneration strategy and will commence in the next few months and be available for public use during the spring of 2022.

5.18 There are also a series of WG funded studies which have potentially significant impacts for RCT are also progressing via the CCR Transport Authority and TfW with regard to:

- Extending passenger rail services beyond Aberdare to Hirwaun,
- Developing a mass transit corridor from Cardiff through NW Cardiff into RCT and on to Beddau and Pontyclun,
- Strategic rail-based park and ride proposals to serve the eastern end of the A473 corridor near Upper Boat,
- Improving regional east-west transport connectivity across the mid-valleys (i.e. Usk – Pontypool – Newbridge – Ystrad Mynach – Abercynon – Pontypridd – Pontyclun – Bridgend – Porthcawl).

5.19 Before Christmas, the larger office building at Llwyn Cadwyn was completed and handed over to Transport for Wales, as its headquarters bringing jobs and footfall into Pontypridd town centre. The Metro improvements are also the catalyst to support the Council's investment in the key transport hubs such as Aberdare, Porth and Pontypridd, with further developments in these towns planned to capitalise on Transport for Wales investment.

6. EQUALITY AND DIVERSITY IMPLICATIONS

6.1 An Equality Impact Assessment screening form is not necessary for this report as it is for information purposes only.

7. CONSULTATION

7.1 There is no requirement to consult on this report, it is primarily for information.

8. FINANCIAL IMPLICATIONS

8.1 The CCR City Deal Investment Fund comprises two distinct elements:-

1. **£734m – METRO scheme.** This will comprise £503m, Welsh Government funding provided over the first seven years of the

Investment Fund, from 2016/17 to 2022/23; £106 million from the European Development Fund, (which is committed and guaranteed following Brexit by both UK and Welsh Government); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.

2. **£495m – Regional Cabinet Fund**, comprising the ten constituent councils' commitment to contribute £120 million over the 20 year period of the Investment Fund, together with the £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and “Metro plus” transport proposals. This element will be the responsibility of the CCR Regional Cabinet.

- 8.2 The £375m of funding provided by the UK Government to the Regional Cabinet Fund, is funded on a staged basis over 20 years, £10m a year over the first 5 years, £22m a year over the following 10 years and £21m a year over the remaining 5 years.
- 8.3 The required council capital contribution is £120 million and this Council's share is £18.925 million (at 15.8%).
- 8.4 Due to the timing differences between the receipt of HMT financing and investment outflows there will also be a need to for the councils to fund this temporary shortfall and this is called the “cost of carry”.
- 8.5 The s151 officers have regularly modelled a number of potential scenarios, agreeing appropriate assumptions in respect of variables such as the profile of likely spend, interest rates for borrowing, the split of capital and revenue funding and the treatment of inflation. The result of this detailed work provides a prudent funding model which allows each of the ten councils to plan ahead and budget for the additional costs. The latest forecast for the timing of required council contributions is shown below.

	Total	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CCR Total	120,000	24,210	12,308	0	4,200	26,428	52,854
RCT	18,925	3,818	1,941	0	662	4,168	8,336

- 8.6 The requirement for cost of carry is currently forecast to begin in 2022/23 and will be returned from 2031/32 but as referenced above this is subject to regular review.
- 8.7 The overall funding requirement remains within the Affordability Envelope originally set out and agreed by all councils.

- 8.8 This Council has set aside an annual revenue base budget to fund our required contribution and will utilise this in the most appropriate and financially beneficial manner in terms of revenue / cost of capital / borrowing and equalise the cost to this Council across the term of the investment fund. This includes our contribution to the running costs of the office of the Capital Region.
- 8.9 As part of the terms of the City Deal, the CCR Cabinet will be challenged to evidence the impact of the £495m Investment Fund in order to unlock UK Government funding. Every five years a gateway assessment will be undertaken, which consists of an independent review to evaluate the economic benefits and economic impact of the investments, including whether the projects have been delivered on time and on budget. The gateway reviews are to occur at Years 5, 10 and 15, with the first before 31 March 2021. Therefore, funding from Year 6 onwards will be subject to the agreed performance objectives being achieved at each of the gateway stages. If a future Investment Fund gateway is not achieved, leading to a reduction or cessation of City deal grant, then it will be the responsibility of the ten constituent councils to manage the financial impact of this within their existing council budgets.

9 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 There are no legal implications arising from the recommendations in this report.

10 LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 10.1 This report is primarily an information report on progress in respect of the first five years of the Cardiff Capital Region. No significant policy change decisions are being taken in this report.

11 CONCLUSION

- 11.1 The economy of South East Wales has historically underperformed the majority of other regions of the UK, which is reflected in the high levels of poverty and deprivation across the CCR. The ten constituent councils need to act now, and together, to accelerate the economic growth of the CCR. The Growth Commission Report summed up the position very concisely:

“The international evidence shows us that those city-regions that adopt strategies that combine together economic development with spatial development, infrastructure development, improved sustainability and more effective human services can find a path to increased prosperity and inclusion. This evidence also shows us that such progress is

achieved over 5-10 year cycles and through integrated strategies supported by combined efforts between different governments. It will not be achieved in the short term, or solely by individual projects, and one-off or fragmented, actions. We encourage the leaders of the 10 Authorities, the Welsh Government and the UK Government to act in concert now, and for the long term, to create unified governance, an increased rate of investment and deeper delivery capability that can be sustained for the two to three cycles necessary to achieve success. We see an urgent need to make progress and achieve a rapid mobilisation of efforts.”

- 11.2 Four years on from the publication of the Growth Commission Report, the independent UK Government commissioned review is positive in respect of the progress the ten local authorities have made to develop a coordinated, economically focused, and well organised City Region providing an excellent foundation to deliver the next fifteen years of the City deal funding programme, with doubling of the available grant funding and creating a series of sustainable evergreen funds that can support economic growth for many years to come.

Tudalen wag

Independent Evaluation of Local Growth Interventions

Cardiff Capital Region Wider Investment Fund
Final Overview Report



SQW

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Approved by:

Jonathan Cook

Director

Date: 28/10/2020

Disclaimer

This report takes into account the particular instructions and requirements of our client. It is not intended for, and should not be relied upon by, any third party and no responsibility is undertaken to any third party.

Whilst SQW has used reasonable care and skill throughout, it is unable to warrant either the accuracy or completeness of information supplied by the client or third parties, and it does not accept responsibility for any legal, commercial or other consequences that arise from its use.

1. Introduction

Investment Funds and the Gateway Review process

- 1.1 A series of Growth and City Devolution Deals have empowered local partners across the UK to design and deliver programmes to develop their local economies. This encourages partners within functional economic areas to work more closely together and to develop new governance arrangements
- 1.2 As part of this approach to local economic growth, city regions and other areas across the UK (referred to as 'localities') including Cardiff Capital Region were awarded long-term investment funds. Spend of these funds is allocated to locally appraised projects, providing localities with greater control over directing priority investment decisions. These projects are appraised in line with assurance processes agreed with central government.
- 1.3 Key features of the approach agreed between UK Government, the Welsh Government and Cardiff Capital Region included:
 - a long-term funding commitment, with agreed overall (maximum) envelope: in the case of Cardiff Capital Region this is a 20-year commitment with a £1.2 billion investment fund, which consists of £734m investment into the South Wales Metro and a **Wider Investment Fund (the subject of this evaluation) worth £495m.**
 - the first five years funding confirmed, paid in annual instalments
 - a Gateway Review after the first five years, and then every five years subsequently; for Cardiff Capital Region, with the investment fund agreed in March 2016, this involves a Gateway Review by March 2021
 - the understanding that future funding beyond the first five years will be subject to the outcome of Gateway Reviews and Ministerial decision-making
 - agreement that the Gateway Review is informed by a review of the impact of investments, undertaken by an independent National Evaluation Panel; in November 2016, an SQW-led consortium¹ was appointed to deliver the work of the National Evaluation Panel.

The National Evaluation Panel

- 1.4 The purpose of the National Evaluation Panel is to evaluate the impact of the locally-appraised interventions on economic growth in each locality to inform the Gateway Review and Ministerial decision-making on future funding. This is specifically focused on the Wider

¹ The consortium includes Cambridge Econometrics, Savills, Steer, and an Academic Group (Prof Martin Boddy, University of West of England; Prof Ron Martin, University of Cambridge; Prof Philip McCann, University of Sheffield; Prof Peter Tyler, University of Cambridge; and Prof Cecilia Wong, University of Manchester).

Investment Fund in Cardiff and does not cover the investment in the South Wales Metro nor the wider Cardiff Capital Region City Deal.

- 1.5** The focus is on the impact of activities supported by the Wider Investment Fund, or the progress in delivery where it is too early for impact to be established. The work of the National Evaluation Panel has not covered the processes of decision-making and delivery mechanisms, and the Panel has not advised on what projects should be supported.
- 1.6** The work of the National Evaluation Panel to inform the first Gateway Review has involved:
- the development of a National Evaluation Framework
 - the agreement of evaluation frameworks/plans for each locality, and subsequent delivery of the agreed evaluation research by the consortium, informed by monitoring data collected by the localities
 - evaluation reports on impact and progress of the investment funds.
- 1.7** The National Evaluation Framework was approved by the Steering Group² of the National Evaluation Panel in August 2017. It established three principal strands of work:
- **Impact Evaluation:** assessing the extent to which interventions supported by the investment funds have generated economic outcomes and impacts for their locality.
 - **Progress Evaluation:** where it is too early to evidence outcomes and impacts, even at an interim stage, an assessment of the progress that interventions have made in their delivery, for example, against anticipated expenditure, delivery milestones, and in generating outputs.
 - **Capacity Development and Partnership Evaluation:** to provide qualitative evidence on the effects of the investment funds on local capacity development and partnership working.

This report

- 1.8** This is the Final Report for the evaluation of the Wider Investment Fund, to inform the first Gateway Review. It is the third and final output from the evaluation, following a Baseline Report in May 2019 and a One Year Out Report in April 2020. This Final Report draws on, and is accompanied by, two Evidence Papers, which provide more detailed findings from the evaluation. These Papers are:
- a Progress and Impact Evaluation Evidence Paper, principally covering the Compound Semiconductor Cluster project, which is the major investment committed and delivered

² The Steering Group comprises representatives from the 11 participating Localities (Glasgow City Region; Greater Cambridge Greater Manchester; Leeds City Region; Liverpool City Region; Tees Valley; Cambridgeshire and Peterborough; Cardiff Capital Region; Sheffield City Region; West Midlands; West of England) and the Cities and Local Growth Unit (CLGU) on behalf of the Government.

over the period of the evaluation; the Paper also sets out the other spending commitments made

- a Capacity Building and Partnership Evaluation Evidence Paper, which provides evidence on how the Investment Fund has contributed to local economic development capacity and partnership working.

1.9 The Compound Semiconductor Cluster project was the only intervention formally in scope of the evaluation. This was the only intervention approved **and** where significant Fund expenditure had been incurred.

1.10 The draft Final Report was reviewed and commented on by the Cardiff Capital Region, and the National Evaluation Panel's Academic Group.

Evaluation approach

1.11 The remit of the National Evaluation Panel was to provide evidence on the progress and impact of the funds in delivering local growth outcomes. The approach to evaluation consisted of the following elements:

- **A progress and impact evaluation of the Compound Semiconductor Cluster project:** this investment had a mix of short- and longer-term objectives, with the intent ultimately for this intervention to catalyse the development of the compound semiconductor cluster in South Wales. Given the time that it takes for clusters to develop, an early impact evaluation was undertaken alongside an evaluation of the progress of the intervention.
- **Local economic development capacity:** an evaluation of how, at a strategic level, the Wider Investment Fund has had an effect on partnership working and capacity building.
- **Intervention case study on partnership working:** an in-depth review of the design, development and early delivery of one of the more-recently agreed interventions as part of Metro Plus, a new integrated transport hub for Porth. This case study has examined, at an intervention level, processes of capacity building and partnership working.

COVID-19

1.12 This evaluation covers the period from April 2016 to end-June 2020, which includes the main period of disruption over March-June 2020 caused by the COVID-19 pandemic. The effects of COVID-19 on delivery of the Wider Investment Fund over this period, and the potential implications for outcomes in the future have been considered in the evaluation.

1.13 Key findings related to COVID-19 are summarised in this report and are set out in more detail in the accompanying Progress and Impact Evaluation Evidence Paper.

Structure

1.14 The report is structured as follows:

- Section 2. Policy and economic context
- Section 3. Overview of the Investment Fund
- Section 4. Assessment of progress and economic impacts of the Compound Semiconductor Cluster project
- Section 5. Wider contribution of the Investment Fund.

1.15 Three supporting annexes are provided:

- Annex A: Mapping and commentary on the Gateway Review indicators that are covered by the Final Report of the evaluation and its accompanying Evidence Papers
- Annex B: Peer Review comments from the Panel's Academic Group, and responses to these
- Annex C: Economic forecasts and out-turns
- Annex D: Other interventions supported through the Wider Investment Fund.

2. Policy and economic context

Summary of key messages

- The Cardiff Capital Region City Deal agreed in 2016 consisted of a 20-year, £1.2 billion investment package. It aimed to deliver up to 25,000 new jobs by 2036, leveraging an additional £4 billion in private sector investment.
- Alongside investment in the Metro, the £495 million Wider Investment Fund was a key element of the Deal, supporting investment in connectivity, innovation, skills and employment, housing and regeneration.
- The strategy for the City Deal (and the use of the Wider Investment Fund) was set out in a five-year business plan and in an Industrial and Economic Plan, agreed in 2019. The approach to investment is based on 'infrastructure, innovation and challenge', with an emphasis on securing leverage and return on investment (including financial return where possible).
- In governance terms, the City Deal is overseen by a Regional Cabinet, constituted as a local authority joint committee and supported by advisory boards and a small executive team.
- The City Deal has been developed in the context of an economy which has faced substantial industrial restructuring in recent decades, which has historically performed relatively weakly on measures of productivity and output, and in within which there are significant intra-regional disparities. Analysis of economic performance over the past four years suggests modest growth, driven mainly by increased employment rather than productivity gain.
- However, the region contains significant economic assets, including in its technology capabilities and knowledge base.

The Cardiff Capital Region City Deal

The original City Deal

- 2.1** The Cardiff Capital Region City Deal was agreed between the UK Government, the Welsh Government and the ten local authorities that make up the region³ in 2016. At the core of the Deal was the creation of a 20-year, £1.2 billion investment package, co-financed by the UK and Welsh Governments, the local authorities and the European Regional Development Fund. The City Deal sought to deliver up to 25,000 new jobs by 2036, leveraging an additional £4 billion in private sector investment.
- 2.2** The City Deal set out a series of priorities:

³ Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen and Vale of Glamorgan.

- **Delivery of the South Wales Metro:** The Metro is a transformational programme, involving improvements in the quality, frequency, and reliability of the 'Valley Lines' rail network, as part of a modern and integrated regional transport system. £734 million was 'pre-allocated' from the £1.2 billion investment package to support the delivery of the Metro.
- **Wider investment in connectivity,** complementing the Metro. As part of this, the City Deal committed to the establishment of a Regional Transport Authority to coordinate transport planning and investment, in conjunction with the Welsh Government.
- **Support for innovation.** As part of this, the UK Government committed to establishing the Compound Semiconductor Applications Catapult in the region, building on the region's significant capabilities in this sector. More broadly, the City Deal committed the region to prioritising investment in research and development and to supporting the growth of high value and innovative businesses.
- **Workforce skills and employment,** including measures to ensure that skills and employment provision is more responsive to business and community need, and including the establishment of an Employment and Skills Board (now the Regional Skills Partnership).
- **Housing development and regeneration,** including a partnership approach to strategic planning and support for the re-use of brownfield property and sites.
- **Support for enterprise and business growth,** including measures to ensure a stronger voice for business alongside that of the local authorities.

2.3 To support those priorities additional to the Metro, the City Deal allocated £495 million to a **Wider Investment Fund (WIF)**, which is the subject of this evaluation. The WIF is itself made up of £375 million from UK Government and £120 million in contributions from the local authorities.

City Deal governance

2.4 The City Deal committed local partners to developing "*stronger and more effective leadership across the CCR, enabling the ten local authority leaders to join up decision-making, pool resources and work more effectively with local businesses*".

2.5 Supporting this, the decision-making body for the City Deal is a Joint Committee consisting of the Leaders of the ten participating local authorities (referred to as the CCR **Regional Cabinet**). This is supported by a Regional Economic Growth Partnership (chaired by the private sector); three further advisory bodies, focused on transport, skills and business involvement⁴; and (since 2019) an Investment Panel established to advise on Wider

⁴ These are the CCR Regional Skills Partnership, the Regional Transport Authority and the CCR Business Council.

Investment Fund proposals. The Regional Cabinet and its advisory bodies is supported by an executive **Office of the City Deal**, including the CCR Director.

City Deal strategy

- 2.6** The Regional Cabinet adopted a five-year **Strategic Business Plan** in 2018. This set out a series of priorities, linked with the headings in the City Deal and including investment in the compound semiconductor sector (discussed further in Chapter 3) and in skills, housing infrastructure, strategic sites and the Metro Plus programme of complementary transport investments associated with the Metro.
- 2.7** In March 2019, the Cardiff Capital Region City Deal (CCR) approved an **Industrial and Economic Plan**, the development of which was led by the private sector Regional Economic Growth Partnership. The Plan aimed to “*make the CCR one of the most investable regions in the UK*”, containing a strong focus on raising productivity through innovation-led growth. Of relevance to the operation of the Wider Investment Fund, it set out three investment priorities, which sought to balance an **ambition for a recoverable, ‘evergreen’ fund alongside the need for infrastructure investment**.

Innovation, infrastructure and challenge: Key principles

Within the three investment priorities set out in the Industrial and Economic Plan, it is envisaged that:

- **Innovation** investments will “focus on opportunities where there is considerable competitive strength”, with the aim of establishing an evergreen investment fund and contributing to employment growth, investment leverage and GVA uplift
- **Infrastructure** investments will focus on infrastructure projects where the public sector creates the conditions for growth – with an indirect return on investment
- **Challenge** investments will focus on securing the solutions for challenges faced by the region, which may be commercial or within the ‘foundational economy’ (such as the health and care sector)

Source: CCR (2019), Industrial and Economic Plan

- 2.8** Following the *Industrial and Economic Plan*, an **Investment and Intervention Framework** was adopted in June 2019. This set out the basis through which proposals for CCR City Deal investment via the Wider Investment Fund would be sought and considered, outlining an approach based on leverage and return on investment, as well as a desire to invest at scale, with a limited number of strategic investments adding value to each other.

The wider policy context

The policy context informing the City Deal...

- 2.9** The City Deal is a central part of a broader emphasis on the role of city regions in economic growth, which has gained increasing traction over the past decade. The Welsh Government commissioned an **independent review of the case for a city-regional approach** to economic development in 2012⁵. This identified South East Wales (along with Swansea Bay) as areas with ‘city regional dynamics’ in terms of labour markets and knowledge sharing, which could be strengthened through a greater devolution and pooling of resources. This led to the establishment of a **Cardiff Capital Region Advisory Board** in 2013 and a series of studies setting out the economic case for a city-regional strategy focused on innovation, skills, connectivity and ‘identity’⁶.
- 2.10** In parallel, the case for the Metro as a core pillar of regional economic development was outlined in a concept study in 2011⁷ and the **Metro Impact Study** commissioned by the Welsh Government in 2013⁸. The latter highlighted opportunities to bring forward sites contingent on transport investment; scope for commercial and community regeneration around Metro stations; easier access to employment; and agglomeration impacts, setting the case for Metro as an integrated element of a wider investment strategy, as well as a transport strategy.

... and subsequent policy development

- 2.11** Since the City Deal was signed, the policy context has evolved further. **Prosperity for All**, the Welsh Government’s overarching national strategy, was adopted in September 2017. Following *Prosperity for All*, the **Economic Action Plan** set out a commitment to a regional approach to economic development, including a commitment to strategy co-production and joint working with the City Deal/ Growth Deal partnerships in Cardiff Capital Region, South West and Mid Wales, and North Wales. This approach is reinforced by the provisions within the Planning (Wales) Act 2015 to enable the development of regional **Strategic Development Plans** and the development of new powers to create Corporate Joint Committees, which could provide a more formal governance basis for the CCR Regional Cabinet. Recently, the OECD prepared a report for the Welsh Government on the future of regional development and public investment. The report recommended a more integrated approach to regional development, including the establishment of “effective, resourced and capacitated inter-municipal co-operative bodies” to drive larger scale regional interventions⁹.

⁵ Welsh Government (2012) Final Report of the City Regions Task and Finish Group

⁶ Cardiff Capital Region Advisory Board (2013), *Powering the Welsh Economy*; South East Wales Directors of Environment and Regeneration (2015), *Delivering a Future with Prosperity*, CCRC (2016), *Growth and Competitiveness Commission: Final Report and Recommendations*

⁷ Mark Barry (2011), *A Metro for Wales’ Capital City Region*, IWA/ Cardiff Business School

⁸ Mark Barry *et al* (2013), *A Cardiff Capital Region Metro: Impact Study – Report to the Minister for Economy, Science and Transport*

⁹ OECD (2020), *The Future of Regional Development and Public Investment in Wales*

2.12 Aside from the increasing importance of the regional dimension, four other policy considerations are relevant to Cardiff Capital Region and the development of the City Deal:

- **Future funding:** Historically, South Wales has been a major recipient of European regional funds (and ERDF is an important part of the City Deal funding mix, directed towards Metro). While the future scope and scale of the proposed Shared Prosperity Fund remains unclear, CCR's *Investment and Intervention Framework* consciously seeks to move away from a 'grant-based' system towards a more commercial approach based more clearly on the concept of return on investment (including financial return where possible). This could be an important influence on the direction of future funds.
- **Local policy and mutual benefit:** CCR is a diverse region, with significant disparities in economic outcomes. Nationally, the *Economic Action Plan* contains an objective of creating "better jobs, closer to home" and a strengthened emphasis on the role of the 'foundational economy' in supporting sustainable growth. A series of policy initiatives (most recently associated with the Valleys Task Force) have also sought to ensure that the benefits of growth are felt beyond the M4 Corridor. The concept of mutual benefit to the region as a whole is reflected in the *Industrial and Economic Plan* and the 'innovation, infrastructure and challenge' framework highlighted above.
- **The 'macro-regional' context:** Although the CCR is a geographically coherent region with a clear identity, there are strong links with neighbouring regions, especially in Swansea Bay and the West of England. The concept of the 'Western Gateway', extending from Swansea through to Swindon, seeks to recognise the benefits that could be gained from joint working across this wider geography. The CCR Regional Cabinet agreed in June 2020 that Cardiff Capital Region should become a partner in the Western Gateway initiative.
- **Wellbeing of Future Generations:** The Wellbeing of Future Generations Act 2015 places a duty on all public bodies in Wales to carry out sustainable development, listing seven wellbeing objectives. The City Deal is accountable for delivering against all of these, although of particular relevance, the objective of 'a prosperous Wales' aims to achieve "*an innovative, productive and low carbon society*". Impact assessments against the Wellbeing of Future Generations Act are carried out for all investments and policy measures undertaken by the CCR.

The economic context

2.13 Cardiff Capital Region has responded to significant economic restructuring over recent decades. Measures of productivity and output have historically lagged the UK as whole, while the region ranks relatively low (compared with other city regions and English local enterprise

partnership areas) on the UK Competitiveness Index¹⁰. Reversing the region's relatively weak economic performance is a long-standing policy objective and underpins much of the drive for a new approach to economic development. Around the time of the City Deal, Cardiff Capital Region's Growth and Competitiveness Commission noted that *"increasing the region's productivity performance relative to the rest of the UK is a priority to achieve economic growth"*¹¹.

- 2.14** Despite relative underperformance, the city region contains significant economic assets. These include established and advanced capabilities in semiconductors, especially around Newport (the subject of major investment from the Wider Investment Fund) and life sciences (especially medtech). There is a large creative and media sector, especially focused on Cardiff, and growing strengths in fintech and digital technology. More broadly, the region has a large manufacturing sector, which is widely dispersed, and which has recently seen some significant exits, as well as new investments¹². Alongside these sectoral strengths, Cardiff Capital Region has a strong higher education base, underpinned by three universities (Cardiff University, Cardiff Metropolitan University and the University of South Wales).
- 2.15** The region has a diverse economic geography: CCR's recent State of the Region Report notes that "variability in economic performance is a key theme... there is clear evidence that the CCR's goal of tackling inequalities is imperative". Cardiff has expanded rapidly in recent years, supported by its role as the region's main commercial, cultural and administrative centre, and there has also been recent growth at Newport (especially linked with technology investment) and along the M4 corridor. However, significant challenges remain across much of the region, especially in the upper Valleys, where the consequences of long-term economic restructuring have been most severe.

Economic forecasts and out-turns

Approach

- 2.16** To provide context for the impact and progress evaluations, the National Evaluation Framework recommended that economic forecasting was used to identify how the economy in the Cardiff Capital Region was expected to develop at the point that the Deal and WIF was agreed in 2015, and comparing this to actual out-turns at the point of the final evaluation.
- 2.17** This involved the use of a projection from Cambridge Econometrics' highly disaggregated database of employment and GVA by industry using the data available in 2015, tailored to reflect local circumstances where key additional developments were known about at the time. This projection sought to be as consistent as possible with policy makers' expectations of the wider macro environment around the time that the Deal and investment fund was agreed, and

¹⁰ CCRCD (2019), *State of the Region Part 2: Competitive*

¹¹ CCRCD (2016), *Growth and Competitiveness Commission: Final report and recommendations*

¹² For example, in the automotive sector, the loss of Ford at Bridgend, and new investment by Aston Martin at St Athan.

excluded economic and policy contexts/circumstances that were not known at the time (e.g. Brexit).

- 2.18** The projections have then been compared to the latest information available on actual out-turns, including data to 2019. Further details regarding the approach, technical considerations and limitations, and the detailed data from the initial projections and analysis of out-turns are set out in Annex C.

Key findings

- 2.19** The headline projections and out-turn data for employment, Gross Value Added (GVA), and productivity are set out in Table 2-1.

Table 2-1: Comparison of projected and actual headline economic performance in Cardiff Capital Region

	2015 projection	Actual out-turn
Change in employment 2013-19 (% pa)	0.9	1.6
Change in GVA 2013-19 (% pa)	1.7	1.5
Change in productivity 2013-19 (% pa)	0.8	-0.1

Source: Cambridge Econometrics

- 2.20** The following points are noted:

- The actual growth in employment has been notably higher than the forecast, growing by 1.6% pa on average over the 2013 to 2019 period, compared to a projection of 0.9% pa. This was equivalent to 37,100 more jobs than were expected in the area by 2019. The growth rate was slightly higher than that for Wales as a whole (1.4% pa), and slightly lower than the UK (1.7% pa).
- Stronger-than-expected growth in employment was largely driven by the following sectors: Information & communication, Accommodation & food services, Transport & storage and Finance & business services. The Distribution sector saw a decline in employment of over 2% pa.
- GVA growth in the Cardiff Capital Region was slightly lower than the projection, at 1.5% pa compared to the projection of 1.7% pa. This GVA growth was slightly higher than Wales as a whole, which grew by 1.3% pa over this period, but slightly lower than the UK as a whole, which grew at 1.9% pa.
- GVA growth in Transport & storage, and Accommodation & food services were notably below their projected rates. GVA in Construction grew quite rapidly over the period (and slightly above the projection) at 4.7% pa. Information & communication, Finance & business services, and Distribution all had GVA growth rates of over 2% pa.
- Productivity in the Cardiff Capital Region slightly declined in 2013-19 by -0.1% pa. This was very similar to Wales as a whole (-0.2% pa) and the UK (+0.2% pa). This follows on

from the trend of stronger than expected employment growth at a time of slightly slower than expected GVA growth.

- Transport & storage, Information & communication, Accommodation & food services, and Finance & business services all saw notable productivity declines in the Cardiff Capital Region over the period. Distribution and Other services grew in productivity by 4.4% pa and 2.1% pa respectively.

2.21 As noted earlier, the baseline projections and the actual out-turn data do not include any consideration of Brexit or COVID-19 as these contextual changes predate the data and analysis. To provide further economic context, we note the following points:

- Forecasts of the impacts of COVID-19 are highly uncertain. With this caveat in mind, CE's latest forecasts suggest that UK GDP will fall by around 9% in 2020. This will be driven by a sharp contraction in private spending, with both consumer spending and business investment expected to fall sharply in 2020.
- The fall in output in 2020 is expected to be accompanied by a fall in employment, though this is not expected to be as strong as the fall in GDP. This is partly as a result of government support, and the expectation that firms will make adjustments by reducing output on lower average hours rather than through reducing employment.
- The recovery in 2021 and 2022 is expected to be muted. The UK economy is expected to stay below 2019 levels as upswings in activity remain modest. The persistence of COVID-19 and EU-exit are expected to dissuade businesses from accelerating (or reinstating deferred) investment activity. A continued depression of investment is expected to moderate prospects of productivity uplift over the long-term.

2.22 The economic backdrop for the Cardiff Capital Region indicates an economy that has grown relatively modestly over the period, driven by employment growth rather than improvements in productivity. Given that only one intervention has been delivered over the period, itself more sensitive to global rather than local conditions, this local economic context is unlikely to have had a marked effect on the performance of the WIF. Nevertheless, more generally for the local economy over the period, the employment growth may have contributed to increasingly tight labour markets in some sectors. The disappointing performance on productivity has been a national trend over the period, and for the local economy it points to possible imperatives relating to skills development, retaining/creating/ attracting jobs of high value, and the role of areas such as infrastructure and innovation in productivity.

3. Overview of the Wider Investment Fund

Summary of key messages

- The Wider Investment Fund is a 20-year, £495 million fund, supported with £375 million from the UK Government and £120 million in contributions from the CCR local authorities.
- The Wider Investment Fund is allocated according to the approach set out in CCR's Investment and Intervention Framework. This aims to invest across the three themes of 'innovation, infrastructure and challenge' and to achieve, where possible, a financial return on investment to maximise the sustainability of the Fund.
- WIF investments to the value of £88.5 million have been committed to date. This includes one intervention of £38.5 million in a new compound semiconductor foundry, which was largely complete, and a further four projects relating to innovation, transport infrastructure, housing and skills. In addition, there are two projects with an investment value of £43.3 million that have been approved 'in principle'.
- Based on commitments so far, it is expected that the Fund will obtain receipts of £40.6 million from its investments which will be recycled into other interventions.

Wider Investment Fund scale and coverage

- 3.1** The £495 million Wider Investment Fund supports the City Deal's non-Metro investments, and is made up of UK Government and local authority contributions as follows:

Table 3-1: Wider Investment Fund contributions

Source	Total funding contribution
HMT revenue	£50 million
HMT capital	£325 million
Local authority capital	£120 million
Total	£495 million

- 3.2** It should be noted that while the Wider Investment Fund is entirely financed by local authority and UK Government contributions, Welsh Government and ERDF funding is used to contribute to the £734 million package for the South Wales Metro, which makes up the remainder of the City Deal.
- 3.3** The great majority of WIF approved project expenditure has been on the Compound Semiconductor Cluster project. By the end of June 2020, around £2.8 million had been spent

on other fully approved projects, principally a loan to Creo Medical, a life science business, and costs associated with the CCR Graduate Scheme. Details of other approved interventions are set out below.

- 3.4** Whilst the CSC project was approved early on, it has taken more time to develop and commit funding to other interventions. The reasons for this are described later in this section, and are principally related to the partnership making a strategic decision to review the approach to the City Deal and investment of funds, alongside the development of the regional Industrial and Economic Plan. This has now been completed and commitment and spend has recently accelerated accordingly.

Table 3-2: Coverage of the Wider Investment Fund

Scope	
Maximum value of fund	£495 million
Length of fund	20 years
Number of interventions in scope of the evaluation	1
Value of interventions in scope of the evaluation	£38.5 million WIF £413.5 million total ¹³
Number of other interventions approved but not in scope of the evaluation	4
Value of other interventions approved but not in scope of the evaluation	£50.1 million WIF £90.1 million total ¹⁴
Funding type	Mixed capital and revenue
Spend to date	
Spend to end June 2020 on interventions in scope	£33.6 million
Spend to end June 2020 on other approved interventions	£2.28 million
National Evaluation Framework Thematic coverage (all interventions approved to date)	
Transport	Yes
People	Yes
Infrastructure	Yes
Enterprise & Innovation	Yes
Other	No

Wider Investment Fund approach

- 3.5** The City Deal set out the broad range of activities that the Wider Investment Fund would support, described in Chapter 2. These have remained consistent over time, although the City

¹³ Based on leverage of IQE funding.

¹⁴ Based on direct match funding.

Deal itself did not specify individual interventions or a detailed approach to the use of the Fund. The approach to the WIF has therefore evolved, as the wider CCR strategy has been sharpened and the partnership has learnt from the experience of its initial investment in the Compound Semiconductor Cluster (CSC) foundry.

- 3.6** The CSC proposal (described further below and in Chapter 4) came forward in the first year of the WIF. Although the CCR Assurance Framework and Joint Working Agreement had been adopted at this point, the first five-year business plan and assessment process had not been put in place. However, recognising the time constraints associated with the project, and its close alignment with the ambitions of the City Deal, the Regional Cabinet supported the proposal subject to the development of a Full Business Case.
- 3.7** Since then, the principles adopted in the development of the CSC intervention (focusing on a structured investment with a financial return to CCR) have informed the further development of the Wider Investment Fund. As outlined above, the framework for the WIF is set out in the Industrial and Economic Plan and the Investment and Intervention Framework, with the process involving an 'open door' to expressions of interest, the active management of a project pipeline linked with CCR's strategic priorities and a 'proportionate' business case process to bring projects forward. This process is described in greater detail in Annex D.
- 3.8** To date, Wider Investment Fund monies have been awarded to four projects, relating to transport infrastructure, skills, innovation and housing and land development (in addition to two 'in-principle' approvals for transport and innovation schemes and a number of emerging 'pipeline' interventions). In all cases, consideration is given to the potential for funds to be recycled into the WIF, with co-funding and private sector leverage sought.
- 3.9** In addition, a revenue top-slice supports programme management costs, the activities of CCR's advisory bodies and project and business case development work for interventions approved to SOC stage.

Intervention in scope for evaluation: the Compound Semiconductor Cluster project

- 3.10** The evaluation to inform the first Gateway Review is focused on interventions that had been approved formally within the first Gateway Review period, and where significant Fund expenditure has been incurred (potentially in full). In practice, this meant that interventions were in scope if they had started delivery and spend by the end of December 2019.
- 3.11** In Cardiff Capital Region, one intervention met these criteria. This is the **Compound Semiconductor Cluster** project, which involves **WIF investment of £38.5 million** (£37.9 million capital) towards the costs of a compound semiconductor foundry in Newport.

The Compound Semiconductor Cluster project

The CSC project involves an agreement between the CCR and IQE plc, a large commercial manufacturer of semiconductor wafers, which is headquartered in Cardiff.

The CCR Regional Cabinet agreed in 2017 to purchase a factory building at Imperial Park in Newport and invest, alongside IQE, in a new compound semiconductor foundry. This would involve the development of new cleanrooms, together with equipment and other fixtures and fittings. It was agreed that the building would be leased by IQE for 11 years, with an option to purchase at the end (although it was considered that IQE may exercise this right sooner than this).

To deliver the project, the Regional Cabinet established a special purpose vehicle (CSC Foundry Ltd) to acquire the building and to manage the lease.

The project aims to secure substantial commercial investment in manufacturing and development and to support the development of a wider 'cluster' of compound semiconductor activity in South Wales, linked with academic expertise at Cardiff University and a concentration of related firms.

Other interventions

- 3.12** The investment in the Compound Semiconductor Cluster is the only intervention in scope for evaluation at Gateway Review stage. However, **by the end of Quarter 1 of 2020/21, Wider Investment Fund allocations of £50.1 million had been approved to support four further interventions.** These are summarised in the table below and described in greater detail (alongside expenditure to the end of 2020/21 Q1) in Annex D:

Table 3-3: Other interventions supported by the Wider Investment Fund

Intervention	Summary	WIF allocation
Metro Plus	Programme of public transport investments across the CCR to improve connectivity and complement investment in the South Wales Metro.	£15 million
Graduate Scheme	Programme to create graduate internships with regional employers, retaining talent in the region and improving SMEs' access to skills.	£1.546 million
Housing Investment Fund (Viability Gap Scheme)	Gap funding scheme to enable housebuilding to proceed on sites where the upfront infrastructure costs currently make development unviable.	£31.498 million

Intervention	Summary	WIF allocation
CREO Medical	Loan to Creo Medical to support the development of cool plasma sterilisation and decontamination technology to kill bacteria and viruses.	£2.055 million

3.13 In addition:

- A Full Business Case was approved in October 2020 for £10 million WIF investment in a **CCR Challenge Fund for Rebuilding Local Wealth Post-Covid-19**. This is co-financed with European funding and seeks to drive innovative solutions to challenges related to decarbonisation, public services and community wellbeing.
- Two further interventions have also received ‘in-principle’ approval. These are:
 - **Metro Central:** redevelopment of Cardiff Central station to provide improved facilities, integration between the Metro and the intercity rail network and bus interchange (WIF commitment, subject to FBC: up to £40 million)
 - **CS Connected:** investment in a new ‘front of house’ facility for the compound semiconductor sector at the CSC Foundry in Newport, as part of an initiative backed by the UKRI Strength in Places Fund (WIF commitment, subject to FBC: £3.3 million).
- The wider investment pipeline also includes some 15 interventions currently at SOC or pre-SOC stage and include programme proposals (including the concept of a cluster support fund to invest directly in businesses, via an FCA-registered fund manager), infrastructure proposals and individual commercial propositions.

3.14 While the investment in the Compound Semiconductor Foundry was made at an early stage in the City Deal process (and spend proceeded quickly thereafter), spend on other approved interventions was relatively modest to the end of Quarter 1 of 2020/21. The reason for this was a strategic decision taken following the approval of the CSC Foundry investment to review the approach to the City Deal, in the context of a shared desire to focus on economic competitiveness and resilience and to move towards an investment (and, where possible, ‘evergreen’) approach. This informed the development of the Industrial and Economic Plan and the principles set out in the Investment and Intervention Framework, referenced above. Since the adoption of the Investment and Intervention Framework, commitment and spend have accelerated and there is a strong pipeline of interventions at varying points in the business case development process. Efforts have also been made on individual projects to utilise time-limited match funding first.

3.15 The location of the interventions that are approved in full or in principle is shown in Figure 3-1 (although note that the Graduate Scheme and the Housing Investment Fund (Viability Gap Fund) are programme allocations, covering the whole region).

4. Evaluation of the Compound Semiconductor Cluster project

Summary of key messages

- The Compound Semiconductor Cluster (CSC) project involves an agreement between the Cardiff Capital Region and IQE plc, a large commercial manufacturer of semiconductor wafers, which is headquartered in Cardiff. It involves WIF investment of £38.5 million towards the cost of a compound semiconductor foundry in Newport.
- Key aims of the project were to ensure that the operations of an existing high value business were retained in the region and to leverage further commercial investment in manufacturing and development at IQE.
- The project also aimed to act as an anchor to support the development of an emerging wider 'cluster' of compound semiconductor activity in South Wales, linked with expertise at Cardiff University and a concentration of related firms.
- Overall, progress in delivering the CSC project has been positive. The new foundry has been delivered largely to time and budget, and has started to deliver employment and wider benefits.
- A final tranche of WIF monies has not been drawn down, and some anticipated outputs (for jobs and leverage) have not yet been fully realised. This reflects market conditions; it is anticipated that these effects will be realised in time.
- WIF investment was important in securing IQE's investment in the region. There was a genuine likelihood that IQE may have located new production at an alternative site in the US were suitable premises not available in the UK.
- IQE reported that 70 additional jobs have been created at the Newport foundry and 156 jobs have been safeguarded at St Mellons. In addition, the foundry is a focus of IQE's photonics activities, which have seen year on year growth in the first half of 2020. The foundry is also important in attracting additional customers in the future.
- Wider effects have so far centred on the development of networks and linkages in the emerging cluster (including related to IQE and the presence of the CSA Catapult on the same site), stimulating further R&D and innovation activity, and profile-raising. In addition, there have been some further effects on inward investment, and jobs and skills.
- Within the context of a wider strategy to build a cluster, the new IQE facility at Imperial Park was described by consultees as a focal point for compound semiconductor activity in South Wales as well as a doorway to external parties. This had in turn contributed to the development of stronger networks and linkages within the emerging cluster and to outside.
- It is important to note that these effects are not necessarily directly attributable to the CSC project, though it was assessed to have played a key role alongside other factors, as part of a coordinated strategy to develop the cluster.

Coverage and approach

- 4.1** This section presents evidence on the progress and impact evaluation of the Compound Semiconductor Cluster (CSC) project. The CSC project involves an agreement between the Cardiff Capital Region and IQE plc, a large commercial manufacturer of semiconductor wafers, which is headquartered in Cardiff. It involves WIF investment of £37.9 million towards the cost of a compound semiconductor foundry in Newport. The CCR Regional Cabinet agreed in 2017 to purchase a factory building at Imperial Park in Newport and invest, alongside IQE, in the new foundry, including the development of new cleanrooms and purchase of new equipment. It was agreed that the building would be leased by IQE for 11 years, with an option for the company to purchase it at the end of the period. To deliver the project, the Regional Cabinet established a special purpose vehicle (CSC Foundry Ltd) to acquire the building and to manage the lease.
- 4.2** The key aims of the project were to ensure that the operations of an existing high value business were retained in the region, and leverage further commercial investment in manufacturing and development at IQE. The project also aimed to act as an anchor to support the development of a wider 'cluster' of compound semiconductor activity in South Wales, linked with academic expertise at Cardiff University and a concentration of related firms.
- 4.3** The evaluation has examined the progress of the project in meeting its milestones, and spend and output profiles, and how delivery has supported the achievement of objectives. This has drawn on monitoring data and interviews with the CCR team and IQE. The evaluation has also assessed the impact through the direct benefits associated with the foundry itself and the early effects of the project on cluster development. The overall approach was based on a theory-based evaluation, using mixed methods. The approach reflected inherent challenges in establishing a counterfactual for a single firm, IQE, and for assessing the early stages of cluster development. By collecting and synthesising quantitative and qualitative evidence from different interviewees, monitoring and secondary data, the evaluation has sought to build a 'narrative account' of cause and effect that takes account of the role of the WIF intervention and the roles of other factors.
- 4.4** It should also be noted that **the project complements a series of measures to support the growth of the compound semiconductor sector.** These include new academic institutions (such as the Institute for Compound Semiconductors and Compound Semiconductor Centre at Cardiff University), the creation of CS Connected as a sector-focused Research and Technology Organisation, and the decision to locate the Compound Semiconductor Applications Catapult in South Wales.

Overview of progress

Expenditure	
Anticipated expenditure by end-June 2020	£38.5m Investment Fund
Actual expenditure by end-June 2020	£33.6m Investment Fund

Expenditure	
Investment Fund expenditure as % anticipated	87%
Status of intervention	
Intervention largely complete, with £5 million of WIF to be drawn down to support fit out of final 10 (out of 20) cleanrooms.	

- 4.5** A detailed assessment of progress is set out in the accompanying Evidence Paper on the Compound Semiconductor Cluster project. A summary is set out in the table below.

Number of interventions: 1
Was expenditure on budget? NO
<ul style="list-style-type: none"> WIF expenditure was lower than originally anticipated by the time of the Gateway Review (by £5m or 13% of the anticipated expenditure). Market conditions impacted on IQE's need for the final tranche of WIF investment that was needed to support fitout of the final 10 cleanrooms. Prior to this, WIF expenditure had been on track. It is anticipated that the outstanding balance of WIF investment will be made by around spring 2021 as market outlook becomes more certain.
Were agreed delivery milestones met? NO
<ul style="list-style-type: none"> Additional commercial floorspace was delivered, and done so more quickly than originally anticipated due to the introduction of a more efficient design involving the creation of a mezzanine floor above every cleanroom. The project built out 20 cleanrooms in line with expected milestones; and WIF investment had enabled 10 of these to be equipped, ready for the installation of specialist tools by IQE. However, 10 have not yet been equipped as had been planned as a result of market conditions (as per above).
Were anticipated outputs delivered as anticipated? PARTLY
<ul style="list-style-type: none"> Land and construction outputs have been delivered as planned, including: 4.52 hectares of land assembled and acquired for development; 5,898 sq m of additional commercial floorspace; an estimated 291 (gross) construction years of employment; and 8 construction apprentices. Job outputs are behind target so far: 70 direct jobs created at the foundry (vs. target of 125 by this point); and 545 jobs safeguarded at IQE at St Mellons and Newport Wafer Fab (vs. target of 700 by this point).
Were intermediate outcomes delivered as anticipated? YES
<ul style="list-style-type: none"> Key intermediate outcomes have been achieved as planned, notably: retention/expansion of IQE's production capabilities in the region; leveraged investment from IQE; investment from the Compound Semiconductor Applications (CSA) Catapult; and indirect effects on the wider cluster through R&D and innovation activities, networks and jobs and skills.
Do interventions remain on course to deliver against their original objectives? YES
<ul style="list-style-type: none"> The intervention aims to support the longer-term development of the compound semiconductor sector in the Cardiff Capital Region. This will rely on additional, complementary initiatives (and this has always been recognised), but there is evidence that the CSC foundry will support this, through the development and expansion of IQE itself and additional capacity to support collaboration and supply chain development (see below for more details).

Number of interventions: 1

- The intervention should make a financial return to the WIF of £38.5 million over 11 years. CCR is confident that this will be achieved.

Has COVID-19 influenced progress and/or will it influence expected outcomes? NO

- The physical delivery of the new foundry was complete before the pandemic. The pandemic has also not directly impacted operations at the foundry
- However, a Covid-related global recession and uncertainty may impact future investment decisions (and therefore the timing of the drawdown of the final tranche of WIF investment, additional private sector leverage and job creation).

Discussion

4.6 Overall, progress in delivering the Compound Semiconductor Cluster project has been positive. The new foundry has been delivered largely to time and within budget, has started to deliver employment benefits and is contributing to the development of the cluster more broadly. However, the final tranche of WIF investment remains to be drawn down, and some anticipated outputs (related to jobs and leverage) have not yet been fully realised. This reflects market conditions, though it is anticipated that these effects will be realised in time.

4.7 Consultations with the CCR team and wider consultees highlighted several factors that were important in enabling the delivery of the project:

- **Prior investment in the site and the strategic retention of an economic asset:** The Imperial Park site was originally built for a semiconductor manufacturer (LG) by the former Welsh Development Agency in the 1990s. The Welsh Government held it vacant as a strategic asset for over a decade before its sale to CSC Foundry Ltd. Long-term retention meant that refurbishment of a suitable building – at much lower cost than a new-build facility – was a viable option.
- **The structuring of the investment:** To enable WIF monies to be invested in compliance with state aid legislation, CCR established a special purpose vehicle (CSC Foundry Ltd, owned by the ten CCR local authorities) to acquire and refurbish the facility and enter into a lease arrangement with IQE. This was the first investment made through the City Deal and involved a complex and bespoke arrangement. The nature of the WIF investment is a ‘commercial’ deal, rather than a grant or soft-loan agreement, and this was seen as important to ensure the future success of the project. The agreement was structured so that public investment was matched with private, hence the decision to withhold the final tranche of WIF investment until market conditions are such that IQE will be able to co-invest.
- **IQE’s direct role in the management of the construction and delivery phase:** IQE was responsible for procurement and management, with CSC Foundry Ltd and the CCR maintaining an oversight role to safeguard the public investment. This was highlighted as being important given the highly specialised nature of the foundry and helped to lead to a more efficient design of the space than was originally envisaged.

- 4.8** The Board of CSC Foundry Ltd (and CCR more broadly) has taken a direct interest in the WIF investment and its repayment through IQE's purchase or continued lease of the foundry: this has included commissioning market analysis of the compound semiconductor sector to provide an independent view, and maintaining regular dialogue with IQE (including a quarterly meeting to review IQE's market performance and the impacts on future investment and repayments).

Overview of impact to date

Logic model

- 4.9** A logic model was developed to inform the impact evaluation as part of the Locality Evaluation Framework. Drawing on this logic model, a summary of the evidence from the impact evaluation, setting out what has been achieved at this stage in terms of inputs, activities, outputs and outcomes, and the evidence on 'additionality' is set out below.

What the intervention has achieved ...			
Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> £33.6m of WIF expenditure has been made (£32.9m capital). Additional investment from IQE of £67m to date (with more to be leveraged over the next 8 years or so). 	<ul style="list-style-type: none"> 5,898 sqm of commercial floorspace has been delivered, including 20 cleanrooms. 10 of the 20 cleanrooms have been fit out through WIF and IQE investment. The project also involved digital and road connectivity improvements. 	<ul style="list-style-type: none"> 70 jobs created at IQE at the foundry facility (against a target so far of 125 and ultimate target of 501). 545 jobs safeguarded at IQE in St Mellons and Newport Wafer Fab (against a target of 700). 291 construction years of employment estimated. 	<ul style="list-style-type: none"> Retention and expansion of IQE's research and production operations in the region. Improvement in IQE's trading position, including growth in photonics, centred in Newport. Enhancement of linkages and networks within a potential compound semiconductor cluster, and major funding attracted from Strength in Places Fund. Increase in R&D and innovation activity, in particular linked to universities, CSA Catapult and Collaborative R&D. Individual examples of investment in the area from outside, including location of teams from

What the intervention has achieved ...

global compound semiconductor firms.

... and how additional this is i.e. what would not have occurred without the intervention?

Direct effects on IQE/its retention and expansion in the region:

- Whilst the Cardiff Capital Region may have been favoured by IQE as a location, IQE's expansion would likely have taken place overseas instead without WIF intervention. The firm had already internationalised production and there was a highly credible and viable alternative elsewhere.
- Even if IQE would have invested in Cardiff anyway, there has been a cautious approach to co-investment, reflecting high costs, suggesting that delivery would have proceeded more slowly without intervention.
- Therefore, the WIF investment is likely to have contributed to IQE's decision to invest and expand in the region, and to do so more quickly.

Wider effects on developing an emerging cluster:

- Assessing the contribution of the CSC project to the wider outcomes associated with cluster development is complicated. It is also important to note that the cluster was at a very embryonic stage at the time of evaluation. The CSC project is part of a wider mix of activities, including other industry actors and their investments, Cardiff and Swansea Universities and their commitments to research, and other funding into research and innovation.
- The CSC project has particularly contributed in terms of scale of capacity for manufacturing compound semiconductors in south Wales. This is a distinctive feature of the investment.
- The project has also provided confidence to others to invest more, supported co-location and networking activity, and helped to raise the profile of the area to external parties within the UK and internationally.
- On most of these aspects, the CSC project has made a difference to outcomes alongside the actions and interventions of others. The CSC project is a critical part of a jigsaw of activity supporting the development of a potential cluster in South Wales.

Source: SQW

4.10 The key findings underpinning this summary logic model are discussed below.

Key findings

Direct effects on IQE, and its retention/expansion in the region

4.11 WIF investment in the foundry helped to secure IQE's investment in the region. IQE could have located new production at one of its other sites in the United States: since this site had spare capacity, this could have been achieved at relatively low cost, and this was demonstrated during the due diligence process ahead of WIF investment. While IQE had been based in Cardiff since its establishment and was strongly rooted in the local academic and industrial ecosystem, the presence of a viable alternative and the gap between the costs of developing at Imperial Park and at the alternative site in the US was substantial. We therefore consider that the additionality of the WIF is likely to be high in retaining a major high-value employer. Subsequently, IQE has also sought to consolidate its international production facilities, recently announcing the closure of its Pennsylvania site in the light of capital investment at Newport and two other sites in Massachusetts and Taiwan.

- 4.12** In principle, it is possible that IQE could have acquired the Imperial Park site without WIF support. However, even if the additional costs over the US alternative could have been justified commercially, IQE would have found it challenging to raise the additional funds commercially: consultees highlighted the very high capital costs associated with the compound semiconductor sector, the cyclical nature of the industry and the lengthy timescales in building new customer relationships.
- 4.13** It is difficult to quantify the role of the investment on IQE's development. Nevertheless, photonics, which is centred around Newport and makes up around one-half of the company's revenues, grew by over 20% between the first half of 2019 and the first half of 2020. Clearly, markets are key here, but the facility has also helped to enable this. Consultees also considered that the new foundry is likely to be important in attracting additional customers for IQE by building confidence in the scale and quality of production and R&D capacity. This is important in the industry given the need for customer 'qualification' (i.e. approval) of production facilities in advance. Furthermore, IQE reported that 70 additional jobs have been created at the Newport foundry and 156 jobs have been safeguarded at St Mellons. IQE reported that the majority of post-holders have a local connection (especially linked with Cardiff University).

Wider effects on the development of a potential cluster

- 4.14** Wider effects have so far centred on the development of networks and linkages, stimulating R&D and innovation activity, and profile-raising. In addition, there have been some further effects on inward investment, and jobs and skills.
- 4.15 Networks and linkages:** Consultees noted that the Cardiff Capital Region has had strengths in the compound semiconductor sector for many years, but that interaction between businesses had been limited. Within the context of a wider strategy to build a cluster, the new IQE facility at Imperial Park was described by consultees as a focal point in South Wales as well as a doorway to external parties. This had in turn contributed to the development of stronger networks and linkages both in the region and to outside. Four aspects underpinned this, specifically the scale of the facility itself; the potential for further development at Imperial Park; co-location with the Compound Semiconductor Applications Catapult; and increased dialogue between businesses in the region.
- 4.16 R&D and innovation activity:** This has been enhanced since the CSC project commenced. It is important to note that these effects are not necessarily directly attributable to the CSC project, though it has played a role alongside other factors in bringing together the research base, industry and government (including the CCR City Deal) that has helped to expand activity. The scale of development marks a significant step change, notably for the universities, the CSA Catapult and CS Connected (as set out in the accompanying Compound Semiconductor Cluster Evaluation Evidence Paper).
- 4.17 Profile and inward investment:** The WIF investment was expected to support additional inward investment into the region. Examples were cited of interest from new investors at

Imperial Park and more widely, although these have yet to come to fruition. There have been two notable initial developments with international players, Rockley Photonics and Microlink both locating teams in Newport to benefit from links in the area, including IQE.

4.18 Jobs: There have been some modest additional employment effects (beyond IQE) that were linked in some way with the CSC project, including jobs safeguarded at Newport Wafer Fab, the location of company teams to the area (as above), and the recruitment of research and technical staff in the research base and companies (e.g. at the CSA Catapult). These were expected to increase in scale in the future.

4.19 Assessing the contribution of the CSC project to the wider outcomes associated with helping to develop an emerging cluster is complicated. The project was always seen as one element of a wider strategy to support the development of the compound semiconductor sector. Consistent with this, **the balance of evidence indicates that the CSC project has made a key contribution alongside other activities and actors in South Wales**, including investments made by companies themselves, previous and ongoing commitments to research by Cardiff and Swansea Universities, and other funding into research and innovation. In considering the contribution of the CSC project to the wider outcomes of developing the sector and emerging cluster, consultees made the following observations:

- The CSC project has provided significant scale and capacity to the potential for compound semiconductors in the region. It was noted as an internationally significant facility.
- The investment had given confidence to others in the region to commit to R&D and innovation, including industry and the research base.
- The CSA Catapult would not be located at Imperial Park and co-located at IQE without the investment in the site through the CSC project.
- The development of the facility at IQE, together with other factors, were noted as being important in the attraction of over £40m Strength in Places Funding.

4.20 In considering the role of the CSC project, it was noted that there have been three phases of development of activity around compound semiconductors so far. The CSC project was viewed as having been important in scaling up, leading to the new phase signalled by the significant Strength in Places Fund project and the potential to develop supply chains:

- Prior to 2016: initial development of capability and ideas, especially through research activities in the universities, collaborative work between industry and the research base, and a range of pre-existing skills, capabilities and assets held by industry.
- 2016-20: scaling up in terms of capacity, networks, and attraction of more substantial investment, including through the CSC project, acquisition and investment in Newport Wafer Fab, establishment of the CSA Catapult, and building of a portfolio of CR&D projects involving industry and the research base.

- 2020 onwards: embedding and formalising networks, and developing the skills base and supply chains, marked by the substantial investment through CS Connected and the Strength in Places Fund project.

4.21 In addition, consultees noted that there are likely to be wider benefits to the UK as a whole resulting from increased compound semiconductor production capabilities in South Wales. Specifically, given the level of customer-producer interaction and the need for customer validation of production facilities, access to domestic production capacity was seen as presenting a competitive advantage to UK manufacturing and technology firms.

5. Wider contribution of the Investment Fund

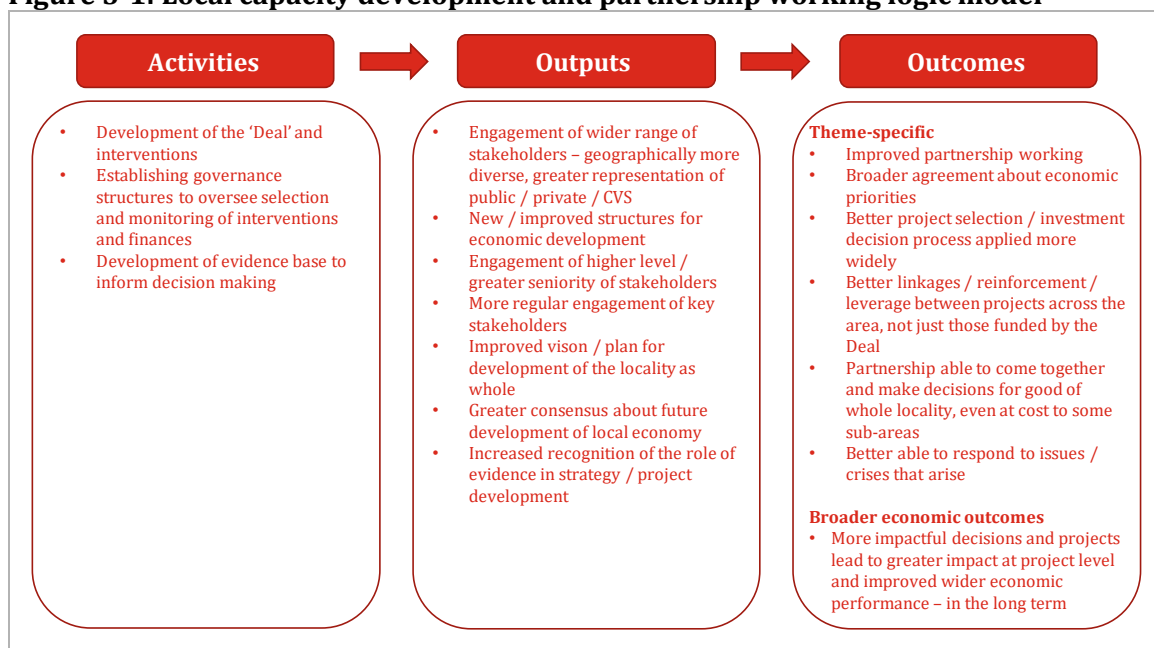
Summary of key messages

- Good progress has been made on most fronts in relation to local capacity development and partnership working.
- There was buy-in to the strategic approach, consensus on priorities and recognition that decision-making processes were sound. Underpinning this has been strong governance, the role of evidence and the development of an 'Investment and Intervention Framework'. The Framework was seen to be key to developing a balanced portfolio of investments through the WIF.
- The role of evidence has been increased and has been important at strategic and intervention levels. Regional data and a series of analyses were important to the strategic prioritisation process, and in setting an agenda that acknowledged the need for an holistic approach to address challenges and opportunities across the region. At intervention level evidence is a key element for business cases and bids to complementary funding.
- The engagement between the 10 local authority partners, and with some external partners has been strong. This has contributed to improvements in the effectiveness of partnership working.
- Consultees from public and private sectors recognised significant progress and the consolidation of the 10 CCR local authorities to work as a single group. The partnership arrangements were now seen to be more progressive and organised, with a regional mindset.
- Governance structures have been important in creating this ethos. There is equality of decision-making power on the Regional Cabinet (in which all leaders have a single vote, regardless of the size of the authority and its financial contribution). The Economic Growth Partnership (REGP) has enabled, and has been important to, collaboration with the private sector.
- The improvement in partnership working has contributed to a range of positive effects, including: sharing expertise and networks; and synergies with other interventions in areas such as transport and innovation.
- The City Deal as a whole has been important in contributing to these effects. In addition, consultees and survey respondents highlighted the influence of the WIF itself. In particular, the scale and nature of the long-term funding had focused minds, provided an opportunity to develop a new approach to investment, and helped to bring partners such as the private sector to the table.
- There were some areas for improvement. The engagement with the business base, wider public sector and the community were identified as areas that could be enhanced. There was a desire for clearer information on how decisions had been taken and what funding might be available. It was also commented that progress in agreeing and implementing interventions could be quicker and more ambitious, and a related point that such progress may require enhancing the capacity of the City Deal Office.

Introduction to evaluating the wider contribution

- 5.1** The National Evaluation Framework recommended evaluations to inform the first Gateway Review included an assessment of the effects of each fund on local capacity development and partnership working. This was expected to be particularly important for the first Gateway Review, where quantitative benefits may not yet have been fully realised, and where activity was ongoing, but where the design, development and delivery of the fund may have strengthened local partnership arrangements and boosted local capacity, leading to increased confidence about future delivery.
- 5.2** The type of activities, and the nature of the expected benefits – outputs and outcomes – for this assessment of the wider contribution of the fund is set out in Figure 5-1.

Figure 5-1: Local capacity development and partnership working logic model



Source: SQW

- 5.3** Evidence has been collected from two perspectives:
- at a **strategic level**, considering the contribution that the Wider Investment Fund as a whole has made to changes in the behaviours, perspectives, and decisions of actors across the economic development landscape, via an online survey and consultations with senior economic development stakeholders across Cardiff Capital Region
 - at a **project-up level**, considering how the development and delivery of individual interventions (or groups of linked interventions) has led to changes in the behaviours, perspectives and decisions of actors across the economic development landscape, via consultations with managers of interventions, and in-depth case studies on specific interventions.

- 5.4** The detailed findings from the research is set out in the accompanying Capacity Development and Partnership Evidence Paper, including the results from two waves of the online survey, findings from the stakeholder consultations, and the case study write-up on Porth Interchange.

Evidence from the online survey

- 5.5** Online stakeholder surveys were carried out in 2018 and 2020. The findings presented here are based on 28 respondents: 14 stakeholders completed both surveys (group 1); and a second group of 14 stakeholders responded to the 2020 survey only (group 2). A range of organisations were represented by the respondents, including local authorities, universities, and business/industry representatives. Across the 28 respondents, views represent a senior and well-informed group, including Managing Directors, Chief Executives, Councillors, Service Directors, and senior university representatives. This gives us some reassurance of the credibility of views. That said, the relatively low number of responses means that the data should be treated with caution, as it does not necessarily reflect the views of all stakeholders in the region.
- 5.6** The survey responses indicated progress in capacity development and partnership working in the Cardiff Capital Region. **On all 10 aspects of capacity and partnership working tested there had been improvements based on the perspectives of survey respondents** (see Table 5-1). There are notable improvements on decision-making processes, governance and management structures, synergy and inter-relationships, consensus on thematic priorities, the evidence base, and partnership working.

“The partnership ethos created by the CCR has brought together people in the economic development field across the region to work together in a much more cohesive way, seeing their own local plans and priorities in a wider, regional, national and global context.”

- 5.7** Whilst there has been progress in engagement between 2016 and 2020, the areas for most improvement (relative to other factors) were in ‘engagement with the wider public sector’ and ‘engagement of the voluntary and community sector’.
- 5.8** Overall, respondents reported that the Cardiff Capital Region City Deal as a whole was the most influential factor on these changes in capacity development and partnership working. The Wider Investment Fund is part of this Deal and it was also notable from survey responses that the Fund specifically was also found to be influential.
- 5.9** The survey respondents also reported that the Wider Investment Fund had a ‘positive’ or ‘very positive’ effect on capacity development in the region. The three elements that scored most positively in terms of the effect of the Wider Investment Fund were: ‘strategic-level decision making and planning’, ‘operational decision making (i.e. project development/selection)’, and ‘overall local economic development capacity and partnership working’ (see Table 5-1).

“It has changed the mindset of local political leadership. The recognition that Local Authorities are not competing against each other but through co-operation, give and take, benefits for the wider region can be made.”

“The additional CCR funding towards infrastructure has strengthened the role of the CCRTA as a partner with Welsh Government and Transport for Wales and has enabled the CCRTA to influence development of wider transport programmes, strategy and policy development.”

“The CCRWIF is in its early stages but it is encouraging a range of businesses to consider investing or expanding their operations in south Wales, and is becoming a catalyst to encourage economic growth.”

5.10 In open responses, respondents highlighted several areas for development. These included:

- Ensuring transparency in decision-making
- A need to consider carefully how to tackle inequalities to a greater extent – in particular the spatial inequalities in the region and those brought about or exemplified by covid-19
- An appetite for faster progress given the relatively small number of interventions approved so far
- A desire to see wider actors involved to a greater extent – which links in part to the room for improvement on engagement.

5.11 Summary data from the online surveys are set out in the table below. More detail is provided in the Capacity Development Evidence Paper.

Table 5-1: Summary of online survey evidence

	Median score in 2020: where 0 is very poor, and 10 is excellent ¹⁵	Change in median score baseline (2016) to 2020 ¹⁶
Effectiveness of partnership working in the delivery of economic development strategy and activity	8	+2
Effectiveness of governance and management structures in the delivery of economic development strategy and activity	8	+3
Effectiveness of the decision-making process for economic development interventions	8	+3
Level of consensus on the key spatial priorities for economic development strategy and activity	7	+2

¹⁵ n=28

¹⁶ n = 28 for baseline and n=28 for 2020

Level of consensus on the key thematic priorities for economic development	8	+3
Quality of the evidence base underpinning economic development	8	+3
Level of synergy and inter-relationships between key economic development projects	8	+3
Level of engagement of the private sector in economic development strategy and activity	7	+2
Level of engagement of the voluntary and community sector in economic development strategy and activity	6	+1
Level of engagement of the wider public sector, in economic development strategy and activity	6	+1
Contribution of the Investment Fund		
<ul style="list-style-type: none"> The City Deal as a whole was the most influential factor on these improvements in local economic development capacity over the whole period from 2016-20, and in particular in the first couple of years. The Wider Investment Fund was also noted as a key influential factor on the improvements reported. It was commented in open responses that the City Deal as a whole had been key in getting partners to think with a collective and cooperative mindset. The funding itself had been important in supporting potentially significant projects that could have a catalytic effect, and in giving the Cardiff Capital Region more profile and influence with industry and wider government partners. 		
	'Net' positive effect of the development and delivery of the Fund since 2016¹⁷	
Strategic-level decision making and planning	96%	
Operational decision making (i.e. project development/selection)	92%	
Local confidence to develop and deliver economic growth interventions	73%	
Local commitment to develop and deliver economic growth interventions	84%	
Understanding on what works in developing and delivering economic growth interventions	75%	
Engagement of high level / senior stakeholders in economic growth interventions	88%	
Overall local economic development capacity and partnership working	92%	

¹⁷ n=26 (no response from two partial respondents)

Evidence from the consultations and case studies

- 5.12** The evidence from the in-depth consultations with stakeholders highlighted a series of key points that complement the findings from the online survey. These are set out as follows.

Strategic prioritisation and consensus

- 5.13** There was buy-in to the strategic approach, and consensus on priorities and on how the WIF was to be allocated through the 'Investment and Intervention Framework'. The approach recognises the need for balance. The CCR must build on areas of genuine strength and comparative advantage, and this is reflected in the decision to invest in the CSC project, as well as other activities around areas such as medical. There is also recognition of the need for inclusive growth and to consider the distribution of benefits.
- 5.14** Key to achieving balance is the investment approach. The 'Investment and Intervention Framework' was adopted in June 2019. This set out the process through which investment proposals would be sought, sifted, appraised and approved. It gave a broad indication of how the WIF would be used, with the aim of achieving a mix of projects that will yield a financial return (and so recycling monies back through the Investment and Intervention Framework) and those that will use grant funding to deliver social and economic benefit.
- 5.15** The role of evidence has been important at a strategic level. Early on, the CCR commissioned regional data for the first time from the ONS and a series of analyses from Cardiff University. This has been key to the strategic prioritisation process, and in setting an agenda that acknowledges the need for an holistic approach to address challenges and opportunities across the region. Evidence has also been important at intervention level, as part of the basis for business cases and for bids to complementary funding. For the Local Authority Leaders and CEOs, the evidence-based decision-making is key to obtaining and keeping buy-in when they go back to their local areas to explain and justify decisions. There is also evidence that the CCR has influenced consideration of economic development factors in partners' business case processes.
- 5.16** It was acknowledged that there would be debates going forward around strategic priorities and decisions. This reflected challenges in the region, notably around inequalities, which may be emphasised further as a result of Covid-19.

Engagement and partnership working

- 5.17** The engagement between the 10 local authority partners, and with some external partners had been strong. This has contributed to improvements in the effectiveness of partnership working.
- 5.18** The CCR marked the start of a new partnership and there has been, and continues to be, effective engagement between the 10 partner authorities. This was acknowledged by all local authority consultees and many business consultees. Businesses recognised

significant progress and the consolidation of the 10 CCR local authorities to work as a single group compared to previous working arrangements that were disparate and locally-focused (see quote below). The partnership arrangements were now seen to be more progressive and organised, and working from the perspective of a regional mindset. The WIF had been key to this, because the scale and nature of the long-term funding had focused minds.

“A big achievement is that we have got ten local authorities that have been working as a single group. This is a major development in a country that still has high numbers of local authorities... A game changer has been those relationships and trust being established through the local authority senior leadership teams”.

5.19 Governance structures have been important in creating this ethos. There is equality of decision-making power on the Regional Cabinet (in which all leaders have a single vote, regardless of the size of the authority and its financial contribution). Individual leaders also have thematic portfolios on the Regional Cabinet, which has helped to build a shared ‘regional view’ and sense of shared ownership.

5.20 The Regional Economic Growth Partnership (REGP) has enabled, and has been important to, collaboration with the private sector. The Chair of the REGP is from a private sector background, and other representatives are also from the private sector. The REGP has worked closely with the Regional Cabinet, and is responsible for reviewing the region’s economic strategy, making recommendations on the City Deal’s implementation, and providing advice on investment decisions. This improved engagement with senior private sector individuals was unlikely to have been possible without the WIF.

5.21 There were some gaps or areas for improvement on engagement. These were particularly noted with respect to parts of the business community. The CCR Business Council was developed to represent and articulate the needs of business, particularly in the appraisal of relevant project applications. However, to date, consultees reported that the Business Council has had limited engagement with the REGP or the WIF. At the time of reporting, the CCR was reviewing the role of the Business Council, and there is also evidence of direct engagement with business through cluster development initiatives (including in relation to compound semiconductors and through subsequent work relating (for example) to medtech).

5.22 Feedback from consultees suggested that wider engagement with businesses had been limited outside of some individual exceptions. It was reported that the communication of the WIF to the wider business population could be improved to better promote the opportunities and benefits of the WIF for the CCR. In terms of the funding directly available to businesses, representatives of business membership organisations reported limited awareness of the funds and how businesses could access funding. In part, this reflects the nature of the WIF: it is not intended to be a general business finance scheme, and there is a balance to be struck between openness to new proposals and ensuring a manageable and appropriate pipeline. The City Deal Office recognises this challenge and is developing proposals for a ‘cluster fund’

that could support small to medium sized proposals from business, where they meet the objectives of the Investment and Intervention Framework.

5.23 Whilst the CCR Team has delivered various regional engagement events for businesses in collaboration with the FSB and CBI, consultees noted various opportunities and ways in which the engagement of the private sector could be improved. This included engaging and utilising business membership organisations more effectively and drawing on private sector expertise to inform the design of suitable interventions.

Examples of the effects of partnership working

5.24 The improvement in partnership working has contributed to a range of positive effects. Some key examples described by consultees are as follows:

- **Sharing of expertise and networks:** Monmouthshire County Council provided expertise that enabled the development and implementation of the CSC project. Shared networks have also enabled reach into different parts of government, including UK government ministers and Welsh Government.
- **Synergies with other interventions:** the CCR has participated actively in networking and meetings to help drive forward the compound semiconductor cluster agenda, including with businesses, universities and other government partners. This has been linked to the WIF investment and has helped foster relationships with other interventions, something which is now becoming formalised through CSconnected. Relatedly, the development of the Compound Semiconductor Educational Group aims to identify and coordinate educational expertise in the region, and to work with industry to deliver the skills provision that is required, including through activities outside of the WIF.
- **Creating more joined-up approaches to funding:** in co-financing the Metro Plus programme, the CCR has influenced the use of the Welsh Government's Regional Transport Fund, and through the development of a Common Assessment Framework has enabled greater consideration of economic objectives in the project appraisal process. The approach to Metro Plus has also given a strengthened role to the Regional Transport Authority.
- **Regional mindset for local projects:** the principles that are being used to consider local projects are increasingly cognisant of regional priorities. For example, Torfaen's development of a medipark has sought to consider links to the wider medical technologies priority at CCR level. At the time of reporting, partners were considering a regional approach to strategic development planning.
- **Responding to crises:** Rhondda Cynon Taf was badly affected from Storm Dennis in 2020. Capacity from neighbouring authorities was more easily drawn upon than had been the case previously because of stronger relationships between the partners. The CCR also

responded quickly to the COVID-19 crisis in preparing an addendum to the Investment and Intervention Framework and investing in firms with innovative responses to the pandemic.

People and capacity

- 5.25 The role and character of the key people involved have been instrumental to partnership working.** A number of key individuals were identified as having helped to drive forward the partnership, including amongst Leaders, CEOs, the City Deal Office and externally. The consistent involvement of key individuals has meant that new people have been brought in easily when personnel or politics have changed. The CCR has been able to draw on external partners, notably from the private sector (through the REGP), to bring in new expertise. Consultees also referred to the group dynamic and the combination of different perspectives and political allegiances. These differences were ultimately seen as helpful, and have meant that different points of view could be considered as well as a varying set of networks.
- 5.26** It is also worth noting that when the Wider Investment Fund was established, there was no existing project pipeline, although a number of interventions were identified at strategic level in the City Deal and the initial business plan. On balance, this was seen as positive: while it has meant that commitment and spend has taken time to flow through, it has also provided space for the City Deal partnership to develop an investment framework and secure business and political buy-in. It has also helped with the development of the governance process, since project decisions have been considered by Regional Cabinet at every stage.
- 5.27** The City Deal Office has necessarily increased in size since the early days, the breadth of expertise and capabilities has been enhanced and the credentials and capability of the team are highly regarded. However, it is a lean team, which has to date been seen as commensurate with the scale of the investment pipeline. This has benefits in terms of flexibility and efficiency. However, some noted the need for additional capacity for engagement, bringing forward and managing the large-scale projects that the region needs, and managing an investment programme at scale. This challenge is recognised by the Office of the City Deal, and work is underway to increase capacity.
- 5.28 Looking to the future, there is an opportunity to develop a broader regional partnership, building on the success of the City Deal so far.** There are signs that this is already happening, and this is likely to be enhanced through the development of initiatives such as a regional Strategic Development Plan.
- 5.29** Shifting from a ‘city deal’ to a ‘city region’ might also mean some enhancements to governance arrangements. There is a high degree of confidence in current governance and oversight arrangements. However, a structure based on multiple accountable bodies for different functions and transactions can be challenging, especially as investments scale up. There is the prospect of a Corporate Joint Committee, which could help to address this.

Key messages from the assessment of wider contribution

5.30 At the final evaluation stage, the key findings related to the wider contribution of the fund in terms of capacity development and partnership working are as follows:

- Good progress has been made on most fronts in relation to local capacity development and partnership working – in line with the logic model.
- Engagement amongst the ten partner authorities and with other key actors in the region, such as senior private sector representatives, the knowledge base, skills and transport, has been enhanced.
- The role of evidence at a regional level (rather than local level) has been recognised and instrumental at strategic and intervention levels.
- Governance structures, in particular through the Regional Cabinet and Economic Growth Partnership, have been well-regarded, and there has been recognition that decision-making processes have been improved.
- These important underpinnings have resulted in significant progress in partnership working, which was acknowledged across consultees. It was noted that the 10 CCR local authorities were working as a single group and that partnership arrangements were now more progressive and operating with a regional mindset.
- Partnership working has contributed to a range of positive effects, including: consensus on priorities and strategic development; sharing expertise and networks; and synergies and alignment with other interventions in areas such as transport, strategic development planning and innovation.
- The WIF itself has been important in contributing to these effects. The scale and nature of the long-term funding of the WIF had focused minds, provided an opportunity to develop a new approach to investment, and helped to bring partners such as the private sector to the table.
- There were some areas for improvement. The engagement with the business base, wider public sector and the community could be improved further. For example, there was a desire for more engagement through business representative organisations so that businesses could understand how they might benefit and what funding might be available.
- Progress has been made in accelerating commitment and spend, following agreement to the Investment and Intervention Framework. There should be opportunities to accelerate progress further and extend the scope of activity beyond the City Deal itself to a wider city regional policy agenda. This may require enhancing the capacity of the City Deal Office.

Annex A: Gateway Review Indicators

A.1 The purpose of this Annex is to map the Gateway Review Evaluation Indicators developed by CLGU against the coverage of the final evaluation reports provided by the National Evaluation Panel. An assessment has been applied, where:

- ‘Covered’ means that the indicator is covered fully in the final evaluation reports.
- ‘Partly covered’ means that some evidence in relation to the indicator is covered in the final evaluation reports, but further information may be required from the Locality to respond fully (there are notes below to explain this partial coverage).
- ‘Not covered’ means that the indicator is not covered in the final evaluation reports (as it falls outside the scope of the work of the National Evaluation Panel)

A: Evidence of Investment Fund intervention progress (relevant for all projects assessed)

Indicator	Rating	Location of evidence in National Evaluation Panel (NEP) reports
1. Explanation of the approval process you followed for the intervention including:		
a) How the intervention was agreed by the CA, City Board or Cabinet, including a description of how challenge or disagreement being handled effectively, where applicable	Not covered	
b) How the views of stakeholders were considered during intervention development	Not covered	
c) How the intervention aligns with pre-existing investment programmes in the area	Not covered	
d) How the business case process was appraised (N.B. Robust appraisal should demonstrate value for money and potential for positive	Partly covered	There are references in the reports to the processes for developing and considering projects (see Overview Report Annex D and

economic impact, developed in line with the HM Treasury Green Book)

commentary on the approval of the CSC project (see Impact Evidence Paper).

Business cases were reviewed as part of the research.

However, no assessment has been made of the quality or robustness of individual business cases or the process followed.

e) How the intervention fits with pre-existing stakeholder frameworks, strategies and plans	Not covered	This is out of scope, but is considered in the Impact and Capacity and Partnership Development Evidence Papers.
2. Explanation of the delivery process to date, including:		
a) Intervention milestones agreed at Board level that are likely to result in successful delivery of the intervention	Not covered	
b) Delivery of the intervention against agreed intervention milestones with evidence of adjusting project/programme plans to mitigate the impact and to ensure value for money and successful delivery	Covered	This is explained in the Impact Evidence Paper, along with an assessment of the delivery effectiveness of the project.
c) An agreed spending profile for the intervention	Covered	This is set out in the Impact Evidence Paper
d) Evidence of keeping to the spending profile and mitigating overspend or delays including evidence of adjusting spending and project/programme plans to mitigate the impact and to ensure value for money and successful delivery	Covered	This is discussed in the Impact Evidence Paper. In practice, there were no significant issues in the physical delivery of the CSC foundry project.
e) Outputs generated to date by intervention activities	Covered	This is reported in the Impact Evidence Paper.
3. Local evaluation plans and commitment to Investment Funds evaluation activities including the Independent Panel evaluation beyond the first gateway review in line with agreed milestones	Partly covered	The concluding section of the Impact Evidence Paper notes suggestions for how evaluation may be undertaken in the future, for example by aligning with evaluation processes for the Strength in Places Fund bid. There is however no specific discussion of future evaluation plans for partnership and capacity development.

Source: SQW

B: Evidence of intervention impact (relevant where projects have been delivered)

Indicator	Rating	Notes
1. Evidence that all evaluation activities set out in the evaluation plan developed by SQW has been completed. Evaluation plans developed sets out a range of activities, such as surveys, and before and after data comparisons that would inform reporting against logic models	Covered	The process followed is set out in the Overview Report and in greater detail in the Evidence Papers
2. Evidence of delivery of the outcomes specified in the agreed logic model for each intervention	Covered	This is set out in the Impact Evidence Paper
3. Where possible, evidence showing a reasonable expectation that interventions will have long-term positive economic benefits	Partly covered	There is evidence that the CSC intervention will have long-term positive benefits, and this is set out in the Impact Evidence Paper
4. Where possible, a description of outcomes that are expected to be delivered in the future	Covered	This is specifically discussed in the Impact Evidence Paper
5. Delivery of information and data to SQW to evidence the outcomes of specific interventions	Covered	This is referred to in the narrative in the Impact Evidence Paper

Source: SQW

C: Evidence of capacity development and partnership working

Indicator	Rating	Notes
1. Description of leadership roles and responsibilities assigned within the locality	Not covered	This is not required, but is referred to in the Capacity & Partnerships Evidence Paper
2. A description of engagement between local authorities within the locality on development and decision-making, both in relation to specific interventions (where appropriate) and the Investment Fund as a whole	Partly covered	This is specifically addressed in the Capacity & Partnerships Evidence Paper
3. Evidence that the City, CA or Cabinet has engaged stakeholders of a wider range, greater seniority and, where relevant, greater	Partly covered	There is evidence to this effect, and this is specifically addressed in the Capacity & Partnerships Evidence Paper

regularity than under previous governance and funding arrangements

4. Evidence that the City, CA or Cabinet considered stakeholders' views during decision-making

Partly covered

There is evidence to this effect, and this is specifically addressed in the Capacity & Partnerships Evidence Paper

5. Evidence that stakeholders felt it was easier and more beneficial to engage with the City, CA or Cabinet than with previous governance arrangements

Partly covered

There is evidence to this effect, and this is specifically addressed in the Capacity & Partnerships Evidence Paper

6. Description of how the new governance structures for economic development have affected decision-making across the locality

Covered

There is evidence to this effect, and this is specifically addressed in the Capacity & Partnerships Evidence Paper

7. Evidence of an improved plan for the development of the locality as a whole including evidence of consensus among stakeholders about the future development of the local economy compared to under previous governance and funding arrangements.

Covered

There is evidence to this effect, and this is specifically addressed in the Capacity & Partnerships Evidence Paper

8. Description of how evidence has been used in the development of strategies and projects

Partly covered

This is described in the Overview Report and the Capacity & Partnerships Evidence Paper

Source: SQW

D: Contextual economic forecasting and comparison to out-turns

Indicator	Rating	Notes
1. Forecast of economic growth in locality for GVA and employment to Year [5 or 10]	Covered	Set out in Overview, Annex C
2. Forecast of economic growth nationally for GVA and employment to Year [5 or 10]	Covered	Set out in Overview, Annex C

3. Out-turns of economic growth in locality for GVA and employment to Year [x]	Covered	Set out in Overview, Annex C
4. Out-turns of economic growth nationally for GVA and employment to Year [x]	Covered	Set out in Overview, Annex C

Source: SQW

Annex B: Peer Review comments

Context and purpose

- B.1** The Academic Group was sent the draft Overview Report and the two Evidence Papers at the same time that they were sent to the Cardiff Capital Region City Deal team. SQW hosted a virtual feedback session with all five members of the Academic Group on 20 October 2020; in addition, academics provided summary feedback via email. This annex provides a summary of the feedback received. This feedback has been incorporated into these final versions of the reports and a summary of the responses and actions taken by SQW to respond to the academic feedback is set out below.

Feedback from discussions

General feedback

- B.2** The reports are well written and informative, and the material is well presented. The evaluation approach is appropriate, given the stage that the projects and the partnership have reached. The impact and progress evaluation of the investment in the Compound Semiconductor Cluster foundry is especially interesting: most of the Academic Group's feedback related to this.

Impact and progress evaluation of the Compound Semiconductor Cluster

- B.3** The Academic Group discussed the investment in the CSC foundry, as a substantial investment associated with a specific firm as well as a contribution to the wider development of the compound semiconductor industry.
- B.4** **It would be useful to explain more about the history of the compound semiconductor sector in South Wales**, as context for the investment. In discussion, it was noted that the development of the industry had featured as an economic development priority before the allocation of Wider Investment Fund monies, and the WIF investment was one of several interventions to support sector growth. In addition, the investment in the foundry was coincidental with a number of other developments in the sector, such as the change of ownership of Newport Wafer Fab and a subsequent change in the firm's strategy.

***SQW response:** Additional background narrative is provided in Chapter 2 of the Impact and Progress Evaluation Evidence Paper.*

- B.5** **The judgement on additionality could be more definitive:** The immediate case for investment was that IQE needed to expand its production capacity, but that it was unable to do so without suitable additional premises. There was a viable alternative in the United States, to which IQE could have established new production capacity had space at Imperial Park not

been secured. The proposition is therefore that the Wider Investment Fund secured this for the Cardiff Capital Region. The Academic Group noted the challenges in ‘proving’ this. However, it considered that the report could be more definitive in its judgement, based on the due diligence carried out at the time of the investment. The Academic Group also discussed whether a more definitive assessment could be made in relation to the effects on wider sector development.

SQW response: *Consultees reported that there was a strong prospect that IQE’s investment would have been lost overseas in the absence of intervention. This is self-reported, but evidence provided at the time of the investment decision demonstrated that IQE could have established production at its North Carolina facility “at marginal cost”, given that it had spare cleanroom capacity available. Given the appraisal of the proposition carried out by Cardiff Capital Region City Deal in 2017/18 and the gap between the additional cost of a new foundry at Imperial Park and the cost of expansion in the US, we consider the additionality to be relatively strong. We have therefore reflected this more explicitly in the Impact and Progress Evidence Paper and the Overview Report. Given the multiple factors at play in supporting the embryonic cluster we have not made the assessment of additionality in relation to sector development more definitive – it was clear that the CSC project was one of a number of factors contributing to this.*

- B.6 There was some discussion regarding the extent and definition of the compound semiconductor cluster.** In particular, this highlighted the need for some caution regarding the use of the term ‘cluster’, given the academic literature on the subject.

SQW response: *The cluster is at an early stage of development. This is described in the report and is acknowledged by partners – and the WIF investment should be seen as one of a series of measures designed to support its growth. The additional material added to Chapter 2 of the Impact and Progress Evidence Paper should help to reinforce this. We acknowledge the challenges associated with defining a ‘cluster’; however the programme of sector development aims to develop attributes associated with clustering (such as the development of linked R&D, innovation, anchor institutions and supply chain activity) and this is widely referred to as such by industry and by academic-led economic impact reports.*

- B.7 Perspectives on the compound semiconductor cluster from outside the region would be helpful,** to provide some comparison of its relative strength and concentration.

SQW response: *Our consultees were almost all regionally based. However, the decisions to award Strength in Places funding to the CS Connected consortium, and to locate the headquarters of the Compound Semiconductor Applications Catapult in Cardiff (prior to its subsequent relocation to Newport) provide external perspectives. We have also set out some additional references in the Impact and Progress Evidence Paper.*

- B.8** The Academic Group also discussed the risks that may be associated with investment linked with a specific firm. While this is beyond the scope of the evaluation, the reports outline the ways in which risks have been mitigated (for example, in the structuring of the special purpose vehicle to enable the investment, and in the regular industry monitoring reported to

the Board of CSC Foundry Ltd.). It should also be noted that while the specific WIF investment is directly associated with IQE, it forms part of a wider series of interventions that relate to the sector more broadly. Presuming that the cluster develops, the risks associated with any individual partners should be reduced.

Other comments

- B.9 Spend to date has been concentrated on the CSC Foundry project.** It may be helpful to describe more fully the wider approach to investment.

***SQW response:** Although the investment in the CSC foundry accounts for the dominant share of spend to date, it only accounts for around 8% of the Wider Investment Fund (and 3% of the whole £1.2 billion City Deal). There is now a strong pipeline of projects in place, and several recent commitments have been made: this is described in the Overview Report and the Capacity and Partnership Development Evidence Paper, and additional commentary has been incorporated.*

Annex C: Economic forecasts and out-turns

- C.1** This Annex provides further details regarding the economic forecasting workstream. This includes an overview of the approach, interpretation of the results including any limitations, and the detailed data from both the baseline forecasts and analysis of out-turns.

Approach

- C.2** As part of the Baseline Report, Cambridge Econometrics (CE) developed tailored baseline economic forecasts for Cardiff Capital Region (CCR) based on a version of CE's Local Economy Forecasting Model (LEFM) that was available back in 2015.
- C.3** Initial baseline forecasts were developed using economic projections from the LEFM, which were based on historical growth in the locality relative to the region or UK (depending on which area it has the strongest relationship with), on an industry-by-industry basis. It was assumed that those relationships would continue into the future, and no account was taken for any major interventions or activities that were known at the time, i.e. they were non-tailored.
- C.4** These non-tailored projections taken from the LEFM were revised to incorporate local information on major interventions, plans or events that were known at the time that the City Deal was agreed. This drew on desk-based research and a workshop with representatives from the Locality. The tailored baseline was developed within a version of LEFM calibrated to the local CCR economy, which incorporated GVA and employment adjustments to the non-tailored baseline as agreed by the local councils.¹⁸
- C.5** This annex compares the tailored short-term economic forecasts developed for the Baseline Report with the actual outcomes over 2013-2019¹⁹. The last year of historical data in the forecasts produced for the Baseline Report was 2013. The more recent actual outcomes data are taken from CE's updated historical database, which includes historical data to 2019. A sectoral comparison is also included, along with a comparison of the outturns at the levels of Wales and the UK.

Interpreting the results

- C.6** The forecasts set out in the Baseline Report and the more recent historical data to 2019 were both based on CE's historical employment and GVA databases, allowing a comparison to be made between the two datasets. While the method to process the data in the Baseline Report

¹⁸ Further details regarding the methodology and the effects of the tailoring are set out in the Baseline Report.

¹⁹ The local area employment data in 2019 are estimates based on actual regional data. While the local area GVA data in 2019 are projections and are not based on actual regional data, they have been included for comparisons.

and the actual outturn data were the same, it is important to note the following differences in the underlying raw data when interpreting the results:

- The last year of actual local area employment data in the most recent data was 2018. The local area employment data in 2019 were estimates based on actual regional data²⁰. Changes at the regional (Wales) level over 2018-19 were proportionately disaggregated across all local authorities in Wales. The local area 2019 employment figures are therefore estimates, allowing an additional year to be used in the analysis. It is important to bear in mind, however, that the actual 2019 local area figures could be higher or lower if changes at the regional level were concentrated in particular local areas in Wales. The local area GVA data used for 2019 were projections and not based on actual regional data. They are modelled results, based on CE's standard method to produce baseline economic projections²¹. They have been included for comparisons.
- The price base of the GVA data has changed from £2011 in the baseline forecasts to £2016 in the latest historical data. The absolute GVA levels, therefore, cannot be compared between the two datasets. In order for both datasets to be compared, an indexed series has been created for both datasets where the GVA data in 2013=100. This allows recent growth rates to be compared with forecast growth rates. A similar approach has been taken when analysing the employment and productivity data.
- ONS published new local authority, NUTS2 and NUTS3-level GVA estimates based on an improved (balanced approach) methodology in 2018²². This new data have been incorporated into CE's latest historical database. The raw GVA data used in the Baseline Report was based on the old (income approach) NUTS2 GVA data available at the time, as the NUTS3 GVA data was not considered to be as robust. Additionally, ONS have published the latest NUTS2 GVA data by more detailed sectors than were available when the LEFM used in the Baseline Report was updated. The incorporation of raw GVA data at lower spatial levels means that in some instances GVA has been redistributed between local areas and sectors within a NUTS2 area. This could lead to differences between the GVA data used in the Baseline Report and the latest GVA data. However, the effect on total GVA for a larger area, such as Cardiff Capital Region, and the effect on the growth rates by sector within the area will be limited, as this comparison focuses on broad sectors (not

²⁰ This is due to the ONS release schedule for data. While 2019 regional employment data has been published, the 2019 employment estimate for local authority districts will not be released until the end of September 2020.

²¹ Further details regarding the standard methodology for CE's baseline projections are set out in the Baseline Report.

²² Balanced approach data is created by combining income and production approach data – a summary of how these approaches differ at the aggregate level can be found here: <https://www.ons.gov.uk/file?uri=/economy/regionalaccounts/grossdisposablehouseholdincome/methodologies/regionalaccounts/regionalrealgvatcm77262085.pdf>. A summary of how these two data sets are combined can be found here: https://consultations.ons.gov.uk/national-accounts/consultation-on-balanced-estimates-of-regional-gva/supporting_documents/Development%20of%20a%20balanced%20measure%20of%20regional%20gross%20value%20added.pdf

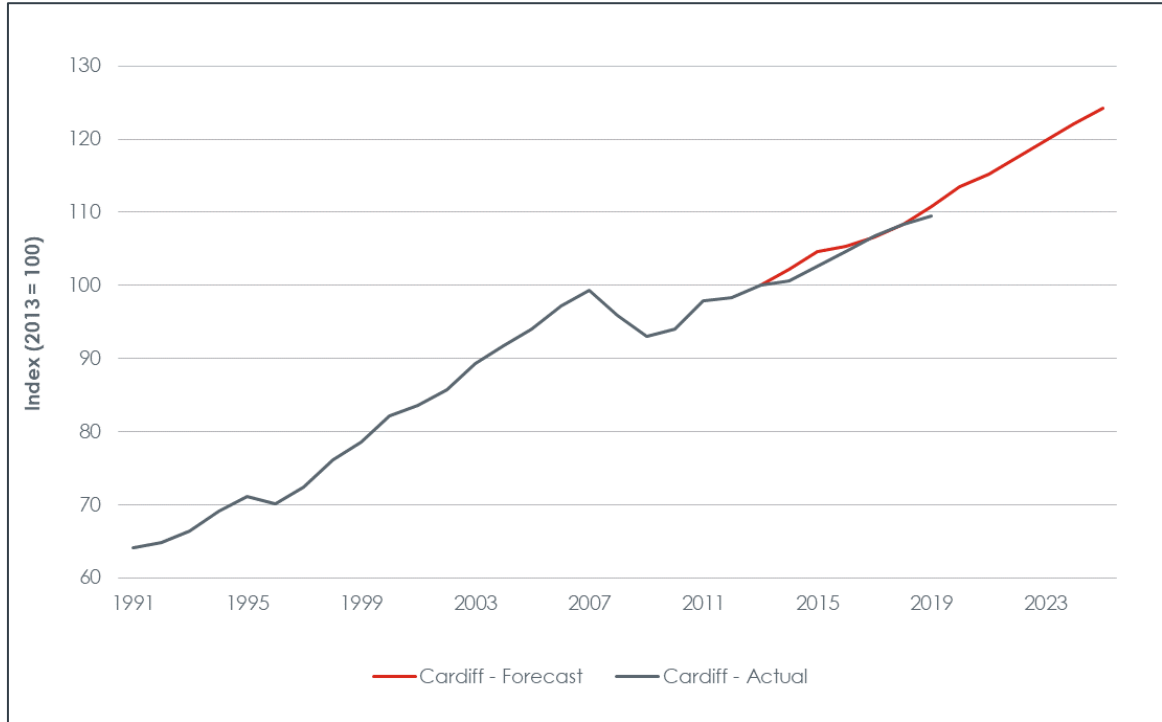
the detailed sector level in the new GVA data). A comparison between the forecasts is, therefore, still valid when analysing the indexed growth rate.

- C.7** These changes in the raw GVA data mean that any differences seen when comparing the short-term GVA forecasts from the Baseline Report to the actual outturns data could be due to the change in the GVA price base, improvements in the measurement and reporting of the GVA data, and/or differences in what was expected back in 2015 versus what actually happened. There could be cases when variation between forecasts and actual data are explained more by methodological issues. However, the impact on growth rates at the CCR level are likely to be limited. It is difficult to estimate the relative scale of importance between the factors that have caused possible differences between forecasts and actuals, as they will affect each local area and sector differently. For this reason, it is better to focus more on comparing forecast and actual *growth rates* (rather than absolute levels).

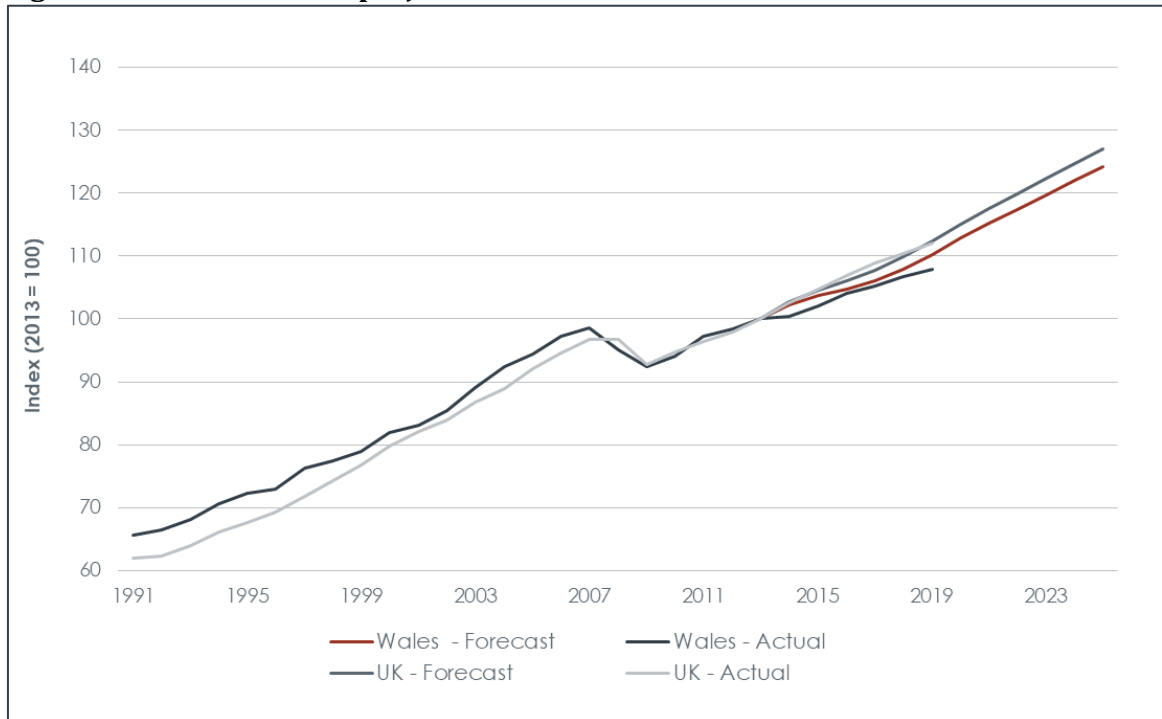
Detailed data

GVA

- C.8** Actual GVA growth in CCR and Wales over 2013-19 was slightly slower than was expected (see Figure C-1 and Figure C-2). GVA in CCR grew by 1.5% pa over 2013-19. This was slower than the UK (1.9% pa), which grew broadly in line with expectations. GVA growth in CCR slightly outperformed Wales as a whole, which grew by 1.3% pa over this period. GVA in CCR initially grew below expectations in 2014 and 2015, after which the difference between the forecast and actual growth rate narrowed.
- C.9** Actual GVA growth per annum in CCR over 2013-19 was 0.2 percentage points (pp) lower than was forecast in the Baseline Report (1.7% pa). This was in line with the trend for Wales, where GVA growth per annum underperformed the forecast by 0.3 pp. Overall UK GVA growth was broadly in line with expectations.
- C.10** As set out in Table C-1, negative GVA growth in Transport & storage and Government services, as well as lower than expected GVA growth in Accommodation & food services were the main drivers of the underperformance in CCR relative to the forecast in the Baseline Report. These sectors together accounted for 29% of total GVA in CCR in 2019. Electricity, gas & water and Information & communications, which accounted for 8% of total GVA in CCR, outperformed the forecast by 1.9 pp and 0.7 pp respectively. Mining & quarrying and Agriculture also outperformed their respective forecast by 7 pp and 11 pp respectively, though these are both small sectors. GVA growth in the rest of the sectors were broadly in line with the forecasts.

Figure C-1: GVA actuals vs projections – Cardiff Capital Region

Source: Cambridge Econometrics

Figure C-2: GVA actuals vs projections – Wales and UK

Source: Cambridge Econometrics

Table C-1: Cardiff Capital Region GVA growth by sector, 2013-2019

	Forecast growth (pa %)	Actual growth (pa %)	Percentage point difference (actual minus forecast)
Agriculture	0.4	7.6	7.3
Mining & quarrying	-0.5	10.1	10.6
Manufacturing	1.7	1.7	0.0
Electricity, gas & water	0.8	2.7	1.9
Construction	4.4	4.7	0.3
Distribution	2.2	2.2	0.0
Transport & storage	2.8	-0.7	-3.5
Accommodation & food services	2.6	1.5	-1.1
Information & communications	1.6	2.3	0.7
Finance & business services	2.0	2.3	0.3
Government services	0.5	-0.2	-0.6
Other services	1.3	1.4	0.0

Source: Cambridge Econometrics

Employment

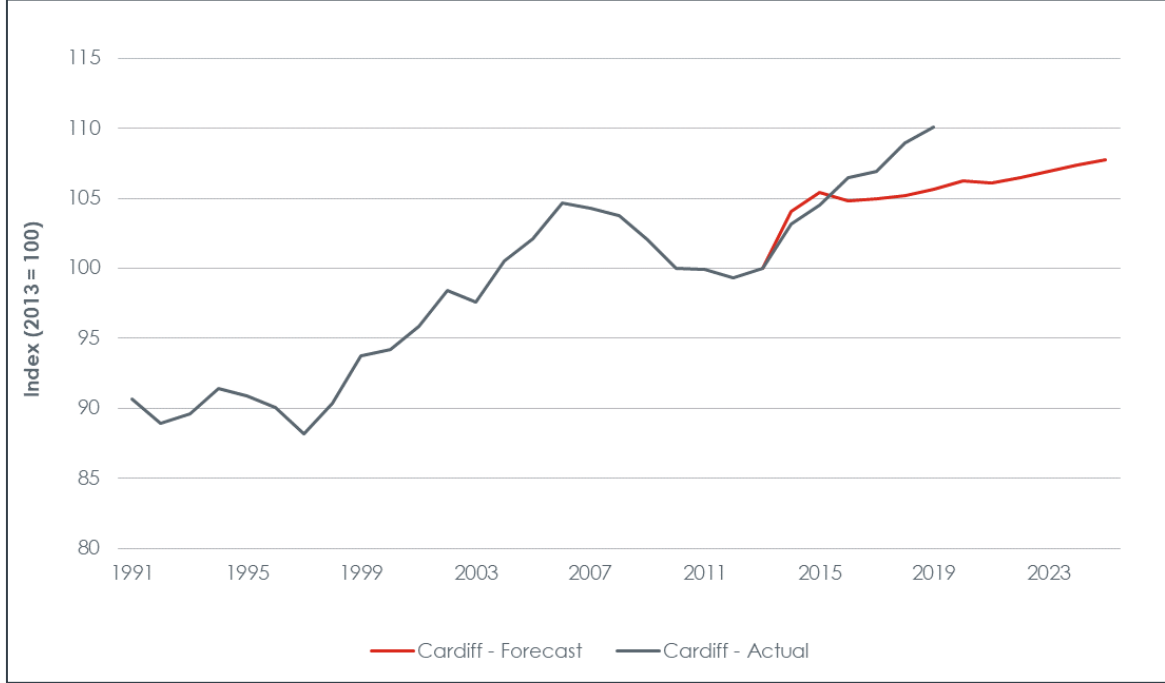
C.11 Employment grew above expectations in all areas over 2013-19 (see Figure C-3 and Figure C-4). Employment in CCR grew by 1.6% pa over 2013-19, compared to a forecast of 0.9% pa, meaning that there were 37,100 more jobs than expected in the area by 2019. In Wales as a whole, growth expectations were exceeded by 0.6 pp per annum (with employment growth of 1.4% pa achieved over 2013-19), meaning that there were 64,900 more jobs than expected in 2019. Hence, CCR accounted for over half of the additional jobs created in Wales over the period. Similarly, employment growth in the UK as a whole outperformed expectations by 0.7 pp per annum (with employment growth of 1.7% pa achieved over 2013-19).

C.12 Employment growth in CCR started to outperform expectations in 2016 and this gap continued to widen over the forecast period. Wales and the UK as a whole followed a similar trend as CCR, where the gap between forecast and actual employment growth widened over the forecast period.

Strong employment growth was driven by above forecast growth in Information & Communication, Accommodation & food services, Transport & storage and Financial & business services (see

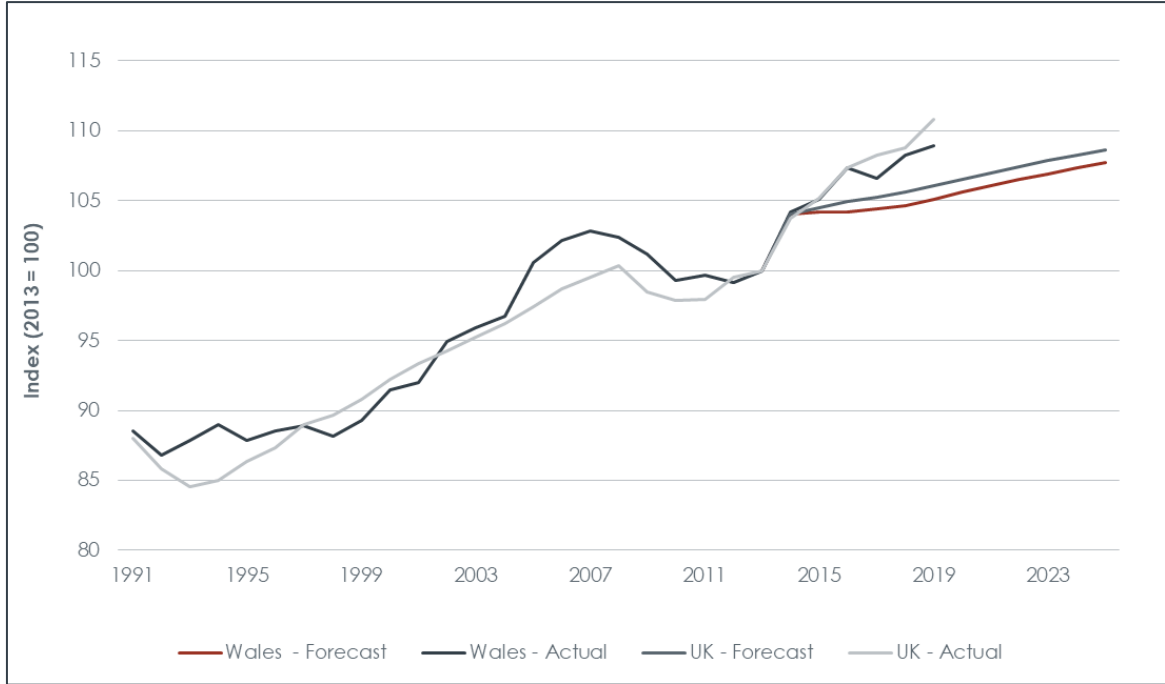
C.13 Table C-2). Mining & quarrying, Distribution and Other services experienced a decline in employment. These sectors were expected to decline or experience muted growth in the Baseline Report, but with Distribution accounting for over 10% of total employment in CCR, the decline in this sector resulted in a large number of job losses (over 10,000 jobs).

Figure C-3: Employment actuals vs projections – Cardiff Capital Region



Source: Cambridge Econometrics

Figure C-4: Employment actuals vs projections – Wales and UK



Source: Cambridge Econometrics

Table C-2: Cardiff Capital Region employment growth by sector, 2013-2019

	Forecast growth (% pa)	Actual growth (% pa)	Percentage point difference (actual minus forecast)
Agriculture	4.6	8.4	3.8
Mining & quarrying	-5.0	-2.9	2.1
Manufacturing	0.6	0.8	0.2
Electricity, gas & water	-0.6	2.4	3.0
Construction	5.3	3.6	-1.7
Distribution	0.1	-2.1	-2.2
Transport & storage	2.7	5.4	2.7
Accommodation & food services	0.1	4.4	4.4
Information & communications	1.7	8.2	6.6
Finance & business services	2.3	4.4	2.1
Government services	-0.2	0.2	0.3
Other services	0.0	-0.7	-0.7

Source: Cambridge Econometrics

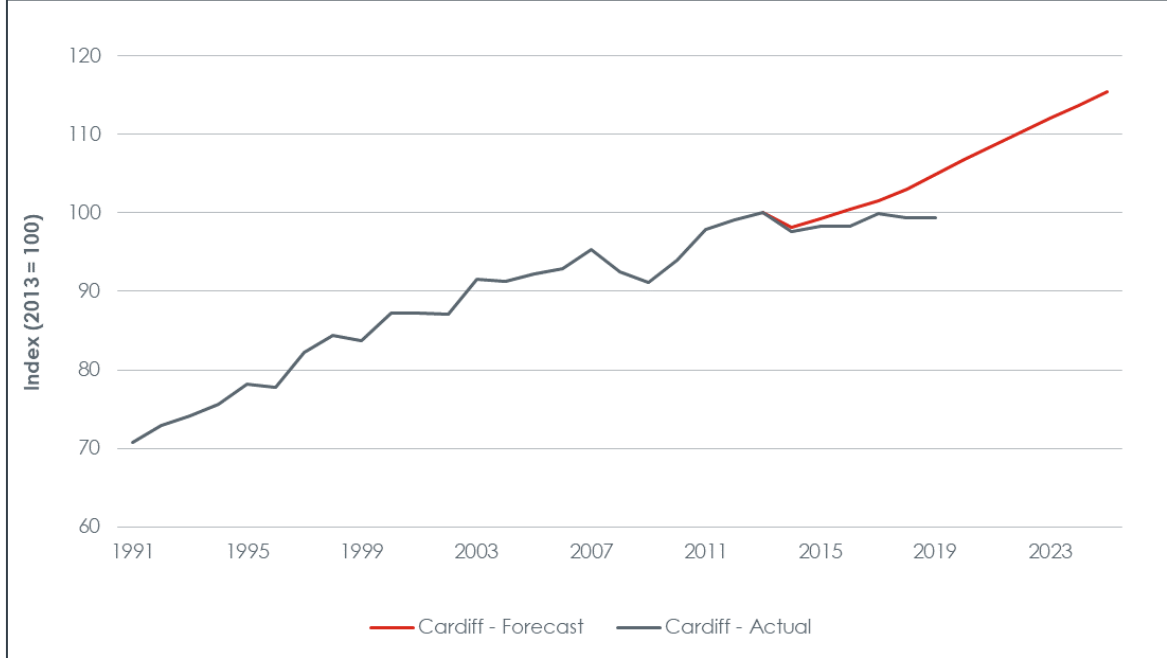
Productivity

C.14 Productivity growth in CCR was below expectations, which was a similar result to Wales and the UK (see Figure C-5 and Figure C-6). This follows on from the trend of stronger than expected employment growth at a time of slightly slower than expected GVA growth. The Baseline Report forecast productivity growth of 0.8% pa over 2013-19 in CCR, but actual growth was slightly negative (-0.1% pa). Similarly, productivity growth in Wales over 2013-19 was 1 pp per annum lower than forecast (-0.2% pa). Whilst the deviation between forecast and actual productivity growth generally increased for all areas over the forecast period, there was some fluctuation in annual growth rates, including a -2.4% decline in productivity in CCR in 2014, followed by a 1.7% increase in productivity in 2017.

Productivity growth underperformed expectations in more than half the sectors (see

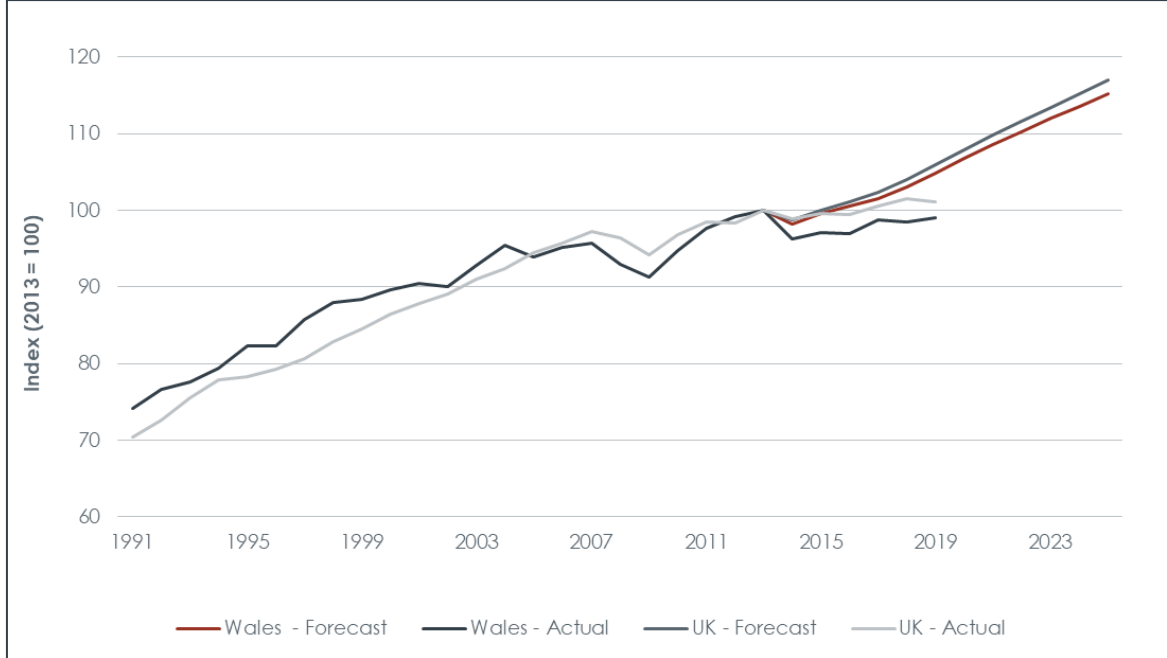
C.15 Table C-3). Transport & storage, Information & communications, and Accommodation & food services were the weakest performers relative to expectations. Productivity growth in Construction (1.1% pa over 2013-19) and Distribution (4.4% pa over 2013-19) were stronger than expected, outperforming expectations by 1.9 pp and 2.3 pp respectively.

Figure C-5: Productivity actuals vs projections – Cardiff Capital Region



Source: Cambridge Econometrics

Figure C-6: Productivity actuals vs projections – Wales and UK



Source: Cambridge Econometrics

Table C-3: Cardiff Capital Region productivity growth by sector, 2013-2019

	Forecast growth (% pa)	Actual growth (% pa)	Percentage point difference (actual minus forecast)
Agriculture	-4.0	-0.7	3.3
Mining & quarrying	4.7	13.4	8.7
Manufacturing	1.1	0.9	-0.2
Electricity, gas & water	1.4	0.3	-1.1
Construction	-0.8	1.1	1.9
Distribution	2.1	4.4	2.3
Transport & storage	0.1	-5.8	-5.9
Accommodation & food services	2.5	-2.8	-5.3
Information & communications	-0.1	-5.5	-5.5
Finance & business services	-0.3	-2.1	-1.7
Government services	0.6	-0.3	-1.0
Other services	1.4	2.1	0.7

Source: Cambridge Econometrics

Conclusion

- C.16** While employment grew stronger than expected, GVA growth in CCR over 2013-19 was slightly slower than forecast, though it outperformed Wales more widely. As a result of the trends in employment and GVA, there was slower-than-expected productivity growth (with a slight decline in productivity over the period). This underperformance in productivity was in line with the UK wide trend of flatlining productivity.
- C.17** Observed differences in expected GVA growth and actual GVA growth are likely to be largely due to deviation in actual growth from what was forecasted. It is difficult to estimate the extent to which improvements in the ONS GVA methodology caused possible differences between forecast and actual outturns, as each local area and sector will be affected differently. However, on the whole, the new ONS data are likely to have limited impacts on the deviation of actual GVA growth from what was expected in the Baseline Report at the CCR broad sector level.

Annex D: Other interventions supported through the Wider Investment Fund

Summary of key messages

- Although the Compound Semiconductor Cluster was the only intervention fully approved and incurring spend by the end of 2019, a further four interventions had been approved by the end of Quarter 1 of 2020/21, with a total WIF commitment of £50.1 million
- These comprise investments in Metro Plus (a series of local transport interventions to complement the South Wales Metro); the delivery of a four-year graduate placement scheme; the establishment of a Viability Gap Fund to bring forward housing on former industrial sites; and a direct business investment in a medtech firm linked with Covid-19 related innovation.
- In addition, in-principle commitments have been made to Metro Central (the redevelopment of Cardiff Central station and the surrounding area) and a 'front of house' facility for the compound semiconductor sector, as part of a Strength in Places Fund proposal. There is also a pipeline of emerging projects.
- While none of these interventions are subject to evaluation (or have been reviewed in detail), they suggest significant recent progress in bringing forward investment proposals, in line with the principles set out in the *Investment and Intervention Framework*.

Introduction

- D.1** The Compound Semiconductor Cluster is the only intervention in scope for impact and progress evaluation at Gateway Review stage. However, by the end of Quarter 1 of 2020/21, Wider Investment Fund allocations of £50.1 million had been approved to support four further interventions, and 13 potential investments had been progressed to at least Strategic Outline Case stage. This annex sets out the process through which further projects have been approved, and summarises the approved and pipeline projects at the end of Q1 2020/21.

Investment approval process

- 5.31** The *Investment and Intervention Framework (IIF)* approved by Regional Cabinet in June 2019 sets out the process through which projects are considered and approved for investment from the Wider Investment Fund, in line with the strategic aim of securing a balance between the 'investment', 'innovation' and 'challenge' themes set out in the IIF. In summary, the process involves:

- An ‘open door’ to engagement on potential projects from the public or private sector, with interested parties asked to complete an **initial ‘sift’ questionnaire** to enter the pipeline. The sift questionnaire is essentially an expression of interest, which asks prospective applicants to set out the financial standing of the applicant; alignment with the objectives of the City Deal; an outline business plan; total investment to date and anticipated additional alternative sources; and the anticipated optimal structure for any funding from the Wider Investment Fund.
- Sift questionnaires are considered by an **Investment Panel** established in July 2019. The Investment Panel consists of members of the Regional Economic Growth Partnership and the (officer-level) Programme Board. The Investment Panel recommends to Regional Cabinet those proposals that should be taken to the next stage.
- This triggers a **business case development** process proportionate to the size and risk of the investment, with the Investment Panel and Regional Cabinet considering projects at the Strategic Outline Case and Outline Business Case stage, and investment decisions made by Regional Cabinet following the Full Business Case.

5.32 By the end of Quarter 1 2020/21, there were 20 projects in the pipeline (at various stages of development), in addition to the CSC Foundry and four other fully approved interventions.

Approved interventions

D.2 By the end of June 2020, Regional Cabinet had approved the following interventions (in addition to the CSC Foundry):

Table D-1: Additional approved interventions

Intervention	WIF commitment	WIF expenditure (to end Q1 2020/21)
Metro Plus	£15 million	-
Graduate Scheme	£1.545 million	£150k
Housing Investment Fund (Viability Gap Scheme)	£31.498 million	£60k
Creo Medical	£2.055 million	£2.055 million

Source: CCR, Quarter 1 Performance Report, September 2020

5.33 In October, a further intervention was approved for a **Challenge Fund**, with a commitment of £10 million from the WIF.

Metro Plus

Background

D.3 The South Wales Metro is a major infrastructure programme, involving transformational investment in the quality, speed and frequency of services across the Core Valley Lines

network, and the delivery of additional stations. However, the Metro proposition has always involved a multi-modal transport system, including integrated connectivity with the bus network²³. The *Economic and Industrial Strategy* (2018) set a priority of “embracing the Metro as a backbone to connecting the CCR” and to improving transport links across the region, linked with the Metro. Delivery of Metro Plus was also specifically set out as a priority in the 2019 Joint Working Agreement Business Plan.

D.4 In February 2019, the Regional Cabinet agreed a **Strategic Outline Programme** for a first phase of local transport schemes that would be complementary to the Metro investment. This identified an indicative programme of ten schemes across the region, with a total estimated value of around £50 million. The Strategic Outline Programme proposed Wider Investment Fund investment of £15 million, matched with £15 million from the Welsh Government’s Local Transport Fund²⁴ and £20 million from local contributions.

D.5 At strategic level, the benefits envisaged within the SOP included:

- Improved accessibility to work, learning and leisure opportunities (including through the role of transport interchanges in facilitating connections to the Metro ‘spine’ from communities further afield)
- Increased retail, leisure and other economic opportunities through the development of a range of uses at interchanges beyond transport
- Environmental benefits, through the incorporation of measures to support the roll-out of electric vehicles (e.g. new charging points)²⁵ and increased modal shift
- Promotion of active travel and support for walking and cycling.
- Skills development and training, with the intention for a targeted recruitment and training programme to be incorporated as part of all works contracts
- Scope for income generation and a financial return on investment that could be recycled through the WIF (although it should be noted that no future receipts are factored into the Wider Investment Fund’s future financial profile at the scale of the Metro Plus programme as a whole).
- Opportunities for digital infrastructure development (e.g. the development of apps and digital tools to help customers make the best use of improved connectivity).

D.6 Following the Strategic Outline Programme, the Regional Cabinet gave ‘in principle’ commitment to the use of the Wider Investment Fund for Metro Plus, subject to the adoption

²³ Mark Barry (2011), *A Metro for Wales’ Capital City Region*, IWA/ Cardiff Business School (<https://www.iwa.wales/wp-content/media/2011/02/iwa-metroreport.pdf>)

²⁴ The LTF is an annual grant. The expectation is that £5 million LTF per year over three years will co-finance the Metro Plus schemes, with a single regional bid submitted to the Welsh Government on behalf of all ten local authorities.

²⁵ Alongside the SOP, CCRC commissioned a supplementary report into the scope for greater use of electric vehicles and charging options.

of a **Common Assessment Framework** (CAF) for individual projects, designed to assess the contribution of each scheme to meeting the economic objectives of the City Deal, as well as the transport considerations included in the WelTAG business case process. The CAF was approved by the Regional Transport Authority in November 2019, with authority to approve individual Metro Plus investments delegated to the RTA, up to the £15 million allocation limit.

Metro Plus projects

- D.7** Phase 1 of the Metro Plus programme consists of ten projects, each of which have been allocated £1.5 million from the Wider Investment Fund, matched with the same amount from the Local Transport Fund and supplemented with local contributions as appropriate. These are set out in the table below:

Table D-2: Metro Plus Phase 1 interventions

Project	Summary description	Completion date
Pentrebach Park & Ride	Park and ride at Pentrebach station (south of Merthyr Tydfil), to be delivered in time for the doubling of frequencies on the Merthyr rail line. The site is linked with a mixed-use residential and business development on a former factory site.	December 2022
Pontypool & New Inn Park & Ride	Park and ride at Pontypool and New Inn station (on the Newport-Hereford line), accessible from the A4042 trunk road. The scheme includes improved station facilities and is intended to provide a rail interchange point for passengers in the Eastern Valleys not served by rail infrastructure (e.g. Blaenavon and Abersychan) and parts of Monmouthshire. It will also serve a new housing/ employment scheme at Mamhilad, north of Pontypool.	July 2021
Abertillery Transport Interchange	Development of a new transport interchange in advance of, and to accommodate a proposed new rail link to Abertillery from the Ebbw Vale line.	TBC
Barry Docks Bus Interchange	Bus and rail interchange in Barry town centre, extending the existing park and ride site, expanding to meet rising demand and to serve Cardiff Wales Airport.	March 2022
Caerphilly Bus Interchange	New transport interchange on the site of the current bus and rail stations, including improved facilities, electric vehicle charging and a larger park and ride facility.	2023
Newport Priority Bus Route	Priority bus route from east Newport into the city centre, linked with a new park and ride facility to support the Royal Gwent Hospital	March 2022
Pyle Park & Ride and Porthcawl Bus Station	Park and ride within an integrated transport hub serving Pyle and surrounding area, with a bus interchange at Porthcawl as part of the same scheme.	March 2022
Porth Interchange	Transport hub linked with Porth rail station (coinciding with improved frequencies as part of Metro), including	December 2021

Project	Summary description	Completion date
	improved station facilities and contributing to a regenerated Station Quarter.	
East Cardiff Bus Priority and Cycle Superhighway	Series of sustainable and active travel packages that will enable improved bus connections to Cardiff city centre and employment zones and deliver a 'Central Cycle Superhighway' connecting existing cycle routes to the city centre.	December 2021
Severn Tunnel Junction Park & Ride	Expanded park and ride facility at Severn Tunnel Junction station, enabling an improved bus/ rail interchange and potentially improvements to the station itself.	December 2021

Source: CCR Regional Transport Authority, September 2020; CCR

- D.8** Construction work has started on two of these schemes – Porth Interchange and Pontypool and New Inn Park and Ride (in January and March 2020 respectively). As work is advanced on the Porth scheme, it has been considered further as an 'intervention-up' case study. This case study is included within the Capacity Development and Partnership Working Evidence Paper, which accompanies this report.

Wider Investment Fund expenditure

- D.9** No Wider Investment Fund monies had been spent on Metro Plus by the end of Q1 2020/21²⁶. However, it is anticipated that £5.185 million will have been spent by the end of the financial year.

Future plans

- D.10** A further ten schemes have been identified for a Metro Plus Phase 2 programme, alongside four 'Metro Enhancement Framework'²⁷ projects. These are currently being developed via the Welsh Government Local Transport Fund: there is no commitment at present from the Wider Investment Fund, and any funding allocations will be dependent on an application and business case development process.

Graduate Scheme

Background

- D.11** In December 2018, Regional Cabinet approved a **pilot Graduate Scheme**. This brokered internships and placements for graduates with SMEs in the region, in conjunction with

²⁶ Note that as the matching Local Transport Fund is an annual allocation, schemes are profiled to spend money from LTF first.

²⁷ The Metro Enhancement Framework (MEF) seeks to support improvements to those elements of the wider Metro strategy that are currently outside the Core Valley Lines Metro investment (e.g. on the Vale of Glamorgan and Maesteg lines).

regional universities. Following a review of the pilot, Regional Cabinet considered a full business case in March 2020, and agreed to support a full four-year programme from April.

- D.12** The rationale for the pilot scheme was to “reverse the ‘brain-drain’” associated with a net loss of graduates from the region, while improving the productivity and growth potential of businesses that historically would have had little engagement with the graduate jobs market. This built on the recommendations of CCR’s Growth and Competitiveness Commission (2016), which noted a need to focus on retaining graduate talent in the region, making efforts to match them with job and enterprise opportunities²⁸.
- D.13** A review of the pilot, based on 28 filled placements, found that the ratio of private leverage to WIF funds invested was around 5.8:1, based on actual graduate salaries and on-costs. It also found that the placements created were appropriate to graduate skills, that there was high business interest, and that of those completing placements, all had been offered permanent positions with the employer – although it was too early to identify any impacts on business growth or productivity. The review also set out several recommendations for future scheme design, including more innovative approaches to placement advertising and business engagement, better coordination of university involvement, and a more targeted approach to creating opportunities in specific sectors, in line with the *Industrial and Economic Plan*.
- D.14** Alongside the review, CCR commissioned Nesta to prepare a review of *The Future for Skills in Cardiff Capital Region*. This recommended (*inter alia*) the opportunity to align an expanded Graduate Scheme with Shared Apprenticeships within the priority growth sectors identified in the *Industrial and Economic Plan*, and the need to provide better coordinated labour market information and career pathways.
- D.15** Following this, CCR developed a ***Future Ready Skills Framework***, which was considered by Regional Cabinet in March 2020. This draws on the Nesta work and the Graduate Scheme review, and proposed (alongside seven other ‘pillars of activity’ a scaling up of the Graduate Scheme. This informed a Full Business Case for an expanded scheme.
- D.16** The expanded scheme will run for four years from April 2020, with the aim of supporting placements and internships for 500 graduates over that period. Key performance indicators include a 60% conversion rate from graduate placements into permanent roles and a target of £8.45 of private leverage for every £1 of CCR investment.

Expenditure

- D.17** Total WIF expenditure over the lifetime of the Scheme is expected to be £1.538 million, including £117k spent on the pilot scheme in 2018/19 and 2019/20, prior to the development and approval of the FBC.

²⁸ CCRC (2016), [Growth and Competitiveness Commission: Report and Recommendations](#)

Homes for All the Region (Viability Gap Fund)

Background

- D.18** Housing development was a key theme in the original City Deal, and there is a widespread recognition that there is a viability challenge in bringing forward stalled sites for housing development, especially on former industrial land. The JWA Business Plan noted that there could be a variety of mechanisms used to bring sites forward, and proposed the principle of a regional housing investment fund, the concept of which was discussed by Regional Cabinet in 2018.
- D.19** Developing the concept further, a business case for a housing investment fund was prepared, alongside a Housing Market Review. This led to a Full Business Case approved by Regional Cabinet in March 2020, which proposed a **Viability Gap Fund** and an **SME Finance Fund**.

Viability Gap Fund

- D.20** The Viability Gap Fund (VGF) is intended to provide ‘patient finance’ to support infrastructure development to bring schemes forward and to support land reclamation and remediation. Within the aims of the *Investment and Intervention Framework*, the return on investment is primarily seen in terms of ‘creating the conditions for private sector success and civic benefit’, rather than a direct financial return to the Wider Investment Fund, although profit will be shared between developers and the Wider Investment Fund based on an agreed overage arrangement at the start of each deal²⁹.
- D.21** The Viability Gap Fund will target ‘marginally unviable’ sites that have a ‘gap’ requirement of between £1 million and £8 million, anticipated to be mid-sized sites of 40-350 units. The intention is that this will complement other schemes, such as the Stalled Sites Fund proposed by the Welsh Government, which is focused on larger developments. Funding will be directed towards private and public sector-led schemes, although in all cases the funding will be channelled via the relevant local authority, in order to ensure strategic policy compliance.
- D.22** The VGF has total Wider Investment Fund investment of £30 million, made up of:
- £15 million ‘ring-fenced’ to Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf and Torfaen (the five ‘bottom-ranked’ authorities on the UK Competitiveness Index)
 - £15 million available on merit throughout the region.
- D.23** In addition, a further £5 million has been added to the scheme from the Welsh Government, subject to proposals meeting supplementary Welsh Government criteria in relation to space standards and affordable housing.

²⁹ For example, where actual sales are greater than the forecast values in the original viability assessment, the pre-agreed overage arrangement will commence, with caps on developer profits.

D.24 The FBC for the scheme anticipates that the VGF will help to bring forward up to 2,800 homes, secure up to £490 million in private sector leverage and “have the potential to leverage an additional £870 million of additional economic output”.

D.25 Since the FBC was approved, CBRE has been appointed to a technical advisory role. The window for applications to the VGF opened in September 2020 and expected to conclude in December, with contracting and due diligence taking place in 2021 and all funds drawn down and spent by March 2024.

SME Finance Fund

D.26 Supplementing the VGF, an SME Finance Fund is to be established using £10 million Welsh Government Funding. This will be a fully-recoverable fund, intended to increase SME developers’ access to the market. Work is underway (in September 2020) to procure an FCA-registered fund manager, with a view to an FBC coming forward to Regional Cabinet in March 2021.

Creo Medical

5.34 In May 2020, Regional Cabinet approved a series of priorities for addressing the economic impact of Covid-19, supplemented by a Covid-19 ‘addendum’ to the *Investment and Intervention Framework*. This included focusing on measures to accelerate the development of the med-tech cluster.

5.35 Following consideration by the Investment Panel, Regional Cabinet approved WIF funding of £2.055 million in May 2020 to Creo Medical, a medical technologies business based in Chepstow. This took the form of a loan agreement to support Creo Medical in the development of cool plasma sterilisation and decontamination technology, to enable it to launch new anti-viral and anti-bacterial products on the market. The loan is expected to be repaid with interest within five years, and is anticipated to support 30 jobs by the end of 2020 and a further 70 jobs as production is rolled out. Wider benefits are expected to include increased expenditure on business R&D, increased turnover and private sector leverage.

CCR Challenge Fund – Re-building community wealth post Covid-19

D.27 In October 2020, Regional Cabinet approved WIF investment of £10 million in a CCR Challenge Programme aimed at “rebuilding local wealth post Covid-19”. This investment leverages a potential £5.6 million through the ERDF-funded Innovative Future Services (InFuSe) programme (subject to approval) and will establish a challenge programme to demonstrate how innovation can be applied to major societal challenges to generate economic and social impact and potentially lead to commercial opportunities. The programme will focus on challenges associated with decarbonisation; community cohesion; and food and health and food security, with the potential addition of further challenge themes over time.

D.28 The Challenge Fund explicitly seeks to “drive a more experimental approach to economic growth” in responding to challenges where there are no ready solutions or products available. It proposes using the R&D business case development process used for the Small Business Research Initiative (SBRI) as a recognised alternative to the standard ‘five case’ business case process, in circumstances where a ready solution does not exist. It responds to the ‘challenge’ component of the CCR Investment and Intervention Framework and the ‘post-Covid priorities’ adopted by Regional Cabinet in May.

Interventions nearing approval

D.29 ‘In-principle’ allocations have been agreed for a further two projects:

Table D-3: ‘In-principle’ approvals

Intervention	WIF commitment (in-principle)	WIF expenditure (to end Q1 2020/21)
Metro Central	£40 million	£1.173 million
CS Connected	£3.3 million	£75k

Metro Central

D.30 Metro Central is a major transport and regeneration scheme in Cardiff city centre, which involves redevelopment of Cardiff Central station and the surrounding area to improve connectivity between the Metro, other public transport and the intercity rail network and to bring forward additional sites for commercial development.

D.31 The Metro Central scheme has a total estimated cost of £185 million. In 2018, Regional Cabinet agreed to an ‘in-principle’ allocation of £40 million towards the scheme, as part of a total package, made up (indicatively) of:

Table D-4: Metro Central funding package

Element	Funding source	Indicative investment
Bus interchange	Welsh Government	£30m
Central station: North concourse, weather protection, stairway remodelling	CCR Wider Investment Fund	£40m (max)
Central station: Platform 0, other rail infrastructure	DfT	£58.3m
Central station: North-south connectivity improvements and Metro integration	Welsh Government	£15m
Central station: Concourse buildings and car park	Private sector	£40m

Source: CCR, Metro Central OBC report, March 2020

D.32 At this stage, costs are indicative, pending the development of a Full Business Case. Alongside its commitment to co-invest, CCR requested in 2018 that the scheme be supported by a

‘programme-level’ FBC, to take into account the wider activity associated with commercial development around Central Station, as well as the transport-related business cases for each element.

D.33 To progress the FBC, Regional Cabinet approved up to £4 million Wider Investment Fund contribution in March 2020. By the end of Q1 2020/21, £1.173 million WIF had been spent on Metro Central, including earlier spend in 2019/20.

CS Connected

D.34 In 2019, CS Connected submitted a full application to UKRI’s Strength in Places Fund for a £43.3 million project to support the development of the compound semiconductor cluster. This is complementary to the Wider Investment Fund’s existing investment in the compound semiconductor foundry at IQE, and is supported by the leading businesses in the sector (IQE, Microsemi, SPTS and Newport Wafer Fab), as well as by Cardiff and Swansea Universities and the Welsh Government. This application was approved earlier in 2020.

D.35 Within the application, CCR committed to a £3.3 million contribution towards capital investment in a new ‘front of house’ facility at the CSC Foundry, including a headquarters facility for CS Connected. This would comprise half the costs of conversion of the existing buildings to provide new offices and a marketing suite. Approval of this in-principle funding commitment will need to follow a business case proposal from the consortium lead (Cardiff University), in line with the *Investment and Intervention Framework* process.

The pipeline

D.36 Within the wider pipeline, some 18 interventions are at various stages in the business case development process. Those at OBC/ FBC stage include:

- A proposed **Life Sciences Innovation Park**, to be developed on the former GE Healthcare research and development facility in North Cardiff. This is complementary to the current Medical Devices and Diagnostics Strength in Places Fund currently in development (and the wider development of the medtech sector more broadly)
- A proposed **CCR Premises Fund**, to bring forward sites for commercial development, recognising the current shortage of good-quality sites in the region
- A **Local Full Fibre Network** project, supported by DCMS and linked with the delivery of Metro
- Proposed investment in **Pharmatelligence**, a healthcare data company based in Cardiff, supporting innovative product development in response to the Covid-19 pandemic.

D.37 Projects currently at SOC or pre-SOC stage include programme proposals (including the concept of a cluster support fund to invest directly in businesses, via an FCA-registered fund manager), infrastructure proposals and individual commercial propositions.

Bringing it together: Some conclusions on recent and pipeline investments

D.38 At the Gateway Review stage, only one investment has been fully approved and ‘delivered’, and this is subject to detailed analysis in the main body of this report and the supporting evidence papers. However, there is evidence that significant progress has been made in bringing forward additional investment proposals. Although these are outside the scope of this evaluation (and no consultation has taken place in relation to these potential interventions other than with the core CCR team), some observations are worth making:

- **The value of commitments approved in 2020 is significant**, at just over £50 million from the Wider Investment Fund. Some of this funding is still subject to further business case development (for example the Housing Viability Gap Fund is dependent on appropriate projects coming forward), although timescales for project development within the ‘programme allocations’ are clear.
- **There is a commitment to financial return on investment where possible**, although as outlined in the *Investment and Intervention Framework*, this takes different forms across projects.
- **There is a strong pipeline of potential investments**, with, in addition to those pipeline schemes recorded in the numbers cited above, several early stage proposals that have been considered and rejected by the Investment Panel at the early Sift questionnaire stage.
- **CCR is looking to alternative mechanisms of managing the pipeline**, recognising capacity constraints and the challenges in managing larger numbers of commercial investments. Proposals for a separate cluster support fund and premises fund reflects this, and potentially responds to some of the views raised by strategic consultees in the context of the capacity and partnership development elements of this evaluation.



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This report gives a full and comprehensive summary of the history, context, activity, progress made to date and outlines the scale of opportunity that exists for evolution of the city deal into a more holistic city region approach.

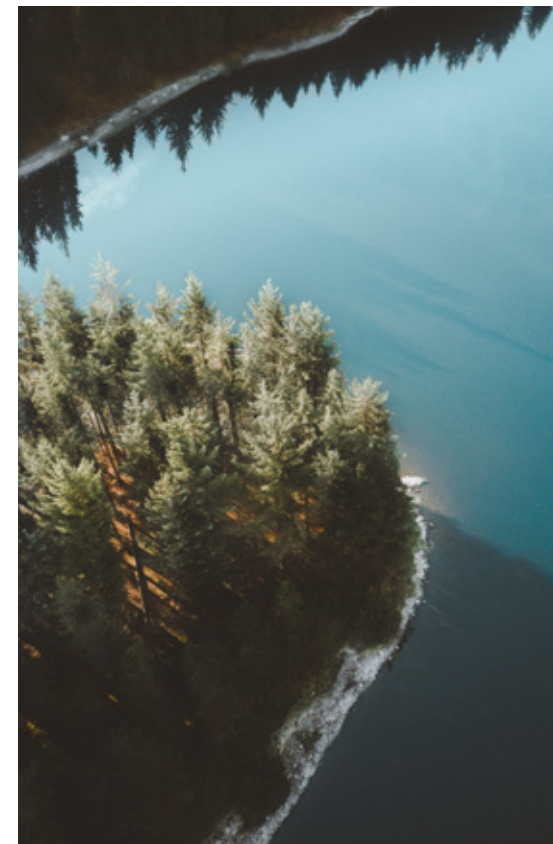
In summary, in line with our 10 point plan we have:

- Developed a rich seam of data and insight to facilitate quality assessments and decision making.
- Created an integrated, fact based regional industrial growth plan and robust leadership capability that has been evolved and adapted for Covid-19 impact.
- Created an investment assessment framework and a delivery pipeline based on agreed priorities.
- Approved projects worth approx. £101.5m (as of July 2020) with leverage of c£1.5BN and have a further £120m+ in the immediate pipeline with similar forecast levels of investment leverage.
- Created and implemented a solid, effective governance framework.
- Extended our voice, reach and influence beyond expectation and play a proactive integral role on all relevant business forums/panels/committees.
- Restructured the internal team building new capabilities, new contracts, and new collateral to assist the next stage of our journey.
- Implemented effective working partnerships with REGP and Investment panel both of which have transformed the ways of working and made a huge contribution to the big picture debates on matters of policy, economic and social reform.
- Embraced the concept of Challenge funding, developed a comprehensive partnership network and created a £10m challenge fund to stimulate local and foundational economies post Covid-19.
- Expanded our international reach via networking events, partnerships and participation in initiatives such as Western Gateway.
- Articulated the limitations of the existing structure and progressed the debate on the manifest opportunity of a City Region approach.

We have built firm foundations, we have solid plans for the next stage of our journey and we have effective local leadership but we do not underestimate the size of the challenges ahead.

A complex political landscape, the levelling up agenda, green revolution and post covid-19 economic imperatives combined with the structural limitations of our current modus operandi make for a complex and very challenging environment.

However, we are confident that we have the right leadership in place and the right plans in progress. We take confidence from our notable successes to date and are 100% committed to making a success of this programme.



Purpose of Report

The purpose of this report is to supplement information provided for the review with a full synopsis of the history, context, activity and progress made to date.

Context

In the period prior to September 2019, work was focused upon putting the foundations in place including setting up the following; JWA, JWA Business Plan, Accountable Body, Assurance Framework & partnerships/ governance all of which required operationalising. However, throughout the period many significant things were changing including; Brexit, establishment of UKRI and new policy approaches to regional development at both UK and Welsh Government levels.

Therefore, a key part of the job was to re-purpose and re-set the direction of CCR City Deal at the same time as implementing the operating protocols. This involved a re-empowering of existing partnerships, enhancing governance & relationships, production of an outward facing economic growth plan, the development of an Investment & Intervention Framework to give practical effect to the Assurance Framework and the creation of a 10 point plan to structure and focus the agenda.

Structure

The content of this report is aligned to that “10 point plan” introduced by the current Director, Kellie Beirne, in September 2019 as this represented a pivotal point in the evolution of City Deal. These 10 points, with their significant breadth and depth of focus provide a useful framework for assessment, fit well with an operating environment that has to continually adapt and flex to prevailing conditions to ensure continued relevance, and have been used previously for self evaluation and reflection.



Kellie Beirne
Director, Cardiff Capital Region City Deal

A strong sense of Purpose

What is the City Deal?

CCR City Deal is a 1.3bn fund provided by a combination of UK Gov, Welsh Gov and the 10 CCR Local Authorities.

3 Primary Goals:

- 25,000 jobs
- 5% uplift in GVA
- £4bn additional investment leverage

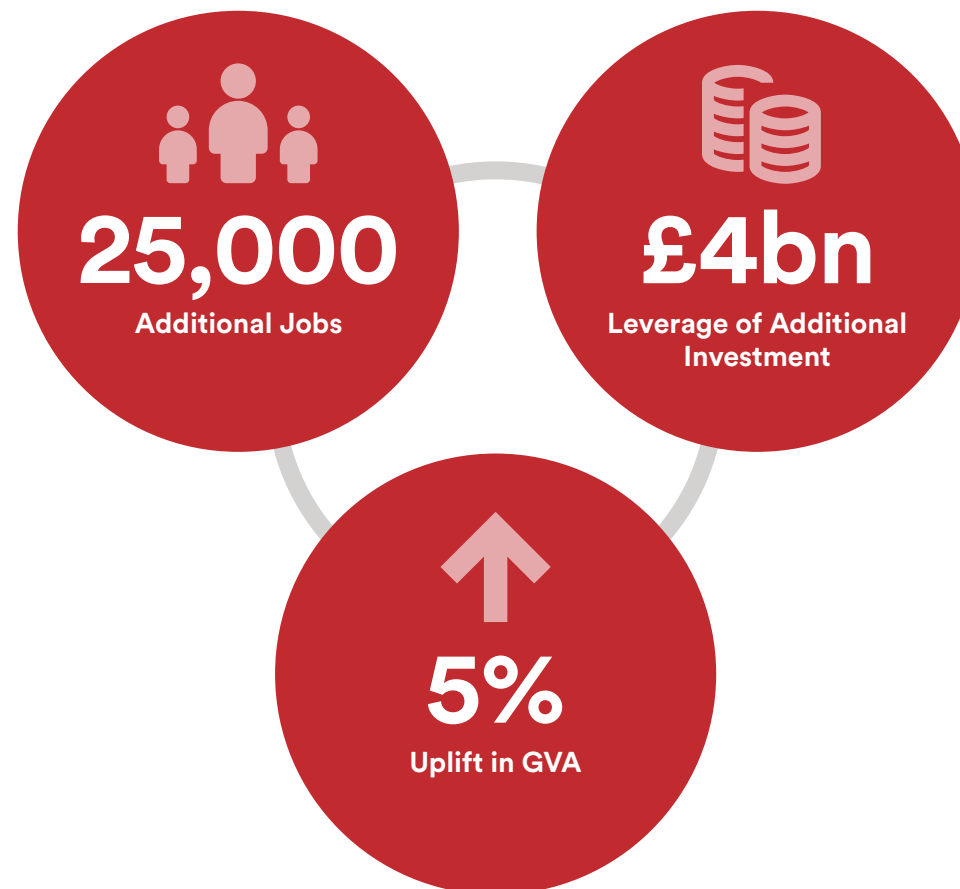
Inclusive Growth

It is important to note that our local political leaders are clear that they see little gain in hitting targets that miss “the point”. Growth strategies sometimes exacerbate inequality which is especially critical in a region in which the least and most competitive areas co-exist

What is “the point”? ultimately it is about;

- Creating general prosperity – where no one place gets left behind
- Fostering innovation in business, public services and local and foundational economies
- Ensuring that economic ambition is matched with progressive social policies

Core Objectives of the Cardiff Capital Region City Deal



Challenge & Opportunity

We live in Challenging times

Multiple macro factors at play; EU Exit, fiscal uncertainty and Covid-driven economic downturn.

We are strategically well positioned to be a catalyst for a new approach

We have clear opportunities to create a post covid-19 positive legacy and we are increasingly developing the confidence & maturity to not just compete in new world, but to play a key role in defining the new economy. This is frequently about doing the right things not the easy things and this means often, taking a longer-term perspective.

There is local political will to embrace a more progressive state role

This means moving beyond de-risking or just enabling to proactively convening around solutions to the big industrial and societal problems of the day. This will involve a real commitment to a different type and scale of interaction between public and private sectors but is a direction we are committed to moving toward.



From City Deal to City Region

New ends require new means

There is significant opportunity to use the platform created by the CCR City Deal to build out the future of the Region. Levelling-up, 'build back better', trade opportunities, green economy and wellbeing must all be part of the approach.

There is opportunity for a more collaborative and distinctive approach but this will require time to create the right conditions, build the right networks and to develop a more distributed leadership model.

The time is right to purposefully shift from a dependency culture to a focus on resilience and "living off the interest not spending down the capital" and to shift to a concept of regionalism that is more about collaboration and less about top down structures.

Integrated programmes

Whilst the City Deal came first and will always remain important, it needs to sit alongside other programmes and opportunities and the goal must be to align, co-ordinate and leverage the potential of common purpose, shared resources and integrated working.



1

Data, Evidence & Policy



2

Regional Economic Growth Plan



3

Investment Framework & Delivery Pipeline



4

Governance



5

Influence & Engagement



6

Create City Deal Office



7

Enhance balance of local and industrial leadership



8

Challenge focussed & mission driven



9

Boosting our international credentials



10

Building a more sustainable & resilient Cardiff Capital Region



1. Data, Evidence & Policy

Challenges

- Low-levels of data capability
 - insight & foresight
- A need to be able to determine where best to place our investments
- A need to improve our ability to assess the value of our interventions, decision-making and evaluation
- Being fully prepared for National Evaluation Framework & Gateway Review.

Achievements

- Conducted an Analysis of Priority Sectors
- Adopted National Evaluation Framework
- Developed a Local Evaluation Framework
- Delivered 1st Baseline Report
- Delivered a “One Year Out” report
- Secured 2 x KES PhD studentships in Data Science and Analysis
- Submitted Full Economic Impact Assessment for CS Connected to Strength in Places Fund
- Retained Cardiff Uni to work on economic intelligence database and dashboard- data observatory
- Placed 2 MSC Data Science Students within the team
- Utilised Nesta – Skills for Future research to inform Future Ready Skills Framework
- Deployed Savills to conduct Regional Housing Market Review
- Developed good relationships with ONS, WG, Universities
- Conducted 4 Renewable Energy studies for Metro Plus
- Appointed Kevin Gardiner, Rothschild economist to take the lead on a REGP Data and Research sub-group
- Achieved 1000+ responses to our Covid-19 Business Survey
- Produced 3 ‘State of the Region’ reports:



- Provided advisory support to other City and Growth Deals
- Submitted evidence to numerous UKRI research projects, submission of evidence to inquiries and most recently, inputted to BEIS Task Force on levelling up and skills
- Made a key contribution to OECD work - future regional economic governance in Wales
- Active contributors to and participants in UK2070 Commission on regional economic inequality.

Outcomes

- Good evidence & data key has enabled more robust decision making
- Introduction of logic model evaluation in place on all live projects ensures what gets measured gets done.
- Extending involvement beyond a project only focus and making an active contribution to higher-level policy goals (e.g. CS Connected)
- Increased confidence in our strategy & execution
- Developing a robust thought leadership & opinion forming role
- Introduction of more impactful Communications and Engagement:
 - [2019 Roundup Newsletter](#) »
 - [Summer 2020 Newsletter](#) »
 - [Latest Publications \(Q1 2020\)](#) »
 - [Latest Publications \(Q2 2020\)](#) »
- Key participants in debates on Corporate Joint Committees and future of Regional Investment post Brexit – SPF
- Contributed toward Devolution White Paper.

We have developed a rich seam of data and insight to facilitate quality assessments and decision making.

2. Regional Industrial & Economic Growth Plan

Challenges

- Medium term Planning gap - no 5 year business plan
- No succinct outward facing growth statement and plan
- A desire to be vision and values-led
- A need to address relatively low levels of influence (UKRI)
- A need to be clear about priorities and focus.

Achievements

- Co-produced with REGP a Regional Economic and Industrial Growth Plan—
Undertook a REGP leadership and local-UK-global launch to a wide-range of stakeholders
- Ensured alignment with WG Economic Action Plan & UK-wide Industrial Strategy—
Embedded sectoral analysis & wider evidence-base into plan
- Planning activity endorsed by Chambers, CBI, FSB, IoD
- Agreed priorities. Fewer but with a deeper focus
- Proven planning flexibility to respond to change and adapt priorities
- Evidence based Post **Covid-19 addendum** added with 10 updated priorities:

1. **Helping CCR businesses navigate the funding support packages available and identifying gaps in provision.** This includes communicating information, getting feedback, and raising awareness of arising issues.
2. **Building a strong evidence base to enable ongoing assessment of regional economic health.** This includes working with the School of Economic Geography at Cardiff University to create a regional data dashboard of Key Performance Indicators, and getting feedback from stakeholders to identify issues and opportunities.
3. **Reviewing current City Deal initiatives to make sure they align with CCR economic and social imperatives in a post-Covid 19 world.** This will include accelerating our Digital Infrastructure programmes on full fibre connectivity and 5G and considering the application of a broader reskilling/ HE/ FE support programme to mirror the changing sector dynamics.
4. **Ensuring entrepreneurs and start-ups get the support they need.** This includes facilitating access to mentoring programmes and network groups, unlocking routes to obtain seed capital and influencing the potential creation of a bespoke shared prosperity funding programme.
5. **Setting up a new Rebuilding Local Economies Challenge Programme, to capitalise on the business innovation and ingenuity seen during the crisis.** Two or three challenges such as healthy ageing, foundational economy renewal, future mobility or decarbonisation, will form the focus for the new challenge funds.
6. **Developing new, targeted funding interventions and new investment application support mechanisms.** This includes working with investment partners to create an SME Co-investment Fund to help scale up business in priority sectors.
7. **Supporting key businesses in the CCR priority clusters to increase their resilience and capacity for growth through increased flexibility on lending/investments.** This includes consideration of alternative funding mechanisms such as convertible equities, greater flexibility in ways of assessing debt capacity, and increased use of guarantees and asset-backed securities.
8. **Accelerating the development of our medtech cluster through encouraging and supporting investment opportunities in medtech innovation.** This will allow us to build upon the strategic opportunities for the sector and the region presented by the scale of businesses diversifying their manufacturing bases to accommodate the production of medical tools and equipment.
9. **Expediting the creation of resilient industrial clusters with thriving regional ecosystems.** This includes creating formal cluster bodies in priority sectors, and prioritising investment support to complement strategic cluster company inward investment activities.
10. **Increasing our overall competitiveness and wealth creation as a region by improving the financial performance of medium-sized businesses.** This will include focused interventions such as facilitating greater networking opportunities between CEOs, for the sharing of best practice advice and guidance.

Outcomes

- Proven CCR Industrial Plan not static – able to flex to remain up-to-date & relevant
- Covid revised plan proved to be able to convert to action quickly. Examples: Creo Plasma Technology Investment made in weeks & Challenge Fund launched for re-building local wealth post-Covid
- Review gave opportunity to review existing schemes and proposals and provide added assurance our current activities were fully aligned
- Achieved good stakeholder engagement. Partners fully bought into the revised Plan and which received widespread endorsement.
- Process and ensuing debate has begun to position the asks of 'levelling up'
- The planning tasks have brought into focus some of the dilemmas around regional frameworks and investment. WG also moving to a regional investment approach with new Regional Investment Frameworks. Has raised key policy questions about 'who' or 'what' is the region, who leads and what 'empowering regions' means in Welsh context? This will be a critical dimension as plans for new regional Corporate Joint Committees develop.

We have created integrated, fact based, flexible regional industrial growth plans and robust leadership capability.



REGIONAL INDUSTRIAL & ECONOMIC GROWTH PLAN →

3. Investment Framework & Delivery Pipeline

Challenges

- Medium term planning gap - no 5 year business plan
- No succinct outward facing growth statement and plan
- A desire to be vision and values-led
- A need to address relatively low levels of influence (UKRI)
- A need to be clear about priorities and focus.

Achievements

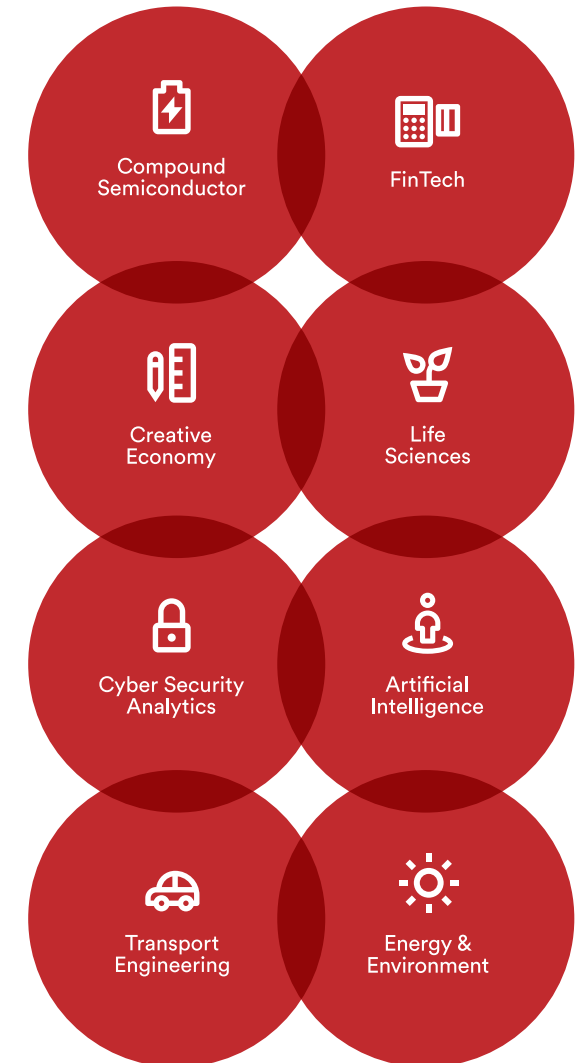
- Co-produced the Investment and Intervention Framework with REGP
 - Developed Three funding priorities – innovation, infrastructure & challenge
- Established evergreen, revolving, co-investment principles
- Introduction of Investment Panel as an advisory body to Regional Cabinet
- Good use of REGP leadership & experience
- Established a more formal process role for CEX Group (now Programme Board)
- Identified 5 priority sector Clusters
- Established a Common Assessment Framework for transport and infrastructure projects
- Commissioned local partnerships to work on Proportionate Business Case development – vital where innovation and challenge programmes don't always precisely fit the Green Book.

Investment & Intervention Framework



[Download The Cardiff Capital Region Investment Framework »](#)

Key Sectors of Interest



Achievements - Delivery Pipeline

March 2020 Cabinet Decisions:

- Full approval of Homes for all the Region (£45m) fund comprising:
 - Viability Gap Fund
 - SME Finance Fund
- Full approval of phase 1 Metro Central – design & business plan with DfT (first £4m of £40m scheme)
- Full approval of CCR Graduate Scheme (£1.5m)
- Early stage approvals on 5G Wales, Full Fibre to Premise Scheme for 330k properties and Coryton Life Sciences Park

July 2020 Cabinet Decisions:

- 8 proposals at SOC – e.g. med-tech, pharma, energy & £100m Clusters Fund
- 7 proposals at OBC/ FBC – e.g. £26m Coryton Life Sciences Park, £50m Strategic Premises Fund & £16m Local Wealth Building Challenge Fund
- 5 schemes at legal completion – £45m Housing Fund, £38m CSC Foundry, £2m Cool Plasma, £2m Graduate Scheme and £7m LFFN with Metro Central in design phase £4m and Metro Plus schemes in various stages of design and delivery £15m
- Under NDA on several significant transformational programmes

Achievements - CS Connected



- Confirmation from UKRI Strength in Places full funding award £25.6m leveraging a further £18m to total £44m for CS Connected – compound semi-conductor cluster
- One of only 7 UK regions to secure funds – partners include IQE, CSC, Catapult, HEIs, NWF, Microchip, SPTS & WG
- Includes – Front of House facility in Newport mega-Foundry (£3.5m CCR), Skills Programme, inward investment support, a Collaborative R&D programme and establishment of trade body CS Connected
- Full backing and support of CSC Foundry Ltd.

Outcomes

- Investment and Intervention Framework and Investment Panel has been operational for just 10 months
- Significant progress has been made in short space of time
- As at July 2020 projects in wider pipeline total £390m investment ask, leveraging c.£4.05bn with job creation potential in the order of c.33,500 – with more to come
- External government funds also secured – 5G Wales DCMS £5m, SIPF for CS Connected UKRI £44m and WEFO £4m InFuSe
- Hierarchy of advice to Regional Cabinet focussed around Investment Panel is working well
- Regional Cabinet has matured and bonded well, undertaking a steering role whilst placing trust in others to advise and coming together to make decisions via the WIF to benefit the region

- We have a mixed portfolio of projects – with ROI potential to support 'evergreen' principles
- Covid impact is being felt – more emphasis on need for quality delivery at pace, capable of building resilience
- October 2020 we undertake a review of 12 months of operating IIF. What has gone well, what hasn't? Does our investment strategy need to change or adapt? External Audit work will help inform this
- CCR now in full scale-up and delivery phase and this means evolving governance structures, greater emphasis on programme management and optimisation, monitoring and evaluation and assurance, audit and risk
- "Logic models" are now in place for all 'live' projects with delivery/ approvals status in IIF
- Important next step is our 'Levelling up' prospectus.

We have created an investment assessment framework and a delivery pipeline based on agreed priorities and have approved projects worth approx. £101.5m with a further £120m at an advanced stage with potential for combined leverage of >£3bn.



4. Governance

Challenges

- A need for a consolidated governance process
- Improvement needed to assurance process
- 'Application forms needed simplifying ' and making more user friendly
- More effective alignment of skills
- Delegations
- Single agent v regionalism.

Achievements

- Investment & Intervention Framework in place with SIFT process implemented
- Regional Skills Partnership now hosted by Newport City Council
- Performance reporting improvements in line with Gateway Review
- CSC Foundry Ltd reporting and Logic Model aligned
- Cabinet maturity beyond City Deal – approach taken to skills, Strategic Development Plan and Valleys Regional Park
- WAO 2019/20 governance report rated good
- Informed OECD work on Economic Governance and were key contributors to Regional Investment Wales
- New chair, Cllr Anthony Hunt elected at AGM 2020.

- Vice chairs – Cllr Peter Fox (Innovation, Business & Research) & Cllr Huw Thomas (Business & Internationalisation)
- Full-scale independent review of Regional Business Council undertaken
- **New portfolio responsibilities agreed »**
- Refresher reviews of Economic Growth Partnership & RTA undertaken
- Core staffing team now in place on a permanent basis.
- Robust procedures in place across all 8 partnerships for Disclosure of Interest
- All back office process work well with all partnerships consulted on investment proposals post-Investment Panel and pre-Regional Cabinet
- Communications and engagement scaled-up considerably.



Achievements - Communications & Engagement: Q1 2020 Results

Produced, distributed and promoted:

- 8 podcasts
- 9 “Board” opinion/ thought leadership pieces
- 8 Industry specific features
- 7 News releases incl 3 all media releases
- 3 Brochures – Connected, Competitive, Resilient

Achieved a:

- 50% increase in overall website visitor traffic
- 130% increase in traffic to our news pages
- 167% increase in engagement with our twitter account
- 100% increase in Linked In followers
- 290% increase in engagement with our linked in account

Responded to covid-19 and our Business Impacts survey by:

- Launching a dedicated Covid-19 web section with FAQ's, handy links, and guidance notes
- Posting key updates daily via social channels
- Switching media focus to ensure a Covid dimension to all thought leadership and industry features including a series profile corporate responses to Covid in our key sectors.

Achievements - Communications & Engagement: Q2 2020 Results

Produced, distributed and promoted:

- 17 “Board” thought leadership articles
- 18 industry features covering fintech, medtech, manufacturing and automotive
- 7 Press release
- 5 graduate profiling articles
- 5 podcasts including 3 Business Wales podcasts and 2 of the CCR “Lockdown to Delivery” series

Achieved a:

- 70% uplift in new web site visitors
- 147% uplift in news page consumption
- 140% uplift in twitter engagement and gained 90 new followers
- 76% uplift in Linked In followers
- 98 new Facebook followers

In addition we have:

- Produced a summer newsletter
- Created a bespoke graduate recruitment campaign with dedicated landing pages and bespoke collateral for each of the technology/manufacturing and Life sciences sector - launched in July.

Outcomes

- Governance rated as ‘good’ in 2019/20 Annual Governance Statement recognising growing maturity and shift to scale-up phase
- New arrangements for scrutiny have also been enacted – new leads RCT County Borough Council
- All partnerships subject to refresh reviews with major independent review of Regional Business Council undertaken
- Issues are however emerging around underlying structures. CCR is supported by a Joint Cabinet. No legislative base in Wales for Combined Authorities
- JVs, partnerships, loan agreements all have to sit on Council balance-sheets with back to back legal agreements which isn't sustainable in long-term?
- Future shape of delivery entity needs consideration
- Played a key input role in CJC debate and future of regional investment in Wales
- In addition, it is acknowledged the structure is partnership-heavy. This must be reviewed to ensure CCR can maintain high-reach but reduce significant call on capacity.

We have created and implemented a solid, effective governance framework.



5. Influence & Leverage

Challenges

- Wider Investment Fund is only £495m
- Need to improve track record of bringing in new money (UKRI - £6.4bn annual budget) —
- Low influence and representation
- Wave 3 Industrial Strategy – poor show from Wales
- Under-developed competitiveness
- Need to develop and better mobilise networks.

Achievements

- UKRI Board relationships improved with meeting and events in the CCR
- CCRCD Director now formally appointed to the Board of Research England, UKRI
- Innovate UK engagement strengthened – senior officer now seconded to City Deal Office
- REGP pioneered formal partnership with Global Welsh:
 - Global city hubs (Dublin and USA)
 - MyMentoring scheme for businesses
 - SME performance Research Programme in collaboration Uni of Tokyo
- Supported Wales in London Week
- Made contributions to Shared Prosperity Fund consultations and Regional Investment Wales
- Agreed membership of the Western Gateway
- Established knowledge exchange network with Belfast, Glasgow, Oxford, Cambridge, Manchester & other Welsh regions
- Secured external funding from UKRI (SIPF), DCMS (LFFN & 5G RCC) and WEFO (INFUSE)
- SIPF Wave 2 successful at EOI stage on Clwstr (Creative Industries)

Became Members of:

- Research England Council, UKRI
- GW4
- Basque region network
- Science Advisory Council
- Innovation Advisory Council
- Cyber Wales
- Fintech Wales
- CS Connected
- SBRI Accelerator
- Ford Taskforce & sub-groups
- Regional Investment Board & sub-groups
- Valleys Taskforce
- Valleys Regional Park Forum
- Foundational Economy Advisory Board
- UK-French Mayors Project

Contributions made to:

- What works commission
- OECD work on economic governance in Wales
- UK2070 Commission
- National Evaluation Steering Panel
- Princes Trust
- Social Business Forum
- Social Mobility Foundation
- Built Environment
- CITB
- Scores of conferences, events and workshops
- CBI, FSB, IoD and Chambers
- Digital Tuesdays
- Royal Society, RSA, Research England, HeFCW and Learned Society.

Outcomes

- We are continuing to effectively develop our influencing role
- We have become central to big debates and research programmes informing opinion alongside influential organisations & institutions
- Strong network built enabling ability to mobilise resources of others and expand via a virtual 'CCR team'
- UKRI position is key in terms of impacting our long stated goal to get closer to hub of science, research/development and innovation
- Recognition and support from Cabinet Office – personal visit by Alex Aiken
- Ministerial support – roundtable with DCMS Minister on 5G and digital
- Participation in BEIS post-Covid recovery events and networks
- However, to build upon this good work, we must now develop a core function within CCR team that focuses on data, policy & influencing. This is a key connector into wider discussion about shifting from CCR City Deal to CCR.

We have extended our voice, reach and influence beyond expectation and play a proactive integral role on all relevant business forums/panels/committees.

6. Create a “City Deal Office”

Challenges

- ‘Programme Office’ nomenclature feels outdated and lacks meaning to investors
- No ‘front of house’ facility, branding and/or visibility
- Insufficient range and mix of skill-sets
- Needs a permanent staffing structure to mitigate risks around short-term resources to support long-term plan.

Achievements

- Created a new City Deal Office in heart of region – Tredomen, Caerphilly
- New structure created and approved by Regional Cabinet – with a focus on a blend of public sector, commercial, deal-making, data & community orientated skills
- Resourcing arrangements and delegations are in place with a permanent core team structure agreed as at June 2020
- Secured External secondment from Innovate UK, WG/SBRI and CS Connected
- Appointed a Comms and Marketing professional
- Updated and improved our Website with a new iteration to follow later this year
- KPMG and Pinsent Masons appointed advisors
- Accountable Body arrangements reviewed and working well.

Outcomes:

- Key risk has been mitigated by core structure of 7 key posts now having permanent status thus ensuring long-term aims met by long-term resource commitments.
- Reinforces pledge by Regional Cabinet & government partners to the need for a long-standing approach
- However, we will have to supplement and enhance this to ensure team is fit for purpose for the work in the second Gateway period. This will need to reflect the increased focus on delivery (investment focus), assurance, performance and programme management
- Branding is moving consistently towards CCR (as opposed to just CCR City Deal) which is symbolic of maturity & commitments
- Core issues to address include; revenue/capital optimisation, top-slice component to support revenue ‘running’ needs, maximising available resources and preparing for reinvestment of funds.



We have restructured the internal team building new capabilities, new contracts, and new collateral to assist the next stage of our journey.

7. Enhance balance of local/industrial leadership

Challenges

- More co-operation & co-production required
- SQW Baseline report highlights need for improved business engagement
- Leverage true value of REGP
- Risk taking and rewards
- Focus on key industrial scale clusters
- Empower business leadership.

Achievements

- REGP chair appointed to chair Investment Panel which has become a key and effective advisory board to the Regional Cabinet, changing the way we operate
- Appointed a cluster lead and work is underway on a cluster strategy and fund
- Put in place a continuous programme of Business events and workshops.
- Submitted EOIs through cluster engagement on SIPF programmes for Clwstr, Cyber, Fintech and Med-tech
- Awarded specific support via Investment Framework to Fintech Wales
- REGP fully delivered on its milestone plan:
 - Co-produced state of Region work Connected, Competitive and Resilient which has proved influential;
 - Economist, Kevin Gardiner taken an effective lead role on the research and data sub-group
 - Co-produced an Industrial and Economic Growth Plan
 - Co-developed an Investment and Intervention Framework
 - Fronted up publicity campaigns, evidence submissions and participation in committees, groups and partnerships
 - Secured our Global Welsh partnership
 - Provided advisory support to other City and Growth Deals
 - Has become a key point of contact with trade bodies and business groups

- Advised on our Post-Covid reform and reimagination work
- Manufacturing ‘Made in Wales’ initiative underway – driven by REGP members
- Conducted an Independent Review of the Regional Business Council
- Why we commissioned a review?**
 - RBC needs to more purposefully enact remit set out in City Deal heads of terms
 - City Deal evolved significantly in last 2 years – but RBC operation pre-dated that and so gap opened up
 - Make-up of group has also changed
 - Always been a bit of tension between the independence agenda – which CDO has tried to respect – versus the ‘tell us what to do’ ask
 - Need to ensure we are solving the right problem rather than just assuming case for a Regional Business Council

Important Considerations:

- Narrow versus broad business engagement. CCRCD is a small programme with limited funds so engagement to drive deals will always be fairly limited. However CCR is a different proposition altogether and is about broader principle of business support and engagement on wider issues
- Capacity needs – already under resourced – but need to make a commitment as support is more than admin – more complex and nuanced. Any investment should therefore be seen as such – an investment not just in the RBC but the wider programme – driving deal flow and inv readiness
- Hub and spoke and the opportunity for REGP centrality – good consideration given the traction and grip REGP has as strategic body and if they could now align with business council with broader remit – helps spread the message, word and impact

- Independence v ‘tell us what to do’ needs clarity

Recommended way forward?

- Repurposing into a “hub and spoke” approach, anchored more to the REGP

Next steps

- Present findings to Cabinet in September 2020 along with implementation plan and specification for Chair recruitment.



Outcomes

- Learning - our operating context is forever changing and the scale/nature of public-private interaction must also be capable of continuous adaptation.
- Experience – the big debates of the day require a strong voice on issues such as Western Gateway, levelling up, post-Covid economic recovery & making R&D work for whole of UK
- Delivery - REGP has:
 - Delivered on its Ph.1 plan – hungry to do more
 - High-order pro-bono support
 - True goodwill and genuine shared purpose.
- RBC has:
 - Recognised need to refine scope
 - Reached to localities – but must do more
 - Worked closer with REGP to enact policy and strategic direction with business for business
- However, succession planning is an issue for both at a time when we need continuity around cluster implementation and funds .
- Team capacity to support must also be considered. Not ‘admin’ support – more nuanced and developmental
- Business engagement. Narrow but deep v. wide but shallow? Again, comes back to clarity of focus – single programme or regional engagement.

We have implemented effective working partnerships with REGP and Investment panel both of which have transformed the ways of working and made a huge contribution to the big picture debates on matters of policy, economic and social reform.



8. Challenge Focussed & Mission-led

Challenges

- Historic grant culture needs to change
- New way of securing £ is through problem framing & solving
- Competitive process brings new challenges
- Solely economic focus not enough
 - must focus on public value and solving societal problems.

Achievements

- Informed Wave 3 of Industrial Strategy Challenge Fund
- Developed a £16M challenge fund for local wealth building post-Covid. £6M of this WEFO-funded to run InFuSe – Innovative Future Services aimed at public service innovation and a £10M challenge fund to focus on how we stimulate local and foundational economies post-Covid
- Partnered with Cardiff University, Nesta and SBRI Challenge Prize Centre
- Partnered with SBRI Centre on the Wales Vaccinations Challenge
- Contributed to a £100k 'war-chest' to seed innovative thinking to mitigate worse of economic fallout post the Bridgend Ford closure
- Provided Support for various submissions to ISCF – advanced propulsion, future mobility & energy revolution.

Outcomes

- Developing role of public sector in framing the big industrial and societal challenges of the day
- Building up capacity for innovative future public services and increasing productivity of the state as contribution to CCR aims and CCRCD targets
- But challenge-driven approaches are different and don't typically tend to feature in City Deals. We are following a tried and tested SBRI format to ensure compliance with HMT Green Book but despite this it still exposes some of the Green Book shortcomings
- We have learned that for a City Deal that has developed in the way CCR has – standard infrastructure projects and appraisal processes do not fit. We have subsequently fed this and more into the HMT review of the Green book
- HMT interaction becoming increasingly key on both fiscal and economic policy fronts – for example – HMT review of PWLB and impact on City and Growth Deals...especially those like CCR with an investment and ROI-emphasis.

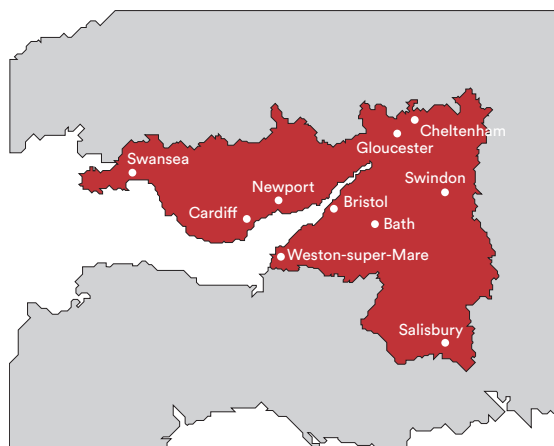


We have embraced the concept of Challenge funding, developed a comprehensive partnership network and created a £10m challenge fund to stimulate local and foundational economies post Covid.

9. Boosting international credentials

Challenges

- Our City Deal has a domestic UK focus
- As yet, lacks investor readiness/ relations & clear investable offer
- It needs to grow its own network beyond UK
- Partnerships and networks need to be developed on global scale
- Key to which is the FDI offer and component.



Achievements

- Contributed to WG draft International Strategy
- Sponsored Wales Week London in both 2019 & 2020 Week and full participation with business partners
- Participated in MIPIM 2019 and MIPIM UK 2019 (MIPIM 2020 cancelled)
- Established a partnership with Global Welsh Partnership
- Undertook knowledge exchange and learning with the Basque region
- Co-developed and delivered CCR sessions with DIT
- Featured in DIT international prospectus
- Co-hosted Xiamen, Singaporean CS Cluster and Taiwanese Govt delegation
- Connected with CS Connected Minneapolis and British America Project
- Become leads for innovation and internationalisation on the Western Gateway programme
- Currently undertaking a strategic role in supporting FDI such as Britishvolt

Western Gateway

- CCR Cabinet 'signed up' as partners to emergent Western Gateway
- Potential to explore key cross-border challenges – connectivity, transport, R&D spend, business clusters & internationalisation
- Governance Review concluded
- Independent Economic Review – led by Prof Greg Clarke
- CCR leads on innovation and internationalisation
- Key role for FDI.

Outcomes

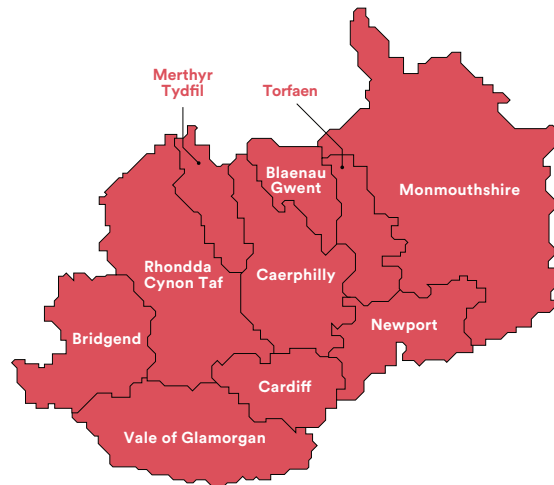
- We have a growing presence and visibility in areas where evidence-base shows we could be globally competitive. E.G. Compound semiconductors, insurtech and medical devices & diagnostics
- We have acknowledged the importance of growing global network/ diaspora and have partnered with Global Welsh
- Knowledge sharing – we have followed and learnt from the journeys of others – E.G. Basque region plus other City Deals and Regions in UK
- In post-Covid world with prospects of trade wars and post-Brexit trade deals, more needs to be done to link FCO/ DIT with City/ Growth Deals many of which are working with affected companies at local level
- Illustration – significance of the Enterprise Act & application to UK sovereign interests.

We have proactively expanded our international reach via networking events, partnerships and participation in initiatives such as Western Gateway.

10. Towards a more self-reliant & sustainable CCR

Challenges

- Focus on City Deal as single investment tool is limiting opportunities
- Had a City Deal before a City Region
- City Deal is significant – City Region is fundamental
- Better leveraging WFG
- Helping to build a more resilient economic future for the region is the key aim
- Developing an investment prospectus is critical to these aims.



Achievements

- Narrative now evolved to one of CCR
- Framework for future regional economic development taking shape
- Taking on more programmes of regional significance – skills, Valleys Regional Park and the Strategic Development Plan
- Planned legislation around Corporate Joint Committees is significant development – we continue to influence
- Global investment strategy produced for MIPIM 2020
- Contributed to OECD work on regional investment frameworks and members of the Regional Investment Wales Steering Group
- Early thinking developing around CCR-delivery entity that addresses some of the limitations of the current model
- Embedded principles of WFG through assessment process and work to develop complementary and supplementary measures to GVA
- Pipeline and strength of the Investment Framework demonstrates that there is more opportunity and potential than there is City Deal Funds.

Outcomes

- Growing maturity is evident
- Still more to do – but knowing what needs to come next is a key feature of progress
- Critical that early work is done to inform future role/ remit/ 'fit' of CCR and this could involve establishing development entity – especially in overcoming some of structural challenges
- The opportunity is great. The marketing, engagement and activity around the investment fund shows more potential than resources available
- This is beyond lists of 'shovel ready' projects... and more strategic approach needed to support region in post-Covid recovery
- Some tensions across focus on wellbeing/ sustainability and GVA-driven approach. Alternative measures being considered but needs support at all levels because there will be implications...
- Fiscal levers and wider incentives also need further exploration given flexibilities set out in CCR heads of terms.

We have articulated the limitations of the existing structure and progressed the debate on the manifest opportunity of a City Region approach.

1. We have a robust route map for the journey ahead

CCR City Deal has made it to Basecamp and we have a robust route-map for journey ascent. We have solid future plans, which revolve around optimising the potential of the region and recognise that City Deal has been instrumental in catalysing this effect. We have shown we can adapt, apply foresight and have trusted partners and networks that are all part of Team CCR. Five years in, we understand the future challenges and opportunities and are ready to take bold steps to address and exploit them.

2. Our Core purpose is strong and compelling

This remains strong and compelling. The economic imperatives around Covid are significant and effects likely to be sustained. We see this as an opportunity to build on what has been achieved and take opportunities to redefine what we mean by sustainable and resilient local economies. This poses some urgent challenges – such as transit & public transport, office-local-home work, future of our high streets & retail, food resilience and more of a rapid drive for decarbonisation. We are fortunate to work with and be supported by excellent public bodies who want to look at opportunities to relocate resources to town centres, reviving high streets and developing mechanisms through which to procure innovation to collaboratively solve problems.

We further understand that:

- Industrial clusters need more focussed support especially as localisation of supply chains is a priority to avoid disruption and global market volatility and hence proposals developed for Strategic Sites Fund and a Clusters Growth Fund
- We can take confidence from what we've achieved – SIPF, DCMS & UKRI external funds - but this external show of confidence is just the start and there is more to do

- The economic effects of Covid will disproportionately impact CCR as a region in which socio-economic disparities already exist, we need to focus more on economic inclusion if we're to improve societal as well as economic outcomes. There are already dots across the map of CCR, which is a strong sign
- To be successful in the long-term and in light of the policy changes through a new approach to regional investment in Wales, we need to now begin to build a different kind of institutional capability
- We must maintain self-awareness on the things requiring modification & improvement – examples such as the Business Council review, reinforced scrutiny arrangements and risk review all demonstrate this
- Mistakes are made and failure occurs. However, its how we move on and extract value from this that matters. The more we do and learn, the more there is to do and learn – but this is a signal of progress
- Gateway 1 is a significant milestone – with much to do the other side to inform next 5 years for CCR City Deal – in the context of the things that need to be done in the region over the next 20 years.

3. There are inherent risks and challenges ahead

These include consideration of:

- Managing regional economic disparities arising from and exacerbated by Covid
- The fact that Welsh and UK Govts context & direction on economy often differ. The Wellbeing of Future Generations Act is one such example. The push for 'wellbeing economy' & alternative GVA measures is something we support and see a growing body of support for at UK-level. However, it can sometimes be a cause of tension especially when CCR targets are wholly GVA, jobs and growth-led. This cannot be allowed to drive perverse outcomes

- There is currently no Combined Authority legislation in Wales which constrains delivery
- Regional Investment Wales changes are on the cards. This poses a whole set of complex questions about who the region is and is led by. CCR favours the term 'regionalism' to 'regionalisation' as it emphasises a spirit and culture of collaboration and shared endeavour
- This brings both challenges and opportunities around the creation of Corporate Joint Committees and who does what. This is especially acute around ensuring we have the right kind of institutional capability moving forward
- There are specific challenges to Wales and CCR around the Research and Innovation/ R&D deficits. These must be acted upon in light of ARPA, R&D Roadmap and levelling-up.

4. We must create greater capacity and capability

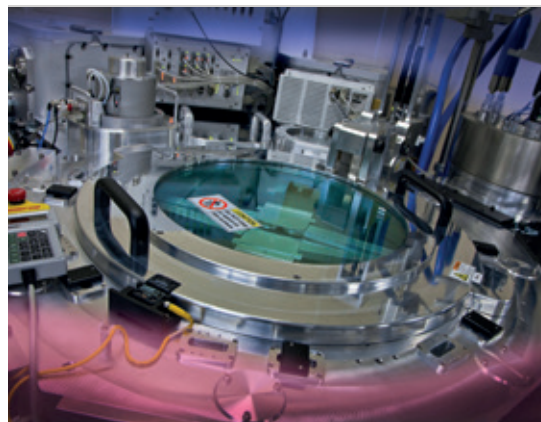
To create a new kind of "fit for future" capacity and capability, we must consider:

- The Metro aspect of CCRCD is delivered by WG company Transport for Wales with growing strategic and delivery planning remit
- At this time, there is no parallel or complementary agency to deliver & optimise the CCR economic, regeneration and land-use benefits through innovative JVs and PPPs
- There is a gap in CCR power to act as only a joint committee structure. Means we have to keep asking Councils to 'host' schemes, take risks on JVs, sit funds on balance sheets and enact back to back arrangements
- The economy is a market-facing function and CCRCD has a dedicated focus on this and investment processes to intervene
- Must ensure we continue to maintain strong local regeneration presence – but also take opportunity wherever possible to pool resources and expertise around scale proposals and regionally significant propositions.

- In terms of Transport itself – need to do more strategic-developmental work to get the best out of TfW & maximise economic benefits (top 20% schemes, station hubs, co-working spaces and community development)
- Time to think about how we prepare for and inform CJs by giving some initial consideration to creating a new kind of institutional capability – CCR Economic Development entity
- Arms-length but with clear democratic legitimacy - by the region, for the region WITH the region.

5. Our Partnership approach is delivering strong, mature leadership

- Our Regional Cabinet are demonstrating effective networking and distributed leadership. There is now a:
 - Strong sense of purpose & remain focussed on WHY CCRCD significant to long-term success of region
 - Focus is on steering ship and trusting others to bring expertise to table to inform decision-making
 - Bond is strong. Coming together to make decisions through WIF reinforces shared endeavour and sense of partnership
- The CCRCD is distinctive. It is not about trying to win same race as others or narrowly invest in public sector projects. It is genuinely about doing things that will have the absolute BEST impact for the region.
- However, the National Evaluation Framework formula for assessing progress not always conducive to this way of working...
- We also need more engagement in higher-level policy changes – PWLB proposals, NNDR review, Green Book review & optimisation of fiscal levers and incentives. For example, Crossrail funded through 1p on £1 of business rates.



6. We have made an extensive contribution to the Policy Agenda

City Deal has contributed extensively to the policy agenda and actions and interventions are underpinned by good data and evidence:

- The CCR investment programme not about good single projects – although this is important – rather, it is a means to meet higher level policy goals and move the whole region forwards e.g. clusters
- Our Complementary balance of local political and industrial leadership is key to thought leadership role and balance of views, perspectives & experiences
- We are working closely with private sector & HEIs reflects on maturing ‘convening’ power
- We need a strong and collective voice on the key challenges of our times especially; Western Gateway, levelling-up, making R&D work for the UK, green revolution and post-Covid economic recovery
- We are developing a growing reputation as opinion-formers reinforcing the importance of our policy and partnerships role.



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RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020/21

CABINET

COMMUNITY INFRASTRUCTURE LEVY “CIL” CONSULTATION RESPONSES

25 FEBRUARY 2021

REPORT OF THE DIRECTOR OF PROSPERITY AND DEVELOPMENT IN DISCUSSIONS WITH THE CABINET MEMBER FOR ENTERPRISE, DEVELOPMENT AND HOUSING – COUNCILLOR BEVAN

AUTHOR: Jim Bailey, Head of Planning

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to update Cabinet on the responses resulting from the Community Infrastructure Levy “CIL” consultation in respect of the Council’s Regulation 123 List (Appendix 1).
- 1.2 On the 17th November 2020, Cabinet approved the updated Regulation 123 List for publication on the Council web-site for a period of 28 days. The consultation period began on Tuesday 24th November 2020 and ended on Monday 21st December 2020.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Cabinet:
 - (1) Note the consultation responses received from elected Members and the Community Council in paragraphs 5.2, 5.3 and 5.4;
 - (2) Agree the recommendations in relation to the consultation responses and the proposed schemes in Section 6.
 - (3) Adopt the Regulation List 123 (Appendix 1)

3.0 REASON FOR RECOMMENDATION

- 3.1 To enable the Council to continue to operate a Community Infrastructure Levy in accordance with the statutory regulations.

4.0 BACKGROUND

- 4.1 The Community Infrastructure Levy Regulations 2010 (as amended) require the Council to publish an Infrastructure List (known as the Regulation 123 List). The List should set out the infrastructure, which the Council considers it is likely to apply CIL revenue to.
- 4.2 At the meeting of the Cabinet held on 23 July 2015, Members agreed the process for formulating, monitoring and revising the Regulation 123 List, which includes that the relevant Scrutiny Committee/Group review the operation of the list and consider the annual 123 List and make recommendations to Cabinet where appropriate.
- 4.3 The CIL Regulation 123 List was presented to the Finance and Performance Scrutiny Committee on 19 October 2020 and Members agreed to recommend to Cabinet the approval of the amended Regulation 123 List for publication on the Council website for a period of 28 days along with the subsequent adoption of the amended Regulation 123 List if no adverse comments were received.

5.0 CONSULTATION RESPONSES

- 5.1 Three responses were received as a result of the CIL Consultation from County Borough Councillor Mark Adams, County Borough Councillor Joel James and the Members of the Llantwit Fardre Community Council. The proposals from County Borough Councillor Joel James and the Llantwit Fardre Community Council are for the same scheme, albeit the feedback from the Community Council was received on the 22nd December 2020 a day after the consultation period had ended.
- 5.2 County Borough Councillor Mark Adams recommends adding the Rhondda Fach Relief Road extension to Maerdy to the Regulation 123 List as a scheme that will *“open up the valley for future investment opportunities particularly tourism; improve access to and from work for all residents and reduce the migration of our young people who are our future out of the upper reaches of the Rhondda Fach”*.
- 5.3 County Borough Councillor Joel James recommends that there is a requirement to improve/increase the educational capacity at Maesybryn Primary School in Llantwit Fardre. He states that the capacity issues was going to be addressed by the Ystrad Barwig Farm proposal, however, this infrastructure scheme is proposed to be removed from the Regulation 123 List due to planning application reference 18/0872/13 for residential development being called-in by Welsh Government and the Minister decision on 15th March 2020 to refuse the application.
- 5.4 Members of the Llantwit Fardre Community Council met on Tuesday, 15th December 2020 it was resolved that an additional education provision at Maesybryn Primary School, Llantwit Fardre be added to the Regulation 123 List due to capacity issues at the school.

6.0 MATTERS FOR CONSIDERATION

Rhondda Fach Relief Road Extension

- 6.1 The Council's Regulation 123 List already contains a number of transportation proposals, the costs of which far exceed the anticipated levels of CIL income and the purpose of the Regulation 123 List is intended to provide funding towards proposals that mitigate the impacts of proposed development contained in the Council's Local Development Plan. The transport schemes already contained in the list seek to mitigate the transport impacts of development that can be expected to be delivered in the plan period and will also be reliant on other funding, including grant funding for delivery.
- 6.2 Given the pressure on available funding there would be a risk of diluting potential funding away from schemes that mitigate development impacts and of raising unrealistic expectations of potential scheme delivery if this scheme was added to the Regulation 123 list and on the basis that this scheme is not necessary to mitigate development pressures and on the basis of the foregoing, it is not proposed to add this scheme to the Regulation 123 List at this time. It's exclusion is not a comment on the merits of the scheme but rather it does not fit with the principles of the Regulation 123 List, which is there to mitigate development and growth identified in the LDP or later development pressures that would otherwise have contributed through the Section 106 agreement process. The Council will explore other avenues of funding initial feasibility work, recognising that future funding for new major road schemes will be extremely limited with the national policy position increasingly favouring public transport solutions to address climate change concerns.

Maesybryn Primary School

- 6.3 It is recognised that there are schools in the south of the County Borough that are in need of investment and officers are working in partnership with the Welsh Government to maximise the funding available and deliver 21st Century School facilities to as many school sites as possible. Three new schools in the south of the County Borough are currently being developed in collaboration with the Welsh Government, and our aspiration is that more will follow and funded by the 21st Century Schools and Colleges Programme.
- 6.4 Given that the Ystrad Barwig Farm development is not going ahead, and if the status quo remains, Education officers are satisfied that the capacity at Maesybryn Primary School can be managed without immediate intervention, and in fact projections show that numbers over the next 4 years could potentially decrease at the school. As such, there is no reason for additional capacity at this school to be added to the Regulation 123 List at this time.
- 6.5 As the emerging new LDP develops, it will be prudent to take a strategic approach to identifying both the potential housing development sites in the area

and the impact that they could have on the demand for education provision. As an Authority we have a statutory duty to ensure that there is sufficient education capacity to cope with demand, and as such the outcome of the LDP 'call for Candidate Sites' process will be crucial in determining where any areas of additional demand will be.

7.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 There are no direct implications as a result of the consultation responses, however, the equality and diversity implications of any infrastructure schemes that will be funded by CIL will be considered in the development of those projects.

8.0 CONSULTATION

- 8.1 Officers from Highways and Education were consulted following the receipt of the consultation responses.

9.0 FINANCIAL IMPLICATION(S)

- 9.1 There are no direct financial implications associated with the recommendations.

10.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

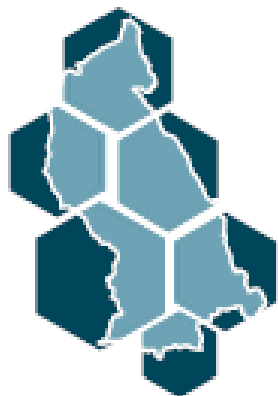
- 10.1 The report and appendices have been prepared in accordance with the Community Infrastructure Levy Regulations 2010 (as amended).

11.0 LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES / FUTURE GENERATIONS - SUSTAINABLE DEVELOPMENT

- 11.1 Infrastructure funded through CIL will support the Building a Strong Economy and Creating Neighbourhoods Where People are Proud to Live and Work priorities in the Corporate Plan.

12.0 CONCLUSION

- 12.1 In conclusion, it is recommended that the Regulation 123 List should remain as originally reported to Cabinet on 17th November.



**Regulation 123 List of Infrastructure
List Updated 17 November 2020**

In accordance with the requirement of Community Infrastructure Levy Regulations 2010 (as amended) the following table comprises the Rhondda Cynon Taf County Borough Council Infrastructure List. The list includes the infrastructure the Council considers it is likely to apply Community Infrastructure Levy (CIL) revenue to:

Education Projects:

- New/additional education provision to serve the land at Mwyndy / Talbot Green;
- New/additional education provision to serve Trane Farm, Tonyrefail;
- New/additional education provision to serve Station Road, Church Village
- New/additional education provision to serve Taffs Well
- New/additional education provision at the former open cast site north of A473, Llanilid

Transportation Projects:

- Provision of the A473/A4119 Talbot Green to Ynysmaerdy Relief Road;
- A4119/A4093 roundabout, Tonyrefail – signalised junction and active travel improvements
- Llanharan By-pass
- Cynon Gateway (A465)
- Mountain Ash Cross Valley Link
- South Coed Ely Link Dualling - upgrade the A4119 between Talbot Green and Coedely to dual carriageway standard
- A4119 Castell Mynach signalised junction
- Llanharan Community Route – Construction of new active travel routes
- Trefforest Industrial Estate – Construction of new active travel routes
- Aberdare – Hirwaun extension of passenger rail services
- A473 between Tonteg roundabout and Upper Boat Roundabout

Please note:

The Regulation 123 list is not prioritised and projects can be added to the list or removed at the discretion of the Council, subject to appropriate consultation.

The inclusion of a project or type of infrastructure on the list does not signify a commitment from the Council to fund (either in whole or part) the listed project or type of infrastructure. The order of the list does not imply any preference or priority

Infrastructure not contained within the Regulation 123 List may be required by developer contributions or in-kind via a section 106 agreement. Such contributions will accord with Regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25TH FEBRUARY 2021

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) - USE OF RIPA IN 2019-2020 BY RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL AND THE COUNCIL'S CORPORATE ENFORCEMENT POLICY

REPORT OF THE DIRECTOR OF LEGAL SERVICES IN DISCUSSIONS WITH THE DEPUTY LEADER, CLLR WEBBER

**Authors: Judith Parry, Trading Standards & Registrar Service Manager
Andy Wilkins, Director of Legal Services**

1. PURPOSE

To enable Members to review:

- 1.1 The Council's use of the Regulation of Investigatory Powers Act 2000 (as amended) (RIPA) for the period 1st April 2019 to 31st December 2020, including the Investigatory Powers Commissioner's Office (IPCO) audit response; and
- 1.2 The new Corporate Policy and Procedures Document on the Acquisition of Communications Data under the Investigatory Powers Act 2016 (IPA).

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the contents of this report;
- 2.2 Acknowledges RIPA has been used in an appropriate manner that is consistent with the Council's RIPA policies during the period 1st April 2019 – 31st December 2020;
- 2.3 Approves the updated Corporate Policy and Procedures Document on the Acquisition of Communications Data under the Investigatory Powers Act 2016 (IPA) attached as Appendix B to the report; and
- 2.4 Approves a change of reporting period to a calendar year, to align with the changed IPCO returns period.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure Members are kept appraised of how RIPA has been used during the period 1st April 2019 - 31st December 2020 and that it has been used in an appropriate manner consistent with the Council's RIPA policies.
- 3.2 The Cabinet is responsible for approving revisions to the Council's Corporate Enforcement Policy and Corporate RIPA and IPA Policies in order to ensure that they remain fit for purpose.

4. USE OF RIPA BY THE COUNCIL: 1ST APRIL 2019 – 31ST DECEMBER 2020

Directed Surveillance and the use of Covert Human Intelligence Sources

New Authorisations

- 4.1 During the period 1st April 2019 - 31st December 2020, there were four authorisations in respect of directed surveillance. During the same period, there were no authorisations for the use of covert human intelligence sources.
- 4.2 Directed surveillance authorisations can be issued where it is necessary and proportionate in order to prevent or detect crime, or prevent disorder, where at least one of the offences is punishable by a maximum term of imprisonment of at least six months or more or relates to the underage sale of alcohol or tobacco/nicotine.
- 4.3 All four directed surveillance authorisations related to fly tipping.

Authorisations extant as at 1st April 2019

- 4.4 There were no authorisations in respect of directed surveillance that had been authorised in the previous financial year (2018-19) and were carried forward. Similarly, no authorisations in respect of a Covert Human Intelligence Source extant remain extant.

Cancellation of Authorisations & Subsequent Outcomes

- 4.5 All four authorisations were reviewed and extended at the statutory 12-week period, and then cancelled a month further into the second 12-week period.
- 4.6 The outcomes of the surveillance operations that were concluded were as follows:

Evidence of fly tipping at location under investigation



- 1 x authorisation identified fly tipping which included an oil drum containing unknown substances; this matter is currently being taken forward as a joint investigation with Natural Resources Wales
- 1 x authorisation identified various instances of fly tipping; these matters are currently being investigated
- 1 x authorisation identified fly tipping, but neither a registration number nor image of offender was able to be obtained from the recording

No evidence of fly tipping at location identified

- 1 x authorisation resulted in no instance of fly tipping, but disposal of litter observed; this matter is currently being investigated

Authorisations extant as at 1st January 2021

- 4.7 No investigations have been carried over into 2021.
- 4.8 The outcomes demonstrate how the use of directed surveillance is able to produce results that are of benefit from an enforcement point of view. Without the use of directed surveillance, officers would not have been able to progress the investigation to determine whether the alleged incidents were ongoing: directed surveillance has therefore enabled officers to ascertain the true situation at the relevant locations, in a manner that was the most cost-effective in relation to officer time.

Human Rights Act Authorisations

- 4.9 As part of initial investigations, officers may need to carry out non-overt work which does not fall within the statutory requirements for RIPA, mainly because the work is carried out in such a manner that there is little likelihood of obtaining private information (collateral intrusion). The use of non-overt enforcement techniques are assessed to ensure that they are carried out in compliance with the requirements of the Human Rights Act 1998 (HRA). Such assessments are recorded on a Human Rights Act consideration form, whereby the necessity, proportionality and purpose of the activity are addressed, precautions are introduced to minimise collateral intrusion and the use of the technique is approved by a senior manager.
- 4.10 Importantly, if the initial work carried out using the HRA-compliant technique shows that an investigation needs to be carried out using RIPA-based techniques, officers will apply for RIPA authorisation.
- 4.11 During the period of this report, the HRA authorisations were:

	1 st April 2019 – 31 st March 2020 (12 month period)	1 st April 2020 – 31 st December 2020 (9 month period)
<i>Anti-social behaviour monitoring</i>	0	0
<i>Underage sales test purchasing</i>	0	0
<i>Proxy sales monitoring</i>	0	0
<i>Internet site monitoring</i>	25	81
<i>Vehicle test purchasing</i>	0	0

4.12 Of note this period is the increase in internet site monitoring. Such sites are predominantly monitored for investigations into sale of illegal product via social media; it can be seen from the table that during the 2019-20 financial year, this amounted to 25 complaints and investigations. Since April 2020, the number stands at 89 for a 9-month period. Internet site monitoring has been carried out for diverse means during the coronavirus pandemic, including:

- Investigation into potential PPE suppliers to ensure that the product supplied are legally compliant and safe;
- Investigation of 'events' advertised during periods when these were prohibited by the Health Protection (Coronavirus Restrictions) (Wales) Regulations
- Determination of whether premises required to be closed during coronavirus restrictions were still trading in breach of the Regulations
- Review and assessment of legal compliance in relation to businesses which are new (e.g. manufacture and sale of 'bath bombs'), or who have deviated from usual trading practice (e.g. restaurants who were unable to open, moving to home delivery services)
- A means of contacting traders to provide proactive advice during pandemic legislative changes; close contact services, such as hairdressers and beauty therapists commonly have social media profiles, and this is a trade sector which has been subject to many changes throughout the pandemic

4.13 A review of these operations and investigations showed that on no occasion did they result in an improper infringement of a person's human rights.

Communications Data

4.14 During the reporting period, eight applications for communications data were submitted via the National Anti-Fraud Network (NAFN) in relation to telephone numbers used as part of fraudulent activity.



5 AUDIT BY THE INVESTIGATORY POWERS COMMISSIONER'S OFFICE (IPCO)

- 5.1 On 7th September 2020, the IPCO conducted a 3-yearly audit on the appropriate use of RIPA within Rhondda Cynon Taf. In previous years this has been a physical visit, but due to coronavirus restrictions, this audit was carried out remotely.
- 5.2 Prior to the audit date, information and authorisations were sent to the auditor, Mr Paul Gration; during the audit itself, Mr Gration asked about processes and policies, and also provided some recommendations in respect of refresher training in the use of RIPA. Training is scheduled to take place every 3 years, but this year was suspended due to the pandemic and the Council response to it.
- 5.3 The audit report was received on 14th September 2020 from the Rt. Hon. Sir Brian Leveson, Investigatory Powers Commissioner, who was complementary of both the RIPA use and procedures in place within the local authority. A copy of the full response is appended at Appendix A to the report.
- 5.4 It is likely that future audits will be carried out remotely, based both on the amount of RIPA activity within Rhondda Cynon Taf and its overall compliance.

6 THE CORPORATE POLICY AND PROCEDURES DOCUMENT ON THE ACQUISITION OF COMMUNICATIONS DATA UNDER THE INVESTIGATORY POWERS ACT 2016 (IPA)

- 6.1 The commencement of the Investigatory Powers Act on 11th June 2019 meant that information requested in relation to communications data, is now provided electronically and submitted to the Office for Communications Data Authorisations (OCDA) via the National Anti-Fraud Network (NAFN).
- 6.2 Previously, requests for authorisation were required to be submitted to the Magistrate Court. The new process provides standardisation in format. NAFN ensure the request is proportionate, justified and meets the requirements of the IPA; the OCDA authorise approvals, and NAFN approach the Communications Services Provider(s) to obtain the requested data on behalf of the Local Authority.
- 6.3 The introduction of the new Act and process has resulted in the drafting of a new Corporate Policy for the Acquisition of Communications Data which is attached as Appendix B to the report.

7. REPORTING PERIOD GOING FORWARD

The IPCO has amended their annual return period to be a calendar year; it is suggested that the report on the Council use of RIPA is similarly amended to align to the calendar year.



8. CONSULTATION

This report has been prepared in consultation with the Council's Trading Standards & Registrar Service Manager who is responsible for operational oversight of RIPA matters.

9. EQUALITY AND DIVERSITY

There are no equality or diversity implications linked to this report.

10. FINANCIAL IMPLICATIONS

There are no financial implications linked to the contents of this report.

11. LINKS TO THE COUNCIL'S CORPORATE PLAN/ OTHER COUNCIL PRIORTIES

The report will ensure that effective governance arrangements with regards to RIPA remain in place by the Council.

12. CONCLUSION

The Senior Responsible Officer (Director of Legal Services) considers that RIPA has been used appropriately in relation to all of the above uses of directed surveillance and acquiring of communications data and that RIPA has been used in a manner that is consistent with the Corporate policies.



Investigatory Powers
Commissioner's Office

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SW1V 1ZU

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Chief Executive
Rhondda Cynon Taf County Borough Council
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14 September 2020

Dear Mr. Bradshaw,

Inspection of Rhondda Cynon Taf County Borough Council

Please be aware that IPCO is not a “public authority” for the purpose of the Freedom of Information Act (FOIA) and therefore falls outside the reach of the FOIA. It is appreciated that local authorities are subject to the FOIA and that they may receive requests for disclosure of our reports. In the first instance the SRO should bring the matter to the attention of the IPCO Data Protection Officer (at: info@ipco.org.uk), before making any disclosure. This is also the case if you wish to make the content of this letter publicly available.

Your Council was recently the subject of a telephone-based inspection by one of my Inspectors, Mr Paul Gration. I am grateful to Andrew Wilkins, your Director of Legal Services and RIPA Senior Responsible Officer, who provided all the relevant information and supporting documentation and organised the call. He was joined on the call by Judith Parry, who has participated in previous inspections, and both provided helpful and relevant contributions.

The information provided has demonstrated a level of compliance that removes, for the present, the requirement for a physical inspection. I ask you to consider and to ensure that any observations from the findings of the remote inspection are promptly addressed.

The Council's previous inspection was conducted by Mr Neil Smart, who made a number of recommendations which have been discharged by Mr Gration, who has made some minor observations of his own. I understand, following receipt of my correspondence outlining my expectations regarding handling of data, that you are well placed with regard to the required safeguarding measures. Mr Gration was reassured your SRO has a strong understanding of the requirements, and a number of appropriate measures are in place which are supported by the relevant corporate policies.

It is good to hear that you are maximising your membership of the National Anti-Fraud Network (NAFN) and this process is supported by your recently updated corporate policy for the Acquisition of Communications Data.

As stated, Mr Gration has made some minor observations which require some attention. The finer details of these points, along with others, have been fully discussed with Mr Wilkins and Ms Parry. He has highlighted the Council's RIPA Policy and Procedure as a well written and regularly updated document which incorporates recent legislative changes. The policy however details a long list of Authorising Officers. Mr Gration has discussed, with Mr Wilkins, the benefits of reducing that list and developing a smaller number of confident and competent Authorising Officers.

His main observation relates to the level of knowledge of RIPA across the organisation. There is a clear need to refresh the training (last delivered in 2016) of those actively involved in this area of investigation, but also to increase the awareness across the wider organisation. This will help the organisation to continue to deliver a high level of compliance.

In conclusion, although your Council is a limited user of its surveillance powers, I take the opportunity here to reiterate to you the importance of regular, ongoing internal oversight of the actual or potential use of these powers, which should be managed through your Senior Responsible Officer.

It is also important that officers engaged in investigatory or enforcement areas where RIPA considerations are not so immediately apparent, maintain their levels of knowledge and know whom to approach for guidance. Mr Wilkins, as your SRO, has given the appropriate reassurance that the integrity of your Council's processes and governance procedures will be maintained to ensure that high standards of compliance with the Act and relevant codes of practice are achieved.

I hope that you find this letter to be helpful and constructive. My Office is available to you should you have any queries following the recent inspection, or at any point in the future. Contact details are provided at the foot of this letter.

I shall be grateful if you would acknowledge receipt of the report within two months.

Yours sincerely,



The Rt. Hon. Sir Brian Leveson
The Investigatory Powers Commissioner



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CORPORATE POLICY & PROCEDURES DOCUMENT ***ON*** ***THE ACQUISITION OF COMMUNICATIONS DATA UNDER*** ***INVESTIGATORY POWERS ACT 2016 (IPA)***

Andrew Wilkins
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Adopted on 10th March 2008

**Revised August 2008, December 2010, February 2013, September 2014, June 2015,
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Introduction and Key Messages

1. This Corporate Policy & Procedures Document is based upon the requirements of The Investigatory Powers Act 2016 ('IPA') and Home Office's Code of Practice on Communication Data. The Council takes responsibility for ensuring the IPA and RIPA procedures are continuously improved.
2. The authoritative position on IPA is, of course, the Act itself and the associated Home Office Codes of Practice and any Officer who is unsure about any aspect of this Document should contact, at the earliest possible opportunity, the Senior Responsible Officer for advice and assistance. Appropriate training and development will be organised by the Senior Responsible Officer to relevant Authorising Officers and other senior managers.
3. Copies of this Document will be placed on the Intranet.
4. The Senior Responsible Officer has authorised the Council's Lead Officer for IPA and Accessing Communications Data to maintain the Corporate Register of all IPA communications data requests, but this register will be subject to examination by the Senior Responsible Officer as and when it is deemed necessary. All forms completed in respect of Communications Data are requested and maintained electronically on the National Anti-Fraud Network (NAFN)
5. IPA and this Document are important for the effective and efficient operation of the Council's actions with regard to acquiring communications data. This Document will be kept under review by the Senior Responsible Officer. Authorising Officers must bring any suggestions for continuous improvement of this Document to the attention of the Senior Responsible Officer at the earliest possible opportunity.
6. If you are in any doubt on IPA, this Document or the related legislative provisions, please consult the Senior Responsible Officer, at the earliest possible opportunity.

Effective Date of Operation and Authorising Officer Responsibilities

1. The Corporate Policy and Procedures provided in this Document became operative with effect from the date of its adoption by the Council, that is 10th March 2008. The commencement of the IPA on 11th June 2019 means that information is provided electronically and submitted to the Office for Communications Data Authorisations (OCDA) via NAFN, which provides standardisation in format. It is essential that Chief Officers and Authorising Officers in their Divisions take personal responsibility for the effective and efficient operation of this Document.
2. Chief Officers have designated Authorising Officers within the appropriate divisions to take action under RIPA. These persons are detailed in the Corporate Policy and Procedures Document on Regulation of Investigatory Powers Act and as Authorising Officers they are entitled to act as Designated Persons for acquiring communications data.
3. Authorising Officers will also ensure that staff who report to them follow this Corporate Policy & Procedures Document and do not undertake or carry out any obtaining of communications data without first obtaining the relevant authorisations in compliance with this Document.

ACQUISITION OF COMMUNICATIONS DATA

Introduction

The Investigatory Powers Act 2016 controls the acquiring of communications data by public authorities; Section 73 of states that a Local Authority is a public authority for the purposes of acquiring specific communications data. Communications data does not include the content of the communications such as the e-mail message, the letter or text, or the content of the phone call.

Part 3 of the IPA introduces a statutory framework to regulate access to communications data by public authorities consistent with the Human Rights Act 1998. It explains the duties and responsibilities placed upon each party involved in these processes, and creates a system of safeguards, reflecting the requirements of Article 8 of the European Convention on Human Rights (ECHR), in order to balance the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

The acquisition of communications data under the Act will be a justifiable interference with an individual's human rights under Article 8 of the ECHR only if the conduct being authorised or required to take place is both necessary and proportionate and in accordance with the law.

As a result officers should not require, or invite, any postal or telecommunications operator to disclose communications data either by using other statutory powers or by exercising any exemption to the principle of non-disclosure under the Data Protection Act 1998. Such a statutory power may only be used if the power explicitly provides for the obtaining of communications data.

The Office for Communications Data Authorisations

The Office for Communications Data Authorisations (OCDA) is the first organization of its kind in the world and commenced its operations in March 2019. The OCDA assesses Communications Data applications from public authorities and makes decisions about those applications to ensure a fine balance between protection of privacy and risk to public safety.

Under the IPA, OCDA will be responsible for ensuring that any applications made by relevant authorities in the UK are assessed independently, rigorously and in line with the newly strengthened legislation. OCDA will act as a hub of authorization expertise, independently assessing applications, holding authorities accountable to robust safeguarding standards, and challenging where required.

Local Authorities must submit all their communication data applications via NAFN for the consideration of the OCDA. All applications must be authorised by OCDA prior to any communications data being acquired on behalf of a Local Authority.

What is Communications Data and what categories are there

Communication data is information about communications: the “who, when, where and how” of a communication but not the content: what was said or written. It includes the way in which, and by what method, a person or thing communicates with another person or thing. It excludes anything within a communication including text, audio and video that reveals the meaning of the communication. It can include the address to which a letter is sent, the time and duration of a communication, the telephone number or e-mail address of the originator and recipient, unanswered call attempts and the location from which the communication was made. It covers

electronic communications including internet access, internet telephony, instant messaging and the use of applications. It also includes postal services.

An operator who provides a postal or telecommunications service is described as a Communications Service Provider (CSP).

IPA defines telecommunications data in two categories:

a) **Entity Data**

Is about an entity (person), an association between, or part of, a telecommunications service and an entity. It includes data that identifies or describes the entity.

b) **Events Data**

Identifies or describes an event, whether or not be reference to its location, on, in or by means of a telecommunication system where the event consists of one or more entities engaging in a specific activity at a specific time.

Communications Data that can be acquired

A Local Authority can acquire entity and events data. Examples are provided below:

Entity Data (IPA s261(3))

- ‘Subscriber checks’ such as “who is the subscriber of phone number 01234 567 890?”, “who is the account holder of e-mail account example@example.co.uk?” or “who is entitled to post to web space www.example.co.uk?”;
- Subscribers’ or account holders’ information, including names and addresses for installation, and billing payment method(s), details of payments;
- Information about the connection, disconnection and reconnection of services to which the subscriber or account holder is allocated or has subscribed (or may have subscribed) including conference calling, call messaging, call waiting and call barring telecommunications services;
- Information about apparatus or devices used by, or made available to, the subscriber or account holder, including the manufacturer, model, serial numbers and apparatus codes (which includes Personal Unlocking Key codes for mobile phones); and
- Information about selection of preferential numbers or discount calls.

Event Data (IPA s261(4))

- Information tracing the origin or destination of a communication that is, or has been, in transmission (including incoming call records);
- Information identifying the location of apparatus when a communication is, has been or may be made or received (such as the location of a mobile phone);
- Information identifying the sender or recipient (including copy receipts) of a communication from data comprised in or attached to the communication;
- Routing information identifying apparatus through which a communication is or has been transmitted (for example, file transfer logs and e-mail headers – to the extent that content of a communication, such as the subject line of an e-mail, is not disclosed);
- Itemised telephone call records (numbers called);

- Itemised internet connection records;
- Itemised timing and duration of service usage (calls and/or connections);
- Information about amounts of data downloaded and/or uploaded; and
- Information about the use made of services which the user is allocated or has subscribed to (or may have subscribed to) including conference calling, call messaging, call waiting and call barring telecommunications services.

NB Local Authority staff are only permitted to acquire and disclose communications data for the purpose of preventing or detecting crime or of preventing disorder. This purpose should only be used in relation to the specific (and often specialist) offences or conduct that the Council has been given the statutory function to investigate. Events data can only be acquired if the offence being investigated meets at least one of the definitions of serious crime: this includes an offence that is capable of attracting a prison sentence of 12 months or more, or where the conduct involves the use of violence, results in substantial financial gain or is by a large number of persons in pursuit of a common goal.

In a joint investigation between the Council and another enforcement authority, such as the police, either authority may acquire any communications data under IPA to further the joint investigation where to do so is necessary and proportionate.

How to obtain Communications data

The annex to this document provides a simplified summary of the application process for communications data.

Acquiring communications data can only be carried out by means of the National Anti-Fraud Network (NAFN) secure website. To use this system Applicants have to register individually on the NAFN website at www.nafn.gov.uk. Once registered the Applicant completes the application form online and it is then submitted electronically to one of the SPOCs at NAFN. The accredited SPOCs at NAFN provide independent scrutiny of the applications, It is important that the Applicant consult with a NAFN SPOC throughout the authorisation process. The NAFN SPOC will advise the Applicant of any need for changes to the application form. After the SPOC considers the application satisfactory, the Designated Person will then receive an e-mail to say that there is an application form on the website for him or her to consider. The Designated Person completes the relevant part of the form to provide his or her decision. The NAFN SPOC then uses the authorisation process to obtain the required communications data from the CSP database and that data is posted on the website so that only the Applicant can access it. If NAFN do not have direct access to the database of the relevant CSP their SPOC will send a notice to the CSP in the usual way.

Applying for Communications data

The investigating officer will complete an application form setting out for consideration the necessity and proportionality of a specific requirement for acquiring communications data. An application to acquire communications data must:

- Describe the communications data required, specifying, where relevant, any historic or future date(s) and, where appropriate, time period(s);
- Specify the purpose for which the data is required, by reference to a statutory purpose under the Act;
- Include a unique reference number;

- Include the name and the office, rank or position held by the person making the applications;
- Describe whether the communications data relates to a victim, a witness, a complainant, a suspect, next of kin, vulnerable person or other person relevant to the investigation or operation;
- Include the operation name (if applicable) to which the application relates;
- Identify and explain the time scale within which the data is required;
- Explain why the acquisition of that data is considered necessary and proportionate to what is sought to be achieved by acquiring it;
- Present the case for the authorisation in a fair and balanced way. In particular, all reasonable efforts should be made to take account of information which supports or weakens the case for the authorisation;
- Consider and, where appropriate, describe any meaningful collateral intrusion – the extent to which the rights of any individual not under investigation may be infringed and what that intrusion is justified in the circumstances;
- Consider and, where appropriate, describe any possible unintended consequences of the application; and
- Where data is being sought from a telecommunications operator or postal operator, specify whether they may inform the subject(s) of the fact that an application has been made for their data.

The time scale is based on set Priorities 1 to 4. Local Authorities may not select Priority 1; most Local Authority requests fall within Priority 4 'Routine' for which the service level expectation is within 4 working days (60 working hours).

It is good practice for the Applicant to state on the Application Form if they have carried out any open source checks on the telephone numbers or communications addresses that are under investigation; this assists with justifying the principle of proportionality

The Applicant may request historic data or future data, by which the Communications Service Provider must provide details of, e.g. all outgoing telephones or Internet connections over a set future period of up to a month. Requests for such future data are considered more intrusive than requests for historical data.

The form is then passed electronically to the appropriate NAFN accredited Single Point of Contact for Accessing Communications Data (SPOC).

Communications data should be treated as information with a classification of OFFICIAL and a caveat of SENSITIVE. The SENSITIVE caveat is for information that is subject to 'need to know' controls so that only authorised persons can have access to it. This does not preclude the lawful disclosure of material when required; it makes clear that the information must be treated with care and must also be stored and handled in accordance with the duties under the Data Protection Act.

Data Relating to Certain Professionals

Communications data is not subject to any form of professional privilege, since the fact that a communication has taken place does not disclose its contents. However the degree of interference with privacy may be higher where the communications data being sought relates to a person who is a member of a profession that handles privileged or confidential information (such as a medical doctor, lawyer, journalist, MP, AM or minister of religion). It may also be possible to infer sensitivity from the fact that someone has regular contact with say a lawyer or journalist.

Such situations do not preclude an application being made. However, special consideration should be given to necessity and proportionality, drawing attention to any such circumstances that might lead to an unusual degree of intrusion or infringement of rights and freedoms, particularly privacy and where it might be engaged, freedom of expression. Applicants must clearly note when an application is being made for the communications data of such a professional. This will also need to be recorded on the Authority Central Record.

Issues surrounding the infringement of the right to freedom of expression may arise when a request is made for the communications data of a journalist. There is a strong public interest in the willingness of sources to provide information to journalists anonymously. If an application is intended to determine the source of journalistic information, there must be an overriding requirement for it to be in the public interest. Even if it is not intended to determine the source of journalistic information there is still a risk of collateral intrusion into legitimate journalistic sources, so particular care should be taken to properly consider the public interest in whether the intrusion is justified. This should include drawing attention to whether alternative evidence exists or whether there are alternative means to obtain the information. Identification of journalist sources can only be sought by using production orders under PACE, which are not available to the council. Judicial oversight does not apply where applications are made for the communications data of those known to be journalists, but where the application is not to determine the source of journalistic information, for example where the journalist is a victim of crime or is suspected of committing a crime unrelated to their occupation.

Communications data that may be considered to determine journalistic sources includes data relating to:

- Journalists' communications addresses;
- Communications addresses of those persons suspected to be a source;
- Communications addresses of persons suspected to be acting as intermediaries between the journalist and the suspected source;

Any application relating to journalistic sources must be approved by an IPCO Judicial Commissioner in addition to the ODCA authorisation via NAFN. The Applicant should inform the Senior Responsible Office in respect of such applications.

Prepaid Mobile Phones

Subscriber checks on some mobile telephone numbers may reveal that the phone is an unregistered prepaid mobile telephone as these types of phones are used by many criminals to avoid detection. However, in order to gather more information, the Applicant making a request may receive as part of their request for entity data top-up details, method of payment, bank account used or customer notes. The Applicant should outline in their original application the further information that will be required if the phone turns out to be prepaid, so as to allow the widening of the data capture.

The information that is received can then be developed to try to obtain further information about the user of the phone. Solution Providers such as EasyPay, EPay etc, are the third parties involved in the transaction of credit placed on a mobile phone. If a Solution Provider is provided with the mobile telephone number, the transaction date and the transaction number, they are often able to provide the method of payment and the location of the top-up. Solution Providers are not CSPs and therefore the data can be applied for under the Data Protection Act.

Considerations regarding Necessity

In order to justify the application is necessary the applicant needs as a minimum to consider three main points:

- The **event** under investigation, such as a crime or vulnerable missing person;
- The **person** whose data is sought, such as a suspect, witness or missing person and how they are linked to the event; and
- The **communications** data sought, such as a telephone number or IP address, and how this data is related to the person and the event;

In essence, necessity should be a short explanation of the investigation, the person and the communications data and how these three link together. The application must establish a link between the three aspects to be able to demonstrate the acquisition of communications data is necessary for the statutory purpose specified.

Considerations regarding Proportionality

Applicants should include an outline of how obtaining the data will benefit the investigation or operation. The relevance of the data being sought should be explained as should any information that the applicant is aware of which might undermine the application.

This outline should include explaining how the level of intrusion is justified when taking into consideration the benefit the data will give to the investigation. This justification should include confirmation that relevant less intrusive investigations have already been undertaken where possible. For example the subscriber details of a phone number may be obtained from a phone book or other publically available source.

The relevance of any time periods requested must be explained, outlining how these periods are proportionate to the event under investigation.

The two basic questions are:

- “What are you looking for in the data to be acquired?”
- “If the data contains what you are looking for, what will be your next course of action?”

An explanation as to how communications data will be used, once acquired, and how it will benefit the investigation or operation, will enable the Applicant to set out the basis of proportionality.

An examination of the proportionality of the application should include a consideration of the rights (particularly to privacy and, in relevant cases, freedom of expression) of the individual and a balancing of these rights against the benefit to the investigation.

An examination of the proportionality of the application should also involve consideration of possible unintended consequences and, when relevant this should be noted. Unintended consequences are more likely in applications for events data or in applications for the data of those in professions with duties of confidentiality. For example, if a journalist is a victim of crime, applications for events data related to that journalist's phone number as part of the criminal investigation may also return some phone numbers of that journalist's sources, with unintended impact on freedom of expression. Such an application may still be necessary and proportionate but the risk of unintended consequences should be considered.

Considerations regarding Collateral Intrusion

Consideration of collateral intrusion forms part of the proportionality considerations. Applications should include details of what collateral intrusion may occur and how the time periods requested impact on the collateral intrusion. When there are no meaningful collateral intrusion risks, such as when applying for subscriber details of the person under investigation, the absence of collateral intrusion should be noted.

The question to be asked is “Will the data set to be acquired result in collateral intrusion to persons outside the line of enquiry the data is being obtained for?”. For example itemised billing on the subject’s family home will be likely to contain calls made by the family members.

Applicants should not write about a potential or hypothetical “error” and if the Applicant cannot identify any meaningful collateral intrusion that factor should be recorded in the application i.e. “none identified”.

Role of the SPOC

The SPOC is an individual trained to facilitate the lawful acquisition of communications data and effective co-operation between a public authority, the OCDA and telecommunications and postal operators. The Home Office must accredit all SPOCs, and this involves attendance on a recognised training course, the passing of an examination and being issued with a SPOC Personal Identification Number. The SPOC ensures that only practical and lawful requests for communications data are undertaken.

Applicants within local authorities are required to consult a NAFN SPOC throughout the application process. The accredited SPOCs at NAFN will scrutinise the applications independently. They will provide advice to the local authority ensuring it acts in an informed and lawful manner.

The SPOC will, as appropriate:

- Assess whether the acquisition of the data is reasonably practicable or inextricably linked to other data;
- Advise on and manage the use of the request filter;
- Advise on the interpretation of the Act, particularly whether an authorisation is appropriate;
- Provide assurance that authorisations are lawful under the Act and free from errors;
- Consider and, where appropriate, provide advice on possible unintended consequences of the application; and
- Assess any cost and resource implications to both the public authority and the CSP of communications data requirements

The OCDA ultimately decides whether to authorise the acquisition of data.

In addition to each application being considered by a NAFN SPoC, the local authority making the application must ensure someone of at least the rank of the senior responsible officer in the authority is aware the application is being made before it is submitted to an authorising officer in OCDA.

Approval of Requests

Section 60A of the Act provides for the independent authorisation of communications data requests by the IPC. The Office of Communications Data Authorisation (OCDA) performs this function on behalf of the IPC.

The OCDA has current working knowledge of human rights principles, specifically those of necessity and proportionality, and how they apply to the acquisition of communications data.

The OCDA will consider the form and then complete the Designated Person's part of the Application Form to state whether they grant or refuse the application. The Designated Person must record on the form:

- Why he/she believes acquiring the communications data is necessary;
- Why he/she believes the conduct involved in acquiring the communications data is proportionate;
- If accessing the communications data involves a meaningful degree of collateral intrusion, why he/she believes that the request is still proportionate;

When considering proportionality the OCDA should apply particular consideration to unintended consequences.

The decision of the OCDA must be based on the information presented to them in the application. If the application is approved the OCDA can authorise the accessing of communications data via the NAFN SPOC.

The OCDA shall endorse the draft notice or authorisation with the date, and if appropriate the time, at which he or she gives the notice or authorisation. This is the point at which the OCDA approves the application.

If the application is rejected by the SPOC or the OCDA, the SPOC will retain the electronic application and inform the applicant in writing of the reasons for its rejection. As with all communication, this will be via via the NAFN website.

Notices and Authorisations

All notices and authorisations should refer to data relating to a specific date or time-period. If the date is specified as "current" the data should be provided by the CSP as at the date of the notice. The notice should give enough information to the CSP to allow them to comply. There is no need to produce a separate notice for each communications address, when these addresses all relate to the same CSP.

The notice is then served on the Communications Service Provider by the SPOC. The SPOC will give the notice a Unique Reference Number that cross-references it to the application that was granted. The SPOC is responsible for all contacts between the Authority and the Communications Service Provider.

Once the data is obtained the SPOC will provide the data to the Applicant, but the SPOC can filter out any unnecessary information provided by the Communications Service Provider. The SPOC will retain the original data obtained from the CSP. The Applicant should keep the data that they receive in a secure manner, in order to comply with data protection requirements.

Under Section 66 of the Investigative Powers Act, the Communications Service Provider must comply with the requirements of a notice, as long as it is reasonably practical for them to do so. Where there are no agreed service levels, the CSP should disclose the required communications data within 10 working days of the notice being served on them.

All notices and authorisations will only be valid for a month, but they may be renewed for further periods of a month, at any time within the current life of the notice or authorisation. This should be set out by the Applicant in an addendum to the original application.

If the need for the communications data ends or its obtaining is no longer proportionate before the provision of this data by the Communications Service Provider, a designated senior officer must cancel the notice. This is done via the NAFN website. However, the notices (and authorisations) terminate when the Communications Service Provider provides the requested data, so there is usually no need for a cancellation form to be completed.

A local authority may not make an application that requires the processing or disclosure of internet connection records.

Errors

Where any error occurs, in the giving of a notice or authorisation or as a consequence of any authorised conduct or any conduct undertaken to comply with a notice, a record should be kept.

There are 2 types of errors namely reportable errors and recordable errors.

- Reportable errors are ones where communications data is acquired wrongly and in this case a report must be made to the Interception of Communications Commissioner, as this type of occurrence could have significant consequences for the individual whose details were wrongly disclosed.
- Recordable errors are ones where an error has occurred but has been identified before the communications data has been acquired. The Authority must keep a record of these occurrences, but a report does not have to be made to the Commissioner.

Reportable Errors could include:

- A notice being made for a purpose, or for a type of data, which the public authority cannot seek;
- Human error, such as incorrect transposition of information where communications data is acquired;
- Disclosure of the wrong data by a CSP when complying with a request under Part 3 of the Act;
- Disclosure or acquisition of data in excess of that required;

Recordable Errors could include:

- A notice which is impossible for a Communications Service Provider to comply with;
- Failure to review information already held, e.g. seeking data already acquired or obtained for the same investigation, or data for which the requirement to obtain it is known to be no longer valid;
- Human error, such as incorrect transposition of information where communications data is not acquired;

Where a telephone number has been ported to another Communications Service Provider then this does not constitute an error. Where excess data is disclosed, if the material is not relevant to the investigation it should be destroyed once the report has been made to the IPC. This should include destroying copies contained as attachments in e-mails. If having reviewed the excess

material it is intended to make use of it, the Applicant must make an addendum to the original application to set out the reasons for needing to use this excess data. The Designated Person will then decide whether it is necessary and proportionate for the excess data to be used in the investigation. The requirements of DPA and its data protection principles must be adhered to in relation to an excess data.

Any reportable error must be reported to the Senior Responsible Officer and then to the IPC within 5 working days. The report must contain the unique reference number of the notice and details of the error, plus an explanation how the error occurred, indicating whether any unintended collateral intrusion has taken place and providing an indication of the steps that will take place to prevent a reoccurrence.

If the report relates to an error made by a Communications Service Provider the Authority must still report it, but should also inform the CSP to enable the CSP to investigate the cause.

The records kept for recordable errors must include details of the error, explain how the error occurred and provide an indication of the steps that have been, or will be, taken to prevent a reoccurrence. These records must be regularly reviewed by the Senior Responsible Officer.

The most common cause of errors is the incorrect transposition of telephone numbers, e-mail addresses and IP addresses. In the vast majority of cases these addresses are derived from addresses available to the Applicant in electronic form. Therefore all Applicants are required to electronically copy communications addresses into applications when the source is in electronic form (for example forensic reports relating to mobile phones or call data records etc.) Communications addresses acquired from other sources must be properly checked to reduce the scope for error.

In circumstances where a reportable error is deemed to be of a serious nature and it is in the public interest to do so, the IPC must inform the affected individual, who may make a complaint to the Investigatory Powers Tribunal. The Tribunal has full powers to investigate and decide any case within its jurisdiction which includes the acquisition and disclosure of communications data.

Senior Responsible Officer

The Senior Responsible Officer is responsible for:

- The integrity of the process in place to acquire communications data;
- Compliance with the Act and Code of Practice;
- Oversight of the reporting of errors to the IPC;
- Engaging with IPC inspectors when they conduct inspections;
- Overseeing the implementation of any post-inspection action plans;

The Director of Legal and Democratic Services is the Senior Responsible Officer with regard to the acquiring of communications data

Records to be Maintained by a Public Authority

Records kept by the public authority (Local Authority) must be held centrally by the SPOC or in accordance with arrangements previously agreed with the IPC. In practice, this means that NAFN will retain all copies of applications, refusals, variations and authorisations.

Records must be available for inspection by the IPC and retained for the IPT to carry out its functions under Part 4 of the Regulation of Investigatory Powers Act. Records are only required to be retained for three years, but it is desirable to retain for five.

It should be noted that there are other statutory obligations places on public authorities in respect of data retention, for example, the disclosure requirements of investigative material within the Criminal Procedure and Investigations Act 1996.

Each public authority must also keep a record of the following information:

- The number of applications submitted seeking the acquisition of communications data;
- The number of applications requiring amendment or declined by the SPOC to the applicant, including the reason for such;
- The number of authorisations of conduct to acquire communications data granted;
- The number of authorisations to give a notice to acquire communications data granted;
- The number of notices given pursuant to an authorisation;
- The priority grading of the authorisations;
- Whether any part of the authorisation relates to a person who is a member of a profession that handles privileged or otherwise confidential information, and if so, which profession;
- The number of items of communication data sought, for authorisation granted

Code of Practice

The Council and those persons acting under of the Act must have regard to the Communications Data Code of Practice issued by the Home Office under the Act. The current version of the Code of Practice is available on the Home Office website.

Annex

Local Authority Communications Data Application Process – Simple Guide

Relevant Person	Action
Applicant	<p>Creates a communications data application on NAFN, including all relevant information including the statutory purpose for the acquisition of the data for the applicable crime purpose</p> <p>On the application, record as part of the necessity case:</p> <ul style="list-style-type: none">• A description of the offence(s) under investigation; and• A justification for the seriousness of the offence (record which serious crime definition is met and how it is met, or record that the crime is not serious)
Approved Rank Officer	<p>Reviews the application and verifies on NAFN that the application is appropriate and meets all required criteria</p> <p>Note: This step is only required for local authorities</p>
NAFN SPOC	<p>Checks that the public authority is permitted to use the recorded statutory purpose</p> <p>Determines the conduct to satisfy the applicant's need (the type of data that is required)</p> <p>If event data is required and the statutory purpose is crime, checks the applicant has recorded:</p> <ul style="list-style-type: none">• A description of the offence(s)• A justification for the seriousness of the offence(s) <p>If not, the application is returned for rework</p>
OCDA	<p>Provides an independent authorisation of communications data applications on behalf of the Investigatory Powers Commissioner (IPC)</p> <p>Checks and records that the applicant:</p> <ul style="list-style-type: none">• Has fully considered and understood the application• Has understood and considered necessity• Has considered the potential for the authorisation to result in unintended consequences, such as collateral intrusion <p>Facilitates communication with the Communication Service Provider to fulfil the application request, generally via the SPOC</p>
NAFN SPOC	<p>Makes the communication data request of the CSP</p> <p>Takes receipt of relevant communication data, and disseminates to applicant</p>

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25th FEBRUARY 2021

REGIONAL ADOPTION COLLABORATION ANNUAL REPORT 2019-2020

REPORT OF THE GROUP DIRECTOR, COMMUNITY AND CHILDREN'S SERVICES IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR CHRISTINA LEYSHON

AUTHOR: Annabel Lloyd, Director of Children's Services

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to share with the Cabinet the Regional Adoption Collaboration's Annual Report 2019-20.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Note the contents of the report.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The reports have been considered at the Children and Young People's Scrutiny Committee on 13.01.21, and at Corporate Parenting Board on 25.01.21.
- 3.2 This report is for information.

4. BACKGROUND

- 4.1 The Vale, Valleys and Cardiff Adoption Collaborative (VVC) is the largest of the five regional collaboratives which form part of the National Adoption Service in Wales (NAS). It provides a regional adoption service to the Vale of Glamorgan Council, Merthyr Tydfil County Borough Council, Cardiff Council and Rhondda Cynon Taf County Borough Council. The service is hosted by the Vale of Glamorgan Council.

- 4.2 This is VVC's fifth annual report and covers the period 1st April 2019 to 31st March 2020. The Collaborative is required to review the service it provides by regulation, and as part of the reporting requirements set out in the legal agreement underpinning the operation of the collaborative. The Report seeks to combine the various reporting requirements in one report.
- 4.4 The report is attached at Appendix 1 with data Appendices 2-5, which also includes the following:
- Appendix 1 - Annual report
 - Appendix 2 - Family Finding Data
 - Appendix 3 - Recruitment and Assessment Data
 - Appendix 4 - Adoption Support Data
 - Appendix 5 - Adoption Panel Data
- 4.5 At Scrutiny Committee on 13.01.21, Angela Harris, Regional Adoption Manager, Vale, Valleys & Cardiff Collaboration, was in attendance to deliver the report, and respond to Members' questions. Scrutiny Committee Members were able to pursue lines of enquiry in relation to:
- The decline in RCT demand for adoption during the reporting year
 - Recruitment of adopters
 - Children who are subject to a referral to the Regional Adoption Collaboration, who do not go on to have a plan for adoption (withdrawn cases)
 - The operational arrangements, and impact for the regional adoption collaboration and its services during the Pandemic
 - Arrangements for post adoption support

5. EQUALITY AND DIVERSITY IMPLICATIONS

- 5.1 This is an information report and therefore no Equality and Diversity screening is required.

6. CONSULTATION

- 6.1 This is an information report.

7. FINANCIAL IMPLICATION(S)

- 7.1 There are no adverse financial implications associated with this report.

8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 8.1 The legal basis underpinning the National Adoption Service is the Social Services and Well-being Act (Wales) which gave Welsh Ministers the power to direct how

local authorities in Wales deliver their adoption functions. This was enforced through a set of regulations, The Adoption and Children Act 2002 (Joint Adoption Arrangements) (Wales) Directions 2015 [generally referred to as the 'Directions Powers'], which require local authorities to collaborate on a set foot print to create Regional Adoption Collaborative. The primary purpose of these Directions is to ensure that effective joint arrangements are in place between local authorities in Wales for the delivery of adoption services.

9. LINKS TO THE COUNCIL'S CORPORATE PLAN/OTHER CORPORATE PRIORITIES/WELL-BEING OF FUTURE GENERATIONS ACT

- 9.1 The provision of effective responses to the needs of children and young people is a key priority for the Council and is supported by the contents of this Annual Plan.

10. CONCLUSION

- 10.1 During the year there was a reduction in demand for adoption across Wales, and within VVC by 34%. During the first 3 quarters of 20/21 there has been a subsequent increase in demand.
- 10.2 There has been a clear improvement noted in the provision of Life Journey Work, from 44% last year to 60 % during this year, with further to go on that if we are to achieve the target of 84%.
- 10.3 Although there has been changes and significant work carried out leading to 35% increase in supply of adopters this year, supply remains insufficient, and this will remain a focus for the year ahead, alongside continuing to work to reduce the number of months children wait between placement order and being placed with adopters.

LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25th FEBRUARY 2021

REGIONAL ADOPTION COLLABORATION ANNUAL REPORT 2019-2020

**REPORT OF THE GROUP DIRECTOR, COMMUNITY AND CHILDREN'S SERVICES
IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR
CHRISTINA LEYSHON**

Background Papers

- Children and Young People's Scrutiny Committee - 13.01.21
- Corporate Parenting Board - 25.01.21
- The Adoption and Children Act 2002 (Joint Adoption Arrangements) (Wales) Directions 2015

Officer to contact: Annabel Lloyd, Director of Children's Services



VALE, VALLEYS AND CARDIFF ADOPTION COLLABORATIVE (VVC)

ANNUAL REPORT FOR 1st APRIL 2019 TO 31 MARCH 2020

1. BACKGROUND

1.1. Vale, Valleys and Cardiff Adoption Collaborative (VVC) as part of the National Adoption Service in Wales (NAS), provides a regional adoption service to the Vale of Glamorgan Council, Merthyr Tydfil County Borough Council, Cardiff Council and Rhondda Cynon Taff County Borough Council.

1.2. This is VVC's fifth annual report and covers the period 1 April 2019 to 31 March 2020. This report seeks to combine the reporting requirements set out in regulation and the governance arrangements for the region in one report.

1.3. The report has the following Appendices:

Appendix 1 sets out key performance data in respect of children by quarter and local authority.

Appendix 2 provides information in respect of adopter enquiries and recruitment of adopters.

Appendix 3 provides information in respect of Adoption Support.

Appendix 4 provides information in respect of Adoption Panel activity.

2. SERVICE DEVELOPMENT AND GOVERNANCE

2.1 The organisational and managerial structure of the service has remained the same during this period with service delivery structured around three functional teams. A managerial vacancy within the service was filled in September 2019 by the appointment of a new Adoption Support Manager. The existing postholder transferred to manage the Family Finding Team.



- 2.2** In April 2019, as part of the Welsh Government award of £2.3M to improve adoption services in Wales, the region received a substantial investment of new monies which has enabled a number of new posts to be recruited across the service. The grant was allocated to national and regional services to support key priorities for improvement which were utilised by VVC Management Board in determining the distribution of the grant. As a result of these monies, VVC has been able to recruit two full time Social Workers to specialise in Transitions and Life Journey Work and a part time Social Worker to support birth parents. These posts were recruited from experienced staff within the service. VVC was however able to successfully recruit to the vacancies created by these appointments enabling the service to be fully staffed by the end of the reporting period.
- 2.3** The service has also recruited two new unqualified posts, a Children and Young People Co-ordinator to support adopted children and young people and a TESSA (Therapeutic Education Support Service in Adoption) Co-ordinator to support adoptive families. Both posts are linked to the national programmes being delivered by Adoption UK; the Connected service which supports young adoptees and the TESSA programme which supports adoptive families.
- 2.4** In addition to the posts located within the Collaborative, 10.5 practitioner posts have been created from the grant to support the provision of life journey work for children with a plan of adoption. These posts are distributed across the four partner authorities and link to the Life Journey Co-ordinator within VVC. All these posts had been successfully recruited to at year end with the exception of one authority. Contingency arrangements were however put in place within that authority to cover the work, pending the appointments being made.
- 2.5** As part of the deployment of the grant an Implementation Plan was developed by Welsh Government requiring reports to be submitted monitoring spend against the grant and the areas of improvement in service delivery as a result of the investment. The Regional Adoption Manager co-ordinated the response on behalf of the region and submitted monitoring reports to Welsh Government in October, December 2019 and at year end to secure continuation of the funding. The National



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Adoption Service (NAS) will, on behalf of regions, prepare the bid for the grant in 2020-1 and take over the monitoring function in conjunction with Welsh Government requiring regions to report upon progress to NAS. All posts created as part of the grant within the region are permanent positions.

- 2.6** Temporary arrangements have been put in place to cover a vacancy within our Business Support Team created during the first quarter of the year. This will enable a review of the structure of team roles to be undertaken to ensure that the service can continue to adapt to business need. VVC's office within the Dock Offices underwent refurbishment in the Autumn of 2019 to create some individual and meeting room space.
- 2.7** Following the revisions to the Legal Agreement agreed in April 2019, VVC's Management Board has continued to meet on a quarterly basis. The composition of the Board has remained the same although a new Medical Adviser was appointed following the retirement of the other representative. The Board has continued to be chaired by the Director of Social Services for Cardiff Council. The Vale of Glamorgan Director will take up this post in October 2020. This is in advance of the planned rotational change due to the departure of the current Director in Cardiff. In order to improve business continuity, the four partner authorities have agreed to change the rotation of the chair from an annual basis to a three-yearly cycle with the transfer taking effect at the end of the first quarter of the fourth year.
- 2.8** The overall remit and accountability of the Management Board is prescribed within regulation and the Legal Agreement underpinning the Collaborative. VVC's Management Board continues to play a key role in monitoring the performance and business plan of the regional service highlighting areas for improvement.
- 2.9** The second tier of governance within the Collaborative is via the Operational Group which comprises of senior managers from each of the four local authorities and regional managers from VVC. This group meets on a quarterly basis with meetings being scheduled a couple of weeks following Management Board to enable any



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matters remitted by Management Board to be considered. The Operational Group provides a further mechanism for monitoring the performance of the region and is a vehicle for raising standards and improving practice consistency across the region. The Operational Group in conjunction with Independent Reviewing Officers across the region have developed a revised format and process for conducting reviews of adoption placements which is being piloted across the region.

- 2.10** The overall governance of the region remains via a Joint Committee which meets twice a year. Meetings were held in July and December 2019 as per requirements to approve the annual accounts, the annual budget and annual plan for the Collaborative. This structure is unique in Wales for adoption services but has been supported by NAS as the preferred model for regional governance.
- 2.11** The budget for the Collaborative is managed by the Vale of Glamorgan and is monitored closely by the Management Board and Joint Committee. The end of year position reported an underspend in the budget for 2019 -20 partly created by grant slippage monies and staff vacancies. A proposal to retain the underspend within VVC has been agreed by Management Board and Joint Committee. These monies will be used to upgrade IT equipment for staff to enable more agile working across the region, improve support systems for adoptive families by facilitating specialist training and provide additional staff resource to undertake additional work as may be required due to COVID-19 .
- 2.12** VVC's financial and governance arrangements are subject to an annual audit by Bridgend and Vale Internal Audit Shared Service. This audit was conducted remotely at the end of the reporting period and concluded that the "effectiveness of the internal control environment within the service was sound and Substantial Assurance could be placed upon the management of risks".
- 2.14** VVC is required to report to the National Adoption Service on a range of performance measures which are collected on a quarterly and annual basis under the NAS Performance Framework. VVC has complied with all reporting



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requirements during the period and has continued to develop more comprehensive mechanisms to capture the measures, which have increased each year. Data Cymru have been commissioned by NAS to develop the Framework and each region is required to upload data onto this new system each quarter enabling performance data against specific measures for each regional service to be visible across Wales.

- 2.15** The National Adoption Service provide the region with mid-year and end of year reports. The draft report for 2019-20 was delayed due to COVID restrictions and the meeting with the Director of Operations and VVC to discuss the report and our mid-year position had to be rescheduled to early November 2020.

3. SERVICE FUNCTIONS

- 3.1.** Performance against each of the service functions is outlined under the following sections of the report alongside areas of development.

4. FAMILY FINDING

- 4.1** Family Finding and its' associated activities remains a key area of activity for the region and the ability to place children effectively and promptly underpins all other activities. As the largest regional Collaborative, the level of demand placed upon this area and our ability to meet the needs identified remains challenging.
- 4.2** The number of children referred for adoption totalled **143** which marks a 34% decrease on the previous year. There has been a continued downward trend in referrals which has also been observed across Wales. The reasons for this are likely to be varied and will reflect the work being undertaken by local authorities with the Welsh Government to reduce numbers of children looked after in Wales.
- 4.3** A similar pattern of withdrawn referrals was seen with **41%** withdrawn within the period (compared with 43% in 2018-19). There remains a commitment to develop alternative permanency plans for children and positively **88%** of those children who



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were withdrawn from adoption had the option of either a positive parenting or positive connected person's assessment. Just 12% of those referrals (7 children) had a change of care plan to long-term fostering based on an assessment of their individual needs or sibling attachment relationship. Withdrawn referrals in many instances do not equate to a decrease in workload for the service as a lot of work has been undertaken to progress the adoption plan prior to it being discontinued.

- 4.4** The number of 'Should be Adopted' decisions made in respect of children reduced in 2019-20 by **34%** from the previous year. This is to be expected as the number of SBA decisions made will reflect the referrals made during that year and the previous year, as the number of referrals declines so will the number of SBA decisions. All but 1 region within Wales also experienced a downturn in SBA decisions during 2019-20.
- 4.5** The region has recorded **71** Placement Orders being made within the year, a 30% reduction from the previous year and again can be viewed in the context of a reduction in referrals over the past couple of years.
- 4.6** VVC placed **101** children for adoption during the year, a 1% increase on the previous year. This is particularly pleasing when considering the reduction in the number of Placement Orders over recent years. Continuing to place a high number of children reflects our continued commitment to securing permanence for children through adoption where this is the best outcome for the child. This includes successfully identifying adopters for children who have been waiting for a considerable length of time. The number of children waiting less than 6 months between Placement Order and matching for adoption is **24%** in VVC compared with **36%** across Wales as a whole and we have seen the average waiting time in VVC increase by 1 month since the previous year to **11.9 months**. It is important to note that this *mean* average time includes some high outliers of children waiting a significantly higher period of time than others with some 8 children waiting between 6-15 months longer than any other child, somewhat skewing the picture. A *median* average instead shows closer to **9.8 months** waiting time.



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- 4.7** It has been very positive to see the increase in the number of children being able to be placed within the region (**72%** up from 65% last year) and this is a clear benefit from the increased recruitment of adopters within VVC. There is also a slight increase in placements made elsewhere in Wales (**10%** up from 9%) and a reduction in the placements made outside of Wales (**18%** down from 26%).
- 4.8** At the end of the year there were **73** children on Placement Orders awaiting an adoptive placement which is a reduction of **22%** from the previous year. A further 13 children had a very strong link proceeding but not yet matched as at the end of March 2020 and another child was awaiting a Placement Order revocation and so the number actually waiting was **59**. Of these as may be expected a significant proportion (40%) have additional factors i.e. aged 4 plus, BME, complex needs or a part of a sibling group which makes being able to secure appropriate matches more challenging.
- 4.9** There were **82** Adoption Orders granted during the year which is on a par with the previous year (83).
- 4.10** The level of placement breakdown continues to be low with two placement disruptions during the year, one of a 5-year-old girl who was placed for 9 months and the adopters felt that they could not continue with the placement. The second breakdown was a sibling group of two girls (aged 4 and 6) where again adopters advised that they could not continue with the placement.
- 4.11** The number of birth parents referred to the service for counselling fell during the year to **139**. **63%** of parents took up the service from VVC during this year which is significantly higher than the Welsh average of **25%**. This reflects the work of the Family Finding Team in offering this service to parents of children referred to us.
- 4.12** Performance in relation to the provision of Life Journey Material for children being placed for adoption has improved considerably over this past year although remains short of the 100% target as is the case across Wales. **84%** of VVC children (up from



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44% in 2018-19) had life journey materials available at matching panel. This is the second highest in Wales and higher than the average of 59% across Wales. **60%** of VVC children (up from 46% in 2018-19) had finalised life journey materials available at the 2nd adoption review. This is the highest in Wales and higher than the average of 57% across Wales. There remain issues with ensuring that these figures are being accurately captured within the local authorities and we are seeking opportunities to work with them to ensure a robust system for data capture is in place. The increase in performance can clearly be linked to the additional Welsh Government funding which has enabled us to recruit a full time Life Journey Work Co-Ordinator from 1st October 2019 and the provision of life journey work practitioner posts within the local authorities which has been rolled out over 2019-20 and into 2020-21. As of September 2020, all practitioner posts have now been filled.

- 4.13** The Life Journey Work Co-ordinator offers regular support, advice and guidance to the life journey work practitioners and in addition has offered workshops/briefings to local authority teams and was integral in the recruitment panels for the practitioner posts. Further work is being undertaken to develop training opportunities within this role as well.
- 4.14** As previously outlined the additional investment from Welsh Government has enabled the creation of a Transitions Worker post within the Family Finding Team as of 1st October 2019. **31** children were referred to this service within the first 6 months of operation. For **22** of these children, direct work was provided to support their transition to an adoptive family, with an 'Understanding the Child' day being provided for several of these children to enable the adoptive parents to be provided with a detailed history of the child's early experiences. For **6** children these were younger children where work was being completed with the older children within the adoptive family to support the transition running smoothly and for a further **3** children work was being offered directly to the foster carer on a 1:1 basis to support them in their understanding of the child's needs. In addition, training has been developed for foster carers as well as ad hoc advice and support to other practitioners. This role has been of incredible value to the region in terms of the service we are able to offer to children



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and to improve the overall transitions experience. There are many opportunities to further develop this role over the coming year.

- 4.15** VVC has continued to embrace the use of all available family finding methods over this year. The team liaises closely with the Adoption Register Wales (ARW)/LinkMaker team to ensure information is updated and monitored in a timely manner. We have also made use of the national Exchange Day event in October 2019 and the Welsh Adoption Activity Day in March 2020, each of which produced matches for children.
- 4.16** St David's Adoption Agency and Barnardo Cymru developed a new family finding service in 2018, Adopting Together. Adopting Together focuses upon the recruitment of adopters for children with additional needs who have been waiting for adoptive placements over six months. The scheme targets recruitment for specific children and provides ongoing specialist support to those children for a year following placement. The Vale of Glamorgan, as host authority has entered into a service level agreement with Adopting Together on behalf of our regional partners. As at March 2020, VVC has referred **27** children to the scheme since its' inception; **6** children were placed initially with a further **1** being placed last year. The Regional Adoption Manager and Family Finding Manager presented an overview of VVC's experience of working with the service at a national conference on Adopting Together held in March 2020. The Regional Adoption Manager is also a member of the Steering Group which oversees the development of the service.

5. RECRUITMENT AND ASSESSMENT

- 5.1.** VVC's Marketing and Recruitment Strategy has been further developed during the year and much progress has been seen in furthering its goal of raising the profile of the Collaborative with the wider public and in doing so increasing the number of enquiries received. The Recruitment and Marketing Officer's role has continued to prove crucial in creating the content and activity associated with the Strategy



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ensuring that this is co-ordinated with NAS' Marketing Strategy to increase the number of adoptive families. The Marketing Officer has closely liaised with 'Cowshed', the marketing company commissioned by NAS to undertake national campaigns and represents the region on a national workgroup to promote activity. Links have also been established with local Comms Departments across the region to ensure that adoption features as part of their local advertising features. The Marketing Officer's role was made permanent in December 2019.

- 5.2.** Whilst also benefitting from the NAS' co-ordinated marketing campaign, VVC has also focused efforts in connecting with members of the public in our local areas. This has involved having both a physical and online presence. During 2019/20 VVC attended a variety of community events including Cardiff Pride, Barry Pride, Vale of Glamorgan Agricultural Show, the Big Wedding Show, Vegan Winterfest, St Donat's Craft Fair as well as attending a variety of faith settings in order to discuss adoption. We have enjoyed positive engagement at these events which have all contributed to raising the profile of the service.
- 5.3.** VVC has also developed its' online marketing and it now has a well-established presence on two social media platforms – Facebook and Instagram. These profiles are coordinated and managed by the Marketing Officer and these tools are useful in order to target a wider yet purposeful audience. These platforms are also used to promote the post adoption support services. Pay-Per-Click (PPC) advertising has been used to promote adoption and raise the awareness of our information events. Whilst the cost implications for PPC are relatively small, the audience we are able to reach, and the data captured to inform future advertising is significant. The social media presence is beginning to show dividends in terms of actual enquiries as we specifically capture where an enquirer heard about us. A pleasing and growing number of people are referencing the fact that they saw our profile or advert online, and this led them to read more about our service and adoption more widely.
- 5.4.** The recruitment activity has had a specific goal to increase the number of enquiries the agency receives. 2019/20 saw a significant and sustained increase in the number



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of enquiries – **340** in total compared to **259** received during 2018/19. This is a pleasing outcome and our ability to provide a professional and structured approach to receiving, recording and tracking enquiries has led to this important increase in performance. The national marketing work in conjunction with regional input is also having a positive impact in providing a consistent and coherent message to the wider public.

- 5.5.** 2019/20 saw the Collaborative hosting six Information Evenings for prospective applicants. These events have always been well attended and feedback has continued to be positive.
- 5.6.** VVC's three day 'Preparation to Adopt' training course continues to be provided by an Independent Social Worker. Questionnaires have been developed by the Vale of Glamorgan's Participation Officer and are distributed at the end of training to gather views of the process from enquiry through to training. These questionnaires are collated and the feedback in respect of the training from participants is unanimous in its praise and appreciation for what they learn. In 2019/20 **six** courses were held. **51** households attended the course. Out of those **51** households **four** did not go onto submit applications to progress onwards to an assessment. These potential applicants have been followed up. Three households' feedback that they wished to take more time to consider their future plans and one household has not responded to follow up enquiries.
- 5.7.** During 2019/20 a total of **75** adopter approvals were presented to VVC's Adoption Panel and positive recommendations were made. **69** of these approvals were ratified within the reporting year. The approvals are broken down as follows: **RCT – 18, Cardiff – 29, Vale of Glamorgan – 14, Merthyr Tydfil – 1 and Other (Newport, Caerphilly and Kent) – 7**. This represented a pleasing increase of **35%** when compared to 2018/19's approval performance. In comparison to other Welsh regions who reported experiencing increases ranging from **8%** to **44%**, meaning VVC was one of the higher performing services.



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- 5.8.** A total of **5** assessments were commenced and concluded with the applicants withdrawing / being counselled out. The level of work involved even where assessments don't conclude is considerable. This is not reflected in the performance figures but evidences the robustness of the decision-making process which supports this work.
- 5.9.** Out of the **69** ratified approvals achieved in 2019/20, **5** were foster carers assessed to adopt a specific child, **8** were second time adopters and **56** were first time adopters.
- 5.10.** **3** approved adopters have since withdrawn following approval for family reasons.
- 5.11.** The majority of the applicants approved during 2019/20 have gone onto be matched with children from within VVC. One has had a child placed from outside of our region from SEWAS. A further two are in the matching process of adopting non VVC children (a second child from SEWAS and a child from Scotland).

6. ADOPTION SUPPORT

- 6.1.** Referrals into the service for adoption support services had remained at a consistent rate for the past couple of years. However, the increased funding and support injected into adoption support services at a national and local level has in turn created an increase of adopters coming forward earlier for services following the making of Adoption Order.
- 6.2.** VVC does not manage a budget for the provision of adoption support services although undertakes assessments of support needs which may recommend an adoption support package to the respective authority where the adoptive family resides. The budgets to support such provision is held in the respective local authority. The total expenditure on adoption support services for the reporting year was **£207,470.6**. This is showing a rise in spending, however when this is consistent with the increase in the number of referrals into the service. The average spend per child is reduced and is only **£992.68** although this varies across LA the costs for



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services are higher in Cardiff and the Vale compared to providers in RCT and Merthyr. On average **40%** of children referred from the region go on to receive funding requests, meaning **60%** are managed with in-house support such as direct work, training, and TESSA support. The emphasis of the service has been to continue to develop the skills of practitioners within the Adoption Support Team to be able to manage families by way of inhouse support without the need to rely on external input. The provision of external funding is monitored via the Operational Group and individual decision making arrangements have been agreed between the respective Operational Manager and the Adoption Support Manager. Discussion has taken place to further progress joint working across the region with the development of a preferred provider list.

- 6.3.** The largest funding costs are for attachment-based therapeutic work, complex emotional and behavioural therapeutic work and therapeutic life story work. These are the most frequently commissioned service and are in line with the types of need children present with. We anticipate that although the need for therapeutic life story work remains high at present, over the coming years with the investment in life journey work across the region this demand will reduce as the quality of the support being provided at an earlier stage improves. The spend on Non-Violent Resistance (NVR) training has reduced as VVC are now able to offer this training in-house and an NVR was provided during the year. A Nurturing and Attachment course was also facilitated in-house reducing the reliance on an external service provider and significant costs.
- 6.4.** **54** referrals for Access to Birth Records for adopted adults were received during the reporting period showing a small increase. **36** referrals for Intermediary Services have been received which are comparable to the previous year. There are two part time Social Workers aligned to this work which is by its very nature time consuming and requires dedication in being able to search and access information from historical records and a range of sources.



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- 6.5.** Waiting lists for these services and allocation times have been managed so that applicants do not wait longer than two months for a service. The provision of an intermediary service is a power not a duty and therefore the service is not provided in all areas. It remains a significant strength of our service that intermediary requests are being supported and allows a natural follow on once the letterbox exchange ceases at the age of 18 and reaches out to support young adopted adults with understanding their identity post 18.
- 6.6.** The Birth Parent Advisor is a new role within the Adoption Support Team with the postholder taking up the position from November 2019. A referral process and information leaflet for Social Work colleagues across the region and an information leaflet for birth parents has been developed and disseminated. Nine referrals for individual birth parent support have been received and supported. The post is of benefit to parents post Adoption Order supporting them with a range of issues, contact matters and writing letterbox reports. It is hoped that some support to birth parents can be offered on a group basis going forward and that the role will continue to be promoted across the region.
- 6.7.** The TESSA Co-ordinator was also appointed in November 2019 shortly after the national launch of the service by Adoption UK. The aim of the service is to provide support services prior to adoptive families reaching crisis point. The Co-ordinator undertakes assessments of need and processes referrals of families who may be eligible. **17** referrals had been made to TESSA at year end by VVC.
- 6.8.** The Children and Young People Co-ordinator also took up post at the same time and since this time has been directly involved in running Connected groups on a Saturday once a month with staff from the Connected service. The service caters for children and young people 7 upwards and so the Saturday groups are into three groups according to age. During 2019-20 the service catered for 42 children from VVC. The aim of the service is to reach more young people who might benefit from such support and so the Co-ordinator's role is key to promoting the service across the region. In addition the postholder has provided direct support sessions to 11 children from the



APPENDIX 1

region and has also supported a number of direct contact sessions for adopted children. Both Co-ordinators have taken over the running of the monthly toddler group for adoptive families which consistently supports eight families at a time.

- 6.9.** Evaluation forms have been developed within the team during the year to evaluate the service pre and post provision of therapeutic support and in terms of the new areas of service provision. The team also ask participants to evaluate the training which has been provided. The main objective is to ascertain the benefits of the service provided and to needs within families which may not have been addressed. It is however hoped going forward that the findings can be collated in a more systematic way to enable the feedback to be used constructively to improve service delivery.

7. ADOPTION PANEL

- 7.1.** The Collaborative has continued to operate a joint regional Panel from two sittings held on a fortnightly Monday and Wednesday basis. Work has continued in merging the central list to service both sittings and to spread Panel activity to enable the Panel to operate on a more equitable, unified basis.
- 7.2.** Panel business has remained at a high level during the year with 43 Panel meetings being held and 149 cases being heard. Two scheduled meetings were cancelled due to quoracy. Appendix 4 to the report provides a breakdown of the work of Panel.
- 7.3.** Maintenance of the central list of Panel members continues to pose challenges in terms of maintaining a sufficient number of Social Work members and a range of independent members. Ten new Panel members have been successfully recruited during the period and one Panel member resigned due to personal reasons.
- 7.4.** A programme of reviews of Panel members was developed at the beginning of 2020 and six reviews were conducted by the end of the reporting period.



- 7.5.** Panel training was provided for Panel members in March 2020 focusing upon the role and function of Panel and the requirements of the new regulations governing the approval of adopters due to be implemented in April 2020.

8. COMPLAINTS AND COMPLIMENTS

- 8.1** VVC has received three complaints during the period. Each complaint has been investigated by the Regional Adoption Manager and two were resolved at Stage 1 of the Vale of Glamorgan Social Services Complaint process. The third complaint has been referred to Stage 2 of the process and a stage 2 investigation has been commissioned.

Regional staff have continued to receive positive feedback on the range of services they provide from a range of sources; service users, local authority colleagues, other agencies and the adoption Panel. Staff are encouraged to collate this information, share it for recording as part of the Collaborative's record, as contribution to their own personal development plans, and to promote the service more generally.

9. 9. CONCLUSION AND 2020-21 PRIORITIES

- 9.1** The priorities for VVC, alongside other regional Collaboratives stem year on year from our core business. The need to continue to recruit more adoptive parents to meet the needs of children requiring placements will remain constant features of the service we provide. Considerable improvement in both these areas was achieved during the reporting period which hopefully can be built upon year on year.
- 9.2** Significant progress has also been made in raising the profile of the region as a result of a consistent marketing strategy and this has produced results in attracting more enquiries from prospective adopters. The ongoing challenge for the service is being able convert more of those enquiries into applications to ensure that we continue to build on our existing pool of adopters and to improve placement choice.



- 9.3** The other area where positive improvements have been seen is in the area of adoption support. The investment received from Welsh Government has been a significant, positive development for the service as a whole. VVC has during this time successfully recruited to all the specialist roles and there is already evidence of the benefits these posts have had on the service. These posts will continue to be evaluated in terms of service improvement and therefore will need to be further embedded across the region to ensure that performance targets are met. This is particularly important in respect of the provision of life journey work for the region due to the large amount of the investment secured for this work.
- 9.4** Just prior to the end of the reporting period the impact of the pandemic and national lockdown was beginning to take effect with staff working from home and key services temporarily halted. The service however adapted quickly to the challenges presented and has been able to deliver its core business partly on a virtual basis or via risk assessed face to face contact. This has enabled key functions to continue to be delivered although it is too early to assess the impact upon overall performance during this year. Going forward the service will need to continue to evaluate the effect upon services and develop plans to mitigate the overall impact upon service delivery.

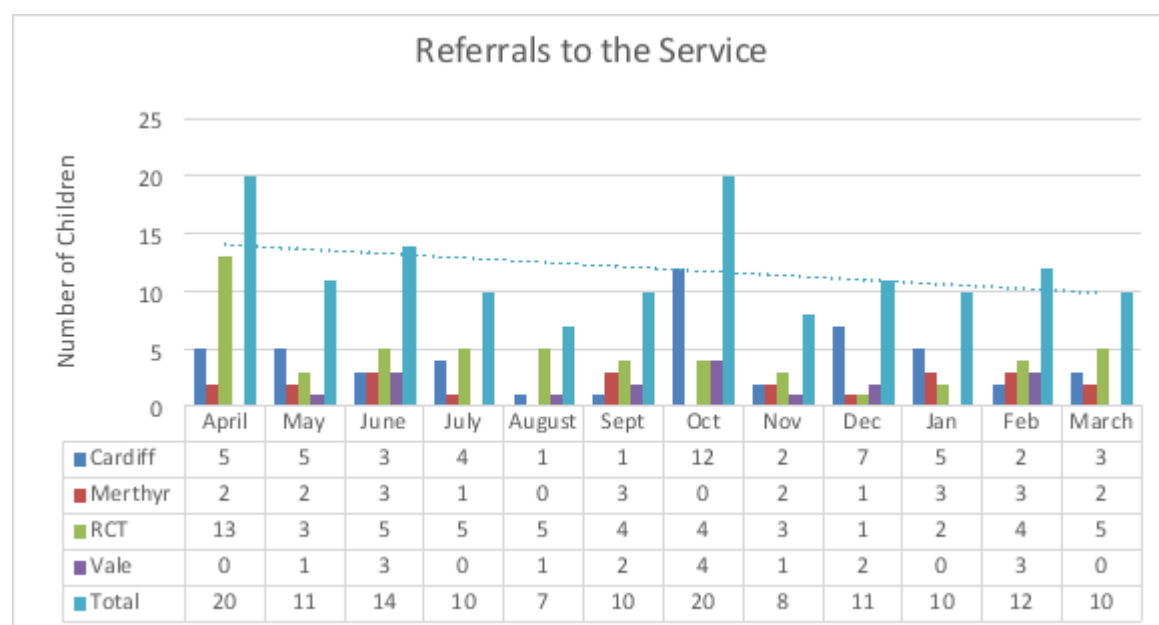
Angela Harris
Regional Adoption Manager
October 2020

Tudalen wag

Appendix 2 – Family Finding

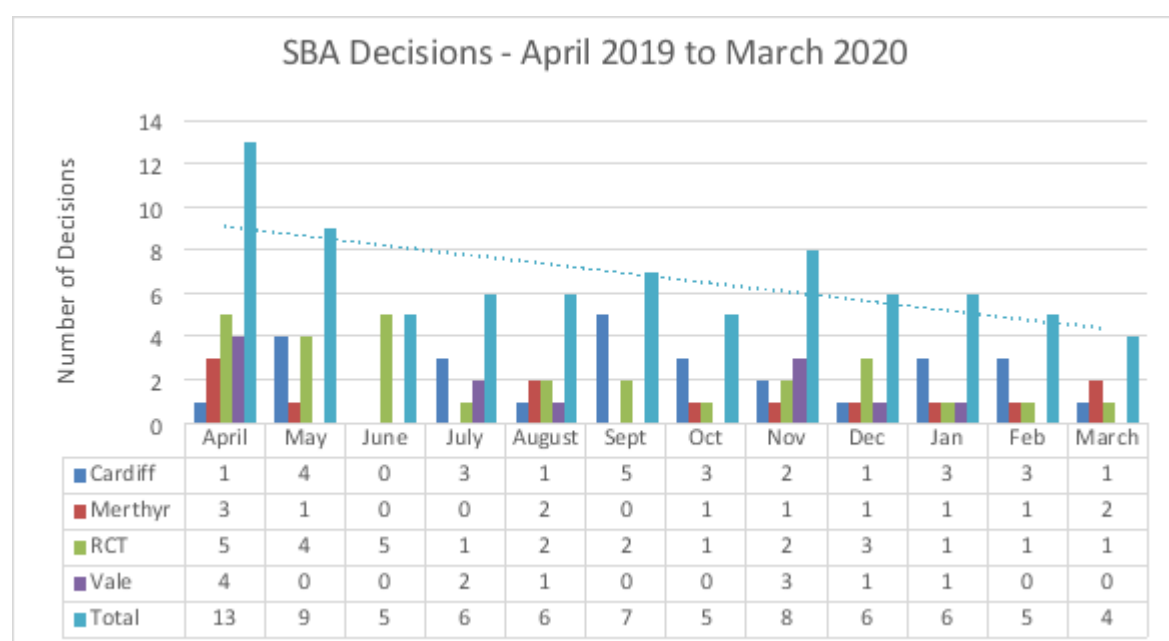
Children Referrals

143 children were referred to VVC during the reporting period. On average 12 referrals were received each month with 38% and 35% of referrals received from RCT and Cardiff respectively. 15% of referrals were received from Merthyr and 12% from the Vale.



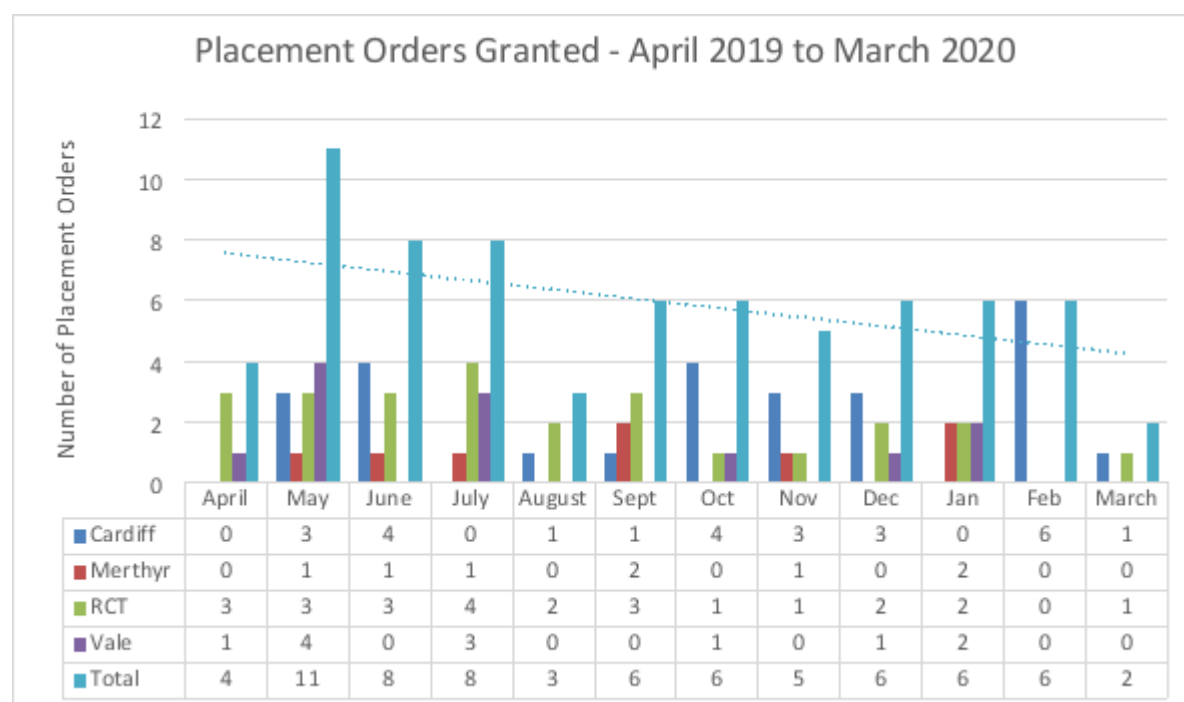
‘Should be placed for Adoption’ decisions

80 SBA decisions were made during the reporting period.



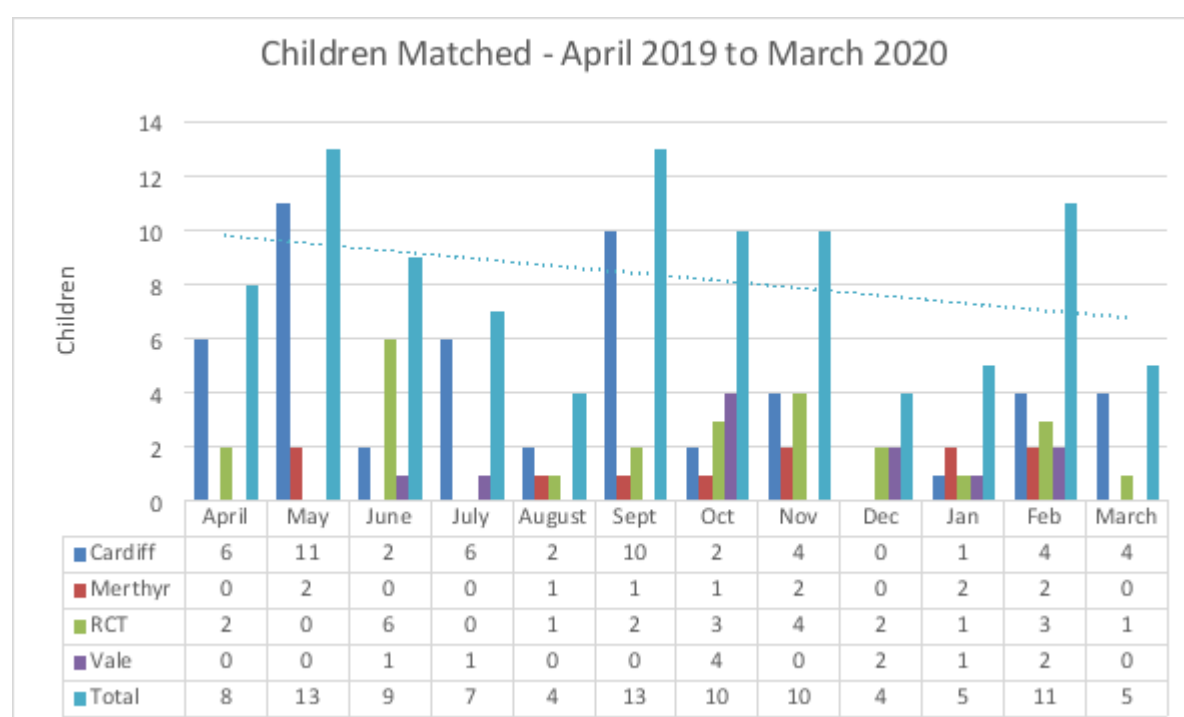
Placement Orders granted

71 Placement Orders were granted during the reporting period with an average of 6 Placement Orders granted each month.



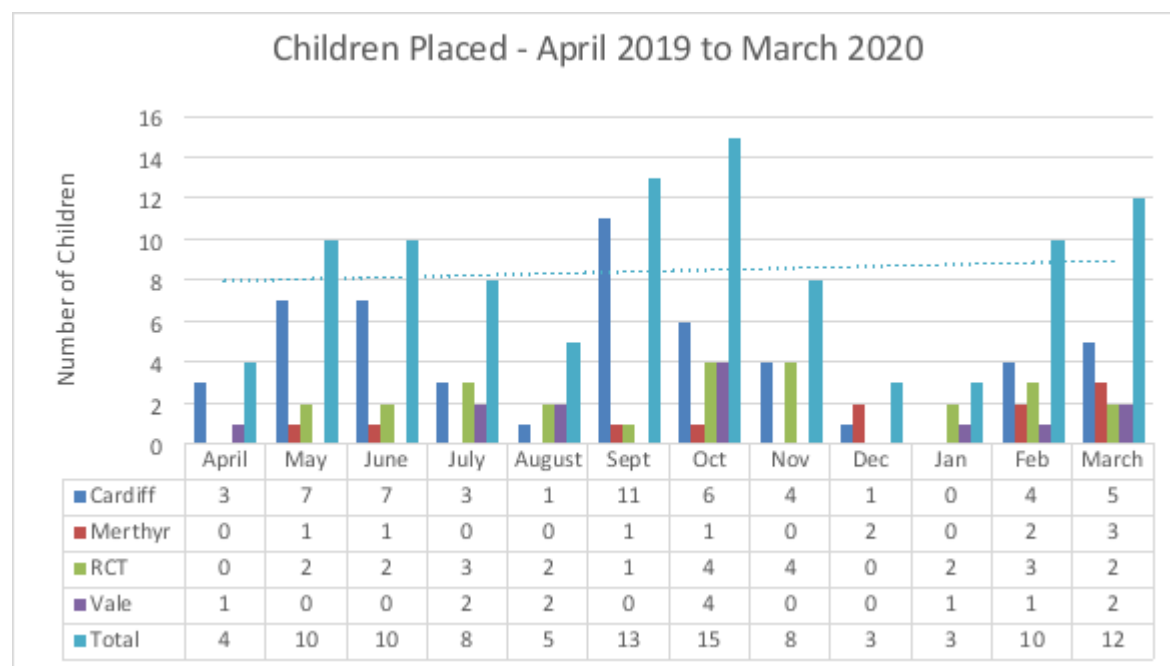
Children matched

98 children were matched with adopters during the period.



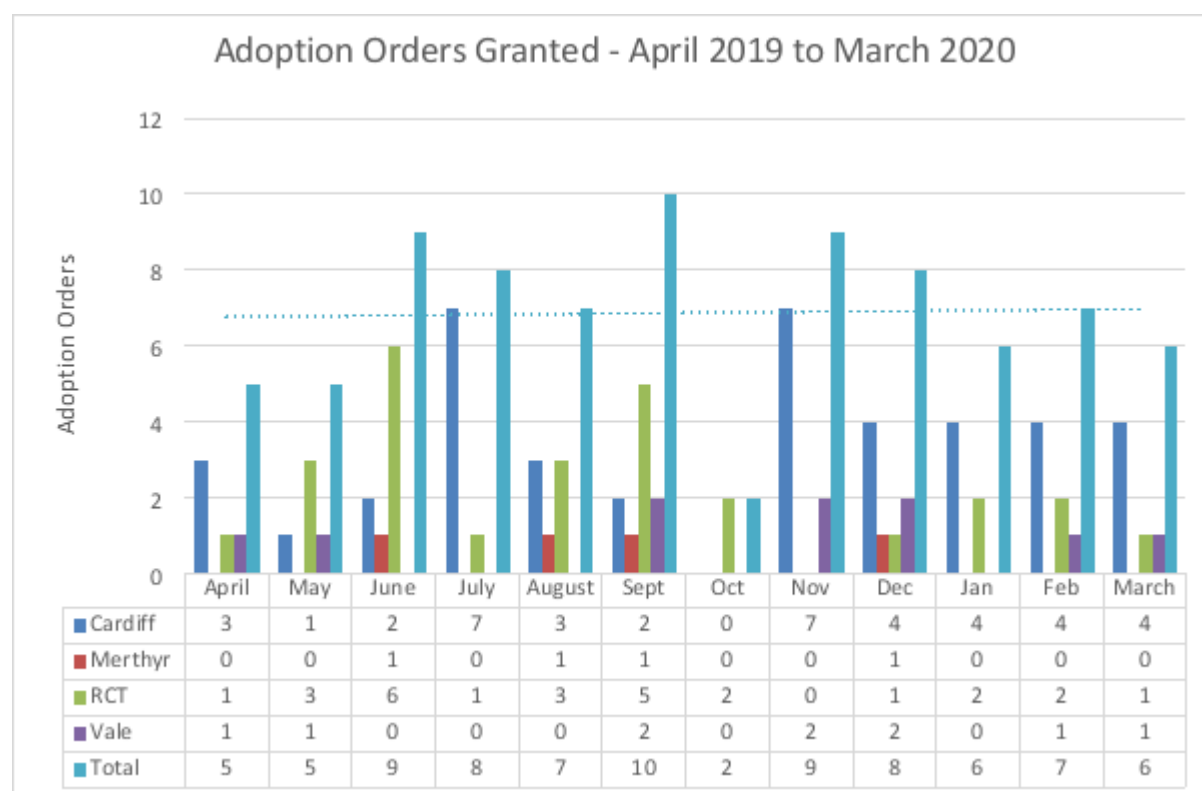
Children placed for Adoption

101 children were placed in adoption during the reporting period.



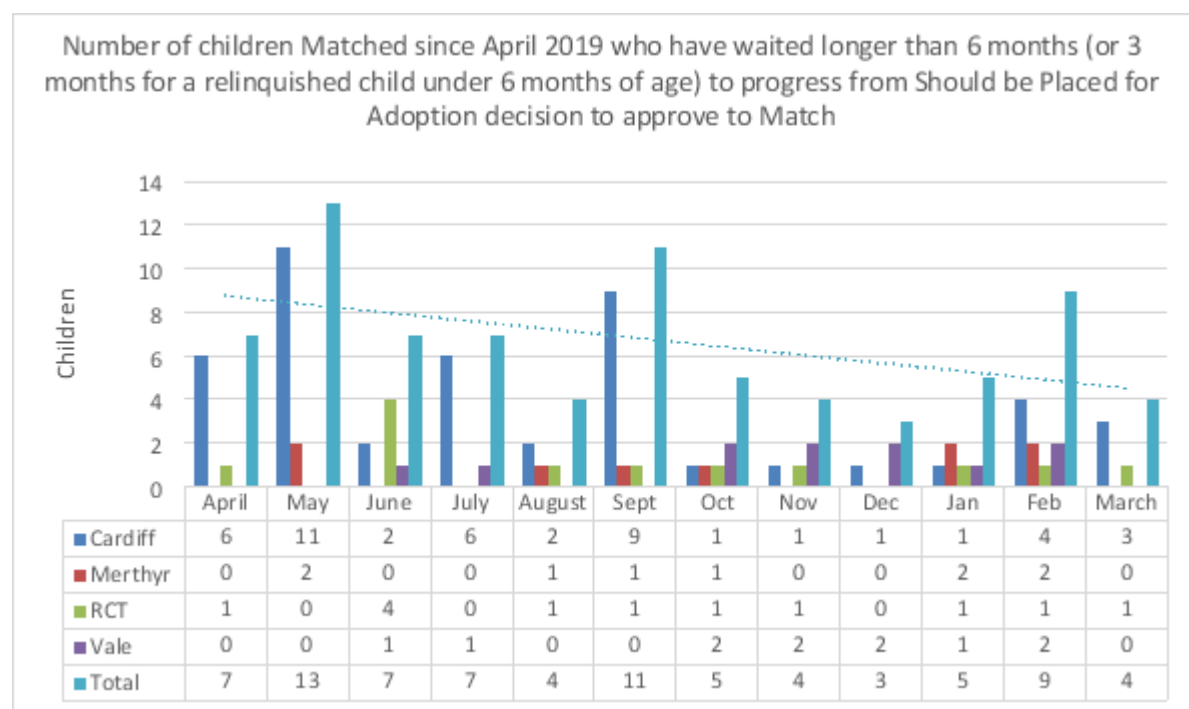
Adoption Orders

82 Adoption Orders were granted during the reporting period.

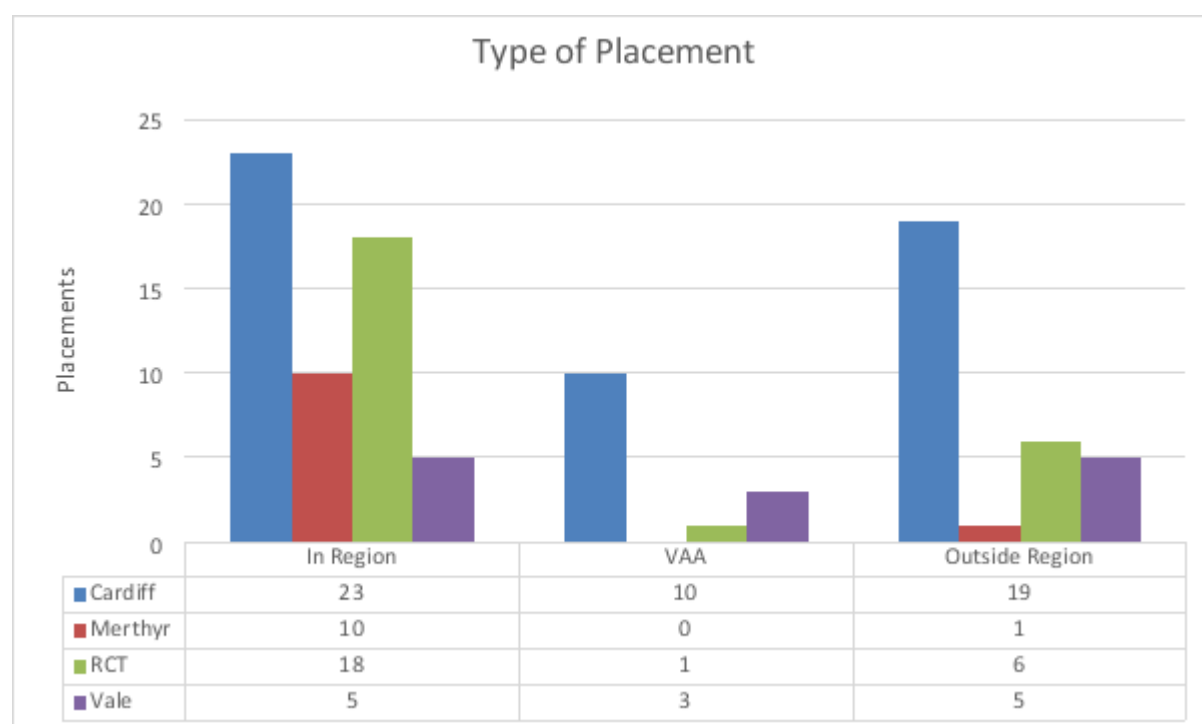


Number of children Matched since April 2019 who have waited longer than 6 months (or 3 months for a relinquished child under 6 months of age) to progress from Should be Placed for Adoption decision to approve to Match

79 of the 98 children matched had waited longer than 6 months to progress from a 'Should be placed for Adoption' decision to 'Approve to Match'.



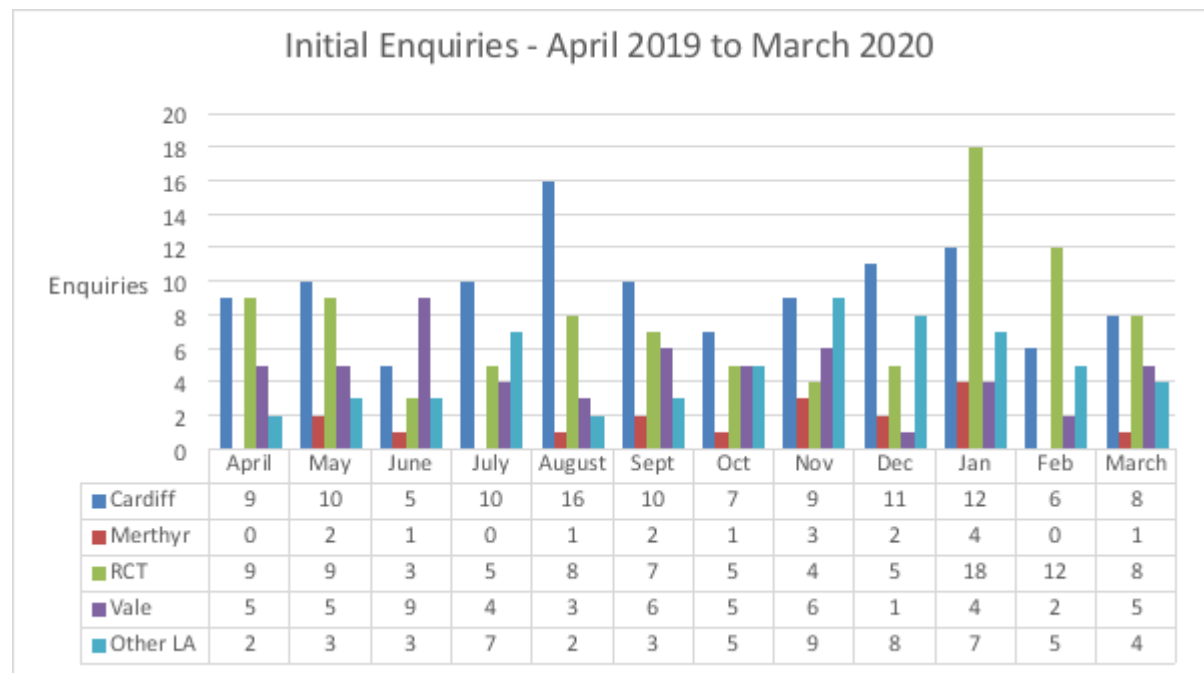
Type of Placement



Appendix 3 – Recruitment and Assessment

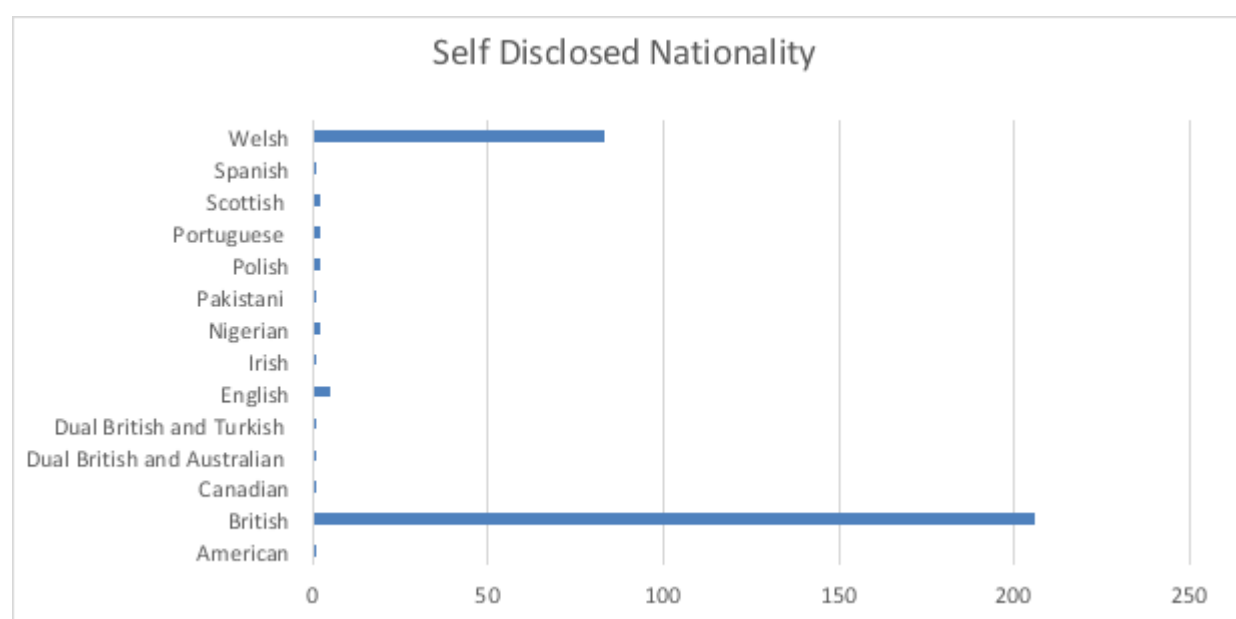
Initial Enquiries

278 enquiries were received from people living within our region. In addition, 58 enquiries were received from people living outside our area. There was a total of 336 enquiries.

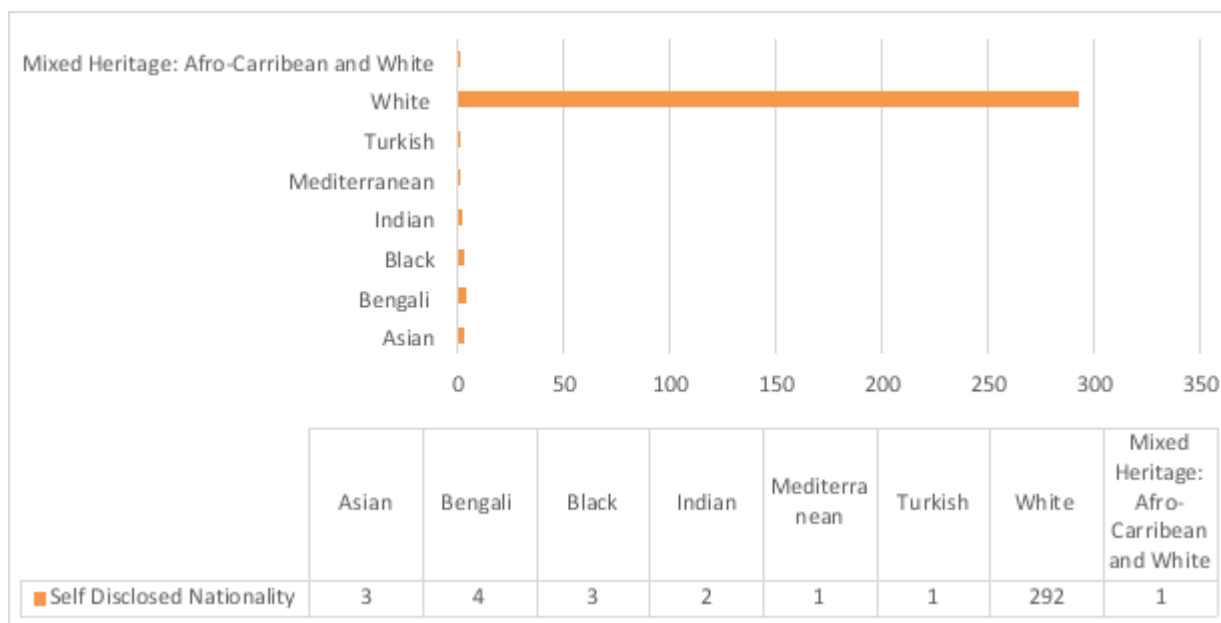


Demographics of Initial Enquiries

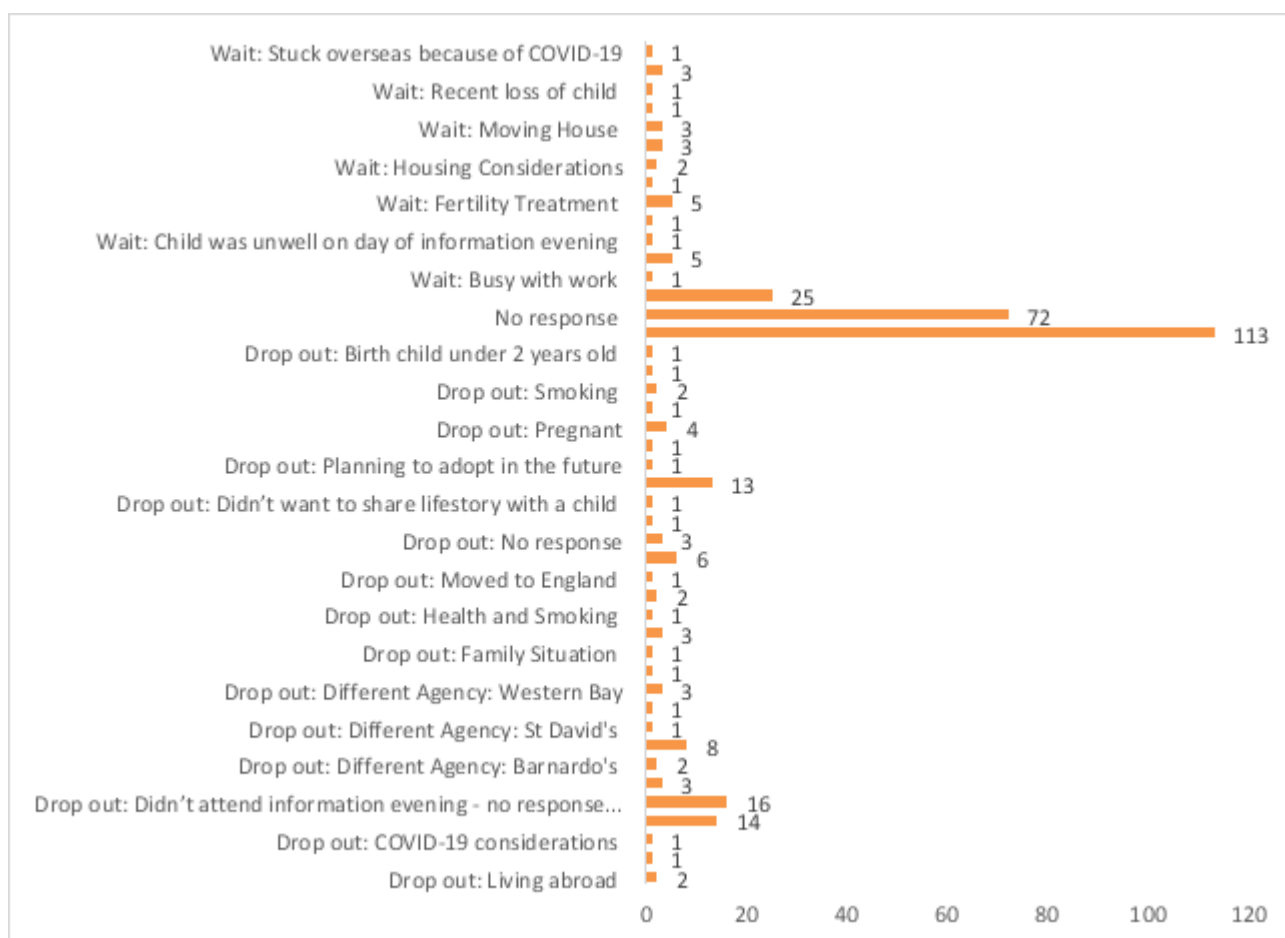
Self-disclosed Nationality



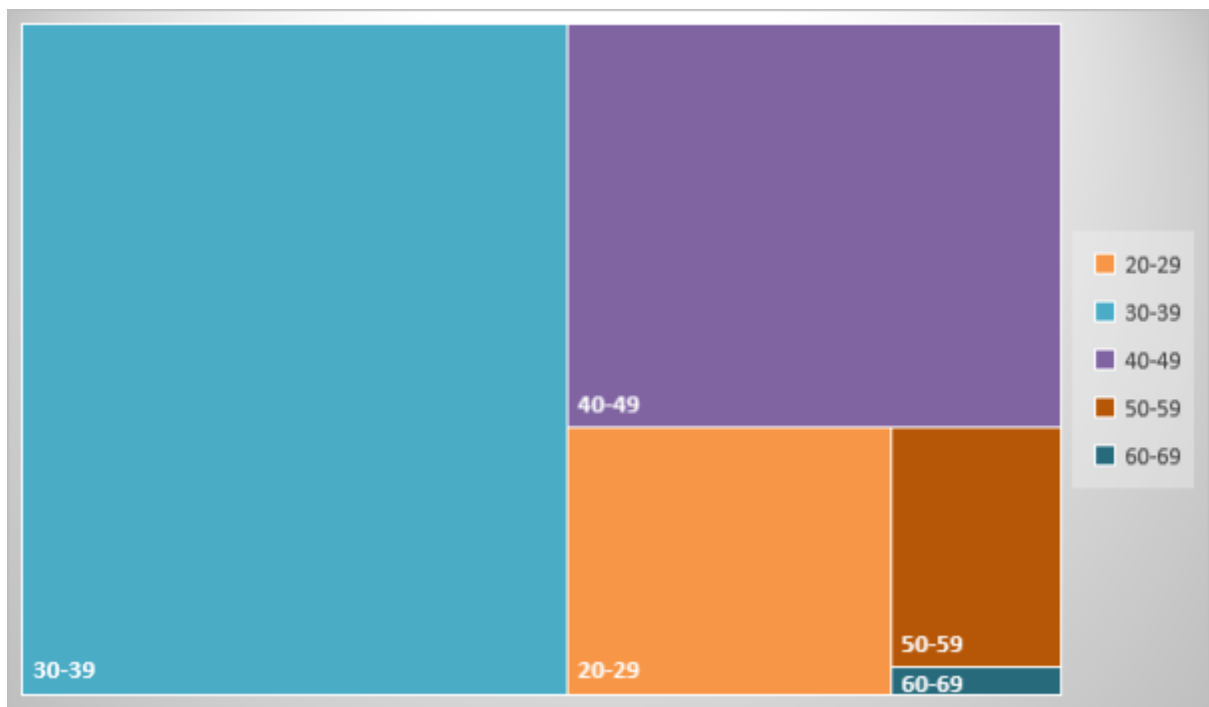
Self-disclosed ethnicity



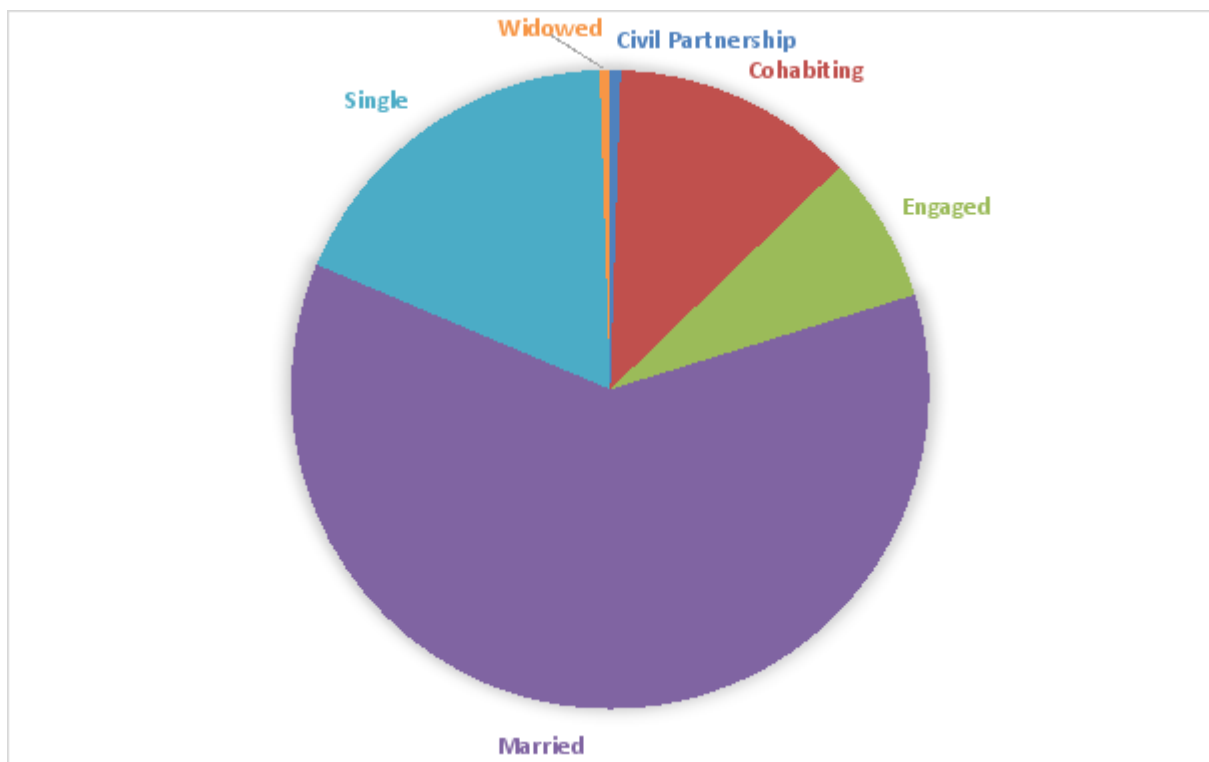
Self-disclosed Follow up - reasons for delay or withdrawal from adoption process before Information Evening



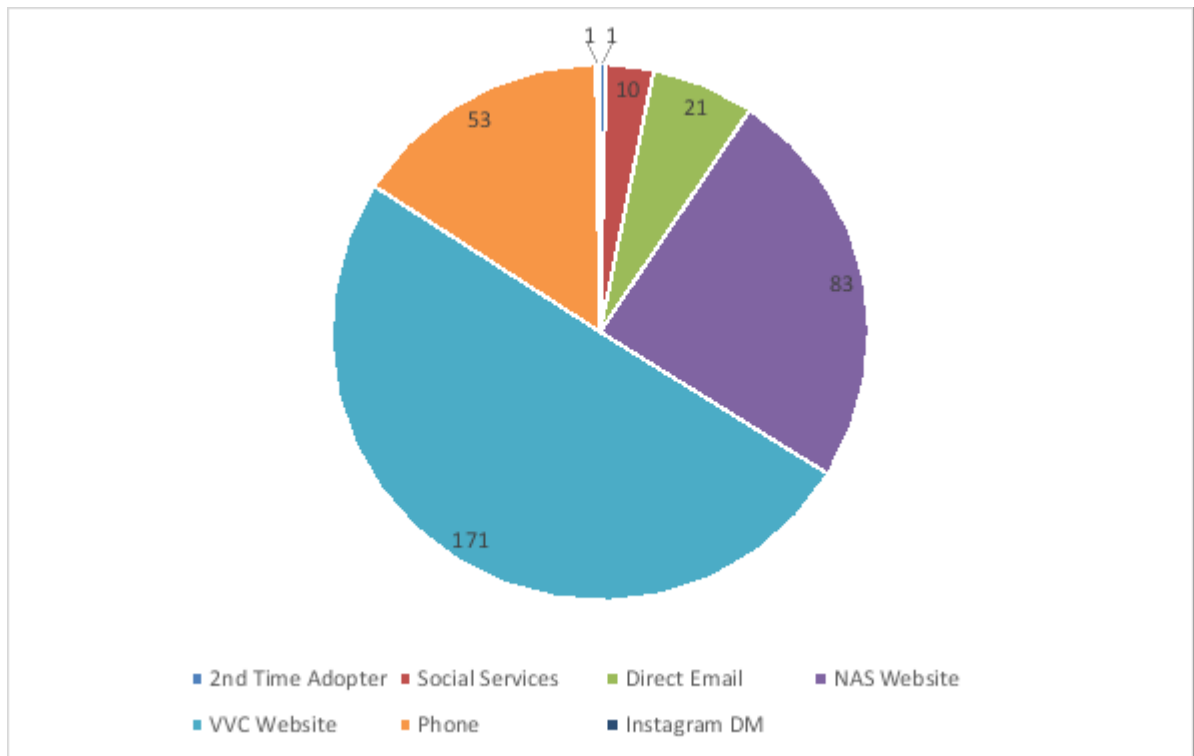
Age



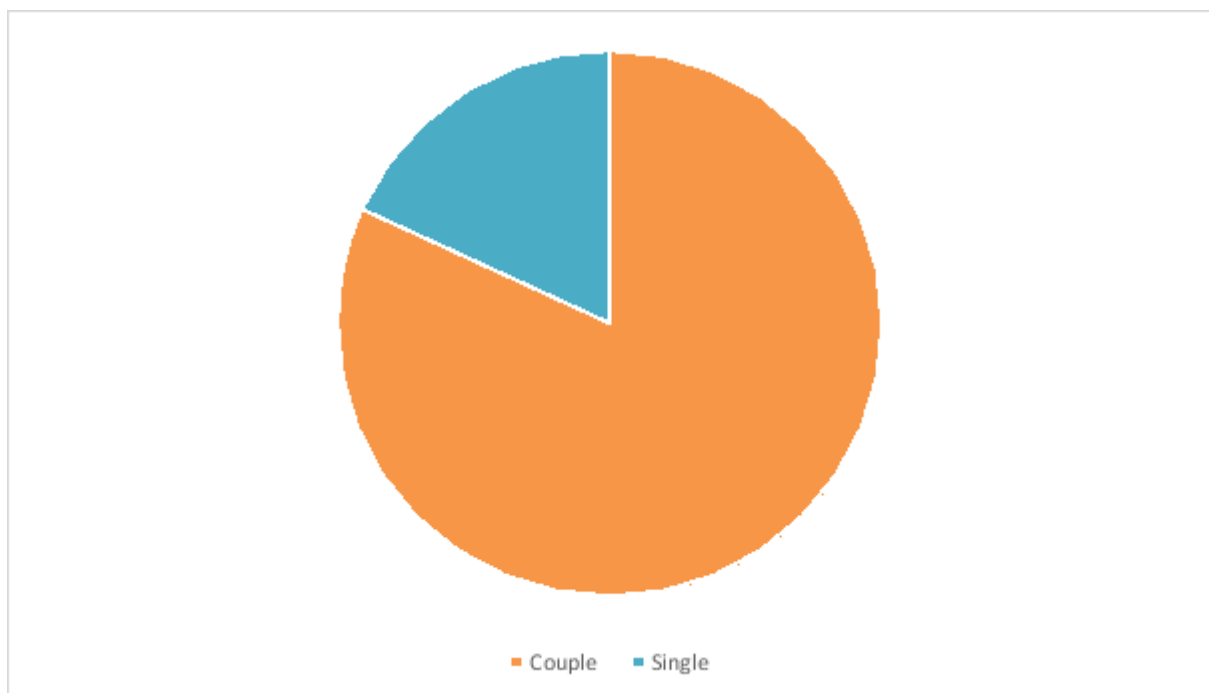
Relationship Status



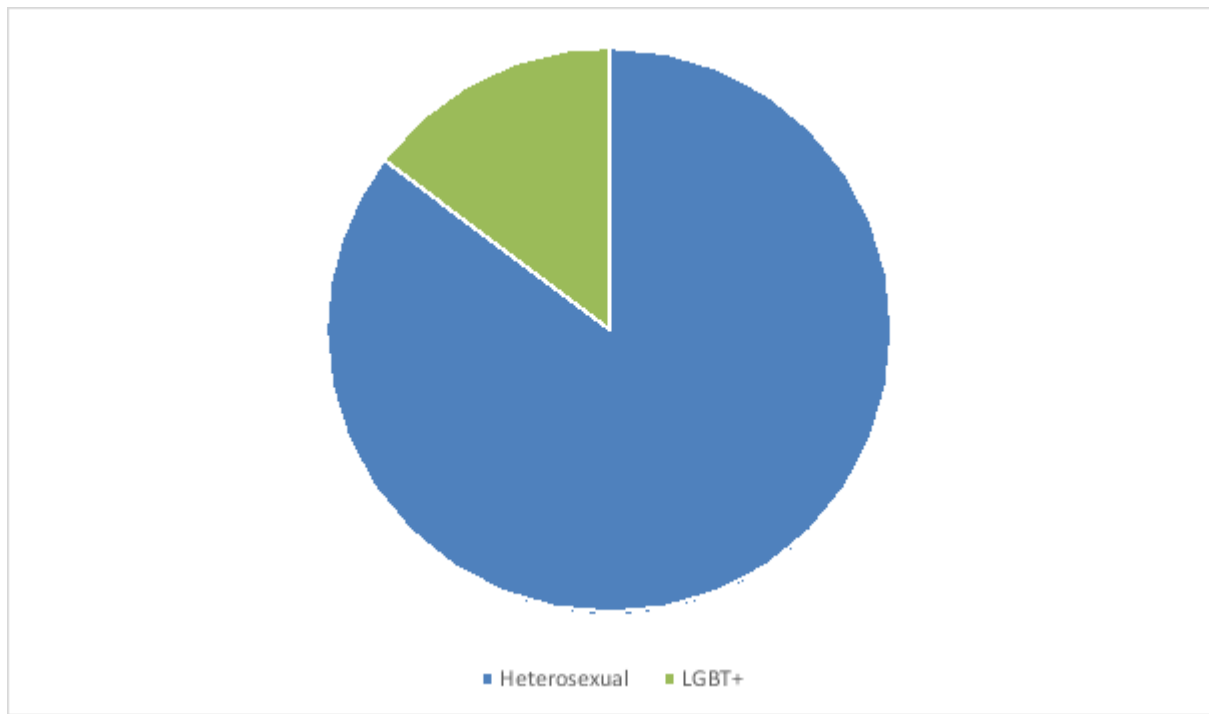
How they contacted us



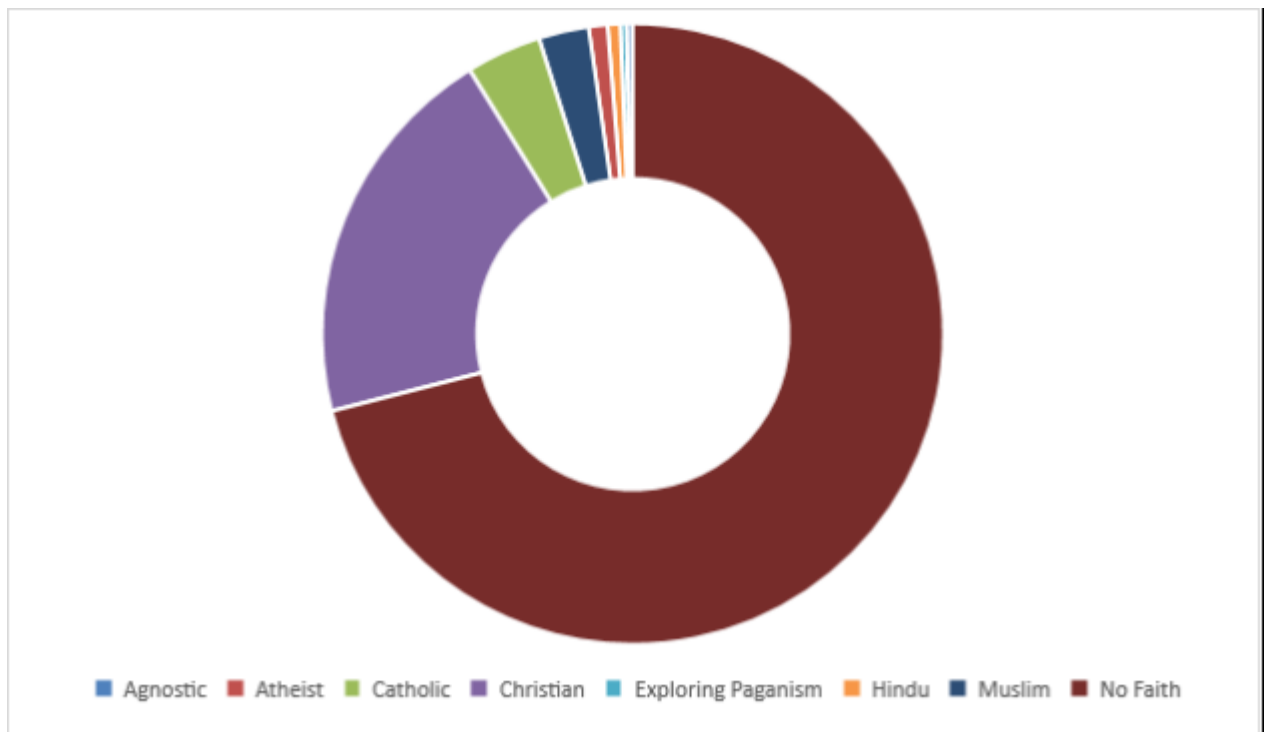
Couples and Singles



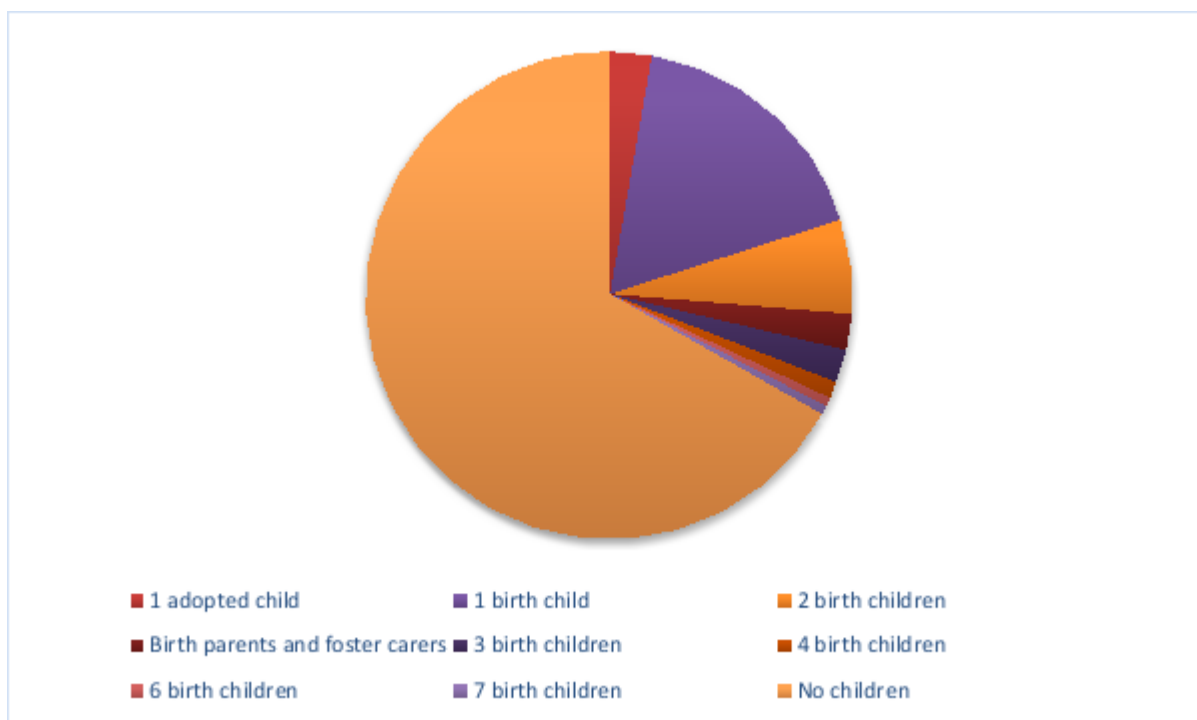
Couples: self-reported LGBT+ and Heterosexual



Self-reported Faith

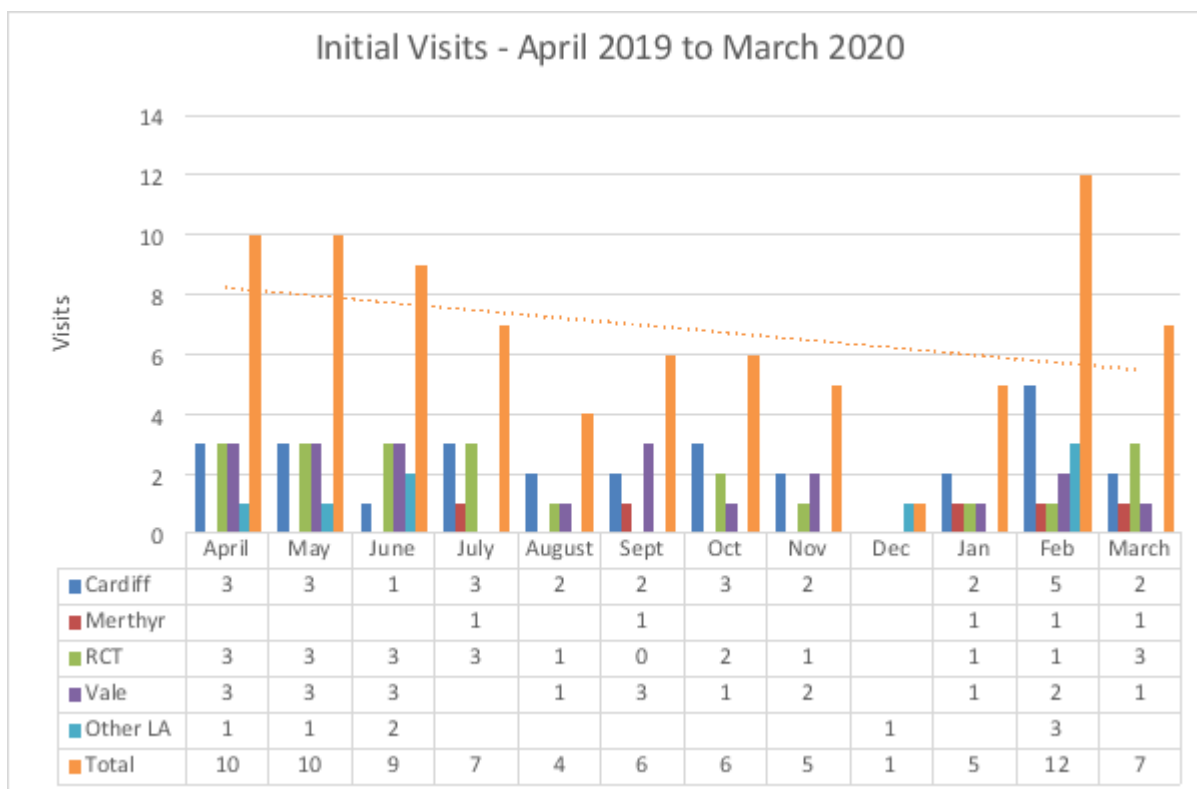


Adopting with children already in the household



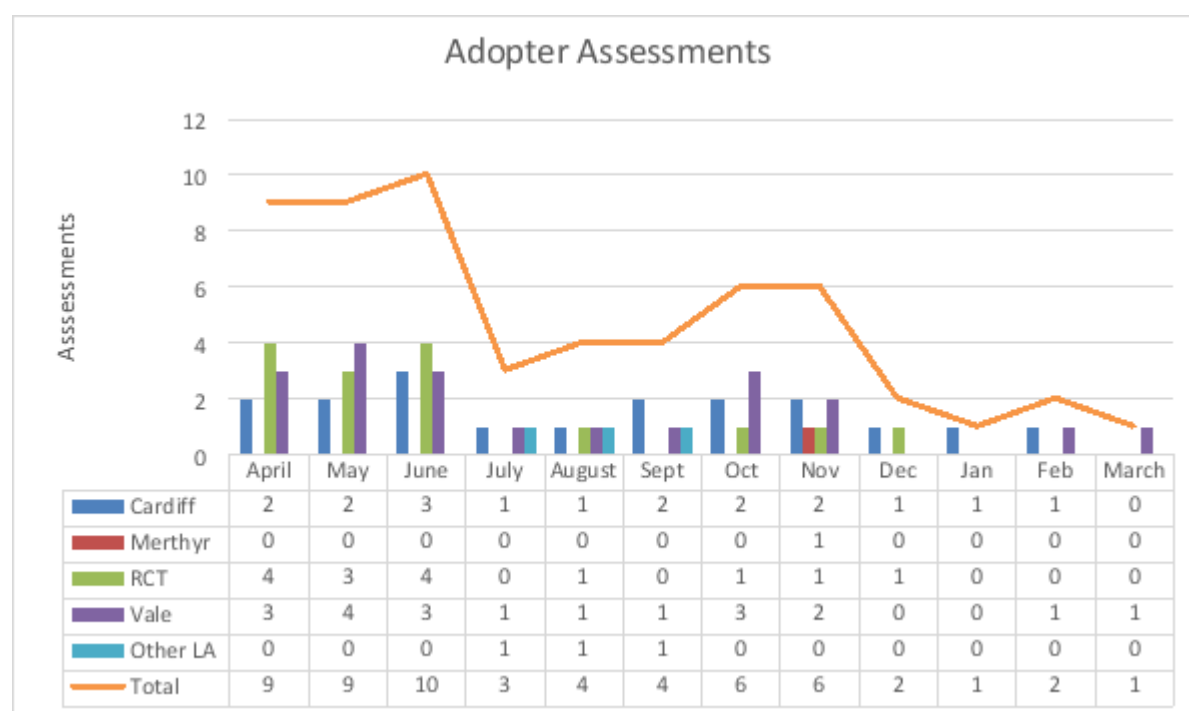
Initial Visits

82 initial enquiries took place during the reporting period.



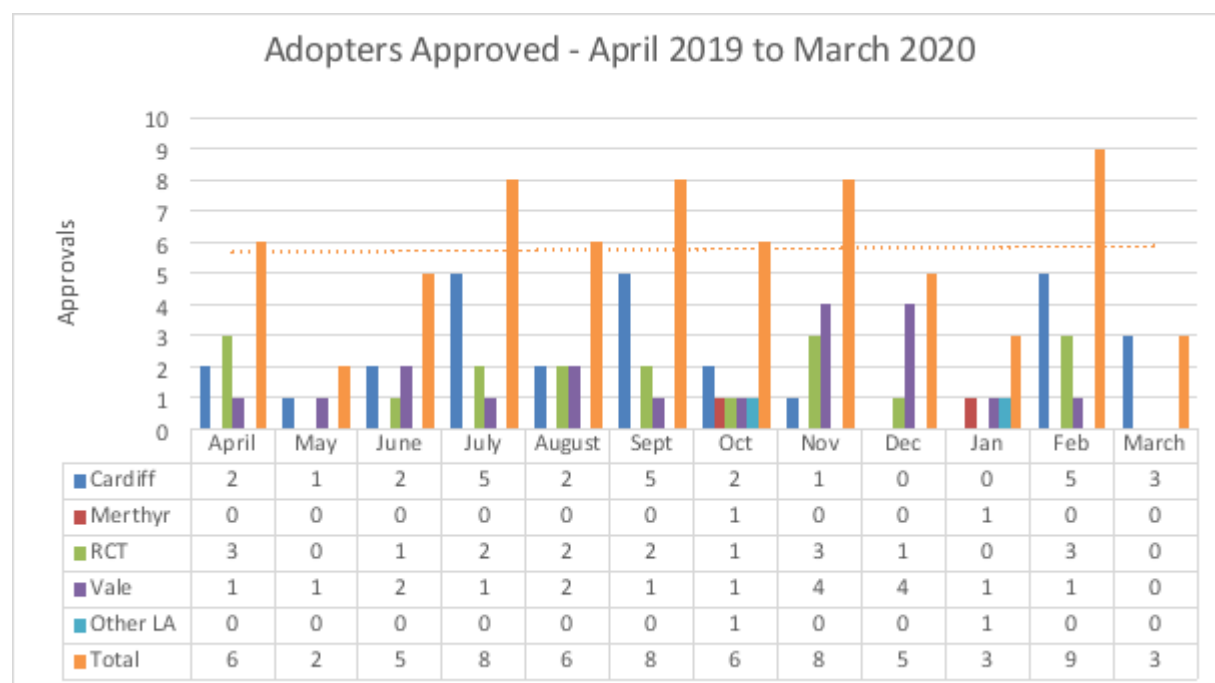
Adopter Assessments

57 adopter assessments were carried out during the reporting period



Adopter Approvals

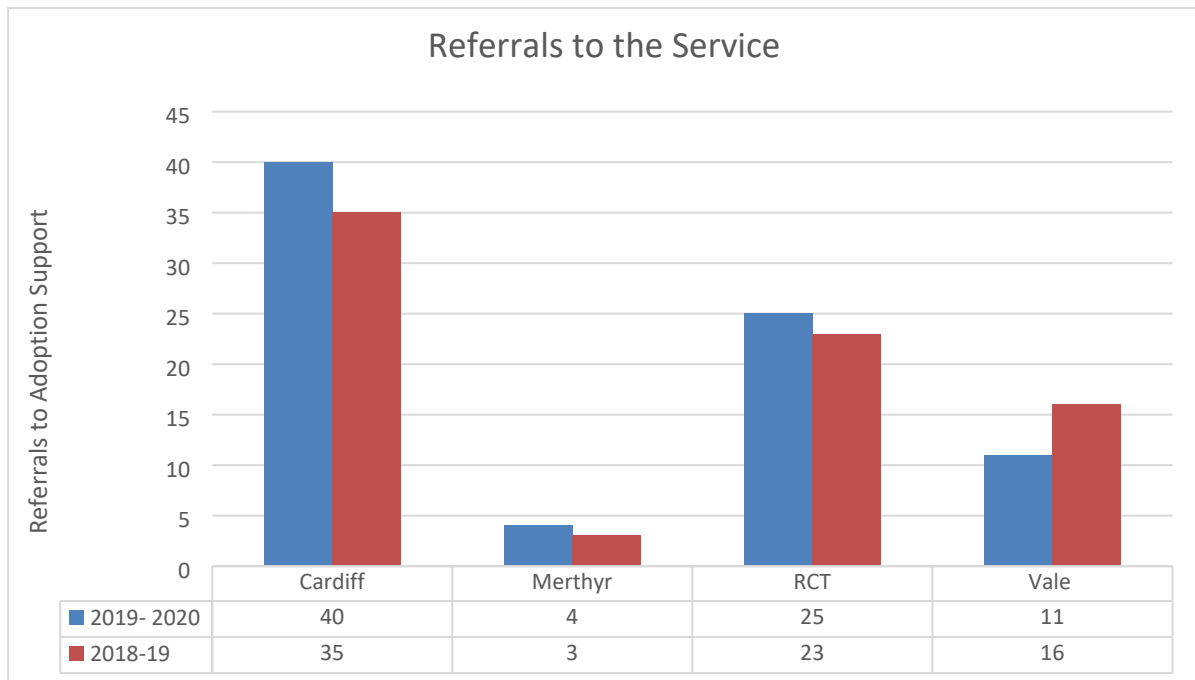
75 adopter approvals were presented to the adoption panel, of these 69 adopter approvals were ratified during the reporting period.



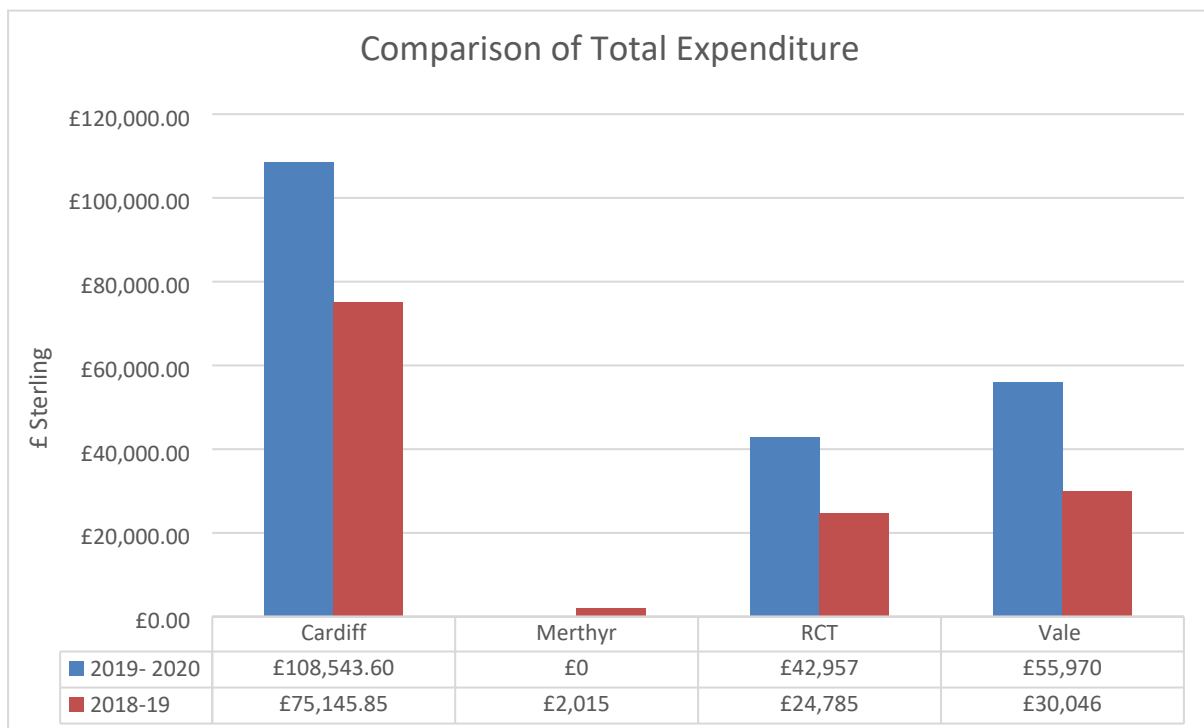
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Appendix 4 – Adoption Support

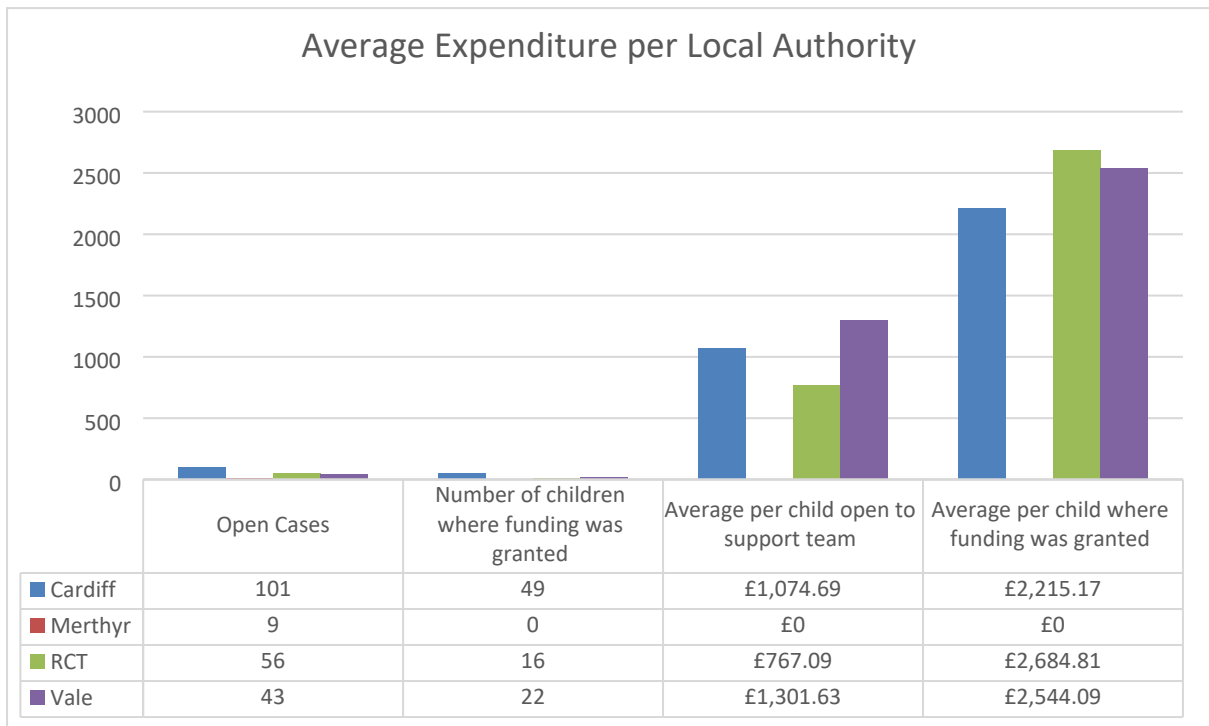
Referrals



Expenditure per Local Authority

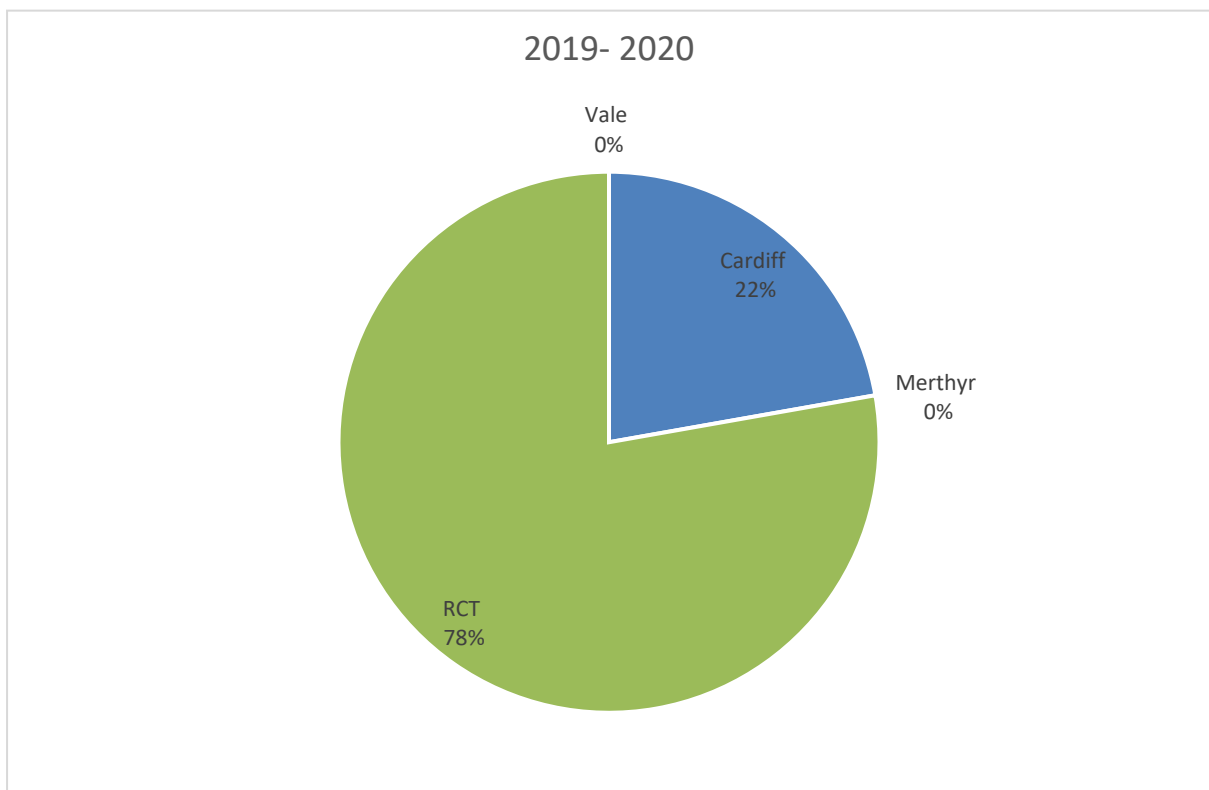


Average Expenditure per Local Authority

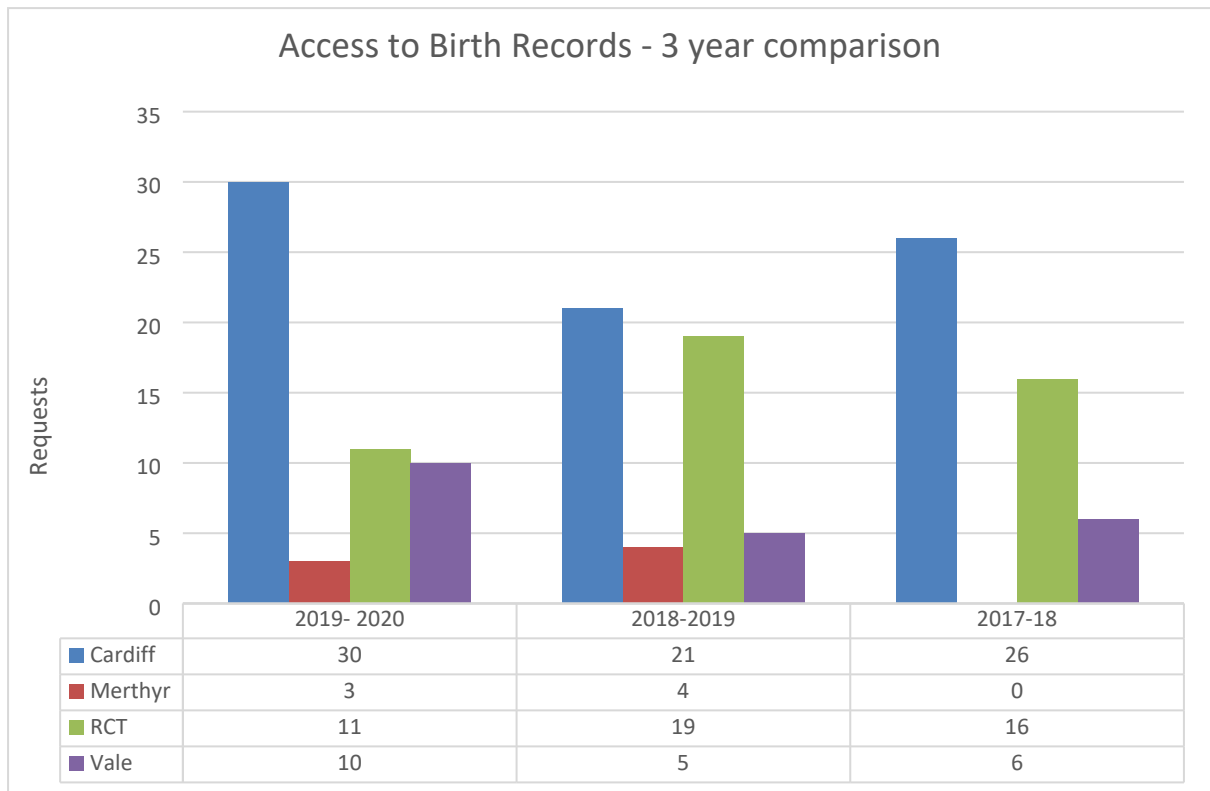


Other Services

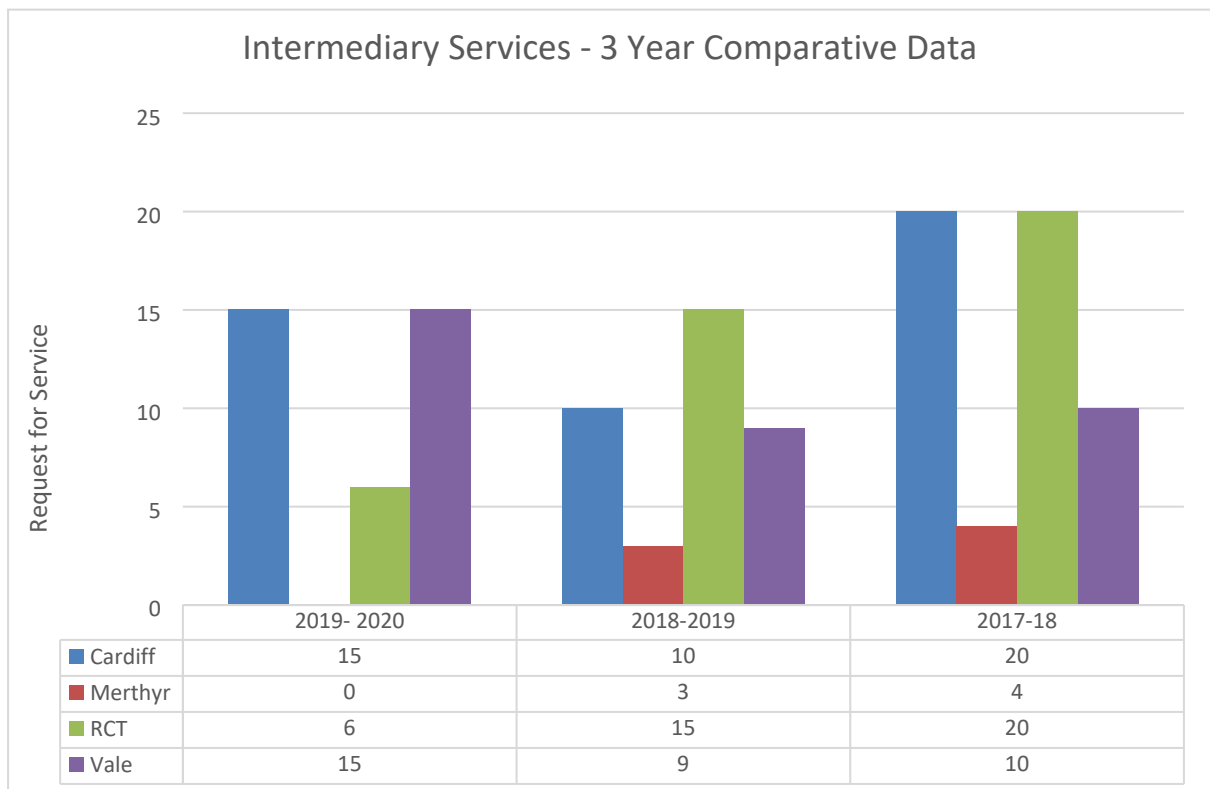
Birth Parent Support



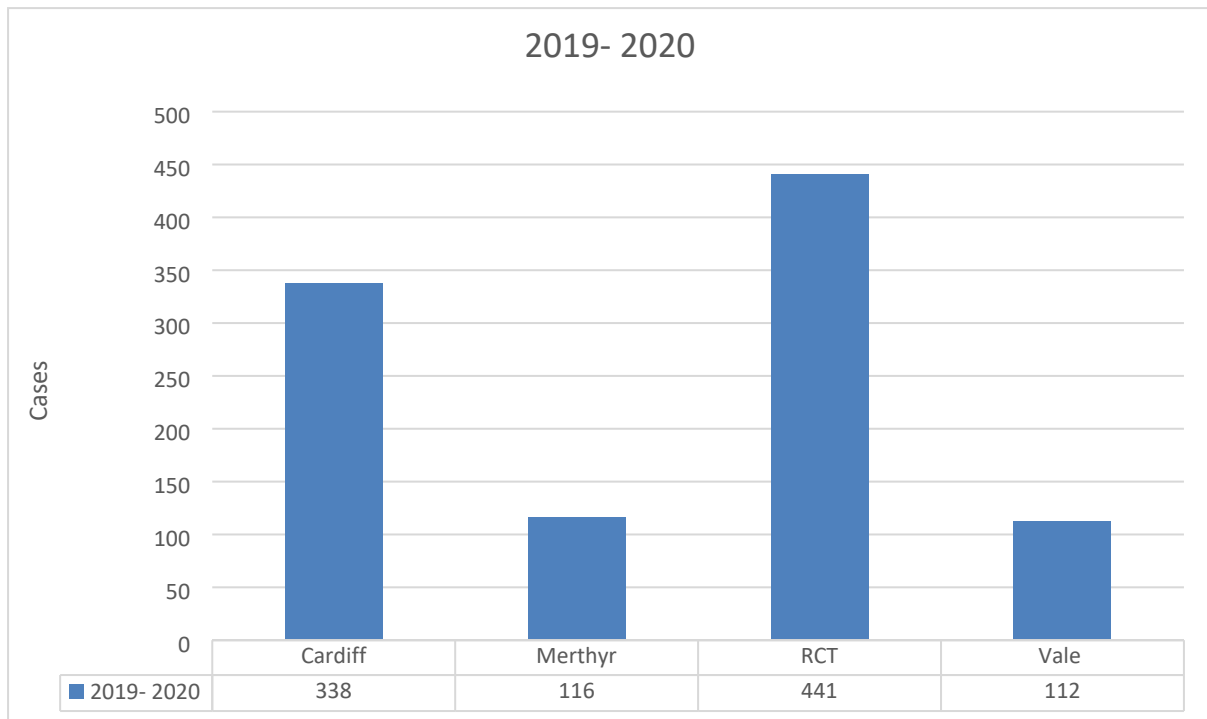
Access to Birth Records



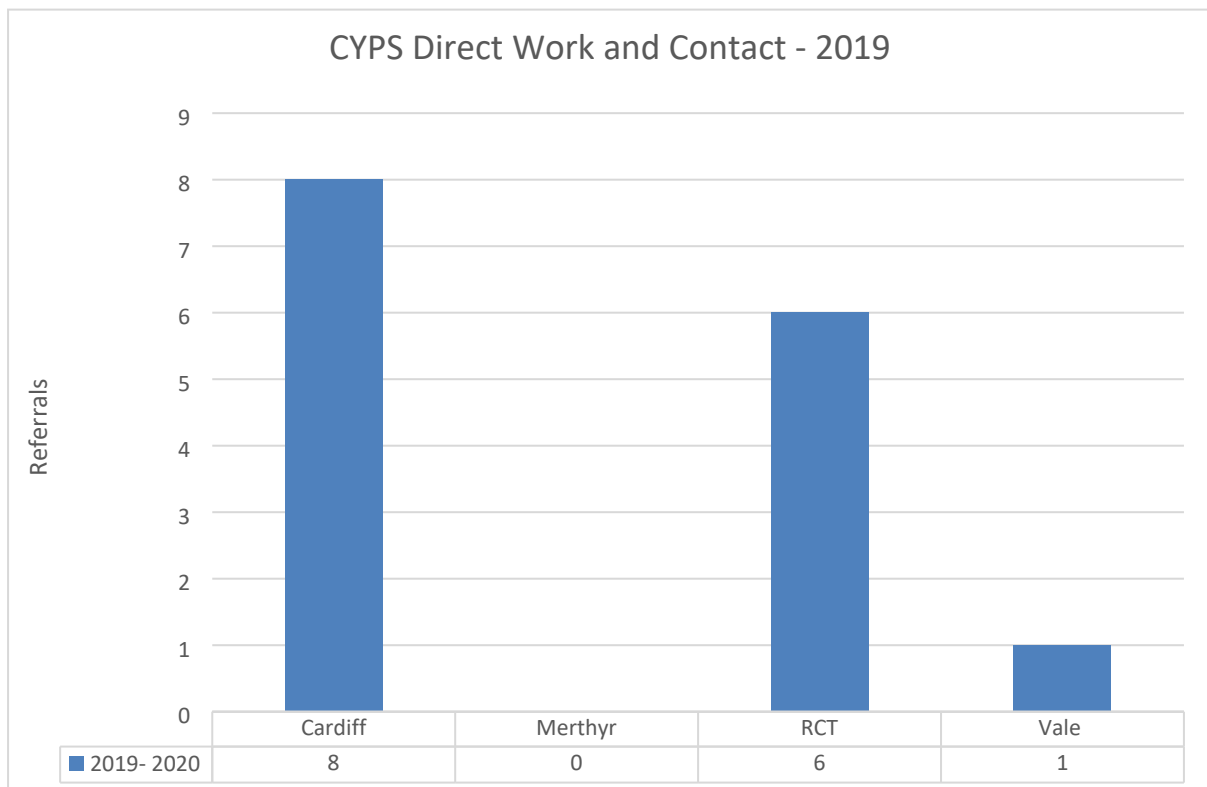
Intermediary Services



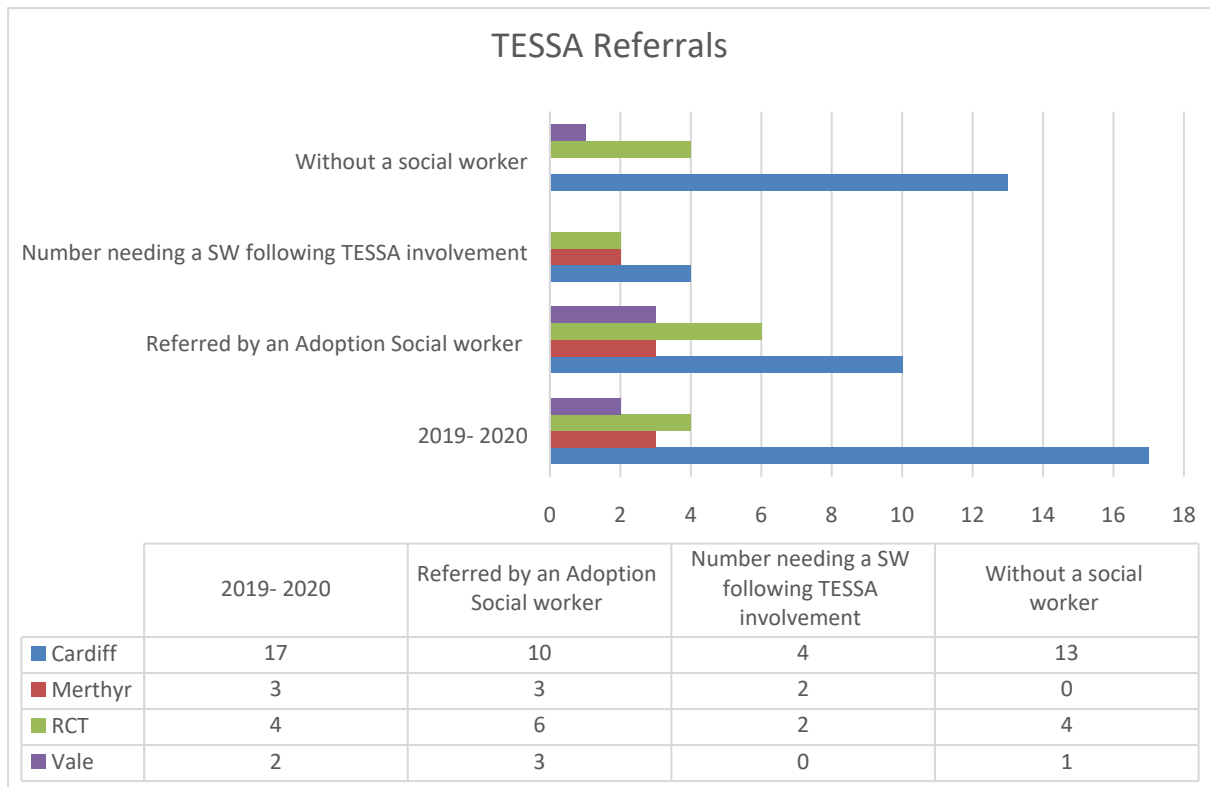
Letterbox



Children and Young People's Service



TESSA



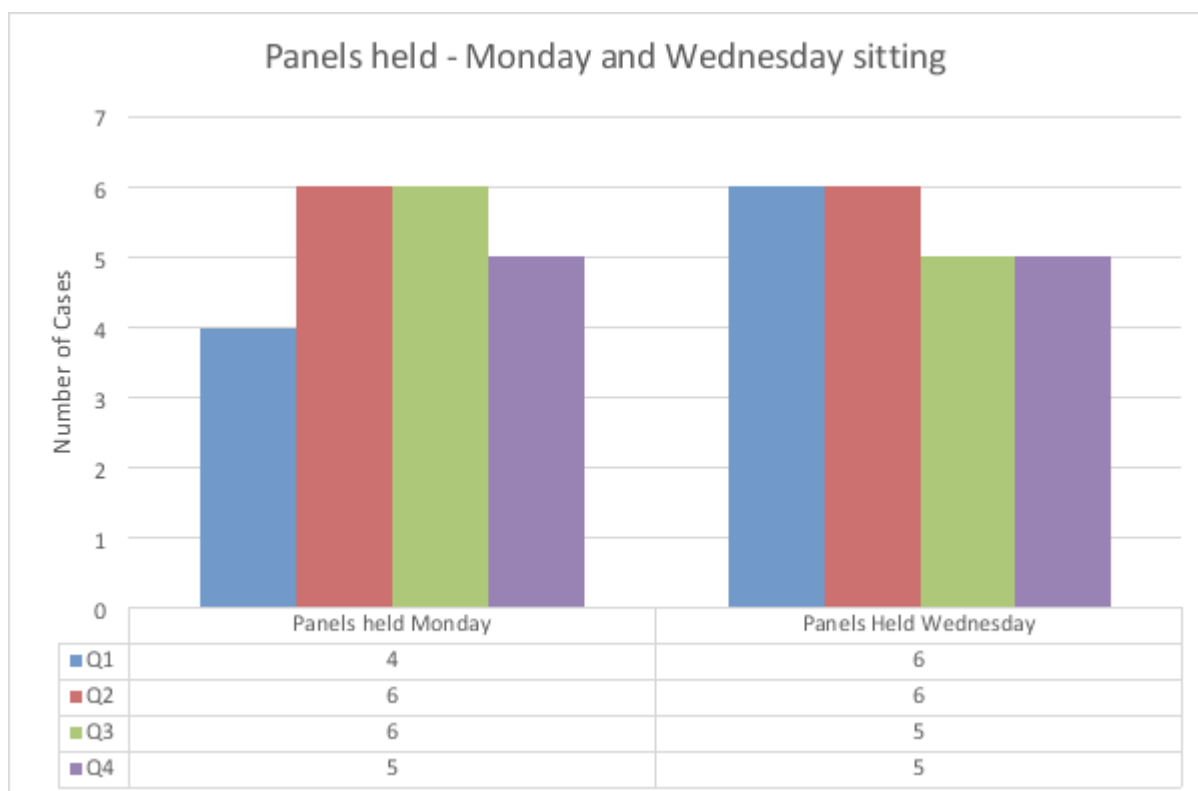
Training



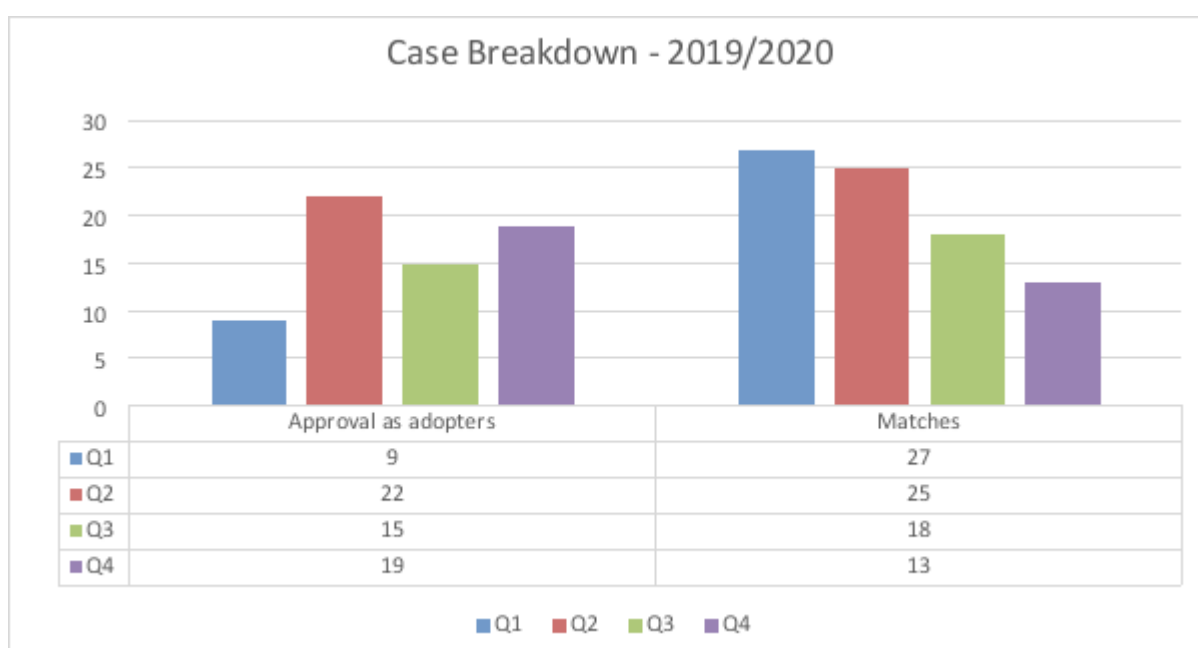
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Appendix 5 – Adoption Panel

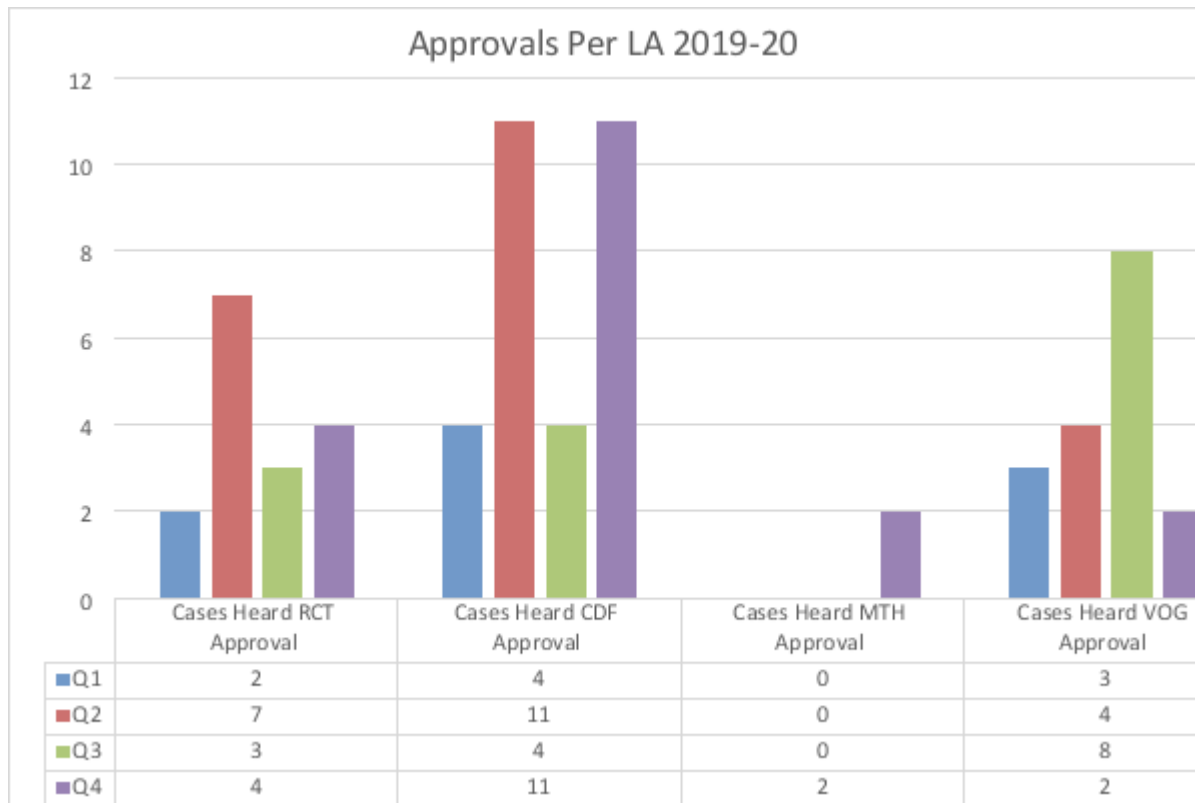
Panels convened



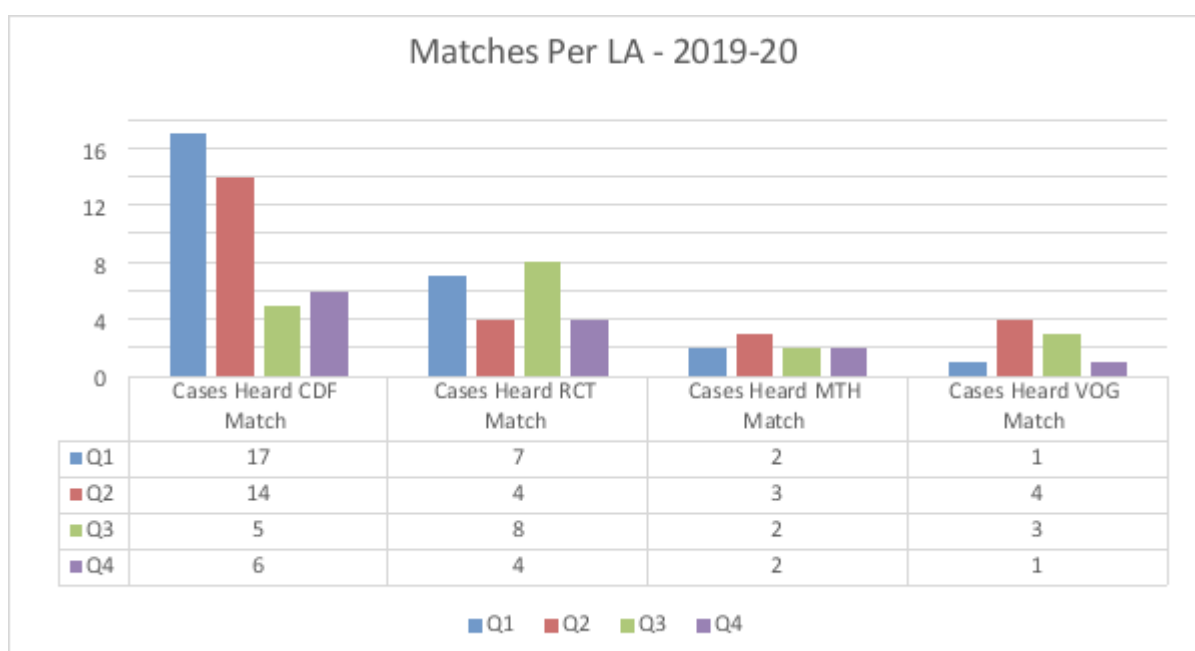
Case distribution



Approvals per Local Authority



Matches per Local Authority





RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25TH FEBRUARY 2021

21ST CENTURY SCHOOLS PROGRAMME – UPDATE ON THE PROPOSALS TO IMPROVE EDUCATION PROVISION IN THE CYNON VALLEY

REPORT OF THE DIRECTOR OF EDUCATION AND INCLUSION SERVICES IN PARTNERSHIP WITH THE CABINET MEMBER FOR EDUCATION, COUNCILLOR J ROSSER

Author: Andrea Richards, Temporary Service Director of 21st Century Schools and Transformation (Tel: 01443 744002)

1. PURPOSE OF THE REPORT

1.1 The purpose of this report is to provide an update to Members on the projects to improve education in the Cynon Valley, following the report brought before Cabinet in September 2018, these were:

- The investment in a new school for Hirwaun Primary School;
- Improving Welsh medium education provision in the Cynon Valley by:
 - Increasing the supply of places in the Upper Cynon Valley by making Penderyn Primary School, currently a dual language school, a Welsh medium Primary School;
 - Investing £4.5M to improve and increase the capacity of Ysgol Gynradd Gymraeg Aberdar to meet the demand for Welsh medium school places;
 - Investing £12.1M to increase the capacity and improve the educational facilities at Ysgol Gyfun Rhydywaun to meet the demand for Welsh medium places.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the progress made to date on the projects.
- 2.2 Note and approve the variations to the Ysgol Gyfun Rhydywaun proposals since the last report.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To continue to improve and extend the education provision in the Cynon Valley area of Rhondda Cynon Taf.

4. BACKGROUND

Investment in Hirwaun Primary School

- 4.1 Funding to invest in a new school for Hirwaun Primary School was approved by the Welsh Government's 21st Century Schools and Colleges Programme Board in July 2019. Project costs total £10.2M.
- 4.2 Works to construct the new school started in September 2019 and have continued to progress well. The works are being delivered through a phased programme, the demolition of the infant block and the installation of temporary classrooms enabled the build to commence.
- 4.3 The school building itself is now complete and staff and pupils moved in after half term in November 2020. Phase 2 is now underway with the demolition of the junior block, and the external works have commenced. The new on-site Flying Start provision has also been completed and opened in January this year.
- 4.4 In accordance with the School Organisational code, following the outcome of extensive consultation, in April 2019 Cabinet approved Penderyn Primary to become solely Welsh medium in September 2021.
- 4.5 There are currently 26 learners in the English medium stream at Penderyn Community Primary School and it is anticipated that all will transfer to Hirwaun Primary in September of this year.

Investment in YGG Aberdar

- 4.6 21st Century Schools and Colleges funding for this project has been approved by the Welsh Government with the investment totalling £4.5M. The project will comprise a 4 classroom extension, an extension to the existing hall, increased on-site parking, plus a new Meithrin. The funding to create a new Meithrin, £810k, had already been secured from the Welsh Government's Welsh Medium Capital Grant and is included within the total project costs. Funding for this project was approved by Cabinet in November 2020.
- 4.7 The detailed design for this project is nearly complete, and a local consultation will be undertaken prior to the submission of the planning application to ensure that the views of the school community and local residents are fully captured. A start on site in the summer of 2021 is currently programmed.
- 4.8 This project will create an additional 48 pupil places at the school and the childcare facility will offer pre-school Meithrin sessions for 2-3 year olds. The childcare provision

will be supported to extend the current after school childcare provision and to extend services to offer holiday provision. Both elements of the project, the increase in capacity at the school, plus the new Meithrin, support the targets set by Welsh Government's Cymraeg 2050 as well as the Council's new ten-year WESP currently under development.

- 4.9 As a part of the project design process, the Council will undertake a traffic impact assessment to identify any improvements required for the 'Safe Routes' in the community which will improve traffic and road safety management in and around the school curtilage. The Council will also work with the school and the community to promote and encourage sustainable travel such as promoting walking and cycling to reduce the impact of traffic around the school at key times of the day.

Investment in Ysgol Gyfun Rhydywaun

- 4.10 The plans to increase capacity at Ysgol Gyfun Rhydywaun are significantly advanced and have recently been subject to a formal Pre-Application Consultation process, no school or community concerns were raised. The works were tendered on a design and build basis and Wilmott Dixon were the successful contractor appointed to take the project forward. The planning application for this project has been submitted with the on-site start date currently programmed for April 2021.
- 4.11 Both the Strategic Outline Case and the Outline Business Cases to secure investment for this project have been approved by the Welsh Government, with the Final Business Case submitted in early January. A decision on the Final Business Case is expected from the Welsh Government this month. The total project costs are anticipated to be circa £12.1M.
- 4.12 The total estimated cost presented to Cabinet in September 2018 was £10.2M. Since submission of these costs a significant amount of work has been undertaken developing the project including a curriculum analysis, intrusive site investigations and detailed design. As a result, the scope of the project has developed and now includes a significant refurbishment of a number of areas within the existing school to enable the effective delivery of the curriculum to accommodate the increase in capacity. The project costs for these proposals now total £12.1M.
- 4.13 The funding package has also changed. In September 2018 the WG 21st Century Schools Band B grant intervention rate was 50%, which therefore required the Council to fund 50% of the cost. The WG intervention rate has now increased to 65% and the Council's funding requirement has decreased to 35%. Therefore even though the project scope and costs have increased, the Council's contribution to the overall investment has in fact decreased from an estimated £5.1M to £4.2M.
- 4.14 The project will deliver a new teaching block on the school site incorporating 8 general classrooms, community rooms, new drama and music facilities plus a sports hall, fitness suite and changing rooms to deliver the PE curriculum. The block has been designed in such a way to allow community access to the sports facilities without compromising the security of the rest of the school. The new block will provide the new reception to the school and the proposals will improve both the security and safety

of the site, with traffic improvements, additional parking, and new pupil routes planned. These works will increase the school's capacity, adding an additional 187 Welsh medium pupil places.

- 4.15 These proposals will significantly improve the sporting facilities at the school and builds upon the £600k investment in a 3G pitch at the school which was delivered in 2019.
- 4.16 The refurbishment works will include provision of new specialist teaching areas such as science labs and technology areas, new dining facilities, general improvements, plus the creation of a dedicated Social, Emotional and Behavioural Difficulties (SEBD) and Wellbeing area within the school to support the delivery of the New Curriculum for Wales.
- 4.17 This project links strategically with the investment at Ysgol Gynradd Gymraeg Aberdar, and the change in language medium of Penderyn Community Primary to Welsh only, as it too will support the targets set by Welsh Government's Cymraeg 2050 as well as contributing to the new ten-year WESP currently under development.
- 4.18 It was reported in the Cabinet report in September 2018 that discussions with Merthyr Tydfil County Borough Council would take place to consider future planning of Welsh medium places for both Councils which the school serves. To confirm a letter has been sent to the Director of Education and Chief Executive to discuss a mutual way forward to equitably fund the future growth of pupil numbers.
- 4.19 In addition to this, questions regarding Merthyr Tydfil County Borough Council's future plans for managing their Welsh medium education were formally raised during Merthyr Tydfil's Local Development Plan statutory consultation in June 2019, with representations made by RCT officers from both the Education and Planning Department. In response, a written statement provided by Merthyr CBC advised that *'longer term requirements in regard to both Primary and Secondary Welsh Medium Education will need to be monitored by the Council and considered as part of Band C of the 21st Century Schools programme which commences in 2026'*.

Additional investment in the Cynon Valley

- 4.20 In addition to the large-scale projects highlighted above that are jointly funded by RCT and the Welsh Government, there continues to be significant RCT investment throughout the education portfolio. It has long been the Council's priority to continually improve and upgrade the facilities in all of our schools for the benefit of our staff and learners. Since March 2019, over £2M has been spent on a number of schools in the Cynon Valley alone through the successful delivery of our Capital and School Modernisation Programmes, such works include roof replacements, new boilers, new toilets and hygiene rooms, and the general upgrading of classrooms and external play areas.
- 4.21 Also, as has been previously reported to Cabinet, £250k has been secured from the Welsh Government's Welsh Medium Capital Grant to reopen a Meithrin on the site of Ysgol Gynradd Gymraeg Abercynon. Works are planned for this summer.

5. EQUALITY AND DIVERSITY IMPLICATIONS

- 5.1 Welsh Language, Equality and Community Impact Assessments were prepared in respect of the Hirwaun/Penderyn proposal and were published on the Council's website as a part of the school organisation consultation process.
- 5.2 Both Business Cases for Ysgol Gynradd Gymraeg Aberdar and Ysgol Gyfun Rhydywaun have included an Equality Impact Assessment and a Children's Rights Impact Assessment, and a Welsh Language Impact Assessment was appended to the Ysgol Gyfun Rhydywaun Full Business Case in accordance with the latest Welsh Government guidance.
- 5.3 All works carried out will be fully compliant with the Equalities Act 2010 which will ensure that all of the new facilities are fully accessible.

6. CONSULTATION

- 6.1 The consultation processes in respect of the Hirwaun/Penderyn proposals was undertaken as outlined in the Welsh Government's School Organisation Code. Cabinet approval to proceed with these proposals was granted in April 2019.
- 6.2 A formal school organisation consultation on the proposals to extend Ysgol Gynradd Gymraeg Aberdar and Ysgol Gyfun Rhydywaun is not required as the increase in capacity at both schools is below the threshold at which a statutory consultation is necessary. We will, however, continue to undertake local, informal consultation with both schools, including with pupils, staff and governors throughout the duration of the projects,
- 6.3 This has commenced in respect of the works at Ysgol Gyfun Rhydywaun as the staff, pupils, governors and local residents have been engaged in the PAC (Pre-Application Consultation) in relation to the plans for the new facilities. The consultation for Ysgol Gynradd Gymraeg Aberdar is currently underway and will end shortly.

7. FINANCIAL IMPLICATIONS

- 7.1 These proposals require a significant capital investment of £26.8M, of which it is proposed that a minimum of 35% will be funded by the Council and up to 65% by the Welsh Government's 21st Century Schools and Colleges Programme. Details of the borrowing calculation and funding of the annual revenue cost will be included in a further report brought to Cabinet in due course.
- 7.2 During the course of the consultation and design periods any revenue and capital costs accrued were met from within existing budgets. The expenditure accrued has been included within the overall project costs and retrospective funding sought from the Welsh Government on approval of the Full Business Cases.

8. LINKS TO THE COUNCIL'S CORPORATE PLAN/OTHER CORPORATE PRIORITIES AND THE WELL BEING OF FUTURE GENERATIONS ACT

- 8.1 The Council's Corporate Plan commits to "Continue to invest in improving school buildings, to ensure the County Borough's pupils have the learning environment fit for the 21st Century."
- 8.2 The proposals considered in the report contribute to all seven wellbeing goals within the Future Generation (Wales) Act 2015 and due regard has been made to the Five Ways of Working, as contained within the Wellbeing of Future Generations (Wales) Act 2015. This is well documented in the Business Cases submitted to the Welsh Government.

9. CONCLUSION

- 9.1 Members will have already seen the results of the Council's 21st Century schools investment in new and improved schools across the whole of the County Borough. These investments have been well received by our school communities, parents and the local community.
- 9.2 The proposals discussed in this report continue to progress the momentum gathered through the improvements and investment delivered in our schools through Band A of the Programme. We seek to continue to improve education provision in the Cynon Valley, offering significantly more Welsh medium provision with an investment of £26.8M in new and considerably improved facilities through the 21st Century Schools and Colleges Programme.
- 9.3 It is recommended therefore, that Members continue to support these proposals and any further proposals that are brought before Cabinet, as we continue to strive to provide the best possible learning experiences in the best possible learning environments for the children of RCT.

**LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
CABINET
25TH FEBRUARY 2021**

Tudalen wag

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25TH FEBRUARY 2021

REVIEW OF SPECIAL SCHOOL PROVISION IN RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

REPORT OF THE DIRECTOR OF EDUCATION AND INCLUSION SERVICES

AUTHOR(S): Ceri Jones, Head of Inclusion Services (Tel: 01443 744008)
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1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Cabinet with information on a data gathering exercise that has been undertaken in order to facilitate a detailed review of special school provision throughout the County Borough.
- 1.2 This review also considers the impact of the Additional Learning Needs and Education Tribunal Act (2018) from a national and local perspective.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet:
 - i. Note the content of this report.
 - ii. Acknowledge the pressures on our special schools and the need for a detailed review of special school provision throughout the County Borough.
 - iii. Agree to additional scoping work being undertaken including feasibility studies where appropriate, to inform potential proposals for change.
 - iv. Agree to receive a further report presenting the outcome of the review including recommendations for potential future investment.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To address the demand for additional capacity in special schools in Rhondda Cynon Taf to accommodate the growth in learner numbers.
- 3.2 To acknowledge that the statutory duties placed upon the Council to deliver the obligations of the Additional Learning Needs and Education Tribunal (Wales) Act (ALNET Act), which will compound the pressures placed on capacity pressures in the special school sector.

4. BACKGROUND

Current position

- 4.1 As at January 2020, the Pupil Level Annual School Census (PLASC) data indicates there were 577 learners accessing four special schools across the County Borough of Rhondda Cynon Taf, an increase of 89 learners with a range of complex needs over a 5 year period. Rhondda Cynon Taf currently has four special schools:
- Maesgwyn Special School, Cwmdare, Aberdare
 - Park Lane Special School, Trecynon, Aberdare
 - Ysgol Hen Felin, Ystrad, Rhondda
 - Ysgol Ty Coch, Tonteg, Pontypridd
 - Buarth y Capel, Ynysybwl, Pontypridd – satellite site of Ysgol Ty Coch.
- 4.2 Information on each special school is provided later in the report, including information on the educational provision, the age range of the learners and an overview of the school site, including property condition information and suitability ratings.
- 4.3 The capacity of each special school isn't included within the data below as unlike other schools, special schools don't have a capacity calculation. Learners are placed in the schools based on an assessment of their needs and so special schools can never be classed as 'full'. Measuring the Capacities of Schools in Wales – October 2011 confirms that the capacity assessment method for calculated school capacities applies to all community, voluntary aided, voluntary controlled and foundation schools in Wales. The method does not apply to nursery or special schools or pupil referral units.
- 4.4 Unlike other schools, there is no formal guidance in Wales which specifically deals with the construction of special schools. Where new special schools have been built in Rhondda Cynon Taf, an occupancy area per learner has been used, in conjunction with data available at that time in terms of the numbers of learners that will be attending the provision and the range of needs of the learners. Even though this is a recognised industry standard for designing purposes, this is fraught with issues as very quickly the local demographic of the learners using the provision can change.
- 4.5 It should be noted that it is very difficult to project demand for special education. Projections are dependent on a number of factors and historical trends and birth rates are sometimes not a reliable indicator. Variations in individual need and the complexity of the provision required can develop and vary over time. Nevertheless, settings have seen a significant growth in the complexity of needs in our special school settings.

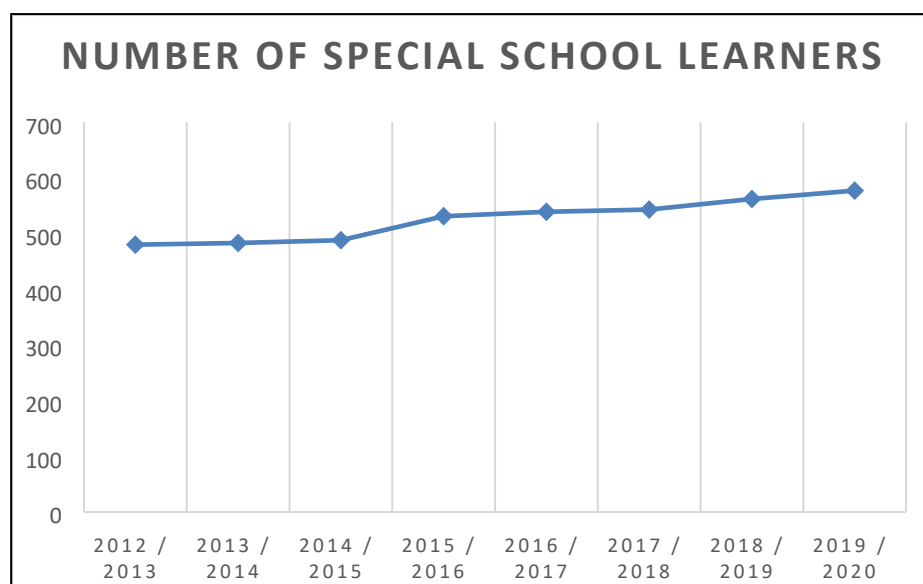
Data Analysis

- 4.6 The following data analysis is based on data derived from the Pupil Level Annual School Census (PLASC) unless otherwise stated. This analysis gives an indication of the children and young people with special educational needs (SEN) in Rhondda Cynon Taf.
- 4.7 The following table outlines the total number of children and young people who accessed their education in one of the four special schools (including the Buarth y Capel satellite) from the academic year 2012/13 to 2019 /20 (PLASC). The data shows the steady rise in numbers, while the graph illustrates the year on year gradual increase.

Table 1: Special School Pupil Numbers

Trend Data Between Academic Year 2012/2013 to Academic Year 2019/2020								
Special School	Academic Year (PLASC)							
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Total	480	483	488	531	539	543	562	577

Graph 1: Trend Data: Number of Special School Learners



- 4.8 The following table outlines the total number of children and young people who accessed special schools broken down into each of the four special schools (including Buarth y Capel) from the academic year 2016/2017 to 2019/2020 (PLASC).

Table 2: Trend Data between Academic Year 2016/2017 to Academic Year 2019/2020

Trend Data Between Academic Year 2016/2017 to Academic Year 2019/2020				
Special School	Academic Year (PLASC)			
	2016/2017	2017/2018	2018/2019	2019/2020
Maesgwyn Special School	132	130	127	130
Park Lane Special School	101	93	97	88
Ysgol Hen Felin	169	178	179	186
Ysgol Ty Coch	126	134	153	159
Buarth y Capel	11	8	6	14
Total	539	543	562	577

- 4.9 The PLASC data comparison demonstrates that there has been a consistent increase in learner numbers, year on year since 2016, in both Ysgol Hen Felin and Ysgol Ty Coch. From 2017 to 2020 the increase in both schools has been significant with 17 additional learners attending Ysgol Hen Felin and 33 additional learners attending Ysgol Ty Coch.
- 4.10 The increase in Buarth y Capel is due to its recent establishment with learner numbers steadily increasing since its formation in 2014. It should be noted that this discrete provision is for learners with severe to profound autism in key stages 4/5 and was established to meet the need of up to 15 learners.
- 4.11 Based on the overall growth in number of pupils requiring special school placements in the last 4 years, it seems inevitable that the number of pupils will continue to grow over the next 5 to 10 years. In recent years, there have been more learners with significant needs who need a place in special schools settings than there have been places. To assist with this and to minimise out of county placements, the Education Directorate has sought creative solutions to address need, e.g. extended the buildings, forged partnerships with Coleg Y Cymoedd and developed off-site provision, repurposed specialist rooms into generic classrooms to increase capacity. Options for further expanding special schools sites are becoming increasingly limited and unless there is significant investment in expanding provision increasing out of county costs are likely in future to enable the Council to fulfil its statutory duties.
- 4.12 In 2019/20, 95 children attended out of county or independent special school places at a cost of £2.4M. A proportion of this funding would be better used to enhance special school provision in County to both deal with higher demand and to reduce any potential reliance on the independent sector. Growth in the special school sector is needed to ensure that we can retain our learners in County and can continue to educate our children in their local communities.

National Curriculum Year

- 4.13 The following table outlines the national curriculum year of the learners who access their education in each of the four special schools (five including Buarth y Capel). This data was correct as at 6th November 2020 and is not taken from the PLASC.

Table 3: National Curriculum Year of Learners that Access their Education at Special School

National Curriculum Year of Learners who Access their Education at Special School									
Key Stage	National Curriculum Year	School				Total		Percentage	
		Maesgwyn Special School	Park Lane Special School	Ysgol Hen Felin	Ysgol Ty Coch (Ysgol Ty Coch and Buarth y Capel Combined)				
Foundation Phase	Pre Nursery	0	2	4	1	7	86	1.2%	15.1%
	Nursery	0	5	7	7	19		3.3%	
	1	0	6	15	12	33		5.8%	
	2	0	7	13	7	27		4.8%	
Key Stage Two	3	0	3	11	24	38	151	6.7%	26.6%
	4	0	7	15	15	37		6.5%	
	5	0	9	19	10	38		6.7%	
	6	0	9	14	15	38		6.7%	
Key Stage Three	7	12	1	18	9	40	130	7.0%	22.8%
	8	19	5	10	19	53		9.3%	
	9	11	5	11	10	37		6.5%	
Key Stage Four	10	9	7	8	9	33	81	5.8%	14.3%
	11	24	4	7	13	48		8.5%	
Key Stage Five	12	21	8	18	9	56	120	9.9%	21.2%
	13	20	5	5	7	37		6.5%	
	14	4	7	8	8	27		4.8%	
Total		120	90	183	175	568		100.0%	

The data indicates:

- The national curriculum year with the highest number of learners was year twelve with 56 (9.9%) learners.
- This was closely followed by national curriculum year eight with 53 (9.3%) learners.
- Key Stage Two was the key stage with the highest number of learners with 151 (26.6%) learners.

Area of Residence

- 4.14 The following table outlines the area of residence (Rhondda, Cynon or Taf or Out of County) of the learners who access their education in each of the four special schools (including Buarth y Capel). This data was correct as at 6th November 2020 and is not taken from the PLASC.

Table 4: Area of Residence of Learners who Access their Education at Special School

Area of Residence of Learners who Access their Education at Special School										
School	Area								Total	
	Rhondda		Cynon		Taf		Out of County			
	Number	%	Number	%	Number	%	Number	%	Number	%
Maesgwyn Special School	37	30.8%	55	45.8%	26	21.7%	2	1.6%	120	100.0%
Park Lane Special School	3	3.3%	86	95.6%	1	1.1%	0	0.0%	90	100.0%
Ysgol Hen Felin	151	82.5%	6	3.3%	25	13.7%	1	0.5%	183	100.0%
Ysgol Ty Coch (including Buarth y Capel)	11	6.3%	14	8.0%	144	82.3%	6	3.4%	175	100.0%
Total	202	35.6%	161	28.3%	196	34.5%	9	1.6%	568	100.0%

4.15 The data indicates:

- There is a fairly even split in the area of residence in the percentage of learners who attend each of the four special schools between Rhondda (35.6%), Cynon (28.3%) and Taf (34.5%).
- When analysing each school, the highest percentage of learners residing in the area in which the school is located is summarised as follows:
 - Maesgwyn Special School – Cynon area – 55 (45.8%) – (this figure is lower in comparison to the other schools as this setting provides a specialist provision for the whole of RCT.
 - Park Lane Special School – Cynon area – 86 (95.6%).
 - Ysgol Hen Felin – Rhondda area – 151 (82.5%).
 - Ysgol Ty Coch and Buarth y Capel Combined – Taff area – 144 (82.3%).

School Information

Maesgwyn Special School

- 4.16 Maesgwyn Special School is located in Cwmdare, Aberdare. It is a school for learners aged 11 to 19 with a range of complex educational needs including severe learning difficulties, social, emotional and behavioural difficulties and autistic spectrum disorders.
- 4.17 Learners are taught through a bespoke curriculum with a balance between academic, vocational and life skills options that enables learners to mature into adult life.
- 4.18 The school is graded as B for condition and B for suitability and has a backlog maintenance figure of just £11,850. A significant amount of work has been undertaken at Maesgwyn Special School over the last few years including extensive remodeling of the external area, providing a new MUGA, the addition of a skill centre for teaching construction skills, an allotment for horticulture and an animal care centre. Over £600k has been invested in the last 3 years.

- 4.19 A separate provision for learners at Maeswgyn Special School opened on the Coleg Y Cymoedd Campus, Aberdare, in 2019. This modern provision is well used and frees up some much needed space on the school site and provides opportunities for learners to gain experience of college life and a possible pathway to pursue when they leave college.

Park Lane Special School

- 4.20 Park Lane Special School is located in Trecynon, Aberdare. It is a school for learners aged 3 to 19 with a range of special educational needs including: autistic spectrum disorders; severe learning difficulties; profound and multiple learning difficulties; social, emotional and behavioural difficulties and sensory impairments. There are a range of specialist rooms including a music therapy room, sensory room and hydrotherapy pool. These are used effectively and make a significant contribution to the wellbeing and development of learner skills.
- 4.21 Learners are taught a wide and varied curriculum, enabling them to experience a range of skills, the emphasis being on life and vocational skills. Learners are regularly taken into the community where they apply the skills they learn to real life situations. Learners gain accreditation and qualifications from their vocational studies.
- 4.22 The school building consists of a CLASP type construction main block together with a new small extension that was created to provide much needed space for post 16 pupils. The school is graded as C for condition and B for suitability and has a backlog maintenance figure of £28,800. The site itself is very constrained with access and onsite parking very limited. The new extension was constructed in 2011, but given the lack of available space on the site there is no further option to increase the footprint any further.

Ysgol Hen Felin

- 4.23 Ysgol Hen Felin is located in Ystrad, Rhondda. It is a school for learners aged 3 to 19 with a range of special educational needs including: autistic spectrum disorders; severe learning difficulties; profound and multiple learning difficulties; social, emotional and behavioural difficulties and sensory impairments.
- 4.24 It is a single storey building situated in a residential area in the same grounds as a leisure centre. The school has an astro turf within a large sensory garden along with a polytunnel. There is a multi-sensory room, kitchen, hydrotherapy pool and trampoline.
- 4.25 Learners are taught a wide and varied curriculum, enabling them to experience a range of skills, the emphasis being on life and vocational skills. Learners are regularly taken into the community where they apply the skills they learn to real life situations. Learners gain accreditation and qualifications from their vocational studies.

- 4.26 There is a satellite provision for Ysgol Hen Felin at Coleg Y Cymoedd's Llwynypia campus, however it is proving increasingly difficult for the school to encourage parents to send their children to this provision given the limited on-site specialist facilities in comparison to those available at the school itself. As a result only a small number of year 12, 13 and 14 learners currently attend.
- 4.27 There are also a number of learners at Ysgol Hen Felin that would meet the criteria to attend Buarth y Capel, but the travelling distance and the established relationships with current school staff discourages parents from sending their children to this specialist provision.
- 4.28 The school is graded as B for condition and A for suitability and has a backlog maintenance figure of £171,608. The school was built in 2004, and at that time welcomed 90 pupils. Although relatively new, a number of adaptations have had to be undertaken to allow more teaching spaces to be created, this unfortunately has been to the detriment of the specialist teaching areas. Over £100k has been spent at the school over the last 3 years contributing to these much needed alterations.
- 4.29 The increase in numbers on this school site are a cause for immediate concern and a short term solution is needed to create more space on site for learners. There is room at the rear of the site to accommodate a 2-classroom modular build, which can be located on the school site relatively quickly. Approval to implement this short term solution will be brought before Cabinet in next month's Capital Programme Cabinet Report.

Ysgol Ty Coch

- 4.30 Ysgol Ty Coch is located in Tonteg. It is a school for learners aged 3 to 19 with a range of special educational needs including: autistic spectrum disorders; severe learning difficulties; profound and multiple learning difficulties; social, emotional and behavioural difficulties and sensory impairments.
- 4.31 The original site, which is a brick built, single storey building is situated in a residential area. The facilities available to learners include a fully functioning kitchen, hairdressing salon, workshop, horticulture training, café and car washing.
- 4.32 Learners are taught a wide and varied curriculum, enabling them to experience a range of skills, the emphasis being on life and vocational skills. Learners are regularly taken into the community where they apply the skills they learn to real life situations. Learners gain accreditation and qualifications from their vocational studies.
- 4.33 The school is graded as B for condition and B for suitability and has a backlog maintenance figure of £259,026. The school has received a significant investment with a classroom extension completed last year which increased the size of the school but reduced the amount of outside play area. Although a short term solution, this additional classroom has bought some time until a long term plan for the site has been identified. The school site is in a residential area and again there are limited opportunities to extend the school further. There are also

limited parking areas outside of the school and the space is very constrained during drop off and collection times.

Buarth y Capel

- 4.34 Buarth y Capel is a satellite site of Ysgol Ty Coch and is located in Ynysybwll, approximately seven miles away from Ysgol Ty Coch. It was established in September 2014 to meet the needs of learners aged 14 to 19 with a diagnosis of severe/profound autistic spectrum disorder who had previously met generic special school criteria and who required highly specialist and bespoke provision.
- 4.35 The site is a single story building, set in grounds, which has been completely refurbished to suit the needs of older learners with autism. Even though this is a satellite school of Ysgol Ty Coch, learners throughout Rhondda Cynon Taf can attend as it is a specialist provision for key stage 4 and 5 with highly complex ASD.
- 4.36 Learners are taught a wide and varied curriculum, devised from 14 to 19 Pathways, enabling them to experience a range of skills. The emphasis of these skills includes life and vocational skills. Learners gain accreditation and qualifications from their vocational studies.
- 4.37 Since Buarth y Capel opened in 2014 there has been little spend as there has been no requirement for further investment.

5. WIDER CONTEXT

- 5.1 Considerable changes are planned in Wales in relation to the statutory provision required to meet the needs of learners with Special Educational Needs (SEN)/Additional Learning Needs (ALN) with the implementation of new legislation, the ALNET Act (2018), in September 2021. The ALNET (Wales) Act 2018¹ received Royal Assent in January 2018.
- 5.2 The new statutory framework is underpinned by three overarching objectives, these are:
- A unified legislative framework to support all children of compulsory school age or below with additional learning needs (ALN) and to support young people with ALN who are in school or further education (FE);
 - An integrated, collaborative process of assessment, planning and monitoring of the support provided to ALN learners which facilitates early, timely and effective interventions; and
 - A fair and transparent system for providing information and advice, and for resolving concerns and appeals.
- 5.3 These objectives are in turn are supported by a further eleven core aims within the Act:

¹ [The Additional Learning Needs and Education Tribunal \(Wales\) Act](#)

- The introduction of the term ‘additional learning needs (ALN)’;
- A 0 to 25 age range;
- A unified, single statutory plan;
- Increased participation of children and young people;
- High aspirations and improved outcomes;
- A simpler and less adversarial system;
- Increased collaboration;
- Avoiding disagreements and earlier disagreement resolution;
- Clear and consistent rights of appeal;
- The ALN Code;
- A bilingual system.

5.4 The Act will be supported by the implementation of a new statutory ALN Code which will be laid before the Senedd in February 2021. Until this time, Welsh Government has published a draft version of the Code to support local authorities and other relevant stakeholders to plan towards implementation.

5.5 The transformed system will:

- Ensure that all learners with ALN are supported to overcome barriers to learning and achieve their full potential;
- Improve the planning and delivery of support for learners from 0 to 25 with ALN, placing learners’ needs, views, wishes and feelings at the heart of the process;
- Focus on the importance of identifying needs early and putting in place timely and effective interventions which are monitored and adapted to ensure they deliver the desired outcomes.

5.6 It is expected that the new ALN system set out in the Act will be fully implemented over a three-year period. The implementation period is expected to run from September 2021 to August 2024. However, Welsh Government is yet to publish its revised implementation timetable following its decision to delay its original implementation from September 2020.

5.7 In the meantime, local authorities and all those who work with children and young people with special educational needs (SEN) must ensure that they continue to comply with the duties placed upon them by the Education Act 1996 and continue to have regard to the SEN Code of Practice for Wales (2002).

5.8 A separate report providing more detail on the ALNET Act will also be brought before Cabinet providing more details on the local authority’s statutory duties to ensure full compliance with the new legislation. For the purpose of this report however, the rationale for including this information is to highlight how these statutory obligations will compound an already stretched special school provision. Most avenues for expanding existing capacity for special school provision on existing sites have been exhausted and there is now a need to consider a more sustainable option that will future proof provision for our learners with the most complex needs.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 Welsh Language, Equality, and Community Impact Assessments are not required for the purpose of this report.
- 6.2 Each of these Impact Assessments however will be prepared if approval is granted to progress with any proposal as a result of any future detailed review of the special school provision in the County Borough.

7. CONSULTATION

- 7.1 If approval is granted to progress with any proposals as a result of this review of special schools in the County Borough, where appropriate, the consultation process in respect of the proposals will be undertaken under the arrangements outlined in the Welsh Government's Statutory Code – School Organisation Code (011/2018)².

8. FINANCIAL IMPLICATIONS

- 8.1 If the above proposals to undertake a detailed review of special schools in the County Borough are to proceed, the associated costs will be met from existing 21st Century Schools budgets.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 Section 316 of the Education Act 1996³ specifies that children and young people with SEN should normally be educated in mainstream schools so long as this is compatible with them receiving the special educational provision that their learning difficulty calls for, the efficient education of other children and young people and the efficient use of resources.
- 9.2 Section 315 of the Education Act 1996 also requires Local Authorities to ensure that SEN/ALN provision is kept under review. Sections 1:20 and 1:21 of The Code of Practice also requires Local Authorities to evaluate the effectiveness of school funding arrangements in supporting and raising the achievements of children and young people with SEN.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELLBEING OF FUTURE GENERATIONS ACT 2015

- 10.1 The proposals will ensure that two of RCTCBC's three key priorities will be met. These include:
- Economy: Building a strong economy.
 - People: Promoting independence and positive lives for everyone.

² [Welsh Government's Statutory Code – School Organisation Code \(011/2018\)](#)

³ [Education Act 1996](#)

- 10.2 The proposals will ensure that some of RCTCBC's most vulnerable learners will have the best chance of achieving positive outcomes. The proposals will ensure more efficient and effective use of resources which promotes the development of social inclusion and positive outcomes for learners. This will also have a beneficial impact on transport costs and on carbon emissions.
- 10.3 Organising services so that they are focussed on early intervention and prevention is a key statutory requirement of the Wellbeing and Future Generations Act 2015⁴ and a key element of RCTCBC's Corporate Plan.

11. CONCLUSION

- 11.1 The Welsh Government and legislation requires local authorities to regularly review arrangements for supporting learners with SEN and to ensure that provision is sufficient and meets the needs of its communities.
- 11.2 The priority for RCTCBC's Directorate of Education and Inclusion Services is to continue to focus on driving up standards in schools and early years settings, and to improve the outcomes for all children and young people. If the cycle of deprivation and underachievement is to be broken, a top quality education that meets the needs of all children and young people is essential. There are considerable benefits to be gained from this review of special schools in the County Borough in ensuring the SEN of all children and young people are met and outcomes for all learners are improved. It is also hoped that by investing in our special school provision in Rhondda Cynon Taf we would further reduce the need for out of county placements for our learners with the most complex medical and health needs.
- 11.3 Given the increase in the numbers of learners accessing our special schools, the restrictions of the existing school sites, and the imminent implementation of the new ALNET Act, there is a need to urgently review our special school to ensure that these will meet the needs of our future residents. Despite ongoing investment in provisions, the report highlights the need for a detailed review of special schools throughout the County Borough so that we can ensure that future cohorts of vulnerable learners can access special school provision that meets their complex needs in Rhondda Cynon Taf. Without expanding the capacity of existing provision in Rhondda Cynon there is a risk that we will be unable to meet any future increase in demand for special school placements.
- 11.4 It is recommended therefore, that additional work be undertaken including feasibility studies where appropriate, to facilitate the detailed review of provision across the board and possible proposals for change and future investment in the special school sector.

⁴ [Wellbeing and Future Generations Act 2015](#)

LOCAL GOVERNMENT ACT 1972
AS AMENDED BY
THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
CABINET
25TH FEBRUARY 2021

REPORT OF THE DIRECTOR OF EDUCATION AND INCLUSION SERVICES
REVIEW OF SPECIAL SCHOOL PROVISION IN RHONDDA CYNON TAF COUNTY
BOROUGH COUNCIL

Background Papers

None

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RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25TH FEBRUARY 2021

UPDATE ON THE IMPLEMENTATION OF THE ADDITIONAL LEARNING NEEDS AND EDUCATION TRIBUNAL ACT (2018) IN RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

REPORT OF THE DIRECTOR OF EDUCATION AND INCLUSION SERVICES

AUTHOR(S): Gaynor Davies, Director of Education and Inclusion Services
Ceri Jones, Head of Inclusion Services

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide Cabinet with an update on the implementation of the ALNET (Additional Learning Needs and Education Tribunal) Act (2018) from and to provide Cabinet with information on the implications of the new legislation for the council from a local perspective.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet:
- i. Note the content of this report.
 - ii. Agree to a review being undertaken to scope the additional resources needed to implement the new ALN legislation
 - iii. Agree to receive a further report presenting the outcome of the review including recommendations for potential future investment.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To address the demand for additional capacity for the local authority to undertake its enhanced statutory duties under the new ALNET Act to ensure that all children and young people aged 0-25 in Rhondda Cynon Taf receive high quality ALN provision.

4. BACKGROUND/WIDER CONTEXT

- 4.1 Considerable changes are planned in Wales in relation to the statutory provision required to meet the needs of learners with Special Educational Needs (SEN)/Additional Learning Needs (ALN) with the implementation of new

legislation, the ALNET Act (2018), in September 2021. The ALNET (Wales) Act 2018¹ (The 2018 Act) received Royal Assent in January 2018.

4.2 The new statutory framework is underpinned by three overarching objectives:

- A unified legislative framework to support all children of compulsory school age or below with additional learning needs (ALN) and to support young people with ALN who are in school or further education (FE);
- An integrated, collaborative process of assessment, planning and monitoring of the support provided to ALN learners which facilitates early, timely and effective interventions; and
- A fair and transparent system for providing information and advice, and for resolving concerns and appeals.

These in turn are supported by a further eleven core aims within the Act:

- The introduction of the term ‘additional learning needs (ALN)’;
- A 0 to 25 age range;
- A unified, single statutory plan;
- Increased participation of children and young people;
- High aspirations and improved outcomes;
- A simpler and less adversarial system;
- Increased collaboration;
- Avoiding disagreements and earlier disagreement resolution;
- Clear and consistent rights of appeal;
- The ALN Code;
- A bilingual system.

4.3 The Act replaces the terms ‘special educational needs (SEN)’ and ‘learning difficulties and/or disabilities (LDD)’ with the new term ‘additional learning needs (ALN)’. All children and young people with ALN regardless of the severity or complexity of their learning difficulty or disability will be entitled to a statutory support plan called an ‘Individual Development Plan’ (IDP). Children and young people with ALN will receive support called additional learning provision (ALP) which will be set out in their IDP.

4.4 The Act will be supported by the implementation of a new statutory ALN Code which will be laid before the Senedd in February 2021. Until this time, Welsh Government has published a draft version of the Code to support local authorities and other relevant stakeholders to plan towards implementation.

4.5 The transformed system will:

- Ensure that all learners with ALN are supported to overcome barriers to learning and achieve their full potential;

¹ [The Additional Learning Needs and Education Tribunal \(Wales\) Act](#)

- Improve the planning and delivery of support for learners from 0 to 25 with ALN, placing learners' needs, views, wishes and feelings at the heart of the process;
 - Focus on the importance of identifying needs early and putting in place timely and effective interventions which are monitored and adapted to ensure they deliver the desired outcomes.
- 4.6 It is expected that the new ALN system set out in the Act will be fully implemented over a three-year period. The implementation period is expected to run from September 2021 to August 2024. However, Welsh Government is yet to publish its revised implementation timetable following its decision to delay its original implementation over three years from September 2020.

5. LOCAL CONTEXT

- 5.1 Local authorities and all those who work with children and young people with special educational needs (SEN) must ensure that they continue to comply with the duties placed upon them by the Education Act 1996 and continue to have regard to the SEN Code of Practice for Wales (2002).
- 5.2 During the three year implementation period from September 2021, local authorities will need to implement the new ALN system in parallel to the current SEN system which will gradually be phased out. To support its implementation, the Act introduces three new statutory roles which took effect from 4th January 2021. These are:
- **Additional Learning Needs Coordinator (ALNCo):** this replaces the current non-statutory Special Educational Needs Coordinator (SENCo) in schools and education settings.
 - **Early Years Additional Learning Needs Lead Officer (EYALNLO):** each local authority is required to appoint an EYALNLO to undertake the strategic development and coordination of early years Additional Learning Provision in line with the new statutory duties.
 - **Designated Education Clinical Lead Officer (DECLO):** each Health Board must appoint a DECLO to work in partnership with local authorities to meet the enhanced duties placed upon it by the Act to contribute to any identified additional learning provision.
- 5.3 Welsh Government is providing financial assistance to support the implementation of the Act through a £20m package of funding. A substantial proportion of funding is being used to support workforce development. This is structured at three levels:
- Core skills development for all practitioners;
 - Advanced skills development through the implementation of the new ALNCo role;
 - Specialist skills development for local authority services provided to education services.

- 5.4 Funding has been used to appoint five ALN Transformation Leads since 2018, four of whom have been working with local authorities to prepare for the new system on a consortium footprint with the fifth supporting Further Education Colleges. Each ALN Transformation Lead is responsible for the delivery of a regional strategic project plan. The plan is designed to support local authority inclusion services, wider education services, schools, early years' settings, further education institutes and local health boards to work in partnership to prepare for the new system. The strategic priorities of the plan are based upon analysis of current practices across the region and are evaluated and updated annually.
- 5.5 The following four high-level regional priorities details how the Central South region is preparing for the implementation of the act during 2020-21:
- Ensure that all local authorities develop consistent practices and collaborate effectively with key partners to prepare for the new ways of working.
 - Ensure that local authority maintained schools develop consistent approaches to improving practice for learners with ALN that meet the expectations of the Act and are complementary to the wider national education reforms.
 - Develop support and provision for post compulsory-aged learners through identifying local and potential regional offers.
 - Develop Health Board preparedness for implementation of the Act
- 5.6 Each year the regional plan is supported by a local action plan in each local authority to ensure a flexible and bespoke approach to addressing the above strategic priorities. The action plans are funded through the ALN Transformation Grant, part of the overall Welsh Government transitional financial support. (See Appendix 1 for the RCT ALN Transformation Action Plan 2020/21).
- 5.7 Due to the transformational nature of the new ALN system, ensuring compliance with the statutory requirements of the ALNET Act and ALN Code will bring significant challenges for local authorities. These include:
- ***Increased statutory duties across an enhanced age range 0-25 years:*** The requirement for local authorities to assume the additional statutory responsibility for making additional learning provision for children aged 0-3 and young people aged 19-25 has clear implications for the capacity of central local authority inclusion services. It also has legal implications in terms of governance. Local authorities will also become responsible for securing post-16 specialist placements of young people at ISPIs (Independent Special Post 16 Institutions) in the future – a function that is currently undertaken by Welsh Government every year.
 - ***Replacement of the statutory assessment process with a single statutory plan:*** all pupils with an ALN will now have a statutory Individual Development Plan (IDP). This is very different from the current

system whereby the majority of learners with SEN have a non-statutory Individual Education Plan (IEP) and only a minority with the most significant SEN will have a statutory Statement of SEN. For children under compulsory school age and not attending a maintained school, the local authority will be responsible for preparing and maintaining IDPs and ensuring the provision of any identified Additional Learning Provision (ALP). For children of compulsory school age, the majority of IDPs will be written by schools but the IDPs for learners with significant ALN will be maintained by the local authority. This will also be the case for young people attending a Further Education Institute (FEI). The new statutory process has implications for local authorities in relation to IT infrastructure, and, crucially, the capacity of central inclusion services to meet the new statutory requirement to carry out assessments and produce IDPs in a much shorter timescale than the current statutory assessment process (12 weeks instead of the current 26 weeks)

- ***Operating two legislative systems during transition:*** during the three year transitional period from the current SEN legislation to the new ALNET Act, local authorities will need to operate the two systems in parallel. This will have significant impact upon both the capacity of the central Access and Inclusion Team and the skillset necessary to undertake the above duties.
- ***Workforce Development:*** the strengthened requirements in the Act and Code to support the creation of a fully inclusive education system requires all schools and other relevant education settings to upskill their workforce to deliver high quality universal and additional learning provision. Central inclusion services will need to enhance their specialist workforce to provide high quality advice, support and provision for children and young people aged from 0 to 25 years old.
- ***Developing a bilingual system:*** The Act requires that, where it is identified that a child or young person needs additional learning provision in Welsh, 'all reasonable steps' must be taken to secure the provision in Welsh. A mechanism is included in the Act to remove by regulations the 'all reasonable steps' test, so that the duties to provide ALP through the medium of Welsh become absolute over time. This has implications for specialist workforce development and the potential need to develop Welsh medium additional learning provision on a regional / sub-regional basis. As such, the development of a bilingual ALN system is a priority in the local authority's Welsh in Education Strategic Plan (WESP).
- ***Dispute resolution and right of appeal to Education Tribunal Wales:*** The Act puts collaboration and the need to resolve disagreements with families at the earliest possible opportunity at its heart. As such, the Act gives local authorities a new duty to make advocacy services available to all children and young people on request. In addition, under the current SEN system only young people (not yet 19 years old) who are registered at maintained schools have the right to appeal to tribunal in relation to their SEN. However, the new Act will introduce more equitable

rights of appeal by extending this right to all young people up to the age of 25 years who are in school or FEI. Extending rights of appeal to any learner who is entitled to an IDP from 0 – 25 years, together with the heightened anxiety that some parents may experience due to the legislative changes, are likely to result in an increase in appeals made against the local authority. This would have both financial implications for the local authority in terms of implementing often costly tribunal directions and also in terms of the capacity of central ALN services and specialist provisions to meet the needs of learners with ALN.

- 5.8 In 2014 the Special Educational Needs and Disability (SEND) reforms came into force in England over a phased transitional period. There are clear similarities with the ALN reforms in Wales, particularly in relation to the replacement of the statutory Statement of SEN with a statutory unified plan, the Education and Health Care Plan (EHCP), the requirement for children and young people to be at the heart of the decision making process and an enhanced focus upon dispute resolution.
- 5.9 The implementation of the SEND reforms since 2014 have resulted in significant resource implications for local authorities in England. In a report commissioned by Welsh Government in July 2019, the Council for Disabled Children (CDC) reported that there has been a 45- 50% increase in the number of EHCPs issued in England since 2014. In January 2019 The Department for Education reported a 40% increase in the number of pupils attending special schools, and a significant increase in the number of pupils accessing highly expensive placements in independent schools. The number of appeals to the SEND Tribunal by parents dissatisfied with their children's SEN provision doubled over the first four years of implementing the reforms and have continued to rise.
- 5.10 The CDC (2019) reported that the ensuing budget pressures for English local authorities have, in turn, impacted upon the quality of SEND provision that children and young people receive citing that, as at 29th March 2019, 41(49%) of the 84 Ofsted and Care Quality Commission local area inspections of SEND support were found to have significant areas of weakness in their provision and required a written statement of action to be drawn up.
- 5.11 Other notable areas of concern reported by the CDC included insufficient resources for local authorities and services to meet their statutory responsibilities, lack of training to develop the specialist workforce, inadequate leadership, governance and strategy in local authority SEN services, poor local arrangements for joint commissioning with other services and limited involvement of families in service planning and delivery.
- 5.12 The £20M ALN package of funding awarded by Welsh Government is merely transitional funding intended to support local authorities and their partners to prepare for the implementation of ALNET. This is based on Welsh Government's premise that the ALN reforms will be cost neutral. However, in light of the additional statutory ALN duties that will be placed upon local authorities, and having seen the significant financial impact of the SEND

Reforms upon local authorities in England, it would be more than reasonable to predict that the implementation of the new Act will have significant financial and resource implications for local authorities in Wales. This report seeks to highlight these risk and to ensure that appropriate plans are put in place to mitigate risks.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 Welsh Language, Equality, and Community Impact Assessments are not required for the purpose of this report.
- 6.2 Each of these Impact Assessments however will be prepared if approval is granted to progress with any proposal as a result of any future detailed review of the capacity of the local authority to undertake its enhanced statutory duties under the new ALNET Act.

7. CONSULTATION

- 7.1 If approval is granted to progress with any proposals as a result of the review of the current capacity of the County Borough's Access and Inclusion Service to meet its enhanced statutory duties as required by the ALNET Act and ALN Code, where appropriate, the consultation process will be undertaken in line with the Council's Management of Change Policy and under the arrangements outlined in the Welsh Government's Statutory Code – School Organisation Code (011/2018)² as appropriate.

8. FINANCIAL IMPLICATIONS

- 8.1 If the above proposal to undertake a detailed review of the capacity of the County Borough's Access and Inclusion Service to undertake its new statutory duties is to proceed, the associated costs of undertaking the review will be met from existing Access and Inclusion Service budgets. However, once the review is undertaken it is possible that further staffing will be deemed necessary to ensure that the full requirements of the ALNET Act are met.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 Section 316 of the Education Act 1996³ specifies that children and young people with SEN should normally be educated in mainstream schools so long as this is compatible with them receiving the special educational provision that their learning difficulty calls for, the efficient education of other children and young people and the efficient use of resources.
- 9.2 Section 315 of the Education Act 1996 also requires Local Authorities to ensure that SEN/ALN provision is kept under review. Sections 1:20 and 1:21 of The Code of Practice also requires Local Authorities to evaluate the effectiveness

² [Welsh Government's Statutory Code – School Organisation Code \(011/2018\)](#)

³ [Education Act 1996](#)

of school funding arrangements in supporting and raising the achievements of children and young people with SEN.

- 9.3 The ALNET Act (2018) and the Draft ALN Code (2018) provide a legal framework to ensure that the additional learning needs of learners are met. Chapter 5 of the Draft Code specifies the statutory responsibilities of local authorities to ensure that additional learning provision is kept under review as a key part of local strategic planning.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELLBEING OF FUTURE GENERATIONS ACT 2015

- 10.1 The proposals will ensure that two of RCTCBC's three key priorities will be met. These include:
- Economy: Building a strong economy.
 - People: Promoting independence and positive lives for everyone.
- 10.3 The proposals will ensure that some of RCTCBC's most vulnerable learners will have the best chance of achieving positive outcomes. The proposals will ensure more efficient and effective use of resources which promotes the development of social inclusion and positive outcomes for learners.
- 10.4 Organising services so that they are focussed on early intervention and prevention is a key statutory requirement of the Wellbeing and Future Generations Act 2015⁴ and a key element of RCTCBC's Corporate Plan.

11. CONCLUSION

- 11.1 RCT County Borough Council must be prepared to implement the new ALN system in line with the prescribed timescales from September 2021. The enhanced statutory duties placed upon local authorities under the new Act and Code are likely to have significant resource implications for the local authority's Access and Inclusion Services.
- 11.2 It is recommended therefore, that additional work be undertaken to facilitate a detailed review of the additional resources the County Borough's Access and Inclusion Service may require to ensure that RCTCBC is able to implement fully the new statutory requirements of the ALNET Act, and enable all learners with ALN to achieve their potential through the effective implementation of transformational reform. This report should also include recommendations for future investment.

⁴ [Wellbeing and Future Generations Act 2015](#)

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25TH FEBRUARY 2021

REPORT OF THE DIRECTOR OF EDUCATION AND INCLUSION SERVICES

**UPDATE ON THE IMPLEMENTATION OF THE ADDITIONAL LEARNING NEEDS
AND EDUCATION TRIBUNAL ACT (2018) IN RHONDDA CYNON TAF COUNTY
BOROUGH COUNCIL**

Background Papers

None

Tudalen wag

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25th FEBRUARY 2021

COUNCIL FEES AND CHARGES POLICY

2021/22

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

Author: Barrie Davies (01443) 424026

1. PURPOSE OF THE REPORT

1.1 The purpose of this report is to set out:

- Proposed revisions to Council fees and charges levels for the financial year 2021/22 (all to be effective from 1st April 2021 or as soon as is practicable thereafter); and
- Details of fees and charges decisions already approved that can now be included within the 2021/22 proposed Budget Strategy.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Consider and, if appropriate, approve the proposed revised levels for all areas of the Council's fees and charges as set out at section 5 and detailed at Appendix 1.
- 2.2 Subject to fees and charges proposals being agreed, build the net budgetary impact (£185k for 2021/22) into the budget strategy proposals for consideration by Cabinet and Council as appropriate (paragraph 5.4).
- 2.3 Note the fees and charges decisions already approved and included in the 2021/22 proposed Budget Strategy (paragraph 5.5 / Table 2).

3. REASON FOR RECOMMENDATIONS

- 3.1 To agree the Council's fees and charges for 2021/22, required as part of the annual budget setting process.

4. BACKGROUND

- 4.1 The Council provides a wide range of services across the County Borough and the ability to apply a charge is an important funding source to support the cost of maintaining service provision.
- 4.2 As part of the Council's Medium Term Financial Planning arrangements, fees and charges are reviewed regularly and, as part of this process, account is taken of funding levels received through the Local Government Settlement; the implications of decisions already approved; Corporate Plan priority areas; feedback received as part of the consultation process; and the forward projection of the level of inflation (i.e. the Consumer Prices Index).
- 4.3 Where appropriate, agreement of the proposed revisions is now required in order to put in place the necessary steps for their implementation from 1st April 2021 (or as soon as is practicable thereafter).

5. REVIEW

- 5.1 Cabinet have reviewed fees and charges levels having regard to the information set out in Section 4 and, in addition for the forthcoming year, the on-going impact of the Covid-19 pandemic and recovery work as a result of Storm Dennis, with the objective to continue to provide a comprehensive range of quality services at affordable prices.
- 5.2 The outcome of Cabinet's review is a proposed 1.70%¹ standard increase to fees and charges (allowing for rounding adjustments as appropriate) with the exception of a number of areas that are proposed to be subject to specific treatment. A summary of these exceptions are set out in Table 1 below.

Table 1 – Summary of proposed fees and charges not subject to the proposed standard increase

Area of Charge	Proposed Exception
Leisure for Life	Nil Increase
Car Park Charges	Nil Increase
Summer and Winter Playing Fees (sports clubs)	Nil Increase
Meals on Wheels / Day Centre Meals	10p per meal and then price frozen until 2023
School Meals	Nil Increase (and price frozen until April 2023)
Bereavement Fees	Nil Increase
Lido / Rhondda Heritage Park	Nil increase

¹ Proposed 1.7% standard increase – the Council's 2021/22 budget modelling already incorporates a proposed 1.7% increase to all fees and charges.

- 5.3 With specific regard to Meals on Wheels / Day Centre Meals, the current meal price is £3.95 and the proposal is for the price of both to be increased to £4.05. In terms of comparing across Wales, based on the latest information available, prices range between £3.30 and £5.65.
- 5.4 The impact of the proposals set out in Table 1 would reduce income by £185k in a full year (as compared to all fees and charges being increased by 1.7%).
- 5.5 In addition, a number of fees and charges decisions have previously been approved and accordingly have already been incorporated into the Council's 2021/22 proposed Budget Strategy. These are summarised in Table 2.

Table 2 – Summary of decisions already approved

Area of charge	Decision approved
Adult Social Care Charges (non-residential care services)	<ul style="list-style-type: none"> • Increase from £90 to £100 per week in line with the revised limit determined by Welsh Government (Cabinet 18th July 2017)
Fixed Penalty Notice (for environmental crimes)	<ul style="list-style-type: none"> • Set at £100 with effect from 1st April 2018 (Cabinet 25th January 2018)
Houses in Multiple Occupation - Licenses	<ul style="list-style-type: none"> • License fees set for the period 2019/20 to 2023/24 (Cabinet 14th February 2019)
Bereavement fees and charges for war veterans and service men and women	<ul style="list-style-type: none"> • 25% reduction to all Council bereavement fees incurred by families of deceased war veterans and service men and women resident in Rhondda Cynon Taf (Delegated Decision 8th May 2019)

- 5.6 As Members will be aware, a pilot was also approved at the [21st November 2019](#) Cabinet meeting to apply a reduced cremation fee for funeral directors offering a direct cremation in Rhondda Cynon Taf. Following the introduction of the pilot, 28 direct cremations have taken place at Glyntaff Crematorium equating to a reduction in income of £4k. As the pilot is still in place, no budgetary impact on fees and charges is being proposed for 2021/22 and an update will be reported in the forthcoming financial year providing feedback on the pilot and proposed next steps.
- 5.7 For completeness, a full list of all fees and charges across all Council services can be accessed [here](#), now including the proposed level of charges for 2021/22.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 An Equality Impact Assessment screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time.

7. CONSULTATION

- 7.1 A comprehensive budget consultation exercise has been undertaken in relation to the 2021/22 budget requirements.
- 7.2 The proposals included in this report do not require any specific additional consultation exercises to be undertaken.

8. FINANCIAL IMPLICATIONS

- 8.1 As outlined in section 5 of the report, the proposed revisions to fees and charges levels for 2021/22 would reduce income by £185k in a full year if Cabinet decide to take forward the proposed recommendations (as compared to all fees and charges being increased by 1.7%).

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 There are no legal implications as a result of the recommendations set out in the report.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 10.1 Fees and charges income is a critical component of the funding arrangements for many services. At a local level, the proposals intend to ensure the continued provision of a comprehensive range of quality services at affordable prices for users to support the Council's work in delivering its Corporate Plan priorities; improving the provision of essential services; and at the same time 'living within its means'.
- 10.2 The proposals also complement the requirements of the Well Being of Future Generations Act in helping to provide Services with adequate resources to continue their work in shaping provision fit for the future and, in doing so, enable positive contributions to be made toward meeting the seven national wellbeing goals.

11. CONCLUSION

- 11.1 This report sets out proposals for the level of Council fees and charges for the forthcoming year, and, if approved, will be incorporated within the recommended 2021/22 Revenue Budget Strategy to Council on 10th March 2021.

Other Information

Relevant Scrutiny Committee – Finance & Performance Scrutiny Committee

PROPOSED FEES AND CHARGES FOR 2021/22

Group	Service Area	Type Of Income	2021/22 Proposed Increase
Chief Executive	Porth Plaza	Hire Of Premises	1.70%
	Land Charges	Land Charges (excluding those set nationally)	1.70%
Community and Children's Services	Environmental Health (Pollution) and Licensing (where applicable)	Licences	1.70%
		Houses in Multiple Occupation – Licenses	0%
	Food Standards	Course Fees General	1.70%
	Bereavement Services ²	Cremation Fees	0%
		Burial Fees	0%
		All supplementary fees & charges	0%
	Registrar	Booking Fees	1.70%
		Attendances	1.70%
	Community Safety CCTV	Other Fees Receivable	1.70%
	Leisure Centres and Swimming Pools	Pay & Play Fees	1.70%
		Membership Fees (frozen until January 2023)	0%
	Rhondda Heritage Park	Admission Fees - Schools	0%
		Welsh Mining Experience (underground tour)	
		Other (including Santa's Grotto)	0%
		Admission Fees - External	0%
		Underground Experience	
		Santa's Grotto	
		Other (including souvenirs)	0%
		Miscellaneous Sales / Souvenirs	1.70%
	Lido – Pontypridd	Leisure Sales Income	0%
	Park & Dare & Coliseum Theatres	Bars & Catering	1.70%
		Room/Venue Hire	1.70%
		Ticket Sales	Internally set based on act / performance
		Cinema (entrance fee)	1.70%
	Community Centres	Rental Income / Hire Charges	1.70%
		Leisure Sales Income	1.70%
	Parks & Recreation Grounds	Summer Fees (Sports Clubs)	0%
		Winter Fees (Sports Clubs)	0%
	Dare Valley Country Park	Hire Charges	1.70%
		Rental Income	1.70%
	Day Services	Catering Income	1.70%
		Meals Sales	£0.10 per meal (then frozen until 2023)
		Hire Of Premises	1.70%
		Produce Sales	1.70%

² Bereavement Fees – 25% reduction for war veterans and service men and women

Group	Service Area	Type Of Income	2021/22 Proposed Increase
	In-House Residential Services	Board And Lodge Income	1.70%
		Meals Sales	1.70%
	Domiciliary Care (Adults)	Non Residential Care Charges	N/A
	Nurseries	Day Nursery Fee Income	1.70%
	Telecare	Lifeline Income	1.70%
	Pest Control	Pest Control Service Charges	1.70%
	Libraries	Library Fines	1.70%
		Hire Charges	1.70%
		Photocopy & Printing Charges	1.70%
		All Other Sales	1.70%
	Adult Education	General Course Fees	1.70%
		Hire Charges	1.70%
Prosperity, Development and Frontline Services	Street Cleansing Operations	Contract Income	1.70%
		Fixed Penalty Notice (environmental crimes)	N/A
	Allotments	Rental Income	1.70%
	Parks Services	Rental Income	1.70%
		Income From Outside Bodies	1.70%
	Commercial Waste	Trade Refuse Charges (Residual)	1.70%
		Trade Refuse Charges (Recycling)	1.70%
	Waste Collection	Bulky Waste Collection Income	1.70%
		Replacement Bin Charges	1.70%
	Parking Services	Season Ticket Parking Fees	0%
		Parking Fees	0%
		Residential Parking Permits	0%
	New Roads and Street Works Act (NRSWA)	Licences	1.70%
	Home To School	Sale of Surplus Seats	1.70%
	Traffic Management	Fees	1.70%

Group	Service Area	Type Of Income	2021/22 Proposed Increase / Price
Education and Inclusion Services	School Meals Income	School Meals Sales	0% (price frozen until April 2023)
	Catering Training	Miscellaneous Contributions	1.70%
	Meals on Wheels	Clients Meals Sales	£0.10 per meal (then frozen until 2023)
	Peripatetic Music Service	Course Fees General	1.70%
		Performances - Ticket Income	1.70%
		Equipment Hire	1.70%



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25TH FEBRUARY 2021

THE COUNCIL'S 2021/22 REVENUE BUDGET

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES IN DISCUSSION WITH THE LEADER OF THE COUNCIL, CLLR A MORGAN

AUTHOR: Barrie Davies (01443 424026)

1.0 PURPOSE OF THE REPORT

- 1.1 At its meeting on the 28th January 2021, the Cabinet agreed draft budget proposals for the 2021/22 revenue budget strategy.
- 1.2 These proposals have now been consulted upon as part of a second phase of budget consultation and the results are now available for Cabinet to consider and amend as necessary the draft budget strategy which they would wish to recommend to Council.

2.0 RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Review and, if appropriate, amend their Budget Strategy which they wish to recommend to Council on the 10th March 2021; and
- 2.2 Authorise the Director of Finance and Digital Services to amend the level of contribution from the Medium Term Financial Planning and Service Transformation Reserve as a consequence of any change to the Council's resource levels announced in the Final Local Government Settlement.

3.0 BACKGROUND

- 3.1 On the 28th January 2021, Cabinet agreed draft proposals for the revenue budget strategy for financial year 2021/22.

- 3.2 These proposals have been subject to a second phase of consultation which ran from the 29th January to the 12th February 2021. The results of this consultation exercise are now available for Cabinet.
- 3.3 The draft proposals have been incorporated into a draft budget strategy report to Council and this is attached at Appendix A. The results of the Phase 2 consultation process is also attached to that report.
- 3.4 It is now for Cabinet to consider the feedback received from Phase 2 and determine whether they would wish to amend the draft budget strategy.

4.0 THE FINAL LOCAL GOVERNMENT SETTLEMENT FOR 2021/22

- 4.1 The timing of the Local Government Settlement for 2021/22 has been extremely uncertain throughout the autumn 2020 period, with the provisional settlement being announced on the 22nd December 2020.
- 4.2 The Final Local Government Settlement for 2021/22 is expected to be received on the 2nd March 2021.
- 4.3 The Minister for Housing and Local Government has indicated that there are no intentions to make any significant changes to the methodology or the data underpinning the Provisional Settlement for the purposes of the Final Settlement, albeit is unable to guarantee that there will be no changes due to the financial uncertainties currently faced. Whilst this provides some comfort of there being no significant changes between Provisional and Final Settlements, the risk of change clearly remains.
- 4.4 In order to ensure that Cabinet are able to recommend a balanced budget to Council on the 10th March 2021, and given the timing of the Final Settlement (2nd March 2021), it will be necessary to authorise the Director of Finance and Digital Services to amend the budget to deal with any change between Provisional and Final Settlement. It is proposed that any change is dealt with by means of amending the contribution from our Medium Term Financial Planning and Service Transformation Reserve. This reserve has a remaining balance of £3.621M and is set against the context that a 1% change in the level of our settlement would amount to £3.894M.

5.0 EQUALITY & DIVERSITY IMPLICATIONS

- 5.1 In developing the draft 2021/22 Revenue Budget Strategy, an Equality Impact Assessment has been undertaken to ensure that:

- (i) the Council meets the requirements of the Public Sector Equality Duties; and
- (ii) due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

6.0 CONSULTATION

- 6.1 The proposed approach to budget consultation for 2021/22 was set out in the Cabinet report dated 13th October 2020. It comprised 2 phases as follows :

Phase 1 - provided residents and stakeholders with the opportunity to feedback their views on some of the key strategic building blocks used to construct the Council's budget.

Phase 2 - once Cabinet agreed the draft budget strategy, and in light of the provisional local government settlement, then this draft strategy was consulted upon as part of Phase 2.

7.0 FINANCIAL IMPLICATIONS

- 7.1 The financial modelling assumptions and implications are set out in Appendix A of this report.

8.0 LEGAL IMPLICATIONS or LEGISLATION CONSIDERED

- 8.1 The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget and also a legal duty under the Local Government Act 2000 for it to be reported to and approved by Full Council. The construction of the draft 2021/22 Revenue Budget Strategy in line with the "Budget and Policy Framework", as set out in the Council's Constitution, will support compliance with the above legal requirements.

9.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 9.1 The draft budget strategy will be a key enabler for the delivery of the Council's Corporate Plan and in doing so will support wider partnership objectives and the Well-Being of Future Generations Act.

10.0 CONCLUSIONS

- 10.1 The feedback from the second phase of budget consultation is now available for Cabinet to review and, if appropriate, amend their draft

budget strategy proposals which they wish to recommend to Council
on the 10th March 2021.

APPENDIX A

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020-2021

**COMMITTEE:
COUNCIL**

10th March 2021

AGENDA ITEM NO.	
THE COUNCIL'S 2021/22 REVENUE BUDGET STRATEGY	

REPORT OF:

THE CABINET

AUTHOR: Barrie Davies, Director of Finance and Digital Services Tel. No. 01443 424026

1.0 PURPOSE OF THE REPORT

- 1.1 This report provides information on the provisional local government settlement for 2021/22 and sets out the recommendations of the Cabinet with regard to the Council's Revenue Budget and the level of Council Tax for the year ending 31st March 2022.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the written statement from the Minister for Housing and Local Government (Julie James MS) and the table on the 2021/22 Provisional local government settlement, reproduced at Appendix 1;
- 2.2 Note the implications for the Council and the remaining budget gap as set out at section 5;
- 2.3 Agree a Council Tax increase for 2021/22 of 2.65%;
- 2.4 Agree the uplift to the aggregate Schools Budget as detailed at section 8;
- 2.5 Agree the budget strategy proposals as set out at paragraphs 10.3(a) to 10.3(i);
- 2.6 Agree the use of the 'Medium Term Financial Planning & Service Transformation Reserve' as transition funding, totalling £0.709M for 2021/22;

- 2.7 Approve Tables 3 and 4 in Section 13 of the report as the basis of allocating resources to the Individual Schools Budget (ISB), to other Council Services, and to meet its corporate financing requirements; and
- 2.8 Agree the Council's overall budget for 2021/22 at £527.901M, in order to pass the necessary statutory resolutions to set the Council Tax for the forthcoming financial year by the statutory deadline of the 11th March 2021.

3.0 BACKGROUND

- 3.1 At the Council meeting on the 25th November 2020, the Council's audited accounts were presented which reported General Fund Balances amounting to £8.709M.
- 3.2 Given the continuing financial pressures the Council is working under, it remains the view of the Director of Finance and Digital Services (Section 151 Officer) that the Council should hold a minimum of £10M as General Fund Balances, (i.e. its working balance). This level is set given the context of the need for continued strong financial management that is felt to be essential to ensure that the Council maintains financial flexibility and stability going forward.
- 3.3 During the last financial year, 2019/20 our reserves were used to support our residents and businesses in the immediate aftermath of Storm Dennis. Whilst reducing our reserves below what is considered to be the minimum level, it was wholly appropriate that they were used in this way and for this purpose. The Director of Finance and Digital Services is satisfied that plans are in place to replenish General Fund Reserves to the minimum level over the period of our Medium Term Financial Plan (at £0.5M per year for the next 3 years).
- 3.4 Members will be aware that in addition to General Fund Reserves, the Council also holds a number of earmarked reserves that are kept under continuous review and are assessed each year by Audit Wales. Included in these reserves is a Medium Term Financial Planning and Service Transformation Reserve that has successfully supported transitional funding as part of the Council's Medium Term Service Planning arrangements. It has achieved this through helping to smooth the delivery of budget savings over a number of years, whilst still allowing an annual balanced budget to be delivered. The starting point for the Medium Term Financial Planning and Service Transformation Reserve as at the 31st March 2020 was £3.563M. As part of our ongoing strategy, we have continued to identify and deliver savings in-year which means we have been able to increase the level of transitional funding available and the latest position is that this reserve has now increased to £4.330M (additional in year savings to date of £0.767M).

- 3.5 Audit Wales continue to emphasise that we must remain disciplined at this crucial time, if we are to maintain our long-term goal of driving forward continuous improvement of key services, though this becomes increasingly harder to achieve following a period of such severe financial pressures.
- 3.6 The Audit Wales assessment is an accurate one and it is clear that Members continue to take their fiduciary duty extremely seriously as evidenced by the positive reports received from the regulators and the track record of budgetary control across services. The challenge, therefore, is to construct a prudent, equitable and fair revenue budget for the financial year ending the 31st March 2022. This must involve an approach which publicly demonstrates sound financial stewardship; which does not take unnecessary risks; which maximises income generation; continues to deliver (as far as possible, and where available) year on year efficiency savings and which delivers the services that are needed and we can afford, as well as protecting as many jobs as possible.
- 3.7 In the context of this overall financial position, the Cabinet, assisted by the Senior Leadership Team was able to commence initial work on its budget strategy for 2021/22. The broad objectives of next year's proposed strategy are to:
- (i) Support the delivery of our key strategic priorities -
 - People – Are independent, healthy and successful
 - Places – Where people are proud to live, work and play
 - Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper
 - (ii) Retain the support of Audit Wales for the approach the Council has adopted to securing strong financial management;
 - (iii) Continue with the delivery of our key services and protect as many local jobs as possible; and
 - (iv) Take a responsible approach to the level of Council Tax.

4.0 THE 2021/22 LOCAL GOVERNMENT SETTLEMENT

- 4.1 On the 22nd December 2020, the Minister for Housing and Local Government (Julie James MS) announced the Provisional 2021/22 Local Government Settlement. The Minister's statement and key data table is attached at Appendix 1.
- 4.2 The "headlines" of the 2021/22 Provisional Settlement are as follows:-
- a. The overall increase in Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) funding for 2021/22 (of unhypothecated funding) at an all Wales level, after adjusting for transfers is 3.8% (+£172M).

- b. The settlement for Rhondda Cynon Taf, amounts to an increase of **3.8%** which equates to the average all Wales increase. Settlement figures across Wales range from 2.0% to 5.6%.
- c. No 'floor' protection has been included for 2021/22.
- d. The Settlement figures for 2021/22 include transfers into the settlement in respect of the Teachers Pay Grant (£3.981M) and the Coastal Risk Management Programme (not applicable to this Council). The value of the Teachers Pay Grant for this Council is £0.328M. Whilst the part year (2020/21) implications of the Teachers Pay Grant transfer into the settlement, the additional full year implications are to be funded from within the settlement increase.
- e. There is no indication of settlement levels beyond 2021/22.
- f. Provisional figures and indicative estimates are included for specific grants, at an all Wales level. Of particular note, would be the continuation and increase (from £40M to £50M) in the Social Care Workforce Grant. This funds our core base budget.
- g. The Council's General Capital Funding allocation has increased by £0.087M to £13.764M.

5.0 COUNCIL BASE BUDGET REQUIREMENT 2021/22

- 5.1 In anticipation of the 2021/22 local government settlement, the Council's service managers have constructed the base budget requirements for next financial year. Those initial calculations provided for:-
 - Estimated national wage awards, pension costs and National Insurance Contribution levels;
 - Non-pay (i.e. goods and services) inflation, including energy and fuel;
 - Corporate financing requirements and levies; and
 - Full year effects of any additional burdens imposed on the Council.
- 5.2 The Council's updated budget requirement was reported to Council on the 20th January 2021 alongside the implications of the Provisional Local Government Settlement which was announced on the 22nd December 2020.
- 5.3 After taking into account the updated budget requirement and the provisional settlement increase of 3.8%, in addition to the increased funding in respect the Social Care Workforce Grant and the Council's updated Tax Base, the Council was faced with a **remaining budget gap of £4.057M**.

- 5.4 It was against this position which the Cabinet have considered their further budget strategy options for 2021/22.

6.0 DEVELOPING AN EQUITABLE, DELIVERABLE AND BALANCED BUDGET FOR 2021/22

- 6.1 Notwithstanding the relatively positive settlement from WG for 2021/22, it does follow a sustained period of real term reductions to our funding levels and more recently significant storm damage and the pandemic, and it is against this context that we need to develop a balanced budget for next year. There remain significant pressures upon many of our services together with a limited ability to increase Council Tax income, and a low tax base. Within these parameters, we will therefore need to take appropriate decisions to ensure that next year's budget is equitable for all, does not compromise our financial stability and protects and develops our key services.
- 6.2 The Council's overall financial position was set out at Section 3 of the report. It is vital that we continue with the strategy we have adopted to date that takes account of the importance of sound financial management, including the level of General Fund balances and appropriate use of the "Medium Term Financial Planning and Service Transformation Reserve" as transitional funding, whilst targeting any available resources toward our high priority, customer-focused public services.
- 6.3 Every year, there are certain corporate financial provisions that must be "top sliced" locally, before service budgets can be allocated. Next year will be no different. There will be a requirement for:
- a) A provision to meet levies from External Bodies;
 - b) A provision for Capital Charges;
 - c) A provision for all other "Miscellaneous Finance" items (Audit Fees, Insurance Costs, Bank Charges, etc.) which are non-specific to any particular Service Group; and
 - d) Resources to fund the Council Tax Reduction Scheme.
- 6.4 As part of our updated budget requirement, appropriate sums have been set aside for these corporate financial requirements.
- 6.5 Additional costs and income losses which we have incurred during this financial year specifically and directly attributable to the pandemic have been funded by Welsh Government, via a claims based Hardship Fund. WG are committed to continuing this process into 2021/22 and accordingly our core base budget does not include provision for such additional costs.

7.0 COUNCIL TAX LEVELS

- 7.1 This Council has always acted reasonably when setting its Council Tax, balancing the impact upon services and the ability of the public to pay, recognising that those eligible will receive support through the Welsh Government's Council Tax Reduction Scheme (CTRS). The proposal is to increase Council Tax in 2021/22 by 2.65%, that is, less than the 2.85% originally modelled. This proposed increase equates to 51p per week for a person living in a Band A property and 76p per week for a person living in a Band D property (42% of properties in Rhondda Cynon Taf are Band A). Increasing Council Tax by 2.65% will increase the remaining budget gap by £0.182M.
- 7.2 Members will be aware that the cost of the CTRS is impacted by changes in caseload and by changes to the level of Council Tax. This impacts on the net income generated through any increase in Council Tax. A 1% increase in Council Tax will generate an additional income for the Council of £1.157M (at the 2021/22 tax base level), but will also cost £0.247M in additional CTRS requirements. It therefore follows that a 1% increase generates a net additional income of £0.910M, or stated another way, 21% of any Council Tax increase is lost to support the increased costs associated with Welsh Government's CTRS.

8.0 SCHOOLS BUDGET (ISB)

- 8.1 Members have always viewed our schools as being a key priority and have ensured that they have been treated favourably in comparison with other council services.
- 8.2 The Schools Budget (ISB) is proposed to be increased to cover, in full, all inflationary and pupil number pressures, including NDR increased costs. Unlike other Council services there is no efficiency target or expectation albeit schools may need to take local action to absorb the financial implications of decisions taken locally.
- 8.3 In overall terms, the proposal sees the Schools Budget (ISB) increase from £161.6M to £163.8M, an increase of £2.2M. Schools are therefore fully funded for 2021/22.

9.0 EFFICIENCY

- 9.1 Council services have for many years now delivered against ambitious efficiency targets, making considerable budget reductions without adversely impacting on front line service provision.
- 9.2 As part of the current year's budget strategy, efficiencies of £6M were identified and delivered albeit it was noted that the ongoing sustainability of delivering efficiencies at this level would need to be considered.

- 9.3 The pandemic has clearly significantly impacted on our normal practises of considering our budget setting on a continuous basis, working across services in identifying efficiencies and budget reduction options and delivering on them early. The focus of our service managers has clearly and appropriately been prioritised on supporting and protecting our residents, businesses and communities.
- 9.4 Notwithstanding this however, our senior finance officers have continued to work alongside service managers and have again identified budget reduction measures which can be delivered without adversely impacting on our front-line services. Indeed, at as the quarter 2 performance report presented to Cabinet on the 17th November 2020, we were able to release £767k of in year base budget reductions.
- 9.5 Whilst at a slightly lower level than previous years, efficiencies have been identified amounting to £4.6M which can be delivered and removed from next year's base budget requirement.

10.0 BUDGET STRATEGY PROPOSALS

- 10.1 This Council has taken a proactive approach to dealing with the budget pressures it continues to face including delivery of saving proposals early with a clear focus maintained across the medium term planning horizon. The Council has continued to deliver robust, balanced budgets and taken the opportunity to use our Medium Term Financial Planning and Service Transformation Reserve, as transition funding, to sensibly support the overall budget strategy. It is recommended that this approach is continued.
- 10.2 As a Cabinet we have always been focussed on protecting our front line services and have taken any opportunities to prioritise or reallocate resources to areas of priority.
- 10.3 For 2021/22, the following proposals are recommended to Council.

a. NDR Local Relief Scheme

Cabinet last year (13th February 2020) determined to implement a local Business Rate Reduction Scheme for 2020/21. The scheme supplemented the Welsh Government High Street and Retail Rate Relief Scheme by providing a further relief of £300 per qualifying business.

It is proposed that this local relief is continued for 2021/22 and increased to £350 per qualifying business.

The cost of this proposal is **£50k**.

b. Car Park Charges

Our town centres have been significantly impacted by the restrictions placed on retail, leisure and hospitality businesses plus the need to put in place measures to adhere with social distancing and enhanced cleaning and hygiene regimes. In order to encourage visitors to our town centres and to aid the recovery of our valued businesses, it is proposed that we tailor our car parking charges, noting that in all of our town centres other than Pontypridd and Aberdare, parking is already free.

The proposal is that car parking is free after 3pm on Monday to Fridays and free all day (after 10am) on Saturdays.

The cost of this proposal in terms of income foregone is **£160k**.

c. Climate Change and Carbon Reduction

The Council's commitment to responding to climate change and carbon reduction has already been well documented, with the Climate Change Cabinet Steering Group having met regularly since its inaugural meeting in November 2019. The initial work programme set out in December 2019 has been delivered alongside an ambition to be further impactful and a community leader in this area, recognising the wider role that our residents, businesses and partners must play.

In order to support this work, it is proposed that a core base budget is put in place in order that a lead coordination role can be established along with a resource which can commission work from third parties to continue and, where possible increase the pace of our work in this area.

The cost of this proposal is **£100k**.

d. Graduates

Our graduate programme has already provided the opportunity for over 100 graduates to join the Council and develop and progress into middle and senior management roles. It is a key part of our workforce planning strategy and service continuity arrangements, developing our own staff to meet the ongoing and changing needs across our services.

It is proposed that additional resources are set aside to enable a further 6 graduates to be appointed, over and above our existing commitment.

The cost of the proposal is **£200k**.

e. Well-Being Support

The performance and commitment of our staff resources has been exemplary during this period across all of our service areas, demonstrating an outstanding attitude to public service and to the well being of our residents, businesses and communities. This has been set against the backdrop of significant personal challenge for them themselves in terms of the restrictions placed on them and their families and the circumstances in which they have had to perform their responsibilities.

Our staff are without doubt our most valued asset – they are the front face of the Council and represent and uphold our key values as public servants. We recognise the challenges faced by staff and have ensured that we continue to support their welfare and wellbeing. The additional resource proposed will enable us to expand upon the current support programmes we have in place and further develop these programmes across the workforce.

The cost of the proposal is **£50k**.

f. Fees and Charges

A final report on the proposed level of Fees & Charges for 2021/22 will be presented to Cabinet in February 2021. Following the initial (Phase 1) consultation exercise undertaken during November and December, the Cabinet's draft proposals with regard to fees and charges would see a standard increase of 1.7% (CPI), with a number of specific exceptions :

Area of Charge	Proposed Exception
Leisure for Life	Freeze
Car Park Charges	Freeze
Summer and Winter Playing Fees (sports clubs)	Freeze
Meals on Wheels / Day Centre Meals	10p per meal and then frozen until 2023
School Meals	Freeze (as per decision taken in 2020/21 to hold prices until April 2023)
Bereavement Fees	Freeze
Lido / Rhondda Heritage Park	Freeze

The impact of these draft proposals would cost **£185k**.

g. Public Health and Protection Services – Additional Resources

The Public Health and Protection service has played a key role this year in ensuring the public health and wellbeing of our communities, providing

advice and guidance and leading on initiatives such as the Test Trace Protect programme.

The additional investment proposed in the service will enable additional resources to be employed, further strengthening the team and providing future resilience for the service.

The cost of the proposal is **£200k**.

h. Flood Prevention Support

Our communities continue to recover from the exceptional storm events during last winter, including Storm Dennis. Significant recovery work is ongoing across the County Borough to the infrastructure damaged.

Over 1,000 homes and 400 businesses were flooded during Storm Dennis. It is proposed that alongside all other support being provided, that an advisory role is put in place to ensure that our residents and businesses are supported in protecting themselves as far as possible from any storm damage, including for example insurance availability and physical property protection opportunities.

The cost of this proposal is **£50k**.

i. Overgrowth Team

Our local environment remains a key priority of the Council, keeping our physical places clean, removing eyesores and ensuring that our natural resources are appropriately maintained. We already have a number of teams who are responsible for ensuring that our overgrowth is effectively maintained and it is proposed that an additional team is put in place to further enhance this work.

The cost of this proposal is **£75k**.

10.4 The implications of the above strategy proposals, including the proposed reduction in the level of Council Tax increase and the delivery of efficiencies, on the remaining budget gap position is shown in table 1.

Table 1 : Budget Strategy Proposals 2021/22

	£'000	£'000
Remaining Budget Gap		4,057
Council Tax at 2.65%	182	
Efficiencies	- 4,600	
NDR Discretionary Relief	50	
Fees and Charges	185	
Car Park Charges	160	
Climate Change and Carbon Reduction	100	
Graduates	200	
Well being Support	50	
Public Health and Protection - Additional Resources	200	
Flood Prevention Support	50	
Overgrowth Team	75	- 3,348
Remaining Budget Gap		709

10.5 *Medium Term Financial Planning and Service Transformation Reserve (Transitional Funding)* – We have for many years used our transition funding reserve sensibly as part of our balanced budget strategy, at a level which does not compromise the robustness of our budget and which can be replenished with some certainty, given our ongoing strategy of delivering savings early.

10.6 As previously referenced the reserve currently stands at £4.330M, having been replenished during this year (2020/21) by £0.767M to quarter 2. Accordingly, to address the remaining budget gap, it is proposed that an allocation of £0.709M is made from this reserve for 2021/22. This would facilitate a balanced budget for 2020/21 and would leave £3.621M in the reserve (subject to the year-end assessment of reserves). Processes are now sufficiently well embedded to ensure that savings are achieved in-year and that this reserve can continue to be replenished.

Table 2 : Budget Strategy Proposals 2021/22 – Balancing the Budget

	£'000
Remaining Budget Gap	709
Use of Transition Funding	- 709
Remaining Budget Gap	-

10.7 The above provides a robust and balanced budget strategy for financial year 2021/22 which is now recommended to Council.

11.0 SERVICE PRIORITIES

- 11.1 Even within a period of significantly reducing resources and hence financial pressure on all services, this Council remains committed as far as it possibly can to continue to deliver its key services, stronger communities and social justice.
- 11.2 The Council's Corporate Plan 2020-2024 sets out that our key purpose is to provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.
- 11.3 In addition to our revenue base budget requirements, opportunities also continue to be taken to deliver investment in key strategic areas through one off funding made available via a risk based review of earmarked reserves and through the early identification of opportunities to deliver savings. The Council has already invested over £107M (over and above the normal Capital Programme) in areas supporting key Corporate Plan priorities since October 2015, the latest investment (£11.8M) being agreed by Council in March 2020.
- 11.4 A report setting out the updated capital programme for 2021/22 to 2023/24 will be reported for Members consideration alongside this revenue budget strategy.

12.0 THE 2021/22 BUDGET STRATEGY CONSULTATION PROCESS

- 12.1 As in previous years, the Council has been keen to consult with the public and other interested stakeholders on its general budget strategy and how services are delivered.
- 12.2 The approach to budget consultation for 2021/22 was set out in the Cabinet report dated 13th October 2020. It comprises 2 phases as follows:

Phase 1 - provided residents and stakeholders with the opportunity to feedback their views on some of the key strategic building blocks used to construct the Council's budget.

Phase 2 - once Cabinet agreed a draft budget strategy, and in light of the provisional local government settlement, then this draft strategy was consulted upon as part of Phase 2.

- 12.3 The Phase 1 Consultation report was considered by Cabinet on the 28th January 2021 alongside the initial budget proposals which were then consulted upon as part of Phase 2.
- 12.4 The Phase 2 Consultation report is now attached at Appendix 2. The phase 2 consultation process ran from the 29th January 2021 to the 12th February 2021 and included:
- On-line questionnaire;
 - The option to attend an online Zoom public meeting;
 - Young persons engagement including via Instagram and a presentation and survey sent to 3 colleges, 2 schools and members of the Youth Forum;
 - Promotion through social media;
 - Correspondence with the Disability Forum;
 - On-line Zoom meetings with:
 - Older Persons Advisory Group (3rd February 2021);
 - School Budget Forum (4th February 2021);
 - The Council's Finance and Performance Scrutiny Committee (4th February 2021); and
 - Community Liaison Community (5th February 2021).
- 12.5 With regard to the consultation activity undertaken with the Finance & Performance Scrutiny Committee and the School Budget Forum, the extracts of the minutes from these meetings are attached at Appendix 3 and Appendix 4 respectively.

13.0 THE 2021/22 MACRO REVENUE BUDGET

- 13.1 In arriving at a strategy for 2021/22, the Cabinet has taken into consideration its key commitments, its views on service delivery and relevant charges for services and the need to minimise the tax burden on local residents. Consequently, and after careful deliberation, the Cabinet has concluded that it can now propose a balanced revenue budget which will meet all of the fundamental requirements of its preferred strategy **and** minimise the Council Tax increase for next year.
- 13.2 Table 3 below illustrates how the revenue resources available to the Council could be utilised, with a Council Tax increase of 2.65%:

Table 3: Proposed Resources in 2021/22

	£M
2021/22 Net Revenue Spending	527.901
LESS: Revenue Support Grant & NDR Contribution	404.375
LESS: Social Care Workforce Grant	4.075
Sub total	119.451
LESS: Release of Earmarked Reserves	0.709
To be met from Council Taxpayers	118.742

- 13.3 Table 4 below, shows the overall effect on services of applying the principles of the Cabinet's recommended outline 2021/22 budget strategy.

Table 4: Application of the 2021/22 Outline Budget Strategy

BUDGET REQUIREMENTS	2020/21	2021/22	Increase/ (Decrease)
	£M	£M	£M
Corporate Requirements			
Capital Financing	19.713	19.950	0.237
Levies	12.438	12.862	0.424
Council Tax Reduction Scheme	24.680	25.334	0.654
Miscellaneous	13.641	14.429	0.788
	70.472	72.575	2.103
Individual School Budgets (ISB)			
Individual School Budgets	161.578	163.784	2.206
Other Council Services			
Community & Children's Services	162.681	171.370	8.689
Prosperity, Development and Frontline Services	55.928	60.955	5.027
Chief Executive's	27.039	26.809	(0.230)
Education & Inclusion Services	31.049	32.408	1.359
Net Revenue Spending	508.747	527.901	19.154

14.0 SPECIFIC GRANTS

- 14.1 For next year, the Welsh Government is to provide over £980M in Specific Revenue Grants to Welsh Local Authorities.
- 14.2 Whilst specific grants dilute local accountability, such funding does enable us to undertake projects and deliver services that otherwise may not have been possible. Whilst we will continue to make representation for such funding to

be transferred into the Revenue Support Grant, until they do so then specific grants will continue to supplement our base revenue budget.

- 14.3 By their nature, specific grants are often directed toward specific spend areas or policy objectives and are not certain in terms of their ongoing continuation nor value, presenting uncertainty in terms of forward planning.
- 14.4 The allocation of specific grants, however, remains a key feature of the annual local government settlement, albeit there is a commitment to reduce such hypothecation. There are also a number of specific grants which have been introduced to deal with recurring cost pressures (eg Social Care Workforce Grant) and it is important that we seek to ensure their continuation beyond 2021/22.

15.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 15.1 In developing the recommended 2021/22 Revenue Budget Strategy, an Equality Impact Assessment (EIA) has been undertaken to ensure that:
- i the Council meets the requirements of the Public Sector Equality Duties; and
 - ii due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

16.0 CONSULTATION

- 16.1 Consultation and engagement has been undertaken as part of formulating the recommended 2021/22 Revenue Budget Strategy, the results from which are set out in Section 12 of the report.

17.0 FINANCIAL IMPLICATION(S)

- 17.1 The financial implications of the recommendations are set out in the main body of the Report.

18.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 18.1 The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget and also a legal duty under the Local Government Act 2000 for it to be reported to and approved by Full Council. The recommended 2021/22 Revenue Budget Strategy and its reporting to full Council ensures compliance with these legal duties.

19.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 19.1 The recommended 2021/22 Revenue Budget Strategy has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020 – 2024. The plan is aligned to the goals and principles included within the Well-Being of Future Generations (Wales) Act.

20.0 CONCLUSIONS

- 20.1 The Council's overall financial position remains sound, with a clear plan in place to replenish the level of General Reserves to the recommended minimum level of £10M.
- 20.2 On the 22nd December 2020, the Minister for Housing and Local Government (Julie James MS) announced the Provisional 2021/22 Local Government Settlement which showed this Council's increase in resources was set at 3.8%.
- 20.3 The Cabinet's proposals properly address the corporate financial requirements of the Council and allocate an adequate financial uplift to the Individual Schools Budget. The remaining resources available are allocated to fund all other services and to support our key priorities in 2021/22.
- 20.4 The Cabinet has recommended setting the 2021/22 revenue spending and budget at £527.901M which will require a Council Tax increase of 2.65% for the financial year ending the 31st March 2022.
- 20.5 The Council to date has been able to deliver year on year balanced budgets alongside an investment programme supporting key priorities. The challenge does remain for positive and proactive management from the Senior Leadership Team and clear direction from Members to produce a robust and financially sustainable budget into the medium term in what continues to be a challenging financial climate.



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Provisional Local Government Settlement 2021-22**

DATE **22 December 2020**

BY **Julie James MS, Minister for Housing and Local Government**

Today I am publishing details of the core funding allocations for unitary authorities for the forthcoming financial year through the Provisional Local Government Revenue and Capital Settlements for 2021-22 (the Settlement).

Adjusting for transfers, the core revenue funding for local government in 2021-22 will increase by 3.8% on a like-for-like basis compared to the current year. In 2021-22, local authorities will receive £4.65 billion from the Welsh Government in core revenue funding and non-domestic rates to spend on delivering key services.

In addition to this, I am publishing information on revenue and capital grants planned for 2021-22. These amount to nearly £1 billion for revenue and over £720 million for capital. The Government is providing these indicative grant values and distributions now so that local authorities are able to plan their budgets efficiently. This information will be further updated for the final settlement.

As set out in yesterday's draft budget the Welsh Government's funding priorities continue to be health and local government services. While I know local government has been facing significant pressures, particularly arising from the COVID-19 pandemic, I hope that this increase, building as it does on a significantly improved settlement in 2020-21, enables Authorities to continue to support and deliver critical and valued local services. In setting the overall Settlement at this level the Government has responded to the negative impact of the pandemic on Non Domestic Rate (NDR) collection. The baseline Settlement increase of £176m reflects a larger increase in the Revenue Support Grant (RSG) to compensate for the fall in NDR. It also accounts for the impact of freezing the NDR multiplier. After adjusting for transfers into the Settlement, this equates to an increase of £172 million in Settlement funding, compared with 2020-21.

The Minister for Finance and Trefnydd was clear in the draft budget that one of the hard choices we have faced in setting our spending plans for next year is our approach to public sector pay. The reality is that we did not receive any additional funding through the Barnett

formula to provide for public sector wide pay awards next year given the UK Government's decision to pause public sector pay rises, with the exception of the NHS and those on the lowest wages. The implications of pay awards in 2021-22 will therefore need to be accommodated within Authorities' budget planning in the light of this Settlement. Our decisions in the budget, target as much support as we can to health and local government to support pressure in frontline services focusing on schools and social services.

Whilst we did not receive any additional funding from the UK Government for public sector pay, in determining the distribution of funding across authorities for the Settlement, we have recognised the decisions made on the 2020/21 teachers' pay deal and the commitment made by local government to fund this deal by directing funding into the schools part of the formula. We are also continuing to provide funding for our proposals for new eligibility criteria for free school meals, given the continued rollout of Universal Credit by the UK Government.

Through this Settlement, we are continuing to provide £4.8 million for authorities to deliver additional discretionary rates relief for local businesses and other ratepayers to respond to specific local issues.

In line with the Government's focus on countering the effects of poverty, we remain committed to protecting vulnerable and low-income households from any reduction in support under the Council Tax Reduction Schemes, despite the shortfall in the funding transferred by the UK Government following its abolition of Council Tax Benefit. We will continue to maintain full entitlements under our Council Tax Reduction Scheme (CTRS) for 2021-22 and are again providing £244 million for CTRS in the Settlement in recognition of this.

Alongside the Settlement we are continuing to provide funding to support local government to waive fees for child burials. This shared commitment ensures a fair and consistent approach across Wales.

I am not minded to provide for a funding floor for this year given the increased settlement for 2020-21 and the proposed allocations I am announcing today for 2021-22. I have accordingly allocated all the funding available up front.

A wide range of services of course have been significantly impacted by the pandemic. As the Finance Minister's statement on the budget made clear, we recognise the need to continue to provide funding to support Local Government's response to the pandemic. This will be considered separately and does not form part of this Settlement.

This Settlement provides Local Authorities with a stable platform for planning their budgets for the forthcoming financial year. I fully appreciate the pressures local government is facing and am committed to protecting local government, particularly at this difficult and challenging time. This is as good a Settlement as the Government can offer and one which should help to alleviate some of the pressures Authorities are anticipating. While I can't guarantee that there will be no changes between the provisional and final settlements, due to the financial uncertainty that we currently face, I do not intend making any significant changes to the methodology or the data underpinning the distribution of this Settlement.

Attached to this statement is a summary table setting out the Settlement allocations by authority. The allocations are derived using the formula agreed with local government. As a result of the formula and related data, the table shows the range of the funding allocations, from a 2.0% increase over the 2020-21 settlement to a 5.6% increase.

Further details on the Settlement will be sent to all local authorities and published on the Welsh Government's website:

<https://gov.wales/local-government-revenue-and-capital-settlement-2021-2022>

General capital funding for 2021-22 will continue to be set at £198 million. Included within this amount is £20 million for the continuation of the public highways refurbishment grant, including support for active travel; £54 million of historic baselined general capital grant; and the continuation of an additional £35 million of general capital grant, which was announced as part of the 2019-20 and 2020-21 budgets. This additional £35 million will enable Authorities to begin to respond to our joint priority of decarbonisation, including for housing and economic recovery following Covid-19.

We have discussed, before, our shared recognition of the need to invest in the supply of housing. Investing in social housing should minimise the pressures on local authority budgets and on homelessness services. Investment in housing can also support the Welsh economy and local economies. I hope that this Settlement, capital and revenue, can support Authorities in increasing the scale and pace of housebuilding across Wales.

I know that Authorities will need to make choices in setting their budgets. They will need to engage meaningfully with their local communities as they consider their budget priorities. The setting of budgets, and in turn council tax, is the responsibility of each local authority and authorities will need to take account of the full range of sources of funding available to them, as well as the pressures they face, in setting their budgets for the coming year.

This announcement commences the formal seven-week consultation on the provisional local government settlement. This will end on 9 February 2021.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Senedd returns I would be happy to do so.

Summary Table

2021-22 provisional settlement – comparison of 2020-21 AEF (adjusted for transfers) and 2021-22 provisional AEF, and distribution of the 2020-21 Council Tax Reduction Schemes funding (distributed within AEF) (£000s)

Unitary authority	2020-21 adjusted AEF ¹	2021-22 provisional AEF	% change on adjusted 2020-21 AEF	Rank	Council Tax Reduction Schemes (within AEF)
Isle of Anglesey	101,369	104,825	3.4%	18	5,186
Gwynedd	188,409	194,793	3.4%	19	8,541
Conwy	161,181	166,906	3.6%	17	9,138
Denbighshire	153,089	158,632	3.6%	16	8,920
Flintshire	199,267	206,778	3.8%	14	9,609
Wrexham	184,569	188,856	2.3%	21	9,062
Powys	184,554	191,897	4.0%	8	8,775
Ceredigion	107,545	109,658	2.0%	22	5,122
Pembrokeshire	172,502	179,387	4.0%	7	8,187
Carmarthenshire	274,355	284,820	3.8%	13	13,996
Swansea	339,445	352,642	3.9%	10	19,264
Neath Port Talbot	227,198	236,680	4.2%	6	15,977
Bridgend	203,540	212,192	4.3%	5	13,088
The Vale Of Glamorgan	160,455	168,316	4.9%	2	9,062
Rhondda Cynon Taf	389,403	404,375	3.8%	11	21,936
Merthyr Tydfil	96,973	101,476	4.6%	3	5,595
Caerphilly	283,708	292,367	3.1%	20	12,372
Blaenau Gwent	116,112	120,361	3.7%	15	8,067
Torfaen	140,308	146,340	4.3%	4	8,331
Monmouthshire	97,673	101,483	3.9%	9	5,753
Newport	228,000	240,796	5.6%	1	10,083
Cardiff	469,913	487,913	3.8%	12	27,934
All Unitary Authorities	4,479,570	4,651,494	3.8%		244,000

Note: Total may not sum correctly due to rounding

1. 2020-21 AEF adjusted transfers of £5.127m (at 2020-21 prices) into the Settlement



Budget Consultation 2021/22 (Phase 2)

*Rhondda Cynon Taf County Borough
Council*

February 2021



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EXECUTIVE SUMMARY

- This section provides a summary of the main findings from the Phase 2 Budget Consultation 2021/22.
- The consultation was conducted in-house. The consultation period ran from the 29th January and ended on the 12th February 2021.
- The 'digital by default' approach included the following methods to consult with a range of stakeholders:
 - An online questionnaire;
 - The option to attend a Public Zoom meeting;
 - Promotion through social media;
 - A Facebook Takeover event;
 - An online Older Persons Advisory Group Meeting (OPAG);
 - Correspondence with the Disability Forum;
 - Presentation and Survey sent to 3 Colleges, 2 Schools and members of the Youth Forum;
 - Series of polls via the Youth Engagement and Participation Service Instagram page;
 - Finance & Performance Scrutiny Committee virtual meeting;
 - Community Liaison Committee virtual meeting;
 - School Budget Forum virtual meeting;
 - Promotion with the Citizen's Panel; and
 - An email sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local Members of the Senedd and Members of Parliament.
- The Council provided a number of alternatives to online engagement, as it is important to continue to consider hard to reach groups, those having reduced or no access to the Internet and those who prefer to engage through traditional methods.
- The majority of respondents felt that the proposed 2.65% increase in Council Tax was reasonable (76%).
- 81% of respondents agreed with the proposals for the delivery of efficiency savings for next year.
- 87% of respondents agreed with the proposals for fees and charges.
- 87% of respondents agreed with the proposed additional investment of £50K in the Local Business Rate Reduction Scheme.
- 83% of respondents agreed with the proposed £160K investment in car parking.

- 79% of respondents agreed with proposed £100K investment to support the ongoing work on climate change and carbon reduction.
- 70% of respondents agreed with the proposed £200K investment in the graduate programme.
- 81% of respondents agreed with the proposed £50K investment in well-being support for Council staff.
- 86% of respondents agreed with the proposed £200K investment to provide additional resources to Public Health and Protection Services.
- 91% of respondents agreed with the proposed £50K investment to support flood prevention.
- 82% of respondents agreed with the proposed £75K investment in an Overgrowth Team.
- 90% of respondents agreed with the use of £0.709M in transitional funding to address the remaining budget gap.
- 338 people were engaged in the phase 2 budget consultation.
- Overall (including Phase 1) almost 1,500 people were engaged in the Council's budget setting process.

1. INTRODUCTION

- 1.1 This report presents the findings of the Phase 2 Budget Consultation 2021/22.
- 1.2 Section 2 outlines some brief background to the consultation process.
- 1.3 Section 3 details the methodology.
- 1.4 Section 4 provides the results of the questionnaire and the feedback received from the Older Persons Advisory Group and Disability Forum.
- 1.5 Section 5 provides feedback on the young persons' engagement.

2. BACKGROUND

- 2.1 The Council undertakes a comprehensive approach to its annual budget consultation, involving a large number of residents and key stakeholders.
- 2.2 The widespread approach we use and the range of views we capture provides senior managers and Cabinet Members with the necessary information they need to set the budget for the year ahead.
- 2.3 Rhondda Cynon Taf's 2021/22 Budget Consultation is a phased approach, so that we can ensure residents and stakeholders have as much opportunity as possible to provide views on the budget and to make sure that views are informed by the most up to date and relevant information.
- 2.4 Phase 1 provided residents and stakeholders with the opportunity to feedback their views on some of the key strategic building blocks used to construct the Council's budget.
- 2.5 The Phase 1 Consultation report was available to support the preparation of the budget strategy proposals and was presented to Cabinet on the 28th January 2021, where a draft budget strategy was agreed.
- 2.6 This report presents the findings of **phase 2** of the budget consultation, which asked for views on the draft budget strategy for 2021/22.
- 2.7 Phase 2 started on the 29th January and ended on the 12th February 2021.

3. METHODOLOGY

- 3.1 This section provides a summary of the main findings from the Phase 2 Budget Consultation 2021/22. The consultation was conducted in-house.
- 3.2 The consultation period ran from the 29th January and ended on the 12th February 2021.
- 3.3 The 'digital by default' approach included the following methods to consult with a range of stakeholders:
- An online questionnaire;
 - The option to attend a Public Zoom meeting;
 - Promotion through social media;
 - A Facebook Takeover event;
 - An online Older Persons Advisory Group Meeting (OPAG);
 - Correspondence with the Disability Forum;
 - Presentation and Survey sent to 3 Colleges, 2 Schools and members of the Youth Forum;
 - Young Person engagement via the Youth Engagement and Participation Service Instagram polls;
 - Finance & Performance Scrutiny Committee virtual meeting;
 - Community Liaison Committee virtual meeting;
 - School Budget Forum virtual meeting;
 - Promotion with the Citizen's Panel; and
 - An email sent to key stakeholders, including Community and Town Councils, Trade Unions, Councillors, Local Members of the Senedd and Members of Parliament.

Note: Views from the Finance and Performance Scrutiny Committee and School Budget Forum have been recorded separately in the respective minutes of those virtual meetings.

- 3.4 The Council provided a number of alternatives to online engagement, as it is important to continue to consider hard to reach groups, those having reduced or no access to the Internet and those who prefer to engage through traditional methods. This included:
- A telephone consultation option working with the Council's Contact Centre. The Contact Centre number was made available for people to discuss their views or as a minimum to request consultation materials.
 - Individual call backs were offered if required.
 - Paper surveys and information available on request.
 - Consultation freepost address for postal responses.
- 3.5 The Team designed an Easy Read/Plan English Document in paper format and online, to simplify some of the consultation materials.

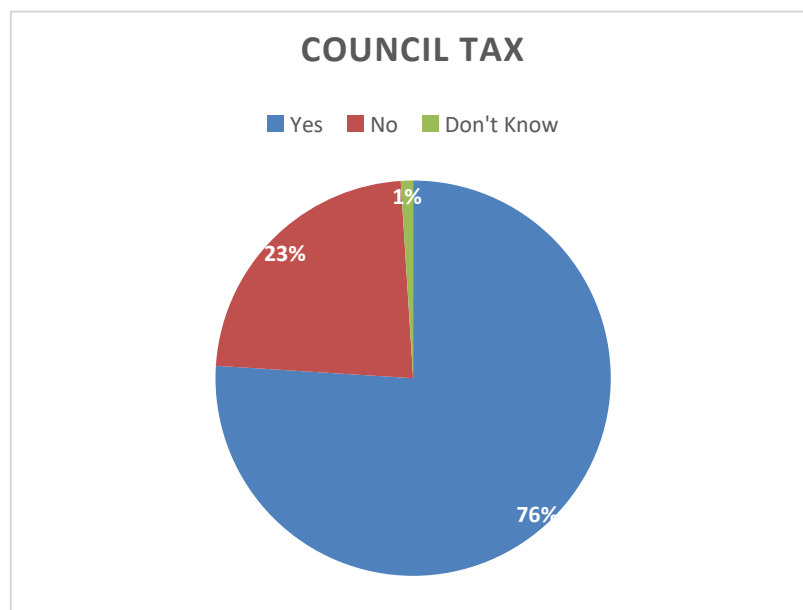
- 3.6 338 people were engaged in the phase 2 budget consultation. Overall (including Phase 1) almost 1,500 people were engaged in the Council's budget setting process.

4. Consultation Findings

- 4.1 The following section outlines the results from the phase 2 budget consultation questionnaire (236 responses) and the feedback received from the Older Persons Advisory Group and Disability Forum members. A selection of comments are provided and the full list of comments will be provided to Cabinet and senior officers to assist with decision making.

Council Tax

- 4.2 The Council is proposing that Council Tax be increased by 2.65% for next year. **The majority of respondents felt that the increase was reasonable (76%).**



Note: Where figures do not add up to 100% this is due to rounding.

- 4.3 The comments on Council Tax, included those who thought the increase of 2.65% was reasonable:

"A very reasonable increase."

"Considering the bad year, it's very reasonable".

"Satisfied with the increase to maintain services".

"While any rise will have some people objecting, I'm happy to support this as it's modest and lower than first planned."

- 4.4 There were some suggestions that the increase should be higher than 2.65%;

"Would not object to the initial 2.85%"

"I would prefer it slightly higher."

"I would be happy for a higher increase".

- 4.5 And there were those who were against any increase or would prefer a lower increase, mainly due to the financial impact of the current pandemic.

"due to current crisis, I don't believe the council should increase the council tax".

- 4.6 OPAG members overall agreed with the proposed Council Tax level of 2.65%.

"I agree, we know it has to go up, due to the responsibilities the Council has."

"Very reasonable. If the Council can do this without cutting vital services, then that is brilliant."

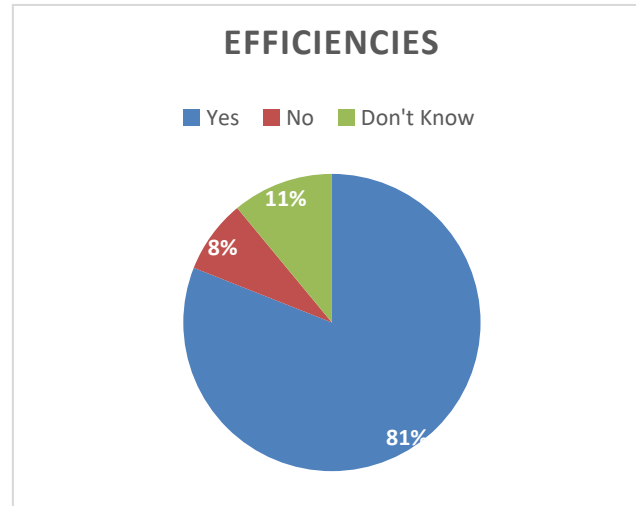
- 4.7 Disability Forum member responses on council tax levels included:

"There's no need to increase anything for anything COVID-19 related. The Government can do this and has enough money to fund this by reducing pensions....."

"I agree with a Council tax increase of 2.65% for this."

Efficiencies

- 4.8 The Council's budget strategy has identified efficiency savings amounting to £4.6M for 2021/22 that will not impact on frontline services.



81% of respondents agreed with the proposals for the delivery of efficiency savings for next year..

Comments included:

"....it's really good to see the Council continue to look to the way it operates to make savings instead of making residents pay."

"The council will need to keep making efficiency savings".

"It must be difficult to make these efficiency's year on year".

- 4.9 A number of the respondents were happy with the level of efficiencies identified, but stressed that this must not be outright cuts to services:

"If these efficiencies are truly efficiencies and not just cuts, then, yes..."

"If these are indeed measures which don't affect services then they are welcome."

Budget Strategy Proposals

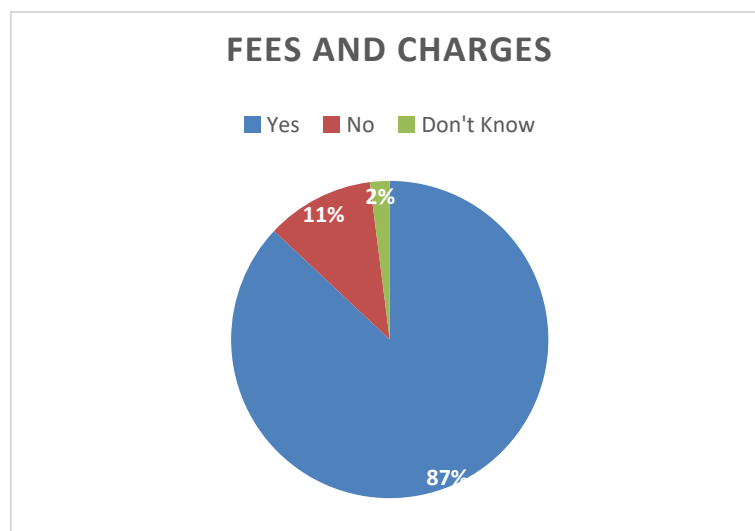
Fees and Charges

- 4.10 A standard increase of 1.7% (in line with the Consumer Prices Index) is proposed on all fees and charges with a number of specific exceptions.

Area of Charge	Proposed Exception
Leisure for Life	Freeze
Car Park Charges	Freeze
Summer and Winter Playing Fees (sports clubs)	Freeze
Meals on Wheels / Day Centre Meals	10p per meal and then frozen until 2023
School Meals	Freeze (as per decision taken in 2020/21 to hold prices until April 2023)
Bereavement Fees	Freeze
Lido / Rhondda Heritage Park	Freeze

The impact of these draft proposals would cost **£185k** more than if the Council increased all fees and charges by 1.7%.

87% of respondents agreed with the proposals for fees and charges.



- 4.11 Overall the approach to fees and charges was welcomed:

“Excellent thank you”.

“People expect some increase”.

“Freezing these fees is good”.

“Very pleased to see so many price freezes”.

- 4.12 There were some concerns about the 10p per meal proposed for meals on wheels and day centre meals:

“Meals on wheels and day centre meals should not be increased. The individuals relying on these meals are already struggling. I would much rather the elderly get fed and not be put in hardship and pay an extra 10p to park.”

- 4.13 Some of the comments suggested that the fees for the Lido and Heritage Park should be increased:

“I think the Lido could be increased.”

“Charges for the Lido & Heritage Park should be increased. These are optional non-statutory services, and those using them should be paying for their upkeep by paying higher fees at the very least in line with inflation.”

“Lido fees can definitely go up; residents will happily pay more as the charges are so low and they want to see it open for years to come”.

“Agree with all of them apart from Lido and Heritage park. I can’t see no reason for not putting the prices up unless they had gone up a bit before they were closed due to the pandemic.” (Disability Forum)

- 4.14 The OPAG were generally supportive of the approach.

“Looks ok to me.”

“I can’t see any problem with them.”

Members questioned the meal charges:

“Strange figure for meals on wheels, could it be rounded bit odd.”

“Doesn’t make sense to stick a 5p on the end, as most older people would use cash for meals on wheels”.

The Lido increase of 50 pence was discussed:

“The Lido was shut last year due to COVID, this although not the Council’s fault, seems unfair.”

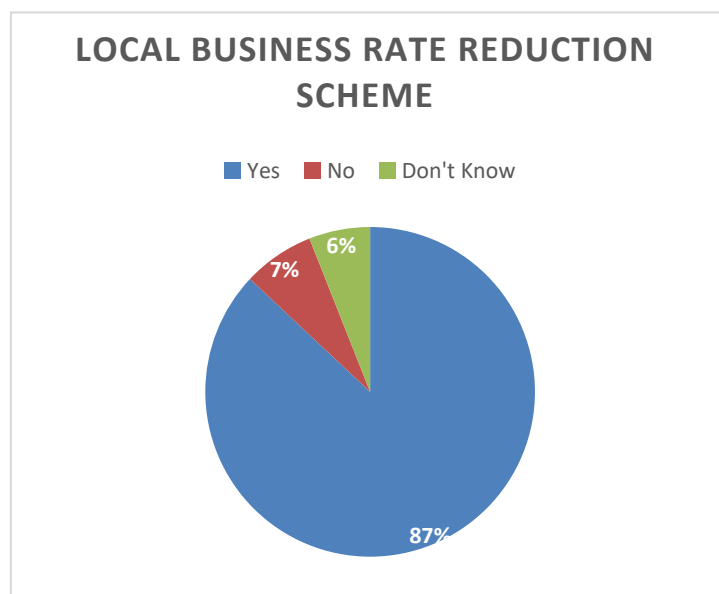
OPAG members were happy that the Council was planning to freeze services that encourage people to get outside.

Local Business Rate Reduction Scheme

- 4.15 Cabinet last year (13th February 2020) determined to implement a local Business Rate Reduction Scheme for 2020/21. The scheme supplemented the Welsh Government High Street and Retail Rate Relief Scheme by providing a further relief of £300 per qualifying business.

An additional investment of £50K is proposed so this local relief can be continued for 2021/22 and increased to £350 per qualifying business.

87% of respondents agreed with the proposed additional investment.



Note: Where figures do not add up to 100% this is due to rounding.

The comments were overwhelmingly positive and included:

“Businesses needs all the help available”.

“Businesses have really suffered this year, directly or indirectly, and any additional support and help will make the effort of the owners and staff members just feel that little more valued.”

“I would welcome any strategy available to help Local Businesses as in my area they have suffered greatly and cannot compete with the larger retail businesses that have been springing up everywhere....”

“This is good news for businesses”.

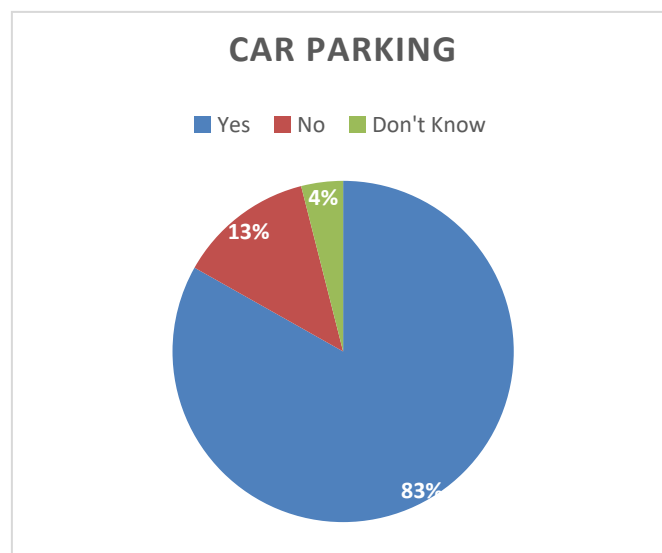
“Definitely, small business needs all the support they can get.” (OPAG)

Car Parking

- 4.16 The Council's town centres have been significantly impacted by the restrictions placed on retail, leisure and hospitality businesses plus the need to put in place measures to adhere with social distancing and enhanced cleaning and hygiene regimes. In order to encourage visitors to the town centres and to aid the recovery of our valued businesses, it is proposed that we tailor car parking charges, noting that in all town centres other than Pontypridd and Aberdare, parking is already free.

The proposal is that car parking is free after 3pm on Monday to Fridays and free all day (after 10am) on Saturdays. The cost of this proposal in terms of income foregone is **£160k**.

83% of respondents agreed with the proposed investment in car parking.



- 4.17 Those in agreement with this investment included:

"I think longer term plans need to reduce the need for car use. Offering free parking after 3:00 seems a reasonable suggestion".

"Hopefully this will help encourage people into town instead of retail parks".

"Funds from parking up to 3pm Monday to Friday as proposed will cover over a period of time the lost income. Why are Pontypridd & Aberdare not free parking??"

- 4.18 Some of the respondents suggested that free parking would need to be brought in alongside other investment, to make the town centres more appealing;

“Would rather investment in town centre as nothing to shop for if shops keep closing”.

“I do not think this will encourage people in given the risk of the Pandemic and how used to shopping online everybody is. I do not think free parking would be enough. There needs to be enticing shops, Pontypridd for example needs to attract a better range of shops and cafe's.....”

“I'm not sure that car parking is what is stopping people attending town centres but if evidence points to that then yes, I would agree. I believe it's the content of the town centres is what has led to a reduction in footfall even before the pandemic.”

- 4.19 Some of the respondents questioned the timing of the proposed free parking and thought it should be earlier:

“3pm is too late in the day.”

Timing was also mentioned in the virtual OPAG meeting:

“If you do after 3pm, little open, should be earlier maybe from lunch time instead of 3pm.”

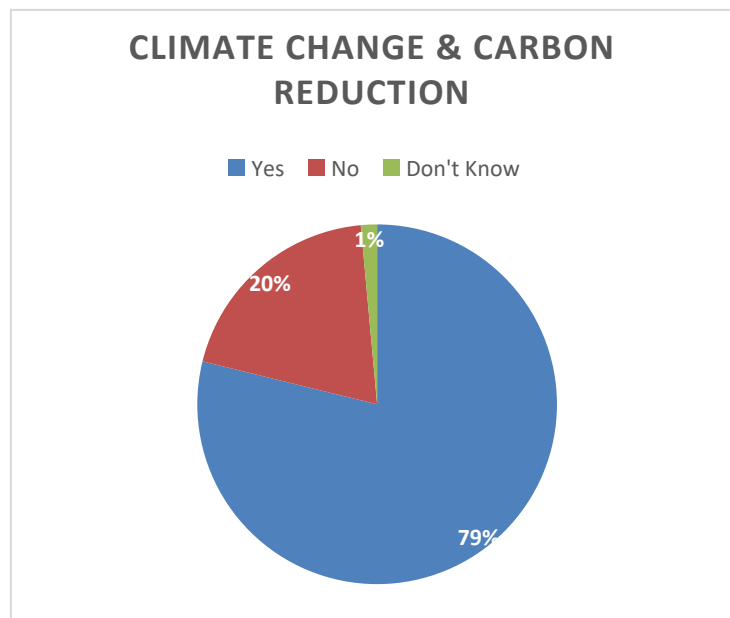
“Good after 10am, as people working in town will not fill the spaces.”

Climate Change and Carbon Reduction

- 4.20 The Council's commitment to responding to climate change and carbon reduction has already been well documented, with the Climate Change Cabinet Steering Group having met regularly since its inaugural meeting in November 2019. The initial work programme set out in December 2019 has been delivered alongside an ambition to be further impactful and a community leader in this area, recognising the wider role that our residents, businesses and partners must play.

In order to support this work, it is proposed that a core base budget is put in place in order that a lead coordination role can be established along with a resource which can commission work from third parties to continue and, where possible increase the pace of our work in this area. The cost of this proposal is **£100k**.

79% of respondents agreed with this proposed investment.



- 4.21 There was widescale support for this proposal:

"More money should be invested in this".

"The amount invested needs to be higher - this is a major issue and needs strong input and support."

"This investment needs to be higher. I think we are already directly witnessing the impacts of climate change in RCT as we have already seen with the devastating impact of flooding throughout 2020....."

"This needs to be agreed as we do face a real climate emergency".

“Yes, agree and we need to show an example to other local authorities.”
(OPAG).

- 4.22 Although some of the respondents suggested that the Council should utilise existing resources to take this forward:

“utilise current employees & diversify their roles”.

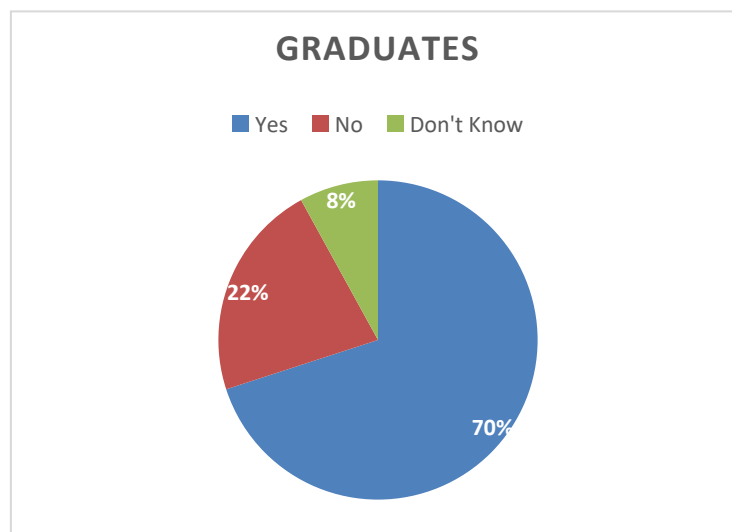
“If this involves using consultants, then No. If it’s to tackle and combat climate change then Yes.” (Disability Forum Member).

Graduates

- 4.23 The Councils’ graduate programme has already provided the opportunity for over 100 graduates to join the Council and develop and progress into middle and senior management roles. It is a key part of the workforce planning strategy and service continuity arrangements, developing our own staff to meet the ongoing and changing needs across our services.

It is proposed that additional resources are set aside to enable a further 6 graduates to be appointed, over and above our existing commitment. The cost of the proposal is **£200k**.

70% of respondents agreed with this proposed investment.



Comments in support of the proposal included:

“Good to see the Council supporting people and giving opportunities”.

“There needs to be jobs for our younger people.”

“Important to provide opportunities for apprenticeships and graduates”.

“Totally support this.” “Think it’s great.” (OPAG)

“Yes if they are required, if they are value for money. If they are doing something” (Disability Forum Member).

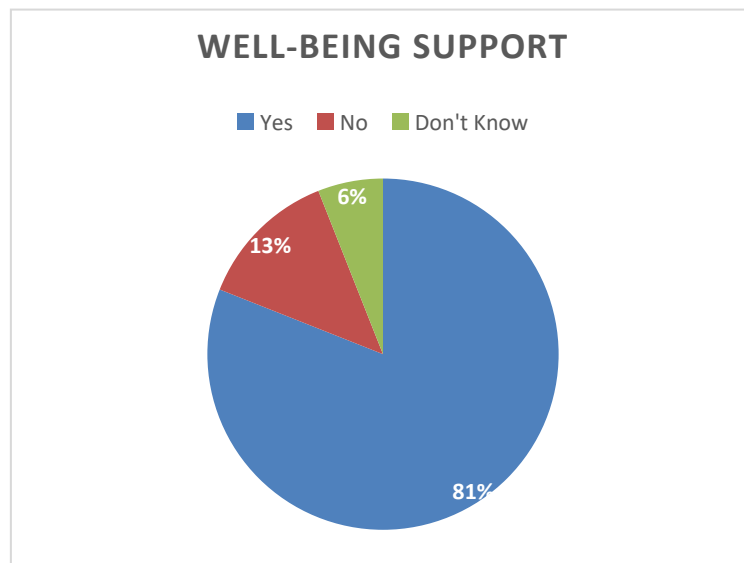
- 4.24 There were some suggestions that existing staff could be utilised and trained up to undertake the roles.

“Promote & train from within, recruit base level employees from job centre”.

Well-Being Support

- 4.25 The Council staff are without doubt our most valued asset – they are the front face of the Council and represent and uphold our key values as public servants. We recognise the challenges faced by staff and have ensured that we continue to support their welfare and wellbeing. An additional resource of **£50k** is proposed to enable us to expand upon the current support programmes we have in place and further develop these programmes across the workforce.

81% of respondents agreed with this proposed investment.



- 4.26 The majority of comments were in support of this proposal:

“This is badly needed.”

“It’s important to look after the staff”.

“Counselling is a key demand from employees so if this investment is in that area of support then I fully support that move”.

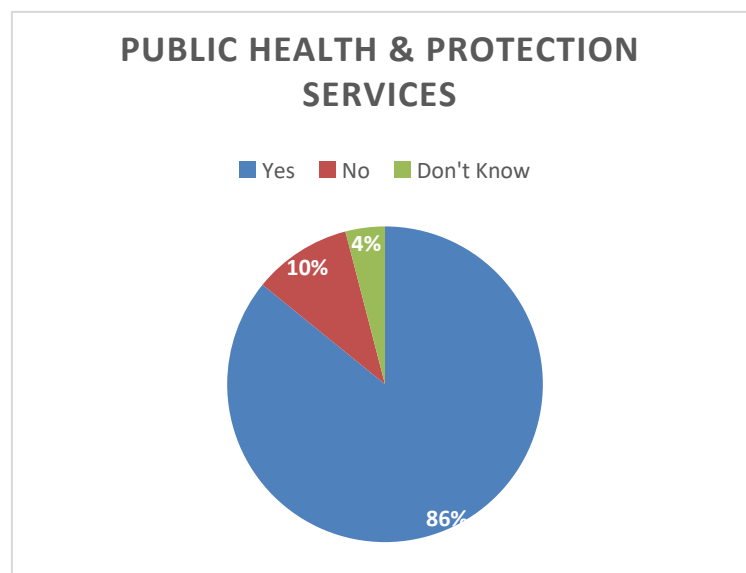
“Staff support in these uncertain times are well received.”

Public Health and Protection Services – Additional Resources

- 4.27 The Public Health and Protection service has played a key role this year in ensuring the public health and wellbeing of our communities, providing advice and guidance and leading on initiatives such as the Test Trace Protect programme.

The additional investment proposed in the service will enable additional resources to be employed, further strengthening the team and providing future resilience for the service. The cost of the proposal is **£200k**.

86% of respondents agreed with this proposed investment.



The majority of comments were in support of this proposal:

“We have to be ready for future situations.”

“Absolutely vital, probably for a good few years to come.”

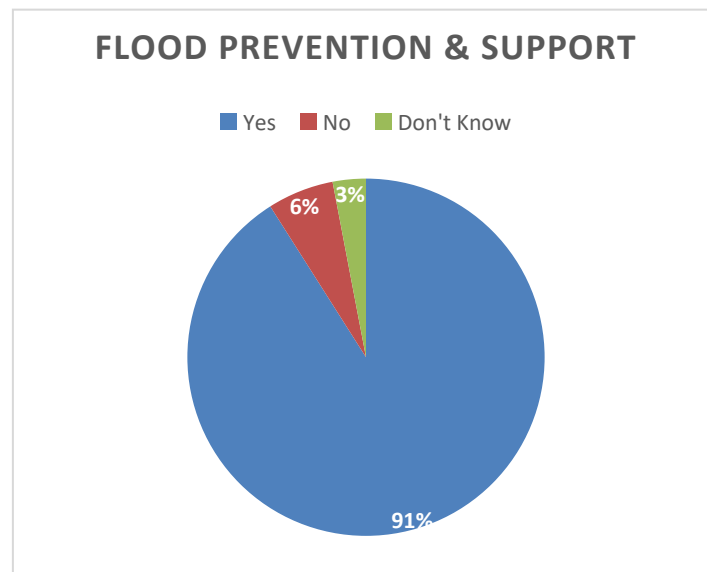
“With COVID-19 this last year this extra £200k will be needed”.

“Seems a good investment.”

Flood Prevention Support

- 4.28 Over 1,000 homes and 400 businesses were flooded during Storm Dennis. It is proposed that alongside all other support being provided, that an advisory role is put in place to ensure that our residents and businesses are supported in protecting themselves as far as possible from any storm damage, including for example insurance availability and physical property protection opportunities. The cost of this proposal is **£50k**.

91% of respondents agreed with this proposed investment.



- 4.29 Most of the comments were in support of the proposal:

"This is vital, and the urgency is of the utmost importance."

"It needs to happen for communities devastated by these floods. More investment needs to be put into this area to prevent further reoccurrence".

"So many homes have been devastated so this is needed".

"Vital - likely to see more damage from flooding over the coming months & years so money must be found."

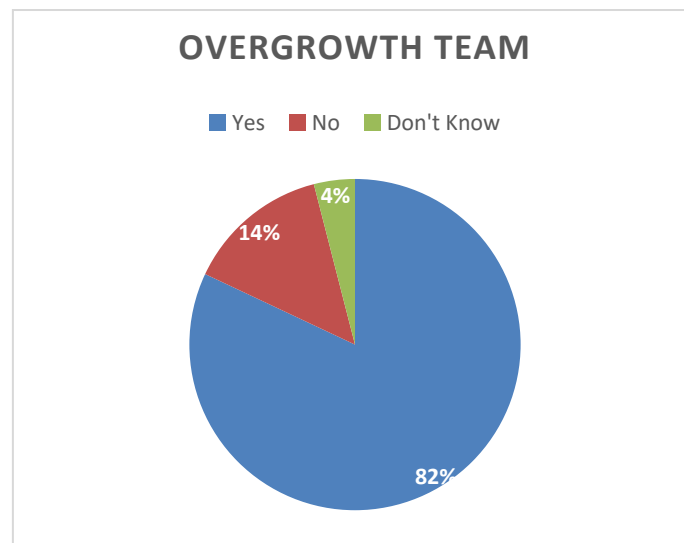
"I agree with the £50k." (Disability Forum Member)

OPAG members supported the funding proposal and suggested it may need an even larger investment.

Overgrowth Team

- 4.30 Our local environment remains a key priority of the Council, keeping our physical places clean, removing eyesores and ensuring that our natural resources are appropriately maintained. We already have a number of teams who are responsible for ensuring that our overgrowth is effectively maintained, and it is proposed that an additional team is put in place to further enhance this work. The cost of this proposal is **£75k**.

82% of respondents agreed with this proposed investment.



- 4.31 Comments in support of this proposal included:

“Really important as more residents have been walking/visiting the countryside in RCT”

“Investment needs to be higher, with more teams being put in place. I would also like to see council organise more local litter-picking events, so the community can take joint ownership of improving and maintaining our local environment.....”

Although some of the respondents suggested that the Council should utilise existing resources/staff:

“This should already be part of what we pay for”.

“make better use of current resources”.

- 4.32 OPAG members agreed with the proposal and asked if there was any scope to use volunteers to help the Council.
- 4.33 A number of comments mentioned leaving the grass verges overgrown:

“.... People don't want to see aggressive over mowing of grass verges etc obliterating any chance for biodiversity. I hope this money can be invested in managing council land better to attract more biodiversity which could go hand in hand with the climate change commitment and making our towns more attractive to investment.....”

“The slightly overgrown and wild verges added much needed colour last spring and I'd like to see these continue”.

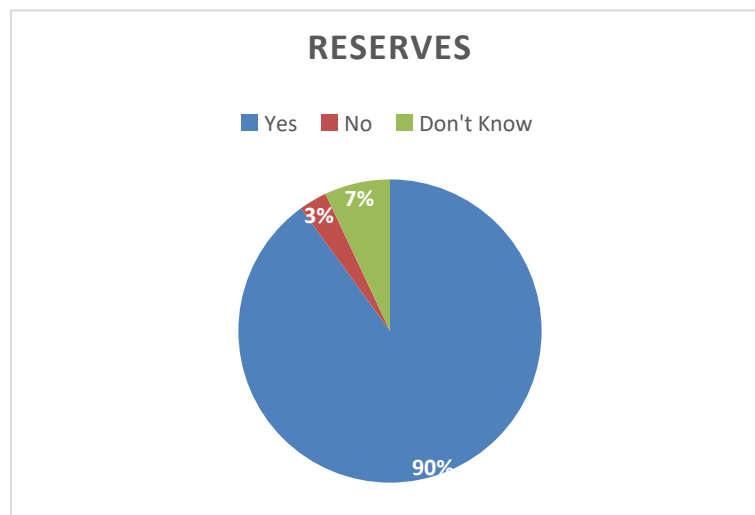
“Overgrowth of plants I'm assuming needs to be managed long term and replaced with more sustainable planting”.

“i would like to see improvements as regards to the roadside verges. i think it would be viable for the council to consider a less and later mow routine and the end of weed killers/pesticides..the restoration of native wildflowers to these areas would be a welcome addition to all, if careful consideration is applied further savings could be achieved.”

Use of Council Reserves

- 4.34 After taking account of the above proposals, proposed level of Council Tax, the delivery of efficiencies and other budget requirements the remaining budget gap is £0.709M. It is proposed that an allocation of £0.709M is made from the Transitional Funding reserve (i.e. a specific reserve set aside for this purpose) for 2021/22. This would facilitate a balanced budget for 2021/22 and would leave £3.621M in the Transitional Funding.

90% of respondents agreed with the use of this transitional funding.



Comments included:

“Replenishment is essential could this figure be increased”.

“I'd encourage greater use of these reserves to better protect your residents and businesses from increases at such a difficult time....”

“Must keep reserves for emergencies like that big storm last year”.

Other Comments

- 4.35 A number of further comments were made on the proposed budget strategy and these included:

Positive;

“I think in general they are doing a good job”.

“The budget looks like a well thought out and sound financial budget”.

“It seems fair given the various constraints the council operates under.”

“Welcome the engagement”.

- 4.36 There were a number of comments that mentioned the need for services to assist with the aftermath of the pandemic:

“You've a difficult task this year, and I don't envy you the job. I do, however, hope that every resident's needs, regardless of level of education, health, wealth, background, or any other identifying characteristic will be taken into account as, more than ever, we face a difficult time emotionally, mentally and psychologically which no one is immune to.”

“The council needs to invest in services that will help residents with their personal resilience and mental health and wellbeing after what has been and continues to be a very traumatic event”.

- 4.37 The move to remote working was seen as a positive and something that the Council should continue with post COVID, with potential savings through optimising the use of buildings and also generating income from further rationalisation of buildings.

“Maybe sell council offices and encourage staff to desk share or work from home”.

“I think that the council could save money by getting rid of a number of buildings. The staff that are struggling and need to be in the office, given an office space when the pandemic is over, and it is safe to do so. As things are unlikely to ever return to the way they were before, there will be no need to have all the office space...”

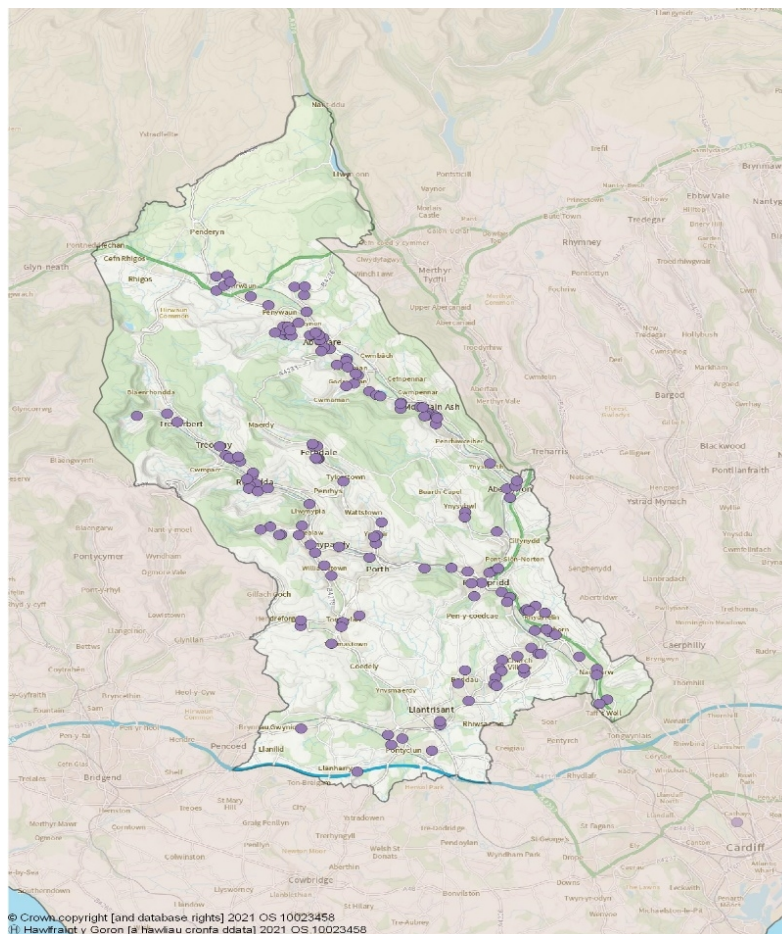
About You

4.38 The majority of respondents to the survey were residents (89.2%).

Base	100.0%
Are you responding as?	
a local resident	89.2%
a local business	4.1%
an employee of the Council	25.2%
a member of a voluntary / community group	5.4%
other	0.5%

Note: This was a multiple response question.

4.39 The following map shows the postcodes of those people who responded to the survey.



5. YOUNG PERSON ENGAGEMENT

- 5.1 As part of our engagement with Young People we utilised the Youth Engagement and Participation Service Instagram page to promote the consultation and ran a series of poll questions over the course of a week. The questions were based on the information in the full survey and asked young people whether they agreed or not with the proposals.
- 5.2 The posts were spread over 5 days and asked Young People whether they agreed or disagreed with the proposals on Council Tax levels, Fees and Charges, Efficiency savings and 5 areas of investment. These were Public Health and Protection Services, the Council's Graduate Scheme, Climate Change, Flood Prevention Support and Car Parking.
- 5.3 The table below shows the results of these polls:

Day / Topic	Question	Yes	No
1 – Council Tax Levels	Do you think a Council Tax increase of 2.65% is fair?	10	16
2 – Efficiency Savings	Should the Council continue to look at ways of saving money?	19	2
3 – Fees and Charges	Do you agree with these proposals?	8	2
4 – Investments: Graduate Scheme / Public Health and Protection	Do you think these investments are a good use of Council money?	13	2
5 – Investments: Car Parking / Flood Prevention Support / Climate Change	Do you think these investments are a good use of Council money?	2	0

- 5.4 We also created a PowerPoint presentation and shared this with the schools and colleges that had taken part in Phase 1 of the consultation. We engaged with Coleg Y Cymoedd groups from Rhondda, Aberdare and Treforest campuses along with Y Pant and St John Baptist Church In Wales High School. A tailored version of the survey was also created and this link was shared with the schools / colleges. They were asked to share the information with their groups and invite them to take part. We also shared these materials with members of the Youth Forum.
- 5.5 The table below shows the results for the questions based on Council Tax levels, Efficiency savings and Fees and Charges:

Question	Yes	No	Don't Know
Do you agree that 2.65% is a reasonable increase in Council Tax?	2	1	3
Do you agree with the approach to efficiency savings for next year?	3	-	2
Do you agree with the Council's approach to fees and charges?	1	2	2

Comments:

“The costs for the meals on wheels program should be frozen and the minor cost increase proposed should instead be levied on car parking charges.”

- 5.6 We also provided information about a range of budget investment proposals and asked whether young people agreed with these. The table below shows the results:

Proposed Investment Area	Yes	No	Don't Know
Local Business Rate Reduction Scheme	3	-	2
Car Park charges	2	-	3
Climate Change and Carbon Reduction	3	1	2
Graduate scheme	2	-	3
Well-Being support for staff	1	1	3
Public Health and Protection Services – Additional Resources	3	-	2
Flood Prevention Support	3	-	2
Overgrowth Team	2	-	3

Comments:

“More money should be invested in Well being for staff, more for climate change and a little less for the Overgrowth team.”



APPENDIX 3

RHONDDA CYNON TAF COUNCIL FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting of the Finance and Performance Scrutiny Committee held virtually on
Thursday, 4 February 2021 at 5.00 pm

County Borough Councillors - Finance and Performance Scrutiny Committee Members in attendance:-

Councillor M Powell (Chair)
Councillor G Thomas Councillor S Bradwick
Councillor R Yeo Councillor S. Rees-Owen
Councillor J Williams Councillor T Williams
Councillor J Cullwick Councillor A Fox
Councillor T Williams Councillor W Owen
Councillor J Edwards Councillor S Rees

Co-Opted Members

Mr Jeff Fish

Officers in attendance

Mr Paul Griffiths – Service Director – Finance and Improvement Services
Ms Stephanie Davies – Head of Finance – Education and Financial Reporting
Mr Christian Hanagan – Service Director Democratic Services and Communication
Mr Andy Wilkins – Director of Legal Services
Ms Julia Nicholls – Principal Democratic Services Officer
Mrs Sarah Daniel – Senior Democratic Services Officer

Apologies

Councillor M Adams
Councillor G Caple

30 Declaration of Interest

Cllr S Bradwick declared a personal interest in item 3 as Chair of Governors of Aberdare Community School. He further declared a personal interest as the levy for the South Wales Fire and Rescue Authority was mentioned during the meeting and Cllr Bradwick is a member of the Board which sets this budget.

Extract from minutes

THE COUNCIL'S DRAFT 2021/22 REVENUE BUDGET STRATEGY

With the aid of a PowerPoint presentation the Service Director – Finance and Improvement Services provided Members with an overview of the:

- The Council's current financial position (2020/21);
- Feedback from phase 1 of the Budget Consultation process that ran from 26 October to 7 December 2020;
- The provisional Local Government Settlement for 2021/ 22; and
- Cabinet's proposed Budget Strategy 2021/22 – which included proposals around Council Tax, School Budgets, Efficiencies, Fees and Charges, Targeted Investment and Use of Reserves.

The Chairman thanked the Officer and the following questions were raised.

The Co-opted Member referred to the legislative changes that will come into effect in 2021/22 in respect of Additional Learning Needs (ALN) and requested clarity on whether the anticipated additional costs would relate to the Council or Schools. The Service Director fed back that the proposed Budget Strategy builds in additional resources for the forthcoming year to support the preparation and implementation of the changes that come into force from September 2021. The Service Director added that this budget is proposed to be allocated to the Education and Inclusion Services Directorate within the Council and that the Council and Schools will continue to work together to plan and assess resource requirements on an on-going basis.

The Co-opted Member also referred to ALN virements and asked if this was in relation to the recently announced Transformation Grant funding of up to £1,000 from Central South Consortium or if this was additional funding from another source. The Service Director fed back that specific grants received by schools would sit outside the Cabinet's budget strategy proposals and the Head of Finance – Education and Financial Reporting added that Schools had been informed that they can access different grants for this area if specific training or activities are undertaken.

A Member referred to the General Fund Balances which currently stood at £8.709M, with plans to replenish to £10M over the next 3 years, and stated that this was a good idea and requested clarity on whether this was a set requirement from the external auditor.

The Service Director fed back that the plan to replenish General Fund balances to £10M over the next 3 years was a Council led decision as part of its Medium Term Financial Planning arrangements. The Service Director went on to indicate that the Council's Section 151 Officer keeps this position under on-going review and takes into account a number of factors in determining the minimum level of general fund balances to be maintained, including, the Council's financial position and financial environment it is operating within. The Service Director added that the Council provides on-going updates to Audit Wales, the Council's external auditor, in this regard.

The Chairman referred to waste management costs increasing and asked the Service Director to explain why this was.

The Service Director fed back that waste management costs had increased throughout the pandemic due to more people working from / staying at home resulting in more residential kerbside collection. The Service Director added that there has also been a change in the composition of waste collected and this was

resulting in an increase in the volume of residual waste. The Service Director went on to indicate that the Council's Waste Management Service had recommenced engaging with residents, where safe to do so and observing social distancing requirements, to promote the importance of recycling.

A Member stated that this was also discussed at a recent Public Service Delivery, Communities and Prosperity Scrutiny Committee.

A Member referred to page 15 of the Phase 1 Budget Consultation report, which set out feedback from respondents on which Council Services to protect and prioritise, and was disappointed to note that the bottom three services were 'Cultural, Tourism and Heritage Services', 'Music Services' and 'Leisure Services'. The Member stated that it was very important to remember that without these services throughout the lockdown periods many people would have struggled further and felt they provided an invaluable service and hoped there will be a level of protection built into the budget strategy for these areas. The Chairman supported these comments.

Feedback on the Cabinet's proposals for Council Tax:

A Member referred to the Council Tax increase proposal of 2.65% which was lower than the originally modelled Council Tax increase of 2.85%. The Member raised concerns of litter throughout the County Borough and stated that there was a need to improve the cleanliness of villages and towns, and indicated that if the Council Tax was increased to the originally proposed 2.85%, the extra funding raised could go towards street cleansing.

A Member fed back that officers from the Council's Streetcare Service were re-purposed for a temporary period during the pandemic to aid the delivery of other immediate priorities and indicated that these officers have now returned to their streetcare roles that focus on maintaining the cleanliness of the County Borough.

Two members agreed with the proposal of a 2.65% increase in Council Tax and fed back that it should not be increased any higher due to the impact the global pandemic has, and is continuing to have, on residents in terms of employment and reduced pay where individuals have been furloughed. The Members added that they anticipated the proposed Council Tax increase would be favourable when compared to Council Tax increases proposed by other local authorities across Wales.

The Service Director advised the Committee that the existing Street Cleansing budget was approximately £2.5 million and the proposed budget strategy includes specific additional investment in this area to further enhance the Council's Overgrowth Team.

Feedback on the Cabinet's proposal for the Schools Budget

The Co-opted Member expressed concern on the requirement for efficiency planning for decisions taken locally by schools. The Service Director advised that the proposed schools increase built into the Budget Strategy covers all inflationary pressures, pupil number changes and Non-Domestic Rate increased costs, and indicated that where schools make local decisions, for example, changes to the staffing establishment, delivery of specific projects, the financial impacts would be the responsibility of schools to manage and fund.

The Co-opted Member referred to the increase in budget of £2.2million for schools and asked how this equates in percentage terms.

The Service Director fed back that this equated to a 1.35% increase and went on to provide further context to the Committee on the Council viewing schools as a key priority and its long-term commitment to protect this sector as much as possible. The Service Director added that between financial years 2012/13 to 2020/21 the Schools budget had increased, in cumulative terms, by 22% compared to non-schools budgets reducing by 1% over the same period, and also noted that over this time there has been a requirement for efficiency planning at an individual school level.

Some Members added that the proposed increase for schools was less than in previous years and should there be the requirement for schools to deliver efficiency savings as a result of local decisions made, this will be challenging.

The Head of Finance – Education and Financial Reporting advised that efficiency savings may need to take place where individual schools have a historical deficit, with this work being supported through a deficit recovery plan being put in place for these schools covering a 3 to 5 year period.

Another Member shared the concern on the proposed increase compared to previous years and requested clarity on the extent of work undertaken with Headteachers to support schools in their recovery from the Covid-19 pandemic including children catching up.

The Service Director advised that the Council's Finance staff continue to work closely with all schools as part of in-year budget monitoring arrangements and, with regard to Covid-19, specific work is on-going with schools to identify and claim for additional costs incurred in the current year via the Welsh Government's Hardship Fund. The Service Director added that the Council and Schools also positively engage as part of the Rhondda Cynon Taf School Budget Forum, where key issues such as the challenge of supporting children catching up are considered. In this regard, the Head of Finance – Education and Financial Reporting advised Members that specific grant funding has been made available to schools for both 2020/21 and 2021/22, and, more recently there had been an addition to the grant for learners in exam years. The Head of Finance added that schools had already been informed of their allocation.

A Member asked if further clarification on this matter could be shared at a future meeting as this was still a major concern for many Members.

A Member commented that school staff and parents should be praised for their recent efforts in ensuring children still had access to learning whilst schools were closed. He added that officers need to be mindful of the impact on children not being in school and there will need to be funding available for a catch-up programme for all learners.

Another Member commented that we need to ensure children can catch-up as they could be at a disadvantage, for example, if their parents are working from home and the challenges of home-schooling at the same time as working. The Member added there needs to be a provision to get the children back to where they need to be.

The Cabinet Member for Corporate Services stated that at the School Budget

Forum meeting on the 4th February 2021, this information had been presented to Head teachers and, overall, the £2.2 million uplift in their funding was welcomed. He added that they do have concerns around catch-up and it is currently being discussed at a national level.

The Chairman referred to the consultation document and indicated that it would have been useful for demographic information on respondents to be included within the document.

The Chairman also referred to the need to convey to residents the level of funding the Council receives from Welsh Government compared to the amount it raises from Council Tax and to provide information on where and how the Council spends the funding it receives.

The Chairman also requested for the breakdown of Council Tax by community area to be followed up.

Feedback on the Cabinet's proposal for Efficiencies:

A Member fed back that over the past 10 years the Council has identified and delivered significant levels of efficiency savings and this has been an important tool in helping to minimise Council Tax increases and protect frontline services during a challenging financial climate. The Member also fed back that there is likely to be a limit to the level of efficiency savings the Council can continue to deliver into the future and expressed his opinion that it is a misplaced perception that local government is inefficient. The Member went on to note that Adult and Community Services have and are continuing to face significant pressures, particularly during the Covid-19 pandemic.

Feedback on the Cabinet's proposals for Fees and Charges:

A Member asked how many meals are produced per week by the Meals on Wheels Service. The Service Director responded that a few hundred per day but would request up-to-date information from the Service and circulate to Committee Members.

A Member asked whether the proposed increase in the Day Centre meal price was linked to the Centres being closed and resulting income lost during the pandemic. The Service Director fed back that proposed price levels are based on setting an affordable and competitive price that contributes to the cost of maintaining and, where possible, improving services, and also having regard to estimated costs and level of inflation for the year ahead. The Service Director added that where the Council has lost income as a result of Covid-19, this is currently reclaimed via the Welsh Government's Hardship Fund.

A Member asked how much revenue the 10p proposed increase for Meals on Wheels and Day Centre meals would generate. The Service Director fed back that it would be approximately £4k in respect of Meals on Wheels and approximately £2.5k for Day Centres.

A Member asked what income would be generated if the Council increased car parking charges by 1.7% instead of applying a freeze. The Service Director fed back that this would generate approximately £11k of income and the Member indicated that he would favour the charges being raised on car parking rather than raising the cost of Meals on Wheels and Day Centre meals.

A Member asked how the Meals on Wheels charges compared to other local authorities in Wales. The Service Director fed back that the Council's charge is competitive compared to other local authority based provision, with prices ranging from £3.30 to £5.65 across Wales.

The Chairman stated that it was not always helpful to compare with other local authorities as each area has a different demographic, adding that Rhondda Cynon Taf was a socially deprived area. He stated that he would like to see if there had been a decrease in the uptake of the meals due to the increase.

A Member stated he could not support increasing the car parking charges as he believed it would be of detriment to the villages and towns as it would deter residents from visiting if they had to pay increased costs to park. The Service Director fed back that Pontypridd and Aberdare were chargeable car parks, with car parking already free in all other areas of the County Borough.

Another three members agreed that they could not support increasing car parking charges on the basis of it discouraging residents from shopping locally and potentially encouraging visits to out-of-town shopping centres where free car parking was provided. The Members fed back that encouraging residents back into local communities and not internet shopping should be prioritised as local jobs depended on it. One Member added that he would like to see the car parking charges abolished altogether.

A Member asked how much revenue the Authority generates through car parking charges at Pontypridd and Aberdare. The Service Director advised that the income budget was £640k and indicated that he would make enquiries on the breakdown between Pontypridd and Aberdare.

Feedback on the Cabinet's proposals on Additional Investment:

Two members commented on the Public Health and Protection Services and the Overgrowth Team, and stated that they do a brilliant job and they have faced an immense challenge during the pandemic; both Members fully supported the investment in these areas.

As there were no other comments on the presentation the Service Director thanked the Committee for their time and indicated that the feedback provided would form part of the report to Cabinet on 25th February 2021.

This meeting closed at 19:24

**Cllr M Powell
Chairman.**

SCHOOL BUDGET FORUM MEETING 4TH FEBRUARY 2021

THE COUNCIL'S DRAFT 2021/2022 REVENUE BUDGET STRATEGY

Extract from minutes

The Service Director - Finance and Improvement Services provided Forum Members with a PowerPoint presentation which provided an overview of:

- The 2021/22 Draft Revenue Budget Strategy;
- The Council's current financial position (2020/21);
- Details of the budget consultation (phase 1); and
- The headlines and implications for the Council in respect of the provisional Local Government Settlement 2021/22.

The Service Director concluded the presentation with the Cabinet's proposed budget strategy for 2021/22 and requested feedback from Forum Members.

Council Tax

Forum Members were advised that the Cabinet were proposing Council Tax be increased by 2.65% for 2021/22 (lower than the originally modelled Council Tax increase of 2.85%) at a cost of £182k to the Council.

Members commented positively on the proposed Council Tax level, noting that the level proposed would likely be one of the lowest in Wales.

Schools Budget

The Service Director informed Forum Members that the proposal would see the Schools Budget increase from £161.6M to £163.8M, an increase of £2.2M. He added that the increase would cover, in full, all inflationary and pupil number pressures, including NDR increased costs.

Members welcomed the proposal to cover inflationary and pupil number pressures and NDR increased costs.

Efficiencies

The Service Director informed Members that for 2021/22, efficiencies totalling £4.6M had been identified for incorporation into the proposed strategy that would not impact on frontline services.

Forum Members spoke of the efficiencies identified and considered it a positive that the proposed savings would not impact on front-line services. The Service Director commented on the areas where such efficiencies had been secured, that included savings through the transformational changes implemented during the pandemic such as maximising use of digital technology to reduce consumable expenditure and home working that is reducing staff travel and premises related costs.

A Forum Member commented on the difficulties of achieving such efficiency levels year-on-year and paid tribute to the work of staff and the Senior Leadership Team in this regard.

Fees & Charges

Forum Members were advised that a standard increase of 1.7% (in line with the forecasted Consumer Prices Index) was proposed on all fees and charges with a number of specific exceptions, which the Service Director highlighted within his presentation. He added that the proposals would cost the Council £185k more than if the Council increased all fees and charges by 1.7%.

Forum Members welcomed the freeze in charges on school meals and also commented on the importance of free school meals to the families that they support. Forum Members spoke of the importance of leisure facilities and the need to promote recreation and exercise for all residents in the County Borough following the pandemic and the health and mental health benefits such facilities provide; therefore freezing the prices in this area to help ensure such facilities were accessible was another positive measure.

Proposed Targeted Additional Investment

A Forum Member queried whether any additional investment had been received from Welsh Government in respect of flood prevention support. The Service Director advised that the Welsh Government provided funding through its Emergency Financial Assistance Scheme to support the Council in its immediate response to Storm Dennis and work is on-going with Welsh Government to secure further funding to support a medium to long term programme of repairs to the Council's infra-structure, including flood prevention schemes. The Service Director added that with specific regard to the flood prevention support investment of £50k included in the proposed budget strategy, this related to putting in place an advisory role to help ensure residents and businesses are supported in protecting themselves from future storm damage.

A Forum Member also highlighted that the Council's on-going work in improving playgrounds and parks facilities was important, and more so during the pandemic, giving young people good quality areas to play that helps promote both health and wellbeing benefits.

Use of Reserves

The Service Director advised that after taking account of the implications of Cabinet's budget strategy proposals, the remaining budget gap would be £0.709M. The Service Director informed Forum Members that it is proposed for an allocation of £0.709M be made from the Council's Transitional Funding which would leave a remaining balance of £3.621M.

Members discussed the need to utilise the Transitional Funding reserve to close the budget gap and spoke of the importance of the Transitional Fund going forward and commented on the prudent work of the Council in being able to maintain this funding at an appropriate level on an on-going basis.

The Chair thanked Members for their contribution to the meeting and the Service Director closed the presentation by advising of the timeline for setting the Council's 2021/22 Revenue Budget and noted that the feedback of Forum Members would form part of the report to Cabinet at its meeting on 25th February 2021.

Tudalen wag

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25th FEBRUARY 2021

THE COUNCIL'S CAPITAL PROGRAMME 2021/22 – 2023/24

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES IN DISCUSSION WITH THE LEADER OF THE COUNCIL, CLLR A MORGAN

Author: Barrie Davies (01443 424026)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide Cabinet with a proposed three year capital programme for 2021/22 to 2023/24 that if acceptable, will be presented to Council for approval.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Review, and if acceptable propose the attached three year capital programme at Appendix A to Council on 10th March 2021 which includes:
- 2.1.1 A review and proposed release of earmarked reserve balances as detailed in paragraph 5.3 of the attached report;
 - 2.1.2 Proposed reallocation of existing capital resources as detailed in paragraphs 5.5 – 5.8 of the attached report;
 - 2.1.3 Proposed investment priorities as detailed in paragraph 6.2 of the attached report;
 - 2.1.4 The Council's core capital programme;
 - 2.1.5 The Council's total capital programme including additional non core funding.
- 2.2 Authorise the Director of Finance and Digital Services to amend the level of Council Resources required to fund the Core Three Year Capital Programme as shown at Appendix 2 as a consequence of any change to the Council's capital resource levels announced in the Final Local Government Settlement.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To agree that the report at Appendix A is acceptable and is proposed by Cabinet to Council on 10th March 2021.

4. BACKGROUND

- 4.1 Cabinet agreed the recommendations in the report presented on the 25th January 2018 titled "[Delivering the Corporate Plan – “The Way Ahead” – Investing for the future](#)". These were to agree in principle to a strategic outline capital investment programme of in excess of £300M over the next 5 years over and above its recurring annual capital programme, and that regular reports are presented to Cabinet and full Council. The draft report at Appendix A expands on this and proposes the Council's three year capital programme commencing 1st April 2021.
- 4.2 The Corporate Plan "Making a Difference" 2020-2024 reinforces the need to continue to live within our means, deliver an efficient and effective Council, maximise opportunities and have a shared responsibility.

5. THE FINAL LOCAL GOVERNMENT SETTLEMENT FOR 2021/22

- 5.1 The timing of the Local Government Settlement for 2021/22 has been extremely uncertain throughout the autumn 2020 period, with the provisional settlement being announced on the 22nd December 2020.
- 5.2 The Final Local Government Settlement for 2021/22 is expected to be received on the 2nd March 2021.
- 5.3 The Minister for Housing and Local Government has indicated that there are no intentions to make any significant changes to the methodology or the data underpinning the Provisional Settlement for the purposes of the Final Settlement, albeit is unable to guarantee that there will be no changes due to the financial uncertainties currently faced. Whilst this provides some comfort the risk of change between the provisional and final settlement clearly remains.
- 5.4 In order to ensure that Cabinet are able to recommend a balanced capital programme to Council on the 10th March 2021, and given the timing of the Final Settlement (2nd March 2021), it will be necessary to authorise the Director of Finance and Digital Services to amend the programme to deal with any change between Provisional and Final Settlement. It is proposed that any change is dealt with by means of amending the contribution from Council Resources across the 3 year programme, providing the opportunity to rebalance as necessary into future years.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 An Equality Impact Assessment is not needed because the contents of this report relate solely to the proposed report to Council at Appendix A.

7. CONSULTATION

- 7.1 Details regarding consultation relating to the Council's budget strategy are subject to a separate report.

8. FINANCIAL IMPLICATION(S)

- 8.1 All financial implications are included in the proposed report to Council at Appendix A.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 There are no legal implications as a result of the recommendations set out in the report.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 10.1 The Council's capital programme is focussed on investing capital resources in line with all the Corporate Plan priorities. The capital investment also contributes to all of the seven national well being goals.

11. CONCLUSION

- 11.1 The draft report at Appendix A sets out the proposed capital programme from 1st April 2021 to 31st March 2024.

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2020-2021

COUNCIL

10th MARCH 2021

**THE COUNCIL'S THREE YEAR CAPITAL PROGRAMME 2021/22 – 2023/24
INCORPORATING A REVIEW OF EARMARKED RESERVES**

REPORT OF THE CABINET

**AUTHOR: BARRIE DAVIES, DIRECTOR OF FINANCE AND DIGITAL SERVICES
(01443) 424026**

1.0 PURPOSE OF REPORT

- 1.1 This report sets out the Council's proposed Capital Programme for 2021/22 to 2023/24, following receipt of the provisional local government settlement for 2021/22.

2.0 RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the detail of the provisional 2021/22 local government settlement for capital expenditure, reproduced at Appendix 1;
- 2.2 Agree to the release of the Earmarked Reserve balances as detailed in paragraph 5.3;
- 2.3 Agree to the reallocation of resources as detailed in paragraphs 5.5 – 5.8;
- 2.4 Agree to allocate the funding released from Earmarked Reserves and existing core capital funding to the investment priorities as detailed in paragraph 6.2;
- 2.5 Agree the proposed 'core' three year programme detailed at Appendix 2;
- 2.6 Agree the proposed total three-year Capital Programme, detailed at Appendices 3 (a) to (d), which includes the following non core capital funding:
- Prudential borrowing to support 21st Century School Schemes and Highways Improvements schemes;
 - Capital grants for specific schemes;

- Third party contributions;
- Additional Council resources previously allocated to support existing schemes and Corporate Plan investment priorities; and
- The investment priorities detailed in paragraph 6.2, which are funded by additional one off Welsh Government capital funding detailed in paragraph 3.2, the release of Earmarked Reserves as per paragraph 5.3, and reallocation of resource as per paragraphs 5.5 – 5.8.

3.0 **BACKGROUND**

- 3.1 Members will be aware that each year the Council is allocated a sum of unhypothecated “Supported” borrowing and General Capital Grant from the Welsh Government (WG). Details of the provisional allocation for 2021/22 are shown at Appendix 1. The funding for 2021/22 totals £13.764M, which includes our share of the continuation of an additional £35M of General Capital funding at an all Wales level. Our estimate of the annual base allocation for 2021/22 is £10.985M and our estimated share of the additional allocation is £2.779M. Even with this additional funding, there is still a reduction of £3.542M compared to 11 years ago:

Year	WG Capital Support
2010/11	£17.306M
2011/12	£13.856M
2012/13	£12.828M
2013/14	£11.328M
2014/15	£11.194M
2015/16	£11.154M
2016/17	£11.164M
2017/18	£11.232M
2018/19	£11.214M
2019/20	£13.441M
2020/21	£13.677M
2021/22	£13.764M

- 3.2 In determining our core capital programme we have included an annual allocation of £10.985M, with £2.779M allocated to fund the investment priorities proposed in paragraph 6.2. As referenced in paragraph 3.1, WG have included an additional £35M in total General Capital funding for 2021/22.
- 3.3 This base allocation, together with estimated Capital Receipts and the utilisation of Capital Reserves, represents the Council’s ‘Core’ capital funding. The wider overall capital programme however includes approved prudential borrowing, specific grants and agreed additional investment in our key priorities.

4.0 **THE NEW THREE YEAR PROGRAMME (2021/22 TO 2023/24)**

- 4.1 The proposed new 3 year capital programme for 2021/22 to 2023/24 represents a total investment of **£116.024M**. This comprises:

- A Core programme of £42.300M over the next 3 years;
- Prudential borrowing of £12.446M to support the 21st Century Schools Programme and Highways Improvements schemes;
- Specific grants of £12.838M;
- Third party contributions of £1.185M;
- Earmarked reserves and revenue contributions previously allocated to schemes and investment priorities of £27.327M;
- Capital resources, in addition to the 3 year core allocation, of £10.528M; and
- If agreed, reallocated earmarked reserves of £5.484M and reallocated core funding of £1.137M to fund the proposed investment priorities detailed in paragraph 6.2, alongside the one off WG capital funding of £2.779M.

4.2 Having due regard to the level of available capital resources, both from WG and from our own capital receipts, the new core programme for 2021/22 to 2023/24 is set at £14.1M per year. This represents a fully funded £42.3M core programme across the 3 years.

4.3 There remains a risk that the projected capital receipts are less than anticipated and projections will continue to be closely monitored.

4.4 Whilst allocating core resources for three years, there remains the requirement for us to continue to review and challenge any commitments made into years two and three, to robustly monitor capital receipt projections and to position ourselves to respond as appropriate and necessary as we move forward.

4.5 Given the timing of external funding approval processes, it will be necessary to maintain flexibility of funding across individual schemes in order to ensure the most efficient delivery of the overall programme.

4.6 Details of the overall capital programme for the 3 year period are set out in Section 7 of this report.

5.0 REVIEW OF EARMARKED RESERVES AND AVAILABLE FUNDING

EARMARKED RESERVES

5.1 As reported to Council in the Statement of Accounts (25th November 2020), the Council has revenue stream earmarked reserves at the 31st March 2020 of £39.028M (£41.867M at 31st March 2019) which are set aside for a variety of purposes. In addition, there are specific reserves relating to Capital Funding, Insurance and Treasury Management.

5.2 The level and use of earmark reserves is constantly reviewed as part of the Council's robust financial management arrangements. Budget setting and accounts closure traditionally provide opportunities for more in depth reviews and Cabinet have specifically requested that the Section 151 Officer undertake a detailed risk assessment of earmarked reserves with a view to:

- Assessing the underlying financial risk for which they have been set aside to determine if it remains or whether circumstances have changed;

- The extent to which any amounts set aside for investment (Prior Year Commitments – Service “Carry Forwards”) have been contractually committed;
 - Being clear on the reasons for holding reserves and ensuring that they are sufficient, but not excessive; and
 - The need for continued support of a robust Medium Term Financial Plan.
- 5.3 With the review complete, Cabinet have now been able to take a view on the extent to which any amounts could be released. These are listed below:

a) Investment/Infrastructure (£6.235M as at 31st March 2020)

Sums are set aside to fund current and future costs of maintaining and enhancing infrastructure across the County Borough.

Following review and alongside the investment requirements identified below, it is proposed that a sum of **£5.484M** is released from this reserve.

- 5.4 The total amount of reserves therefore which are proposed to be released amounts to **£5.484M**.

EXISTING CORE CAPITAL FUNDING

- 5.5 Capital expenditure and commitments are closely monitored throughout the year and as a result of reviewing actual expenditure and commitments in preparation for the new 3 year capital programme, some core capital underspend has been identified.
- 5.6 Maintaining our core capital programme at the current levels for the next 3 years provides flexibility with regard to any underspend and it is proposed that this underspend is now reallocated.
- 5.7 Reallocating this resource has no impact on the level of core allocation for the next 3 years and therefore no impact on the level of budget available or service delivery.
- 5.8 The total amount identified which is available to reallocate is **£1.137M**.

FUNDING AVAILABLE

- 5.9 The Section 151 Officer is content that releasing the above resource does not compromise our financial standing. As such, Cabinet have carefully considered the options available and investment requirements and opportunities. A key consideration continues to be supporting the delivery of the Council’s Corporate Plan “Making a Difference” 2020 – 2024 and the strategic outline capital investment programme, as agreed by Cabinet on the 25th January 2018, of in excess of £300M over the 5 year period to 2023 (over and above the recurring Capital Programme).
- 5.10 As such, Cabinet are content to propose to utilise the £5.484M of earmarked reserves and reallocate £1.137M of core capital funding which, with the additional WG capital funding of £2.779M (referenced in paragraph 3.2) results in total available funding of **£9.400M**.

6.0 INVESTMENT PRIORITIES

- 6.1 The Cabinet believe that the most appropriate use of these one off resources is to invest in our infrastructure and to support the aspirations and priorities of the Corporate Plan as presented in the reports referenced above.
- 6.2 In being able to support the above objectives, Cabinet have identified the following specific areas which it is proposed that Council agree can be invested in, with funding available through use of one off reserves, existing resources and additional WG funding:

Investment Priority	£M
Highways & Roads	3.000
Highways Structures	1.500
Parks Structures	0.750
Making Better Use/Traffic Developments	0.300
A4059 Footbridge	1.500
Porth Interchange	1.500
Business and Community Grants	0.100
Parks & Green Spaces	0.500
Play Areas	0.250
Total Council Investment	9.400

- 6.3 Further details on these investments are included in section 7.

7.0 THE THREE YEAR CAPITAL PROGRAMME 2021/22 – 2023/24

- 7.1 The details of the 3 year proposed programme for each Service Group are provided below.

CHIEF EXECUTIVE'S GROUP

- 7.2 The latest projections show expected full year capital spend of £3.136M for the Chief Executive's Group in 2020/21.
- 7.3 The total resources for 2021/22, as outlined in the proposed three-year Capital Programme is £1.900M.
- 7.4 As part of the Council's on-going programme to ensure high standards of health and safety and operational efficiency within its premises, appropriate resources continue to be allocated to our operational accommodation, the management and remediation of Asbestos and Legionella.

PROSPERITY, DEVELOPMENT AND FRONTLINE SERVICES

- 7.5 The latest projections show expected full year capital spend of £76.445M for Prosperity, Development and Frontline Services in 2020/21.

7.6 The total resources for 2021/22, as outlined in the proposed three-year Capital Programme is £48.342M.

7.7 As identified in 6.2 additional investment has been provided in Prosperity, Development and Frontline Services in the following areas:

- Highways & Roads - £3.000M
- Highways Structures - £1.500M
- Parks Structures Improvements - £0.750M
- Transport Infrastructure - £3.300M (Making Better Use/Traffic Developments, A4059 Footbridge, Porth Interchange
- Business and Community Grants - £0.100M

This additional investment is included in the figures presented in Appendix 3b.

PROSPERITY AND DEVELOPMENT

7.8 The Council's Capital Programme continues to provide a long term funding commitment to the economic regeneration of the County Borough and in doing so supports one of the Council's Corporate Plan Priorities: 'Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper'.

7.9 In addition to the above, sustained investment has been maintained across a range of funding streams, supported by external funding and the Corporate Plan Investment Priorities. This has enabled a wide range of regeneration activity to be delivered to benefit the local economy.

7.10 The Council will continue to work with partners to develop and progress exciting and innovative schemes such as:

- Pontypridd YMCA – Redeveloping the YMCA to be fit for the future as a community centre for creative arts facilitating social enterprise, training opportunities and community involvement;
- Development of modern business accommodation with new units at Robertstown, Aberdare;
- Townscape Enhancements across our key town centres – a targeted approach to upgrading town centre buildings for increased business and commercial use and continuing to improve the quality of the townscape providing business investment and employment growth;
- Development of a new integrated Transport Hub at Porth as part of the Porth Town Centre Regeneration Strategy;
- Strategic Opportunity Areas – a number of Strategic Opportunity Areas have been developed to deliver economic growth and job creation in Rhondda Cynon Taf. These areas are:
 - Cynon Gateway – Energising the Region;
 - The Wider Pontypridd, Treforest – Edge of the City, heart of the Region;
 - Pontypridd Town – Pivotal in the Region;
 - A4119 Corridor – Regional Rhondda Gateway; and
 - Llanilid on the M4 – Driving the Regional Economy.

7.11 The programme of regeneration projects will add value to the significant

regeneration investment that has already taken place and will act as a catalyst for further regeneration activity.

PRIVATE SECTOR HOUSING

- 7.12 A budget for 2021/22 of £13.522M has been allocated and the programme comprises the following schemes to contribute to one of the Council's Corporate Plan Priorities: 'People – Are independent, healthy and successful':
- Disabled Facilities Grants, Maintenance Repair Assistance Grants and Renovation Grants in Exceptional Circumstances;
 - Empty Properties Grants Investment scheme;
 - Community Regeneration budget which provides grants to support a number of initiatives underpinning the affordable warmth and energy efficiency agenda; and
 - Tackling Poverty Fund.

FRONTLINE SERVICES

Highways Technical Services

- 7.13 A budget for 2021/22 of £12.949M has been allocated to the next phase of the Council's Highways Improvement programme and in doing so supports one of the Council's Corporate Plan Priorities: 'Places – Where people are proud to live, work and play'. Schemes comprise:
- Road surface treatments and resurfacing – £6.804M;
 - Car park improvements – £0.045M;
 - Major repairs to structures such as bridges and walls – £4.990M;
 - Parks Structures Improvements - £0.750M;
 - Street lighting replacement and upgrades – £0.200M; and
 - Traffic Management - £0.160M.

Strategic Projects

- 7.14 A budget for 2021/22 of £12.076M has been allocated to Strategic Projects for major transportation infrastructure schemes and to extend and enhance the programme of pinch-point and highways network improvement projects as well as road safety, traffic management and drainage improvements. Schemes comprise:
- Transportation Infrastructure which includes Park & Ride schemes, Llanharan Bypass, A4119 Coed Ely Dualling, Cynon Gateway North, Gelli – Treorchy Link Road, and the Making Better Use programme – £11.936M; and
 - Drainage Improvements – £0.140M.
- 7.15 In recent years a number of grants have been made available by WG for delivery of projects on the transportation network. These include Local Transport Fund, Local Transport Network Fund, Active Travel, together with two new grants; Resilient Road Fund and Ultra Low Emission Vehicle Fund, as well as Road Safety Grant, Safe Routes in the Community Grant and Flood Alleviation Schemes. Guidance has been issued and bids are in progress. It is anticipated that available grants will be confirmed during March 2021.

- 7.16 A supplementary report on the detail of proposed schemes for Highways,

Transportation & Strategic Projects will be presented to Cabinet shortly.

WASTE STRATEGY

- 7.17 The budget for 2021/22 is £0.888M. This relates to the Eco Park at Bryn Pica.

FLEET

- 7.18 The 3 year rolling programme for replacement vehicles continues. The 3 year allocation is £5.227M. This service area is subject to ongoing assessment and continuous review of requirements.

EDUCATION AND INCLUSION SERVICES

- 7.19 The latest projections show expected full year capital spend of £20.992M for Education & Inclusion in 2020/21.
- 7.20 The total resources available to Education & Inclusion for 2021/22, as outlined in the proposed three-year Capital Programme is £24.735M and will support one of the Council's Corporate Plan priorities: 'Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper'.

SCHOOLS

- 7.21 The Council will continue to deliver and support its long-term strategic investment programme of modernisation to create school environments that meet the needs of our communities and provide the best learning provision and outcomes for young people and the wider community. The programme of capital investment is supported with Council funding, WG 21st Century Schools and Colleges Programme Band B Capital Grant, WG Increasing Welsh Medium Provision Capital Grant, WG Childcare Grant, WG Community Hub Grant and Community Infrastructure Levy funding. The following key school projects are either in progress or planned, and are included in the overall strategic programme and include a combination of refurbishments, remodelling, demolitions and new buildings:
- Ffynnon Taf Primary – to create a community room/childcare facility and construct a four-classroom extension and hall to increase capacity at the school;
 - YGG Abercynon – to create and establish a new childcare setting into dedicated premises on the school site to expand identified need in the community;
 - Cwmlai Primary – to deliver dedicated childcare facilities on the school site, to expand identified need in the community and refurbish areas of the existing school. School capacity to be increased.
 - Dolau Primary – to create and establish dedicated childcare facilities on the school site to expand identified need in the community;
 - YGG Aberdar – to construct a four-classroom extension to increase capacity; car parking provision; and to create a dedicated Meithrin, to expand identified need in the community delivering additional fee-paying childcare services for the area.

PLANNED MINOR CAPITAL WORKS

- 7.22 The planned minor capital works programme allocation for 2021/22 is £7.170M. The allocation includes an on-going rolling programme for kitchen refurbishments/remodelling, window & door replacements, essential works, electrical rewiring, fire alarm upgrades, toilet refurbishments, Equalities Act/compliance works, access condition surveys, boiler replacement, roof renewal, improvements to schools, asbestos remediation works, capitalisation of IT hardware/software & licences and improvements to schools
- 7.23 A supplementary report detailing proposals of works for consideration within the above-mentioned programme will be presented to Cabinet shortly.

COMMUNITY AND CHILDREN'S SERVICES

- 7.24 The latest projections show expected full year capital spend of £7.579M for Community and Children's Services in 2020/21.
- 7.25 The total resources available to Community and Children's Services for 2021/22, as outlined in the proposed three year Capital Programme, is £6.336M.
- 7.26 As identified in 6.2 additional investment has been provided in Community and Children's Services in the following areas:
- Parks & Green Spaces - £0.500M
 - Play Areas - £0.250M

This additional investment is included in the figures presented in Appendix 3d.

ADULT AND CHILDREN'S SERVICES

- 7.27 The programme for Adult and Children's Services includes a budget of £4.703M in 2021/22. This will continue to fund the essential refurbishment and improvement works to the Council's Adult & Children's Services establishments, including asbestos costs, in line with care standards and health & safety legislation. Also included are additional costs associated with Telecare Services.
- 7.28 These investments will support one of the Council's Corporate Plan Priorities: 'People – Are independent, healthy and successful'.

PUBLIC HEALTH AND PROTECTION

- 7.29 The Public Health and Protection programme has a budget of £1.633M in 2021/22. This budget is allocated across the ongoing rolling programmes for Parks Improvements, Cemeteries and Community Safety measures. Also included in this budget are allocations for investment and improvement works at Leisure Centres and Play Areas. These areas of investment support one of the Council's Corporate Plan Priorities: 'Places – Where people are proud to live, work and play'.

8.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 In developing the Council's proposed Capital Programme for 2021/22 to 2023/24, an Equality Impact Assessment (EIA) has been undertaken to ensure that:
- i the Council meets the requirements of the Public Sector Equality Duties; and
 - ii due regard has been taken of the likely impact of the recommendations in terms of equality and discrimination.

9.0 CONSULTATION

- 9.1 Consultation and engagement has been undertaken as part of formulating the revised programme and this was also built into the wider consultation exercise undertaken in respect of the recommended 2021/22 Revenue Budget Strategy, particularly in respect of investment priorities and community benefits.

10.0 FINANCIAL IMPLICATION(S)

- 10.1 The financial implications of the recommendations are set out in the main body of the report.

11.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 11.1 The Council's proposed Capital Programme for 2021/22 to 2023/24 complies fully with all legal requirements.

12.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 12.1 The Council's proposed Capital Programme for 2021/22 to 2023/24 has been formulated to support the delivery of the Council's strategic priorities, as set out within the Corporate Plan "Making a Difference" 2020 – 2024, with these documents being aligned to the goals and principles included within the Well-Being of Future Generations Act.

13.0 CONCLUSIONS

- 13.1 The three year Capital Programme is a key component of the overall Medium Term Financial Planning and Resources Strategy for this Council. Targeted capital investment can make a significant impact on service delivery and used effectively, is able to underpin the Council's Corporate Plan Priorities, where relevant.
- 13.2 This report sets out the capital investment priorities for the Council through to March 2024. It represents an ambitious and significant level of investment (£116.024M) over the next 3 years.
- 13.3 The programme includes some element of slippage identified throughout 2020/21,

which is subject to change when final spend for the capital programme is known and the 2020/21 accounts are finalised. Any changes to slippage will be reported to Members in the quarterly performance reports.

- 13.4 This report has also identified the opportunity to invest £9.400M of additional resources in our local area including our own assets in order to improve the services which are available to our residents.
- 13.5 As the year progresses, changes will be made to the programme, for example where new schemes can be supported by specific grants. Approval from Members will be sought as these opportunities arise throughout 2021/22.

DRAFT

Welsh Local Government Revenue Settlement 2021-2022

Provisional

Table 2a: Breakdown of General Capital Funding (GCF), by Unitary Authority, 2021-22

Unitary Authority	General Capital Funding 2021-22 (1)	of which:	
		General Capital Grant (2)	Unhypothecated Supported Borrowing (3)=(1)-(2)
Isle of Anglesey	4,321	2,163	2,158
Gwynedd	8,164	4,087	4,077
Conwy	6,851	3,430	3,421
Denbighshire	6,036	3,022	3,014
Flintshire	8,091	4,051	4,040
Wrexham	7,007	3,508	3,499
Powys	9,184	4,598	4,586
Ceredigion	5,785	2,896	2,889
Pembrokeshire	7,517	3,764	3,753
Carmarthenshire	11,866	5,941	5,925
Swansea	12,762	6,390	6,372
Neath Port Talbot	8,918	4,465	4,453
Bridgend	7,916	3,963	3,953
The Vale of Glamorgan	6,867	3,438	3,429
Rhondda Cynon Taf	13,764	6,891	6,873
Merthyr Tydfil	3,136	1,570	1,566
Caerphilly	9,698	4,856	4,842
Blaenau Gwent	3,816	1,911	1,905
Torfaen	5,401	2,704	2,697
Monmouthshire	4,869	2,438	2,431
Newport	8,155	4,083	4,072
Cardiff	17,713	8,868	8,845
Total unitary authorities	177,837	89,037	88,800

(1) General Capital Funding is split into Unhypothecated Supported Borrowing (USB) and General Capital Grant (GCG).

(2) General Capital Grant is distributed in proportion to total General Capital Funding.

(3) The USB is derived by subtracting the General Capital Grant allocations from the General Capital Funding.

PROPOSED "CORE" THREE YEAR CAPITAL PROGRAMME

2021 / 2024

SERVICE GROUPS	2021-22	2022-23	2023-24
	£M	£M	£M
Chief Executive's Group	1.325	1.325	1.325
Prosperity, Development and Frontline Services	7.870	7.870	7.870
Education & Inclusion Services	3.915	3.915	3.915
Community & Children's Services	0.990	0.990	0.990
Total Capital Expenditure	14.100	14.100	14.100

Estimated Resources Required to Fund Capital Programme

Welsh Government General Capital Funding (Provisional)

Supported borrowing	6.873	6.873	6.873
General Capital Grant	6.891	6.891	6.891
Total WG Funding	13.764	13.764	13.764

Additional one off WG capital funding reallocated to fund Investment Priorities	-	2.779	-	2.779	-	2.779
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Total Available to fund the Core Programme	10.985	10.985	10.985
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Council Resources

Council Resources	3.115	3.115	3.115
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Total Resources Required to Fund the "Core" Capital Programme	14.100	14.100	14.100
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Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

Finance & Digital Services

CIVICA Financials	200	200	200	600
Capitalisation of Computer HW/SW & Licences	500	500	500	1,500
Total Finance & Digital Services	700	700	700	2,100

Corporate Estates

Major repair/refurbishment and/or rationalisation of Service Group Accommodation	150	150	150	450
Strategic Maintenance	50	50	50	150
Asset Management Planning	50	50	50	150
Asbestos Management	175	175	175	525
Asbestos Remediation Works	50	50	50	150
Legionella Remediation Works	275	275	275	825
Legionella Management	175	175	175	525
Taffs Well Spring	275	0	0	275
Total Corporate Estates	1,200	925	925	3,050

Group Total	1,900	1,625	1,625	5,150
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Chief Executive
Head of Finance

Chris Bradshaw
Martyn Hughes

Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

Prosperity & Development

Planning & Regeneration

Enterprise Investment Fund	350	200	200	750
Flood Resilience Grants	200	0	0	200
Targeted Regeneration Investment (TRI) Programme Regional	300	0	0	300
Regeneration Investment	850	400	400	1,650
Robertstown Development	2,927	163	0	3,090
Coed Ely Development	59	0	0	59
RCT Tracks and Trails Development	40	0	0	40
Pontypridd YMCA	500	0	0	500
Porth Interchange Metro+ LTF	1,500	0	0	1,500
Total Planning & Regeneration	6,726	763	600	8,089

Private Sector Housing

Disabled Facilities Grants/Adaptations (DFG)	4,200	4,000	4,000	12,200
Maintenance Repair Assistance (MRA)	450	450	450	1,350
Renovation Grants Exceptional Circumstances & Home Improvement Zones	450	450	450	1,350
Empty Properties Grants Investment	1,232	0	0	1,232
Valleys Taskforce RCT+ Empty Homes	6,000	0	0	6,000
Affordable Housing	600	800	0	1,400
Tackling Poverty Fund	270	0	0	270
Community Regeneration	320	250	250	820
Total Private Sector Housing	13,522	5,950	5,150	24,622

Total Prosperity & Development	20,248	6,713	5,750	32,711
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Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

Frontline Services

Highways Technical Services

Highways Improvements	6,804	1,100	1,100	9,004
Car Parks	45	45	45	135
Structures	4,990	300	300	5,590
Parks Structures	750	0	0	750
Street Lighting	200	200	200	600
Traffic Management	160	160	160	480
Total Highways Technical Services	12,949	1,805	1,805	16,559

Strategic Projects

Transportation Infrastructure	11,936	25	25	11,986
Drainage Improvements	140	140	140	420
Total Strategic Projects	12,076	165	165	12,406

Waste Strategy

Waste Strategy	888	0	0	888
Total Waste Strategy	888	0	0	888

Fleet

Vehicles	2,081	1,573	1,573	5,227
Total Fleet	2,081	1,573	1,573	5,227

Buildings

Buildings	100	100	100	300
Total Buildings	100	100	100	300

Total Frontline Services	28,094	3,643	3,643	35,380
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Group Total	48,342	10,356	9,393	68,091
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Group Director
Head of Finance

Nigel Wheeler
Martyn Hughes

Education and Inclusion Services

APPENDIX 3C

Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

Schools

School Modernisation Rhondda and Tonyrefail	2,690	0	0	2,690
School Modernisation	4,904	140	140	5,184
Ffynnon Taf Primary Refurbishment and Extension	2,160	61	0	2,221
SRIC - School Modernisation Programme	511	0	0	511
WG Welsh Medium Capital Grant	90	0	0	90
WG Childcare Grant	2,343	44	0	2,387
21st Century Schools Band B				
YGG Aberdar School Modernisation	4,162	82	0	4,244
Hirwaun Primary School	705	15	0	720
Total	17,565	342	140	18,047

Supplementary Capital Programme

Planned Kitchen Refurbishments	360	200	200	760
Window & Door Replacements	230	150	150	530
Essential Works	1,510	400	400	2,310
Capitalisation of Computer HW / SW & Licences	292	250	250	792
Roof Renewal	745	700	700	2,145
Boiler Replacement	250	250	250	750
Equalities Act/Compliance Works	275	225	225	725
Education & Inclusion Services Condition Surveys	50	50	50	150
Electrical Rewiring	250	200	200	650
Asbestos Remediation Work	2,600	900	900	4,400
Fire Alarm Upgrades	108	100	100	308
Toilet Refurbishments	400	350	350	1,100
Improvements to Schools	100	100	100	300
Total	7,170	3,875	3,875	14,920

Group Total	24,735	4,217	4,015	32,967
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Director of Education and Inclusion Services
Head of Finance

Gaynor Davies
Stephanie Davies

Community and Children's Services

APPENDIX 3D

Scheme	3 Year Capital Programme 2021 - 2024			
	2021/2022 Budget	2022/2023 Budget	2023/2024 Budget	Total 3 Year Budget
	£'000	£'000	£'000	£'000

Adult & Children's Services

Modernisation Programme (Adults)	4,183	1,700	200	6,083
Modernisation Programme (Childrens)	50	50	50	150
Asbestos Remediation	70	45	45	160
Telecare Equipment (Inc of Carelink Equipment)	400	200	200	800
Total Adult & Children's Services	4,703	1,995	495	7,193

Public Health, Protection & Community Services

Leisure Centre Refurbishment Programme	90	90	90	270
Parks & Countryside	620	100	100	820
Play Areas	605	50	50	705
Cemeteries Planned Programme	161	135	135	431
Community Safety Initiatives	50	50	50	150
Culture	57	20	20	97
Buildings	50	50	50	150
Total Public Health, Protection & Community Services	1,633	495	495	2,623

Group Total	6,336	2,490	990	9,816
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Group Director
Head of Finance

Paul Mee
Neil Griffiths

Capital Programme from 1st April 2021 to 31st March 2024

Group	2021/22	2022/23	2023/24	Total
	£M	£M	£M	£M
Chief Executive	1.900	1.625	1.625	5.150
Prosperity, Development & Frontline Services	48.342	10.356	9.393	68.091
Education and Inclusion Services	24.735	4.217	4.015	32.967
Community and Children's Services	6.336	2.490	0.990	9.816
Total	81.313	18.688	16.023	116.024

Estimated Resources Required to Fund Capital Programme

Supported Borrowing	6.873	6.873	6.873	20.619
Unsupported Borrowing	12.409	0.037		12.446
Total	19.282	6.910	6.873	33.065

Capital Grants

General Capital Grant annual base allocation	4.112	4.112	4.112	12.336
General Capital Grant additional allocation 2021/22	2.779			2.779
General Capital Grant additional allocation 2020/21	0.060			0.060
WEFO ERDF Modern Industrial Units Developments	1.518	0.082		1.600
WG Enabling Natural Resources and Wellbeing	0.032			0.032
WG Valleys Taskforce RCT+ Empty Homes Grant Ph1 & Ph2	6.000			6.000
WG Welsh Medium Capital Grant	0.090			0.090
WG 21st Century Schools	2.339	0.060		2.399
WG 21st Century Schools & Education Programme - Community Hubs Capital Scheme	0.406			0.406
WG Childcare Offer Capital Grant Programme	2.234			2.234
Grantscape Windfarm Community Benefit Fund	0.017			0.017
Total	19.587	4.254	4.112	27.953

Third Party Contributions	1.141	0.044	0.000	1.185
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Council Resources

Revenue Contributions	27.384	3.504	1.923	32.811
General Fund Capital Resources	13.919	3.976	3.115	21.010
Total	41.303	7.480	5.038	53.821

Total Resources Required to Fund Capital Programme	81.313	18.688	16.023	116.024
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Difference Total Spend to Total Resources	0.000	0.000	0.000	0.000
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