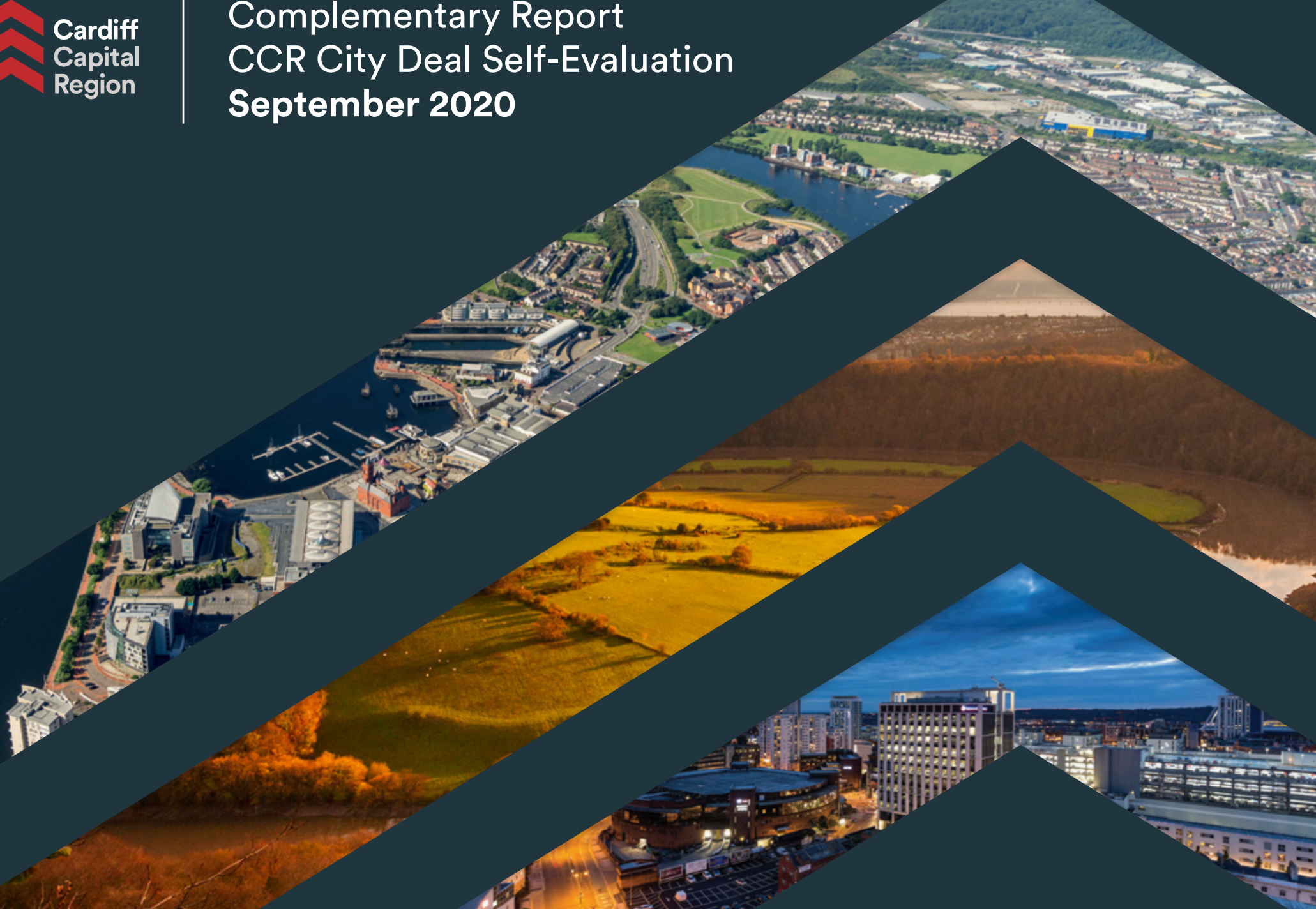




Complementary Report
CCR City Deal Self-Evaluation
September 2020



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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.

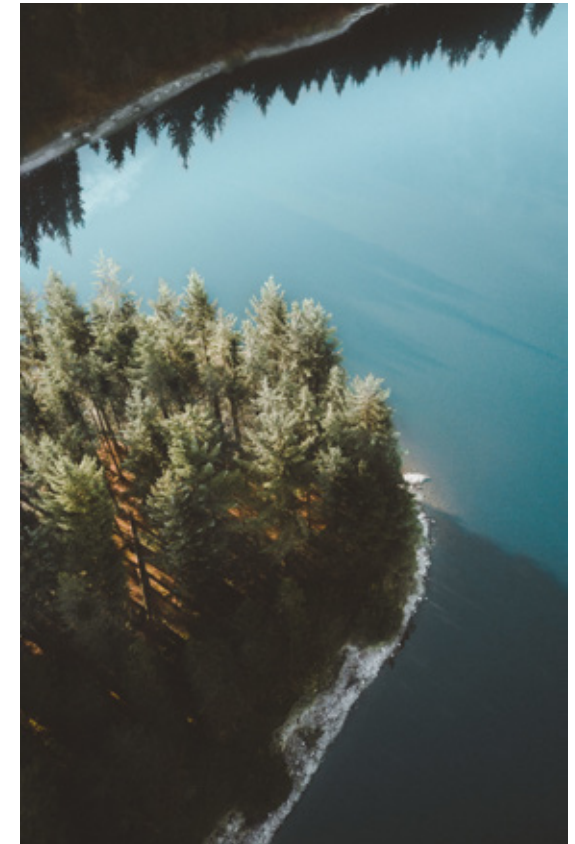
In summary, in line with our 10 point plan we have:

- 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

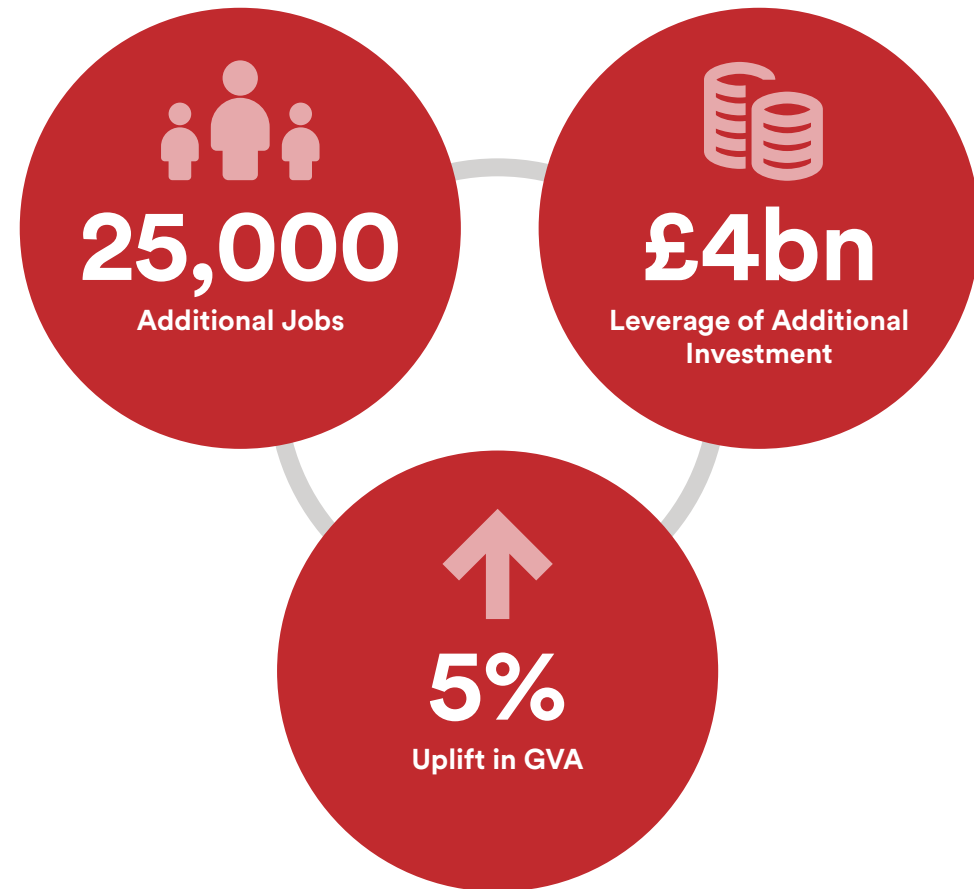
Inclusive Growth

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.



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.

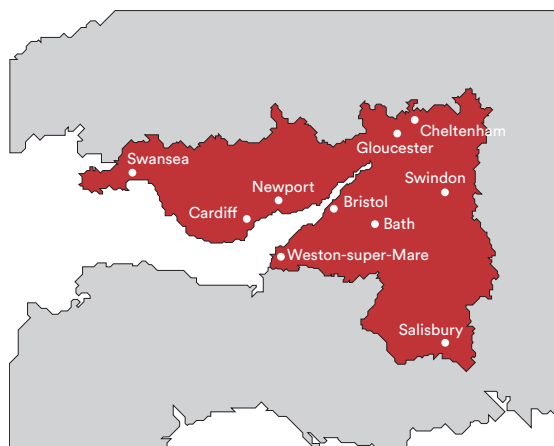
9. Boosting international credentials

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.



**GLOBAL
WELSH**



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

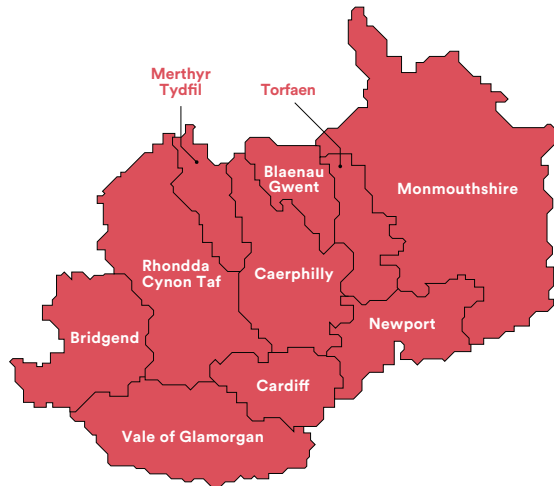
- We have a growing presence and visibility in areas where evidence-base shows we could be globally competitive. E.G. Compound semiconductors, insurtech and medical devices & diagnostics
- We have acknowledged the importance of growing global network/ diaspora and have partnered with Global Welsh
- Knowledge 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

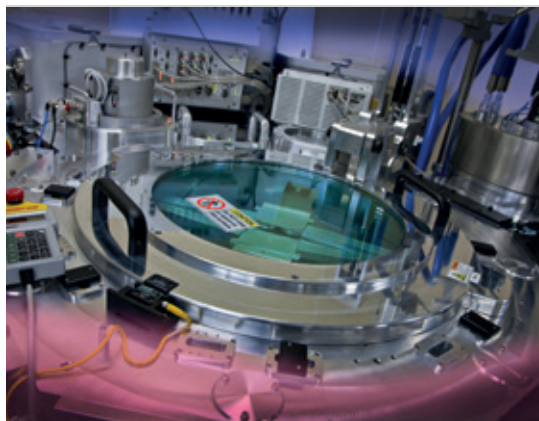
- There is currently no Combined Authority legislation in Wales which constrains delivery
- Regional Investment Wales changes are on the cards. This poses a whole set of complex questions about who the region is and is led by. CCR favours the term 'regionalism' to 'regionalisation' as it emphasises a 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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