

Cardiff Capital Region City Deal

2021-22 Quarter 1
(April– June 2021) Performance Report





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1. Portfolio Director Summary

Amidst challenge, a significant amount of activity and the beginnings of change as we transition into the CCR Corporate Joint Committee, there is increasing clarity. And this has been the essence of Quarter 1.

This quarter was commenced with several macro risks impacting projects and investments in the Wider Investment portfolio. Principally the rising construction material costs, combined with rising material shortages and shortages in labour (and resulted increased labour costs) has evidently impacted on more infrastructure focused investments and manifested in causing delays, high tender returns and now a need to value engineer, but also mobilise enhanced risk management. Further to this, due to the complex and intricate nature of housing, this investment is also facing sectoral challenges concerning district land valuations and state aid implications. However, it is important to take stock that these projects are very much through mobilisation point and well into delivery phases and the management and mitigations of these macro and sector risks are underway. It is testimony to the skill of those Project Leads and their expert knowledge that we can take some assurance all that can be done, will be done to secure the best outcomes for the region. It is perhaps no coincidence that great risk is carried on infrastructure projects at this time –given the national picture and issues and challenges in supply chains and logistics. These issues continue to be worked through – and via the National PMO Network – because schemes such as Metro Plus, Metro Central and the Housing Viability Gap Fund are important illustrations of delivering inclusive and sustainable growth across all 10 local authority partners.

Infrastructure projects and investments will be making significant contributions towards local employment, GVA and indeed private and public sector leverage. And so, we also recognise this quarter that whilst realised over time (the next 4 -6 years), they play a vital role in shaping the region competitively as much as contributing to connectivity and inclusion.

This quarter has been an exciting quarter for loan orientated investments with the £4.4 million tourist innovation investment ZipWorld opening its gates and having over 10,000 visitors to date. Whilst some delay has been encountered in the loan drawn down at the time of report drafting (Q2) it is now confirmed that Zipworld have indeed made their first £2.7 million draw down to pay for construction phase 1. As well as anticipated jobs being created, this attraction will have a very positive impact on the wider economy (estimated

approximately £250 Million GVA of local economy). This quarter has seen work underway to progress the capturing of impact across this and other investments making such contributions to the region directly and indirectly.

Investments in the med-tech sector whilst small are indicative of the high value jobs the sector is capable of providing to the region. A recent salary analysis of one of these investments suggests the average salary being £48,000 approximately £16,000 above the Welsh national average salary.

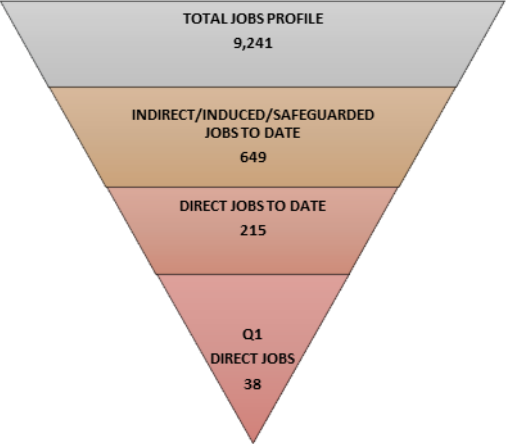
This quarter has seen us look more closely at our pipeline performance overall and it is apparent that smaller “seed fund” investments can be extremely powerful. The Fintech Foundry work supported by CCR via the Fintech Collective Wales has generated £3 million in private sector leverage over a 12 week period and high appetite from the Fintech sector to engage with high quality propositions with good prospects of securing high value jobs as well as supporting the evergreen funding model. This is certainly an approach to watch for into the future. Work is underway with CCR and Fintech Wales to finalise action plans that will see further investment on the same risk-reward basis.

Further strides in performance are being made with the Premises Fund with its consideration of its first investment into The Brew House which, is presently with external advisors for further consideration. Such developments will increase employment square footage space and prospects of private leverage into surrounding residential schemes significantly as well as making areas of the region more attractive. CSC Foundry having been the focal point of a positive Gateway review continues to show its strengths to support growth in the region with a further 20 jobs created this quarter alone and further cluster work and undertakings developing via CSConnected (presently undergoing some re-purposing but still a very live investment in development). With new starts in posts such as the Head of Innovation and Clusters, it is envisaged that consolidating and developing our approach to priority sectors will continue and scale. More work is underway to capture lessons from the CSC Foundry project in tracking and recording the ‘spillovers’ from cluster investment and the value of jobs generated, induced, indirectly created in supply chains and safeguarded overall.

Further analysis this quarter suggests that CCR invest approximately £9,000 to create a new job in the region. This quarter, most of the jobs captured are high value, R&D or graduate jobs many above national average salary. There is minimal to report on known GVA movement this quarter as much of the GVA accrued is from CS Foundry (£22 Million annually), but it is hoped further monitoring and GVA tracking can be undertaken as part of impact management going forward. Private sector leverage remains above target and with forward pipeline activity, will continue to be monitored.

This quarter has seen a positive correlation between capacity building and performance across 2 notable investments. Both the Graduate Scheme and the Challenge Fund have

Jobs outputs profiled across 9 investments in delivery status to be realised over 10 years



sought to address capacity issues and are almost at fully optimal resource levels. This could explain enhanced performance in job creation and outcomes across both projects. It should also reflect the challenges CCR are absorbing in forming new teams, resourcing functions appropriately during periods of heightened activity and still amidst hybrid working conditions. The team have shown strength and resilience this quarter and it has been pleasing to re-connect somewhat as we exit pandemic virtual working conditions.

This quarter has seen further definition of CCR's role and commitment to supporting the region in becoming Net Zero by 2050 with the approval of the energy strategy and the progress we are able to make operationally with the ULEV Taxi-try before you buy scheme to encourage further take up of electric vehicles in foundational economy. Further undertakings and operations across this area are reported in CCR strategic objectives.



2. Overall Portfolio Performance

Themes	RAG Status	Commentary
Annual BusinessPlan		In Q1 we have undertaken execution of strategic business objective planning and establishing a quarterly reporting framework to track progress against strategically important goals. This process alone has involved a two-stage facilitation of consultation and planning sessions. Q1 reports on our progress towards our strategic objectives are now available.
Governance		All WIF projects in delivery have suitable governance arrangements in place and the AGS targets were complete or on track for completion as at Q1.
Assurance		A full Gateway Review was undertaken in Q1 and was focused on CS Foundry. The review was considered a success and signalled release of future UKG funds for the City Deal. The review would like CCR to further consider Impact of investments and work is underway to develop an impact management framework appropriate to the work of CCR and its investments.
Resourcing		<p>In Q1 there were 9 FTE hires.</p> <ul style="list-style-type: none"> 2 FTE Challenge Fund (Programme Manager & Project Support) 2 FTE with partners Cardiff University and development of JD for 0.5 FTE Comms and marketing due in Q2 2 new appointments with the Grad Scheme (student recruitment) are now fully operational 1 Head of Innovation (FTE) appointment made and now operational 1 Head of Infrastructure and Energy 1 Transport Manager have now also been appointed <p>Next quarter we will be addressing gaps in project management and project support which, will likely see the rapid recruitment of x3 project managers and project support. We will also be recruiting x3 graduates to provide support and to develop multiple functions. A Head of Strategy and Investment as well as a Head of Governance, communications and marketing will also be interviewed and appointed in Q2.</p>
Finance		<p>Revenue expenditure in Q1 was circa £ £346,000 across the WIF and 3 pipeline projects. The accountable body accountant has been working with each of the investment leads to commence quarterly profiling and to perform re-profiles with investments that have significant underspend.</p> <p>Whilst it is acknowledged that the expenditure profile is somewhat behind this quarter, much of this is explained from the Zipworld loan payment being delayed due to audit processes on the capital expenditure delaying CCR from being able to dispense the loan. This loan has now been dispensed and the figures will reconcile to reflect performance in Q2.</p>
Risk		Following the development of key risk policy last quarter, this quarter has seen the initiation of a full risk management project that will secure implementation of relevant recommendations from phase 1. Under phase 2 of the risk management project, there will be full internal consultation and development on risk practices and tools such as risk registers, full training on risk assessment and risk management and further undertakings to embed risk management culturally.

Monitoring and Evaluation		The City Deal Office has now developed a full Performance framework to provide 360 performance management support. This quarter, there were 2 facilitated workshops to further support milestone planning and to further align strategic objective planning with Senior Leadership and the wider team. Further work has been undertaken to consult internally regarding strategic outcomes and the next phase will involve the development of a measure's framework.
Communications and Engagement		This quarter there has been activity around the Grad scheme website developments, the Challenge fund comms plan and website specification and of course CCR newsletter production which has coverage of the ZipWorld and Challenge Fund.
RAG Status	Description	Action Required
Green	Delivering to plan with no issues to address. Objectives and overall benefit realisation deemed safe	No action required
Amber	Potential issues and risks at project level. Action being taken and situation is being monitored.	Project action in place including appropriate monitoring of external factors impacting situation. Management notified.
Red	Significant issues apparent with objectives at risk and remedial action needed	Urgent action required and heightened monitoring measures applied to investment

3. Challenge Fund

Programme Status	Commentary
	<p>A significant amount of progress is apparent in the Challenge Fund through Q1 with 4 Contract Awards now made with the Tracheostomy Challenge on behalf of Cardiff and Vale UHB. Further progress is noted on the Phase 1 of Challenge Fund which had 5 applications to consider at Advisory Board level. Phase 2 warm up and engagement is well underway and significant progress is being made at strategic level to identify further worthy Challenge Fund focuses and fresh approaches. A significant amount of progress is noted on recruitment this last quarter with 2 direct CCR hires, 2 partner hires and work underway to recruit comms and marketing support. This will complete the Challenge fund team in addition to the 7 Cardiff University personnel presently working across this fund.</p> <p>There is a financial re-profile underway presently and in liaison with partners-Cardiff University. Expenditure this quarter has been £84,739.81. Total Programme spend to date for Management and Delivery for Oct'20 to June'21 is £359,951. Total funding committed to Challenges is £400,000 (includes £250k funding from Welsh Government).</p> <p>Clearly there is a level of confidence now that fresh Challenges to consider are emerging and there has been somewhat of a domino effect from phase 1 in generating interest and engagement in phase 2 (43 EoI's received to date). However, Challenge identification and engagement will remain integral risks due to the nature of this fund. As more profile and case studies emerge for the fund as well as the communications and marketing activity attached to undertakings, it is felt this will go a long way in mitigating such risk. Thematic groups of Challenges as well as alignment with CCR strategic objectives will further support the control of this risk. Likewise, submission quality is a prospective risk on the fund but again, mitigations and controls are robust to deal with this in the applicant support that is now being deployed and despatched as part of the process. Challenge ownership in terms of securing appropriate resource for delivery and follow through will remain a consideration and workshop support is being deployed on this. Good governance and management of the fund is felt to further support the controls in relation to this risk. This will further support the final risk identified on this fund in relation to local business engagement in procurement undertakings. A lot of partnership and key stakeholder work is underway to further enhance controls on this risk.</p>

Project	ProjectStage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
Challenge Fund	Delivery	<p>Supported the SBRI Centre of Excellence with advertising, assessment of R&D proposals, and meet and greet activity for the Tracheostomy Challenge for Cardiff & Vale UHB (4 SBRI contracts awarded to companies for Phase 1)</p> <p>Held Advisory Board meeting to consider the Round 1 Challenge Fund applications (x 5) and gather feedback</p> <p>Held Strategic Board meeting to assess and make decisions on first round of Challenge Fund applications</p> <p>Communicated outcomes and feedback to applicants, held meetings to discuss and signpost to alternative funding where applicable</p> <p>Invited 2 x applications to revise and resubmit their Challenge application for reconsideration, providing development support:</p> <ul style="list-style-type: none"> - Cardiff & Monmouthshire Councils – Food security - Bridgend Council – Decarbonisation of private Homes <p>Designed, promoted and delivered 2 x applicant workshops:</p> <ul style="list-style-type: none"> - Round 2 Briefing Workshop (49 attendees) - Accelerating Decarbonisation Workshop (14 attendees) <p>Planned 3 x applicant workshops for delivery July to September:</p> <ul style="list-style-type: none"> - Health & Wellbeing (July) - Writing a Quality Challenge Submission (July) - Enhancing Communities (September) <p>Hosted and participated in an EV fleet challenge meeting with KTN and others including representatives from the 10 Local Authorities</p> <p>Partnership scoping and development activity (multiple activity)</p> <p>Developed accessible online Expression of Interest form and reopened for submissions – (43 Eols received)</p>	<p>Deliver one to one surgeries for approximately 10 individuals and organizations to scope out project ideas and further support potential applicants to develop high quality submissions to Round 2</p> <p>Hold internal assessment meeting for Round 2 submissions (October), and compile feedback for Advisory and Strategic Boards</p> <p>Hold Advisory Board meeting (July & October) to consider resubmission and Round 2 Challenge Fund applications, and gather feedback</p> <p>Hold Strategic Board meeting (August & October) to assess and make decisions on Challenge Fund applications</p> <p>Communicate outcomes and feedback to applicants, signposting to alternative funding where applicable</p> <p>Plan next stages of support for shortlisted applications requiring further development for resubmission</p> <p>Support successful applicants to develop Challenge Delivery Plans</p> <p>Plan, design and deliver applicant workshops for Round 3, if budget remains unallocated</p> <p>Further scoping, design and deliver an online roundtable event (September) with InFuse</p> <p>Obtain ethics approval and begin research interviews</p> <p>Liaise with InFuse team for collaboration and identification of potential Challenge Fund applications from Cohort Alpha</p> <p>Review and update the short term action plan, with a view to</p>	

		<p>Reviewed and responded to Eols received to end of June</p> <p>Soft launch of Comm's Plan and development of spec for website</p> <p>Further developed administration support and undertook financial reprofiling</p> <p>Recruitment- Programme Manager and Research Associate to the Cardiff University delivery team. In CCR team: Project Development Officer started in April and Project Support Officer in June. Job description re-drafted for 0.5FTE Comms & Marketing</p> <p>Developed interview schedule for research activity and submitted information to Cardiff Business School (CARBS) Ethics Committee for approval</p> <p>Completed review of challenge approaches and further explored use of challenge prize approach with Nesta</p> <p>CU submitted DNA sprint project proposal with CCR and Nesta Challenges</p>	<p>developing a detailed programme delivery plan after the outcome of Round 2 is known (October)</p> <p>Develop database of potential suppliers who have expressed an interest in the Challenge Fund</p> <p>Develop full communications and engagement plan, co-ordinating with CCR and Cardiff University Comm's Teams</p> <p>Undertake marketing and promotional activities, including developing written and video content for new website, and promotion of Round 2 closing deadline, events etc.</p>	
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4. INFUSE

Programme Status	Commentary
	<p>Infuse is an innovation and research programme designed to build skills and capacity for innovative future public services across the Cardiff Capital Region.</p> <p>Infuse is supported by the European Social Fund through Welsh Government and is a collaboration between Cardiff University, Y Lab, Nesta, Cardiff Capital Region City Deal Office (CCR) and the ten local authorities that make up the region, including Monmouthshire County Council as the lead partner. The programme is built around opportunities to tackle real-life questions, driven by the biggest challenges faced by the region. Infuse partners and participants identify a range of challenges or problems that are shared across the region. These might include decarbonisation, active travel, housing or social care. Using these shared challenges, INFUSE brings together cross-regional teams in each of the three skills areas to work towards solving a part of this challenge, using new tools and methods.</p> <p>Teams receive around six months of training and support in new skills, tools and methods, helping to change the future of public service delivery for years to come; developing new innovation skills and capacity by tackling regional public service challenges. The programme will run until 2023, working with three cohorts of local authority and public sector workers from across the Cardiff Capital Region.</p> <p>The target participants of INFUSE are 150 beneficiaries. Cohort Alpha is the first cohort to progress with 19 participants. Infuse has successfully navigated the project mobilisation phase and now is 15 weeks into six months of delivery of Cohort Alpha our innovation prototype. Cohort 1 will start in October 2021 and recruitment has started with local authorities in the region to find 50 curious vocational public servants.</p> <p>Whilst good progress is evident from the activity, the expenditure profile is somewhat behind (34% of expected expenditure profile). This is explained as being due to lower cohort initiated with cohort Alpha (pilot phase) and some delays encountered. Expenditure is anticipated to catch up from recruitment of project resource.</p>

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
INFUSE	Delivery	<p>Significant stakeholder engagement and activities Recruitment-1 research fellow in supportive communities and 1 data scientist hired this quarter and 2 re-advertisements for Senior research fellow and research associate (procurement) undertaken Evaluation and adaptation-the draft M&E plan has been submitted to WEFO and the ethics application was submitted to Cardiff University for this work, for consideration in the School of Social Sciences Ethics Committee meeting on 14th July</p> <p>Accelerating Decarbonisation and Supportive Communities themes-A handbook on decarbonisation has been produced and contents shared through a number of participant workshops</p> <p>Adaption, data and procurement labs have all commenced and significant progress being made with these</p>	<p>From 1st July 2021 Infuse will focus on the following, where there is an associated deadline it is provided: -</p> <ul style="list-style-type: none"> - Secure ethical approval from Cardiff University for the University’s evaluation work. Subject to ethical approval being granted: - Cohort alpha participants will be invited in September to participate in the research aligned to ‘Evaluation and Programme Adaption’, and to: (i) complete an on-line exit survey and (ii) participate in a short interview in September/ early October. - Cohort 1 applicants will be invited to participate in the research aligned to ‘Evaluation and Programme Adaption’ and to complete an on-line baseline survey (end September/ beginning October). - Finalised recruitment for the Senior Research Fellow, and Research Associate in Procurement. - Iterating the learning lab (adaption, data and procurement) design for cohort 1. - Supporting the participants during the summer programme with coaching and possible group sessions. - Continual liaison with relevant partners and stakeholders to maximise the impact of the cohort alpha summer programme and maximise take up of participants for cohort one. - Identifying potential data science work that will add value to the programme as a whole and contribute to the work the local authorities are carrying out under the two themes. - A final week of sessions before the summer programme, recapping the learning from the three labs and focusing on pitching ideas and identifying collaboration opportunities and possible support needs. - Marketing and Communications activities to support the launch of cohort 1 in September 2021. - Infuse official launch to take place in September 2021. 	

5. Housing Viability Gap Fund

Programme Status	Commentary
	<p>Phase B of the project is now progressing and the terms and conditions of provisional legal fund agreements, monitoring frameworks and recovery proposals are now with the local authorities of shortlisted schemes to consider. The project is progressing to required timescales although district valuations are causing some slippage with the communications and briefings but it is felt these are important to undertake as part of compliance and due diligence to ensure schemes approved are eligible for the funds. This and state aid implications as well as ensuring developer profit remains within market parameters are the key risks that the project is presently dealing with. Securing full inclusivity for the whole region could be threatened should any scheme valuations not fall within market parameters/be deemed to be supporting inflated land valuation and this no doubt holds political risk that the project presently carries. Controls have been put in place where feasible and we await DVS feedback and external expert advice in handling these matters. A short list is due to be presented to Regional Cabinet in October.</p> <p>The Annual and Project Revenue Budget is presently under pressure. A higher than expected number of applications and shortlisted schemes plus the addition of two other schemes (14 schemes in total) has seen an increase in the budgeted fees for the Technical and Legal Advisors. An underspend last financial year will be offset against the projected overspend this year, however, it is unlikely to be enough to cover all costs over the life of the programme.</p> <p>The approved Capital Budget of £30M and WG budget of £5M are over-subscribed but applications are subject to further due diligence and assessment. Expenditure this quarter has been £29,336.97.</p> <p>As the Project is based on making funding awards to stalled Housing Sites/Schemes within the region, there will be a number of Project Phases that will need to be completed before CCR will have visibility on the proposed level of benefits that may be delivered by the Fund. It is forecast that the provisional shortlist of schemes are to deliver 2,777 new homes and the following contribution to CCR Objectives:</p> <ul style="list-style-type: none"> • 3,360 Jobs • £844m GVA • £529m Leverage

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
HVGF	Delivery	<p>The project is now in Phase B – Scheme Contracting and Due Diligence. This phase includes further work on the key risk areas and other contract conditions with the aim of being able to sign off all pre contract conditions before the end of September 2021. The District Valuer Service (DVS) have been instructed to undertake land valuations for all shortlisted schemes and the LA legal agreement, recovery proposal, monitoring framework and other supporting documentation has been finalised and shared with partner LAs.</p> <p>In addition to the provisional shortlist and reserve list there are two LAs working on applications which failed to meet the minimum threshold during the evaluation process. These two LAs and applications are running alongside the main programme and Q1 has seen regular engagement with the LAs to support a re-submission of the application with more up to date supporting information for evaluation.</p> <p>Actual Achievements are on target with that planned for this period.</p>	<p>Continuation of due diligence to sign off pre contract conditions for each site before the end of September 2021.</p> <p>Monthly meeting with each LA to discuss:</p> <p>July – To clarify any queries relating to the draft legal agreement, reporting form, monitoring framework and conditions tracker.</p> <p>August – To discuss the recovery mechanism and provide an update with regard to the review of the land value (land value issue is likely to require more than one meeting if there are concerns following DVS valuation and report).</p> <p>September – To discuss any updated and outstanding information relating to the pre contract conditions prior to Regional Cabinet in October 2021.</p> <p>Review additional information regarding Land Value, Developers Profit, State Aid and other contract conditions and recognise and highlight any potential impact on scheme status/shortlist.</p> <p>Preparation for Regional Cabinet in October 2021.</p>	

6. Graduate Scheme

Programme Status	Commentary
	<p>This quarter the Grad scheme has focused on building vital capacity into the core team to be responsive to the grad core review and to address key risk areas concerning business engagement with the scheme and the aftermath of covid-19 on businesses. With 2 additional appointments into the team this has meant further progress and performance has been experienced across employer and business engagement. This quarter the scheme recruited 12 graduates (an increase of 9 on last quarter’s performance and 3 above projected target) into sustainable jobs and significantly raised profile and engaged 24 new employers. Financial performance on expenditure this quarter was £28,132.27, with spend to end of Q4 standing at £117,016.45 against overall budget for 2020/21 of £328,503. It is anticipated that the expenditure will now pick up with the team now growing.</p> <p>This quarter there is recognition of further work that will need to be undertaken regarding marketing and communications strategies, plans and related action (including those aspects noted in the grad core action plan). The CCR team are committed to addressing these aspects and have already started undertaking steps towards outsourcing assessment centre activities in the procurement activity that they are managing presently to alleviate vital capacity to deliver on business and student engagement. This will support controls being in place to address risk regarding business engagement (especially considering covid-19 and its aftermath). Strategy and direction of the programme will be further mitigated with the recruitment of a Skills Coordinator in Q2.</p> <p>The Grad Scheme has leveraged circa £1.2 Million to date from private sector employers in terms of salaries. Further the scheme is radically supporting graduates to remain within the region, to develop (utilising the ILM accredited course) rapidly and no doubt support the region’s SMEs in being more productive. 85% of the graduates have stayed on with the employers through the graduate scheme and over 50% of the graduates studied with one of our four university partners which is great for retaining graduate talent in the region.</p>



Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
Grad Scheme	Delivery	<p>Ongoing Graduate Scheme operational activity around planned business engagement and graduate engagement</p> <p>Procurement for project support and re-purposing finalised</p> <p>Appointment of 2 new officers into the team (started June '20)</p> <p>Engaged 24 new employers</p> <p>26 new roles advertised</p> <p>12 Graduates appointed (9 of the 26 still live. 4 companies withdrew due to (a) no funding (b) 2 no one appointed (c) 1 change of business plan</p> <p>9 events attended with universities</p> <p>cohort 6 induction / ILM course 10 graduates</p> <p>operational group meeting 16th June</p>	<p>Continued Implementation of Gradcore recommendation action plan and proposed timeline, aiming for a relaunch September 2021</p> <p>Business engagement activities (Business News Wales, GlobalWelsh, Natwest, local authorities) in accordance with comms plan</p> <p>Advertisement of roles and appointment of min. 10 graduates to begin cohort 7 in April/May/June 2021.</p> <p>Recruitment of new roles – Skills Coordinator and two graduate support officers</p> <p>Terms and reference of steering group to be implemented.</p> <p>Full induction of new officers</p>	

7. Metro Plus & ULEV

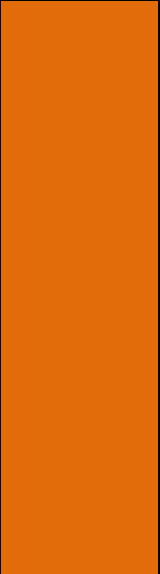
Programme Status	Commentary
	<p>This quarter CCR issued grant award letter to Torfaen Country Borough Council to the value of £2,819,670 for their Metro Plus scheme. This quarter, £114,000 was drawn down from LTF. There have been several risks encountered on the metro plus scheme this quarter and the root causes relate to the broader macro risk identified in the rising cost of construction materials (steel and tarmac specifically noted), the rising labour shortages and increases to contractor and supplier costs. This risk has impacted the 3 schemes that were due to move onsite this quarter and they have instead encountered delays and high tender return costs (as much as £400-£500,000 over anticipated costs in certain instances), which will likely mean value engineering and onsite works now commencing through Q2&Q3 rather than the anticipated Q1 commencement (Torfaen, RCT & Monmouthshire). Further risks have been encountered in relation to delays encountered with permissions and licenses being issued via TFW as well as resulting additionality costs from processes. Further, due to design complications and further viability work following the LP review, the Pyle scheme will not progress. This bold decision has enabled significant progress and focus on Pencoed and Porthcawl.</p> <p>It should however be noted, this quarter, that the emergence of further scheme ideas, sourcing of alternative fund/loan sources to remedy risk and significantly news that funding applications to further progress beyond City Deal funded design/development phases is surely indicating the catalyst effect the transport seed funding via Metro Plus is now having on the Cardiff Capital Region transport terrain. Further, significant progress and headway is being made on the ULEV programme and this quarter's expenditure is circa £450,000.</p>

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
Metro Plus	Delivery	<p>Caerphilly-Interchange-working towards securing RIBA2 specialist to further drive their RIBA and Weltag stages. Ystrad Mynach and Llanbradach P&R -The WelTAG Stage 2 for the Central Rhymney strategic P&R study brief being developed.</p> <p>Monmouthshire-Severn Tunnel Junction- Outline design completed. Planning application submitted along with SAB application. Ecology surveys undertaken. Tender issued.</p> <p>RCT- Porth Interchange- Agreed station change and basic service agreement with TFW. Tender returns in May, followed by VE exercise. Proposed contract cost presented to RTA/CCR – financial support package agreed.</p> <p>Bridgend- Penprysg Road Bridge, Pencoed-WelTAG Stage 3 work commissioned. PR/consultation programme being developed. Porthcawl-Preliminary design on new bus terminus at the Portway commenced. Peer review undertaken by RTA bus group, leading to some design changes.</p> <p>Cardiff City Centre East-Traffic modelling and testing for weekend operations; survey work; detailed design; drainage design; cost estimating; WelTAG Stage 2 and 3; and preparation of consultation documents. Out to tender.</p> <p>Vale of Glamorgan- Barry Docks Interchange-WelTAG Stage 2 completed and successfully presented for approval by Cabinet and Scrutiny. Cogan Station -Project initiation and stakeholders meeting undertaken with Transport for Wales and Network Rail, leading to the development of WelTAG Stage 3 brief.</p> <p>Torfaen- Pontypool and New Inn Station-F003 submitted to Network Rail for approval. Tenders received and assessed. Funding package agreed by CCR/RTA.</p> <p>Merthyr Tydfil Rail Station -Optioneering for additional track capacity and platform lengthening undertaken. Will inform early options for new station building as part of the wider Placemaking Plan for the town centre. RIBA Stages 0-2 including WelTAG Stage 2 brief developed. Pentrebach Station and P&R-Develop governance arrangements for Hoover site acquisition with WG Regeneration.</p> <p>Abertillery Interchange-Land acquired for proposed new rail station and associated P&R at Abertillery. Ongoing review of previous Grip 3 work on the Abertillery Spur being undertaken by Tfw.</p>	<p>Caerphilly Interchange-procure works.</p> <p>Ystrad Mynach and Llanbradach P&R Procurement and progress on the WelTAG Stage 2 for the Central Rhymney strategic P&R study.</p> <p>Monmouthshire- Approval of planning consent and award of contract.</p> <p>Porth- Complete station change and basic service agreement with TFW. Award contract and commence on site.</p> <p>Bridgend- Porthcawl Ongoing scheme development. Penprysg Road Bridge, Pencoed-Ongoing development of WelTAG Stage 3 work and PR/consultation programme.</p> <p>Cardiff City Centre East-Completion of WelTAG Stage 2 and 3, and award of contract.</p> <p>VoG-Development and procurement of WelTAG Stage 3 work.</p> <p>Torfaen- Award of contract and commencement on site.</p> <p>Merthyr- Award and progress of RIBA Stages 0-2 including WelTAG Stage 2 work and confirm governance for Hoover site</p> <p>Abertillery- Confirm quadruphite agreement between BG, WG, TFW and AIW. Brynmawr Interchange-Develop and procure WelTAG Stage 2 study</p> <p>Newport to Cardiff Bus Corridor – ongoing</p>	

	<p>Quadruphite agreement between BG, WG, TFW and AIW being developed. Brynmawr Interchange- Completion of WelTAG Stage 1 study. Newport to Cardiff Bus Corridor – tied into working group developing response to outcomes of Burns M4 study. NW Cardiff Corridor Study -WelTAG Stage 1 reported to RCTCBC and Cardiff CC Cabinets. Development of Stage 2 brief. Treforest/Nantgarw P+R/Station – a scope of works is currently being developed and the design of the new station is still progressing. Ongoing acquisition of property and associated parcel of land (Willingford House) that is required for the scheme to be delivered. Aberdare to Hirwaun – the next stage of this study has commenced and is progressing. Acquisition of land at Trecynon for the provision of a P&R facility.</p> <p><u>ULEV</u> Taxi Try Before You Buy Scheme – Legal advice sought, and tender issued for management company. Insurance of vehicles purchased until management company takeover. Taxi infrastructure – WPD works ongoing. Swarco & T H White delivering programme on site. Delivery Partner engaged and procured to deliver programme. Procurement process undertaken for on-street & car parks for public use and tender issued for CCR concession and All Wales Framework.</p>	<p>liaison with working group developing response to outcomes of Burns M4 study. NW Cardiff Corridor Study – procurement and progress on WelTAG Stage 2 work. Treforest/Nantgarw P+R/Station – complete acquisition of property and associated parcel of land (Willingford House) that is required for the scheme to be delivered. Aberdare to Hirwaun – ongoing WelTAG Stage 2 work <u>ULEV</u> Award contract for taxi trial and commence delivery of trial. Complete programme for taxi infrastructure (with exception of depot chargers, still ongoing) and mobilise for taxi use. Award contract for on-street & car park public chargers and commence delivery. Continue to work with delivery partner</p>
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8. CSC Foundry

Programme Status	Commentary
	<p>Project is currently on hold pending improved customer confidence resulting in additional requirements for clean rooms to accommodate tools for production. Further capital expenditure anticipated at the end of 21/22 (£1,381,641). No revenue expenditure is noted in Q1 and no further capital spend expenditure is anticipated for the remainder of 21/22. This is due to market conditions and uncertainty during the Covid pandemic and continuing trade wars between the USA and China.</p> <p>This quarter we note a further 20 jobs have been created in the Foundry since last quarter (total 130). Following a successful Gateway review in Q1, we are pleased to note the following benefits are now realised in the project:</p> <ul style="list-style-type: none"> Development of 4.52 hectares of land at Imperial Park Development of 5,898 sq. m of new commercial floor space to provide the new compound semiconductor foundry for IQE (stepped lease agreement with IQE) Physical delivery of the Compound Semiconductor Foundry project was largely complete by December 2019 (10 clean rooms etc requiring £32.9M loan investment) <p>This quarter, senior leadership from CCR and the lead accountable body have been concerned with the audit of accounts for 2020/2021, undertakings with KPMG and Pinsent Masons regarding deferred tax liabilities and land transaction tax and IQE Option to Purchase the property. Whilst job creation and GVA will continue to be monitored, the project is now significantly concerned with risk management and recovery of the loan and whether IQE proceed to purchase the property as well as the required governance relating to these matters.</p> <p>One further benefit that has gained significant traction is the Foundry becoming a catalyst for greater CS Cluster growth. Whilst the CSC Foundry project is significant and one of the only single sector priorities set out in the City Deal Heads of Terms (2016) it was always seen as providing the building blocks for the growth, further development and reinforcement of the world's first Compound Semiconductor Cluster – CS Connected. The South Wales centred compound semiconductor cluster, CSconnected, has gained traction across a number of key stakeholder groups and in 2020 The UK Government announced £25.4m in funding to CSConnected, a major project within the Compound Semiconductor Cluster (CSC) in the Cardiff Capital Region. This funding represents a huge boost to the Cardiff Capital Region and reinforces its strategic focus on compound semiconductors. The funding comes through UK Research and Innovation's Strength in Places Fund and amounts to more than half the £42m project cost. Other funding will come from the Cardiff Capital Region City Deal, Welsh Government, Cardiff and Swansea Universities, IQE, SPTS, NWF, Microchip, the CS Centre and the CS Catapult.</p>



Covid 19, Bexit and global trade wars remain threats and risk on this project but all have controls in place and are being monitored closely.

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status(RAG)
CSC Foundry	Delivery	<p>Investor meeting held with IQE to discuss yearly results and future forecasts</p> <p>CS Foundry Board Meeting held 15th July 2021</p> <p>Ongoing due diligence for SIPF (FOH) project focussed on a revised strategy for CCR investment</p> <p>CCR Regional Cabinet – Annual Update Report</p> <p>New Business Plan for 21/22 presented to CS Foundry Board</p> <p>Completion of CSC Foundry Accounts 2020/21</p> <p>Further discussions with IQE to assess the timeframe for remaining drawdown and option to purchase the Foundry</p>	<p>Revisions to Development Agreement to Lease (DAfL) to reflect the SIPF (FOH) developments</p> <p>CCS Foundry Board Meeting</p> <p>CCR Regional Cabinet - Outcome Report</p> <p>CSC Foundry – New Board Member Briefing</p>	

9. CREO MEDICAL-Cool Plasma sterilisation

Programme Status	Commentary
Delivery	<p>This quarter, Creo Medical Group have bought expanded premises in Chepstow indicating further investment into the region and Creo Medical Group announced an update on the stock market in June that “Life-changing FDA cleared Creo device successful in adding months to patient's life expectancy and well-being” after the device was successfully used for the first in-human, minimally invasive, Endoscopic Ultrasound (EUS) guided, treatment in a patient with an unresectable pancreatic neuroendocrine tumour. A true testimony of the company’s recent product development breakthroughs.</p> <p>The wound sterilisation product development continues, there has been slower progress than anticipated but the team are on track for testing phase next quarter. A further £82,000 has been invested in the applicator development and exciting engagement has been undertaken with the Welsh Wound Care Innovation Centre based in Pontyclun.</p> <p>Analysis of salary data of the initial 8 new FTE jobs created by Creo Plasma division suggests that the average salary standing at circa £48,000-circa £16,000 above Welsh average salary costs. This indeed is testimony to high quality jobs in the region being created by the investment into this division.</p> <p>Risk affecting this investment is largely around the recovery of the loan and ensuring the company can secure successful product development and commercialisation of product to sustain jobs and growth for the region. Since our last investor meeting it should be noted and commended that Creo have now recruited and deployed dedicated project management to wound sterilisation developments, and this certainly seems to be making a positive correlation with performance and advances in the project. It is further noted that connectivity with regional supply chain has commenced.</p> <p>No revenue expenditure against this investment as loan previously dispensed.</p>

Project	ProjectStage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
Cool Plasma Sterilisation	Delivery	<p>Significant fundraising efforts have been undertaken in Q1 to support the required product development and prototyping stages</p> <p>Investor’s meeting was undertaken in Q1 and further follow up meeting to support investment funds being channelled to agreed product development and to alleviate project risk</p> <p>X1 FTE new job created to project manage wound care sterilisation product development</p> <p>Creo have now engaged with the Welsh Wound Innovation Centre as consultants to support on the design work</p> <p>In the wider business there have been large advancements in the development of our Kamaptive technology towards next generation generator. This effort within the business has taken significant resource but as the power source relevant across the Creo range these developments are key in supporting the wound care device.</p> <p>This quarter, Creo opened their US Office and undertook further listing and human trials performed on their MicroBlate flex device</p>	<p>Investor’s meeting and company roadmap presentation</p> <p>Reporting of further job and GVA data</p> <p>Testing the applicators and its efficacy on sterilisation of advanced materials and orthopaedic inserts</p> <p>Head of Innovation connectivity with investment and PL handover</p>	

10. Pharamatelligence

Programme Status	Commentary
Delivery	<p>In Q1 the investment governance has been mobilised and as well as a non-exec Director being appointed on behalf of CCR, the first formal Board meeting has taken place. The focus presently is on commercialisation plans and the non-exec Director will be working with the management to progress and support these plans.</p> <p>This is an innovation investment project which will place CCR as a 16.6% shareholder in HoldCo to optimize and test the “Evergreen” approach of extracting direct ROI from R&D in a strategically identified priority sector (Medtech). Benefits and outputs have now been agreed and “locked” including £9M GVA uplift to region by 2023, 35 jobs created over 3 years as well as contributions towards engaging with a strategically important sector to the region and the CCR Covid-19 strategy (real time analysis of data from NHS).</p> <p>The investment is considered medium risk at this stage (present risks relate to technical architecture and inability to patent this, US competitors entering UK market-though deemed marginal chance and implementation of revenue plans to reach revenue targets). Principally the risk surrounding this investment will be return of investment and securing outputs which will require the business to be productive and to grow at a rapid rate. Much of the risk controls will sit with the non-exec Director and monitoring protocols.</p> <p>Expenditure is minimal (some low legal costs) as the investment has been dispensed so just £336 revenue expenditure on legal costs for Q1.</p>

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
Pharm atellig ence	Delivery	<p>A non-exec Director has now been appointed to sit on the board</p> <p>First Board meeting has taken place</p> <p>Non-exec Director is now working with the management on commercialisation plans</p> <p>First few months post investment indicates better than anticipated financial performance with much reduced loss than anticipated</p> <p>5 FTE new jobs created this quarter (13 to date)</p> <p>Housekeeping and document management has now been performed for the investment by the existing PL</p>	<p>Board meeting and progress updates to support CCR monitoring of investment</p> <p>Introductions and handover of PL function to Head of Innovation</p>	

11. ZipWorld

Programme Status	Commentary
Delivery	<p>This investment is concerned with creating a major new adventure tourist attraction at the Heads of the Valleys with easy access for South Wales communities and visitors from the South West of England and the Midlands. The project will offer 6 iconic adventures unique to the Tower Colliery site, including the steepest zip wire descent in the United Kingdom and will be complemented by a high-quality food and beverage facility, and retail area. The company aims to do for the Welsh coal communities in South Wales what they have done for Welsh slate communities in North Wales and create unique adventures that bring tourism and wider opportunities to the local area to enhance and fuel the local economy. The Tower Project is a 5-phase development over 5 years, requiring a total capital investment of over £7.4m (£4.4M CCR).</p> <p>The primary purpose of the investment is in line with the stated aims of the CCR Industrial and Economic Plan and in line with the principles set out in the Investment and Intervention Framework, which is to support the inclusive and regenerative growth of the region, whilst; Creating new job opportunities (20 full time and 60 seasonal jobs), Leveraging additional investment (£3M), Uplifting GVA- £23m of direct spend & c£250m of local spend in first 5 years. A total of £45,726.25 has been spent to date on pre-agreement arrangements. Zip World are expected to make their first loan draw down of £2.674m in August, 2021. Zipworld will then make x3 further loan drawdowns of £700,000 in years 2 & 3, £700,000 in Year 4 and £300,000 in Year 5.</p> <p>This quarter the attraction opened for business and has already seen over 10,000 visitors through the gates! There has been much job creation (we expect figures in Q2) and there will undoubtedly be a much wider economic impact from the attraction opening and this quarter we have commenced working with partners Cardiff University to progress structuring the monitoring and capturing of economic impact from the full attraction.</p> <p>Unfortunately there were some delays in the audit process undertaken to ensure construction compliance and requirements were met and as a result the expected loan dispensing of £2.67M was delayed. At the time of report writing we can confirm the loan has now been paid and so we expect this to be recognised in Q2.</p> <p>The key risk on this investment is concerning repayment of loan which will be monitored, and appropriate controls will be put in place to deal with this. Other risks relate to the realisation of tourism cluster outlined in business case and this will be monitored via bi-annual investor meetings between CCR and Zipworld. Clearly the attraction is going to have multiple community benefits and work in Q1 to this end has already commenced. Please find extracts to support this from the CCR newsletter material this quarter in which, Head of marketing, Ellie Watkins from Zipworld features...</p> <p>Winning the hearts and minds of the community: On the question of the philosophy and values that underpin the Zip World approach, Ellie said; “We don’t want to be</p>

a business that just operates here, we want to be involved, be part of the fabric of the local community and even small things like communal litter picks to clean up the area are a way we can give back and positively engage. Recently, we put a litter pick event out on social media and we had 25 volunteers show up to help and now were being asked when the next one is taking place! The level of engagement and community spirit here is just fabulous and we want to do everything we can to encourage and develop that even further. Everyone seems to want to see us succeed and that is truly heartening.”

Using the power of the Zip World Brand to support and develop local inhabitants and initiatives: “We believe strongly in supporting local charities and local initiatives as well as employing local people... Its early days yet but we have started offering sponsored zip lines where we provide free rides for charities to raffle to raise funds . Our plan is to work with one primary charity and for that we have chosen Valleys Kids – an amazing charity that has changed the lives of so many children in ex mining communities. We are currently putting together a plan for how we are going to work together and will be communicating more on that shortly – so watch this space!”
 “We are also hoping to develop an after school club and feature events such as ‘a day in the life of’... so that school children can experience first-hand what some of our roles involve. Educational trips are offered currently at the North Wales site where the history, the stories and the heritage of the area are brought to life. Our longer term aim will be to replicate this in Rhigos.”

Creating a “go to” place for families and businesses: Another aim is to make Zip World a “go to” place for families and businesses – but not just to ride the big zip lines. “To encourage families, we have “Big Red” which is aimed at 5-12 year olds and a bargain at only £10 for two rides. Combine that with a meal deal or two at our Cegin Glo Bar and Bistro with its spectacular backdrop and you have a family day or evening out that is accessible for many in a pretty special location that makes it that little bit different. This is all still in the early phase of development but it shows that we are totally committed to creating a destination for our communities that is a lot more than a one-off thrill. Kids parties too is all under consideration for future offerings.

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
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Zip World	Delivery	Phase 1 construction of site and installations is now completed and the attraction will opened 26th April Loan agreement progressed and signed, inter-creditor deed progressed Outline scope of economic impact analysis drafted and discussed with Cardiff university for consideration with the Economic Intelligence Policy Unit for KTP/Research associate allocation	Oversee project management of construction phases via thirdparty-Romco agreement Undertake first investor's meeting and commence monitoring provisions for CCR objectives Authorise future tranches of loans (in line with the business plan) on the same terms set out in the HOT but at a State Aid compliant rate to be tested at the time of the request. First drawn down of £2.67M will be made in Q2. Further work to secure full impact monitoring of attraction to the region	
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12. Metro Central

Programme Status	Commentary
	<p>This programme is behind schedule and with key personnel changes with Lead body (WG) combined with risk identified in outline business case, the programme is carrying high risk. Present Programme level risks identified include;</p> <p>There is currently a funding gap in real terms since the projected contributions from the private sector, remain to be fully nailed down by WG and TfW. In addition, the nationalisation of the CVL by WG means the leverage generation is no longer considered 'private leverage'. The Metro Central Delivery Partnership are now considering the issues around wider funding availability against the UK Plan for Growth and the promise of infrastructure investment. Value engineering and prioritising the interventions will be used to scale back the project if required.</p> <p>There is a concern for the programme being too process led and mechanical which might not lead to a full investment proposition that aligns to strategic outcomes. Affordability of plans (such as all weather canopy) without PSL are a clear consideration and CCR are being proactive in identifying remedies and mitigations which will need further consideration of the working group to progress.</p> <p>Solutions are being progressed in respect of dialogue commenced with UKG and DfT (via WG); consideration of alternative mechanisms for funding the canopy roof, value capture and the treatment of wider private and commercial investment. It is possible that the programme could be split into phases in order to get work underway whilst retaining a focus on value added activity – linked to the wider redevelopment of Central Square and Central Quay.</p> <p>Presently the outcomes and outputs expected are:</p> <ol style="list-style-type: none">1. Job Creation – too early to know the complete impact, but given the substantial private development contribution, it is expected to be considerable c22,000 direct, indirect, safeguarded and induced jobs.2. GVA growth – in excess of £2bn of Gross Development Value, and over £1bn of GVA.3. Innovation – New technologies being used to include ULEV infrastructure, digital and further aspiration for renewable energy to be included. Wider benefits include; <p>With a high volume of CCR output targets projected against these committed funds, this is presenting risk especially with limited controls being able to be deployed. CCR are very committed to the programme as it underpins several strategic outcomes for the region. Further to this, given the significant risk presently existing around construction material costs and labour costs as well as labour shortages, there will be considerable risk management work to undertake as the business case develops.</p>

Key outputs of the Metro Central Programme:

Estimated overall regeneration potential of these key regeneration projects has the capacity to deliver circa 5,000,000 ft² of commercial development, comprising:

- Central Square (1,000,000 ft²) / Central Quay (1,000,000 ft²) / Dumballs Road (1,000,000 ft²) / Callaghan Square (1,000,000 ft²) / Capital Quarter (500,000 ft²) / St David's Square (500,000 ft²).

Expenditure this quarter £5,336 (legal costs), expenditure to date: £ 1,178,377 spent CD Funding – total committed (including spent to date) £40m CD / DfT committed £5.8m / TfW £15k / WG committed £30m (businterchange)

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
Metro Central	FBC	Contract Award made for GRIP 2-4 works FBC further scoping and identification of risk work underway Architectural designers have been appointed and work in this area underway and heritage and engagement consultants have also been appointed and carrying out undertakings Agreement of state aid principles concerning payment to TfW	Further business case and wider business case undertakings	

13. Premises Fund

Program me Status	Commentary
	<p>This Quarter, following approval by the Strategic Premises Advisory Board of the Stage 1 recommendation from the external fund advisors for the Brew House Proposal, this project will now progress through due diligence.</p> <p>The project involves a loan for the development of new office with ground floor leisure uses on a former brewery site. The offices on first to fifth floors will have a dedicated entrance via the modern extension. The ground will be for uses within Use Class A3, potentially to provide an experience centre, micro-brewery and bar/restaurant. It is thought that with the Brew House being the centre point of the Central Quay development scheme that this in itself will encourage, and progress residential development being funded in the area.</p> <p>CCR’s investment would be in a “First Charge” position and be fully repaid before the sponsor receives any income. The scheme is viable, but due to the “speculative” nature of the development, traditional bank funding cannot be secured. The scheme is likely to require a £15M investment from CCR (66% of total required investment).</p> <p>Fund advisory and project support costs will be incurred by CCR. These are estimated to be £65-100K per annum for the first 3 years of operation of the fund. These will be funded from the Wider Investment Fund Revenue resources, albeit interest that is chargeable to meet public subsidy requirements may assist in offsetting some of these costs over the life of the fund. The expenditure required by CCR will also include ongoing monitoring of loan terms, payments due and payable in order to inform the accountable of body of transactions in respect to the fund. Transactional costs in respect to the Loan are intended to be paid by the recipient of the loan. Revenue expenditure on this fund is expected to flow from Q2.</p> <p>The key challenge with the Premises Fund is to ensure that careful consideration is given to the balance between CCR’s social and delivery objectives alongside the recovery of the investment provided. Further challenges and risks will exist around managing suppliers (external fund advisors) and securing investments in timely way and ensuring full benefits optimisation. Given the fund is concerned with Capital expenditure, risk around macros such as construction environment and conditions will also require monitoring and consideration. At present, the fund interest, controls in place with the external fund advisors etc mean the investment is considered low risk.</p>

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
Premises Fund	Delivery	Completion of FBC Appointment of CBRE as Fund Manager Regional Cabinet approval of Strategic Premises Fund Strategy and FBC Drive engagement with Local Authorities to build understanding and communication channels Explore opportunities with developers and private investors, particularly those from outside of the region Stage 1 recommendation from CBRE for the Brew House, Central Quay, Cardiff Held inaugural Advisory Board Meeting	Develop marketing and communications plan Fund launch, marketing and communications (combined with first investment for the Fund) Active fund marketing strategy to continue to raise the Fund profile	

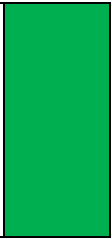
Stage 1 approval for the Brew House, Central Quay, Cardiff.

Build working relationship with Welsh Government / Development Bank of Wales
Explore opportunity to widen fund focus into Low Carbon / Renewable projects
Consider future grant allocation to support marginal projects and deliver better outputs
Agree terms with external developer (lender) for Brew House
Appoint advisors to undertake detailed due diligence
Detailed due diligence for the Brew House

14. Fintech

Programme Status	Commentary
	<p>Largely considered “seed funding” this fund enables Baseline activity and requirements for a successful Fintech cluster in the CCR. It will set out a strategy and implementation plan to support the growth of the Fintech cluster in the CCR – developed by the cluster for the cluster.</p> <p>There has been a great deal of activity to test viability of some strategic initiatives in Q1. In this case the part funding of The Foundry (an accelerator programme for start-ups). This received over 150 applications from 28 countries including 27 from within Wales. Fully known achievements of this initial accelerator test are documented below. Under this, 8 participants were progressed on a 12-week programme with the assurance of a contract with a sponsor organisation as an outcome. Further information on the accelerator programme can be found at https://finfoundstage.wpengine.com/ .</p> <p>The final outputs of this investment will manifest in Q2 as a compilation of baseline analysis and evidence, structured strategy and supported with a costed action plan. Any risk will centre around the quality of the products detailed. Close working relationship and input into the development of this work mitigates any significant risk leading to an assessment of low risk.</p> <p>Expenditure this quarter was £75,000. Total expenditure to date is £175,000. The full anticipated investment is £250,000. This investment is being matched by Fintech Wales to the value of £250,000 (combinations of time, services, expertise etc).</p>

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)

Fintech	SOC	<p>First cohort of 8 participants selected by the Foundry</p> <p>First cohort will see £400,000 of added value services being accessed by the 8 participants, as well as the programme services they are able to access such as mentors, access to investors etc.</p> <p>The first cohort is anticipated to draw in £3M in private leverage by Q2 and will be followed closely by at least 2 large corporate keen to either invest, buy-out, or buy a service to support their continued growth.</p>	<p>Ratification and scrutiny of strategy and Action Plan</p> <p>Match funding reconciliation</p> <p>PSL monitoring</p>	
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15. CSC Connected

Programme Status	Commentary
	<p>The anticipated outcome of the project is the establishment of a thriving and neutral space for wider coordination activities, operating at full capacity/occupancy, acting as the 'beating heart' of the Cluster. Acting as a seed for further development of a larger CS technology and business park on the Foundry site. Facilitation of a recognized and expanding Cluster that is embedded, valued and visible in its community. A persistent collective spirit of co-operation and co-creation. Exploitation of future global opportunities to create sustainable employment. Business culture shift in the region towards high productivity manufacturing.</p> <p>The anticipated benefits and outputs are 2167 direct additional employment in core cluster firms and NEW inward investors by 2030, £352M in exports of cluster firms, £260M Additional GVA per annum by 2030 (to include direct and indirect) and 5 new companies established in the region due to spin out, inward investment, start up by 2030.</p> <p>This quarter expenditure was £22,667. Total expenditure is £183,551 on project development costs to date and the total anticipated investment is £3.3M.</p> <p>Prospective risks on the project to be managed via due diligence and PM processes include; State Aid Compliance, finding most efficient tax structure for £6.6M capital investment, potential for insufficient Capital Budget / cost overrun- Insufficient budget to accommodate cost and time overrun, Property Lease Agreements - Failure to agree lease and sub-lease terms and conditions between all parties, UKRI compliance – failure to comply with UKRI terms and conditions.</p> <p>Since confirmation of the intention to award CSconnected SIPF funding in May 2020, Cardiff Capital Region, Cardiff University and the CSconnected team have examined multiple options to support the delivery of FOH in a state aid and procurement compliant way, whilst also delivering maximum tax efficiency, CCR have exhausted options with advisors Pinsent Masons, KPMG and JLL and although a deliverable solution has been identified at the Foundry, this is overly complex and will take further time and resources to complete due diligence and align with a robust and sustainable governance plan and business plan for CSConnected.</p> <p>Therefore, on reflection, CCR's current preference is to focus on the provision of the Cluster Co-ordination Activities and not build a large physical FoH headquarters at the Foundry.</p>

Project	Project Stage	Key Achievements this quarter	Key milestones for next quarter	Project Status (RAG)
CSC Connected	SOC	Full FoH options appraisals, due diligences and full exploration activities and undertakings	<p>It is essential that decision-making is moved forward quickly, with an urgent priority to prepare a revised specification, agree changes, and propose a new delivery path.</p> <p>Next steps will therefore involve setting a new FOH working group to invite alternative options and evaluate the preferred approach.</p>	



16. Cardiff City Deal Funding Profile March 2021

				Funding release by year								
				UKG Total Committed (£M)	To date	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Beyond
Compound Semiconductor Sector	Jul-17	Jul-28		38.55	37.168	1.382						
Metro Plus	Apr-19	Apr-23		15	0	3	5	5	2			
Creo Medical	Jul-20	Jul-25		2.055	2.055							
Graduate Scheme	Mar-19	Mar-24		1.54	0.269	0.423	0.423	0.425				
Housing Investment Fund	Jan-21	Mar-25		31.498	0.661	0.522	10.198	10.117	10			
Challenge Fund				10	0.133	1.367	3.5	4.5	0.5			
Zip World	Mar-21	Mar-25		4.4	0	2.76	0.82	0.82				
Fintech project*under development*				0.25	0.1	0.15						
Metro Central				40	1.17	2	12.83	12	12			
Pharmatelligence	Dec-20	Dec-23		2	2							
			Total	145.293	43.556	11.604	32.771	32.862	24.5			