

Agenda – Economy, Infrastructure and Skills Committee

Meeting Venue:

Committee Room 1 – Senedd

Meeting date: 23 January 2020

Meeting time: 09.25

For further information contact:

Robert Donovan

Committee Clerk

0300 200 6565

SeneddEIS@assembly.wales

Private pre-meeting (09.25–9.30)

1 Introductions, apologies, substitutions and declarations of interest

2 Paper(s) to note

2.1 Letter from Credit Unions Wales to the Chair of the Economy, Infrastructure and Skills Committee

(Pages 1 – 7)

Attached Documents:

EIS(5)–03–20(P1) Letter from Credit Unions Wales to Chair

2.2 Letter from Chair of Children, Young People and Education Committee re Budget

(Page 8)

Attached Documents:

EIS(5)–03–20(P2) Letter from Chair of CYPE re Budget



2.3 Letter from Chair of Committee on Assembly Electoral Reform

(Pages 9 – 10)

Attached Documents:

EIS(5)–03–20(P3) Letter from Chair of Assembly Electoral Reform Committee

3 City Deals update: Cardiff Capital Region City Deal

(09.30–10.30)

(Pages 11 – 32)

Councillor Andrew Morgan, Leader of Rhondda Cynon Taff County Borough

Council and Chair of the Cardiff Capital Region City Deal

Kellie Beirne, Director of Cardiff Capital Region City Deal

Rhys Thomas, Chief Operating Officer of Cardiff Capital Region City Deal

Frank Holmes, Chair of the Regional Economic Growth Partnership

Attached Documents:

EIS(5)–03–20(P4) Research brief

EIS(5)–03–20(P5) Evidence from Cardiff Capital City Region

Break

(10.30–10.45)

4 City Deals update: Swansea Bay City Region

(10.45–11.45)

(Pages 33 – 36)

Councillor Rob Stewart, Leader of the Swansea Bay City Region Deal

Attached Documents:

EIS(5)–03–20(P6) Evidence from Swansea Bay City Deal

Private de-brief (11.45–12.10)

Budget Draft Report



Mr Russell George AM
Chair of Economy, Infrastructure and Skills Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

15th January 2020

RE: WELSH GOVERNMENT'S RESPONSE TO THE NATIONAL ASSEMBLY FOR WALES' ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE REPORT ON ACCESS TO BANKING

Dear Russell George AM

We write with regard to the document "Welsh Government's Response to the National Assembly for Wales' Economy, Infrastructure and Skills Committee Report on Access to Banking" filed in December 2019. This letter specifically refers to the response from Welsh Government to Recommendation 14 of your committee report on Access to Banking:

'Recommendation 14: The Welsh Government should actively pursue other collaborative ideas for delivery of banking services, including through partnership arrangements, alongside its support for the Banc Cambria community banking model. Its criteria for supporting proposals to improve access to banking services should have a strong emphasis on guaranteeing greater financial inclusion.'

As part of its response, Welsh Government stated: "Welsh Government Officials have also met with the Welsh Credit Union Network to explore opportunities to collaborate wherever possible."

We would like to clarify that to date, there has been one meeting between Credit Unions of Wales and Welsh Government officials, where Banc Cambria was included as an agenda item. This was the Credit Union Collaboration Meeting that took place on 9th October 2019, organised by the Financial and Digital Inclusion Unit, which took place at the Welsh Government's QED offices in Treforest.

Officials from the Economy, Skills and Natural Resources department attended part of this meeting, to give credit unions an update on the progress of the Banc Cambria project as per the agenda, which we have attached.

The update took place, but as can be seen from the agenda and minutes (attached), the purpose, and outcome, was not exploring opportunities to collaborate wherever possible. At this meeting, it was recognised in discussions that there was a need for

greater engagement and understanding of the potential impact Banc Cambria would have on credit unions in Wales, particularly around the intention to offer personal loans, currently already offered by credit unions as a core product. It was therefore agreed that Welsh Government would facilitate a meeting between Banc Cambria and the credit unions. That meeting is scheduled to take place on 22nd January 2020.

We are concerned that the meeting in October with Welsh Government officials from the from the Economy Skills and Natural Resources department and the meeting scheduled for 22nd January are being construed as ongoing collaborative work with Banc Cambria, as demonstrated in a statement made to the committee by Minister for the Economy and Transport Ken Skates AM in the Senedd on 11th December 2019 that 'work is already well underway to ensure that credit unions and the community bank and building societies work in collaboration'.

We would like to emphasise that we are only aware of talks between Banc Cambria and one credit union and stress that the credit union is not representing the wider network in those discussions. That credit union is independently writing to Minister for the Economy and Transport Ken Skates to clarify its position. Although we share concerns about the withdrawal of banks from high streets across Wales, we remain very concerned that Banc Cambria will have a significant and detrimental impact on the credit union movement in Wales and the members we serve.

Once Banc Cambria' has finished its feasibility study and detailed proposals are published, we will request a meeting as Credit Unions of Wales with Minister for the Economy and Transport Ken Skates AM.

Yours sincerely

Brecon Credit Union
Bridgend Lifesavers Credit Union
Cambrian Credit Union
Cardiff & Vale Credit Union
Celtic Credit Union
Dragonsavers Credit Union
Gateway Credit Union
Islwyn Credit Union
Merthyr Tydfil Borough Credit Union
Newport Credit Union
Red Kite Credit Union
SaveEasy Credit Union
Smart Money Cymru

Credit Union Collaboration Group

Meeting: Wednesday 9 October

Credit Union representatives pre-meeting - 10:00 – 11am

Collaborative meeting – 11am – 1pm

**Venue: (Treforest Lounge)
Welsh Government building, QED, Treforest**

AGENDA

1. Welcome and introductions
2. Minutes of the last meeting
3. Update on Community Bank/Banc Cambria
4. Grant funding – 2020/21
5. Grant funding - update on projects – problems/ barriers/ successes?
6. Any current issues the sector is facing?
7. Any other business

In attendance

Nigel Moss (NM)	Head of Digital and Financial Inclusion Unit – Welsh Government – Chair
Charlotte Anscombe (CA)	Credit Union & DAF Policy Manager – Welsh Government
Leanne Herberg (LH)	Cardiff and the Vale Credit Union
Christina Stoneman (CS)	Dragonsavers Credit Union
Andrina Davies (AD)	Smartmoney Cymru Credit Union
Jackie Bull (JB)	Brecon & District Credit Union
Ann Francis (AF)	Cambrian Credit Union
Claire Savage (CS)	Credit Union Policy Officer
Ben West (BW)	Newport Credit Union
Daniel Arrowsmith (DA)	ABCUL
Nicola Field (NF)	Bridgend Lifesavers Credit Union
Steve Mallinson (SM)	Celtic Credit Union
Delyth Shearing (DS)	Merthyr Tydfil Borough Credit Union
Rhidian Morgan (RM)	Welsh Government (ESNR)
Catrin Lloyd (CL)	Welsh Government (ESNR)

Apologies for non-attendance

Sara Birch	Gateway Credit Union
Brian Pippen	Gateway Credit Union
Bill Hudson	ACE

Welcome and introductions

1. Nigel welcomed everyone to the meeting, and round-table introductions were made for the benefit of new group members.

Minutes of the last meeting

2. The minutes of the previous meeting held on 7 March were agreed as a true record.

Action points carried forward:

- CA advised that the action point regarding the Ministerial letter remains open to interested credit unions. Action – credit unions to consider if they want the letter issued and contact CA with a list of local employees. Leanne advised that they are considering employers operating in the care and support field, so will be in touch.
- Action point regarding debt management and IVRs and DROs remained current

Action – CUs to share examples of inappropriate cases with WG so this can be progressed with colleagues working with the debt advice sector.

Update on Community bank / Banc Cambria

3. Nigel welcomed Rhidian and Catrin to the meeting and invited them to provide an update on the plans to establish a community bank model in Wales. The group heard that the plans are at the project set up stage, with first stage feasibility work underway before

moving on to pre-application stage, with the application planned to be submitted by summer 2020 and the first pilot bank to be set up by summer 2021. Rhidian stressed this will not be Welsh Government owned, with Banc Cambria free to approach funders including local authorities. Rhidian advised that stakeholder engagement is happening, including with credit unions, whom Mark Hooper is keen to engage with. There is a clear brief for the community bank and it includes not duplicating work of the Development Bank of Wales and Credit Unions.

4. Concern raised that funding provided to credit unions will be diverted to Bank Cambria. It was stressed that this is a completely different budget, initial investment funding for Banc Cambria coming out of Economy Skills & Natural Resources budget, with the Prosperous Futures budget funding Credit Unions. It was agreed this is a high risk investment, there is potential there but there are many obstacles to overcome.
5. Concern raised that Banc Cambria will be offering personal loans, which will place it at odds with credit unions, who also provide personal loans, and not just to financially excluded customers, which is a common misconception. LH clarified that credit unions provide personal loans up to £15,000 above the value of held savings. Credit unions rely on this business in order to cross subsidise their work with financially excluded customers. This duplication places them at risk. RM stressed that this dialogue is needed as the boundaries need to be established. These boundaries will be clarified in the market assessment which will identify gaps and duplication. RM gave assurance that he will be supporting credit unions on this and added that Bill Hudson has been asked to act as an advisor to the Board of Banc Cambria, so will also be representing the interests of credit unions.
6. It was agreed that CA would convene a meeting during mid November using the collaboration group membership, inviting all credit unions, with RM/CL inviting Mark Hooper and James Moore, from Banc Cambria, to discuss areas of concern.

Action – CA to arrange a meeting between credit unions and Banc Cambria.

Grant funding 2020/21

7. CA advised that there is uncertainty at the moment about Welsh Government revenue budgets for financial year 2020/21, and as yet budgets have not been determined. This is primarily due to Brexit uncertainties. Given this, plus the wish of credit unions to have a two year funding offer following a grant application stage which may be unlikely, CA advised that she is working on the basis of seeking Ministerial approval to roll forward those revenue projects which could naturally run for another financial year. This would be subject to agreement and performance. Time bound projects would not be considered for this extension. CA is in the process of arranging monitoring meetings with all projects to discuss progress. CA advised that should agreement be given for an extension, small tweaks would be able to be made to existing projects, and that these issues will be discussed at the individual meetings planned over the coming weeks.

Action – CA to book meetings with all credit unions currently receiving revenue funding.

8. Jackie Bull added that WCVA have grant funding available through the Active Inclusion Fund.

Grant funding – update on projects – problems/barriers/successes

9. LH advised that all three projects are on track, with the payroll project ahead of target. The back office staff of Cardiff & Vale Credit Union are located at the new office and the current occupier of the ground floor of the new premises in Woking Street are due to vacate by the end of this year, allowing the move to be completed to schedule.
10. AD advised the Tredegar office is using a different approach rather than the planned 5 days a week opening – it is open for 3 days. This model has been more successful in getting engagement from certain areas of Blaenau Gwent. By using the time that the office is closed on the 2 days to increase the number of community points in more isolated/ inaccessible areas of Blaenau Gwent, has been able to overcome accessibility problems from some areas of the valley. On the Caerphilly rapid Growth project, the Development Officer is beginning to make some headway with signing up staff working at CCBC. Good progress at the Health Board.
11. JB advised a new Development Officer has been employed this summer so there is a plan of work over the coming months.
12. AF reported Cambrian Credit Union has made a profit at the close of the credit union financial year for the first time in 5 years. A new Marketing Officer has been appointed and this arrangement is working well. The rural project has been adapted to accommodate the significant restructure that the credit union underwent last year. This may well need to be amended further. Ca added this was always a pilot, to trial new ways of working and the funding has remained flexible to support this.
13. BW added that the number of payroll loans has improved and is starting to have an impact. Family loans remain very popular and this has been aided by the appointment of a Family Loan Development Officer.
14. NF updated on the projects, both collaborative and individual. The prison project has benefitted from prisoners at Parc having access to the prison intranet, on which the savings scheme has been advertised and actively promoted. Monthly statements are now being sent to prisoners to alleviate concerns that they cannot access the scheme as easily when they move onto other prisons ahead of their release. Project on track against performance measures, as are the other projects - for the schools savers project, two new school schemes have been opened recently, plus there have been many requests from schools for the financial education package to be delivered by Damian.
15. CS updated on the collaborative marketing project, highlighting the work involving schools to design a school savers logo has been really successful. Winners of this competition, to design either a video or a poster, will have a tour of the Senedd with Jane Hutt AM. A Christmas survey looking at the cost of Christmas generated 600 responses, which highlight a stark issue in terms of debt and people struggling with affordability. This is the theme being used by most Welsh Credit Unions to mark International Credit Union Day, on 17th October. Credit Union awards set for 20th March, with Jane Hutt speaking at the event.
16. SM advised that the community outreach and schools project is working extremely well, and is gaining momentum. Celtic Credit Union received money from the Wales Illegal Money lending Unit to fund an extensive leaflet drop recently, which again should help to boost awareness of their services across Neath and Swansea.

17. DS – advised that they have made a successful appointment for their Payroll Marketing Officer following difficulties in recruiting for this post. They are now operating in 22 out of the 24 schools across Merthyr Tydfil, however their biggest issue remains the retention of volunteers within primary schools, as they lose parent volunteers once their children move into secondary school.

Current Issues

18. The mobile app collaborative project was raised – NF advised that the Change Account has taken over Kesho, the supplier of the mobile banking app being purchased by the credit unions collaborating in this project. NF remains in close contact with the Change Account and as yet they have not revealed their plans in respect of making any changes to Kesho – the banking platform used by the majority of Welsh credit unions. AF added that Engage, the supplier of the Engage Card, are planning to develop an alternative to Kesho, so this will be something to keep under review.

Any other business

19. None

Russell George AM
Chair
Economy, Infrastructure and Skills Committee
By email

15 January 2020

Dear Russell,

Welsh Government Draft Budget 2020-21: research and innovation

In summer 2019 the CYPE Committee wrote to the Minister for Education requesting a written paper to inform our scrutiny of the Draft Budget 2020-21. In this **letter** we indicated that we would work with other committees with shared interests and responsibilities – including the Economy, Infrastructure and Skills (EIS) Committee – to avoid any unnecessary duplication of effort for the Welsh Government and Assembly Committees.

As agreed with you, and to use the Minister for Education’s and Committees’ time as effectively as possible during the tight timetable associated with the budget round, questions about research and innovation were posed to the Minister for Education during our budget scrutiny session on 8 January 2020. As a member of both the CYPE and EIS Committees, Hefin David AM led on this aspect of our scrutiny. The relevant aspects of the discussion can be seen in paragraphs 158 – 181 of the **Record of Proceedings**.

In recognition of your Committee’s remit, and your responsibility for scrutinising the Welsh Government’s work in relation to research and innovation, I understand that the EIS Committee intends to consider this information and reflect it in your report. As such, I wanted to write to refer this evidence to you formally and to place on the record that, while the evidence was gathered in the CYPE Committee for efficiency purposes, issues relating to research and innovation in the Welsh Government Draft Budget 2020-21 will be considered and reported on by the EIS Committee.

Yours sincerely,



Lynne Neagle AC / AM
Cadeirydd / Chair



Committee Chairs
National Assembly for Wales

16 December 2019

Dear Chair,

Committee on Assembly Electoral Reform

As you will be aware, the **Committee on Assembly Electoral Reform** was established by the National Assembly for Wales in September 2019 with a remit to examine the recommendations of the **Expert Panel on Assembly Electoral Reform**. I am writing to invite your views on the potential implications for Assembly committees of any change in the size of the Assembly.

In particular, we would welcome the views of your Committee on:

- Whether the current size of the Assembly has given rise to any implications or limitations for your Committee's work or the way in which you approach policy, legislative and financial scrutiny of the issues within your remit.
- How any recent or anticipated changes to the Assembly's powers or responsibilities, or the broader constitutional context, might affect your Committee's remit or how you undertake your role.
- Any implications an increase in the size of the Assembly might have for the work of Assembly committees, including the support services they receive.

We would also welcome information about how your Committee assesses the impact of its scrutiny work, and examples of effective scrutiny or missed opportunities. It would be helpful to receive your response **by Monday 27 January 2020**.



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I will be making an oral statement in Plenary on Wednesday 8 January 2020 to provide an update on the Committee's work. In the meantime, if you have any questions about the work of the Committee, or would find it helpful to meet to discuss these issues, please contact the Committee clerk, Helen Finlayson, at seneddreform@assembly.wales or on 0300 200 6341.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dawn Bowden'.

Dawn Bowden AM
Chair, Committee on Assembly Electoral Reform

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Agenda Item 3

Document is Restricted

Evidence submission – City Deals and the Regional Economies of Wales

Current position Cardiff Capital Region City Deal and next steps

It has been a year since the 10 point plan aimed at evolving the direction of City Deal was put in place. This offers a key reflection point ahead of Gateway Review in April 2021. For background, the ‘ten point plan’ was aimed at recognising the changed and challenging environment and conveys the success factors critical to the future viability, relevance and legitimacy of City Deal.

In brief, the ‘ten point plan’ challenges set out new ways of working to address under-competitiveness, low productivity and dependency on government and other forms of assistance. The data shows clear trends and patterns – not just around sectoral and industrial issues – but social and place-based ones too. There are some big cultural issues to front up to, especially around the ways in which ‘failure’ and ‘risk’ are perceived and managed. There is also a key differentiation to make in the future around value/ wealth creation and extraction and ensuring we are able to distinguish between the two. In the light of the fact there are unlikely to be future City Deals at UK Government-level, (with all new investment to be channelled through the UK-wide Industrial Strategy and competitive-based funds such as the ISCF, Global Research Fund, Industrial Fellowships and Shared Prosperity), there is a strong need to ensure the Cardiff Capital Region City Deal investment fund remains ‘evergreen’ and is able to live off its interest and not its capital. City Deal is a significant programme – but it is not a panacea. By itself, it is not enough to move the needle in the way needed. However, seen as a first stepping stone on the path to greater economic self-reliance and self-sufficiency, it can indeed be a powerful force for good.

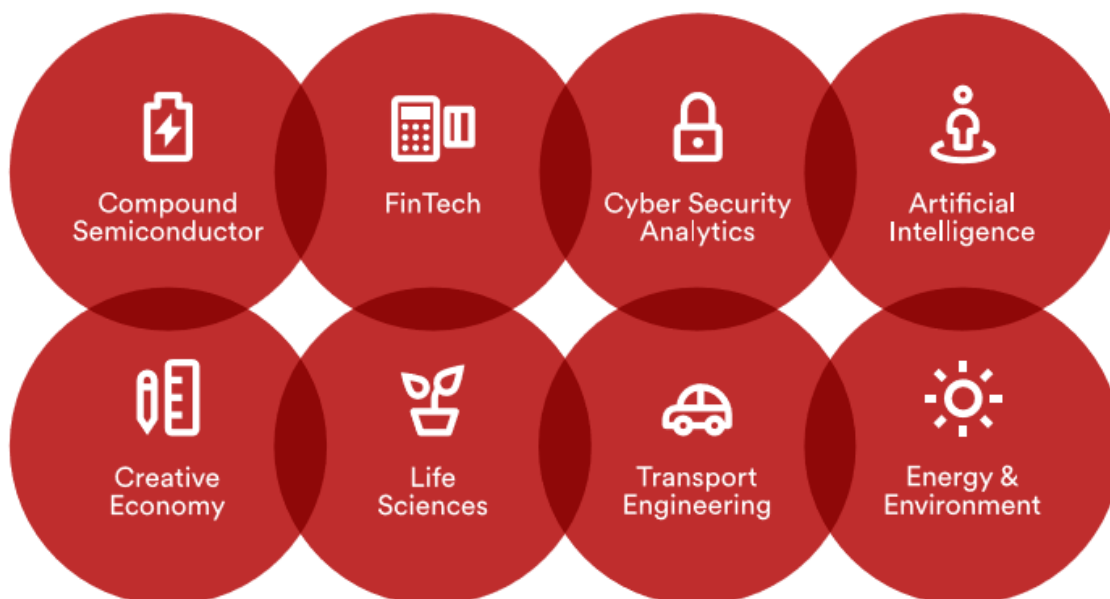
The ten point plan set out the following challenges – with responses and updates aligned for the 12 months October 2018 – October 2019:

1) Data and Insight:

We said:	We did:
<ul style="list-style-type: none"> • Low levels data capture & intelligence to inform priorities 	<ul style="list-style-type: none"> • 3 main data reports – State of the Region <ul style="list-style-type: none"> -Connected -Competitive -Resilient • Priority sectors identified • Data dashboard being developed
<ul style="list-style-type: none"> • Data key in underpinning assessment and evaluation 	<ul style="list-style-type: none"> • National Evaluation Framework adopted • Local Evaluation Framework approved • First baseline report is good
<ul style="list-style-type: none"> • Need to walk the talk – especially as CCR is a data-rich region with capability 	<ul style="list-style-type: none"> • 2 KES PhD studentships secured • Full economic impact in priority sectors such as Compound semiconductors to inform Strength in Places bid • Savills evidence of housing market

	<ul style="list-style-type: none"> Renewable energy and clean growth work done to complement Metro Plus
<ul style="list-style-type: none"> Integral to Gateway Review and notions of self-assessment 	<ul style="list-style-type: none"> First self-assessment produced One year out report underway Learning visits to Cohort One City Deals concluded

Key Sectors of Interest



2) Regional Industrial Plan

We said:	We did:
<ul style="list-style-type: none"> Current gap in context for 5 year business plan and longer-term planning 	<ul style="list-style-type: none"> Business-led Regional Industrial and Economic Growth Plan
<ul style="list-style-type: none"> Needs statement of vision and values 	<ul style="list-style-type: none"> Launched in CCR, London and MIPIM
<ul style="list-style-type: none"> Low levels of influence with UKRI and UK Industrial Strategy 	<ul style="list-style-type: none"> Interfaces with both Economic Action Plan & Industrial Strategy
<ul style="list-style-type: none"> Clarity about focus and priorities and what we can and can't do 	<ul style="list-style-type: none"> Fewer things better
	<ul style="list-style-type: none"> Endorsed by Cabinet, CBI IOD and FSB via Regional Business Council

Our approach will be based on:



Cohesion

Policy collaboration and delivery partnerships ensuring that there is cumulative impact to the range of investments and interventions delivered by the City Deal.



Scale

Limited number of significant interventions, rather than a disparate range of loosely connected small-scale activities.



Leverage

Maximise the City Deal investments by attracting co-investors with complementary funding and resources.



Return on Investment

Demonstrable impact and benefit will be expected from all investments and interventions.



Ecosystem Development

Supporting the development of a strong economic and innovation ecosystem to deliver the plan and develop clusters of excellence within our region.



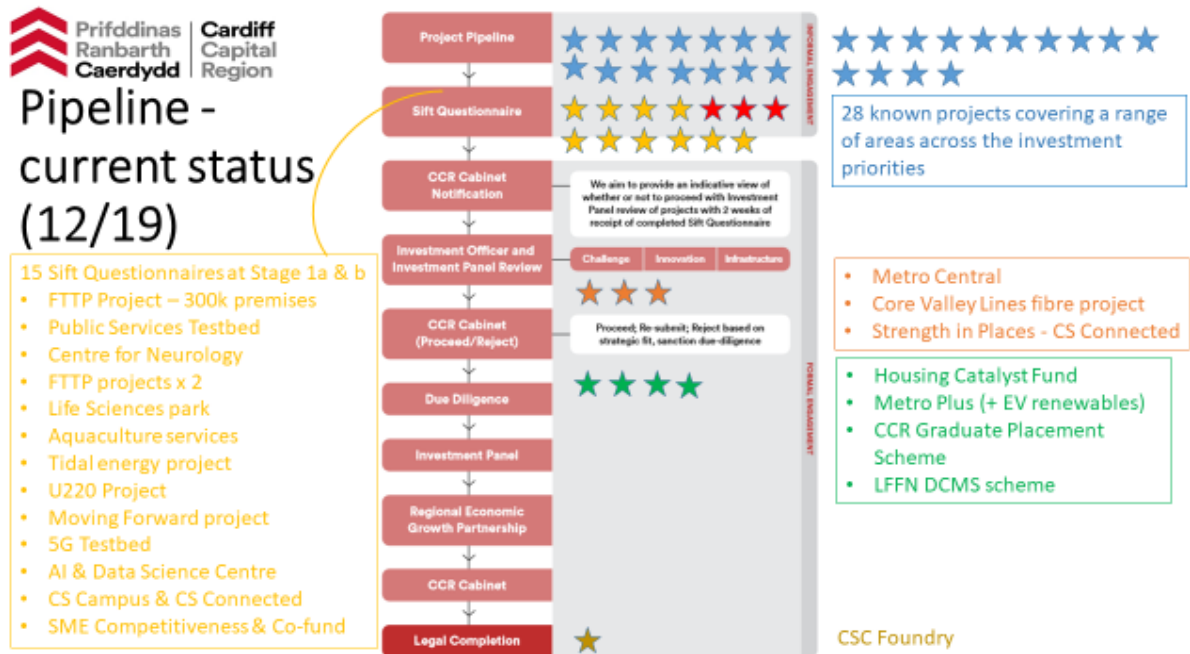
Economic Inclusion

Creating opportunity for all to distribute the dividends of increased prosperity fairly, to encourage and enable participation in the economic life of the region.

3) Delivery Pipeline and Investment Framework

We said:	We did:
<ul style="list-style-type: none"> Build foundations upon which to deliver 	<ul style="list-style-type: none"> Produced an Investment and Intervention Framework – launched in June 2019 Established three funds – Infrastructure, Innovation & Challenge Principles of evergreen, co-investment and leverage
<ul style="list-style-type: none"> Project focus instead of programme focus 	<ul style="list-style-type: none"> Focus on clusters and eco-systems
<ul style="list-style-type: none"> Toolkit needed to originate quality deal-flow 	<ul style="list-style-type: none"> Investment Panel convened to advise Cabinet Investment lead role
<ul style="list-style-type: none"> Toolkit needed to assess and evaluate investment proposals 	<ul style="list-style-type: none"> Common Assessment Framework for Metro Plus Local Partnerships work on Proportionate Business Case

<ul style="list-style-type: none"> • Delivery and quality 	<ul style="list-style-type: none"> • Criteria ensures we do right things not easy things
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4) Good Governance

We said:	We did:
<ul style="list-style-type: none"> • Consolidate governance 	<ul style="list-style-type: none"> • Chief Execs now re-formed as Programme Board with new Investment Panel convened to advise Cabinet
<ul style="list-style-type: none"> • Upgrade assurance process 	<ul style="list-style-type: none"> • Implement new Investment and Intervention Framework
<ul style="list-style-type: none"> • Remove application form • Make it business friendly 	<ul style="list-style-type: none"> • Introduction of SIFT process • Business leadership of new process via REGP
<ul style="list-style-type: none"> • Use skills in right places 	<ul style="list-style-type: none"> • Investment Panel and cluster leads established
<ul style="list-style-type: none"> • Business plans 	<ul style="list-style-type: none"> • Business Plans in place for Regional Skills Partnership and Regional Business Council • WAO review is good – all points for improvement incorporated
<ul style="list-style-type: none"> • Delegations 	<ul style="list-style-type: none"> • Revised and implemented as part of Investment Framework

5) Influence and leverage

We said:	We did:
<ul style="list-style-type: none"> Deal is not lot of funding so eye on leverage opportunities 	<ul style="list-style-type: none"> UKRI board level representation to lever influence and visibility Work via Science Council on Campaign for Science and Innovation Innovate UK link and potential secondment
<ul style="list-style-type: none"> Need to improve track record on external funds such as UKRI 	<ul style="list-style-type: none"> Multiple submissions to UKRI – Strength in Places Fund, challenge calls and WEFO
<ul style="list-style-type: none"> Low levels of influence and representation 	<ul style="list-style-type: none"> Represented on various boards, committees and partnerships to develop voice of CCR Wales office London Wales in London Week Ser Cymru
<ul style="list-style-type: none"> Under-developed competitiveness 	<ul style="list-style-type: none"> Analysis of priority sectors for comparative advantage Prospective partnership with Global Welsh Western Gateway

6) Create City Deal Office

We said:	We did:
<ul style="list-style-type: none"> PMO terminology out of date 	<ul style="list-style-type: none"> Created City Deal Office New structure and resourcing plan agreed
<ul style="list-style-type: none"> Absence of front of house facility 	<ul style="list-style-type: none"> Team re-located to Tredomen with branding and front of house
<ul style="list-style-type: none"> Conventional broadcast communications 	<ul style="list-style-type: none"> External secondments to plug capacity gaps
<ul style="list-style-type: none"> Gap in marketing and prospecting 	<ul style="list-style-type: none"> Website upgraded – with further work to follow Communications plan and marketing lead appointed
<ul style="list-style-type: none"> Needs an arms-length brand 	<ul style="list-style-type: none"> Brand established and further work underway to unite @ccrcitydeal and @acapitalregion

7) Enhance Industry and Local Leadership

We said:	We did:
<ul style="list-style-type: none"> More co-production across industry and public sector/ government 	<ul style="list-style-type: none"> Co-development of evidence base, industrial growth plan and development and implementation of the Investment Framework
<ul style="list-style-type: none"> Improved business engagement 	<ul style="list-style-type: none"> Business workshops, co-development of SIPF bids on

	examples such as Devices and Diagnostics and Cyber
<ul style="list-style-type: none"> Economic strategy leadership 	<ul style="list-style-type: none"> Development of cluster leads and sectoral approach to eco-systems Sector leading work on Compound Semiconductors via CS Connected
<ul style="list-style-type: none"> Business influence on investment assessment 	<ul style="list-style-type: none"> Process developed in collaboration with REGP Investment Panel 50% business 50% Councils
<ul style="list-style-type: none"> Thought leadership and policy develop work 	<ul style="list-style-type: none"> Publications on research and evidence, media articles, policy pieces and published articles. Input to OECD work and a high-level networks, partnerships and groups. Good outcomes from Welsh Affairs Select Committee Inquiry into City and Growth Deals

8) Challenge-focussed and mission-led

We said:	We did:
<ul style="list-style-type: none"> Shift away from grant culture to ROI focus 	<ul style="list-style-type: none"> Three funds built upon portfolio-based evergreen principles
<ul style="list-style-type: none"> Focus on wellbeing and inclusive economies 	<ul style="list-style-type: none"> Evaluate progress through alternative measures (Not just GVA) – work underway with Cardiff Business School
<ul style="list-style-type: none"> Challenge focus needs development 	<ul style="list-style-type: none"> Challenge fund principle established as one of three funds
<ul style="list-style-type: none"> Learn from experts 	<ul style="list-style-type: none"> UCL thinking considered Energy Systems Catapult work Energy vision and mission work supported by WG Energy Service
<ul style="list-style-type: none"> Move from speculative submissions to strategic calls and alignment with SBRI 	<ul style="list-style-type: none"> First challenge call on local wealth building – agreement to develop Advice secured and professional support from Nesta Challenge Prize Centre Submission to WEFO P5 Institutional Capacity

Figure 1 below illustrates the movement from broad challenges to specific missions.

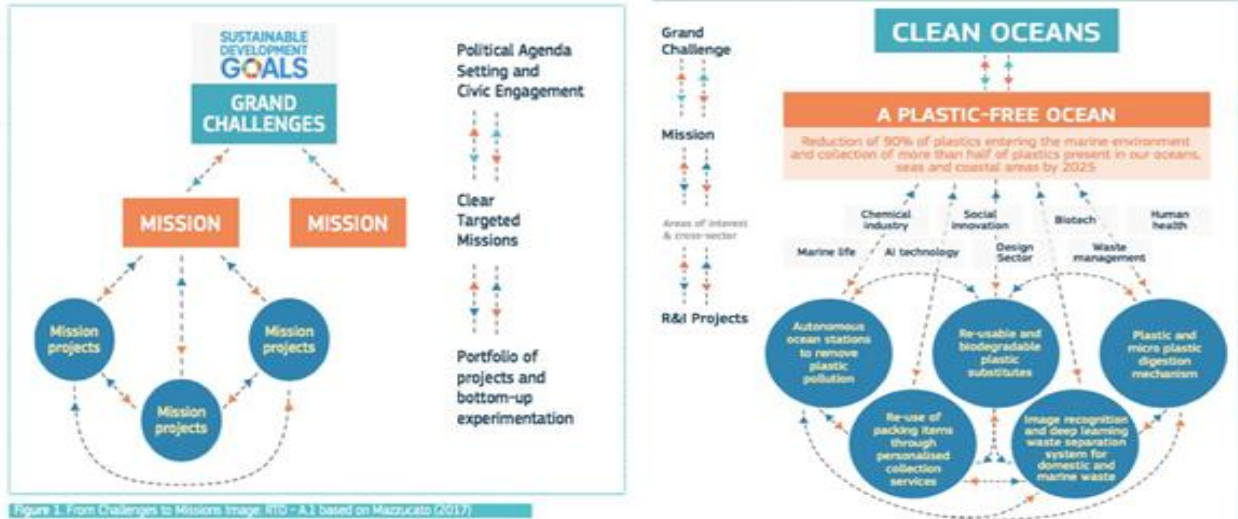


Figure 1. From Challenges to Missions Image: RTO – A.I based on Mazzucato (2017)

9) Internationalisation

We said:	We did:
<ul style="list-style-type: none"> Move beyond domestic UK focus 	<ul style="list-style-type: none"> Contributed to Wales in the World Sponsorship of WiL Week and full participation in events and showcase for Industrial Plan Participation in MIPIM 2019 and MIPIM UK 2019 Co-delivered workshop sessions with DIT across region
<ul style="list-style-type: none"> Develop investor readiness 	<ul style="list-style-type: none"> Spec developed and interim support commissioned to strengthen pipeline and deal flow
<ul style="list-style-type: none"> Beyond economic measures to what matters 	<ul style="list-style-type: none"> CARBS work on wider measures and metrics via Economic Intelligence Unit
<ul style="list-style-type: none"> Grow network beyond UK 	<ul style="list-style-type: none"> Co-hosted Xiamen, Singaporean CS Cluster and Taiwanese Govt delegation CS Connected Minneapolis British America Project

10) Towards a sustainable and resilient CCR

We said:	We did:
<ul style="list-style-type: none"> Move beyond City Deal 	<ul style="list-style-type: none"> Moving into building future of region – Strategic Development Plan, Valleys Regional Park and Regional Skills Partnership
<ul style="list-style-type: none"> Develop future of region 	<ul style="list-style-type: none"> OECD work contribution Contribution to Regional Investment Panel

	<ul style="list-style-type: none"> • Contribution to Shared Prosperity debates and consultation
<ul style="list-style-type: none"> • Foresight and planning for what's coming 	<ul style="list-style-type: none"> • Scenario planning and futures work around housing, EV and LEV, digital and transport and energy vision and mission

Kellie Beirne

Director, CCR City Deal

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Swansea Bay City Deal **January 2020 update**

1. Programme summary

The Swansea Bay City Deal covers the four local authority areas of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

Based on the Swansea Bay City Region's Economic Regeneration Strategy for 2013 to 2030, the City Deal sets out an integrated, transformational approach to delivering the scale and nature of investment needed to support plans for growth in the Swansea Bay City Region.

The strategic vision is to create a super smart innovation region which will inform and advance solutions to some of the most pressing challenges of modern times in the areas of economic acceleration, energy, life sciences and well-being, for example.

The Swansea Bay City Deal is a total investment of £1.3 billion over a period of 15 years.

This consists of £241 million from the UK Government and Welsh Government, £396 million from other public sector funding, and £637 million from the private sector.

The City Deal provides a once in a generation opportunity to further consolidate the region's role in technological innovation through the creation of interconnected testbeds and living laboratories, designed not only for proof of concept but also for proof of business.

Using the transformational powers of next generation digital technologies, and supported by a programme of tailored skills development, the City Deal will accelerate the region's innovation, technological and commercialisation capabilities to support the establishment and growth of local innovation businesses.

The strands of innovation, skills and digital infrastructure create synergies across the themes and projects of the Swansea Bay City Deal programme.

The City Deal is projected to be worth £1.8 billion and more than 9,000 well-paid, high-quality jobs to the City Region in coming years.

It consists of transformational, innovative projects in each regional local authority area covered by the City Deal, as well as a number of pan-regional projects. The City Deal will also act as a catalyst for further investment, job creation and economic prosperity.

The City Deal is being led by the four regional councils, in partnership with the two regional universities and two regional health boards.

2. City Deal governance and transparency

Governance in place includes monthly meetings of the City Deal's Joint Committee, which is chaired by the Leader of Swansea Council. All Joint Committee meetings are open to the public and papers are available online

Bi-monthly meetings of the City Deal's Joint Scrutiny Committee are also held. These are open to the public, with papers available online.

Led by the private sector, an Economic Strategy Board (ESB) has been established to represent the interests and voice of the regional business community in relation to both the City Deal and wider investment and economic development opportunities. The Chair of the ESB sits on Joint Committee to ensure clear lines of communication and feedback between elements of the governance structure

A regional tidal lagoon task force in place, and a regional transport sub-committee is in the process of being established

3. Reviews into the City Deal

Two reviews into the Swansea Bay City Deal were undertaken in late 2018/early 2019. Actica Consulting was appointed to carry out an independent review through the Welsh Government and UK Government. Commissioned by the City Deal's Joint Committee, Pembrokeshire County Council carried out an internal review with support from the other three regional local authority audit teams.

Independent review

This review was completed in March, 2019. All review recommendations have been accepted by the City Deal's Joint Committee and are in process of being implemented. These include the appointment of a new City Deal Programme Director, and the establishment of a new City Deal Portfolio Management Office

Internal review

This review was completed in March, 2019. All review recommendations have been accepted by the City Deal's Joint Committee and are in the process of being implemented.

Post-review progress

Following the reviews, new processes and assurances have already been put in place. This has contributed to an improved business case approval process.

4. Key Swansea Bay City Deal achievements

The first £18 million of City Deal funding was released in December 2019, based on the approval of two projects – Yr Egin in Carmarthen, and the Swansea City and Waterfront Digital District

A second £18 million of City Deal funding will be released by the end of March 2020, subject to further project approvals by that time. Further funding releases are also scheduled for the next financial year, subject to progress on delivery.

As per the recommendations of reviews into the City Deal carried out in early 2019, a City Deal Programme Director was appointed on December 6, 2019.

Specialist advisors in key sectors will also be imminently appointed to assist the City Deal's Economic Strategy Board.

Other recent City Deal progress includes:

- Joint Committee formally authorising the submission of the Pembroke Dock Marine project in October, 2019, to the UK Government and Welsh Government for final approval.
- A revised Neath Port Talbot programme of projects (Supporting Innovation and Low Carbon Growth) being approved by Neath Port Talbot Council's Cabinet in July, 2019. Subject to Joint Committee's authorisation, this programme of projects will be submitted later this month (January, 2020) to the UK Government and Welsh Government for final approval.

This recent progress builds on other significant achievements since the City Deal's inception. These include a unanimous approval of the Joint Committee Agreement by all four regional Councils in summer of 2018, which resulted in the formal establishment of Joint Committee and its supporting governance structure

The Economic Strategy Board was formally established in September, 2018, to represent the voice of the private sector in developing and delivering the portfolio of projects and wider ambitions of the City Deal.

A City Deal Business Engagement Manager and Communications & Marketing Officer are also in post.

5. Update on the development of City Deal projects

Progress includes:

- The completion of Yr Egin phase one in Carmarthen, which is operational and close to full occupation. S4C now has its headquarters at the creative and digital hub, which also accommodates many other creative sector businesses. The recent City Deal funds released will unlock a second phase of the development.
- The start of main construction works on site for Swansea's digital indoor arena, with Ambassador Theatre Group (ATG) on board as venue operator once the facility is complete. Due to open in 2021, the arena will be complemented by a digital square.
- A planning application is also expected to be submitted for the digital village on Kingsway in Swansea city centre in coming months. This development will cater for tech and digitally focussed businesses.
- The completion of a Homes as Power Stations pathfinder scheme in Neath
- The opening of Marine Energy Test Area (META) phase one in Pembrokeshire. This forms part of the Pembroke Dock Marine project.
- Outline planning consent granted for Llanelli's Life Science & Well-being development in August, 2019. Ground investigation preparatory works at the proposed site for the development have also been undertaken.

6. Monitoring and evaluation

Priority has been placed on developing a City Deal implementation plan, which was approved in principle by Joint Committee in August, 2018. A revised implementation plan will be considered by Joint Committee for approval in January, 2020

A monitoring and evaluation framework is also currently under development which will set out the proposed approach to evaluating the impact of the City Deal. This work is being developed in parallel with the project business cases

All projects are required to develop their own monitoring framework, which will feed in to programme level monitoring and evaluation. All projects must as a minimum demonstrate and measure impact on job creation, GVA uplift, skills development, well-being objectives and sector specific benefits in areas including health and poverty

Other work includes an integrated assurance and approval plan for the City Deal, which is now under development.

Discussions have been held with the Office of the Future Generations Commissioner to ensure that arrangements embed well-being principles, with City Deal project progress reported to the Economic Strategy Board and Joint Committee on a monthly basis.

7. Communications and business engagement

Regular communications and business engagement activities are carried out across the City Region and beyond to raise the profile of the City Deal.

Activities include a City Deal website and social media accounts which are regularly updated to provide updates on activities and developments

E-newsletters with City Deal updates are also sent directly to the regional business community, complementing regular City Deal updates featuring in the local, regional, national and specialist media

A number of business engagement events have been held throughout the region, with regular City Deal representation at exhibitions and business events.

Further, similar events throughout the region planned for early 2020 and beyond.

A series of procurement principles for the City Deal are also currently under development to ensure regional impact and growth

8. Anticipated next steps

Building on recent progress, anticipated next steps include the formal submission of a number of further projects to the UK Government and Welsh Government for approval in coming months. These will include:

- The revised Neath Port Talbot programme of projects (Supporting Innovation and Low Carbon Growth)
- Homes as Power Stations
- Skills and Talent
- Digital Infrastructure
- The Life Science and Well-being development

A Programme Management Office under the leadership of the new Programme Director will also be established, along with the implementation of all review recommendations not yet in place.

Further releases of City Deal funding are soon anticipated, based on further project approvals.