

CARDIFF CAPITAL REGION CABINET

CABINET MEETING 02 May 2017

THE WIDER INVESTMENT FUND ANNUAL BUSINESS PLAN 2017-18

REPORT OF CARDIFF CAPITAL REGION PROGRAMME DIRECTOR

AGENDA ITEM: 4

Reason for this Report

1. Subject to the agreement of the Regional Cabinet to Terms and Condition of the Welsh Government and subsequent receipt of HMT contributions by the Accountable Body, covered in a separate report, there is a need to produce an Annual Business Plan, to comply with Section 2.4 and 7.3 of the Joint Working Agreement (JWA), to allow Regional Cabinet to commit up to £50,000,000 (fifty million pounds) in advance of the agreement and adoption of the JWA Business Plan.

Background

2. The report of the Accountable Body received and approved by the Regional Cabinet at its meeting held on 17th March 2017, included the Regional Cabinet's Annual Budget for 2017-2018 amounting to £1 million (one million pounds), along with details of each council's respective contribution.
3. That report of the Accountable Body also proposed that 3% of the Wider Investment Fund (£742,500) would be ring-fenced for programme development and support, including support of the Advisory/Consultation Bodies, and was approved, (subject to acceptance of the Terms and Conditions for grant transfer).
4. The report of the Regional Programme Director contained the work plan for 2017-2018 called the Transition Plan, which was also approved by the Regional Cabinet at its meeting on 17th March.

Proposal

5. To allow Regional Cabinet to proceed to commit up to £50,000,000 (fifty million pounds), in advance of the agreement and adoption of the JWA Business Plan, Section 2.4 of the Joint Working Agreement (JWA) needs to be complied with. Section 2.4 states that an Annual Business Plan needs to be in place and agreed by the Joint Cabinet.
6. Regional Cabinet have already approved £742,500 of the 2017-2018 Wider Investment Fund monies for partnerships and programme development support as stated above. This means that for 2017/18 the remaining budget available for project development and implementation is £19,257,500.

7. As the JWA Business Plan, (as detailed in Section 7 of the JWA), is still under development and hence key projects and programmes have not yet been prioritised and agreed, it is proposed that the use of the £19,257,500 is limited to the development and implementation of schemes, projects and programmes as detailed in the Cardiff Capital Region Implementation Plan, which was approved as part of the JWA, with any specific proposal subject to approval of the Regional Cabinet.
8. It is proposed that the CCRC Annual Business Plan 2017-2018 will consist of:
 - the Transition Plan 2017-2018 as agreed by Regional Cabinet on 17th March 2017; and
 - £19,257,500 available for the support of schemes, projects and programmes detailed in the Cardiff Capital Region Implementation Plan, which was approved as part of the JWA.
 - Any decision made by the Joint Cabinet related to 2.4 of the JWA.
9. To allow the Annual Business Plan to be implemented there may be a need to establish delivery mechanisms to take forward approved schemes, projects and programmes. It is therefore proposed that the Joint Cabinet agree that appropriate delivery mechanisms, for example appointment of a lead authority; a special purpose vehicle; a community interest company, be put in place to deliver approved projects.
10. The Annual Business Plan for the Regional Cabinet should be prepared and circulated no later than 90 Business Days prior to the envisaged commencement of the relevant Accounting Period” and the Regional Cabinet shall meet within 30 Business Days of the date of circulation to approve its contents. As the proposed Plan for 2017-2018 is required to allow Joint Cabinet to comply with section 2.4 of the JWA and is proposed to be superseded in the near future by the JWA Business Plan it is proposed that these prior notification periods are waved.

Financial Implications

11. *(to follow)*

(received and inserted 26th April 2017)

12. The source of the funding for the Annual Business Plan is £20 million to be received in 2017/18 from the HM Treasury Contribution on ‘Initial Project Investments’. The spend is subject to the terms of the Assurance Framework as per clause 2.4 of the Joint Working Agreement.

Legal Implications

13. *(to follow)*

(received and inserted 26th April 2017)

14. Clause 7.3 of the Joint Working Agreement (‘JWA’) provides that the Programme Director shall procure a draft Annual Business Plan for consideration and, if deemed suitable, approval by the Joint Cabinet. The

Annual Business Plan is defined as meaning the plan in relation to the annual spend for approved projects to be implemented in the accounting period to which the report relates.

15. The JWA provides timescales in which the annual business plan should be prepared and the periods of notice to be given to the parties. In this case, because of time constraints, it is proposed to waive the timing and notice requirements set out in clause 7.3. The waiver of requirements required by the JWA, in effect, amount to an amendment of the terms of the JWA. The waiver is not a deemed a substantive amendment to the terms and conditions of the JWA and the amendment can be agreed by the Joint Committee, within the scope of its delegated powers. The delegation to the Joint Cabinet including the authority to make amendments to the terms of the JWA, which are not substantive. That said however, Members need to be satisfied that they have had appropriate time to consider the content of the Annual Business Plan and are content with the same. In this case, it is understood that there has been no consultation with stakeholders as regards the proposed Annual Business Plan, which may be a point of criticism that such stakeholders may raise.
16. In preparing the Annual Business Plan regard should be had, amongst other matters, to:
 - (i) the Council's duties under The Well-being of Future Generations (Wales) Act 2015 and; (ii) public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief.
17. As and when any individual project proposals are developed legal advice should be sought.

Equalities Impact Statement

18. Included above.

Reasons for Recommendations

19. To comply with 2.4 and 7.3 of the JWA and allow Regional Cabinet to commit up to £50,000,000 (fifty million pounds) in advance of the agreement and adoption of the JWA Business Plan.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Cabinet:

- a) For 2017-2018, waive all requirements for prior notification of an Annual Business plan, and

- b) For the purposes of complying with 2.4 and 7.3 of the Joint Working Agreement approve the Annual Business Plan 2017-2018, attached as **Appendix 1**, consisting of:
- the Transition Plan 2017-2018 as agreed by Regional Cabinet on 17th March 2017;
 - a budget (money received) of £19,257,500 and the ability to commit up to £50m (fifty million pounds fifty) for the support of schemes, projects and programmes detailed in the Cardiff Capital Region Implementation Plan, which was approved as part of the JWA, with any specific proposal subject to approval of the Regional Cabinet;
- c) To note that if commitments exceed the available monies received in 2017-2018 this will result in committing future annual budgets;
- d) Agree to establish appropriate delivery vehicles to implement approved projects, for example a lead authority; special purpose vehicle; a community interest company.

Sheila Davies
CCR Programme Director
25th April 2017

The following Appendix is attached:

- Annual Business Plan 2017-2018

Background papers:

- Cardiff Capital Region City Deal Agreement dated 1.3.17
- The report of the Accountable Body received and approved by the Regional Cabinet at its meeting held on 17th March 2017
- The report of the Regional Programme Director received and approved by the Regional Cabinet at its meeting held on 17th March 2017

APPENDIX 1

ANNUAL BUSINESS PLAN 2017-2018

The report of the Accountable Body received and approved by the Regional Cabinet at its meeting held on 17th March 2017, included the Regional Cabinet's Annual Budget for 2017-2018 amounting to £1 million (one million pounds), along with details of each council's respective contribution.

That report of the Accountable Body also proposed that 3% of the Wider Investment Fund (£742,500) would be ring-fenced for programme development and support, including support of the Advisory/Consultation Bodies, and was approved, (subject to acceptance of the Terms and Conditions for grant transfer).

The report of the Regional Programme Director contained the work plan for 2017-2018 called the Transition Plan, which was also approved by the Regional Cabinet at its meeting on 17th March.

Regional Cabinet have already approved £742,500 of the 2017-2018 Wider Investment Fund monies for partnerships and programme development support as stated above. This means that for 2017/18 the remaining budget available for project development and implementation is £19,257,500.

As the JWA Business Plan, (as detailed in Section 7 of the JWA), is still under development and hence key projects and programmes have not yet been prioritised and agreed, it is proposed that the use of the £19,257,500 is limited to the development and implementation of schemes, projects and programmes as detailed in the Cardiff Capital Region Implementation Plan, which was approved as part of the JWA, with any specific proposal subject to approval of the Regional Cabinet.

The capital expenditure in financial year 2017-2018 is:

	Capital Expenditure Profile:	
Financial Year Ending	Development of Schemes detailed in the Implementation Plan	Total
	£m	£m
31-Mar-18	19.257	19.257

To allow the Annual Business Plan to be implemented there may be a need to establish delivery mechanisms to take forward approved schemes, projects and programmes. It is therefore proposed that the Joint Cabinet agree that appropriate delivery mechanisms, for example appointment of a lead authority; a special purpose vehicle; a community interest company, be put in place to deliver approved projects.

Note:

The capital expenditure profile may vary dependent on any decision made by the Joint Cabinet related to 2.4 of the JWA which allows the Regional Cabinet to commit up to £50,000,000 (fifty million pounds) in advance of the agreement and adoption of the JWA Business Plan.