

Fy Nghyf / My Ref: CDR/rr
Eich Cyf/Your Ref.:
Dyddiad/Date: 11 April 2017



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FAQ Debra Carter
Deputy Director for Local Government Strategic Finance
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Dear Debra

Re: Payment of Funding in relation to Cardiff Capital Region City Deal Investment Fund for the years 2016-17 to 202-21

Thank you for your funding letter dated 22nd March 2017 and arranging to meet with us on 6th April .to review the clarifications raised by the project, which we had sent on the 31st March.

At the meeting you very helpfully clarified Welsh Government's intentions in respect of a number of funding conditions. Please find below our understanding of the points discussed, which subject to your confirmation, would form an amendment/variation to the funding letter and be signed by both Welsh Government and the Accountable Body as set-out in Condition 20c of your funding letter.

Condition 1 - Award of Fundina

It was confirmed by Welsh Government that whilst this funding letter covers the first five years to 2020-21, totalling £50 million, there is no intention on its part to restrict Cardiff Capital Region City Deal (CCRCD) commitments (in respect of HM Treasury funding) to this sum.

HM Treasury's letter dated 11th November 2016 is attached as Appendix 1 to this letter. This sets out that funding totalling £375 million has been committed for CCRCD and will be provided to Welsh Government as block grant over the next twenty years.

Condition 1b confirms that this funding will be provided to Welsh Government with the expectation that it will be passed on to CCRCD. Subsequent funding letters will also cover a period of five years, which are subject to the scheduled Gateway Reviews being passed at those intervals. This is the case for all City Deals across the UK.. Furthermore, Welsh Government confirmed that it has no intention to vary the Terms and Conditions that will apply to future funding letters.

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The Council welcomes correspondence in English and Welsh and we will ensure that we communicate with you in the language of your choice, whether that's English, Welsh or bilingual as long as you let us know which you prefer. Corresponding in Welsh will not lead to any delay.

Cyflawni ein gweledigaeth o ddod y brifddinas orau i fyw ynddi yn Ewrop

Mae'r Cynghor yn crosewau gohoblaeth yn Gymraeg a Saesneg a byddwn yn siarhau ein bod yn cyflwyno i chi yn eidd deir, i'ith bod yn Gymraeg, yn Saesneg neu'n ddwyieithog dim ond i chi roi gwybodaeth ni po un rydd well genrych. Ni fydd gohebu yn Gymraeg yn creu unrhyw oedl.

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Condition 3 - Interpreting these Conditions

Welsh Government confirmed that the definition of 'you' is intended to cover the City of Cardiff Council as the Accountable Body for CCRCD for and on behalf of all ten local authorities. This definition applies to the funding letter in its entirety and in particular to Condition 20f.

It was accepted that 'Programme Manager' will mean 'Regional Programme Director'. This definition applies equally to Condition 9c – Monitoring Requirements.

Condition 5 - Payment Profile

Welsh Government agreed to consider that in future years (from 2018-19 onwards) that funding is paid in full, at the beginning of each financial year or within 10 working days of receipt from HM Treasury, whichever is later.

CCRCD can confirm that subject to Joint Cabinet approval (scheduled for the end of April) it may have a requirement to drawdown circa £16 million to £20 million, no later than 1st June 2017 (the project is aiming to finalise the expenditure profile this week). Welsh Government agreed to explore whether it could make available funds in respect of financial years 2016-17 and 2017-18 within this timescale. In the event that this date cannot be achieved by Welsh Government, funds will be made available as soon as practicably possible after this date particularly in respect of 2016/17 funding and in any event no later than six months from the 1st April 2017.

In terms of the payment process, Welsh Government confirmed that it will issue a notification in advance of the payment being released and there will be no requirement to complete and submit a grant claim form.

Welsh Government confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. Carry forward in respect of the final year (2020-21), will also be permitted providing that the Gateway Review is passed.

Condition 10a - Audit Requirements

Welsh Government confirmed that 'Wales Office' will mean 'Auditor General for Wales'.

Condition 15b - Giving Notice

Welsh Government confirmed that 'You' will mean 'Corporate Director Resources at the address stated in Condition 3'.

I would be grateful if you could confirm that the points outlined above are accepted by signing the declaration at the end of this letter or please provide any amendments as appropriate.


Finally, Welsh Government confirmed that there is no deadline for accepting the funding terms and conditions. However, we outlined that clause 2.3 of the Joint Working Agreement requires Joint Cabinet to approve the terms of any Welsh Government funding conditions within six months of the Commencement Date (1st March 2017), with the prior agreement of the Accountable Body (in consultation with the other Councils). Please accept this letter as our intention to recommend the funding conditions to Joint Cabinet for approval at their meeting at the end of this month, subject to the agreement of the above matters.

Yours sincerely


Christine Salter
Cyfarwyddwr Corfforaethol Adnoddau /Corporate Director Resources

Declaration:

I hereby accept the amendments/variations outlined above in respect of the award of funding in relation to Cardiff Capital Region **City** Deal Investment Fund for the years 2016-17 to 2020-21.

 _____	Signature
<u>Debra Carter</u> _____	Name
<u>Deputy Director for Local Government Strategic Finance</u> _____	Title
<u>j l. OLI--. 20(1 -</u> _____	Date

ATEBWCH I / PLEASE REPLY TO: Cyfarwyddwr Corfforaethol Adnoddau/Corporate Director Resources, Ystafell / Room 343C, Neuadd y Sir / County Hall, Glanfa'r Iwerydd / Atlantic Wharf, Caerdydd / Cardiff, CF10 4UW. Ffon / Tel (029) 20872300; E-bost / E-Mail: Treasurersoffice@cardiff.gov.uk