

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

18th FEBRUARY 2016

THE CARDIFF CAPITAL REGION CITY DEAL

REPORT OF THE CHIEF EXECUTIVE IN DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER (COUNCILLOR ANDREW MORGAN)

AUTHOR: Chris Bradshaw, Chief Executive (01443 424026)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to update Members on the progress made since the report to Cabinet of 24th November 2015, that set out what a “City Deal” was expected to achieve and the component parts which make up a Deal.
- 1.2 To advise Members of the formation of a “Core Team” to present the proposals of the Deal to the UK Government and Welsh Government at challenge sessions and to note the timescales in which these sessions will be undertaken.
- 1.3 To confirm that even if a Deal is agreed by the UK Government and Welsh Government, there will be no financial commitment upon the ten South East Wales local authorities, until such time, as the details of the major projects are agreed, governance and financial agreements are signed off and that each constituent authority thereafter, signs up to the Deal. The timescale of this is between 6 - 18 months after the UK Government confirmation of the Deal.

2. RECOMMENDATIONS

It is recommended that the Cabinet:-

- 2.1 Note the contents of this report.
- 2.2 In the event that the Deal is agreed by the UK Government and the Welsh Government at the outcome of the challenge sessions, the Leader of the Council be authorised to sign the formal “City Deal” offer document on the basis that it does not commit the Council, until such time, as the detailed proposals are negotiated and agreed between the constituent authorities.

3 REASONS FOR RECOMMENDATIONS

The timescales to complete the City Deal for the Cardiff Capital City Region are very short when compared to other City Deals across the UK, and it is therefore essential that local authority Members are kept up to date of the progress being made, and understand how the City Deal mechanism works in practice.

4. BACKGROUND

- 4.1 Since the report to Cabinet on 24th November 2015, a considerable amount of work has been undertaken in a short timescale.
- 4.2 Officers with advisors (who have worked on previous City Deals), have been preparing a “Business Case - Proposal Document” for the forthcoming challenge sessions, which will be held with both the UK Government and the Welsh Government, to test the robustness and deliverability of the proposals set out within the document.
- 4.3 The document will set out a strategic statement, the governance structure that will be at the core of any Deal, to ensure that each of the constituent authorities (once they agree the Deal), are committed to its delivery for the duration of the Deal, the make-up of the finance that is required and a series of asks and offers from the local authorities to the two governments.
- 4.4 In order that the Business Case - Proposals Document for the Cardiff Capital Region City Deal can be delivered at the challenge sessions in a very focused and consistent manner, it was agreed by the ten Council Leaders, that a “Core Team” of five be constituted. The Core Team would be made up of three Leaders - Councillor Morgan (Rhondda Cynon Taf - Chair), Councillor Bale (Cardiff) and Councillor Fox (Monmouthshire), together with a senior representative from the Business sector and another from the Higher Education sector. Briefing session with the Core Team, will be taking place over the coming weeks in the lead up to the challenge sessions.
- 4.5 It is anticipated that an agreed Business Case - Proposals Document, will be finalised shortly, whereupon, it will be signed off by the Leaders.
- 4.6 Welsh Government has indicated that their challenge session is likely to take place week commencing 22nd February 2016. Arrangements for the challenge session with UK Government ministers have yet to be confirmed but are likely to be scheduled this month.
- 4.7 If the Deal is successful, then a formal announcement may be made the week commencing 7th March 2016, with the signing of the Deal

agreement taking place quickly thereafter. The Deal would certainly be included in the Budget proposals to be announced by UK Government week commencing 14th March 2016.

5. THE DEAL AGREEMENT

In the event that a Deal is successful, the agreement will set out what finance is available and the principles of any Deal. It will only commit the constituent authorities to explore ways of delivering the principles and strategic objectives. Only once each constituent authority is in full agreement to the proposals being put forward and is content to sign up to the Deal document will it become binding. As mentioned above, this could take between 6 to 18 months after the announcement of the agreement of the City Deal in March 2016.

6. EQUALITY AND DIVERSITY IMPLICATIONS

The City Deal is currently in its infancy and no decisions have yet been taken on areas of investment. Equality Impact Assessments will be undertaken on a regional basis as City Deal decisions are brought forward in the future.

7. CONSULTATION

A key element of the City Deal will be consulting and engaging businesses, higher and further education, all local authority members and the wider community. Initial information sharing meetings have already been undertaken to brief business and higher and further education providers in the Region in order to seek their views and ideas on how we maximise the benefits of a City Deal. If the City Deal is agreed in the coming months, greater consultation will be undertaken with a range of stakeholders,

8. FINANCIAL IMPLICATION(S)

There are no additional financial implications in the lead up to the submission of the Business Case - Proposals Document, however, if there is a successful outcome to the Deal, then a further report to Members will be necessary to establish a dedicated Project Team to take the Deal forward.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

The Cabinet authorised officers to work with the other South East Wales local authorities to develop a business case for a City Deal. This development of the Business Case – Proposal Document is still ongoing and forms the basis of the negotiations with UK and Welsh Governments.

10. LINKS TO THE COUNCILS CORPORATE PLAN/OTHER CORPORATE PRIORITIES/SIP

The Single Integrated Plan has Prosperity as a key theme. The City Deal could have a significant impact on realising the Prosperity targets in the SIP.

11. CONCLUSION

11.1 The City Deal approach to infrastructure funding has proven to be successful in delivering increased economic activity, infrastructure funding and development certainty in many UK cities, with some cities agreeing multiple City Deals. The Cardiff Capital Region significantly lags behind the rest of the UK in terms of economic output, contributing only 75% of the UK average GDP. This is an opportunity for the 10 South East Wales local authorities to collaborate together, with Welsh Government, to generate a significant boost to the local economy and begin to address the under investment in infrastructure, both connectivity and digital, and take the opportunity to develop the skills of the workforce and support businesses to develop through innovation.

11.2 The 10 local authorities are making good progress in developing a Business case – Proposal Document to negotiate a City Deal with UK and Welsh Governments. If the 10 local authorities secure a City Deal the potential benefits to Rhondda Cynon Taf are significant. The inadequacies of the current transportation and housing infrastructure are a major drag on future wealth generation for residents and local business and this, the first City Deal, provides the opportunity for Rhondda Cynon Taf to capitalise on a major boost to the economy of the Cardiff Capital Region.

Other Information:-

Relevant Scrutiny Committee

Public Service Delivery, Communities and Prosperity Scrutiny Committee

Background Papers

None

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LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Item: The Cardiff Capital Region City Deal

Background Papers

None

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