

Cardiff Capital Region City Deal

Sheila Davies

Programme Director

CCR City Deal



What's it all about?

- Collaboration
- Working with business community
- A commitment for city-region governance
- Creating opportunity for further City Deals.



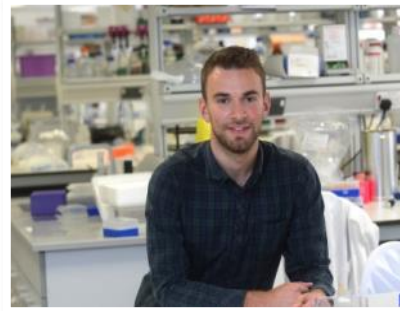
It's about - the CCR Investment Fund

- A **£1.2bn** fund to grow GVA by investing in the economic fabric of the region
- **£734m** to be invested in Metro
- **£495m** to be invested in wider ambitions such as housing and site regeneration
- Investment Informed by the CCR Economic Growth Partnership and Independent Growth and Competitiveness Commission



Its about - Investing in these areas:-

- Innovation, and Digital Networks
- Improving Skills and Training
- Business Support and Investment
- Housing and Land Use
- Transport and Connectivity



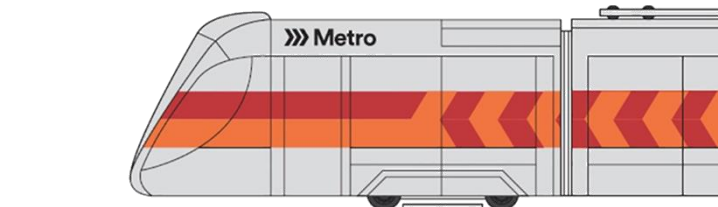
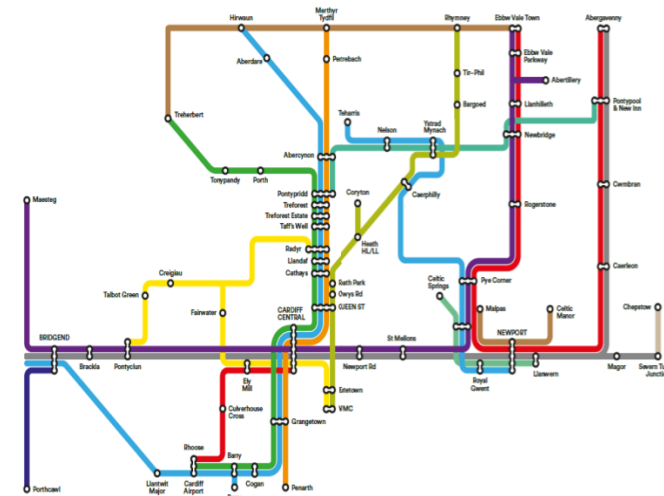
Its about - Robust Investment and Programme Governance

- Prioritisation based on Independently verified economic modelling
- Single Assurance Framework
- Strategic city-region wide planning
- Alignment/ co-ordination of regional resources



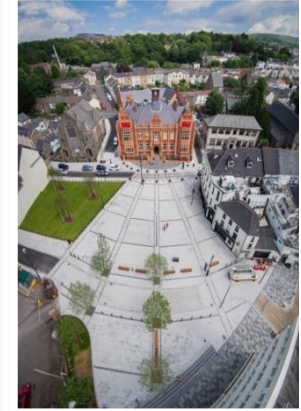
Its about - Improving Transport Connectivity across the Capital Region

- Establishing CCR Transport Authority to oversee development of integrated transport system.
- Working with Welsh Gov't to co-design Metro



Moving Forward -

- Complete all the governance arrangements
- Engage business, HE & FE and third sectors
- Embed the Independent Growth & Competitiveness Commission findings
- Finalise the “shape” of the Prospectus for Investment
- All 10 councils formally agree to fund, and deliver the City Deal, in early 2017



Important to remind ourselves of the agreed Project Objectives:

- **PRIMARY Objective:** Increase to Net Fiscal Bottom line (GVA uplift plus reduction in welfare costs)
- **SECONDARY Objective:** Regional spread of benefits, particularly impact on deprived communities
- **PROGRAMME MINIMA:** Demonstrate a 'Minimum benefit' to every area e.g. every council experiences at least a minimum level of benefit

UK Funding Risk entirely linked to achieving GVA targets based on the above

City Deal Funding Summary

	Metro Project		CCR Invest Fund (Non-Metro)		Total	
	£M		£M		£M	
UK Funding (HMT)	125	25%	375	75%	500	100%
Welsh Govn't	503		-		503	
ERDF Funding	106		-		106	
Local Authorities	-		120		120	
	734		495		1229	

UK Funding Profile (£375M):

Years 1-5: £10M per yr	REVENUE
Years 6-15: £22M per yr	CAPITAL
Years 16-20: £21M per yr	CAPITAL

Funding Ratio UK : LA

UK Funding	£375M	75.8%
LA Funding	£120M	24.2%
Total	£495M	100.0%

Base Case: Total Revenue Costs

Cardiff Capital Region - Investment Fund

		Heads of Terms March 2016	Revised Base Case Nov 2016
LA Partnership Contribution		£120M	£120M
Repayment Term		20yrs	25yrs
Interest Rate		5%	3%
UK Government 'Cost of Carry'		111.9	52.6
LA £120M - CAPITAL Allocation		162.8	166.8
LA £120M - REVENUE Allocation		0.0	0.0
TOTAL REVENUE COST		274.6	219.4
		£M	£M
Blaenau Gwent	4.6%	12.8	10.1
Bridgend	9.4%	25.8	20.7
Caerphilly	12.0%	33.0	26.3
Cardiff	23.7%	64.7	52.0
Merthyr Tydfil	3.9%	10.8	8.6
Monmouthshire	6.1%	16.9	13.5
Newport	9.8%	27.0	21.5
Rhondda Cynon Taff	15.8%	43.4	34.6
Torfaen	6.1%	16.8	13.4
Vale of Glamorgan	8.5%	23.4	18.6
TOTAL REVENUE COSTS	100.0%	274.6	219.4

Base Case: Peak Annual Revenue Cost

Peak ANNUAL Revenue Cost

(Based on POPULATION)

Peak Debt = Fund Year 11

£294M
Peak Debt
(£193m 'lag' from UK Funding & £101m
LA Capital)

		Heads of Terms March 2016	Revised Base Case Nov 2016
		£120M 20yrs	£120M 25yrs
		5%	3%
		£M	£M
Blaenau Gwent	4.6%	0.9	0.6
Bridgend	9.4%	1.8	1.2
Caerphilly	12.0%	2.3	1.6
Cardiff	23.7%	4.5	3.1
Merthyr Tydfil	3.9%	0.7	0.5
Monmouthshire	6.1%	1.2	0.8
Newport	9.8%	1.9	1.3
Rhondda Cynon Taff	15.8%	3.0	2.1
Torfaen	6.1%	1.2	0.8
Vale of Glamorgan	8.5%	1.6	1.1
TOTAL REVENUE COSTS	100.0%	18.9	13.2

Base Case: Year 1-5 Revenue Costs

Year 1 – 5 Total Revenue Cost

(Based on POPULATION)

2017/18 – 2021/22

**Implications for Medium
Term Financial Plan
(MTPF)!**

Heads of Terms
March 2016

Revised
Base Case
Nov 2016

£120M
20yrs

£120M
25yrs

5%

3%

£M

£M

Blaenau Gwent	4.6%	0.9	0.5
Bridgend	9.4%	1.8	1.1
Caerphilly	12.0%	2.3	1.3
Cardiff	23.7%	4.5	2.7
Merthyr Tydfil	3.9%	0.7	0.4
Monmouthshire	6.1%	1.2	0.7
Newport	9.8%	1.9	1.1
Rhondda Cynon Taff	15.8%	3.0	1.8
Torfaen	6.1%	1.2	0.7
Vale of Glamorgan	8.5%	1.6	1.0

TOTAL REVENUE COSTS (YRS 1-5) 100.0%

18.9

11.2