

IWA Smart Region project

About the Institute of Welsh Affairs

We are the Institute of Welsh Affairs (IWA), Wales' leading think tank. We challenge, inspire and drive change, making Wales a better place to live and work for everyone.

We are independent of government and political parties.

We bring together experience and expertise from all backgrounds to collaborate on the most important issues facing Wales.

We come up with ambitious but practical and informed ideas to improve the economy, education, governance, health and social care and the media.

Our vision is to create a Wales where everyone can thrive.

Aim of the Smart Region project

The aim of the IWA Smart Region project is to produce practical short to medium term recommendations and secure commitment to using Smart technology to maximise the positive impact of the Cardiff Capital Region for the people who live and work in the region.

The project has three objectives:

1. **Inform:** to understand and capture activity already happening in the CCR
2. **Inspire:** to collate and present inspiring examples of Smart cities and regions around the world
3. **Catalyse:** to generate collective commitment to action to build a Smart Region in CCR and other regions of Wales.

We want to capture this learning so this approach can be translated to other regions of Wales and the UK.

Context

The Cardiff Capital Region City Deal (CCRCD) provides a time-limited opportunity to drive action on Smart technology and infrastructure.

The deal aims to achieve a 5% uplift in the region's GVA by delivering programmes which increase connectivity, improve physical and digital infrastructure, and regional business governance. By 2036, local partners expect the City Deal to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment, on top of the £1.28 billion public investment.

The £1.28bn public investment is split into two pots.

- 1) A £495m Wider Investment Fund which will support projects to stimulate the economy. This is comprised of £120m from the 10 local authorities and a £375m grant from HM Treasury
- 2) The £734m South Wales Metro budget. This is comprised of £314m from the Welsh Government, £314m from HM Treasury, and £106m from the EU Regional Development Fund specifically for electrification of the Valley Lines

The Joint Cabinet established to drive the CCRCD has agreed four priority areas: business and innovation, regeneration, skills and employment, and connectivity.

At the time of writing (July 2018), the following investments have been confirmed:

- £734 million has been allocated to the South Wales Metro
- £38.5 million loan via a Special Purpose Vehicle in the compound semiconductor cluster, CS Connected.

Investments which are agreed in principle, but awaiting final business cases, include:

- Cardiff Central Station improvement works, dubbed Metro Central
- Regional Housing Investment Fund
- Digital Strategy
- Skills for the Future

The IWA is concerned that there has been little active, public consideration of the potential of Smart technology and infrastructure to contribute to the strategic priorities

of the CCRCD.

Smart has the potential to drive wider benefits in health, well-being and citizen engagement which will have an impact beyond the targeted 5% rise in GVA. For example, Smart Kalasatama, an innovation test bed and living lab in Helsinki, facilitates co-creation of new urban services. One third of the population is actively involved in projects through workshops and events. These also bring the city government, large and small companies, property developers, planners and residents together to define needs and to test services. Ultimately this network has accelerated new ideas into prototypes and new businesses.

We consider the key challenges to overcome in delivering a smart region are:

1. CCRCD is a partnership of 12 different governmental bodies (10 local authorities, Welsh Government and UK Government) plus funding from the EU specifically for the Metro. Amidst this complexity, there is no single figurehead or leader to drive the agenda forward. There is also a lack of political incentive to work regionally
2. There is no formal mechanism for external engagement with the region's stakeholders, including businesses, academic institutions and citizens. The CCRCD website is rarely updated. There are some advisory groups mandated by the City Deal conditions, however there is limited evidence of their active engagement in developing priorities.
3. There is plenty of good work to celebrate already across the region, but at present initiatives are fragmented with no formal means of joining up activities to amplify their impact, and creating a shared culture of innovation.
4. There is a wealth of evidence available from public bodies and other institutions about the features and needs of the region. However, this has not been collated and analysed to inform a shared assessment of priorities that can be easily communicated publicly.

There are also time-limited opportunities to seize:

- The CCRCD strategic plan and economic strategy are being developed in the period up to 2020. Now is the window in which to demonstrate the potential of Smart technology and galvanise action;

- The Economic Growth Partnership Board members have been appointed. This Board will have responsibility for steering the deal and identifying future investment opportunities.

Our intention is not to get in the way of existing processes and governance arrangements, but to offer ourselves as an authoritative, independent, non-political partner. The IWA is uniquely placed in Wales to bring together key partners across business, academia, the public sector and politics to identify practical solutions and drive action.

Project outline

The IWA has brought together seven partners to fund a six month policy post (until 10 October 2018). We are extremely grateful for the financial and practical support of ARUP, BT, Cardiff University, Centrica, Microsoft, Next Gen Data and Open University.

Keith Watts, IWA Smart Region Project Coordinator, began in post on 10th April 2018.

A project Advisory Group has been established to provide expert oversight and support for the project. This group includes representatives from our funders as well as representatives from the Valleys Taskforce, Wales Cooperative Centre, and Y Lab.

A report of the project's findings will be published at an event in September 2018.

It will set out the evidence and conclusions on these central issues, in line with our 3 objectives: inform, inspire, catalyse. It will seek to provide answers to the following questions:

- What do we understand by Smart?
- What is the political, policy and financial context?
- What are the features of the region?
- What is already happening in the region?
- What can we learn from elsewhere?
- What steps do we need to take to maximise the potential of Smart technology in the region?

Proposed project extension

The agreed aim of the IWA Smart Region project is to produce practical short- to

medium-term recommendations and secure commitment to using Smart technology to maximise the positive impact of the Cardiff Capital Region for the people who live and work in the region.

Through the project's initial development, it has become clear that there are many potential contributors to the success of a Smart Region that have no formal or clear mechanism to engage with or strategically contribute to the region's development.

In order to catalyse the kind of collective vision required to drive a Smart Region, we need to provide a space for the region's stakeholders in which they develop shared priorities and collective momentum.

We propose to hold a series of roundtable events with the region's stakeholders on key issues identified through the project research. The outputs of these roundtable events will culminate in a single day long "Smart Region Summit" which will develop a shared action plan designed for the region, by the region.

The proposed timescale and activities for this activity is:

- Report launch, September 2018
- Roundtable discussions, October and November 2018
- Smart Region Summit, December 2018

Further information

If you would like to discuss further please contact:

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