



A smart region: a proposal for thought-leadership

About the IWA

The Institute of Welsh Affairs is Wales' leading independent think-tank, a membership-based organisation with nearly 1,000 members across Wales and beyond.

There are two key ways in which the IWA works. Firstly, we provide a space for independent comment, by stimulating constructive debate on any issue of relevance to Wales. In addition to our ongoing events programme, we offer our highly-regarded current affairs magazine, *the welsh agenda*, and our online space Click on Wales, as a platform for comment. Over 27,000 unique individuals visited Click in the three months to April 2017, so we have substantial reach.

Secondly, we work collaboratively to shape and develop critical thinking in our five priority areas: the economy, education, governance, health and social services, and media. We take the long view, convening experts, practitioners and people with lived experience to devise practical proposals for improvements to feed into the policy making process. We broker influential relationships, bringing together unusual combinations with different perspectives. We act as a bridge between Wales and learning from elsewhere. We are not bound by Assembly terms. Rather, we are interested in the game-changing ideas that can transform the Wales of the future, and helping make them happen.

Aim of this project

To convene and galvanise existing and potential partners and stakeholders and produce, through effective thought-leadership, practical and achievable recommendations for using technology to maximise the positive impact of the Cardiff Capital Region City Deal.

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, able to showcase ideas from around the UK and beyond, crowdsource the opinions of people who live in the region, challenge existing thinking, and link up stakeholders.

Background: Cardiff Capital Region City Deal

The Cardiff Capital Region City Deal (CCRCD) provides a time-limited opportunity to mobilise partners, crystallise focus and drive action on the additional value smart technology could add to developments in the region.

The overarching goal of the CCRCD is to improve the economic conditions of the area through a tripartite investment of £1.28 billion between the 10 local authorities in the region, the Welsh Government and UK Government by 2036. The ambition is that the deal will achieve a 5% uplift in the region's GVA by delivering programmes which increase connectivity, improve physical and digital infrastructure, and regional business governance.

The Shadow Cabinet established to drive and provide governance for the CCRCD has indicated that projects are likely to fall into four areas: connectivity; digital; innovation and skills; and worklessness. To date, one investment of £39.9 million has been made in compound semiconductors.

Opportunity

There has been a vocal campaign for more widely available and greater capacity broadband across the UK over the last ten years. Billions of pounds have been spent by the private and public sector in pursuance of that aim. The UK now leads Europe in broadband in terms of geographic availability, bandwidth, price and retail competition.

Having spent these billions of pounds, however, the key question now is how does this gigantic investment turn into economic and social benefits that both improve citizens' quality of life and provide jobs and growth? Cities and city regions across the globe are addressing this issue, and the CCRCD should be no exception.

In the UK the most regularly referenced project is MK:Smart, a £16million research project, led by the OU, that seeks to make Milton Keynes smarter by understanding data. As a project MK:Smart is based on a simple principle –include all the city stakeholders in the project and make sure the citizens are at the centre. We will adopt the same principle in the design and delivery of this project.

Central to the MK:Smart project is the creation of a state-of-the-art 'MK Data Hub' which will support the acquisition and management of vast amounts of data relevant to city systems from a variety of data sources. These will include data about energy and water consumption, transport data, data acquired through satellite technology, social and economic datasets, and crowdsourced data from social media or specialised apps.

It is widely understood that there are potential quick wins in this area e.g. smart street lighting and traffic management. However, there is also a broader strategic aim: to create not just physical infrastructure which improves public services but also a skills base of people able to work in and exploit this digital environment, as well as an innovative culture where new digital business as well as large corporates can flourish.

In order for south east Wales (and other regions of Wales) to embrace fully the Smart Region concept, a partnership approach akin to that which drives MK:Smart is needed. The IWA is uniquely placed in Wales to convene key partners across business, academia, the public sector, and politics to identify practical solutions and drive action.

Cardiff Capital Region Three Potential Cycles of Development



Timetable taken from the Growth and Competitiveness Commission: Report and Recommendations, December 2016.

The CCRC has been growing in momentum during 2016-17, since funding was secured and focus agreed. How it is organised remains a very complex picture, however, with a broad range of interests and overlapping activity such as the Valleys Taskforce which [reported](#) on the scope of its activity in July 2017. Governance of the Economic Growth Partnership Board is in development. This Board will have responsibility for steering the deal and identifying opportunities. Combined, these and other initiatives, including activity in the Swansea Bay City Region which has a strong digital focus, provide a substantial impetus to act quickly and ensure that momentum is maximised and the potential of smart technology is a key focus.

Professor Greg Clark CBE, Chair of the Growth and Competitiveness Commission, acknowledged in his foreword to the Commission's report that this period represents a “fresh start for the city-region and offers the possibility of an integrated, singular and long term approach to the region, rather than the multiple and fragmented initiatives of the previous cycles”. A focused, time-limited thought-leadership collaborative project identifying clear,

practical recommendations on smart technology has the potential to galvanise, integrate and add significant value to the objectives of the CCRC, whilst the strategic plan and economic strategy is determined in the period up to 2020.

Significant work has already been done under the leadership of Peter Fox, Leader of Monmouthshire CC, on smart technology for the delivery of public services. Equally the south east Wales Learning and Skills Partnership (LSKIP), under the Chairmanship of Leigh Hughes of Bouygues, is already addressing the key issue of digital skills. This proposal seeks to augment those existing workstreams and add value to them by providing thought leadership on the huge global emerging market for smart technology and the internet of things. For example, the FT (28.06.17) estimates that by 2020 companies will be spending 250bn euros p.a. on these technologies with half that spending coming from manufacturing, transport and utility industries.

Proposal

IWA to co-ordinate activity and bring together partners for a time-limited period of focused thought-leadership, by hosting a funded policy post for one year (c. £42k to cover salary including on-costs, equipment for the post holder and a small budget).

IWA would also seek to maximise the impact of initial funding by seeking additional funding from trusts and foundations.

IWA would seek to work with existing initiatives including the work underway to create a regional observatory to better guide investment decisions relating to the City Deal and regional policy in general.

This project would take place in three key phases:

- i) Convene an expert advisory group and refine project scope
- ii) a comprehensive audit of what is already available in the region and crowd-sourcing public opinion on specific priority issues to be addressed by CCRC
- iii) a route map of practical actions describing how to create tangible outcomes.

Key features of the project we propose are:

- Thought-leadership, focused on practical solutions through smart technology
- Regional parameters, to ensure benefits are spread throughout communities
- Independent, but well linked and coordinated with external activity
- Focused urgency, to enter and steer the debate
- Building robust consensus amongst key partners
- Effective public engagement - listening to what people living and working in the region say that they want

- Starting to scope potential economic impacts for example in terms of the creation of quality jobs, and stimulating both local growth and inward investment.

Role of Advisory Group

An advisory group will be established to provide expert oversight and support for the project, from its conception to delivery. In particular, the group will be responsible for project oversight and help identify:

- Project outcomes - what can we achieve and by when?
- What is already happening? In Wales, UK, internationally? What can we learn?
- What are the timescales - what external events do we need to take account of and respond to throughout the project?
- What are the specific features of our region? What are our biggest problems ? How can technology potentially play a role in identifying and overcoming them?
- What should we prioritise? What would make the biggest difference and how would we judge that?

Potential Advisory Group partners (max 8-10)

- Public Sector, including Welsh Government and a representative of the Cardiff Region City Deal
- Academics, including Open University and Cardiff University
- Private sector partners, including Bouygues, Microsoft, BT, NGD (Newport), ICE, Tramshed Cardiff, PWC, ARUP
- Others, including key 3rd sector and community groups in the region

Proposed next steps (subject to funding and external timescales)

1. Summer 2017 onwards: Seek support from expert partners to form an advisory group for the project, and seek funding partners
2. October 2017: hold a meeting to engage advisory group in refining project scope, rationale and case for support
3. October 2017: Secure funding for policy post
4. February 2018: Audit report produced seeking to set out what people are doing already and the crowd-sourced key “problems” of the region that technology can play a role in improving
5. July 2018: Report of policy solutions developed with recommendations for priority action, and associated communication activity

Further information

In order to begin this important work, we require support for the project, both expertise and financial.

If you would like to discuss further please contact:

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