

Report To: Council

Date of Meeting: 23rd October 2018

Lead Member / Officer: Hugh Evans / Graham Boase

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Title: A Growth Deal for the Economy of North Wales: Proposition Document

1. What is the report about?

This report is about the Proposition Document attached to this report as Appendix 2 which sets out the priority programmes of activity and projects that are to be considered for inclusion in a growth deal at Heads of Terms stage with both the UK and Welsh governments.

2. What is the reason for making this report?

To ask Council to adopt the Proposition Document and authorise the Leader to commit the Council, alongside its partners, to entering Heads of Terms agreement with the UK and Welsh governments.

3. What are the Recommendations?

3.1 That Council adopts the Proposition Document as (1) the basis of a longer-term regional strategy for economic growth and (2) the regional bid for the priority programmes and projects from which the content of a Growth Deal will be drawn at the Heads of Terms Agreement stage with Governments. Adoption does not commit the Council to any financial investment of its own at this stage and is subject to the financial risks and benefits of the final Growth Deal being set out in detail, for full consideration, when the final Deal is presented for approval at a later date.

3.2 That the Leader be authorised to commit the Council to entering Heads of Terms with Governments alongside the political and professional leaders from the nine other statutory partners represented on the North Wales Economic Ambition Board, and the North Wales Mersey Dee Business Council, with the Proposition Document setting out the parameters for the Heads of Terms agreement.

4. Report details

Cabinet adopted the Growth Vision for the Economy of North Wales in September 2016. The vision set out a collective and strategic ambition for North Wales for infrastructure development, skills and employment, and business growth. The cabinets of the five partner councils in the region similarly adopted the strategy at that time.

Cabinet was then advised in a further report in February 2017 that North Wales had been formally invited to open negotiations for a Growth Deal with both the UK and Welsh Governments: - for additional resources and powers to pursue the priorities set out in the Growth Vision. A number of City Deals and regional Growth Deals have been adopted across the UK.

In June of this year Cabinet and Council adopted a Governance Agreement for the planning and development phase of a Growth Deal. The Governance Agreement empowers and regulates the regional partnership between the six local authorities, the two universities, the two further education colleges and the North Wales Mersey Dee Business Council. The partnership operates through a joint committee called the North Wales Economic Ambition Board. All partners have similarly adopted the Governance Agreement.

The target date for entering a Heads of Terms Agreement for a Growth Deal with both governments was set as autumn/winter 2018. A Proposition Document, which sets out the priority programmes of activity for the region and for which national funding is being sought through the Growth Deal, has been approved by the North Wales Economic Ambition Board. The Growth Deal will fund selected programmes and projects from within the Proposition Document; ones that meet shared governmental objectives for economic growth. The document constitutes the regional bid which will lead to a deal.

The Proposition Document has been developed over a period of time with significant input from the business sectors in the region and the partners themselves, and in close liaison with civil servants from both the UK Government and the Welsh Government. The Proposition Document builds on the earlier Growth Vision and proposes a range of interventions for economic growth under a series of priority programmes.

Council resolved at its June meeting that it be presented with the final draft Growth Deal Bid prior to the stage of reaching Heads of Terms with both Governments. The Proposition Document sets out the programmes and projects to be considered for inclusion in a Growth Deal, at Heads of Terms stage, by both Governments. The region is now on the verge of reaching Heads of Terms.

During October the regional partners are being invited to endorse the Proposition Document to give a mandate to their respective leaders to enter into a Heads of Terms Agreement with both Governments. Post Heads of Terms, the region would then enter the final stage of Bid development and negotiation with Governments.

The Cabinets and Councils of all 6 North Wales local authorities will be considering the contents of the template report attached to this report as Appendix 1. This appendix provides further detail as to the background to the proposition document.

On 15th October 2018 the Cabinet resolved to recommend the Proposition Document to Council for adoption and authorised the Leader to commit the Council to entering Heads of Terms with Governments alongside the political and professional leaders from the nine other statutory partners represented on the North Wales Economic Ambition Board, and the North Wales Mersey Dee Business Council, with the Proposition Document setting out the parameters for the Heads of Terms agreement.

5. How does the decision contribute to the Corporate Priorities?

The Growth Deal Bid will be based on themes which are in line with the Council's corporate priorities

6. What will it cost and how will it affect other services?

A Growth Deal Bid is a major investment in a region by Governments with risks and benefits shared with the local authorities and their partners in the region. Investment capacity is a major consideration in designing the Bid. The full cost implications of the possible Growth Deal will be reported at the Heads of Terms stage.

7. What are the main conclusions of the Well-being Impact Assessment?

On balance, the Growth Bid for North Wales is assessed as having a positive impact on North Wales generally and Denbighshire specifically. Its main benefits come from the increased employment opportunities, economic activity, personal and business wealth and wellbeing its activities will create, leading to more vibrant and sustainable communities with reduced deprivation and worklessness, and a reduction in the inequalities arising from deprivation.

There are risks, however - both in terms of how inclusive the growth will be and the impact that growth could have on the region generally and Denbighshire specifically. Managing these risks will require deliberate actions by the North Wales Councils and their partners. Some mitigation measures are already in progress, others need to be developed.

More details are contained in the Well Being Impact Assessment attached at Appendix 3

8. What consultations have been carried out with Scrutiny and others?

The development of the content of the Growth Deal Bid is an inclusive process with considerable participation across the public and business sectors.

Councillors have been provided with briefings on the strategic intentions of the Growth Vision & Strategy and the development of the Growth Deal Bid.

There have been two presentations on the Growth Bid to Council Briefing in 2018.

9. Chief Finance Officer Statement

As stated in the recommendation, endorsement of the proposition document does not commit the council to any financial investment. However, if the bid is successful, there will be costs that the councils and possibly other partners in the region will have to fund. The quantum of such costs will depend on the final detail of projects agreed by the two governments. How and when the costs might then be distributed is not yet finalised or agreed.

10. What risks are there and is there anything we can do to reduce them?

Once the potential extent and content of the Growth Deal is known, following agreement of Heads of Terms, a full risk assessment and cost-benefit analysis can be undertaken. This would be available to inform decision-making before the region entered into commitments at the stage of final Growth Deal agreement later in 2019. Risk analysis is built into the business case modelling for the programmes and projects which make-up the developing Bid. All projects listed in the Proposition Document have an Outline Business Case to demonstrate their worth and value.

11. Power to make the Decision

s2 Local Government act 2000