

**Report to:** Partnerships Scrutiny Committee  
**Date of Meeting:** 12<sup>th</sup> July 2012  
**Lead Officer:** Head of Housing & Community Development  
**Report Author:** Strategic Regeneration Manager  
**Title:** Regional Collaboration on Economic Development

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**1. What is the report about?**

The report is about the development of a strategy to address the relative performance of the economy of North Wales compared to that of the other parts of Wales and the UK, and the creation by the region's six unitary authorities of a Board which will oversee the delivery of the strategy.

**2. What is the reason for making this report?**

The purpose of the report is to enable pre-decision scrutiny of the anticipated benefits of collaborative arrangements for the purpose of economic development.

**3. What are the Recommendations?**

That Scrutiny supports the:

- 3.1 principles of the Economic Ambition – A Strategy for Change document as set out in Appendix 1; and
- 3.2 formation of the Economic Ambition Board and the draft constitution as set out in Appendix 2;

**4. Report details**

**Economic Ambition Strategy**

- 4.1 Over recent months, officers (working with the Cabinet Lead Member) have been in discussion with colleagues from Flintshire, Wrexham, Conwy, Gwynedd and Anglesey to set out a new strategic direction for economic development across North Wales. This collaborative initiative has stemmed from concerns about the performance of the North Wales economy relative to other parts of Wales and the UK and the need to improve performance and strengthen economic growth. Economic indicators show that the North Wales economy has low productivity (71% of the UK average), low levels of new firm formation and high levels of youth unemployment. Of particular concern is the lack of inward investment which has been attracted to the region over recent years.

- 4.2 In response a new strategy for change has been prepared, set out in Appendix 1, which aims to improve productivity, competitiveness and growth of the North Wales economy. The priorities identified in the strategy include the need for:
- a. clear leadership and coordination for collective economic development activities in the region,
  - b. rebalancing the local economy by increasing growth and productivity,
  - c. improving strategic infrastructure, and
  - d. upgrading the skill base, reducing inactivity and tackling youth unemployment.
- 4.3 In order to achieve a significant improvement in the region's economic performance, the six local authorities need to better organise themselves and avoid duplication, working beyond traditional administrative boundaries and playing to each others strengths. The focus of joint working will be restricted to those activities which:
- a. demonstrates that there is a common and pressing need across North Wales;
  - b. address major strategic development issues facing North Wales; and
  - c. demonstrate that there is added value from joint working and collaboration.
- 4.4 The strategy does not seek to draw together all local authority economic development functions. Nothing in the strategy prevents the Council from identifying and pursuing its own priorities for economic development. However, where there is an advantage in working collaboratively, the Council will be able to do so.

#### **Economic Ambition Board**

- 4.5 It is proposed that the coordination and oversight of this work is undertaken by the creation of the Economic Ambition Board for North Wales. This would consist of representatives from each of the six North Wales local authorities (probably the Lead Member for Economic Development or Regeneration), chaired by the representative of one of the six local authorities, supported in each authority by the Head of Service and/or Corporate Director for Economic Development and Regeneration. No power would be delegated to it from the local authorities. Any decision to commit the Council to a course of action would be done through approved channels. A copy of the draft constitution for the Economic Ambition Board is at Appendix 2.
- 4.6 Engagement of the wider stakeholders will be essential and the Board would need to consider how the voice of others will be heard. The Welsh Government's involvement will be crucial in delivering the strategic priorities. To date, the Welsh Government and the Minister

for Business, Enterprise, Technology & Science in particular has been supportive of the work undertaken. Collaboration with other stakeholders will also be important, in particular Higher and Further education (HE & FE) institutions, Careers Wales, Job Centre Plus and the private sector. All will have a part to play in the delivery of the various work streams.

4.7 The outcome should be a more effective, coordinated and strategic approach to issues affecting the economic performance of North Wales, with the six local authorities working collectively, sharing expertise and resources to deliver the agreed priorities. The focus of activity being on those things where there is added value from working collectively and would include – business and enterprise support, inward investment, strategic infrastructure and tackling youth unemployment. Some of the initiatives proposed for the short term include:

- a. commissioning a detailed review into the engagement between the Economic Ambition Board and key stakeholders, in particular the private sector, HE and FE and the voluntary sector;
- b. the development of a North Wales Business Charter;
- c. a proactive approach to developing a small number of key economic sectors in North Wales that will contribute to improving the region's competitiveness;
- d. a new and coordinated approach to inward investment (focussing on the key sectors); and
- e. an agreement to arrange one Business Week for North Wales.

4.8 Three key themes have emerged from various workshops and discussions in order to provide a clear focus for our work. These include,

- a. the energy and environment sector
- b. advanced manufacturing, and
- c. "Destination North Wales".

A co-ordinated and ambitious action plan will be put in place for these three key themes – all at a regional level, which will set the context for the education and skills agenda, business support programme, and infrastructure needs and requirements of North Wales. It is important to note that there are other key sectors that will need to be developed in order to achieve a step change in the performance of our local economies across North Wales – and arrangements will be put in place to have a sub-regional approach to some of these sectors. Examples include the construction sector and the creative industry sector. The "Destination North Wales" programme in particular will be an exciting and innovative development – this is an opportunity to ensure that North Wales has a clear programme in place to attract investment and visitors, targeting particular markets (in particularly within the energy

and advanced manufacturing sector) and ensuring that the supply chain opportunities are exploited in order to retain investment and expenditure within the region. It will also focus on promoting marketing and trade opportunities for businesses located in North Wales. A clear marketing plan for the region will be one product of this work – conveying clear messages to the outside world that North Wales is an exciting and excellent place to do business and to visit.

- 4.9 Work is currently taking place to develop a business plan and structure for the Ambition Board, aligned to the 3 key priorities identified above. The private sector in particular will have a very important input into the design and development of the Action Plans. A project plan, with clear milestones, is also in the process of being prepared.
- 4.10 The Economic Ambition Board would also provide North Wales with a stronger unified voice to help shape and influence planning and policy decisions at national level (e.g. European funding post 2013, the Wales Infrastructure Investment Plan and the amendments to the Planning Policy Wales). Nothing prevents the Council from forming its own opinion and responding independently, however, a unified voice on major issues affecting the region may be better received if all six North Wales local authorities are saying the same thing.

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

The decision will contribute to the proposed Corporate Priority for Economic and Community Ambition by providing a regional context for the development of the County's economic priorities.

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

There is no additional cost to the Council for supporting the Strategy and the creation of the Board. If the arrangements were to lead to a proposal to change the configuration of economic development services which would involve staff working in different ways or locations then this would be the subject of a further report at the appropriate time.

**7. What consultations have been carried out?**

The proposals have been discussed and are supported in principle by the North Wales Economic Forum and the North Wales Leadership Board.

**8. Chief Finance Officer Statement**

Not applicable

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

A risk assessment will be undertaken by the Economic Ambition Board on its business plan once it is agreed.

**10. Power to make the Decision**

Section 2 of the Local Government Act 2000 gives the Council the power to do anything which it considers is likely to promote or improve the economic well-being of the area.

Article 6.3 of the Council's Constitution

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