

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **23RD APRIL 2013**

REPORT BY: **DIRECTOR OF ENVIRONMENT**

SUBJECT: **DESIGNATION OF CITY REGIONS IN WALES.**

1.00 **PURPOSE OF REPORT**

1.01 To update on the review of establishing City Regions in Wales and the position on the Mersey Dee Alliance area.

2.00 **BACKGROUND**

2.01 Internationally, resurgent cities and city regions are increasingly being acknowledged as the critical context for the achievement of national growth objectives. They tend to attract higher skills, value-added services, high-tech manufacturing, offer higher productivity and a concentration of higher paid jobs.

2.02 For these reasons, the Minister for Business, Enterprise Technology and Skills appointed Dr Elizabeth Haywood in early 2012, to consider the potential for establishing City Regions in Wales.

2.03 The Board of the Mersey Dee Alliance (MDA) submitted evidence to the Welsh Government on behalf of the MDA and the North Wales local authorities, suggesting that a City Region based around Wrexham, Deeside and Chester with the surrounding MDA area, offers considerable potential to evolve as a functional City Region. A City Region in this area offers potential to secure economic growth and employment opportunities in the immediate area and for the wider North Wales economy. The evolution of a strong functional economy in NE Wales/NW Cheshire would be complementary to the development of Newport, Cardiff and Swansea economies in South Wales. In combination, they would offer the prospect of more overall balanced development of Wales.

2.04 The evidence submitted by the MDA received wide support from the private, voluntary and educational sectors. Members will be aware that following the recent publication of the 'Heseltine Report No Stone Unturned', UK Government has accepted the need for a new approach to regional economic development, with a considerable delegation of responsibility for labour market planning, inward investment, and strategic transport infrastructure to be devolved to the

local level; in England's case, to the Local Enterprise Partnerships (LEPs).

2.05 A copy of the Report prepared by Dr Elizabeth Haywood is attached as Appendix 1. Whilst rejecting the case for a City Region, based around Wrexham, Deeside and Chester, the Report makes four recommendations with implications for the MDA and the cross-border economy:

- to become a real strategic force in the region, the Mersey Dee Alliance (MDA) will need to be given relevant powers and funding. It will also need to change its structure, to incorporate strong private and education (HE/FE) sector membership.
- the MDA should have the authority to develop a cross-border labour market plan, and to develop and deliver a regional skills agenda.
- the MDA should take the lead in promoting the region for investment purposes, making a virtue of its cross-border nature and rejecting the existing tendency to focus marketing on one side of the border or the other.
- there should be a Memorandum of Understanding between the Welsh Government and UK Government covering cross-border transport planning (binding on independent bodies such as Network Rail), with the MDA, or Taith and the Cheshire Local Transport Partnership, having a statutory role to be heard on proposals of regional significance.

2.06 Whilst it is disappointing that Dr Haywood was unable to accept the evidence presented, the recommendations made, if approved by the Minister, do represent a considerable advance on what is currently in place. The new arrangements, particularly the proposal to develop a Memorandum of Understanding between UK and Welsh Governments on cross border working will enable the MDA to tackle a range of key issues that it is currently unable to. These include road and rail investment, public transport, skills and labour market planning and investment plans for further and higher education.

3.00 CONSIDERATIONS

3.01 The Minister is now asking Welsh AMs and the MDA for their views on these recommendations. (Appendix 2)

3.02 The Haywood recommendations represent a considerable step forward for the MDA and will allow the organisation to become an increasingly effective player in driving forward the local economy. The report does also vindicate the approach taken by the Council, since it is a founder member of the MDA. The recommendations of the review should be supported on the basis that the MDA is deserving of special status even if it does not conform to a City Region accepted definition. As part of this recognition the Council would expect the MDA to be

given equal importance to the two proposed South Wales City Regions (Cardiff and Swansea), equal funding benefit in economic development and infrastructure investment, equal marketing and promotion as a location for business growth location. Importantly, Wales-UK Governmental co-operation and joint infrastructure planning is required in recognition of the cross-border area span of the MDA geography.

4.00 RECOMMENDATIONS

4.01 That Members note the contents of the Haywood Report, attached as Appendix 1 and approve the draft response set out in 3.02.

5.00 FINANCIAL IMPLICATIONS

5.01 None directly, but City Region status has the potential to increase access to EU and other funding.

6.00 ANTI POVERTY IMPACT

6.01 An improved competitive position for the MDA will help secure jobs and prosperity for all.

7.00 ENVIRONMENTAL IMPACT

7.01 The MDA already has a strong reputation for joint approaches to cross border environmental enhancement and delivery of green infrastructure. The proposals set out should help this further.

8.00 EQUALITIES IMPACT

8.01 None directly.

9.00 PERSONNEL IMPLICATIONS

9.01 The Haywood recommendations suggest that the MDA be strengthened, with additional Government funding; this may mean additional staffing, although Flintshire County Council is not the employing body.

10.00 CONSULTATION REQUIRED

10.01 This will be undertaken by Welsh Government.

11.00 CONSULTATION UNDERTAKEN

- 11.01** Considerable consultation has been undertaken, involving stakeholders from both sides of the border as well as the wider North Wales region.

12.00 APPENDICES

- 12.01** Appendix 1: Dee Region Cross-Border Economy: next steps -Report by Dr Elizabeth Haywood March 2013
Appendix 2: Dee Region AMs 19th March 2013

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

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