

## COMMUNITY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday, 4th November 2015
<b>Report Subject</b>	Growing the Local Economy
<b>Portfolio Holder</b>	Cabinet Member for Economic Development
<b>Report By</b>	Chief Officer Community and Enterprise
<b>Strategic / Operational</b>	Strategic

### EXECUTIVE SUMMARY

Flintshire's economy is one of the most successful in Wales and act as a major driver for the North Wales and North West England sub-regions. The Council works collaboratively with Welsh Government and with regional and sub-regional partnerships to maximise and sustain this success.

The area, though, faces competition from other regions of the UK and more widely and the report sets out key areas of work to maintain the economic success of the County.

### RECOMMENDATIONS

1	For Committee to support and recognise the ongoing activity to sustain a vibrant and strong economy in Flintshire.
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## REPORT DETAILS

1.00	EXPLAINING GROWING THE LOCAL ECONOMY
1.01	<p>Flintshire's economy is one of the most vibrant in Wales and is a major part of the economies of both North Wales and North West England. The County recovered successfully from the economic shock created by the rapid loss of the heavy industries in the 1980's and has secured significant and ongoing investment and job growth in manufacturing and other key sectors. Major employers in Flintshire now include, for example, Toyota UK Engine Plant, Kimberley Clark, Iceland, Kingspan, Tata Steel and Warwick International. Industry is concentrated in Deeside and along the Flintshire coastline.</p>
1.02	<p>Deeside Industrial Park is a successful base for industry with 9,000 jobs in sectors including engineering, pharmaceuticals, technology and energy, and acts as a magnet to investors, customers and suppliers. Nearby Hawarden Business Park is a hub of innovation, whilst the Airbus complex in Broughton currently employs around 6,000 people with an additional 20,000 employed in supply chain activity.</p>
1.03	<p>During the past twelve months alone Flintshire has secured business expansion throughout the county across all company sizes and sectors and has welcomed new investment from across the UK, Europe, Japan and America resulting in 1,700 new jobs including; Calbee, a Japanese company creating 100 jobs; Triumph, a US company creating 50 jobs; and Two Sisters, an Indian-owned company creating 30 jobs.</p>
1.04	<p>The Deeside Enterprise Zone (DEZ), designated by Welsh Government in 2012, seeks to capitalise upon the success of the economy in Flintshire and to accelerate growth and job creation in the area. The Enterprise Zone, one of seven across Wales, has seen 2,300 new jobs created and a further 2,000 safeguarded since its designation. 63% of business enquiries to the Council have been converted into actual investment.</p> <p>The Northern Gateway site in the Enterprise Zone represents a significant growth opportunity for the area. Between now and 2030 the ambition is for the creation of 7,000 new permanent jobs. £85m of private and £10m of public investment is forecast for the Northern Gateway and £98m of private and £22m of public investment for the DEZ.</p> <p>The flood defence works have been completed by Welsh Government for the Northern Gateway site and funding for investment in the road infrastructure, phased over the next five years, has been agreed. In addition to jobs growth the site will deliver up to 1000 new homes.</p>
1.05	<p>The manufacturing sector is crucial to Flintshire's economy, employing</p>

	<p>31.2% of the workforce. The advanced manufacturing sector, providing well paid and more highly skilled employment, is of particular importance. The proposed Deeside Advanced Manufacturing Centre is now at an advanced stage for Welsh Government Ministerial approval and public sector investment. A partnership with Swansea University is proposed; the University having just opened its considerable new engineering and technology faculty.</p>
1.06	<p>The economy of Flintshire sits within two overlapping economic sub-regions: North Wales and the Mersey Dee area. The Council works with partners in each region to maximise competitive position and to sustain economic vitality.</p> <p>The North Wales Economic Ambition Board (NWEAB) brings together public and business partners to develop strategies for business growth including priorities such as skills planning, infrastructure development and supply chain development.</p> <p>Flintshire is one of five economic growth hubs within the Mersey Dee Alliance (MDA). The MDA area has a critical mass of businesses in the advanced manufacturing and engineering, high technology, energy and financial services sectors, and a skilled and agile workforce. The Mersey Dee area has a greater combined Gross Value Added (GVA) (estimated to be £14 billion.) than that of Cardiff and Swansea combined. The GVA figure for Flintshire and Wrexham combined is £5.6 billion with an average annual increase of £147m since 2011. A similar future increase is predicted based on the major transformational projects and level of private sector investment in the region.</p> <p>There is an estimated potential to create 40 – 50,000 jobs over the next 15 – 20 years. To achieve this, the key strategic priorities for the MDA are:</p> <ul style="list-style-type: none"> <li>• transport infrastructure including road, rail and airport access;</li> <li>• skills and employment; specifically focussing on developing advanced skills in science, manufacturing and engineering to support economic growth priorities and higher value job.</li> </ul>
1.07	<p>Whilst a small number of very large companies play a crucial role in the County's economy the small to medium sized companies in the County employ a large proportion of the workforce between them and are therefore also vital to the success of Flintshire. For example, the tourism sector is currently estimated to support 3,138 direct jobs in Flintshire and is estimated to generate £220 million annually from visitors. The Council works very closely with the tourism business sector. This year the Council has redesigned the approach to marketing the area to better engage businesses; launched an Ambassador scheme to showcase successful Flintshire tourism businesses; and improved the Flintshire tourism website.</p>
1.08	<p>A total of £425m is being invested in Wales to extend superfast broadband</p>

	<p>through the Welsh Government ‘Superfast Cymru’ programme, delivered by BT. The schedule of works is targeted to reach 96% of premises within the footprint of the programme. This large-scale infrastructure programme will be underpinned by support to encourage Flintshire businesses to exploit the new technology, crucial to their future competitiveness. Grants are available to businesses based within Deeside Enterprise Zone to obtain an ultrafast broadband connection. The Ultrafast Connectivity Voucher Scheme offers Welsh Government funded grants of up to a maximum value of £10,000 (subject to scheme conditions).</p>
1.09	<p>The County and sub-region, despite its current success, faces strong competition from other regions of the UK and from wider afield including areas of comparative local strength such as advanced manufacturing. In order to sustain this economic success the Council will need to:</p> <ul style="list-style-type: none"> <li>• work collaboratively with sub-regional partners to maximise the competitiveness of the area;</li> <li>• secure investment for the modernisation of the transport infrastructure;</li> <li>• Continue to bring new sites forward for future economic growth and investment;</li> <li>• maintain strong and responsive account relationships with businesses;</li> <li>• assist employers to meet their future workforce needs and encourage suitably-skilled school leavers to take up local economic opportunities;</li> <li>• encourage the formation of supply chain networks to retain business spend within the local economy;</li> <li>• facilitate the development of the Deeside Enterprise Zone and the Northern Gateway site;</li> <li>• support unemployed people to take advantage of the economic opportunities; and</li> <li>• meet the wider needs of employers in terms of the housing mix, physical environment, public services and town centre vitality.</li> </ul>
1.10	<p>The council, along with MDA and EAB partners has supported the Cheshire and Warrington LEP growth bid to the UK Government. The growth bid covers 3 strategic areas including Crewe, Warrington and the Chester / Mersey / Dee area. If successful Cheshire councils and Warrington council will develop a combined authority. Key priorities for the bid include greater control of public land, an ability to recycle land receipts into a local investment fund, retention of business rates growth, strategic transport infrastructure investment, Welsh and English government alignment to support strategic cross border projects, devolution of business support function, locally developed skills and training provision and health commissioning transformation.</p>
1.11	<p>Should the bid be successful Flintshire’s future economic growth will be</p>

	<p>linked to playing a part in this growth plan.</p> <p>In addition, the EAB and MDA have made contact with the Northern Powerhouse through both ministerial discussions and council's political leadership. A number of meetings are planned to consider the North Wales and Mersey Dee "offer and ask" to support the growth of the Northern Powerhouse economy.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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2.01	None arising directly from this report.
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<b>3.00</b>	<b>CONSULTATIONS CARRIED OUT</b>
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3.01	<p>The Council works closely with, and is informed by:</p> <ul style="list-style-type: none"> <li>• North Wales Economic Ambition Board</li> <li>• Mersey Dee Alliance</li> <li>• Deeside Enterprise Zone Advisory Board</li> <li>• Higher and Further Education Institutions</li> <li>• Private Industry</li> </ul>
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<b>4.00</b>	<b>KEY RISKS AND MITIGATION</b>
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4.01	None arising directly from this report.
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<b>5.00</b>	<b>APPENDICES</b>
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5.01	None.
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<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	<p>None.</p> <p><b>Contact Officer</b> :Niall Waller, Service Manager Enterprise and Regeneration Programmes  <b>Telephone</b>: 01352 702137  <b>E-mail</b>: niall.waller@flintshire.gov.uk</p>
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7.00	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Deeside Enterprise Zone (DEZ)</b> – the Welsh Government designated area for support to encourage business growth. The Enterprise Zones are currently designated for support until 2017 with Enhanced Capital Allowances for DEZ designated until 2020 at the Northern Gateway site.</p> <p><b>Enhanced Capital Allowances (ECA)</b> – incentives provided by the UK Government in designated areas within Enterprise Zones to promote capital investment by companies.</p> <p><b>Gross Value Added (GVA)</b> – the measure of the value of goods and services produced in an area.</p> <p><b>Mersey Dee Alliance (MDA)</b> – the partnership between the public sector in North East Wales and North West England to “work together on common strategic interests to ensure a sustainable future for the area and facilitate a coherent approach to social, economic and environmental issues.” (MDA)</p> <p><b>North Wales Economic Ambition Board (NWEAB)</b> – the partnership to develop a strategic and co-ordinated approach to economic development across North Wales.</p>