

## CABINET

<b>Date of Meeting</b>	Tuesday 14 <sup>th</sup> February 2017
<b>Report Subject</b>	Growth Vision and Strategy for the Economy of North Wales
<b>Cabinet Member</b>	Leader of the Council and Cabinet Member for Regeneration
<b>Report Author</b>	Chief Executive and Chief Officer (Community and Enterprise)
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

Cabinet adopted the *Growth Vision for the Economy of North Wales* in September 2016. The vision sets out a clear 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.

North Wales has been formally invited to develop the strategy into a 'Growth Bid' for national investment and the conferment of powers to the region by the UK and Welsh Governments. Our regional work is running in parallel to the development and agreement of growth bids in selected regions of England and in South Wales.

Work is ongoing to prioritise the content of the strategy for inclusion in a formal bid. The six councils have reached an outline agreement on a governance model for the regional economic strategy.

The preferred regional governance model of a statutory joint committee is set out in the report.

### RECOMMENDATION

1.	To endorse the preferred regional governance model of a statutory joint committee for further development.
2.	To invite the newly elected Council to enter into a statutory joint committee model with the five partner councils, within the first three months of the new Council term, once a detailed constitution and inter-authority agreement is available.

## REPORT DETAILS

1.00	DEVELOPING A GROWTH BID
1.01	<p>The adopted <i>Growth Vision for the Economy of North Wales</i> is re-attached for reference. The vision sets out a clear ambition for North Wales for infrastructure development, skills and employment, and business growth. The strategy aspires to increasing the value of the regional economy from £12.8 billion to £20 billion by 2035 with the creation of 120,000 new employment opportunities.</p>
1.02	<p>Selected regions of England, and the Cardiff Capital City Region and the Swansea Bay City Region, have been invited by the UK Government to develop a 'Growth Bid' for approval. North Wales was invited to develop a bid by the UK Government in mid-2016. This Governmental commitment to support a regional bid was restated in the Chancellor's autumn statement.</p>
1.03	<p>A Growth Bid is a formal proposal for Government investment and the conferment of devolved powers. Bidding regions are required to have a legal, resilient and accountable governance model for the planning and implementation of their strategy. Regions are expected to be prepared to invest in their own strategies, alongside Government(s), in capital allocations, sharing in capital borrowing, the use of land and assets, and in resourcing professional and project capacity. Each bid will have negotiated objectives and targets. For North Wales, the Cardiff Capital City Region and the Swansea Bay Region the bidding process involves both the UK and Welsh Governments.</p>
1.04	<p>For North Wales there is a Governmental expectation that there is close joint strategic planning with the immediate North West of England and with the wider Northern Powerhouse network. Our vision and strategy builds on the strong alliances and joint planning both within the region, through the work of the North Wales Economic Ambition Board, and cross-border through the Mersey Dee Alliance and joint work with the Cheshire and Warrington Local Enterprise Partnership. The North Wales and the Cheshire and Warrington growth bids are being developed together and there is a co-dependency for their success. North Wales is also making contributions to the wider strategy of the Northern Powerhouse network, for example the nomination of prime strategic sites for business growth and inward investment. Road and rail infrastructure and connectivity, and wider transport planning including bus routes, are central to the strategy. The Growth Track 360 plan which makes the case for cross-border rail investment is progressing through the Governmental case-making and decision-making stages.</p>
1.05	<p>The strategy is supported by the leaders and Chief Executives of all six unitary authorities within the region, the North Wales Business Council, Bangor University, Glyndwr University, Coleg Cambria and Grwp Llandrillo – Menai (College). North Wales is a united region with a strong sense of identity. The strategy is also supported by the North Wales Economic Ambition Board which has a broad membership representing the public, private, education and third sectors. The Economic Ambition Board will</p>

	<p>remain an important stakeholder network. Local government is expected to lead the planning and implementation of the strategy and the pivotal role of local government in Wales in regional planning has been reinforced by statements made by the Cabinet Secretary for Local Government and Finance, and latterly in the white paper for local government reform. Alongside the Economic Ambition Board a legal, resilient accountable governance model is required for the critical stages of (1) developing a formal Growth Bid from the strategy (2) agreeing an investment plan and (3) setting and overseeing an implementation plan.</p>
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<b>2.00</b>	<b>THE PREFERRED GOVERNANCE MODEL</b>
2.01	<p>There are few governance models available to the partner six councils. Whilst a combined authority model, which has growing popularity in England may be possible in the future, there is currently no legislative capacity for this model in Wales. The preferred governance model recommended by the leaders and chief executives of the partner councils, and supported informally by civil servants from Welsh Government, the Wales Office and UK Government departments is a statutory joint committee.</p>
2.02	<p>The statutory joint committee model is a known and dependable model. It is though a model with limitations. To support the joint committee a host authority will need to be nominated to provide legal, secretarial and administrative support, and one or more host authorities will need to be nominated to host the professional officers who will manage the programmes and projects within strategy implementation. Having several host authorities might be a more workable model as there will be several functions to oversee - specifically economic development, transport, and skills. Joint committees are a familiar model in the region with recent examples being the GWE School Improvement Consortium and the North Wales Residual Waste Treatment Project. A relevant past example is Taith as the former transport consortium.</p>
2.03	<p>An outline of the suggested terms of reference is set out below. The joint committee will require a constitution, which will include the terms of reference for its functions, and will be underpinned by an Inter Authority Agreement (IAA). An IAA is a joint agreement which sets out how the joint committee will be governed, the limitations of decision-making and the matters which are reserved for individual council approvals, the roles of host authorities, how financial contributions to the joint committee and the host authorities are to be apportioned, and how risks and benefits will be shared.</p>
2.04	<p>The recommended membership of the joint committee is the leaders of each of the six councils. Each leader would have a nominated deputy. The committee would be advised by lead professionals and the chief executives. There is the option to co-opt representative from key partner organisations including the North Wales Business Council, higher education and further education. Close working relationships with the Cheshire and Warrington Local Enterprise Partnership will be important and a form of cross-border joint co-ordinating group, without decision-making powers, is proposed.</p>

2.05

## **Outline Terms of Reference**

1. Functions
2. Strategy
3. Prioritisation
4. Representation
5. Performance
6. Accountability

### **Terms of Reference 1: Functions**

- Economic growth strategy and planning
- Infrastructure prioritisation and planning
- Strategic land use planning and allocation
- Transport planning and commissioning
- Skills planning and commissioning strategy
- Others to be added as powers are devolved

### **Terms of Reference 2: Strategy**

- Setting of directional regional strategy
- On-going assessment of evidential regional need and opportunity to underpin the strategy
- Setting of priorities and investment plans to deliver the strategy

### **Terms of Reference 3: Prioritisation**

- Prioritisation of contributory schemes
- Business case development and case-making for prioritised schemes
- Investment profiling and prioritisation
- Securing investment agreements

### **Terms of Reference 4: Representation**

- Engagement and relationship management with regional partners
- Engagement and relationship management with cross-border partners
- Advocacy and lobbying with Welsh Government and UK Government, Ministers and political groupings
- Public and media relations and profile

### **Terms of Reference 5: Performance**

- Programme management of implementation of the strategy
- Oversight of performance against key progress milestones and outcome measures
- Securing strategic, programme management, and project development and management resources to implement contributory schemes

	<p><b>Terms of Reference 6: Accountability</b></p> <ul style="list-style-type: none"> <li>• Reporting to the six local authorities</li> <li>• Reporting to regional partners on performance, investment performance and risk management</li> <li>• Reporting to Welsh Government on performance and the effective use of their investment</li> <li>• Reporting to UK Government on performance and the effective use of their investment</li> </ul>
2.06	<p><b>Limitations of Decision-Making and Reserved Matters</b></p> <p>Examples of decisions which will be reserved for individual council approvals are:-</p> <ul style="list-style-type: none"> <li>• Agreement of functions to be given to the Joint Committee</li> <li>• Agreement of annual budget contributions for the Joint Committee and host authorities</li> <li>• Investment and borrowing commitments and risk exposure levels</li> <li>• Allocation of land and other asset for pooling</li> </ul>
2.07	<p>A detailed constitution and Inter Authority Agreement will be developed in readiness for the new council term. This work will involve Chief Executives and the respective professional leads for economic development, the Monitoring Officers and the Finance Managers/Section 151 Officers.</p>

<b>3.00</b>	<b>NEXT STAGES OF DEVELOPMENT</b>
3.01	In the interim period prior to the local elections work will be completed on a draft constitution and Inter Authority Agreement.
3.02	Work continues in preparing for a formal Growth Bid with civil servants with the expectation that formal negotiations over a bid will begin by July once the joint committee is in being.

<b>4.00</b>	<b>RESOURCE IMPLICATIONS</b>
4.01	None directly at this early stage. There will be costs of servicing a joint committee, and the more significant costs for programme and project management for the development and implementation of the strategy. The costs are being evaluated amongst the six councils.

<b>5.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
5.01	Extensive consultation underpins the vision document as set out in the report.

<b>6.00</b>	<b>RISK MANAGEMENT</b>
6.01	None at this early stage. A risk management plan will be developed as part of the Growth Bid.

<b>7.00</b>	<b>APPENDICES</b>
7.01	Appendix 1 – A Growth Vision for the Economy of North Wales Appendix 2 – Growth Track 360 Prospectus

<b>8.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
8.01	None.  Contact Officer: Chief Executive Telephone: 01352 702101 E-mail: chief.executive@flintshire.gov.uk

<b>9.00</b>	<b>GLOSSARY OF TERMS</b>
9.01	<p><b>Local Enterprise Partnerships (LEP)</b> - Set up in England in 2011, by the Department for Business innovation and skills to lead economic growth and job creation across a region. They are voluntary partnerships between Local Authorities, and business.</p> <p><b>Growth Deal</b> – funds provided to LEP’s - or local authority partnerships in Wales - for projects that benefit the local area and the economy.</p> <p><b>Devolution Deals</b>- have no set format, but involve the devolution of powers and budgets for the delivery of services across a region.</p> <p><b>North Wales Economic Ambition Board</b> – a partnership of local authorities, private sector and education institutions working to develop stronger economic growth for the North Wales region.</p> <p><b>Mersey Dee Alliance</b> – a partnership of Flintshire, Wrexham, Wirral and Cheshire West and Chester councils, with the private sector and education institutions, working together for sustained economic growth in the cross-border region.</p>