

# A Fiscal Stimulus Package for the Mersey Dee Economy

## A Strategic Proposition



**MERSEY DEE** *Alliance*

*Cynghvair* **MERSI A'R DDYFRDWY**

**HATCH**



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# Foreword

# Foreword

Foreword by Councillor Mark Pritchard, Chair of the Mersey Dee Alliance and Leader of Wrexham County Borough Council

## **A Call to Action for “Levelling Up” by investing in the MDA cross border economy**

It has been my goal as Chair of the Mersey Dee Alliance (MDA) to bring forward a compelling case for investment in the unique, cross border, Mersey-Dee Economy. I am therefore delighted to present this Strategic Proposition to the United Kingdom and Welsh Governments for a Fiscal Stimulus Package for the Mersey Dee Alliance Economy.

My only regret is that I am doing so at a time of crisis for our economy, with thousands of jobs lost to the economic disruption of COVID-19. We also face the challenge of retaining cost competitiveness when selling into EU markets as 80% of MDA area exports go to the EU.

The MDA is offering the Welsh and UK Governments the opportunity to develop a partnership approach to the cross-border economy with co-ordinated investment and shared problem solving to realise its best performance. The MDA economy draws its workforce and supply chains from both sides of the border. A two-government approach will maximise the pace of recovery from COVID-19 and the economic returns for Wales, England and the UK.

The MDA economy will perform to its true potential with collaboration and dialogue between the two governments and their delivery agencies on strategic development frameworks, infrastructure investment (transport and digital), decarbonisation (of energy production and industrial processes), business support and skills.

**This Strategic Proposition is an opportunity for governments to strengthen the UK economy and “level up” by securing the future of a high value manufacturing powerhouse. We must work together and adopt the practical common sense of local businesses and people who, as part of their everyday life, live, work and play crossing the “border” between England and Wales as if it were not there.**

### Who we are

The Mersey Dee Alliance represents the cross border, integrated functional economy within the borders of four local authority areas, Flintshire and Wrexham Councils in North Wales and Cheshire West and Chester and Wirral Councils in the North West of England.

The Local Authorities work in partnership with Higher and Further Education in the area (Chester and Wrexham-Glyndwr Universities and Coleg Cambria and West Cheshire College), the Local Growth Partnerships that overlap with the MDA area, (The North Wales Economic Ambition Board in North Wales, the Liverpool City Region Combined Authority which includes the Wirral and the Cheshire and Warrington Local Enterprise Partnership which includes Cheshire West).

We maintain close relationships with local businesses and articulate their desire to see this cross-border economy recognised for the innovative, high value industrial and employment powerhouse that it is.

## Working in Partnership

The MDA worked closely with neighbouring local growth partnerships, the North Wales Economic Ambition Board, the Cheshire and Warrington LEP and the Liverpool City Region Combined Authority to produce this Proposition. It is our express intention to avoid duplication and to complement and extend the programmes of the North Wales Growth Deal, the Liverpool City Region Recovery Plan and Cheshire and Warrington LEP's **Strategic Economic Plan**.

These partners worked with us in workshops to develop proposals. All our partners and stakeholders believe that our economy is one where the overlap of businesses, workforces and educational institutions offers the opportunity to generate more productivity and prosperity from working together.

## Why we are making a Strategic Proposition for a Fiscal Stimulus Package

The Mersey Dee Alliance economy has a GVA of £22bn, 2,900 enterprises with a turnover of more than £1m year, over 400,000 employees and a population of over 950,000. It is a centre of high value manufacturing that exports £12bn worth of goods and services. This makes the MDA cross border economy a critical economic engine for UK PLC.

COVID-19 has reduced the economic activity in the MDA by 15%, well above the national average of between 9 – 10%. Our biggest private sector employers in the Aerospace and Automotive Sectors have been hit hard by COVID-19, as has a formerly vibrant retail sector. Many thousands of jobs have been lost (with the aerospace sector alone seeing an up to 11,000 job losses nationally following a 30% cut in production at Airbus, Broughton, costing 1,400 Airbus jobs and a further 9,500 job losses in the supply chain and through induced effects). We must respond, finding ways to replace lost output for supply chain companies and to help those who lost their jobs to find new ones by improving their skills.

The MDA is a leading hub for low carbon energy generation and Research and Development. We are a centre for the development of hydrogen as a replacement for coal, oil and gas as industrial fuels. The energy sector growth in our region is an opportunity for our engineering companies currently supplying the Aerospace and Automotive sectors to diversify into the growing markets for renewable and low carbon energy.

Our industrial base uses much energy, most of which is currently from carbon-based sources. The MDA wishes to secure investment that will enable and accelerate fuel switching and decarbonisation of energy use by our enterprises. Enabling energy switching is essential for our industries to retain their **“licence to trade” in the UK net zero economy of the future.**

Brexit requires a focus on productivity and efficiency for our industrial base as 80% of exports from the MDA go to EU countries. We are home to many multi-nationals who located here to sell into Europe, utilising a skilled and motivated workforce and specialised and high performing supply chain clusters. The MDA therefore wishes to obtain funding for business innovation, research and commercialisation projects that will make our factories fiercely competitive within their companies and their European operations.

We must improve transport infrastructure and services, particularly for public transport and active travel. These investments will enable decarbonisation of transport through enhanced rail infrastructure and services, integration of rail, bus and active travel and improve health outcomes from reducing air pollution. They will also contribute to agglomeration and make our labour market larger and more dynamic by improving access to work.



Digital investment will enable the consolidation and advance of new ways of agile working and the enhancement of productivity and firm competitiveness by deploying the latest technology.

### The MDA: Making a Difference

The MDA is making a big ask of £400m to address big challenges to make our economy and infrastructure greener, more productive, inclusive and innovative so that local people can have a better life. Our current proposals add up to a greater sum, but we take **the view that this offers “options to funders”** where governments and businesses can help us prioritise and direct resources to where they are most needed.

Government support and participation in shaping our proposed Fiscal Stimulus Package will be a great leap forward on the road to making our economy fit for the future. We can achieve more by working together on a cross border, cross party, collaborative and two-government basis. Together we can show what levelling up means in practice.

We are not directing our “ask” at specific funds but note that they align well with the priorities within the “Levelling Up” prospectus.

Backing the MDA is a great bet. The area is unique to have gone through the de-industrialisation of the 1970s and 1980s with the closure of coal mines in Wrexham and steelmaking at Shotton with the loss of thousands of jobs. The area built back better with a diversified, modern economy based on new, clean and highly productive manufacturing plants. With the support we ask for we can lead a new decarbonised industrial revolution for the UK and Wales that will take us from COVID-19 recession to green growth.

It is my fervent hope that the Welsh and UK governments will recognise the opportunities and true potential of the cross-border Mersey Dee area captured in this Strategic Proposition.

### Thanks

I must thank my partners and colleagues in the MDA for their support in quickly pulling together the information for the Strategic Proposition in partnership with our consultants, Hatch.

The MDA is especially grateful to Ken Skates MS, Minister for the Economy, Transport and North Wales in the Welsh Government, and the Right Honourable Simon Hart MP, Secretary of State for the Office of the Secretary of State for Wales for their encouragement to bring forward this proposition.

### What Next

The MDA will: -

- Engage with the UK and Welsh Governments to take forward and negotiate funding for the proposals in the Strategic Proposition, aiming to take a package through a green book development process and targeted at a future fiscal event.
- Explore where certain proposals in the package may align with immediate, collaborative **applications to “Levelling Up Funds” to speed up delivery**
- Engage with business and partners to further refine and develop our proposals
- Continue to work closely with our neighbouring Local Growth Partnerships to ensure that MDA proposals are complementary and add value to existing propositions like the LCR CA Recovery Plan, the North Wales Growth Deal and the Cheshire and Warrington Strategic Economic Plan.

Cllr. Mark Pritchard, Chair of the Mersey Dee Alliance and Leader of Wrexham County Borough Council

Supported by:

Councillor Stuart Whittingham, Vice Chair of the Mersey Dee Alliance (Wirral Council)

The Right Honourable Lord Barry Jones, President of the Mersey Dee Alliance, the Deeside Business Forum and Flintshire in Business





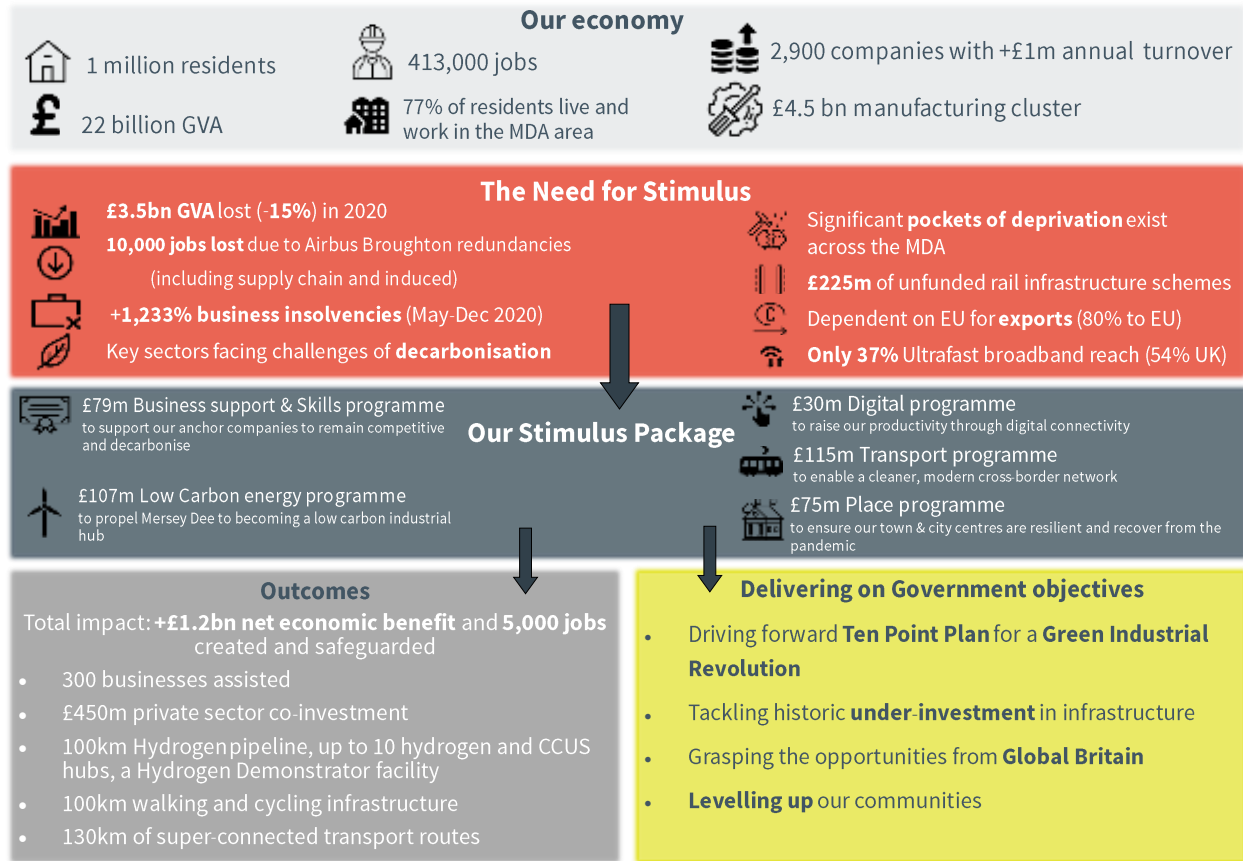
A photograph of a busy city street, likely in Manchester, featuring historic brick buildings, a tall Gothic church spire, and pedestrians. A semi-transparent red rectangular overlay is centered over the image, containing the title text in white. The street is lined with shops, including 'The Perfume Shop' and 'Cancer Research UK'. A blue directional sign with a white arrow points to the right. A street sign above an archway reads 'HIGH STREET STREET FARM'. A black lamppost is visible in the foreground on the left.

# 01: Our Proposed Fiscal Stimulus Package



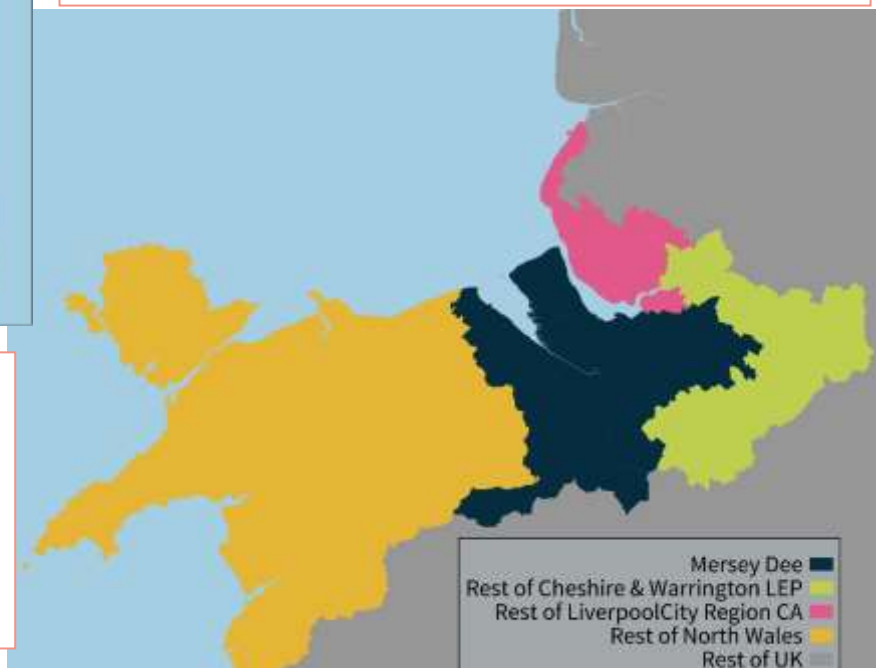
# Our Proposed Fiscal Stimulus Package

## Mersey Dee Alliance Fiscal Stimulus Package



The Mersey Dee Alliance represents a cross-border area covering the local authority areas of Flintshire and Wrexham in North Wales and Wirral and Cheshire West and Chester in North West England

The Mersey Dee Alliance works closely with the Liverpool City Region Combined Authority, Cheshire and Warrington LEP and the North Wales Economic Ambition Board



## Our economy

The Mersey Dee is a unique, functional economy spanning the border between North West England and North East Wales. The Mersey Dee Alliance (MDA) is a well-established economic partnership bringing together four local authority areas: Cheshire West and Chester and Wirral in England, and Wrexham and Flintshire in Wales. We are a cross-border initiative, spanning the border of North East Wales and North West England. The University of Chester, Wrexham Glyndwr University and Welsh Government are also partnership members. We work together to enhance the profile of the region, grow its competitiveness and continue to establish it as a pivotal location in the UK.

The MDA seeks to reduce cross border complexity caused by differing policy frameworks in England and Wales. The local population and businesses do not see a border and it is the mission of the MDA to represent them. We are one of the most self-contained labour markets in the UK, with **77% of our residents living and working within the MDA area**. Census data identifies that **29,800 people travel across the national border** every day for work.

We make a very strong contribution to the national economy. **We have more residents than Reading, Cambridge & Milton Keynes combined** and our **Gross Value Added (GVA) of £22 billion is equivalent to a third of the entire Welsh economy**. Our economy is diverse, hosting nationally important firms including Airbus, Tata Group, Toyota, Vauxhall, Essar, Unilever, Kelloggs and JCB. We host nationally significant concentrations of industry in sectors such as advanced manufacturing, energy and life sciences. We are at the heart of the drive towards net zero with our renewable energy assets and opportunities, and we are set to host **the UK's first at-scale hydrogen project**. The MDA area and Deeside/Wrexham in particular are **unique in rebuilding a manufacturing economy after the decline of traditional industries**.

There are major economic opportunities for development and growth in the Mersey Dee area.

## The need for this package

**Our economy has been hit particularly hard by the COVID-19 pandemic.**

In 2020, the UK economy was estimated to have shrunk by 9.9%<sup>1</sup>, the largest fall on record and probably the biggest economic shock since the start of the 18<sup>th</sup> century. Our own modelling estimates suggest that **15% of our pre-pandemic GVA of £22.9bn (£3.4bn) was lost during 2020**. This is due to the mix of sectors that we host. Our manufacturers have been hit extremely hard, as have our town centres and the range of retail and hospitality businesses across the region. Insolvencies in the MDA area increased by 1,233% between May and December 2020. Almost 13% of the eligible workforce was on furlough in January 2021.

Alongside the impacts on our town centres, one of the most visible consequences was the **announcement last year from one of our anchor companies, Airbus, of 1,700 redundancies across the UK**. This has resulted in the announcement of 1,400 job losses and a 30% cut in production at the Broughton site. Airbus employees have subsequently voted for a Trade Union deal to implement a shorter working week when the Job Retention Scheme ends. Given the multiplier effects through

<sup>1</sup> ONS, December 2020, Monthly GDP estimate

companies impacted in the supply chain and through lost employee spending, **we estimate that this alone has cost the UK economy around £700 million in GVA and 11,000 job losses.** Much of this is located in the MDA area, given the locations of employees and suppliers.

Furthermore, **our anchor companies, many of which are multinationals, face increasing global competition.** This environment means that local plants need to compete internally with other global sites for continued investment. Structural shifts including our departure from the European Union and the need to decarbonise operations have intensified this competition. With 80% of our exports going to the EU, **our internationally oriented firms need to adapt to new trading arrangements and to access the opportunities from a Global Britain.**

These concerns are not theoretical or far off. At the time of writing, we are also facing the potential closure of the Vauxhall car plant at Ellesmere Port, which has been making cars since 1964. Other manufacturers may be at risk of production moving to France or Germany unless local sites remain competitive.

The long-term prosperity and competitiveness of our employers, people and places is further held back by **historic under-investment in our transport and digital infrastructure,** partly due to administrative and policy barriers created by the national border. There are a number of important infrastructure schemes in development in the Mersey Dee area that will be vital to levelling up the area, and redressing the shortfall in infrastructure investment over the years.

**We must act now to safeguard our economic assets, our skills base and our places, and ensure they are positioned to take advantage of the opportunities presented by the Green Industrial Revolution and Global Britain.**

### Our strategic priorities

In response to these challenges, partners across our region have come together to agree **a targeted package of investments** that will stimulate economic recovery, whilst accelerating major long-term opportunities for shared, sustainable and inclusive economic growth.

Our proposition is firmly grounded in the established vision for MDA economy, with three strategic themes:

1. **Supporting cleaner growth:** the UK has adopted a target of achieving net zero emissions by 2050. With our mix of industries, renewable energy assets, the UK's first proposed at-scale hydrogen project and an industrial cluster at the forefront of decarbonisation, we are ideally placed to lead this ambitious transition and to act as an exemplar region for the green industrial revolution. This also offers major opportunities for diversification within our advanced manufacturing supply chains.
2. **Connecting places, people and businesses:** as a cross-border economy with multiple, dispersed centres, the Mersey Dee area will be strengthened by improving the links between those places, their businesses and people. Enhancing our connectivity is crucial and we have suffered long-term challenges from under-investment, in part due to the administrative border. We must accelerate and deliver the cross-border transport and digital infrastructure improvements our employers and workers need to be competitive.



3. **Ensuring sustainable and inclusive growth**: as the region recovers from the pandemic, we must look beyond a simple headline level of growth. We must ensure that everyone benefits **from the region's success** and that we level up inequalities across our region and within our communities.

#### Delivering on national imperatives for the UK and Wales

Our priorities and programmes have been designed to complement the existing national packages of support such as the Plan for Jobs and to directly deliver on UK and Welsh Government priorities. We will act as an exemplar for the delivery of the **UK's Plan for Growth** by:

- driving forward the **Ten Point Plan** for a Green Industrial Revolution – decarbonising our industrial cluster, driving the innovations needed and creating highly-skilled jobs for the future, including opportunities for industries and supply chains hit by the pandemic to diversify.
- **tackling historic under-investment in infrastructure**, by bringing forward the transport improvements that have been neglected partly as a result of the administrative border.
- supporting our multinational anchor companies to adapt to the new trading environment following our exit from the European Union, so that they can take advantage of the opportunities from **Global Britain**.
- **levelling up** our communities, ensuring that all parts of our cross-border economy benefit from the recovery and growth and regenerating our town centres
- **strengthening links between England and Wales** by bringing forward strategic investments in connectivity – both transport and digital – that strengthen the cross-border links that are critical for our cross-border functional economy.

We will also directly support Welsh Government objectives as underpinned by the Wellbeing of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, and set out in the Economic Action Plan and Future Wales. The Welsh Government has inputted into the development of our package and is a key partner for the MDA. The package will deliver strongly on **the Welsh Government's priorities for decarbonisation, innovation, skills, and cohesive communities**. It will particularly help to deliver on the targeted outcomes for **Future Wales** by boosting connectivity and inclusion, reducing socio-economic inequality, supporting our towns and cities, building world-class digital infrastructure, and decarbonising the economy.

Moreover, we have consulted widely with our partners in the public and private sectors to understand the needs and market failures across the region. All of our proposals have been tested to ensure that they complement and add value to existing initiatives in both North Wales and North West England. Many of the key players have been directly involved in discussions around the MDA table. This includes the North Wales Growth Deal, the economic recovery plans in North Wales and the Liverpool City Region, and the relevant Local Industrial Strategies.

#### Our fiscal stimulus package

Our proposed package will deliver **£1.2 billion in net additional economic benefits, benefitting 1 million residents, creating and safeguarding at least 5,000 jobs and leveraging in £450 million in**

**private sector investment.** By funding or unlocking over £800 million in capital spending we will quickly support the construction sector, with **over 8,000 construction years of employment** supported to help boost economic recovery.

Our ask of Government is to support our priority projects and programmes through **£400 million** of funding.

The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funding streams.

Our proposed package is split into five programmes.

### Business support and skills

Our goal: support our businesses and workers to recover, remain competitive and to capitalise on the opportunities presented by the Green Industrial Revolution.

Key projects: A £60m business challenge fund, targeted business support and skills/employment brokerage for firms and employees in the manufacturing sector, pump priming new skills programmes for the Green Industrial Revolution.

Main Government priorities addressed: Supporting the creation of a low carbon industrial cluster by 2030, supporting productivity growth through skills and innovation, supporting the vision of a Global Britain and crowding in private investment.

Main outputs and outcomes: The business challenge fund will provide low carbon premises for 290 businesses, safeguard or create over 2,000 jobs, deliver savings in excess of 450,000 tonnes of carbon, leveraging at least £80m of private sector investment.

Our ask: £79 million (£70m capital; £9m revenue)

### Low carbon energy

Our goal: propel the Mersey Dee area towards becoming a low carbon industrial hub at the forefront of the emerging global hydrogen and CCUS economy.

Key projects: A strategic hydrogen demonstration facility for the UK, 100km blue hydrogen pipeline, development of 5-10 local hydrogen and CCUS hubs in the Mersey Dee area, a tidal energy centre of excellence.

Main Government priorities addressed: Investing in net zero, accelerating adaptation, supporting the creation of a low carbon industrial cluster and generating 5GW of low carbon hydrogen capacity and capturing 10MtCO<sub>2</sub>/year using CCUS by 2030 and crowding in private investment.

Main outputs and outcomes: The funding will deliver a new strategic hydrogen demonstrator facility, accelerate the delivery of over 100km of hydrogen pipeline, support a new tidal range energy project and centre of excellence.

Our ask: £107 million (£95m capital; £12m revenue)

## Transport

Our goal: lay the groundwork for a cleaner, more modern cross-border transport network in which the car is no longer the default.

Key projects: Development funding to accelerate more than £200m of rail capital investment, building a 100km long cross-border Active Travel network linked to major employment sites and public transport and funding the infrastructure needed to support integrated ticketing across the region.

These immediate asks sit in the context of a wider set of transport infrastructure priority investments including: The North Wales Metro, the A494 River Dee crossing, the Chester-Broughton Growth Corridor, A483 junctions 3-6, and interventions on the M53 and M56.

M53 and M56 interventions – improving access to Manchester and Liverpool by improving capacity and resilience

Main Government priorities addressed: addressing historic under-investment in infrastructure, strengthening England-Wales connectivity, stimulating demand and driving productivity through infrastructure investment, connecting people to opportunity and levelling up the Mersey Dee, investing in net zero.

Main outputs and outcomes: The transport investment programme will support a 100km Active Travel network, new ticketing infrastructure for 20 stations & 400 buses covering 50 routes and 9 operators as well as preparing business cases for nearly £200m of rail capital investment.

Our ask: £115 million (£90m capital; £25m revenue)

## Place

Our goal: ensure that our town and city centres are more resilient, vibrant and dynamic as we recover from the impact of the pandemic.

Key projects: Unlocking the Wrexham gateway project and helping to fund the revitalisation of town centres across the Mersey Dee area.

Main Government priorities addressed: Regenerating struggling towns, levelling up the Mersey Dee area, pursuing social value and supporting small and medium sized enterprises to grow.

Main outputs and outcomes: The place programme is expected to lever in at least £130m of private investment, and provide bridge infrastructure, green space, public realm and new workspace across town centres throughout the Mersey Dee area.

Our ask: £75m million (£70m capital; £5m revenue)



## Digital connectivity

Our goal: supporting our businesses and workers to recover from the pandemic, remain competitive, innovate, retain market share through EU exports and expand into global markets, and reducing carbon emissions.

Key projects: Extending the **North Wales Economic Ambition Board's** Connected Corridors 5G project across the England Wales border, joint procurement of fibre ducting infrastructure across the Mersey Dee area and installation of new digital infrastructure in town centres.

Main Government priorities addressed: addressing underinvestment in infrastructure, strengthening the union, supporting small and medium sized enterprises to grow, stimulating short-term economic activity and long-term productivity by investing in infrastructure, enabling the vision of a Global Britain.

Main outputs and outcomes: The digital programme will deliver 130km of super connected transport routes and 55 **deployments of new 'smart town' infrastructure.**

Our ask: £30 million (£27m capital; £3m revenue)

## Taking the package forward

We have operated successfully as an economic partnership since 2007 and have a strong track record in delivering major projects. We have the established structures, capacity and partnerships to deliver quickly and effectively. We do not propose, or need, to create new governance structures to deliver our fiscal stimulus package.

The MDA will provide central co-ordination of the package of investments, with Cheshire West and Chester Local Authority acting as the accountable body. Delivery will be led by the individual Local Authorities and Transport for Wales, as appropriate.

**Delivering our proposed fiscal stimulus package is now our number one priority.**

**We are ready to deliver, and to deliver quickly.**

We recognise that our proposition is the starting point in a conversation. Our package is deliberately designed to be flexible and adaptable.

**We look forward to working collaboratively with Government to take this forward.**

The remainder of the document is structured as follows.

- Section 2 introduces the Mersey Dee Economy, bringing out its key features and what makes it distinctive as an area to invest in
- Section 3 sets out why this package is needed, including our assessment of our priorities, split into key themes and outlining the fit with wider strategies and policies
- Section 4 details the proposed fiscal stimulus package, explaining how we developed it and the six programmes of investment
- Section 5 explains how we propose to deliver the package
- Section 6 sets out the stakeholder support our package has secured
- Finally, we conclude with our proposals for taking the package forward with Government.





# 02: The Mersey Dee Economy



# The Mersey Dee: a unique functional economy

## The Mersey Dee Alliance

The Mersey Dee Alliance (MDA) is an economic partnership spanning four local authority areas: Cheshire West and Chester and Wirral in England, and Wrexham and Flintshire in Wales. We are a cross-border initiative, spanning the border of North East Wales and North West England. The University of Chester, Wrexham Glyndwr University, Liverpool City Region Combined Authority and Welsh Government are also partnership members.

The MDA seeks to **strengthen England-Wales connectivity** by reducing cross border complexity caused by differing policy frameworks in England and Wales. The local population and businesses do not see a border and it is the mission of the MDA to represent them.

The MDA was established as a strategic economic partnership in 2007, bringing together the four local authorities around a shared aim to **enhance the profile of the region, grow its competitiveness and continue to establish it as a pivotal location in the UK.**

Through this, the Alliance acts as a catalyst for business growth and innovation, and inward investment.

**Mersey Dee Alliance Boundary**





## A leading economic location

The Mersey Dee is an important strategic and dynamic region, contributing significantly to the UK economy:

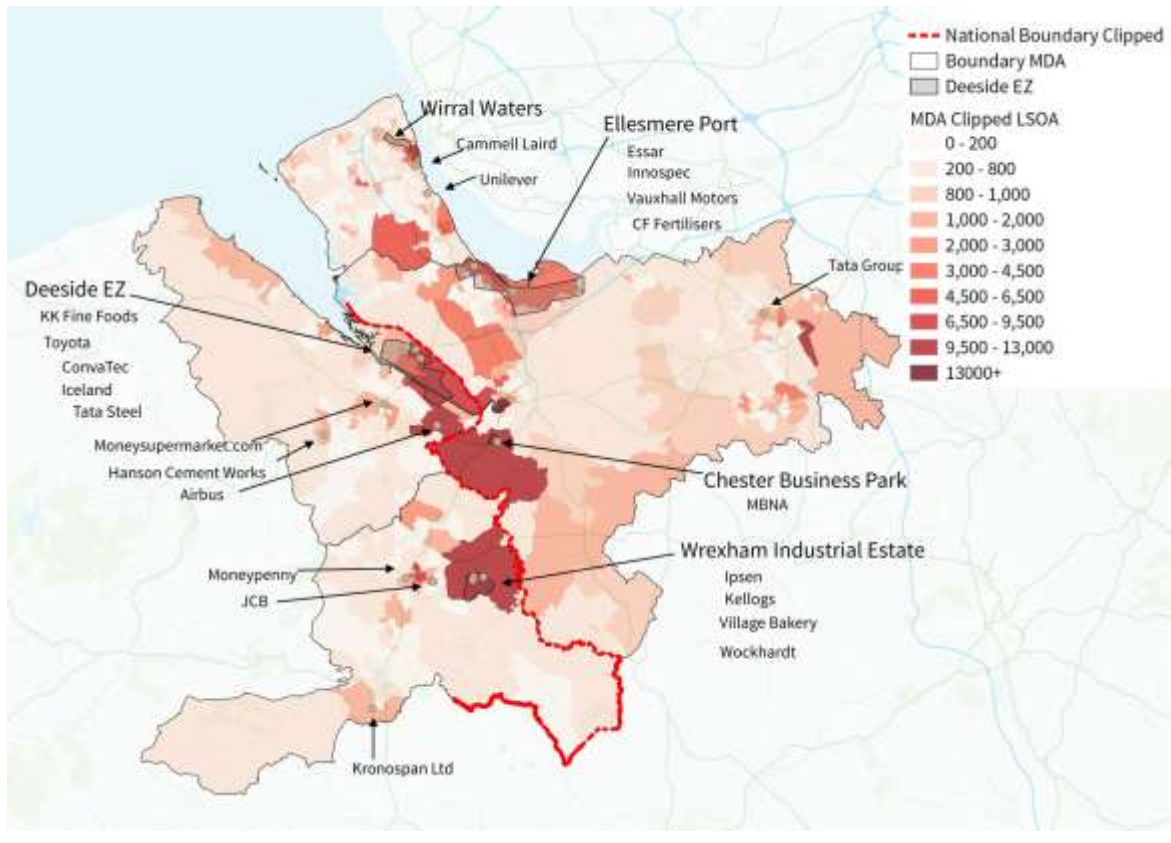
- We have nearly **1 million residents**, which is roughly equivalent to that of Belfast and larger than Reading, Cambridge & Milton Keynes combined
- We contribute **£22 billion in Gross Value Added<sup>2</sup>** annually, which is **equivalent to a third of the entire Welsh economy**.
- We are home to **32,470 businesses**, which support over **413,000 jobs**, equivalent to almost a half of all businesses in the North East of England and almost a third of all businesses in Wales. We house more jobs than Manchester, Sheffield or Edinburgh and over a quarter of all jobs in Wales.
- We have **2,900 companies** that each turn over more than **£1 million** per year.
- We host **nationally important firms and activities**, including international names such as Airbus, Essar, Tata Group, Essar, Toyota, Unilever, JCB and Vauxhall.
- We are a **high value manufacturing cluster**, producing £4.5bn in manufacturing GVA and housing 70% more manufacturing employment than the national average. Our industrial growth outperforms the rest of the UK.
- We are a **diversified economy** with key strengths in advanced manufacturing, energy, life sciences, financial services, food, tourism and retail.
- The region has significant **variations in prosperity and inclusion**

The resurgence and growth of the MDA economy as a manufacturing powerhouse follows the closure of more traditional activities in recent decades including coal (Wrexham), textiles/chemicals (Flint) and Steel (Shotton). The area lost many other engineering/industrial firms in the course of this transition. **The MDA area and Deeside/Wrexham in particular are unique in rebuilding a manufacturing economy.**

<sup>2</sup> ONS (2019) Regional Gross Value Added (balanced) by industry: local authorities by NUTS1 region

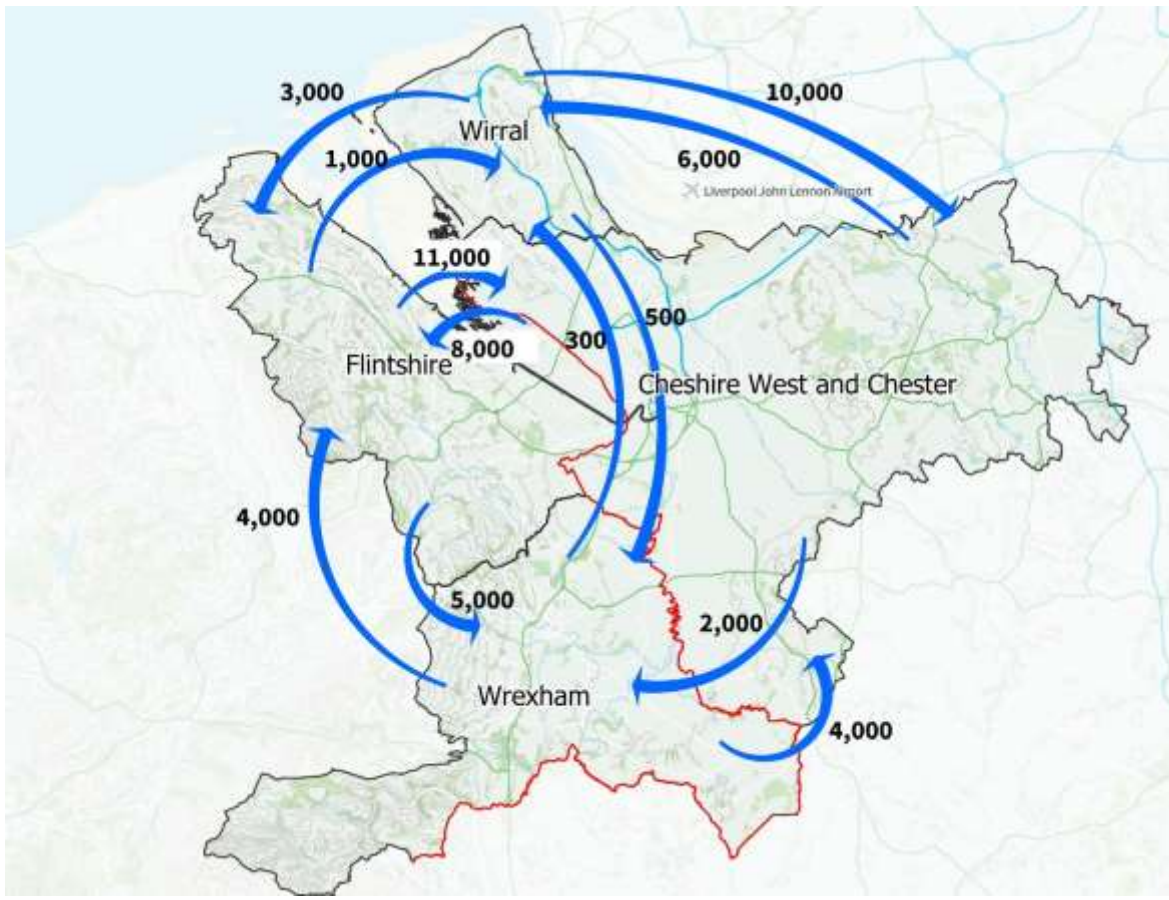
We are a polycentric region, with five main centres in Chester, Wrexham, Deeside, Ellesmere Port and Birkenhead. More than a quarter of the population resides in the three main urban areas of Chester, Wrexham and Birkenhead. We have a number of strong employment centres, including Deeside Enterprise Zone, Ellesmere Port, Chester City Centre, Chester Business Park, Birkenhead/A41 corridor, Wirral Waters, Wrexham Town Centre and Wrexham Industrial Estate. There are particular concentrations along the national borders.

### Key Employment Locations



A critical feature of our economy is its **unique, integrated cross-border nature**:

### Labour Force Commuting Flows



- 77% of our residents live and work within the MDA area<sup>3</sup>, making it one of the most self-contained labour markets in the UK. We are more self-contained than Cardiff (76%), Liverpool (70%) and Cambridge (67%).
- 29,500 people travel across the national border every day for work, illustrating the cross-border integration of our economy<sup>4</sup>.
- Cross-border journeys starting in North Wales are more than 20 times greater in number than the interregional journeys that take place from North Wales to other regions of Wales.

<sup>3</sup> Proportion of usual residents aged 16 and over in employment at the time of the 2011 census

<sup>4</sup> ONS, Census (2011), Travel to work flows

## Our Key Sectors

The region offers a great location for businesses to thrive and innovate, as well as an excellent quality of life. For example, Wirral was voted the happiest place to live in the North West by RightMove in 2017. With thriving urban centres like Chester located in close proximity to the UNESCO World Heritage site of the North Wales Coastline, Snowdonia National Park, and Pontcysyllte Aquaduct, we have a unique offering that enables us to attract and retain major firms and mobile talent.

The Mersey Dee economy is home to a number of sectoral specialisms with six sectors that define the **region's economy**:

- **Advanced Manufacturing**: We are a manufacturing powerhouse, producing £4.5 billion in GVA and employing 54,000 people. With a Location Quotient of 1.7, the MDA houses 70% more manufacturing employment than the national average. Our sectors are relatively high productivity, with an overall GVA per FTE (Full Time Equivalent) job of £83,500, which is 2% greater than the national average for all manufacturing and 9% higher than the national average across all sectors. The sector includes leading anchor companies in aerospace, automotive and pharmaceuticals, such as Airbus, Toyota, JCB, Ipsen and ENCIRC, along with thriving research and innovation assets such as the Advanced Manufacturing Research Centre (AMRC) Cymru, Thornton Science Park and **Wrexham Glyndwr University's** specialisms in optics and composites.  

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**We house 70% more employment in advanced manufacturing than the national average**

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- **Energy**: The Mersey Dee is a nationally important **region in the UK's energy sector** employing 13,500 people across 1,430 businesses. We are home to a burgeoning nuclear and offshore wind industry and associated supply chain, with the Capenhurst uranium enrichment facility, and one of the largest concentrations of nuclear consulting engineering companies in Europe. ENI and Uniper are major energy anchors. We are at the forefront of efforts to decarbonise industry by generating and deploying hydrogen at scale, housing the flagship Hynet project. The Cheshire Energy Hub have devised the Energy Innovation District which provides an opportunity to deliver a new energy system in the North West.
- **Finance and professional services**: The region is home to nearly 7,000 financial and professional services businesses, accounting for 21% of all businesses and supporting 48,800 jobs. This includes 3,500 jobs at Chester Business Park, with a presence of many high profile and global brands such as MBNA Lloyds Banking Group, Bank of America, M&S Bank and Moneypenny, world leaders in offsite secretarial services and a Welsh Government anchor company.
- **Health and life sciences**: The health and life sciences sector is one of the largest sectors in the region with a GVA of £2.1bn, 48,300 jobs and a location quotient of 1.1. With the Wrexham industrial estate, one of the largest industrial sites in Europe, there is a cluster of medical and pharmaceutical companies most notably Ipsen and Wockhardt, along with Unilever in Wirral. The make-up of businesses in the sector are large employers with only 975 businesses supporting all the employment.
- **Tourism**: The region is located close to the North Wales coastline, Pontcysyllte Aquaduct UNESCO World Heritage Site and Snowdonia National Park which attracts around 4 million tourists per year. Chester Zoo receives 2 million visits per annum. The tourism sector within the Mersey Dee region is also a strength of the area with a number of nationally recognisable retail



locations and sporting facilities including the Royal Liverpool Golf Club, which hosts internationally recognised tournaments such as The Open Championship.

- **Retail:** The region boasts nationally significant retail locations with the UK's largest designer outlet in Cheshire Oaks at Ellesmere Port, which attracts around 8 million shoppers a year, alongside the major redevelopment at Northgate in Chester. Wrexham is the largest town centre in North Wales. The MDA's strong retail offering is a pivotal local economic sector employing 52,150 people (13% of overall employment) and over 3,300 businesses as well as the 3<sup>rd</sup> highest GVA producing sector in the MDA accounting for 11% of the regions total GVA.

The manufacturing sector accounts for a fifth of Mersey Dee's total GVA.

Top 10 Broad Sectors in the Mersey Dee by Gross Value Added (GVA)				
Rank	Sector	GVA (£m)	Share of Total GVA	Employment
1	Manufacturing	4,469	20%	56,000
2	Real estate activities	2,708	12%	5,450
3	Wholesale and retail trade	2,364	11%	68,000
4	Health	2,079	10%	59,000
5	Financial and insurance	1,655	8%	12,350
6	Education	1,212	6%	32,000
7	Professional, scientific and technical	1,126	5%	32,000
8	Admin and Support	1,070	5%	29,500
9	Public administration and defence	1,060	5%	18,000
10	Construction	917	4%	17,750

ONS, 2018 GVA data and Business Register and Employment Survey, 2019

## Our Assets

### Education

The MDA area is home to two universities: University of Chester and Wrexham Glyndwr University and three further education colleges: Wirral Metropolitan College, Coleg Cambria and Cheshire College (South and West). Our educational institutions play a strong role as partners in the Mersey Dee Alliance and in driving forward strategic economic development projects for key sectors.

The region has a strong retention rate of graduates within the key priority sectors for growth going forward. 61% of the past five years' graduates who had found employment upon graduation were employed in a priority or growth sector<sup>5</sup>. Overall graduate retention stands at 54%, which is notably higher than some other locations.<sup>6</sup> The high level of employment in priority sectors is supported by schemes such as the Cheshire Energy Hub Graduate Scheme at Capenhurst, an industry led energy sector support organisation that has established an award-winning graduate development programme.

<sup>5</sup> Study includes Wrexham Glyndwr University, Bangor University and the University of Chester

<sup>6</sup> For example, Liverpool, at 37%.

We also have an expanding academic research base with the Energy Centre **at the University of Chester's** Thornton Science Park, highlighting the region's inclusive research and innovation with links between local businesses and education institutions. Wirral Metropolitan College has built a new campus in the heart of Wirral Waters Enterprise Zone. Supported by the Skills Funding Agency, the new Campus is a dedicated Built Environment, Skills and Enterprise Centre. Coleg Cambria and Cheshire College provide significant numbers of apprenticeships in the region: for example, Coleg Cambria provides the apprenticeship programme for Airbus. Wrexham Glyndwr University has very strong R&D capabilities in Optics, Composites and Hydrogen which underpin projects in the North Wales Growth Deal.

## Employment sites

The MDA area is home to a number of high employment growth opportunity areas which were expected to see around 40,000 new jobs created over a 20-year period (starting in 2018):

- 1) **Wirral Waters Enterprise Zone** - +20,000 jobs. This £10bn regeneration project is one of the most significant opportunities to attract investment and accelerate growth in the UK. The investment will support supply chain growth and boost the automotive and renewable energy sectors in the area, especially around focusing on the wind farm industry.
- 2) **Deeside Enterprise Zone** - +5,000 – 7,000 jobs. The Deeside Industrial Park is a 2,000 hectare site which primarily focuses on the advanced materials and manufacturing sector and is already home to a number of major international manufacturing companies.
- 3) **Ellesmere Port** - +4,450 jobs. Ellesmere Port plays a pivotal role in the energy and nuclear industry for the MDA region and will be a leading location for decarbonisation and zero/low carbon energy technologies, with plans to develop Ellesmere Port into a net zero carbon energy cluster. The town is home to a number of internationally recognised businesses in Vauxhall, Essar Oil and Urenco. Ellesmere Port has the potential to be a catalyst for regeneration by turning it into a leisure destination of regional significance given the extensive employment in retail and leisure and building on the success of Cheshire Oaks and its proximity to Chester Zoo and the international heritage city of Chester.
- 4) **Ince Resource Recovery Park** +3,250 jobs. The \$122m waste to energy project will be one of the final Advance Thermal Conversion Plants to be accredited under the UK. Government's Renewable Obligation Certification scheme. MWH constructors have outlined the use of a number of local suppliers and subcontractors from the Cheshire & Merseyside population.

**Wrexham Industrial Estate** is also already one of the largest industrial areas in Europe and may have the capacity to expand further, subject to planning.

Companies in the MDA area also have the opportunity to build relationships with the new Nuclear Advanced Manufacturing Research Centre (Nuclear AMRC) located at Cammell Laird in Wirral and AMRC Cymru at Airbus.

The main assets across the Mersey Dee region are predominantly clustered around Birkenhead, Ellesmere Port, Wrexham, Chester and the Deeside Industrial Park (as shown in the map below).

## Mersey Dee Alliance's Assets





## Key employers

We have a number of employers of International importance:

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# AIRBUS

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**Airbus:** The world's largest airliner manufacturer which took the most airliner orders in 2019. It is a major local employer with 5,000+ jobs at its Broughton site and +12,000 jobs in the total supply chain.

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**Essar:** A multinational conglomerate and construction company which operates Stanlow Refinery at Ellesmere Port. It is estimated that Stanlow contributes £60million each year to the local economy and accounts for 16% of all road transport fuels in the UK.

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The logo for Essar, featuring the word "ESSAR" in a bold, black, sans-serif font. To the right of the text is a stylized red and orange four-pointed star or cross shape.

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# TATA STEEL

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**Tata Steel:** Is one of the most geographically diverse steel producers with operations spanning over 35 countries. The 404ha site at Shotton employs 700 people and produces 400,000 tonnes of coated steel products a year.

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**KK Fine Foods:** Established in 1987 the company employs 500+ people across the foodservice, retail and catering sectors and are manufactures of high-quality meat, fish and vegetarian meal solutions.

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FINE FOODS LTD

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# Iceland

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**Iceland:** Is a British supermarket chain with its headquarters in Deeside, Wales. The company has around 25,000 employees and 5 million customers.

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**Vauxhall Motors:** part of the Stellantis automotive group, is a British car manufacturer and the second-largest selling car brand for two decades. The plant in Ellesmere Port employs over 1,000 staff and produces approximately 187,000 units a year.

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**Urenco:** A British nuclear fuel company and one the largest in the world. They have operated in Capenhurst since 1973 and employ more than 300 people. The site's 3 enrichment plants enable nuclear power stations globally to generate electricity. The largest of the 3 plants, E23, produces more than 80% of the facility's enrichment capacity.

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**Money Penny:** Founded in 2000 and headquartered in Wrexham, Money Penny has grown into an international outsourced communications service that handles over 20m calls and chats annually.

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**Uniper:** an international energy company with about 11,000 employees. Uniper operates the Connah's Quay Power Station in Flintshire.

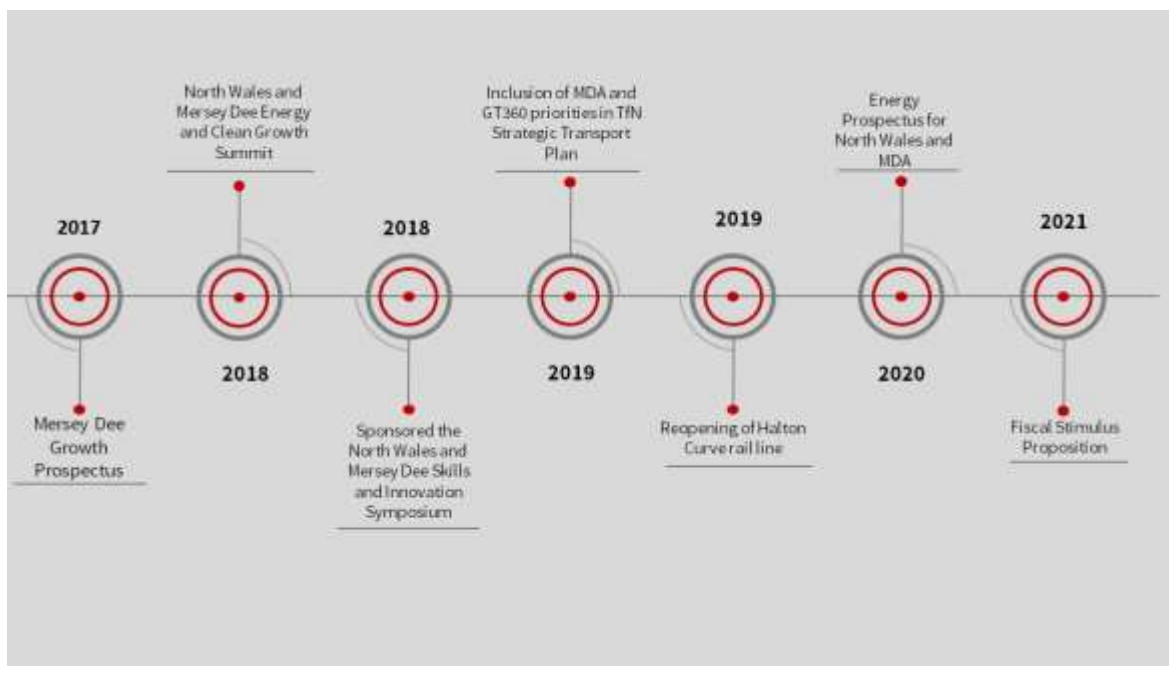
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## The Story So Far

The Mersey Dee Alliance was founded in 2007 and it has since become a successful cross-border partnership which supports economic growth across North East Wales, West Cheshire and Wirral. Throughout the last decade the partnership has sought to maintain and increase the area's competitiveness, support key business sectors alongside skills, employment and inclusive growth and has exerted its influence to bring economic infrastructure to the region. There have been numerous key contributions and achievements to date across four main areas; transport, skills and employment, low carbon and clean growth, and business support, which are explored in more detail below. On top of this the MDA has continued to work with key partners and stakeholders such as the Liverpool City Region, Cheshire and Warrington LEP, and the North Wales Economic Ambition Board.

The 2017 **MDA Prospectus** was a seminal document, bringing together a set of projects which underpinned funding bids by individual Councils in the MDA and Local Growth Partnerships of which they are members. These included, Wirral Waters which was a major development proposal in the plans of **Liverpool City Region**, the **Welsh Government took on the development of Deeside's Northern Gateway** and the Advanced Manufacturing Research Centre, while the North Wales Growth Deal incorporated schemes such as Warren Hall and the Wrexham Western Gateway.

### The Story So Far



### **Transport:**

- **Halton Curve:** The redevelopment of the Halton Curve rail line which provides services between Liverpool and North Wales. Within the first 6 months of opening the line has accommodated around 500,000 passenger journeys.
- **Growth Track 360 (GT360):** The cross-border collaboration of the North Wales and Mersey Dee Rail Task Force has supported intraregional rail enhancements: Chester Station capacity, Wrexham to Liverpool, North Wales Mainline journey time and Crewe Hub. The Task Force produced both Growth Track 360 Rail Prospectus and West & Wales Strategic Rail Prospectus calling for investment.
- **North Wales Metro:** The MDA has supported the North Wales Metro which is developing a comprehensive integrated public transport system in North Wales and cross-border. Key Metro projects: Deeside Parkway station, Shotton Interchange, Wrexham to Liverpool and North Wales Mainline enhancements, Station Active Travel Plans and Wrexham Gateway.
- **Transport for North (TfN):** The Alliance successfully lobbied to get the Mersey Dee areas transport priorities included in the TfN Strategic Transport Plan, with Chester Station capacity improvements and Wrexham Bidston service and line improvements included.

### **Skills and Employment:**

- **Skills and Innovation Symposium:** The MDA is committed to upskilling its residents and in 2018 the Mersey Dee Alliance, alongside the North Wales Regional Skills Partnership, sponsored the North Wales and Mersey Dee Skills and Innovation Symposium in collaboration with Wrexham Glyndwr University, Bangor University and the University of Chester, which brought together both the private and public sector. The Symposium included an Industry Panel comprising of a number of the key employers in the region including Airbus and Unilever.

### **Low Carbon and Clean Growth:**

- **Energy Summit:** The MDA, along with NWEAB and the Cheshire and Warrington LEP, held the North Wales and Mersey Dee Energy and Clean Growth Summit, attended by Welsh Government Minister for Economy and Transport, Liverpool City Region's Metro Mayor, Parliamentary Under Secretary Wales Office, businesses and organisations representing smart, low carbon and renewable energy as well as skills and technical expertise.
- **Energy Prospectus:** The prospectus was one of the main outcomes of the Summit and was published in March 2020.



### **Business Support:**

- **Business Networking:** The Alliance has successfully held many cross-border Business Breakfast Networking Events, 5 - 6 events are held annually with an average attendance of over 150 delegates. The events offer businesses to *“get involved in one of the most innovative and effective networks across the North Wales/North West border area”*.



03:

Why the package is  
needed:

Our Investment  
Priorities

# Why the Package is Needed: Our Investment Priorities

The poly-centric, cross-border nature of the Mersey Dee area makes it somewhat unique in Great Britain. With a population that, in normal times, freely and regularly crosses the national border for both work and leisure, differences in English and Welsh institutions are no barrier to daily life and the boundary is invisible for most.

As we saw in Section 2, the area is consequently home to a diverse economy that includes major businesses across aerospace, automotive, nuclear, renewables, pharmaceuticals, chemicals, financial services, food, engineering, ICT, tourism and retail.

## Why are we asking for support?

These close economic links mean that issues and market failures emerging in any one of our local authority areas create impacts that are felt across the Mersey Dee area. Our economy now faces the **twin challenges of recovering from the COVID-19 pandemic and to access the opportunities offered by Global Britain**. Given the nature of our economy and some of its key employers, these have been particular issues for us.

In 2020, the UK economy was estimated to have shrunk by 9.9%<sup>7</sup>, the largest fall on record and probably the biggest economic shock since the start of the 18<sup>th</sup> century. It has been estimated that up to 2 million people across the country may not have worked for at least six months.

In our area, our sectoral mix means that there have been some particularly damaging economic effects from the pandemic:

- Almost 50,000<sup>8</sup> workers (13% of eligible staff) were on furlough in January 2021. Additionally, ONS survey data showed 21% of businesses had paused trading and did not intend to restart trading in the next two weeks (which equates to around 6,950 businesses)<sup>9</sup>.
- Almost 50,000 workers in the MDA area were on furlough in January 2021 (13% of eligible staff)**
- Insolvency data from The Gazette further highlights the impact of the Coronavirus pandemic on businesses within the MDA with 144 businesses filing for insolvency between the months of May and December 2020. The number of insolvencies in December was 1,233% higher than that in May.

Our own modelling of the impacts of the pandemic on the Mersey Dee area has found that **an estimated 15% of our pre-pandemic GVA of £22.9bn (£3.4bn) was lost during 2020**. This is

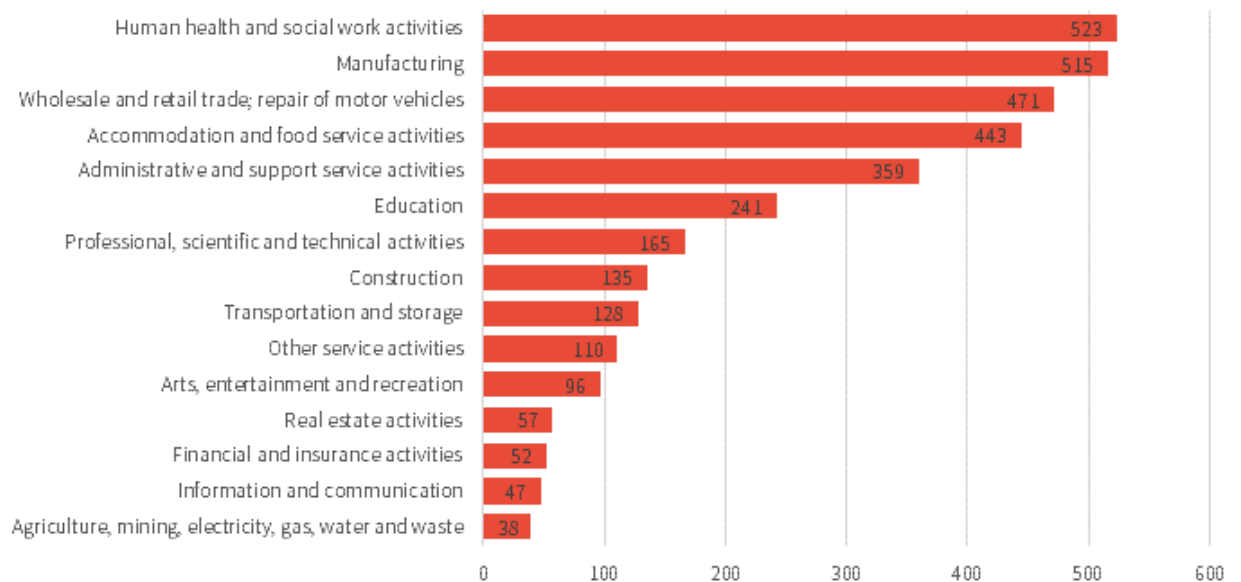
<sup>7</sup> ONS, December 2020, Monthly GDP estimate

<sup>8</sup> HMRC, Coronavirus Job Retention Statistics, January 2021

<sup>9</sup> ONS, 2021, Business Impacts of Coronavirus, Wave 23, 11<sup>th</sup> January to 24<sup>th</sup> January

proportionally significantly higher than the fall experienced nationally. Manufacturing, and human health and social work experienced the largest losses. Wholesale and retail trade contracted as social distancing protocols were put in place and lockdowns ensued, and this is similarly the case for the accommodation and food sector.

Estimated GVA Loss by Sector (£m) for Mersey Dee Economy, 2020



Source: Hatch economic analysis

The most visible manifestations of these challenges are as follows:

- **Airbus:** One of the **Mersey Dee's** largest private sector employers announced 1,400 job losses from its site at Broughton following a 30% cut in production. Given the multiplier effects through companies impacted in the supply chain and through lost employee spending, **we estimate that this alone has cost the UK economy around £700 million in GVA and 11,000 job losses.** Much of this is in the MDA area, given the locations of employees and suppliers. This will have a major, long-term impact on our economy and its people if not mitigated.
- **Town centres:** unlike some other city regions, the Mersey Dee economy has no central node in which to focus efforts for the recovery. Multiple smaller town centres that were already facing a decline as retail destinations have been devastated by the pandemic. Whilst there is considerable uncertainty, the rise of homeworking and shift to online have probably changed the role of these town centres permanently.

Furthermore, **our anchor companies, many of which are multinationals, face increasing global competition.** This environment means that local plants need to compete internally with other global sites for continued investment. Structural shifts including our departure from the European Union and the need to decarbonise operations have intensified this competition. With 80% of our exports going to the EU, **our internationally oriented firms need to adapt to life outside the European Union,** and to what this means for their supply chains and international trade.



At the time of writing, we are facing the potential closure of the Vauxhall car plant at Ellesmere Port which has been making cars since 1964. Other manufacturers may be at risk of production moving to other countries on the continent unless local sites remain competitive.

## Our strategic priorities

Partners in the region have responded swiftly to these challenges, identifying the need to develop a targeted package of support.

Our extensive engagement with stakeholders has identified a number of clear, near-term priorities in response to these twin economic shocks – but this package also looks beyond that short time horizon. Our aim is to catalyse a recovery that will create a stronger, more sustainable future for the Mersey Dee area. The themes presented below build on our established vision for the local economy, its strengths and longstanding structural challenges.

Our package confronts these challenges and builds on the corresponding opportunities for creating sustainable, inclusive growth in the Mersey Dee area across three cross-cutting strategic themes:



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Supporting cleaner growth – the UK has adopted a target of achieving net zero emissions by 2050. Our mix of industries and energy assets leaves us ideally placed to lead this ambitious transition and to act as an exemplar region for low carbon development.

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Connecting places, people and businesses – as a cross-border economy with multiple centres, the Mersey Dee area will be strengthened by improving the links between those places their business and people. Enhancing our connectivity is crucial.

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Sustainable and inclusive growth – as the region recovers from the pandemic our aim is to look beyond a simple headline level of growth. We want to ensure that everyone benefits from the region's success

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We have then identified and agreed five investment priorities for our package.

## Priority 1: Keeping our businesses competitive

The COVID-19 pandemic has hit our businesses extremely hard. Whilst we have been cushioned by the range of economic support measures put in place nationally, we know that once these (especially the Coronavirus Job Retention Scheme) are tapered back, redundancies among the **region's firms** may be expected to accelerate. The job losses announced by Airbus were driven by a huge downturn in the market for aircraft following the collapse of international air travel leading the firm to cut production by a third. This impact will inevitably work its way through the locally based supply chain unless those businesses are unable to diversify and adapt for new markets.

Airbus represents a major event that will have a disproportionate impact on employment and **risks the permanent loss of highly skilled engineers from the local labour market**. Yet the cost of the pandemic on jobs has also been far more widespread. Our town centres had already been suffering due to high business rates and the rise of online spending. Throughout 2020, many major retailers entered administration and social distancing regulations forced a far wider range of consumers to shift spending online. While this may spell trouble for many traditional retailers, the Office for

National Statistics reported that the number of business creations in the last three months of 2020 was up by a quarter on the same period in 2019<sup>10</sup>. Surprisingly many of these were new retailers, adapting as the proportion of retail spending online soared to 35.2% in January 2021. This was the highest level on record<sup>11</sup> and shoppers are probably now forming lasting new habits. For better or worse, the pandemic has almost certainly changed the role of town centres for good and policy makers both locally and nationally will likewise have to adapt. Plus, with 11% of pre-pandemic employment<sup>12</sup> in the Mersey Dee area in the retail sector, the risk to jobs is high.

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Despite these challenges - with some targeted support - the same strengths that brought multi-nationals like Airbus to the Mersey Dee and allowed home grown talent to flourish here will allow our businesses to adapt and thrive.

Simultaneously, **manufacturers in the region need to adapt to the new trading arrangements with the European Union**. Any additional complexity in trading with the UK potentially reduces the competitiveness of manufacturers in the Mersey Dee area and we now face the risk of production moving to other locations on the continent unless local sites remain competitive. Meanwhile, the cluster of financial services firms in Cheshire, that no longer have the same level of access to the single market, may also see jobs at risk.

**This disruption to so many jobs across such a diversity of sectors risks leaving economic scars that are hard to heal**. Yet the **Mersey Dee's** economic strengths also leave it uniquely placed to capitalise on some of the trends that are set to drive economic growth in the post-pandemic era. However, during periods of uncertainty most firms must face the difficult choice of putting their plans for growth on hold to ensure their survival. Indeed, across the UK business investment in the final quarter of last year was 19.2% lower than the year before - **we must seize this opportunity to keep our businesses competitive and help them to build back better**.

<sup>10</sup> ONS, Business Demography, quarterly experimental statistics, October to December 2020.

<sup>11</sup> ONS, Retail Sales, Great Britain, January 2021.

<sup>12</sup> ONS, Business Register and Employment Survey, Employment, 2019

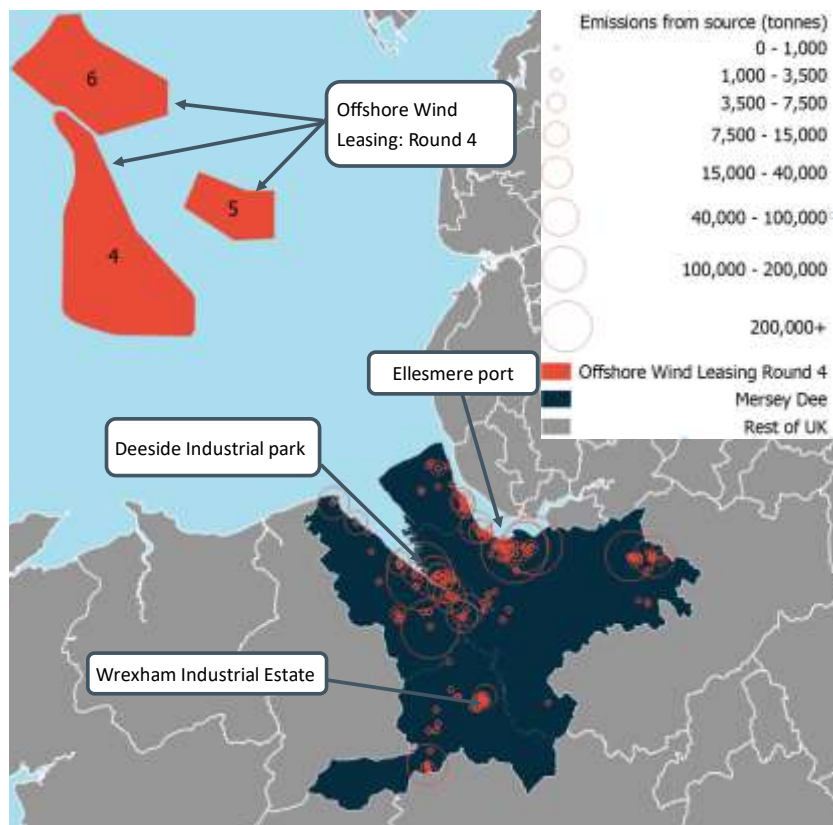
## Priority 2: Decarbonising industry

The UK has set itself a legally binding target for reducing net greenhouse gas emissions to zero by 2050 and has made huge strides in reducing fossil fuel use in its production of electricity. Renewables now account for a third of electricity generation. This process means emissions from households and businesses that primarily rely on electricity for their energy needs have fallen rapidly. With renewables now typically representing the cheapest option for future electricity generation this trajectory looks set to be maintained as the UK transitions to net-zero emissions. Despite these gains two notable barriers to achieving net-zero in the timetable set out in legislation:

- Predictable power: due to their dependence on the weather conditions, wind and solar power – without storage capacity - are less predictable energy sources than traditional fossil fuelled or nuclear power stations. Other sources of low carbon power will be needed to ensure predictable electricity supply in a net zero world.
- Heavy industry: some industries have very significant needs for the generation of heat and power which are not easily electrified. These industries will not be in a position to benefit directly from the growth in cheaper renewable electricity and will need alternatives like low cost hydrogen or carbon capture and storage (CCS) to meet emissions targets while maintaining their competitiveness.

Nonetheless, the UK government's energy white paper states that by 2050, **emissions from industry will need to fall by around 90 per cent from today's level**<sup>13</sup>. This process looks most challenging for energy-intensive manufacturers and refineries.

These sectors account for 16% of UK greenhouse gas emissions and are geographically concentrated into a few industrial clusters that make up about half of the total. As major local employers, **getting the transition to net zero emissions right in these clusters is essential to protect their local economies**. This is especially true for the Mersey Dee area, given our cluster of heavy industry, especially around Ellesmere Port. Large industrial installations in the Mersey Dee were responsible for four times the emissions per capita than the national average.<sup>14</sup> Indeed, total industrial and commercial emissions reached 4 million tonnes of CO<sub>2</sub> in 2018, and according to the National Atmospheric Emissions



<sup>13</sup> BEIS, Energy White Paper, Powering Our Net Zero Future, 2020. p.118

<sup>14</sup> Analysis of BEIS 2020, Local Authority territorial CO<sub>2</sub> emissions estimates 2005-2018 (kt CO<sub>2</sub>), total emissions from large industrial installations per capita in Flintshire, Wrexham, Cheshire West and Chester and Wirral compared to UK.

Inventory, and the locations marked on the map above were directly responsible for almost 1.5 million tonnes of those emissions.<sup>15</sup>

The UK's stated long-term strategy is to let markets and carbon pricing incentivise the shift to low carbon technologies in industry - but over the next decade it is clear that upfront investment will be required to lay the groundwork for those markets to operate effectively. The impetus for achieving the net zero legislative target through this sort of investment has been given a boost with the **UK government's new Ten Point Plan for a Green Industrial Revolution and UK-wide Industrial Decarbonisation and Hydrogen strategies are due to be published this year.**

The extent of potential industrial uses for hydrogen and the existence of major carbon capture, utilisation and storage (CCUS) and hydrogen projects already in place makes **the Mersey Dee area a prime opportunity to invest in rapidly achieving one of the world's first net-zero industrial clusters.** The Mersey Dee area is already home to projects that will help deliver on UK Government targets for 5GW of hydrogen to be deployed by 2030 and capture 10Mt CO<sub>2</sub>/year using CCUS. Its location places the Mersey Dee in an ideal position to link up with other parts of the hydrogen economy across the North West of England and North Wales. Indeed, there are numerous examples of both public sector and industry-led projects across the region, including:

- **Net Zero North West** – led by industry this collaboration aims to make the North West of England home to the **UK's first low carbon industrial cluster**, creating at least 33,000 jobs and seeing over £4bn invested in the region.
- **The North West Hydrogen Alliance and HyCymru** – both the North West of England and Wales have hydrogen industry membership bodies acting to advance the hydrogen industry on either side of the border.
- **HyNet North West** – a collaboration between Cadent and Progressive Energy, the project will be capable of generating 80% of the UK's **entire** target for **low carbon 'blue' hydrogen** in Cheshire by 2030.
- **Protos** is a strategic cluster of energy generation and energy intensive industry in Cheshire; with a masterplan extending to 280 hectares. Existing infrastructure includes a 50 MW windfarm and 26MW biomass facility with the opportunity for carbon capture and storage in future.
- The **UK government's** 2021 budget announced £4.8 million for a **hydrogen hub in Holyhead** to pilot the creation of hydrogen using renewable energy and its use as a zero-emission fuel for Heavy Goods Vehicles
- The **E-Port Smart Energy Masterplan** is considering how a local low-carbon smart energy system could be developed in Ellesmere Port. The master plan will set out a ten year private sector investment programme for developing a smart grid in Ellesmere Port that could be rolled out across the UK
- The North Wales growth Deal is exploring the development of a source of green hydrogen as part of the **Deeside Hydrogen Hub** project at the Deeside Industrial Park, with possible applications for decarbonisation of public or local authority transport.

<sup>15</sup> Emissions from Point sources as calculated for the 2018 NAEI maps, National Atmospheric Emissions Inventory, 2020



With many other important projects coming forward in the wider area and building on the research taking place at the Thornton Science Park, the Mersey Dee is positioned to become a national if not

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New projects off the coast of North Wales and North West England that could deliver almost 3.5 gigawatts of energy, enough to power 3.2 million homes, were recently announced following Offshore Wind Licensing Round 4.

global leader in the hydrogen and CCUS economy. While this was always going to be necessary for the UK to reach net zero, action taken now, to stimulate this emerging sector, will have the dual benefits of protecting the labour market from economic scarring and accelerating the transition to net zero.

Moreover, the expansion of renewable energy production brings further opportunities for the **Mersey Dee's** existing engineering and manufacturing supply chain to diversify its customer base and expand into new sectors as a national and global leader in low carbon energy.

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Indeed, the Offshore Wind Growth Partnership has identified the need to bring new firms into the Offshore Wind supply chain from the automotive and other industries – but there is a requirement for joint support from ‘sector supply chain organisations and growth partnerships’ **to achieve this aim**. It is critical that as new wind projects are established in the region, the engineering capabilities of the Mersey Dee’s **businesses and households** are deployed to support the **government’s ambition to raise the UK content into the offshore wind projects to at least 60%**.

### Priority 3: Skilling for the future

With the pandemic likely to have permanently changed the nature of retail and the role of the office in daily life, new entrants to the workforce and those working in sectors that may now be in permanent decline will have to adapt. The speed of this change and the breadth of its impact means there is a clear role for governments, both local and national, in managing this change. **The UK Government Plan for Growth** recognises this need, and with it the requirement to provide billions in additional revenue funding for:

- Jobcentre support – e.g. doubling the number of DWP work coaches
- Kickstart – helping young people at risk of long-term unemployment with fully-funded roles
- Restart – helping the long-term unemployed access additional support

Aside from help to find existing jobs, changes in the sectoral mix and the way people work after the pandemic is also expected to create new demands on the education system, to reskill the workforce for the future. Additionally, the Mersey Dee area’s **role in a major industrial cluster creates** a pressing need for decarbonisation across many local businesses. The level of technological and regulatory change that is necessary to meet net zero targets will create commercial pressures that are likely to demand an understanding of new plant and processes. At a precarious time for businesses, **such a fundamental change creates a requirement for new Green skills at all levels from apprentices through to business leaders**.

Education is a devolved matter and as such a potential border may exist in the skills system that is not recognised in the labour market. This can mean different employees of a company operating in the Mersey Dee may not always have access to the same support because of where they live, an issue that is unlikely to be faced by employers anywhere outside of the Mersey Dee given the unique nature of the cross-border economy. While the level of provision either side of the border is not necessarily at issue, **employers across the whole Mersey Dee economic area should be able to access the equivalent standard of support**, seamlessly, regardless of their location.

Universities	Colleges
University of Chester (Cheshire West and Chester and Wirral)	Cheshire College South and West (Cheshire West and Chester)
	Coleg Cambria (Flintshire and Wrexham)
Wrexham Glyndŵr University (Wrexham)	Wirral Metropolitan College (Wirral)
	North West Engineering College (Wirral)

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There are six higher and further education providers in the MDA area, including two universities and four colleges.

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The table above outlines the six higher and further education providers within the Mersey Dee area, although there are also a number of Private Training Providers operating in the area and links between a number of the Universities and Colleges with other sites outside of the area. For instance, University of Chester and University of Bangor are linked in their teacher training offer, and Wrexham **Glyndŵr** also operates in Denbighshire. *While these institutions offer a wide range of subjects, the educational offer in the region is especially strong on business and technical education.*

Over time these providers and their partners in businesses, from the major anchor employers and their supply chains down to smaller local firms, will naturally take ownership of the training programmes of the future. *However, the market for education is imperfect and without coordination this process may take time to achieve the critical mass needed to support the industries of the future.* This effect is compounded by uncertainty over new green technologies that are not yet operational and managers that are, in many cases, only at the early stage of embedding the transition to net zero into business plans.

However, the moment to achieve this is now:

- The impact of the pandemic has already changed the labour market and the opportunity to make major investments in net zero has arrived at the same time.
- With £12bn already pledged nationally towards the **Ten Point Plan for a Green Industrial Revolution** and major hydrogen, CCUS, tidal power and wind projects coming forward across region, new skills programmes and curricula need developing now to avoid acting as a brake on this progress.
- To ensure that green skills programmes are optimised and commercially viable under normal funding arrangements quickly will require *coordination, pump priming of new courses and capacity building for providers.*

#### Priority 4: Connecting our region

Opportunities for work are harder to reach for those living in disconnected communities. In parts of our region, poor connectivity and the poly-centric geography of the area can mean the cost of getting to work is prohibitively high for some lower paying jobs. Physical connectivity is limited by several major factors including:

- **Lack of integrated ticketing** between services – especially across the England/Wales border

- Lack of **connectivity between modes/services** for public transport users
- **Inaccessibility of major employment centres** to public transport, especially for shift workers
- Limited strategic cycle networks and **poor integration with public transport**

As the Mersey Dee area looks to recover following the economic collapse of 2020, the nature of work is likely to change. This may mean **digital connectivity is also an increasingly important factor in spreading opportunity across the region** as more jobs encourage working from home, at least some of the time. Parts of the Mersey Dee continue to suffer from poor virtual and in-person access to the workplace, which will cut those areas off from the benefits as the recovery takes hold. Notably, as an industrial hub, the ability for many in the region to work from home is also likely to be proportionally lower than in the more service-based economy of the UK's other city regions.

Across the Mersey Dee area and indeed further afield within North Wales, the private car is the dominant form of transport. With work trips and commuting heavily reliant on cars this is both a cause of increased pressure on the road network and the effect of under-investment in public infrastructure, especially rail. Slow journeys by car do not just cost commuters time getting to and from work but the congestion they produce has an impact on other road users. The burden on road capacity limits the ability of freight to **move freely into and out of the region's ports** and there are further hidden costs to other businesses and households.

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In normal times, an estimated 12 million commuter trips took place across the England/Wales border each year and 85% of these were taken by car<sup>16</sup>. Compared to just 68% across the UK<sup>17</sup>

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#### Active and sustainable travel

While a number of specific road improvements may still be required to unlock major new development sites, **the pandemic also creates the opportunity, and the need, to rethink the nature of transport in the Mersey Dee area.** With the right infrastructure in place, disconnected communities could be more closely linked to work opportunities without the need for putting more cars on the road. Short physical distances would make walking and cycling a viable mode of travel if only the infrastructure to link population centres to workplaces, healthcare, leisure and education opportunities or to connect to the wider public transport network were in place.

In a region so dominated by car travel, the benefits could be widespread:

- decarbonisation - the opportunity to rapidly reduce emissions from private car use
- health and well-being – for households that are at present reliant on their cars, enabling active methods of travel to become the most efficient and cost-effective route to work could make daily exercise routine.
- air pollution – active modes of transport and better public transport provision would reduce the level of air pollution from cars
- inclusive growth – the lower cost of cycling and walking could open up work opportunities to households that are unable to cover the higher cost of car travel

Each of the local authorities in the Mersey Dee area has a plan in place for increasing active travel and this is considered a priority for both the UK and Welsh Governments' transport strategies. However, for

<sup>16</sup> Growth Track 360 analysis

<sup>17</sup> ONS, Labour Force Survey, 2017

these strategies to work most effectively in support of the Mersey Dee economy, joining up these plans to ensure cross-border walking and cycling connectivity is essential.

## Public Transport

On a larger scale, the arrival of HS2 services through Crewe and into Liverpool brings a new era of connectivity to the doorstep of the Mersey Dee area. This presents a chance to open up the economy to new opportunities across much more of the UK. However, institutions such as Transport for the North (TfN) and the Northern Transport Acceleration Council (NTAC) have been focused on larger schemes such as the Trans-Pennine route, meaning relatively small but high impact schemes at the border of England and Wales have been overlooked.

**The Union Connectivity Review** implicitly recognises

**the importance of the UK's** cross-border areas. And as a centre of industrial and commercial activity, the Mersey Dee region might be described as a Union Powerhouse, yet it has still to be recognised as such in the planning of transport infrastructure investments. The high degree of planning for public transport in the Mersey Dee cross-border economic region presents some of the highest societal value project opportunities in the UK.

The Welsh component of the Mersey Dee region is located in the North of the nation, which is a high priority area for rail improvement by the Welsh Government. However, rail infrastructure investment is non-devolved, which requires our proposals to be a priority of the UK Government as well. Currently,

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**A typical journey from Wrexham to Manchester Airport takes 140 minutes by rail compared to just 50 minutes by car.**

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just 1% of cross border commuting is by rail, 80% less than the national average<sup>18</sup>. The geography of the railways means we require infrastructure investment on both sides of the border to realise economic benefits in the North Wales and Mersey Dee geography.

With most people in the region still dependent on their cars the public transport network still needs a major upgrade to compete. The lack of integration between services makes journeys seem inaccessible to the public and slow or irregular services make congested roads seem the more practical choice. **Improvements are required to ticketing, line speeds and service frequencies to truly enable inclusive cross-border connectivity and all the benefits that this entails.**

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**Reliance on private cars means infrastructure upgrades at industrial sites to handle electric vehicle charging or a big modal shift to public transport or active travel will be required for net-zero.**

**Currently there is limited public transport provision to these major employment sites creating issues over accessibility of jobs, congestion and emissions.**

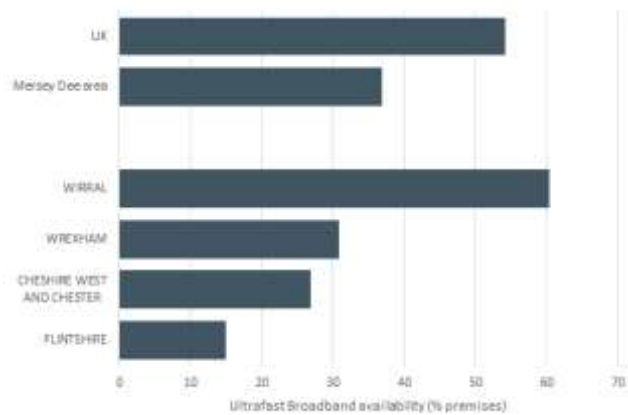
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<sup>18</sup> Growth Track 360



## Priority 5: Digital connectivity

Digital connectivity is a nationwide challenge but even though some parts of the area, such as Wirral have above average access to Ultrafast broadband, there are particular issues around rural areas in the Mersey Dee area, and on average, the availability of ultrafast broadband is below the UK average.



Connected Corridors will support a host of potential applications including autonomous vehicles, logistics, vehicle telematics and passenger connectivity.

The North Wales Economic Ambition Board is already taking a lead on **upgrading the region's** digital connectivity. Through a combination of investment from the Welsh Government, UK Government and the local authorities, by the end of 2021 the entire public

sector in North Wales will be one of the best connected in the UK. There will be gigabit capability at almost all sites that require it to deliver high quality public services, and the North Wales Growth Deal Digital Programme intends to extend this impact to the private sector, where this opens up the opportunity for significant growth.

With the Digital Signals Processing Centre of Excellence at nearby Bangor University already a leader in its field, there is an outstanding opportunity to link this capability into the wider economy across North Wales and into the Mersey Dee Area. **The manufacturing strength of the Mersey Dee presents a host of prospective test-bed firms with the potential for digital innovation.**

The logistics networks that support those firms also stand to gain from the North Wales Connected Corridors project which will extend high bandwidth and capacity mobile coverage along key routes in North Wales. **As with most networks, the benefits of greater connectivity grow in a non-linear way.** With additional support, sitting alongside the investment brought forward by the North Wales Growth Deal, these **Connected Corridors could easily extend into England and at little additional cost could rapidly expand the pool of users that are able to benefit from the approach.**

Meanwhile, the Liverpool City Region has also started its own Digital Connectivity project to boost productivity and innovation. **The City region's plan** will:

- Build a 200+ km underground fibre network that will run through the City Regions major economic clusters, connect with **3 transatlantic cables and a supercomputer located at the Haretree Centre Daresbury.**
- Work in partnership with the private sector to develop the network. This will be partially achieved by adopting a Dig Once approach which is to install ducting at the same time as road, cycling and walking schemes are undertaken.

The marginal cost of installing duct infrastructure while roadworks are ongoing is relatively low and inconvenience to road users can be greatly reduced by combining works. Lower costs mean fibre connectivity becomes commercially viable much sooner across a wider area. The North Wales Digital Programme is also exploring a similar approach to providing publicly owned duct infrastructure to accelerate the roll out of fibre connectivity. As the Mersey Dee area partially overlaps with the

administrative areas covered by both programmes, the case for expanding procurement efforts to connect the dots between North Wales and the wider Liverpool City Region is strong.

## Strategic fit and policy context

Despite the dramatic change in the economic context, the broad strategic direction for much government policy remains the same as it was before the pandemic struck. Indeed, the events of 2020 have solidified a number of policy positions. With interest rates now hitting historic lows and the economy in urgent need of fiscal stimulus – there is now a **once in a generation opportunity to invest in net zero, level up the economy and raise productivity.**

A core principle of our proposed package is that it helps to deliver on these major policy objectives and complements existing initiatives.

<b>National</b>	<b>Regional:</b>	<b>Local:</b>
<p><b>UK:</b></p> <p>Build Back Better: Plan for Growth</p> <p>The Ten Point Plan for a Green Industrial Revolution</p> <p>Energy White Paper</p> <p>UK Digital Strategy</p> <p>Gear Change—active travel</p> <p>Union connectivity review</p>	<p>Liverpool City Region: Building Back Better</p> <p>Cheshire &amp; Warrington LEP: Digital Infrastructure Plan, Strategic Economic Plan, Energy Plan</p> <p>North Wales Growth Deal</p> <p>Growth Track 360 West and Wales rail prospectus</p>	<p>Cheshire West &amp; Cheshire and Liverpool City Region: Local Cycling and Walking Infrastructure plans</p> <p>Wrexham and Flintshire walking and cycling plans</p> <p>Birkenhead Town Investment Plan</p> <p>Wrexham gateway masterplan</p>
<p><b>Wales:</b></p> <p>Llwybr Newydd – a new Wales transport strategy</p> <p>Transforming Towns</p> <p>Prosperity for all: economic action plan</p> <p>A Manufacturing Future for Wales—framework for action</p> <p>Future Wales: The National Plan 2040</p>	<p>Mersey Dee Alliance: Growth Prospectus, Energy Prospectus</p>	

With the vaccine rollout gathering pace, attention has turned to engineering the economic recovery in the aftermath of the COVID-19 pandemic. The **Build Back Better plan for growth**, published in March 2021, sets out how the UK government plans to drive forward the economic recovery. The plan covers **the government’s approach to developing:** infrastructure, skills, innovation, net zero, levelling up and global Britain. Welsh Government have also issued a plan for the recovery from the economic damage of the coronavirus pandemic named **Our Economic Resilience & Reconstruction Mission**. The plan restates its commitment to place-making, green reconstruction and fair work, underpinned by investment in people and digital transformation with an emphasis on developing the vision of a well-being economy and inclusive growth.

## Net zero

Perhaps the most important shift in UK policy in recent years has been driven by the amendment to the Climate Change Act setting a target of reaching net zero emissions by 2050. Further weight was added to this during 2020, when a **Ten Point Plan for a Green Industrial Revolution** was rolled out, alongside a new Energy White Paper. An Industrial Clusters mission was published early this year which sets out the aim to have at least one net-zero industrial cluster by 2040 and one low emission cluster by 2030. Industrial decarbonisation and hydrogen strategies are expected in 2021 to further support this aim.

## Levelling up

Both governments have produced plans to tackle some of the spatial disparities that affect the two nations. Future Wales: The National Plan 2040 is the Welsh national development framework, which builds on the Future Generations (Wales) Act 2015 to set the direction for development in Wales to 2040. **Meanwhile, the UK government has recently started to focus on ‘levelling up’ the country.** The objective is to raise levels of opportunity outside the more affluent regions of London and the South East. Indeed, **the Build Back Better plan states that “the UK Government’s most important mission is to unite and level up the country.”**

One of the specific issues that falls under the levelling up agenda is the role played by towns. The Future Wales plan highlights the Welsh **Town Centre First** approach, whereby development should be geared toward bringing activity into town centres. The Transforming Towns initiative in Wales funded some of these interventions directly. In England, the Ministry for Housing Communities and Local Government (MHCLG) were preparing Town Deals for 101 towns across England before the pandemic hit. These are now being assessed with around half of the Town Investment Plans now having been progressed.

## Transport

Both UK and Welsh government have issued transport strategies that focus on active and sustainable travel.

**Llwybr Newydd** or ‘New Path’ sets out **the Welsh Government’s** vision and 20-year ambitions for how transport can contribute to the wider social, environmental, economic and cultural well-being of people in Wales. Notably, right at the start of the strategy is a vision in which the private car takes a less prominent role in transport and there are fewer barriers to walking, cycling or public transport. And walking and cycling are placed at the top of the sustainable travel hierarchy.

The Department for Transport also released ‘**Gear Change**’ a vision for cycling and walking which states that the UK Government wants, and will fund, “*cities and towns across the UK to install first hundreds, then thousands, of miles of main road cycle tracks*”. This has led to local authorities producing their own Local Walking and Cycling Infrastructure plans.



An aerial photograph of a city street, likely in a historic area, showing a mix of brick and stone buildings. A semi-transparent white rectangular box is overlaid on the middle of the image, containing the text '04: Our Proposed package'. The street below shows a mix of architectural styles, including a large stone building with classical columns and a smaller black and white timber-framed building. The background shows a dense urban area with many buildings and a distant hillside under a cloudy sky.

# 04: Our Proposed package



# 04 Our Proposed Package

Our proposed fiscal stimulus package has been designed to address the key themes set out in the preceding section. We believe that it offers a compelling set of investable projects that will drive short term recovery, help deliver on national priorities and be capable of being delivered quickly. It has been designed to deliver strong strategic fit and complementarity with existing initiatives, and to be attractive to a range of funding sources.

## Parameters of the package

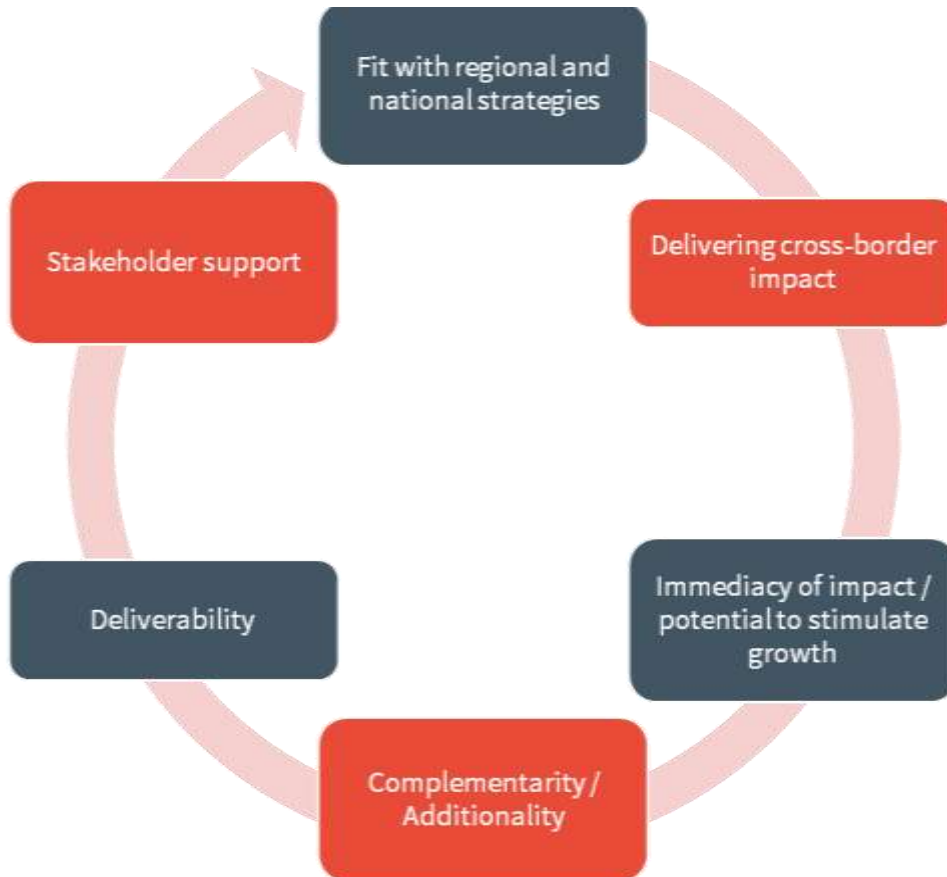
Our package is the result of an intensive and collaborative effort to develop and agree a compelling proposition.

The first step in this process was to agree a set of **key criteria / Critical Success Factors** that the package must deliver on. This was critical to ensure that our package is distinctive and fit for purpose.

These were as follows:

1. Strategic fit. Critically, any interventions within the package must have a strong strategic fit. This means not only that they align with the wider strategy and policy landscape; they need to make a demonstrable contribution to delivering on the priorities of national and local Government.
2. Delivering cross-border impact. All of the proposed investments should serve to benefit the **MDA's cross-border** functional economy, with a significant proportion explicitly targeting cross-border issues such as transport connectivity.
3. Immediacy of impact. Whilst projects will have different trajectories, we agreed that all projects need to be able to be delivered in the current Parliament and at least some of the investment should be able to take place in the next 12 months.
4. Additionality. There must be a clear and evidenced need for government intervention, resting on an identified market failure. This means that investment needs to:
  - Enable (new) projects to happen that would not otherwise have happened at all
  - Enable existing projects to be significantly accelerated where they are demonstrably held back by market failure
  - Significantly enhance the scale and impact of existing/planned projects.
5. Complementarity: linked to the preceding point, all interventions need to complement existing and planned projects elsewhere in the area and in adjacent locations. This includes major investment programmes such as the North Wales Growth Deal and the Liverpool City Region Devolution Deal

6. Private and public sector leverage: As a corollary of their strategic fit, projects need to have strong stakeholder support and to lever investment from the private and public sectors.
7. Deliverability. Finally, of course, it is important that projects are deliverable.



## Project development

With these agreed criteria and critical success factors in place, we began an intensive and rigorous process of project development, in consultation with stakeholders. This included:

- An initial **request for projects** that fit the criteria
- A **project prioritisation process** to reduce and focus down this initial set of ideas, using the agreed criteria
- A set of **workshops and stakeholder engagement sessions** to further refine and develop the project ideas (these are outlined in Section 6). This involved all of the partner organisations, Welsh Government representatives, North Wales Economic Ambition Board representatives and representatives from the private sector.
- A parallel **consultation exercise with the private sector**, designed to collect their views on investment needs and opportunities and initial project ideas
- Sorting the projects into a set of **programmes** with common strategic drivers.

## The proposed programmes

This process yielded a set of **five programmes**, each with their own distinct set of strategic objectives, linked by a golden thread of the overarching themes identified in the preceding section. Each programme contains a set of priority interventions that have been identified by partners as those that will deliver on our priorities.

Our proposed package will deliver **£1.2 billion in net additional economic benefits, benefitting 1 million residents, creating and safeguarding at least 5,000 jobs and levering in £450 million in private sector investment**. By funding or unlocking over £800 million in capital spending we will quickly support the construction sector, with **over 8,000 construction years of employment** supported to help boost economic recovery.

Our ask of Government is to support our priority projects and programmes through **£400 million** of funding.

The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funding streams. However, with a need to act fast and businesses facing almost unprecedented levels of uncertainty there is a requirement for short-term revenue funding to accelerate these plans as well as the major capital investments that will cement growth in the long-term.

The five programmes are summarised below. While the projects are separated into programmes according to their primary aims, all support the high-level priorities for the package as a whole:

- To create **sustainable, inclusive growth** – levelling up the country, creating opportunity, fair work and inclusive growth
- To improve connectivity across the Mersey Dee and **strengthen England-Wales links**
- To **Build Back Better** - investing in net zero, better jobs & higher productivity.

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Skills and business support	Support our businesses and workers to recover, remain competitive and to capitalise on the opportunities presented by the Green Industrial Revolution.	A £60m business challenge fund, targeted business support and skills/employment brokerage for firms and employees in the manufacturing sector, pump priming new skills programmes for the Green Industrial Revolution.	Capital: £70m Revenue: £9m Total: £79m	<ul style="list-style-type: none"> <li>• £130m of private investment unlocked</li> <li>• 300+ firms in the manufacturing supply chain supported</li> <li>• 2,000+ jobs safeguarded</li> <li>• a new Business centre for Green Recovery</li> <li>• 450,000 tonnes of CO<sub>2</sub> saved</li> </ul>
Low carbon energy infrastructure	Propel the Mersey Dee area towards becoming a low carbon industrial hub at the forefront of the emerging global hydrogen and CCUS economy.	Fund a strategic hydrogen demonstration facility for the UK, design and consenting for 100km blue hydrogen pipeline, development funding for hydrogen and CCUS hubs, design work for a tidal energy project on the Mersey and associated centre of excellence.	Capital: £95m Revenue: £12m Total: £107m	<ul style="list-style-type: none"> <li>• Strategic hydrogen demonstration facility</li> <li>• 100km hydrogen pipeline</li> <li>• £250m private investment</li> <li>• 5-10 hydrogen &amp; CCUS hubs</li> <li>• tidal energy project centre of excellence.</li> </ul>



Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Transport	Lay the groundwork for a cleaner, more modern cross-border transport network in which the car is no longer the default. To improve workplace accessibility and increase the number of trips by active modes for example walking or cycling.	Fund a cross-border active travel network, fund the infrastructure required for cross-border integrated ticketing, development funding for a range of key cross-border rail schemes.	Capital £90m, Revenue: £25m, Total: £115m	<ul style="list-style-type: none"> <li>• 100km of high-quality cycling and walking infrastructure</li> <li>• New ticketing infrastructure for 20 stations, 400 buses across 50 routes and 9 operators.</li> <li>• 3 shovel-ready rail schemes.</li> </ul>
Place based support	Ensure that our town and city centres are more resilient, vibrant and dynamic as we recover from the impact of the pandemic.	A fund managed flexibly across the Mersey Dee area will be used to support a range of areas across the MDA to support businesses and employment. £20m funding for enabling works to the Wrexham Gateway development.	Capital: £70m Revenue: £5m Total: £75m	<ul style="list-style-type: none"> <li>• Private sector investment of £80m</li> <li>• bridge works</li> <li>• links to active and public transport</li> <li>• new start-up, meanwhile and entrepreneurial space</li> <li>• town centre biodiversity and green space.</li> </ul>

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Digital	Supporting our businesses and workers to recover from the pandemic, remain competitive, innovate and to capitalise on the opportunities presented by the <b>UK's exit from the EU and the Green Industrial revolution.</b>	Installing high bandwidth and capacity wireless connectivity along major transport routes (5G and LPWAN), connecting logistics and transport hubs to manufacturing bases; expand the fibre network more rapidly through efficient roll out of a publicly funded duct network; expand the use of digital technology in town centres.	Capital: £27m Revenue: £3m Total: £30m	<ul style="list-style-type: none"> <li>• 130km of 5G and LPWAN connectivity along key transport routes</li> <li>• 55 new deployments of 'smart town' infrastructure.</li> </ul>

## Business support & skills

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### Business Challenge Fund

Our ask of the Fiscal Stimulus Package: £60m public investment

With businesses large and small in need of rapid support, to ensure the recovery does not stall as the pandemic related restrictions subside, we propose a Business Challenge Fund for the MDA area.

The fund seeks to drive immediate investment and growth by local businesses, stimulating the economy and building back better/greener whilst also supporting the long-term sustainable development of key sectors and employers and their integrated supply chains throughout the cross-border region. The ultimate aim of the Business Challenge Fund is to provide additional impetus to businesses seeking to increase their productivity and accelerating the journey to net zero at a time when the economic fallout from the COVID-19 pandemic means returns to private investment may appear uncertain.

In providing targeted support we will protect and grow the number of high value jobs, lever in further private sector investment and increase productivity. To achieve this the Business Challenge fund would be made up of two key pillars of activity:

- Competitive Grant funding – businesses would bid for gap funding or other financial support for investments that meet the **fund's criteria**.
- Net-Zero Accelerator loans – 0% interest loads for applicable investment in decarbonisation.

### Competitive Grant funding

To accelerate and decarbonise investment across the Mersey Dee area the grant funding will support three specific aims:

1. **Commercialisation/Scale-up of new technologies** – Accelerated support to help deliver key sector wide projects early benefitting businesses and their supply chains. Projects must facilitate SME access to the assets in question and the UK leading projects that could be accelerated include:
  - Tata Steel Construction Campus - **Tata Steel's site in the Deeside Enterprise Zone, Flintshire**, has the potential to become a Construction Centre of Excellence with space for 1.2 million sq. ft of industrial property. Using raw steel from Port Talbot in South Wales the site already produces 400,000 tonnes of coated steel products a year and is a supplier to the construction, domestic appliance and automotive industries, with 40% of this exported from the UK. The plans **could potentially also incorporate AMRC's Centre of Excellence 'Design for Modular Assembly'**.
  - National Centre for Packaging and Innovation - an AMRC/Wales & CPI multi-site development in Wirral & Flintshire. This centre for sustainable packaging research would accelerate commercialisation of sustainable packaging from materials and consumer/industrial packaging, through to full lifecycle management and traceability. Potential Industrial partners in the Mersey Dee area include Unilever, Iceland, EconPro, Food & Drink Federation, KK Fine Foods.
  - Sustainable Aviation Research Park led by AMRC - linking locally based international aerospace manufacturing to R&D **(beyond wing developments) to 'pilot' projects utilising local airport, hydrogen production and port facilities**. Potential partners include Aerocare, Airbus, Magellan, ElectroImpact and Raytheon.

2. **Commercial Sites & Premises** – Enabling low carbon premises for local companies through new developments or re-purposing of existing premises. Grant funding targeted only at project elements that enable a market leading low carbon, operational base for businesses e.g. incorporating low carbon construction, renewables onsite generation, EV installation etc.
3. **Reshoring of Supply Chains** – Gap funding to help secure the reshoring of up to 15 suppliers to the region, delivering productivity and net zero benefits for their key anchor customers in the cross-border area whilst boosting jobs, investment and GVA. Funding would be focused on specific connecting infrastructure (e.g. substations, digital connectivity etc...) **for the commercial sites in question, where a major employer has a prospect for reshoring a major part of its supply chain but the commercial site in question needs additional accelerated investment to make it ‘supplier ready’.**

#### Net-Zero Accelerator loans

Where businesses in key sectors and their cross-border supply chains, have an evidence-based case for investments that will aid their efforts to decarbonise they will be supported by 0% interest loans to make those investments.

How this supports the cross-border economy:

The Challenge Fund will allow locally led investment to get to those of our businesses that are able to drive forward the recovery, decarbonising their operations and supply chains and linking them to the accelerated delivery of world class R&D / commercialisation facilities in the region. By ensuring the parameters of the grant fund are set to lever in private sector funding and that loans are targeted at green investment – we will not only ensure good value for the taxpayer but also match UK and Welsh **government’s** commitment to:

- **Build back better** – by investing in net zero and supporting the Ten Point plan for a Green Industrial Revolution
- **Strengthen England-Wales links** – we will boost the cross border labour market
- **Support levelling up** – by rapidly disseminate funds to the areas that need it most.

The Challenge Fund is expected to provide low carbon commercial premises for 290 businesses, to safeguard 1,800 jobs and decarbonise and accelerate **key projects such as Wrexham’s Food Technology Park.** The Net-Zero Accelerator loans programme will also drive productivity and deliver savings in excess of 450,000 tonnes of Carbon, leveraging at least £80m of private sector investment and supporting 270 jobs.



## Skills and other business support

Our ask of the Fiscal Stimulus Package: £19m public investment

The energy sector has long been identified as a local strength in the Mersey Dee and the infrastructure to build up a net-zero industrial cluster is now falling into place around the existing energy assets in the North West. However, there is a long road ahead to meet the net-zero target. To jointly combat the current downturn in demand for key sectors through diversification and to ensure businesses get ready for net-zero we propose acting quickly, with appropriate revenue funding to deliver:

- Technical Business Centre for Green Recovery – the project aims to upskill and reskill the workforce in the MDA area with relevant industry-led clean growth skills for the green industrial revolution to service the rapidly developing low carbon cluster (particularly what may become one of or the world's first Net Zero Industrial Cluster). It will assist with upskilling the advanced manufacturing supply chains in the area aiding diversification. Utilising existing funding streams such as Apprenticeships and Skills Boot Camps the project would aim to be self-sufficient beyond a pump priming period
- Offshore Energy Alliance (OEA) – the OEA would like to offer 30 companies who supply the aerospace sector and were directly impacted by the Airbus/aerospace sector decline, a chance to go through the Fit for Offshore Wind Programme. A further programme of business support activities to support the offshore wind sector in procuring local suppliers would also be developed. This would include supply chain capability mapping; employment and skills; networking events; supply chain meet the buyer events; supply chain qualification programmes etc.

- Fit for the Future – this programme will offer short-term additional support to businesses and employees in affected priority sectors. The programme will offer business diagnostic services, enhanced skills and employment brokerage across the border and clear signposting to existing services. The aim is to ensure consistent provision, without gaps between areas for those in at risk sectors. For those individuals made redundant or at risk of redundancy via the change in demand from Airbus and other anchor employers a skills assessment and training plan will be provided. Provision will be developed where appropriate training is not readily available and a brokerage service will be developed to bring these individuals to emerging opportunities.

How this supports the cross-border economy:

We will coordinate activity to intensively support businesses in some of the region's priority sectors to diversify into other areas, especially clean energy. This will help the successful role out of some of the other low energy investments proposed in this package as well as the **UK's own** net-zero ambitions in the **Ten Point Plan for a Green Industrial Revolution**.

The management and business support to be provided here will further **build on the UK government's Plan for Jobs**, including the Help to Grow programmes, only with renewed focus on the specific strengths and needs of the Mersey Dee economy and its unique cross-border structure.

All of which will speed the recovery, build a more resilient economy and help us develop world-leading, exportable Green energy capability to boost growth nationwide.

## Place

Our ask of the Fiscal Stimulus Package: £75m public investment

While we recognize the value of the work being delivered in both England and Wales in relation to the issues facing town centres nationwide – the Town Fund and Transforming Towns programmes, respectively – we propose an additional funding stream for the Mersey Dee area to support holistic improvement of a number of the places that have not been able to access existing funds.

While it is acknowledged that each town centre is individual in character, common challenges include:

- Vacant floor space
- Poor quality retail premises
- Declining footfall in town centres
- Lack of quality housing and urban living opportunities
- Lack of affordable commercial space
- Economic inequality
- Lack of affordable commercial space
- Unattractive and underutilized public realm

A key objective of the scheme will be to connect new start-ups and entrepreneurs with improved, viable spaces within town centres. Targeted acquisitions of property, new green space and biodiversity projects will add vibrancy and help manage the transition of some of the region's town centres from fading retail hubs towards more vibrant locations as cultural, residential and employment hubs. **Coordinating this funding across four highly connected local authority areas** will boost the effectiveness of its management and the movement of

consumers and businesses across borders within the MDA region justifies a central coordination of the overall scheme administration, monitoring and learning.

Meanwhile, the Wrexham Gateway project is first transport linked transforming towns pilot in Wales. Ensuring seamless access to key city core sites has been identified specifically as a chance to transform the gateway into Wrexham town centre. There is an existing masterplan that is poised to regenerate Wrexham General Station, link to improved rail connectivity/active travel schemes, and maximise the regional impact of the Racecourse Football Stadium, which has been hosting international football matches since 1877. The proposed infrastructure works will de-risk the project for and lever in private sector investment of over £60m.

How this supports the cross-border economy:

The Wrexham Gateway investment will include bridge works, road access, walkways, cycleways, hard and soft landscaping, street lighting and street furniture and will unlock around £80m of private sector investment.

The wider funding package will support growth and sustainability across the **Mersey Dee area's multiple** centres as the economy and the role of the town centre adjusts to life after covid. This flexible pot of funding will allow local leaders to coordinate their interventions across the functional economic geography to meet the specific challenges faced by the region. We expect businesses will be able to provide match funding.

This will enable stakeholders within the small, independent business sector and creative industries all of which have been hit hard by the pandemic and will increase the vibrancy of our town centre spaces post-covid.

## Low carbon energy infrastructure

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Our ask of the Fiscal Stimulus Package: £115m public investment

The North Wales-North West England cross border area aims to be one of the first Hydrogen-CCUS large scale deployment areas in the world. With additional funding the Mersey Dee area is perfectly located to capitalise on the growing hydrogen and CCUS economy.

### HyNet

Additional public funding to advance the design stage and secure consents for Phase 3A of the HyNet pipeline would accelerate access to blue hydrogen for a larger range of businesses across the MDA – particularly in North Wales.

HyNet could also develop and build a new UK strategic product testing facilities/demonstration facility linked to the Thornton Science Park.

Without a cheap and reliable source of hydrogen manufacturers are unable to run full machine tests on potential new equipment. This will hold back advances in the type of technology that will be essential to providing low carbon alternative solutions and drive the UK toward net zero. The facility is intended to be open access to all manufacturers and if the capital requirements for the following items can be publicly funded – equipment manufacturers are likely to bear the cost of hydrogen used for testing purposes:

- Hydrogen upgrading facility
- Pipeline
- Demonstration facility

### Hydrogen Hubs

A further £40m fund will be made available to address the market failures that hold back the deployment of newer green technologies such as hydrogen and CCUS.

An advanced candidate is the **Deeside Hydrogen Hub** project, being brought forward under the North Wales Growth Deal. This aims to develop a hydrogen hub around the Deeside Industrial Park in Flintshire as a new location for the production of green hydrogen. Although the project is initially being developed by the North Wales Economic Ambition Board, once a hydrogen source has been established further public sector investment will complement the proposal, by accelerating deployment and commercialisation of new technologies such as:

- Heavy goods vehicles.
- Local authority fleet
- Passenger transport vehicles

### Tidal

There is potential for a 3GW Tidal Range project in the Mersey and given the extensive benefits this project could hold for local manufacturers over many years the Mersey Dee Alliance would like to support the Liverpool City region in funding the next phase of the front end engineering and design work as well as providing development funding to progress a potential North West Tidal Energy Centre of Excellence.

How this supports the cross-border economy:

The proposals above will assist with enabling the UK Government's 2030 ambitions to support:

- the creation of a low carbon industrial cluster
- generating 5GW of low carbon hydrogen capacity
- capturing 10MtCO<sub>2</sub>/year using CCUS

The direct investment in design and consenting work for HyNet pipeline will unlock around £250m of private sector investment and deliver around 100km of new pipeline, creating further opportunities to develop skills locally.

## Transport

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### Active Travel

Our ask of the Fiscal Stimulus Package: £85m public investment

We want to rapidly accelerate provision of a single network of active travel routes across the Mersey Dee area by 2025. This will facilitate convenient access by bike and by foot to and from key employment, leisure, commercial and educational facilities.

- The major employment sites that would be opened up to increased access via the Active Travel network include: Birkenhead, Wirral Waters, the A41 corridor, Ellesmere Port, Ellesmere Port Industrial Area, Chester, Deeside Industrial Park, Wrexham Industrial Estate and Broughton.
- The proposals are also designed to improve access to and use of the public transport network. The Active Travel network will link to the Borderlands (Wrexham-Bidston) rail line which allows onward connections from North Wales through to Liverpool and proposed new stations e.g. Deeside Parkway.

The proposals would create a cross-boundary network of high-quality routes designed in accordance with rigorous standards set out in the Department for Transport and Welsh Government's guidance. The project will bring together and coordinate the four local authority members of the Mersey Dee Alliance to progress their own plans, with support from Transport for Wales as a local transport development & delivery body with specialist Active Travel team/expertise.

How this supports the cross-border economy:

We have identified a network of around 100km of cycling and walking infrastructure within the **plans of the Mersey Dee Alliance's four local authority members**. Both UK and Welsh government transport priorities recognise the significant value of walking and cycling to our residents and our economy. UK government estimates that:

- Health - Physical inactivity costs the NHS up to £1bn per annum, with further indirect costs calculated at £8.2bn
- Wellbeing - 20 minutes of exercise per day cuts risk of developing depression by 31% and increases productivity of workers
- Congestion - new cycle routes in London are moving 46% of the people in only 30% of the road space
- Local businesses - Up to 40% increase in shopping footfall by well-planned improvements in the walking environment
- Environment - doubling cycling and increasing walking could lead to savings of £567 million annually from air quality alone and can help reduce the

In the context of this Fiscal Stimulus Package, investing in this low cost transport infrastructure is especially important for open up additional opportunities to residents and improve access to major employment sites. Connecting more people to better jobs is the best way to foster inclusive growth throughout the region. The labour market will function better, reducing potential periods of unemployment and facilitating better matching between employers and potential employees.



## Public transport

Our ask of the Fiscal Stimulus Package: £30m public investment

The Mersey Dee area has long suffered from underinvestment in public transport infrastructure and a range of important capital spending projects that are under development urgently need capital support to move forward. However, in order to meet the immediate needs of our fiscal stimulus package two short-term investments are required:

- £20m in revenue to fund development work that will enable up to £225m of potential rail capital projects to advance
- £10m in capital to fund the infrastructure and technology platforms required to institute cross-border integrated contactless ticketing

How this supports the cross-border economy:

The revenue funding package would enable North Wales Mainline and Borderlands enhancements to be expediated by Transport for Wales over the next 3 years. This will enable 3 shovel-ready schemes Deeside Parkway Station, Shotton and Chester Station (i.e. Stage E Plan of Works/GRIP 5/Full Business Case) and a further 6 schemes to be taken forward to single option selection and Preliminary Design (Stage C Plan of Works/Outline Business Case). Not only will this accelerate much-needed public investment in new rail infrastructure, helping to level up the region. By increasing the certainty of future rail investment will inspire confidence for private investors into the MDA.

Meanwhile, integrated ticketing across modes and operators would both boost access to jobs for people across the MDA over the longer term.

The funding outlined here will provide integrated ticketing across:

- 20 train stations
- 400 buses
- 50 routes
- 9 operators

By creating better integrated transport links we will also allow a better integrated labour market. This means improved matching of those who have lost their jobs due to the pandemic with new educational and work opportunities.

Wider strategic transport infrastructure projects

The long-term prosperity and competitiveness of our employers, people and places has been held back over time by under-investment in our transport and digital infrastructure. These immediate asks of the Fiscal Stimulus Package sit in the context of a wider set of transport infrastructure priority investments including:

- The North Wales Metro – a capital investment programme must follow the development work above to realise these benefits
- The A494 River Dee crossing – this vital river crossing that carries more daily trips than the Severn bridge needs replacing
- The Chester - Broughton Growth Corridor – improve access to Chester City centre and unlock development sites
- The A483 junctions 3-6 – an expansion of **one of Wrexham's key** employers is dependent on these congestion relieving works
- M53 and M56 interventions – improving access to Manchester and Liverpool by improving capacity and resilience

## Digital

Our ask of the Fiscal Stimulus Package: £30m public investment

The physical and digital connectivity of the Mersey Dee is not as good as it could or should be to support the **region's** households and businesses.

The North Wales Growth Deal, Liverpool City Region and the Cheshire and Warrington Local Enterprise Partnership have all begun work on separate digital connectivity programmes that will address those issues across the Mersey Dee area. The connected nature of the Mersey Dee economy means there is ample opportunity to expand on these programmes, adding real value in joining up the work across three major areas:

- Connected corridors – the North Wales Growth deal will develop high bandwidth and capacity mobile coverage (5G and LPWAN) on major transport networks. With additional funding these connected corridors could be continued across the England/Wales border towards Manchester and Liverpool.
- Fibre duct installation – both the Liverpool City Region and North Wales Economic Ambition Board intend to use public funds to accelerate roll out of the fibre network. With innovation around the installation of ducting required for future fibre installation across a broader range of locations network can be made accessible to commercial operators. With additional funding to join up this effort across the Mersey Dee area, growth of the network could be better coordinated, and procurement options explored over this much larger geography.

- Town centre digital - the project will enable business communities and place managers to better understand the performance of their High Streets and to make investment decisions based on robust and dynamic data sets. Digital technology will be installed in Town Centres across the Mersey Dee area and resources deployed to ensure procurement of technology and uptake of relevant insights from the data collected are efficient.

How this supports the cross-border economy:

The Mersey Dee area is a recognised economic geography covering an area which overlaps the administrative boundaries of the North Wales Economic Ambition Board, the Cheshire and Warrington LEP and the Liverpool City Region. This package means Mersey Dee Alliance members have the opportunity to coordinate digital infrastructure provision across those boundaries, **building a network of connectivity that is bigger than the sum of its parts.**

In the aftermath of COVID-19, with opportunities to work from home increasing, greater digital connectivity across the border will help the Mersey Dee economy overcome some of its physical connectivity challenges. Further afield, expanding the benefits of ongoing investment in **5G connectivity further along transport corridors holds huge potential for logistics firms and manufacturers**, in particular as they adapt to new customs requirements for trade with the EU. Indeed, as a consequence of this expansion in digital infrastructure and the close proximity of the Digital Signals Processing centre of excellence at Bangor University we hope to **facilitate the role of advanced manufacturing businesses for example in the food processing sector to act as test-beds for further 5G innovation.**



A photograph of a high-speed train at a station platform. The train is white with a red stripe and has its doors open. The platform has a corrugated metal roof and a sign with the number '1' and an arrow. A semi-transparent brown box is overlaid on the train, containing the text '05: How we will deliver'.

05: How we will  
deliver

# How we will deliver

## 05

We have the established structures, capacity and partnerships to deliver quickly and effectively. Our partnership has a strong track record in the effective and efficient delivery of major projects.

We do not propose, or need, to create new governance structures to deliver the fiscal stimulus package. The MDA will provide central co-ordination of the package of investments, with Cheshire West and Chester – as the lead authority for the partnership - acting as the accountable body. Individual projects would be delivered by a range of lead partners including our member local authorities, Transport for Wales and we will contract with the private sector as appropriate.

Our existing governance structure is summarised below:

- MDA Board comprises seven partners: Flintshire, Wrexham, Wirral and Cheshire West and Chester Councils, Liverpool City Region Combined Authority, University of Chester, Wrexham Glyndwr University, Welsh Government. The representatives are Local Authority Leaders and Cabinet Members, Vice Chancellors/Dean of Business School, Welsh Government Minister.
- The North Wales Mersey Dee Business Council acts as advisor to the Board.
- The Directors Group, comprising senior officers, from all partners, reports to and supports and advises the Board.
- The Strategy Group, comprising lead officers and Welsh Government officials reports to the Board and the Directors Group. This group oversees, monitors and directs work as agreed by the Board. The Secretariat supports the Board, the Directors Group and the Strategy Group.
- Growth Track 360 is the collaborative body for the MDA leading on cross border transport connectivity.

Mersey Dee Alliance Governance Structure



Local Growth Partnerships





# 06: Stakeholder support



# Stakeholder Support

06

We have been working intensively and collaboratively with our partners in the region to develop our fiscal stimulus proposition. This has been done through a process of consultation, a series of listening exercises and interactive workshops to gather views, test ideas and refine proposals.

As a consequence, our package has strong support from key public and private sector organisations in our region.



**Bwrdd Uchelgais Economaidd Gogledd Cymru**  
**North Wales Economic Ambition Board**

*“Our vision for North Wales recognises the value of our cross border economies and the relationships we have with neighbouring areas. We welcome any bid by cross border partners that attracts investment. This added investment will deliver better infrastructure, skills and employment opportunities for people on both sides of the border, and further afield. The Mersey Dee Alliance have drawn on insights and learning from North Wales with specific focus on building investment proposals that extend and complement what is already committed within the North Wales Growth Deal. This joined up way of working is essential to ensure we deliver fairly against our shared economic priorities.”*

Cllr Dyfrig Siencyn

*“Mae ein gweledigaeth ar gyfer y Gogledd yn cydnabod gwerth ein heconomiâu trawsffiniol a'r perthnasau sydd gennym gydag ardaloedd cyfagos. Rydym yn croesawu unrhyw gais gan bartneriaid trawsffiniol sy'n denu buddsoddiad. Bydd y buddsoddiad ychwanegol hwn yn cyflawni gwell isadeiledd a chyfleoedd cyflogaeth a sgiliau i bobl naill ochr i'r ffin, ac ymhellach. Mae Cynghrair Merswy Dyfrdwy wedi tynnu ar fewnwelediadau a gwersi a ddysgwyd gan y Gogledd gyda ffocws penodol ar adeiladu cynigion buddsoddi sy'n ymestyn yr hyn sydd eisoes wedi'i ymrwymo o fewn Cynllun Twf Gogledd Cymru, ac sy'n cyd-fynd â hynny. Mae'r ffordd gydlynol hon o weithio yn hanfodol i sicrhau ein bod yn cyflawni'n deg yn erbyn y blaenoriaethau economaidd yr ydym yn eu rhannu.”*

Cllr Dyfrig Siencyn





**LIVERPOOL  
CITY REGION**  
COMBINED AUTHORITY

**METRO MAYOR**  
LIVERPOOL CITY REGION

*“The Liverpool City Region Combined Authority is happy to offer its support for a fiscal stimulus package for the Mersey Dee Alliance. We are only too aware of the impact of the Coronavirus pandemic on our cross-border economy and it is vital that the Government steps in to provide immediate, targeted support. The Mersey Dee area has shown its resilience and resourcefulness in the past, rebuilding a strong, modern manufacturing economy after traditional industries declined. A stimulus package would not only support the existing business base but would also enable our cross-border economy to take a lead in the industries of the future, such as hydrogen and tidal energy, as well as boosting physical and digital connectivity, and encouraging sustainable and inclusive growth.”*

Steve Rotheram, Metro Mayor of the Liverpool City Region

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*“Cheshire & Warrington LEP actively supports this outline proposition for a fiscal stimulus package. There is a clear need for additional short term and quickly delivered stimulus in the MDA. Business leaders wrote to the Prime Minister at the height of the pandemic to raise their concerns about the especially large impact on the MDA economy as a consequence of the area straddling places subject to a number of different sets of restrictions. Additional support to restore the health of this key cross border economy is therefore essential.”*

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# AIRBUS

*“Airbus is a global leader in aerospace, defence, space and related services. We are the largest aeronautics and space company in Europe and a pioneer of cutting-edge technologies and products for our global customer base. It’s vital for our business to nurture talent, skills, research and development and strong supply chain relationships across the English / Welsh border and beyond.*

*Funding for the region has the potential to significantly accelerate key investment for research, innovation and skills and help reinforce local supply chains for Airbus and the wider advanced manufacturing sector in the cross border region. This would be something very much welcomed by us.”*

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*“Vauxhall Motors, based in Ellesmere Port, who are part of the wider Stellantis automotive group, strongly support the Mersey Dee Alliance proposition for the Fiscal Stimulus Package. The recent impact of the coronavirus pandemic on business in the area has been significant and hugely detrimental to the lives of people and businesses, resulting in many closures and subsequent job losses. A stimulus package to improve transport links, connectivity and green energy could not come at a better time for the area to promote a resurgence of confidence for the local economy.”*

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# TATA STEEL

*“The Steelworks at Shotton has been an integral part of Deeside for 125 years. We are proud to be part of the Mersey Dee business community and care passionately about its future and the opportunities it can bring to the area. We wholeheartedly support the Mersey Dee Alliance Fiscal Stimulus Package”*



*“As a major local employer in the area, we welcome this key initiative. Driving the longer-term agenda for a sustainable future, along with significant investment, into our region will further enable it to compete on the global stage.”*

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*“Essar backs the fiscal stimulus package proposed by the Mersey Dee Alliance and urges the Government to support investment in raising the region’s profile, growing its competitiveness and continuing to promote it as a pivotal location in the UK. It is clear that businesses in the area have faced significant challenges as a result of the Coronavirus pandemic and a stimulus package will be crucial taking advantage of the major opportunities for the development and growth of a low carbon and sustainable economy in the Mersey Dee region.”*

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*“Encirc fully supports the proposed Fiscal Stimulus Package for the Mersey Dee Economy. Businesses of all sizes and sectors have been informing us about the challenges they are facing following the Coronavirus outbreak and the significant adjustments they have made following the end of the Brexit Transition Period on 31st December 2020.*

*It is crucial that the region delivers a stimulus package that will enable businesses to overcome these challenges and drives them forward as the UK moves into a new trading era and towards a sustainable and carbon neutral future.*

*“At Encirc we stand at the forefront of the container glass industry globally in our efforts to decarbonise meet the Government’s net zero target. It is essential that we have strong regional businesses and partners so that we can work together to tackle sustainable goals collectively. The proposed stimulus package will be an important element in achieving that.”*

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*“Urenco UK Limited supports this bid for a fiscal stimulus package. The need for additional short-term financial support for the cross-border area in key sectors is clear. We have a diverse labour market and an integrated supply chain locally, and during COVID-19 we have seen a number of companies in our supply chain suffer economic challenges. This funding will enable the Mersey Dee Alliance to deliver immediate key sector cross border investment, over and above what is currently planned nationally and in Wales, which is of critical importance to recharge the local economy.”*

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*“Net Zero North West is the cluster representative body for all industrial decarbonisation activity in the North West of England. We see collaboration with key industrial energy suppliers and energy intensive manufacturers in North Wales (and particularly the Mersey dee region), as pivotal to the future low carbon energy mix of North West England. We are fully supportive of the proposed Fiscal Stimulus Package bid and believe it to be crucial to future growth for the Mersey Dee Economy”.*

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*“We are delighted to support this application for a fiscal stimulus package for the Mersey Dee Economy. The regions focus on clean, sustainable and inclusive growth fits seamlessly with the core values of our organisation. The regions ambition for improved cross border connectivity through improved digital infrastructure fits perfectly with our operational focus.”*



*“The West Cheshire and North Wales Chamber of Commerce fully supports the proposed Fiscal Stimulus Package for the Mersey Dee Economy. Businesses of all sizes and sectors have been informing us about the challenges they are facing following the Coronavirus outbreak and the significant adjustments they have made following the end of the Brexit Transition Period on 31st December 2020.*

*It is crucial that the region delivers a stimulus package that will enable business to overcome these challenges and drives them forward as the UK moves into a new trading era and towards a sustainable and carbon neutral future.”*

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*“As the regional umbrella body for the private sector, the North Wales Mersey Dee Business Council supports this outline bid for a fiscal stimulus package. The need for additional short term and quickly delivered stimulus for the cross-border area key sectors is clear. Our cross-border economy, labour market and integrated supply chains linked to major employers on or near the border, has meant during the economic impacts associated with COVID we have lost substantial business growth and thousands of high value jobs. The special nature of the Mersey Dee economy means that delivering immediate targeted additional cross border investment, over and above that at national UK and Wales levels, is an absolute imperative.”*

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*Over the past year Wirral Chamber of Commerce has supported and encouraged businesses throughout and Wirral and the wider region. It is both clear and essential that within this time period, and the months ahead, there is a greater need than ever to target and address the economic challenges ahead both nationally and internationally. Through discussions with business leaders and cross border representatives there is a collective agreement that fundamental action is required to deliver investment, crucial for job creation and protection, through a business package bringing strong support to offer competition and growth to businesses facing challenges as the UK goes forward in a new trading era.*

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A number of other stakeholders in the Mersey Dee area have also contributed time and resources to help develop the Fiscal Stimulus proposition:



**HyNet North West**





A photograph of a high-speed train at a station platform. The train is silver and blue with a red stripe. A red signal light is visible on the left. The number '20' is on the side of the train. The text '07: Taking the Package Forward' is overlaid in white on a semi-transparent red background.

# 07: Taking the Package Forward

CR  
76

20



# Taking the Package Forward

Our proposed fiscal stimulus package has been designed to address the urgent need to stimulate economic recovery in the Mersey Dee economy. We believe that our proposed programmes provide a compelling set of investment propositions that will drive short term economic recovery whilst delivering on national objectives for low carbon transition and growth, levelling up opportunity and developing skills and capabilities for the future. Our proposals will also help strengthen England-Wales connectivity.

Our partners in the public and private sectors are fully behind the package and recognise the urgent need to deliver.

We recognise that this is the starting point in a conversation. The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funders.

The MDA will:

- **Engage with the UK and Welsh Governments** to take forward and negotiate funding for the proposals in the Strategic Proposition.
- Use the election period for the Welsh Senedd to **engage with business and partners to further refine and develop our proposals**, for example the Business Innovation and Challenge Fund
- Continue to work closely with our neighbouring Local Growth Partnerships **to ensure that MDA proposals are complementary and add value to existing propositions** like the LCR CA Recovery Plan, the North Wales Growth Deal and the Cheshire and Warrington Recovery Plan.

We are ready to deliver this quickly and to work with Government to make this happen.

We welcome feedback from Government on our proposals, and we look forward to working collaboratively to take this forward.

For more information, please contact us below.

## **Mersey Dee Alliance**

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# HATCH

