



Cross Party Group for North Wales Grŵp Trawsbleidiol Gogledd Cymru

Note of the Meeting of the Cross-Party Group for North Wales in the Welsh Senedd Friday 8th January 2020

Present

Senedd Members:

Llyr Gruffydd MS (**in the Chair**), Mark Isherwood MS, Ann Jones MS, Dafydd Elis-Thomas, Janet Finch Saunders MS (Part), Rhun ap Iorwerth MS, Mandy Jones MS,

Members of Parliament:

Dr. James Davies MP, Robin Millar MP, Rob Roberts MP, Mark Tami MP.

Local Authority Leaders

Councillors Dyfrig Siencyn, Linos Medi-Huws, Sam Rowlands, Huw Evans and Ian Roberts (apologies were received from Cllr. Mark Pritchard)

Officials

Stephen Jones (WLGA) Secretary and Tim Peppin (WLGA), Director of Regeneration and Sustainable Development and Sponsor Representative, Wendy Boddington Welsh Government

Speakers:

Alwen Williams, Programme Director of the North Wales Economic Ambition Board.

Chair's Welcome

The Chair opened the meeting and reported that the meeting had been convened to receive a report on the recently concluded North Wales Growth Deal.

Minutes of the Previous Meeting held on the 13th November 2020.

The Minutes of the previous meeting were agreed and there were no matters arising.

The North Wales Growth Deal

Cynghorydd Dyfrig Siencyn, Chair of the North Wales Economic Ambition Board and Leader of Cyngor Gwynedd gave a short, introductory presentation.

The Growth Deal was signed by the North Wales Economic Board, the UK Government and the Welsh Government on the 17th December 2020.

One of the best achievements of the Ambition Board was to put together a full-time, dedicated team to prepare the Growth Deal proposals for the final deal signing. Their work concluded several years of effort to develop a strong Growth Deal proposition.

Cllr. Siencyn praised the contribution of UK and Welsh Government Officials to the work on the Growth Deal and the support they had given to the Programme Office.

This team approach between the Programme Office and Government Officials will be a great help in work to deliver the Growth Deal, which starts now!

The NWEAB has been in business for several years. It was established to improve the focus of economic development on the part of local authorities on the principle that in economic development the Councils were stronger together than working individually.

The Board is the result of a voluntary, organic partnership which also includes the private sector, HE and FE.

Councils have different interests and needs as their communities are different. The Ambition Board is based on the development of a common vision and shared interests, where working together can achieve more than working individually. For this reason, a strong partnership has been achieved.

The private sector works with the Ambition Board. There is sometimes frustration with the pace and processes of our decision-making on the part of our private sector colleagues. However, they have been supportive and given much advice on the Deal and how to maximise the benefits of the proposals.

Signing the deal before the end of 2020 has the benefit of enabling an initial payment of capital grant from government in 2020/21 of £16m which will be supplemented by a payment of £16m in April 2021 for the 2021/22 financial year. This means the Board will have £32m to commence spending on the projects agreed in the Deal.

The Board is planning to spend the capital of £240m allocated for the deal over six years. This will require the partners to borrow funds. The capital will be repaid over a fifteen period with capital grant of £16m per annum from the two governments. Any other additional costs (interest etc. must be met by the partners.

Cllr. Siencyn reported that he is proud of the delivery of the Growth Deal and the work done by Alwen Williams and her team. Not only had the Growth Deal been delivered but the Board and the Programme Office have led economic recovery planning with the Welsh Government Regional Team in response to dislocation caused by the Covid 19 Pandemic.

Covid 19 has caused much damage to the tourism sector and the Growth Deal package now includes projects that will seek to help the visitor economy in North Wales recover more quickly and better from the Pandemic.

Cynghorydd Siencyn handed over to Alwen Williams to introduce herself and report on the growth deal Package.

Alwen Williams reported on being in post for just over twelve months and having previously worked with BT, with a strong private sector background. Alwen had also worked closely with public authorities in her work with BT.

Alwen is from North Wales and spoke passionately about her personal commitment to North Wales and how privileged she feels at being able to “come home” and “do good” for her home community.

Alwen reported that the North Wales Growth Deal grew out of the A Growth Vision for the Economy of North Wales (July 2016).

There is now a need to refresh the “Vision” for the region’s economy in the light of the passage of time, the conclusion of the Growth Deal and the impact of Brexit and Covid-19. This refresh will proceed once the immediate pressures of the Covid-19 Pandemic eases.

A Vision for the region remains relevant as it should address the wider economy and advocate investment that builds on the Growth deals and addresses issues outside of the Growth Deal such as transport infrastructure.

There is an ongoing need to address market failure and historic problems in parts of the region and to identify challenges that a wider range of policies and interventions than those in the growth deal must address.

The Growth Deal is a specific set of interventions that now must be delivered. There is a wider question of how to bring in further investment into the region to address the whole range of structural challenges faced by the regional economy.

The Growth Deal is built around a £240m of public sector capital investment funded 50:50 by the UK and Welsh Governments that will lever in further investment by the private sector and other partners like HE and FE. The Growth Deal aims to grow GVA in the region by £2.5m (GVA in North Wales was £14.2bn in 2018).

The North Wales Growth has benefited from a rapid investment in the Programme Office representing capacity and capability to deliver business case development and now that the deal is signed to make the projects happen on the ground. Other growth deals in Wales suffered from not making upfront investment in delivery teams and North Wales has now avoided that pitfall.

Prior to the December signing of the deal the Programme Office team focused on understanding what to do to get investment through writing compelling business cases, receiving considerable support from government experts on the government’s five case model of investment appraisal described in the Treasury’s Green Book. This led to over 1000 pages of plans which took months to produce in terms of writing and editing and review with partners.

The Business Case material so far has focussed on the Programme Level and for delivery the focus will move to the project level.

Project Business Cases will be submitted to the North Wales Economic Ambition Board.

At this point the presentation focussed on the slide pack. Additional information from the verbal presentation is described below.

There are two key enabling programmes: -

- Digital
- Land and Property

Digital Programme

This is a truly regional programme.

It will benefit 19 key regional sites, and a further 2600 sites with over 4000 businesses and 450 residential developments through the full fibre at key sites and Connected Campuses projects. These projects will make ultra-fast broadband more affordable and be particularly helpful for SMEs.

The Connected Corridor Scheme will be looking at assets providing connectivity along the A55 and the mainline railway along the coast and improving wireless connectivity, including the roll out of 5G along that corridor.

Connecting the Final few % will bring superfast broadband to rural areas where there are gaps and benefit 4300 businesses and 10, 000 residential premises.

The Digital Processing Centre of Excellence is sited within Bangor University and the Growth Deal will enable the purchase of new equipment to continue work on technology research to improve the efficiency of signalling for 5G.

Land and Property

The Land and Property Programme addresses the shortage of development sites for both housing and employment in the region. It will enable the delivery of development already committed to in Local Development Plans.

The largest investment in this programme is the region's strategic asset of Holyhead Port where there are plans to expand and redevelop the port's facilities.

The other sites require investment in basic infrastructure to make them fit for inward investment: -

- Wrexham Gateway: Consenting and Services
- Warren Hall: Consenting and Services
- Denbigh Hospital: Clear and remediate the site and provide primary services.
- Bodelwyddan: Enable mixed residential and commercial development.
- Bryn Cegin: Provision of commercial units.

There remaining programmes build on the area's key sectoral strengths: -

- Low Carbon Energy
- Innovation in High Value Manufacturing
- Agri-food and tourism

Low Carbon Energy

This programme will unlock and enable key energy projects to go ahead. The projects will demonstrate that North Wales is a centre of excellence for innovation in energy production with sites that test out new energy production techniques and technologies. The research and innovation facilities sit alongside and are derived from the region's significant energy production assets in the nuclear and offshore/onshore wind sectors.

High Value Manufacturing

This programme has two projects, one sponsored by Bangor University to expand its innovative work with enzymes for the benefit of the chemicals industry, e.g., Unilever and the other sponsored by Wrexham Glyndwr University to develop engineering facilities for the advanced manufacturing and optics sectors.

Morlais

The Morlais test zone enables several companies to test their tidal turbine technology. The Growth Deal Project will fund a grid connection from the test field to the national grid and enable expansion of the test zone with the potential generation of 180MW of electricity from the field.

Low Carbon Energy Centre of Excellence

This will be based in Bangor University at Menai Science Parc (m-sparc) and focus on nuclear production technologies to assist inward investment in nuclear production in North Wales.

Trawsfynydd Power Station

The Growth Deal is funding site preparation/enabling infrastructure at Trawsfynydd Power Station for the testing of Small Modular Reactors (SMR) to prove that nuclear power can be generated at a reduced cost compared to the mega-reactor developments like Hinckley Point.

Smart Local Energy

This project will see the development of schemes to generate low carbon energy (solar, wind etc.) on local authority sites and explore the development of local grids.

Transport Decarbonisation

There will be the development of facilities to produce hydrogen to fuel buses and lorries in green hydrogen transport pilots.

Agri Food and Tourism

This programme aims to develop a more vibrant foundation economy in agriculture and tourism.

There are projects for both farming colleges, Llysfasi and Glynllifon along with a Tourism Talent Project within Coleg Llandrillo- Menai.

Glynllifon will innovate on the presentation and use of locally produced food and drink while Llysfasi will innovate in farming production techniques and decarbonising farming production.

The Tourism Talent Project will seek to raise skill levels within the North Wales Tourism Industry.

Concluding Remarks

The Growth Deal Programmes align well with the principles and objectives of the Future Generations Act by promoting sustainable and inclusive growth.

The Growth Deal is a foundation for the local authorities to work together to lever in further investment and growth.

Work on delivering projects has begun and the indicative delivery schedule for each project is included in the presentation. This will be regularly updated depending on progress with business cases.

Questions and Discussion

Rob Roberts MP complimented the presentation and queried the relationship of the Mostyn Dock tidal lagoon energy project with the Growth Deal.

Alwen Williams reported that the Mostyn Dock Project is outside the Growth Deal, whilst consistent with the themes and objectives of the Deal and its underpinning strategy.

Not all development in the region can be financed by the Growth Deal. Many developers prefer to progress their projects commercially or from alternative sources of public investment.

The NWEAB will be seeking access to additional public funds, like the shared prosperity fund, to enable investment in the region through a new suite of projects in the future.

Cynghorydd Llinos Medi Huws advised that: -

- The NWEAB should focus on delivery of the Growth Deal and not dissipate its efforts and focus on new projects for the time being.
- Expectations need to be managed; it will not be possible to fix all of North Wales' economic challenges with £240m

The NWEAB needs to be cautious and not be over-ambitious.

Cynghorydd Siencyn cheerfully disagreed and urged ambition in seeking future sources of investment. The establishment of a well-resourced Programme Office is a tremendous opportunity to not only deliver the Growth deal abut also to facilitate other sources funding.

Mark Isherwood MS congratulated the Programme Office and the NWEAB on the progress made in taking the Growth Deal Forward.

He reported that the NWMD Business had made a significant contribution to the development of the Growth Deal but had left membership of the NWEAB in August 2020. He is also reported that the County Voluntary Associations have queried their involvement with the Growth Deal and the Ambition Board with him.

Mark Isherwood MS asked: -

- What contribution will the NWMD Business Council make to the growth deal and the Ambition Board's plans in the future?
- What contribution will the voluntary sector make to the growth deal and the Ambition Board's plans in the future?
- Can the NWEAB help the businesses along the A548 Coast Road around Mostyn Dock through the Land and Property Programme?
- Can the Energy Programme help the Digital Programme by supplying energy to digital networks and their base-stations?

He reminded the meeting that in earlier phases of discussion of the Growth Deal there were proposals to see Welsh Government delegate economic development functions like business support, skills policy and inward investment marketing from Cardiff to the NWEAB. He believed the UKG to be supportive of such proposals and the WG to be opposed.

He asked whether this "double-devolution" agenda modelled on initiatives in England was still a priority for the NWEAB?

Alwen Williams replied that: -

The contribution of Ashley Rogers and the NWMD Business Council had been instrumental in bringing forward the Growth Deal and that she had co-worked with Ashley on her appointment.

The NWMD Business Council had withdrawn from the NWEAB because it could not continue to resource the meetings to develop the detailed business cases required to secure the sign of the Deal.

The NWEAB will continue to work with the NWMD Business Council as a stakeholder and to highly value their advice on strategic issues.

The NWEAB has good links with business through both the NWMD Business Council and a specific body, the Business Delivery Group, chaired by Askar Sheibani of Comtek on Deeside, which was set up to advise the NWEAB on Growth Deal Projects. The Business Delivery Group provided sectoral advice and challenge to improve the Board's proposals to government for funding.

Elected Members can be assured that the NWEAB gives a high priority to engaging with business.

There is less engagement with the Voluntary Sector. There is ongoing contact with the Welsh Council of Voluntary Associations to identify joint working opportunities.

Cynghorydd Siencyn dealt with the question about "double devolution" in Wales, reporting that to secure the Deal it was necessary to compromise with the Welsh Government.

Initially the NWEAB was seeking devolution in the fields of transport planning and investment, skills, business support and inward investment.

The NWEAB remains interested in securing devolution of functions from the Welsh Government. However, the Welsh Government is developing proposals for regional working in these functional areas for Councils that do not fit the definition of devolution and are more akin to centralisation of Council Services.

Cllr. Siencyn is not aware of differences in approach to “double devolution” in Wales between the Welsh and UK Governments.

Alwen Williams will respond directly to Mark Isherwood AM on the other questions.

Dafydd Elis Thomas MS reported that he was pleased to receive the presentation and be assured that the “Deal” is in place. He is keen to see good relationships between the Welsh Government and the NWEAB.

The development of a regional strategy is critical for the region to negotiate with the government for further investment in North Wales.

Llyr Gruffydd pointed out the purpose of public investment leveraging private sector investment into the region as a primary objective of the Deal. He queried: -

- How key is the release of public funding? And.
- What happens if private money is no longer available for a particular project?

Alwen Williams responded that: -

- The public money is in place and will be released via the business case sign-off process.
- Should a project with private investment as a substantial part of its funding see private sector funding withdrawn, then the project will no longer be viable.

Any Other Business

The Chair reported that the Group is unlikely to meet, with no further scheduled meetings in this Senedd Term, prior to the May 2021 Senedd elections.

The Chair then reported that it is intention to reconvene the Cross-Party Group in the next Senedd Term (subject to re-election etc.).