

City Regions

Background

1. There are more than 300 city-regions around the world with populations greater than one million. At least twenty city-regions have populations in excess of ten million. They range from familiar metropolitan agglomerations dominated by a strongly-developed core, such as the London region or Mexico City, to more polycentric geographic units as in the cases of the urban networks of the Randstad or Emilia-Romagna.
2. I established the City Regions Task and Finish Group in Autumn 2011 chaired by Dr Elizabeth Haywood, to look at the applicability of such an approach to economic development in Wales. The City Regions Task and Finish Group found that Wales has a strong tradition of settlements based around trade and industry that connected Wales to the wider world. Industrial development across Wales from the second half of the eighteenth century led to greater urbanisation. The development of many of our cities comes as a result of industrial development in the South Wales Valleys.

Independent Report on City Regions

3. I issued the final report of the City Regions Task and Finish Group on 11 July 2012. The report contained 22 recommendations.
4. In terms of overarching messages, the report made the statement from the outset that the City Regions approach should be adopted in Wales. It recommended that two City Regions should be recognised – one in South East Wales and one in Swansea Bay.
5. The Group did not find sufficient evidence for the establishment of a City Region in any other part of Wales. However, the Task and Finish Group had examined the possibility of a cross-border economic region in North East Wales. To ensure that no evidence had been overlooked and to examine wider issues such as the economic potential of the region and role of the Mersey Dee Alliance, I commissioned the Chair of the Task and Finish Group to look at this again in more detail.
6. In terms of other parts of Wales, I am taking more appropriate economic development approaches such as Enterprise Zones, Local Growth Zones as well as pan-Wales business development activities.
7. The other recommendations were focussed on the structures to support the City Region approach in Wales. This included a number of recommendations about better collaborative, spatial and regional working which include the creation of regional strategic planning tiers and a strategic regional approach to housing.
8. The report also focused on education and skills and in the same vein as other recommendations called for more strategic regional approaches to examining skills gaps. It highlighted the important contributory roles of higher education institutions in City Regions and these must be engaged.

9. A recommendation set out that sustainability should be embedded into the City Region approach and suggested that forthcoming Welsh legislation may offer an opportunity to do that.
10. There were a small number of recommendations on transport in regard to both South East Wales and Swansea Bay in regard public transport and strategic road improvements are made to support City Regions.
11. Some of the recommendations focused on funding and in particular the importance of EU funding and taking advantage of the next funding round to support City Regions which would also involved the Welsh Government arguing the case for greater flexibility to support connectivity in Wales. The report also recommended working with and pressing the UK Government to obtain borrowing powers and increase the total capital expenditure available.
12. Finally, the report recommended leadership from the Welsh Government and suggested the appointment of a Minister for City Regions and the provision of a long term policy, programme and funding commitment to the City Region approach. The establishment of an economic research institute to produce regional economic data was also recommended.

Following Publication of the Final Report

13. I held a Plenary debate on the City Regions Task and Finish Group Report on 16 October 2012. During this debate, broad cross-party support for the City Regions approach was achieved. There has also been notable support from other stakeholders including the Council for Economic Renewal.
14. I commissioned Dr Elizabeth Haywood to undertake a short piece of work to further examine opportunities for economic development in North East Wales as well as cross-border economic issues. Dr Haywood held meetings with stakeholders including Assembly Members, members of the business community and others, including an event chaired by the Mersey Dee Alliance.
15. Dr Haywood completed the 'Dee Region Cross Border Economy – Next Steps' report in March 2013. This final review focussed on strengthening cross border relationships in the Dee Region, the role of the Mersey Dee Alliance and potential economic benefits.
16. The report made four recommendations which were principally targeted at the role of the Mersey Dee Alliance, its membership, role and strategic regional presence. In addition, the report identified that there should be a Memorandum of Understanding between the Welsh and UK Governments covering transport planning.
17. On publication of the report, I immediately sought views on its findings between March and May 2013. Nine responses were received which have been placed on the Welsh Government website. In addition, I wrote to the UK Government Secretary of State for Business, Innovation and Skills on publication of the report.
18. In terms of keeping Members informed of wider progress with the proposed City Regions, I provided a written statement on next steps on 13 December 2012. This set out arrangements for taking the agenda forward in the two City Regions. The

purpose of these was to encourage an integrated approach and promote the joint working required to make city regions a success in the longer term.

19. For each, I established a small task and finish group, co-Chaired by a Leader of a Local Authority and a senior representative from the private sector to ensure momentum in the first few months.

Latest Developments

20. Following discussions in regard to both City Regions, I agreed that it was time to move to a new phase. Following recommendations from the Swansea Bay City Region Task and Finish Group, I announced the establishment of a Swansea Bay City Region Board at a launch event for the region's Economic Regeneration Strategy on 18 July 2013.
21. The Board will include representation at Leader level from the four Local Authorities in the region, plus four representatives from the business community and two from Higher Education. I asked Councillor David Phillips, Leader of Swansea Council to undertake the role of Chair, and Councillor Meryl Gravell, Executive Board Member for Regeneration & Leisure at Carmarthenshire County Council, to undertake the role of Vice-Chair. I also asked for nominations for the four private sector representatives and for the two HE representatives to be provided.
22. The role of the Board will be to take a leadership role, set direction and have oversight of the Economic Regeneration Strategy for the region.
23. The Board will be asked to consider and prioritise key projects which can demonstrate transformational economic impact for the City Region. Some of these may be appropriate for Welsh Government to consider funding, others for European Structural Funds, Local Authority or private sector funding.
24. I am now considering arrangements for the South East Wales City Region and will be making further details available shortly.