



Cross Party Group for North Wales Grŵp Trawsbleidiol Gogledd Cymru

Note of the Public Launch Meeting 22nd June 2018

Present

Llyr Gruffydd AM (in the Chair), Mark Isherwood AM, Ann Jones AM, Steve Ellison (Ann Jones Office), Ken Skates AM, Sian Gwenllian AM, Dr. Clare Eno (for Mandy Jones) David Humphreys (for Hannah Blythyn AM)

and Stephen Jones (WLGA)

Ian Lucas MP and David Rix (Office of Ian Lucas), Chris Ruane MP and Liz Savile Roberts MP (Mersey Dee and North Wales APPG),

Councillor Dyfrig Siencyn (Gwynedd), Councillor Mark Pritchard (Wrexham), Councillor Llinos Medi Huws, Councillor Julian Thompson Hill and Iwan Trefor Jones (NWEAB)

Ashley Rogers (North Wales Mersey Dee Business Council), David Jones (CBI/DEZ)

Apologies:

AMs: Janet Finch Saunders, Darren Millar, Mandy Jones, Rhun ap Iorwerth, Hannah Blythyn

MPs: David Hanson, Susan Elin Jones, Hywel Williams and Albert Owen

Leaders: Aaron Shotton, Hugh Evans and Gareth Jones

Welcome and Introduction

Llyr Gruffydd AM opened the meeting and reported that the Cross-Party Group had been re-convened following the promotion of Hannah Blythyn AM, to the Government, which meant she could no longer manage and lead the work of the Group.

The Group has a new leadership team: -

Llyr Gruffydd AM	Chair
Ann Jones AM	Vice Chair
Mark Isherwood AM	Vice Chair

The Group will hold meetings in North Wales and the Assembly.

The Chair welcomed political and business leaders in the region to the meeting, noting the attendance of Assembly Members, Members of Parliament, Council Leaders and Business Leaders.

The primary aim of the Cross-Party Group is to promote economic development in North Wales and ensure that the region is well supported by both Welsh and UK Governments.

The Group will work in partnership with Local Authorities, Business Representatives and Members of Parliament to take all the opportunities available to grow the economy of the region.

The Group will promote the opportunities available from improving the connectivity of North Wales to South and Mid Wales, Ireland, via the Port of Holyhead and the Northern Powerhouse, working in partnership with the Mersey Dee Alliance to connect with the Northern Powerhouse.

The Group will engage with public agencies and regional bodies promoting the region's economic growth like the North Wales Economic Ambition Board, Growth Track 360 and the Mersey Dee and North Wales All Party Parliamentary Group which has similar objectives in Westminster to the Cross – Party Group in the Assembly.

The North Wales Growth Bid – Councillor Dyfrig Siencyn

Councillor Dyfrig Siencyn gave an update on the North Wales Growth Bid in the medium of Welsh. The key points were: -

The six Local Authorities are working together well. The Leaders have established good relationships and strong trust in each other.

The Ambition Board welcomes the establishment of the Cross-Party Group in the Assembly. It provides the opportunity to influence governments through partnerships and a recognised mechanism for the provision of information.

The Ambition Board has established a strong platform to seek a growth bid from the UK and Welsh Governments. The Board includes representation from HE, FE and Business.

Iwan Trefor Jones is leading the production of outline business plans for eight programmes with a total of 26 projects designed to improve the economic performance of the region. These interventions are drawn from the North Wales Growth Vision and it is the intention of the Board to match the strategic interventions advocated in the Vision to a range of funding streams including the Growth Bid.

Iwan is supported by a small team of “consultants” as well as regular meetings of officers.

There is a need to develop a stakeholder body where business leaders can give the Board advice and strategic direction.

Officers are working on a legal agreement which will define governance and decision-making processes for the six Councils and their partners.

Finance Officers are looking at how the deal may be financed.

These three work-streams (project development, stakeholder involvement and financing) are subject to negotiation with the two governments. The Chair and Vice Chair of the Ambition Board are meeting regularly with UKG and WG Ministers to ensure that the detail of projects, governance and stakeholder representation are supported by government.

The Ambition Board is hoping to see a Growth Deal concluded in November 2018, with full business cases for a range of projects being commenced in December 2018 and being submitted for sign off by the Ambition Board and Governments from April 2019.

The Projects currently add up to a bid of around £400m which would enable total investment of £790m in the economy of North Wales. Of that sum, half will come from the private sector and other (non-treasury) partners.

The Board hopes the Deal will have an impact on living standards in the region. It will seek to address poverty and deprivation in the longer term.

We are seeking devolution and hope to develop a regional say with Welsh Government over transport, skills and support to business innovation and growth.

The region is diverse with concentrated pockets of deprivation across the whole region. Therefore, the bid aims to disperse growth and increase prosperity.

The Ambition Board is about providing a strong voice for North Wales. We will be stronger if you join and work with us.

The Mersey Dee and North Wales APPG – Ian Lucas MP

Ian Lucas gave an update on the work of the APPG that was supported by Chris Ruane MP. The key points were: -

- The North Wales CPG is a very welcome development. The region needs commitment from the Assembly.
- The MPs in Westminster would welcome devolution from Cardiff Bay to North Wales
- The Growth Bid is very welcome. It is noted that the WG and UKG are marking the region's homework. Pace is necessary to deliver the bid and begin the process of devolution to the region and investment in the region.
- All parts of the region are beautiful and have potential to develop world beating tourism propositions.
- North Wales is part of a single economic area with many local authorities and in two separate "countries" with different policies and approaches to public services.
- A body is necessary to bind the parts of the single functional economy together and link the area to the Northern Powerhouse. Regional and cross border cohesion is essential to linking with the Northern Powerhouse and avoiding a situation where the North Wales economy is side-lined and neglected. The aim of rebalancing the economy in the UK needs North Wales to link to the cross border functional area and the Northern Powerhouse. There is also a need for economic rebalancing in Wales where Cardiff is taking a disproportionate share of Wales' resources and investment.
- Rail has helped progress this agenda and bring North Wales and cross border partners together.

- Until recently the WG has not been sympathetic to the cross border working agenda and we know it is not popular in some parts of Wales. The private sector is supportive and the Energy summit in Runcorn demonstrated the potential of working together across borders to develop the economy. It is essential that we talk to each other to tackle the problems that we have with deprivation, poor transport infrastructure and the approach of Brexit. Airbus have today exposed the big risks Brexit poses to economic wellbeing.

The region must unite and create an environment where we can speak to and support each other on common issues of interest like Transport and Brexit. The key challenge is to communicate how good the North Wales and Cross Border area is for the economy and the world class companies and assets

Priorities include: -

- Engaging with Keolis Amey and the new Welsh Rail Franchise
- Improving the Digital Economy and creating a regional fibre network
- Engaging HE and FE more in economic improvement; we need a high level of skills in the future We have to be ready for upcoming big changes in energy and manufacturing and to take the opportunities change will bring.
- Building up creative industries
- Bringing in more professional and financial companies
- Communicating better and more cohesively with governments

Too many young people have to leave the region to progress. Improving skills could remove that driver to leave the region.

Political structures to help the region work together across borders and parliaments are essential to unlocking the potential of the area.

It's time to deliver. The North Wales Growth Bid has been in 3 budgets. We need to get going and get in front of Ministers and sell the region through big, transformational projects that catch the imagination.

There is a much wider agenda than the Growth Bid based on joint working. We have the capability to deliver growth. We are improving and developing relationships across parliaments and borders. We have the strong support of Ken Skates, so the time is now.

Chris Ruane MP commented that the region must build on its strengths: -

- Engineering (Manufacturing) – Aerospace, Optics,
- Energy
- Tourism and
- Agriculture

Improving East West links are crucial to the health of the region's tourism and HE/FE institutions.

There is a big job to do in herding cats – MPs, AMs and Councils – to work towards the same ends. Ian’s work with the APPG and the opportunities offered by joint working with the NWEAB and the CPG are big steps forward.

Ken Skates AM, Cabinet Secretary for Economy and Transport

Key points made by the Cabinet Secretary included: -

- The position of Airbus on Brexit will be followed by similar statements from the automotive sector. Their public statements are consistent with private concerns expressed consistently since the Brexit process commenced.
- It is brilliant that AMs, MPs and Council Leaders are meeting together. There is a huge opportunity for North Wales if we can all work together as a team.
- Short term priorities include: -
 - Delivering the Growth Bid
 - Taking the opportunities offered by the Rail Franchise
 - Delivering key private investments of which Wylfa Newydd is one

The Growth Bid is progressing well with a lot of collaboration taking place. The WG is being consulted on the Growth Bid schemes. The Government will respond using the Future Generations Act as a guide to assessment.

The Government will look to support schemes that are transformational and give a context of step change in raising the level of skills in the region.

The Growth Bid sits alongside Government efforts to improve North Wales’ transport infrastructure (the third Menai crossing) and other investments to improve economic performance like the AMRI and developing the Northern Gateway in Deeside

Key enablers within the Growth Bid include infrastructure to improve: -

- Digital Connectivity
- Skills (Centres of Excellence)
- Business Support (Innovation Centres of excellence)
- Transport

The new franchise is good news because linked to other hoped for improvements in bus services, active travel and park and ride services it will better enable people to get to jobs.

Commuting by affordable public transport is very low in North Wales compared other parts of Wales and Merseyside. It is estimated that 1 in 5 people turn down a job offer in the MDA area because they cannot get to work easily enough.

North Wales needs to get a more equal share of investment in infrastructure (road and rail) from WG.

The new Wales and Borderlands Franchise brings community benefits to Wales – apprenticeships, a train assembly factory, Keolis offices and expansion of Amey's Wales office, as well as improved stations, rolling stock and service patterns.

There will be a major improvement to the Wrexham – Bidston – Liverpool line service offer.

Wylfa is a key project. It will drive investigation of a 3rd crossing of the Menai Straits. The WG is seeking a different approach to financing Wylfa Newydd with UKG taking an equity stake in financing the development.

WG is investing £600m in the A494/A55 upgrade, the Bontnewydd by-pass, A55 roundabouts and studies into the 3rd Menai Crossing.

A review of A55 resilience has identified some quick wins to improve traffic flows. The Cabinet Secretary will push for major investment in the A55 as North Wales' key road artery. Other investments include: -

- Barmouth Bridge
- AMRI (Deeside)
- Development Bank HQ, Wrexham
- M-Sparc

The Economic Action Plan provides an opportunity for devolution of functions to the region through joint working between the Councils (the NWEAB) and the Chief Regional Officer who can produce a plan jointly with the Councils/NWEAB.

There is a high degree of collaboration between WG, Councils, HE/FE, the private sector and elected politicians. This puts North Wales in a good place to take the opportunities that are being offered by the Growth Deal, the Economic Action Plan, the Rail Franchise and WG investments.

Discussion

Cllr. Mark Pritchard

Cllr. Pritchard reported that he liked what he was hearing. The Councils have made good progress with the growth deal on: -

- Projects
- Governance and

Cllr. Pritchard observed that: -

- It is difficult to prioritise without an indication of the cash available
- Timescales for the growth deal are tight and he is concerned that money may not be available after the November Budget if a deal is not made (in outline) by then.

Ken Skates AM responded: -

- Prioritisation can be undertaken without money being announced.
- The Growth Bid should be taking forward the strongest business cases that are transformational, innovative and have regional impact.

- Other schemes which are good ideas can be taken forward in other ways.
- Robust business cases for projects in both categories are key
- The strongest business cases should go first
- The deal needs to be announced in the November 2018 budget

David Jones OBE, Chair North Wales CBI Branch

David Jones OBE commented that the Ambition Board is promoting a growth vision that is flexible, dynamic and evolving. The Growth Bid can therefore evolve (from those already in the bid) and take on new ideas and projects.

Projects need to be transformational, not projects that weren't good enough for funding from other sources.

It is legitimate to look after what we have like Airbus through the AMRI and other projects.

The region should be looking for a 10 to 15-year legacy from the Growth Deal.

Greater business involvement in the deal is desirable. The Wales Office have taken up this issue in response to the North Wales CBI Branch. The deal needs to closely involve the private sector and bring in private sector investment.

Mark Isherwood AM, Vice Chair

- How much cash will be allocated to the Growth Bid for North Wales and when?
- Will there be claw back conditions should some of the Growth Deal Projects not deliver their outcomes?

UKG investment must be related to investment by private businesses and that Stuart Andrew MP at the Wales Office had made clear that projects should be transformational and have regional impact and not be "business as usual" projects.

He expressed: -

- Concern that the Future Generations Act does not support the aspirations of the Cabinet Secretary with regard to significant road investment in the region with roads not satisfying all the seven tests in the FGA for investment.
- Support for a North Wales Transport Body, preferably with delegated powers and "future-proofed" with control of funding currently with the Welsh Government. He asked whether such a body would require legislation.
- Support for the development of a North Wales Business Growth Hub bringing together economic development services from across a range of different bodies in North Wales (WG, Councils and others)

The Assembly's Economy, Infrastructure and Skills Committee had looked at most of these issues and made recommendations on them.

Liz Savile Roberts MP

Liz Savile Roberts MP questioned how the public authorities can help grow indigenous businesses citing a case of a local company whose growth is being constrained by the lack of premises to expand into.

There needs to be direct intervention to help SMEs in the region to enable "organic growth". A "trickle down" approach will not be good enough.

Cllr. Llinos Medi Huws

Llinos Medi Huws gave the meeting positive messages: -

- The local authorities are prepared to put money into the growth bid through subsidised borrowing
- The Councils will manage the risk of clawback and not meeting targets and are committed to sharing the risks of the bid.

Stena is a significant contributor of private investment into the Bid via the Holyhead Port Project.

We have to keep our feet on the ground and recognise that there will be challenging discussions between Councils and between Councils and governments to deliver a Growth Bid for North Wales.

Iwan Trefor Jones (NWEAB)

The North Wales Councils have worked hard to create robust governance structures and develop relationships with partners.

There is a team in place to develop the programme of projects.

The existence of a robust North Wales Governance Body dealing with the economy and transport will provide the platform to negotiate devolution of functions and powers to the region and give the region a strong, unified voice. A strong regional voice from working together will enable better influencing of the Welsh and UK Governments.

The Growth Bid is a key subject for influencing.

The Growth Bid has been shaped by UK and Welsh Government strategies (the Welsh Economic Action Plan and the UK Industrial Strategy). There are 8 programmes with 26 projects that aim to build on our strengths in advanced manufacturing, energy and tourism.

Taken together it is a transformational package that will create quality jobs and raise GVA, hopefully reducing the GVA gap between North Wales and the UK average.

The projects are scaleable in a number of areas (e.g. digital) and investment in skills is crucial to reducing regional inequalities, deprivation and serving the needs of businesses.

Businesses have played a significant role in developing the North Wales Growth Bid, largely but not exclusively, through the Business Council.

The number of projects developed will enable the NWEAB to target other funding streams as well as the Growth Bid as part of the delivery strategy for the North Wales Growth Vision.

The Growth Bid will sit alongside other major investments in the region, like Wylfa Newydd, to drive increasing prosperity in North Wales.

Conclusions

Ken Skates responded to some points made: -

- The Growth Bid won't meet every need in the region.
- The NWEAB should identify the challenges in the region that each project promoted by the NWEAB addresses
- The devolution asks of the region can be met by close working with the Chief Regional Officer who can develop a regional plan informed by the asks of the NWEAB
- The Growth Bid needs to be focussed and based on detailed planning that will stand up to the scrutiny of the Treasury.
- Organic growth by SMEs will be supported by a network of enterprise hubs, the first of which has opened in Wrexham recently.

Action

A letter to be drafted to the SoS Wales Office and the First Minister to advise them that the Cross-Party Group has commenced working and has struck up positive partnerships with the APPG, the NWEAB and Business Representatives from North Wales.