

# A Growth Deal for North Wales

## Smart, Resilient and Connected

Where economic growth is  
powered by innovation in high  
value economic sectors



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Our Vision for the future:

## North Wales

Is a confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and our connection to the economies of the Northern Powerhouse and Ireland.

Wales



Photograph: Left to right: Cllr. Gareth Roberts, Cllr. Hugh Evans, Maria Hinfelelaar, Cllr. Aaron Shotton, Cllr. Dyfrig Siencyn, Cllr. Llinos Medi Huws, Ashley Rogers and Dafydd Evans

# Foreword

We are delighted to announce the formal launch of the North Wales Growth Bid with our fellow Council Leaders and our key partners in Business, Higher Education and Further Education.

The proposals in this submission would enable investment of £1.3billion in the North Wales economy from growth deal monies of £328m capital and £55.4m revenue, totalling £383.4m, a return of £3.40 for every pound spent.

Over 5,000 jobs could be created. Other outcomes are being estimated and will include the creation of new businesses, housing units built (including affordable housing) and placing workless households into work.

The funds for the Growth Bid, if approved, will be provided jointly by the UK and Welsh Governments.

We have delivered our outline proposals to Guto Bebb MP, UK Government Minister for Wales and Ken Skates AM, Cabinet Secretary for Economy and Transport in the Welsh Government.

We have set up a Shadow Joint Committee which will be called the North Wales Growth Board. The new board thanks the members of the North Wales Economic Ambition Board for their contribution to building the platform for a credible and ambitious Growth Bid over the past 18 months.

We are in the process of appointing a bid development team to work up detailed business cases to the standards required by effective delivery. We mean to do what we say.

Our proposals have been developed in partnership with the private sector, our universities, (Bangor and Wrexham Glyndwr) and our Further Education Colleges, (Cambria and Grwp Llandrillo Menai). We have had support and encouragement from the UK and Welsh Governments, our Assembly Members and Members of Parliament. It has been a genuine team effort to get to this point.

North Wales is a united and ambitious region. We aim to develop a new, more prosperous, innovative and productive economy that is smart, connected and resilient and provides opportunities for better employment across the whole region.

The Growth Bid is only one part of our Growth Vision. We will continue to press for improved transport links outside of the Growth Bid. We will campaign for the Department of Transport to fund improved rail infrastructure and the Welsh Government to fund improved rail services.

We will work with the Welsh Government to deliver a North Wales Metro and an improved road network.

Our proposals will also sit alongside UK and Welsh Government programmes to improve digital and wireless connectivity in the region.

The Growth Bid taken together with support from governments to improve transport and digital connectivity will drive economic growth, ensure a fair distribution of benefits across the region and help retain young people in the region.

There is a lot of hard work and tough negotiations ahead of us before we can finalise a growth deal with the two governments.

The work we have done so far through the Bid Process has given us momentum, unity and a determination to succeed.



**Councillor Aaron Shotton,**  
Chair, North Wales Growth Board  
Leader, Flintshire County Council

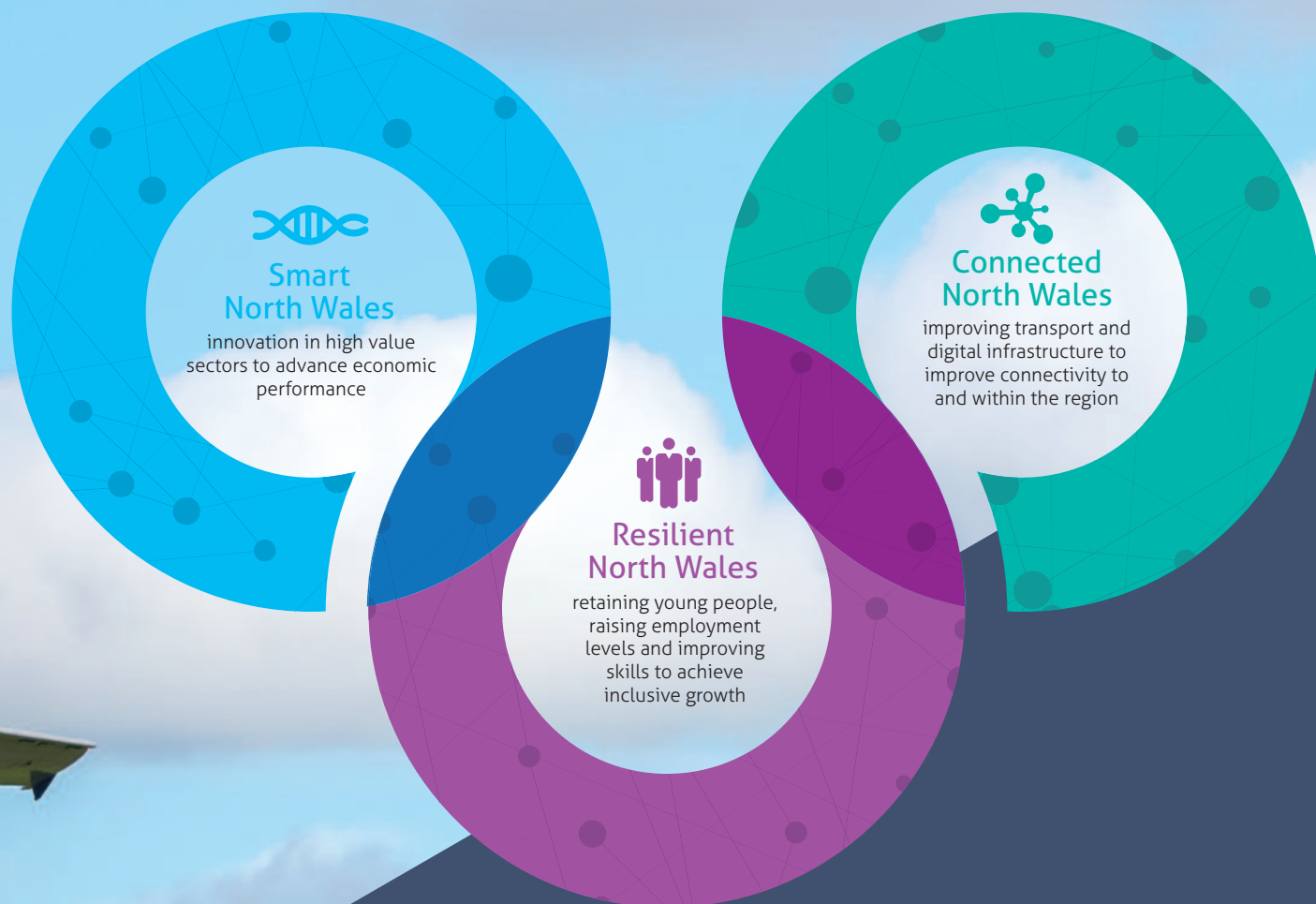


**Councillor Dyfrig Siencyn,**  
Vice Chair, North Wales Growth Board  
Leader, Gwynedd Council





The North Wales Growth Vision was founded on the three principles of:



## Strategic context for the Bid

The North Wales region is committed to working together collaboratively for common purpose to facilitate and accelerate economic growth. This collaborative is cross-sector. The regional partners will combine resources in strategic transport planning, economic development, employment and skills and strategic land use planning to support collaborative planning and delivery.

The region is prepared and ready to accept new responsibilities and powers to facilitate and accelerate economic growth – growth which is inclusive and sustainable.

These commitments and actions with the support and empowerment from both Governments will create the positive conditions for the delivery of our “Growth Vision for the Economy of North Wales (2016)”.

The Growth Deal Bid is being developed in support of this Growth Vision. The Strategy behind the vision is a single and ambitious programme for economic and employment growth in the region. It is co-owned by key stakeholders across the sectors and sets out a clear framework for strategic interventions for the economy of North Wales.

With the stimulus of a Growth Deal, North Wales will become a low carbon, high-tech economy with a high-quality infrastructure, a sustainable skills-base and responsive business support to host and grow businesses in globally competitive sectors.

We will, as a region, be positioned as one of the **leading UK locations for energy generation and energy-related supply chain investment**.

We will, as a region, capitalise on the strong network of anchor companies with an international profile **to build an advanced manufacturing cluster – one which will be highly competitive on a global stage**.

We will, as a region, become **a hub of innovation and technology excellence and a leader in developing digital business clusters**.

We will capitalise on the opportunities created by significant private sector investments, most notably Wylfa Newydd on Anglesey, one of the largest contemporary private sector investments in the UK.

We will develop and project the reputation of North Wales as a centre of excellence for high value tourism, building on recent investments and a growing portfolio of globally attractive all-year attractions. This will contribute to the reputation of North Wales, and Wales, as a destination and a place for investment.

We believe that the delivery of our vision will support and retain young people, protect and promote Welsh Language and culture, and contribute towards scalable and dispersed growth across the region.

All six local authorities and key partners in the region have approved the formation of a statutory Joint Committee as the governance model – providing leadership and accountability for direction, action and outcomes.

The partners of the Joint Committee are directing, overseeing and facilitating the development of the North Wales Growth Deal. It will be supported by a reformed Economic Ambition Board, which will bring all the relevant stakeholders together at the regional level. The private sector will play a leading role in the Ambition Board.

The Joint Committee will also set the governance and delivery arrangements for the discharge of strategic functions at a regional level. These functions may include land-use planning, transport, skills planning and economic development.





# Bid purpose

## Smart North Wales will:

- Lead innovation in low carbon and nuclear energy, advanced “smart” manufacturing and the digital and creative sectors, building on existing initiatives and strengths to increase investment and employment in these sectors;
- Build a critical mass of world class expertise in these lead sectors and exploit supply chain opportunities for indigenous business in the region to grow;
- Through close collaboration between businesses and leading research centres and Universities facilitate knowledge exchange, innovation and technology commercialisation to promote sector leading excellence and the growth and development of SMEs;
- Grow digital businesses, both indigenous and investing, and create a highly competitive and diverse digital cluster that will cement the regions’ position as a hub of technology and digital excellence;
- Build on the strong network of anchor companies with international profile and develop a portfolio of well-serviced, market-ready and accessible development sites across the region.



## Resilient North Wales will:

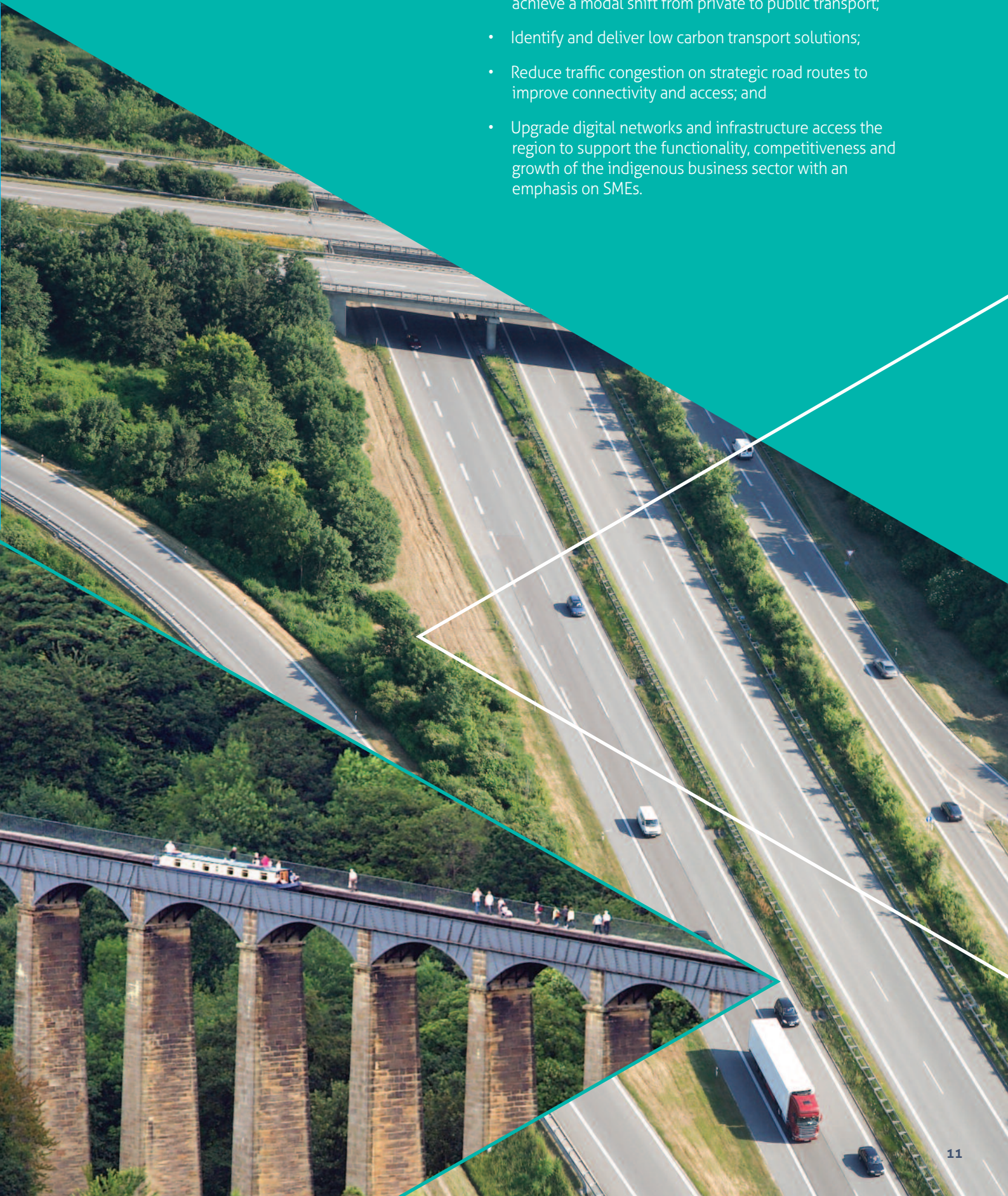
- Retain young people in the region and reduce outward migration through offering a positive future;
- Increase employment levels, reduce inactivity and reduce the number of workless households across the region;
- Achieve “inclusive growth” and equality of access – connecting the labour market and localities to jobs and opportunities for business growth – through improved transport access and skills initiatives;
- Be pioneering in skills and employment planning, with schools and training providers collaborating in support of regional economic priorities, and equipping young people with the skills needed by employers ready for employment
- Succeed in ensuring that growth is scalable, and is dispersed across the region, respecting and valuing the cultural and linguistic characteristics of North Wales; and
- Ensure that there is sufficient housing, especially of affordable types, to support employment growth and community needs.





# Connected North Wales will:

- Improve transport infrastructure, specifically road and rail, to facilitate economic growth and the movement of people, goods and services;
- Develop integrated transport hubs to (1) connect localities to employment centres and the regional and national transport infrastructure – both road, air and rail, and (2) achieve a modal shift from private to public transport;
- Identify and deliver low carbon transport solutions;
- Reduce traffic congestion on strategic road routes to improve connectivity and access; and
- Upgrade digital networks and infrastructure access the region to support the functionality, competitiveness and growth of the indigenous business sector with an emphasis on SMEs.





# Alignment with Key UK and Welsh Governments Strategies

The North Wales Growth Bid will be aligned to the strategies for the Northern Powerhouse and the immediate North West of England, specifically the strategy of the Mersey Dee Alliance and close partnerships including the Cheshire and Warrington Local Enterprise Partnership. It will support connectivity with the economy of Ireland, and the Growing Mid Wales Partnership. The work is strongly aligned to the national aims of the UK Industrial Strategy and the WG Economic Plan.

The Bid is co-dependent on other strategies for infrastructure investment, such as Growth Track 360 for rail investment, the Welsh Government trunk road programme as set out in the Moving North Wales Forward Strategy (2017), and the UK Industry Sector Deals, most notably the Nuclear Industry Sector Deal. The latter are currently the subject of negotiations between the industry and the UK Government. The Bid is co-dependent on these strategies which are supported parallel but separate decision-making processes and budgets.

A number of strategic projects are underway in North Wales on which the Growth Bid will build. These projects already have funding and are not therefore included in the Bid for new support.

Principal examples are the Deeside Advanced Manufacturing Research Institute, the Advanced Boiling Water Reactor Centre of Excellence at Llangefni, Wrexham Incubator Hub, M-Sparc on Anglesey, and the Wrexham Food Park.

A combination of these strategic projects and the new strategic projects within the Growth Bid combine to accelerate clusters of high value economic sectors to increase competitiveness and productivity.

North Wales has a strong regional offer to make to the UK and Welsh Governments by creating a regional economy that is "smart, resilient and connected". The Growth Deal is pivotal to securing a joint investment programme between the UK and Welsh Governments for the strategic interventions required.

North Wales has a strong regional offer to make to the UK and Welsh Governments by creating a regional economy that is **"smart, resilient and connected"**







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Christopher Hollerwies

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# Strategic Interventions

The Projects for which Growth Deal funding is sought are listed below. They are inter-related and co-dependent. They have been developed through partnership working and co-production amongst the local authority, higher education, further education, transport and private sector partners in the region.



A detailed Action Plan is included in Appendix 1. The funding sought from the UK / Welsh Governments – through the Growth Bid – is **£343m capital** and **£55.4m revenue**. This will attract and secure private sector investment to the value of **£1bn** in the region over the next 15 years and the creation of **5,300 new jobs**.



## Strategic Outcomes

The strategic outcomes that will be delivered through the Growth Deal will include the following:

- Growth in regional prosperity;
- Creation of better quality jobs for the local labour market;
- A more skilled workforce within the region;
- Improvements in standards of living across the region.



# Strategic Outcomes

Strategic Outcomes and Indicators	2010	2011	2012	2013	2014	2015	Future Direction
Growth in Regional Prosperity							
GVA Growth	10,723	11,160	11,812	12,357	12,402	12,822	▲
North Wales GVA per head as % of UK (-London +SE)	82%	84%	87%	88%	85%	86%	▲
Dispersed GVA growth across the 6 Counties of North Wales	9.6%	5.5%	5.0%	12.3%	3.1%	5.5%	▼
GVA growth in high value economic sector (GVA growth in manufacturing, information and communications and technical activities)	0.1%	4.8%	4.0%	7.8%	-0.3%	2.0%	▲
Creation of Better Quality Jobs							
Employment Growth	-0.9%	1.4%	3.6%	-0.3%	0.4%	1.1%	▲
Dispersal of Employment Growth across the 6 Counties of North Wales	7.2%	8.2%	8.1%	7.4%	13.2%	12.9%	▼
Employment Growth in high value economic sectors	-1.5%	1.8%	0.1%	6.2%	5.8%	-2.6%	▲
A more Skilled Workforce within the Region							
Increase in proportion of the population with qualifications (NQF 4)	29.7%	30.4%	32.2%	33.5%	35.2%	36.1%	▲
Increase in higher level apprenticeships as a proportion of total employment	-	-	-	-	1,335	1,885	▲
Increase in apprenticeships 16-24 as a proportion of total employment	-	-	-	-	5,100	5,155	▲



Strategic Outcomes and Indicators	2010	2011	2012	2013	2014	2015	Future Direction
Improvements in Standards of Living across the Region							
Reduce the proportion of workless households	19.9%	19.7%	18.7%	17.6%	18.7%	17.4%	▼
Improve affordability (median house prices / median income)	6.08	5.99	5.91	5.55	5.64	5.84	▼
Increase in median household income (£)	£22,813	£22,602	£23,297	£24,362	£24,478	£24,823	▲

Further information on the Strategic Outcomes and Indicators is provided in **Appendix 2**.

Progress Based Measures will also be monitored, stage by stage, and include the following:

- Enhanced site values for strategic employment and housing sites;
- Strategic site readiness/development status;
- Transport access e.g. reduce travel times to strategic employment sites; transport usage figures to demonstrate modal switch to public transport;
- Business investment; Business growth; Business performance;
- Employment figures by type/sector/value – new and protected;
- Skills figures – by type/sector/level – against the targets of the regional skills strategy;
- Sustainable housing growth figures; and
- Alternative and renewable energy supply production and carbon reduction.

# New Responsibilities for the Region

**We seek the support of the UK and Welsh Governments to be given the capacity and freedom to make key decisions at a regional level.**

The region will require the following additional powers, responsibilities and flexibilities:

- The region invites the Welsh Government to support the formation of a Regional Transport Body and fund the delivery of a well-planned and integrated transport network. Additional powers will be needed to enable the planning of integrated passenger transport networks;
- The region invites the UK Government to co-commission and co-design employment programmes within the region to achieve a more integrated, joined-up service. This will depend on flexibilities being allowed from both the Welsh Government and the Department of Work and Pensions (DWP) to integrate funding programmes for the region to be most effective in taking people off benefits and into work;
- The region will need the Welsh Government to support a regional allocation from the Apprenticeship Tax Levy;
- The region seeks the support of the UK Government to allocate a % of DWP budget to support the Regional Skills and Employment Fund;
- The region seeks the support of the Welsh Government to allocate a % of Work Based Learning budget to support the Regional Skills and Employment Fund;
- The region invites the Welsh Government to support the creation of an Arm's Length Property Development entity, to accelerate development of strategic sites and premises in support of the Growth Deal outcomes. The transfer of under developed property and the delegation of effective compulsory purchase and site assembly powers from partners to the joint unit will make the proposal potentially transformational;
- The region requests the UK Government to lift the Housing Revenue Account Borrowing Cap on Local Authorities to enable access to capital to accelerate building of new social housing to meet growing demand;

- The region will depend on the Welsh Government to commit to a devolved and co-ordinated approach to economic development at the regional level – enabling the co-location of key levers and assistance for businesses within the Regional Business Growth Hub. The Hub will pool resources from across the region and will deliver a consistent approach to economic and business development;
- The region seeks the support of the Welsh Government to retain a share of national non-domestic rates (business rates) to invest in economic growth;
- The region requests the Welsh Government to allow relaxation of grant rules and accountabilities for social reform and anti-poverty programmes.

To deliver the full benefits of the Growth Deal, and to maximise impact, the region will need certainty that the UK and Welsh Governments will follow through on commitments and deliver the following strategic policies and schemes:

- Welsh Government to deliver the forward work programme for Trunk Roads (£600m) as identified in the Moving North Wales Forward Strategy (2017) and specifically the Third Menai Crossing, Deeside Corridor (A55/A494/A548), A483 junctions and the A483/A5 corridor, and A487 Caernarfon to Bontnewydd By-pass;
- Welsh Government to deliver the work programme contained in Taking Wales Forward to ensure that every property will have access to a fast and reliable broadband service, and that 95% of people will gain at least the basic skills needed by 2021;
- Welsh Government to deliver cross-departmental commitments on a more integrated employability approach which supports the skills of the future workforce by aligning the education curriculum to economic drivers;
- Welsh Government to deliver the well-being objectives for the region as contained in the “Prosperity for All” Strategy, focusing on delivering individual and national prosperity while spreading opportunity and tackling inequality;

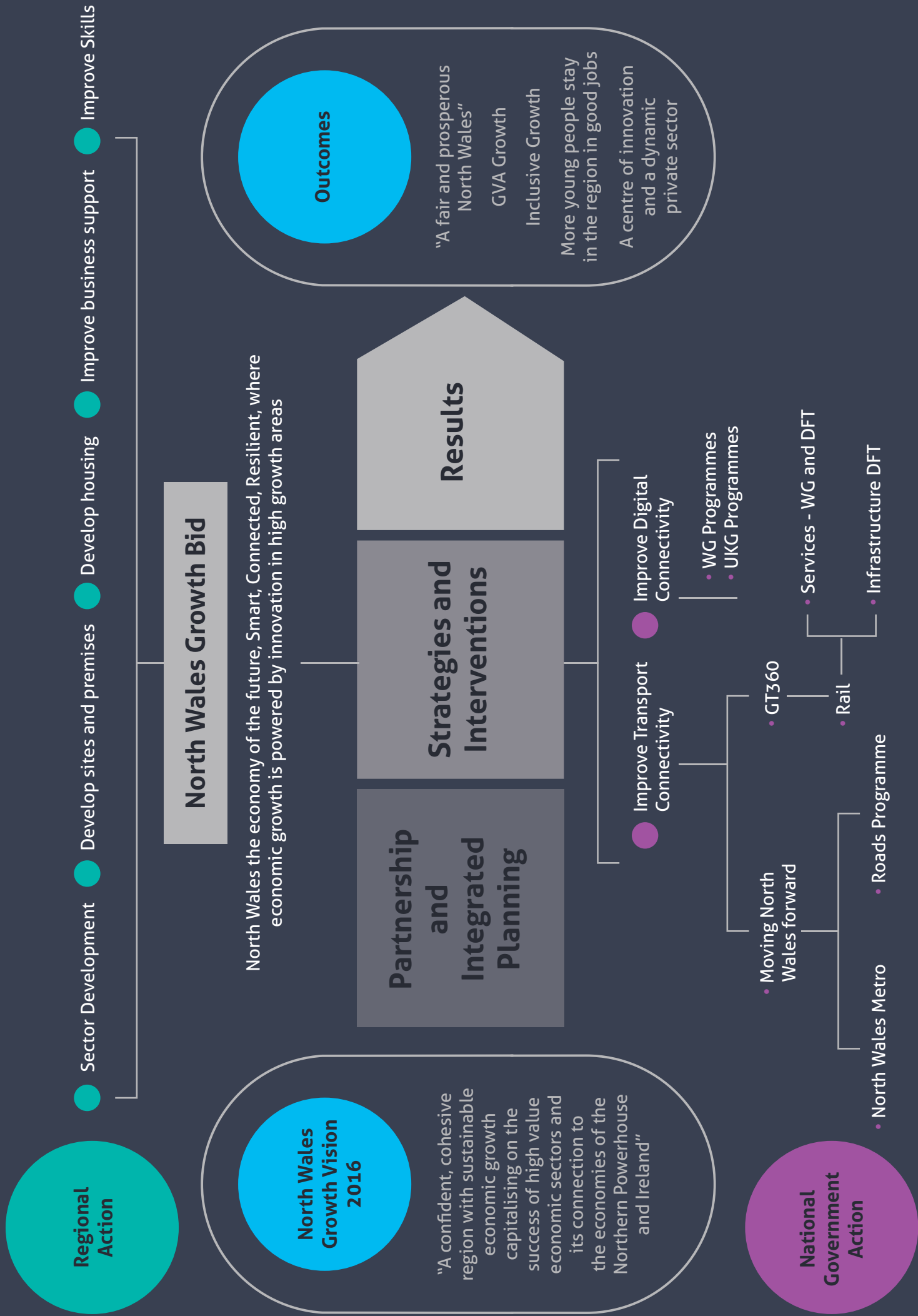
- UK Government – through the Department of Transport – to deliver the strategic rail investment programme as set out in Growth Track 360 (£240m) – specifically Line Speed Improvements on the North Wales Coast, the Wrexham to Bidston Line Improvements, and Chester to Wrexham Station Improvement Capacity.
- UK Government - the Industry Sector Deals that will contribute to the delivery of the Growth Vision for North Wales- specifically the proposals in the Nuclear Industry Sector Deal such as the £70m commercially lead Equipment Qualification Centre for the nuclear industry which should be based in the Snowdonia Enterprise Zone.

Local authorities and its partners within the region have agreed to collaborate to create strong and effective governance and delivery arrangements, supported by the sharing of resources, in key functions including:

- Regional strategic transport;
- Strategic land use planning;
- Business support and advice; and
- Skills and employment programmes.

Cross-border collaboration will take place on the planning and delivery of strategic projects, such as transport and the development of high value sectors, which will boost economic performance and productivity.

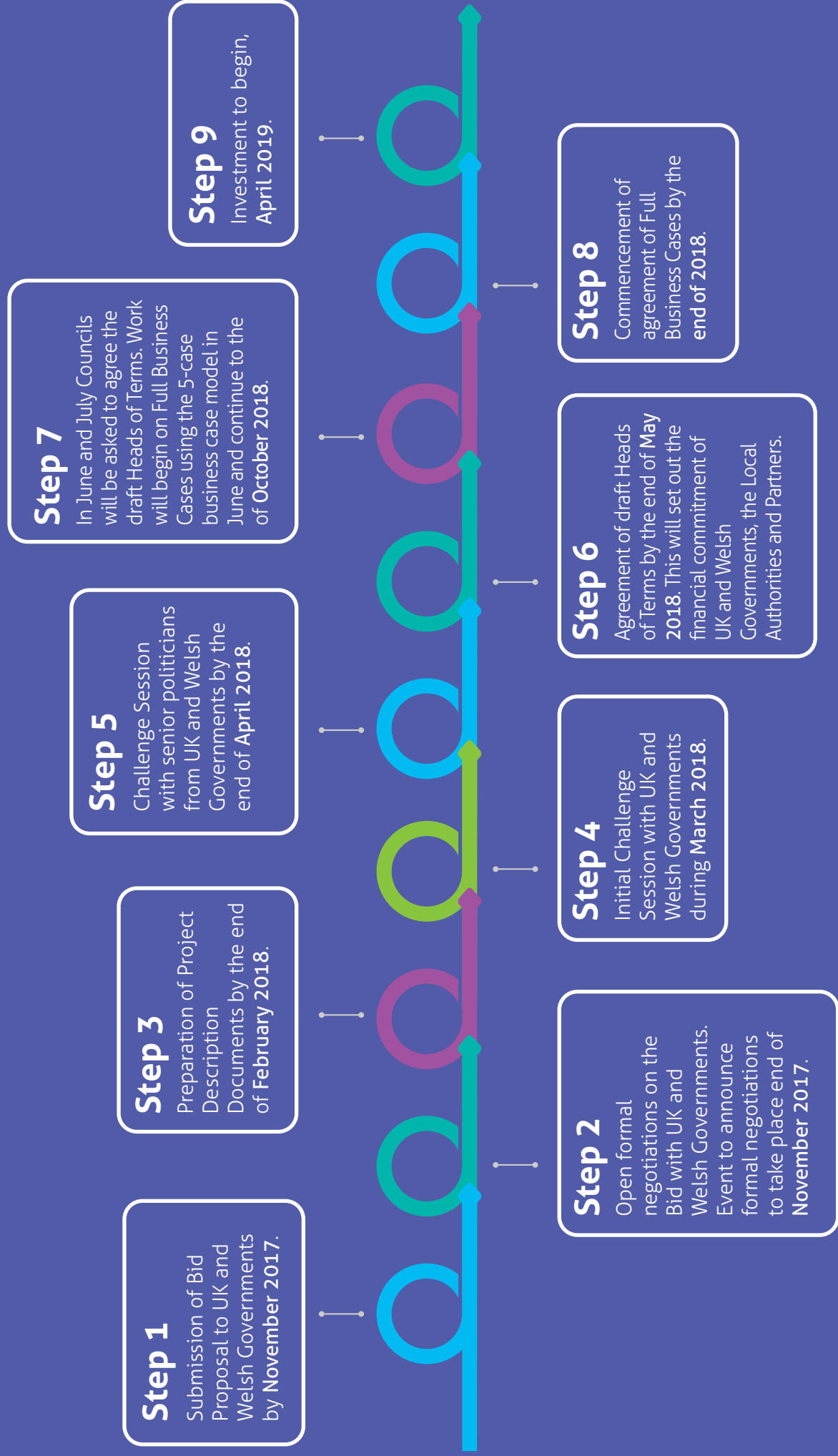
We will exploit the potential of the emerging energy clusters in the Northern Powerhouse and will work in collaboration with others to ensure transformation in the energy industry from Wylfa Newydd to Sellafield in West Cumbria.





# Timeline

The process of preparing the Growth Deal for North Wales will follow the following timeline:



Project Title	Project Ref.	Estimated Cost	Growth Bid Asks	Private Sector Investment	Jobs Created
Smart North Wales					
Smart Sites & Premises Development Fund – Phase 1	S.001	£220m	£20m capital	£200m	1,500
Smart Sites & Premises Development Fund – Phase 2	S.002	£250m	£42m capital	£208m	3,000
Smart Access to Energy Projects	S.003	£210m	£50m capital	£160m	200
Smart Technology & Innovation Resource Hubs	S.004	£188.4m	£61m capital	£104m	500
Regional Business Growth Fund	S.005	£55.7m	£26m capital + £29.7m revenue	£94m	1,000
Regional Business Growth Hub	S.006				

Project Title	Project Ref.	Estimated Cost	Growth Bid Asks	Private Sector Investment	Jobs Created
Resilient North Wales					
Housing Enabler Project	R.001	£100m	£15m capital	£85m	300
Skills and Employment Hub	R.002	£9m	£1.5m capital + £3.75m revenue		
Skills and Employment Fund	R.003	£26.05m	£22m revenue		
Skills Academies	R.004	£50m	£25m capital	£10m	
Connected North Wales					
Digital Infrastructure	C.001	£60m	£27.5m capital	£32.5m	250
Regional Transport Body	C.002	£1.25m			
Regional Transport Fund	C.003	£150m	£75m capital	£150m	230
Total		£1.3 billion	£343m capital £55.4m revenue	£1.03 billion	5,390
The funding sought from the UK / Welsh Governments – through the Growth Deal				Capital £343 m	Revenue £35.35 m



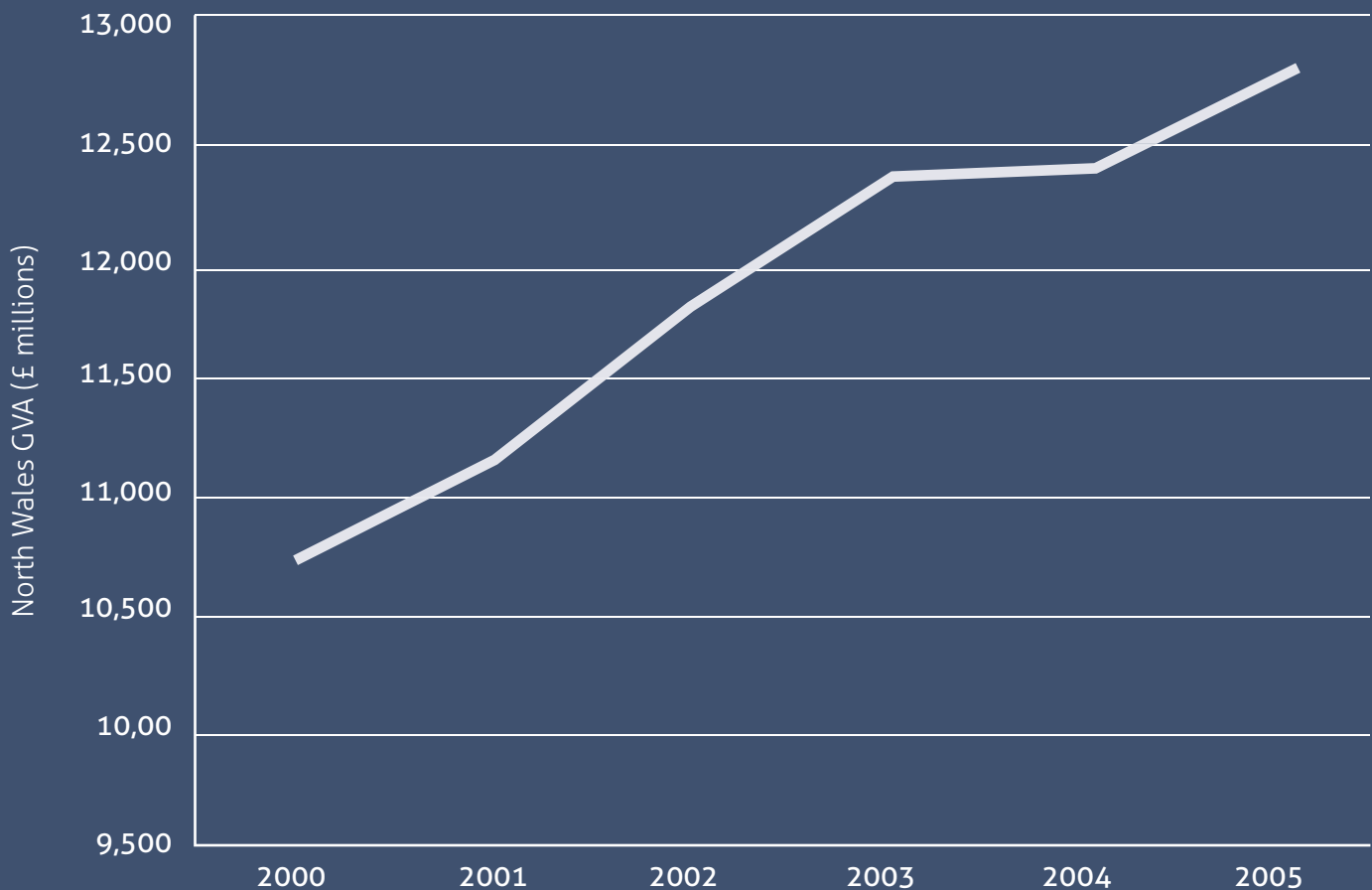




# Strategic outcomes

## Growth in regional prosperity

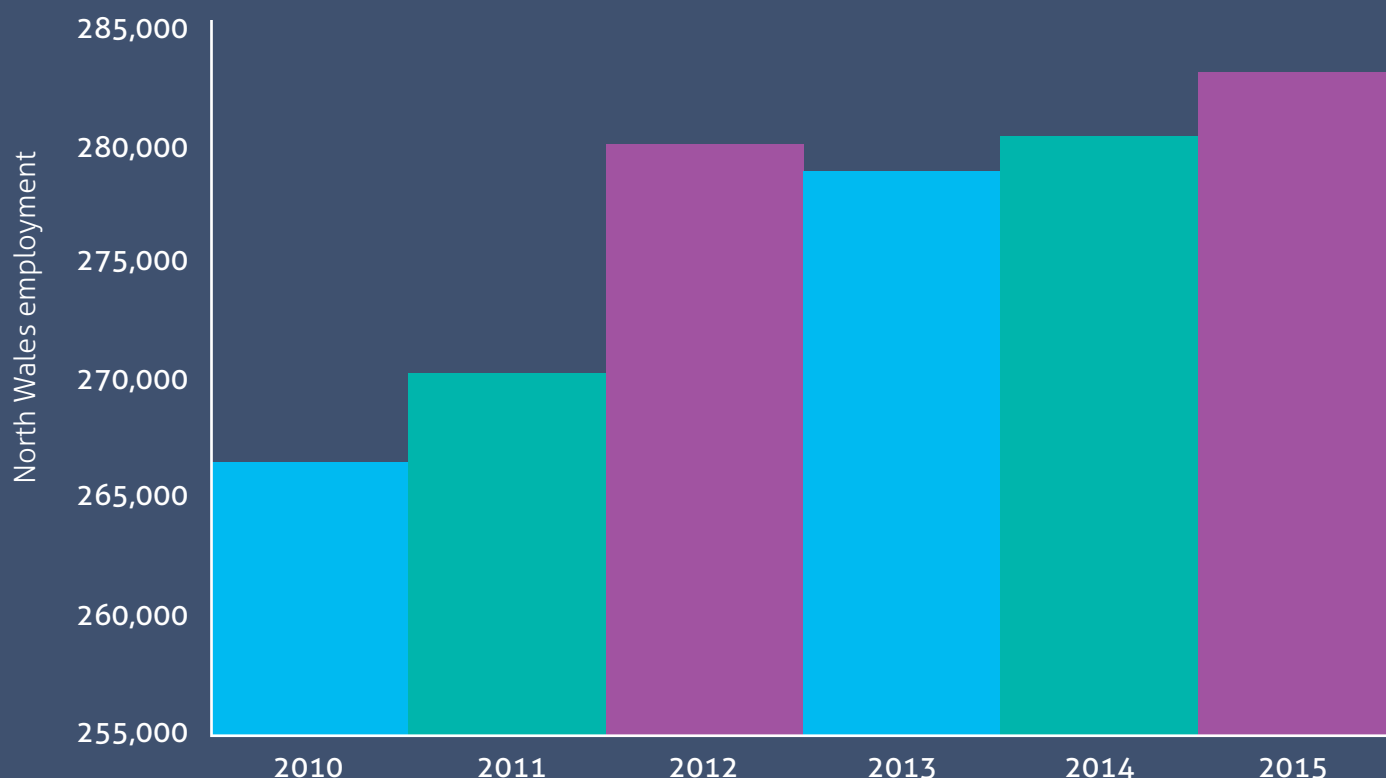
Delivery of the transformational projects within the Growth Deal will have a profound impact on the North Wales economy. This section aims to outline the baseline scenario for the region by drawing on key economic and social data and information from a range of sources under each outcome.



- North Wales has an economy worth £12.8 billion GVA in 2015, an increase of 3.2% on the 2014 figure.
- Over the four year period, 2010 – 2014, GVA in North Wales rose by 20%. This was significantly higher than overall increase of 19% seen for the UK (minus London and the South East) during this period.
- Despite being successful in achieving growth higher than the UK between 2010 and 2014, GVA per head North Wales remains persistently below that of the UK (minus London and the South East). North Wales GVA per head was 86% in 2015 and the average between 2010 and 2015 was 85%.
- GVA growth is not evenly distributed across all six Counties, with greater growth seen in the North-East Wales region than in the North-West Wales region. The dispersion (max minus min) in GVA growth across the six Counties of North Wales was 5.5 percentage points in 2015.
- The NWEAB bid aims to increase North Wales' economy to £20 billion by 2035. This will be achieved through growth in 'high value' economic sectors. Growth in these sectors has been volatile between 2010 and 2015 but a 2% growth was achieved in 2015.



## Creation of Better Quality Jobs



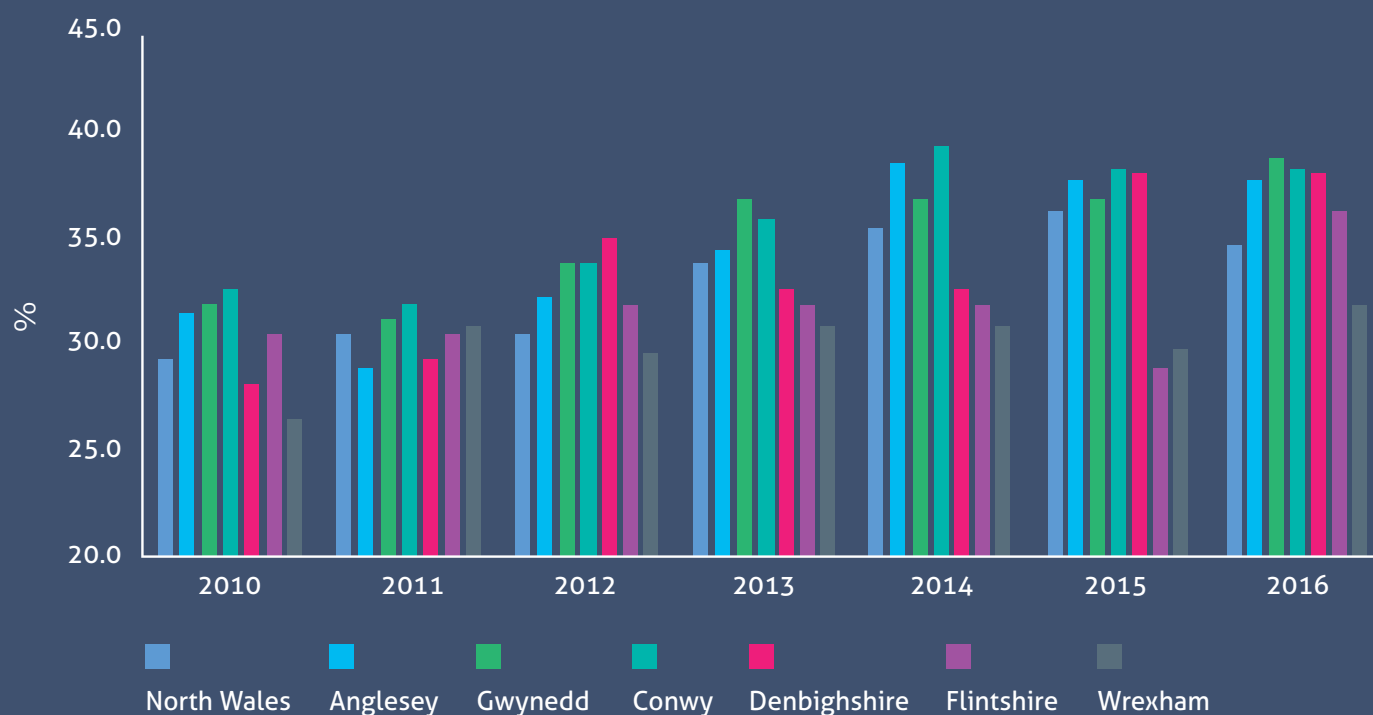
- Nearly 284,000 people were employed in North Wales in 2015, including both employees and the self-employed, which was a 1.1% increase on the previous year.
- Between 2010 and 2015 nearly 16,800 jobs were added to the economy, a growth of over 6.3%. The average growth during this period was 0.9%
- Similar to GVA, employment growth was not dispersed evenly across all Councils. The dispersion (max minus min) in employment growth across the six Counties of North Wales was 12.9%
- Average growth in 'high value' employment was 1.6% across North Wales between 2010 and 2015. Over 60,000 people were employed in 'high value' sectors in 2015, a decrease of 2.6% on the 2014 figure.







## A more Skilled Workforce within the Region



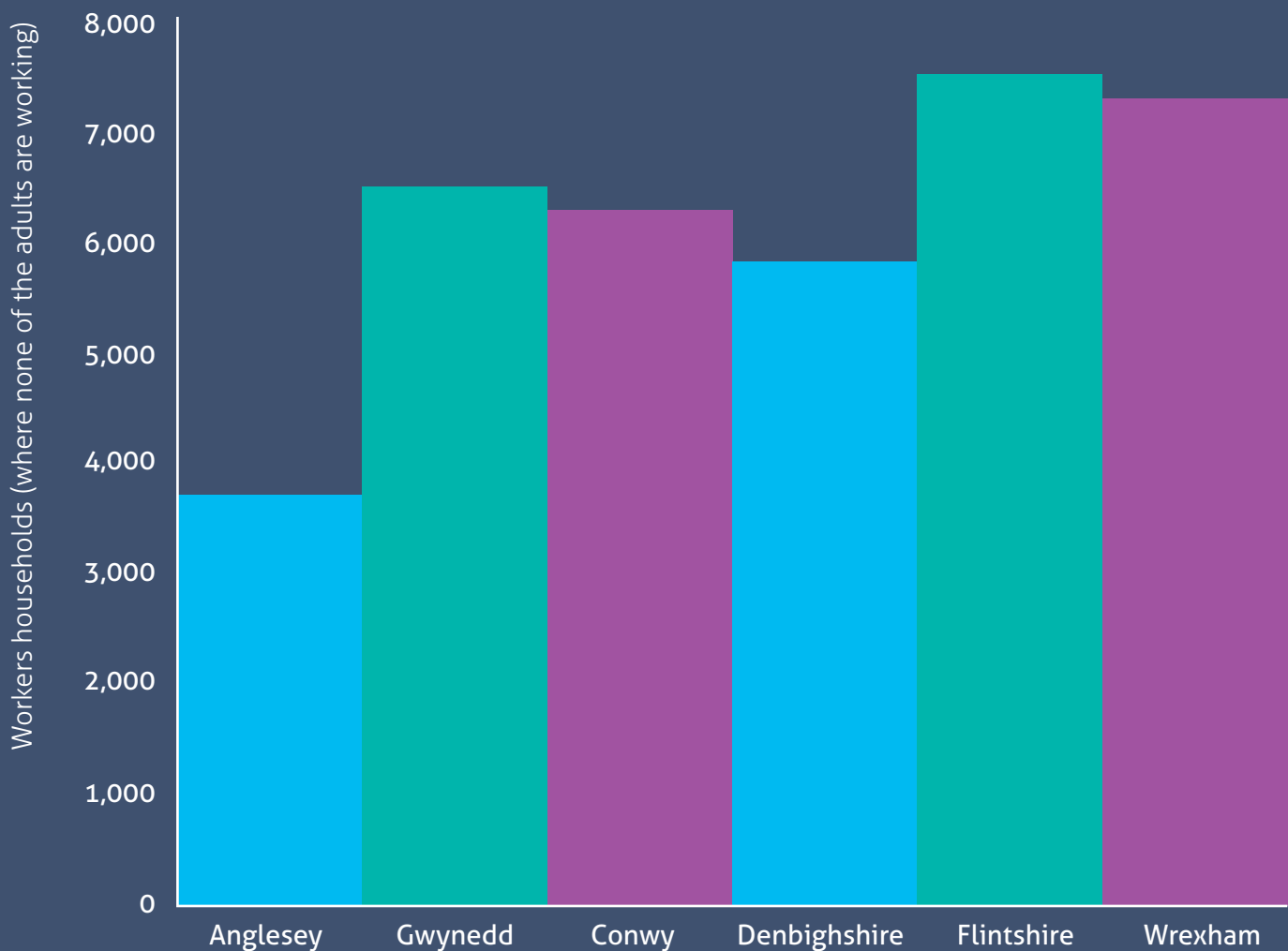
- The vicious circle of inadequate education, poor training, low-productivity jobs and low wages traps the working poor and excludes young persons and workers from participating in economic growth<sup>1</sup>
- Skills development is an essential factor for achieving the objective of 'decent work' both by increasing the productivity and sustainability of the enterprise and for improving working conditions and the employability of workers. (Op.Cit)
- However, skills development will not automatically lead to improved productivity or more and better jobs unless there is a conducive economic and social environment to translate productivity improvement into employment growth and development. (ibid)
- In terms of skills, North Wales higher skills (NQF4 or above) has been increasing since 2010 and reached a peak in 2015 at 36.1% of population aged 18-64
- National Qualification Framework NQF4 is the level above A levels, and includes Higher Apprenticeships, NVQ level 4 and this extends up to holders of foundation degrees and HNDs (NQF5), bachelors' degrees and PGCE (NQF6), Masters (NQF7) and PhD (NQF8).
- In terms of higher levels of qualifications, the three north west counties score well above the North Wales average (34.8%) and slightly better than the all Wales average (37.4%). Of the three, Gwynedd scores highest, and this may well be tied in to it hosting the three largest public sector employers in the region, the NHS Trust, Cyngor Gwynedd and Bangor University within the county boundaries, and with a reasonably highly qualified staff.
- As we have noted already, population qualification level is not an indication that those individuals who are employed are working in roles that are concomitant with their qualification, or even in employment, as the figures are for the entire working population.

<sup>1</sup>From: Conclusions on skills for improved productivity, employment growth and development, International Labour Conference, 2008 / International Labour Office. - Geneva: ILO, 2008 [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---ifp\\_skills/documents/publication/wcms\\_103457.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_103457.pdf)





## Improvement in Standards of Living across the Region



- Regional prosperity will reduce the number of workless households in North Wales. There were 36,400 workless households in 2015, accounting for 17.3% of the region's total households.
- There has been a small decline in the number of workless households across North Wales from a peak of around 19.8% in 2010.
- Economic growth will have an impact on the regional's property market. The average of the median house price for 2015 in North Wales was £144,917 combined with a mean of medium income of £24,823, which gives an affordability ratio of 5.84.
- There is some regional variation. Anglesey is the least affordable LA compared to Flintshire and Wrexham which are the most affordable. Wrexham (median) averages at 5.5 times median salary over the period 2010-2015 whilst Anglesey is approximately 6.5.
- The driving factors here are a combination of Anglesey having the highest median house prices in N Wales in 2015, with the second lowest median income (£23.5kpa) (Gwynedd is the lowest (£22.6kpa)).

