

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL
ECONOMIC AND COMMUNITY REGENERATION SCRUTINY
COMMITTEE

24 February 2016

Report of the Chief Executive

Matter for Information

Wards Affected: All

Purpose of Report

1. To inform Members of the submission of a Swansea Bay City Deal proposal to the UK Government submitted on 23 February 2016.

Background

2. City Deals are essentially "bespoke" arrangements to promote growth, innovation and employment around UK cities and their hinterland.

3. To date, some 20 English City Deals (including multiple deals in cities such as Manchester) have been concluded and a couple in Scotland, including Aberdeen most recently. However, there are currently none signed off in Wales. The Cardiff Capital region is in the process of finalising a proposal and the Swansea Bay City Region Board, led by Sir Terry Matthews (and where this authority is represented by the Leader), has been doing likewise.

4. The Swansea Bay City proposal is included at Appendix 1 to this report. It covers the period from 2016-2035.

5. The proposal covers the geographical area of the City and County of Swansea, Carmarthenshire County Council, Pembrokeshire County Council and this authority. It should be stressed that the submission of the bid is a starting (not an end) point. The City Deal will be subject to further negotiation on the detail (including any financial commitments – see below) and is also subject, over time, to a series of so-called Gateway reviews.

What is proposed?

6. The City Region Board has brought forward a very distinctive proposition based upon three key themes: the development of "Future Energy" systems building upon an existing strength in the region's renewable energy sector; the establishment of an international internet gateway to accelerate economic growth and the use of web based technologies to develop the health and social care sector.

7. There are also other strands to the City Deal proposal including skills, the development of regional transport networks and the regeneration of Swansea City Centre.

8. The proposal submitted is a basis for commencing further negotiations with the UK Government and others. In the devolved context, the Welsh Government also has a key role.

9. The proposal also seeks to reflect the priorities of the business community represented on the Board and more widely; play to the strengths of our Universities (with their growing research and development capacity); build upon existing partnerships around health and social care (the ARCH programme) and, more generally, the quality of life, availability of land for growth and labour that the region offers.

10. In short, the proposal is to make the regional whole greater than the sum of the parts; improve the resilience of the regional economy and get us off the bottom of the economic league tables where the region has languished for some time (the key benchmark is to get us to 90 per cent of UK GVA by 2035). Recent events at Tata are a salutary reminder of the need to diversify our economic base over the medium to long term.

Financial & Legal Implications

11. None as yet in terms of definitive financial commitments. The proposal identifies an agreed position across the four Councils which is to "explore the scope" for a joint contribution of some £100 million over 20 years in various ways potentially (see document). Again, this is a starting position for further discussion - not an end point. The overarching objective is to secure in excess of £500 million over 20 years to fund infrastructure and other interventions aligned to the three key themes.

12. In (legal) governance terms, the document's starting point is to identify existing powers available to local government to promote economic, social and

environmental well-being in a collaborative fashion. Again, this model may evolve over time.

Reason for Recommendations

13. To facilitate Member engagement in, and awareness of, the process at the outset and as it unfolds.

Recommendations

That Members:

1. Note the report and the submission of the Swansea Bay City Deal proposal;
2. Request a Member Seminar be organised for more detailed briefings purposes.

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Appendix:

Swansea Bay City Deal proposal, 23 February 2016