

# Report

## Cabinet

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### Part 1

Date: 22 July 2020

**Subject** Western Gateway – The Newport Perspective

**Purpose** To inform Cabinet of progress with the Western Gateway partnership and highlight the key potential benefits to Newport.

**Author** Acting Head of Regeneration, Investment and Housing

**Ward** All

**Summary** The Western Gateway is a recently established strategic partnership that aims to deliver an economic powerhouse, driving growth on both sides of the Severn. As one of five cities, Newport is expected to be a key player in the success of the Western Gateway and capitalise on the benefits of greater collaboration.

**Proposal** To note the content of the report and support Newport's continuing involvement with the Western Gateway.

**Action by** Acting Head of Regeneration, Investment and Housing

**Timetable** Immediate

This report was prepared after consultation with:

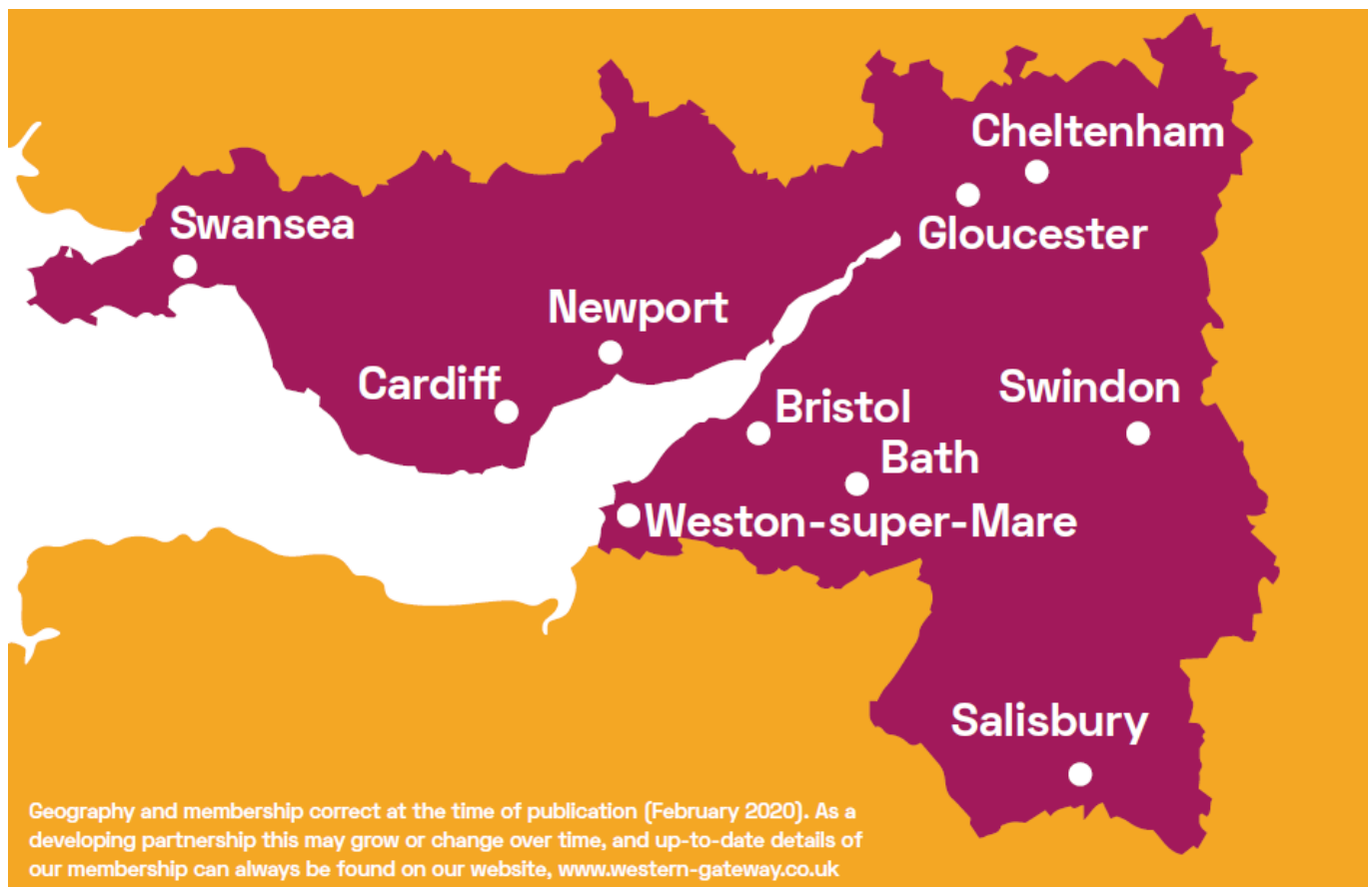
- Acting Chief Executive
- Head of Finance (Chief Finance Officer)
- Head of Law and Regulations (Monitoring Officer)
- Head of People and Business Change
- Leader as Cabinet Member

**Signed**

## Background

Newport, Cardiff and Bristol formed the Great Western Cities partnership in 2015 and aspired to improve cooperation and develop a strong economic and environmental partnership. At that time the three cities had a combined economic output of £58 billion. In November 2019 the partnership was widened to include Swansea, Cheltenham, Gloucester, Bath, Swindon, Weston Super Mare and Salisbury and was rebranded as the Western Gateway. This partnership aims to boost local economies through cooperation and compete with other powerhouses in the UK to deliver greater regional growth.

**Figure 1: Western Gateway Geographical Region**



A £400,000 kick-start fund was provided by the UK Government and Katherine Bennett, Senior Vice President of Airbus has been appointed as Chair of the Western Gateway. The partnership seeks to complement the work of the City Regions across South Wales and Local Enterprise Partnerships in the West of England.

## Strengths and Opportunities

The region is already a major economic powerhouse containing three city regions, each of which have identified improved physical and digital connectivity, higher skills and employment levels, plus innovation, as being pivotal to their future economic development and prosperity. As a whole, the region has a higher GVA per head than the Northern Powerhouse and the Midlands Engine and a pre lockdown economy in the region of £107 billion. There are 4.4 million people living in the Western Gateway area alongside approximately 160,000 businesses and 2.1 million jobs. Goods exports are in the region of £21 billion and the area is well connected by major roads, 2 airports and 9 ports.

The Western Gateway has identified three key sectors where collectively it has considerable strengths:

- Advanced manufacturing and engineering
- Creative and digital media
- Finance, business and professional services

In Newport in particular, businesses, such as Admiral, Go-compare, Lloyds Banking Group, plus the Semiconductor Cluster and National Software and Cyber Security Academies are fundamental in these sectors. Not only are they hugely important to Newport, but they are also of regional and national significance and being part of a strategic partnership with greater collaboration will only help to serve these businesses and industries better, consequently benefiting the City as a whole.

The region is also a major centre for research and innovation with a host of assets:

- Ten universities and three members (Bath, Bristol and Cardiff) are part of the GW4 alliance – a network of the research intensive universities;
- Bristol and Bath – the National Composites Centre and the Quantum Technologies Innovation Centre at the new University of Bristol Temple Meads Quarter;
- Newport – the Compound Semiconductor Applications Cluster and Catapult. and the National Software and Cyber Academies;
- Cheltenham and Gloucester – the UK Cyber Business and UK Digital Retail Innovation Centre;
- Swansea – the Advanced Engineering Materials Research Institute plus the Steel and Metals Institute;
- Swindon – the UK Space Agency and UK Research and Innovation.

Being a part of the Western Gateway will mean that Newport can also benefit from being part of, and associated with, these exceptional research facilities.

As well as acknowledging the region's current strengths, growth in clean energy and low carbon, plus health and life sciences have been highlighted as opportunities. The region has particular strengths in renewable energy and tidal and marine energy. Newport in particular has seen expansion of solar farms in recent years and the possibility of a tidal lagoons has previously been discussed. There are growing opportunities for life sciences as well, linked to existing technology and digital strengths in Artificial Intelligence, high performance computing and quantum technologies. Newport's Semi-Conductor Cluster would be expected to benefit and lead in this field.

## **Ambitions**

The overall visionary ambition of the Western Gateway is 'Propelling a greener, fairer, stronger Britain'. There are then three primary ambitions which the Western Gateway is striving to achieve which would be extremely valuable to Newport, but for Newport to achieve which focus on connectivity, being a global gateway and innovation. Achieving this in isolation for Newport would be highly improbable, but when combining with a greater force that is the Western Gateway, the ambitions become much more achievable and realistic.

### Ambition 1: Connectivity

To deliver world class physical and digital connectivity into and within our area to boost productivity, unlock housing and lead our transition to a net zero future. Working with partners, the Western Gateway aims to deliver:

- Quicker, more frequent services to London and reducing the journey time from Swansea to London to under two hours;
- Quicker and more frequent services between the cities of the Western Gateway, with journey times between Cardiff and Bristol reduced to 30 minutes;
- A direct link into Heathrow and direct trains to other Core Cities and the proposed HS2 network;
- Reduced journey times, allowing residents to travel within the area in a 'golden hour' using one Western Gateway smart ticket;
- Improved connectivity through Swindon to England's Economic Heartland and improved north/south axis;
- Investment to the strategic road network, including the M4 and M5 to tackle congestion, boost capacity and unlock housing growth across the region;
- A network of electric charging points along the M4 and M5;

- The UK's most digitally connected region;
- A Gateway between the UK and the world economy, making the most of the region's ports and airports.

#### Ambition 2: Global Gateway

Become Britain's Global Gateway for export and investment-led growth.

- Deliver a Global Gateway Strategy, looking at trade, investment, ports and airports, visitor economy and business events;
- Put in place a programme of sectoral trade missions to key global markets.
- Become a true Gateway for the UK, forging strong links and collaborations with our neighbours and fellow powerhouses.

#### Ambition 3: Innovation

Bring our universities, businesses and natural assets together to meet the grand challenges and to create the new industries of the 21<sup>st</sup> Century.

- Capitalise on our unique natural and industrial assets, including the Severn Estuary, Hinkley Point and the potential for Tidal Lagoons in the Bristol Channel/Swansea Bay, to drive the development of new energy systems;
- Build on our industrial and research expertise to make the UK's aerospace and automotive industries a global leader in development new technologies for ultra-low emission vehicles, low carbon propulsion systems and lightweight structures for cars and planes;
- Become an internationally recognised powerhouse for innovation in the creative digital and cyber industries.

All of the above ambitions certainly have synergies with Newport's own aspirations for development and growth. The partnership is not intended to replace or replicate Newport's existing plans and strategies, or any Cardiff Capital Region aspirations, rather it will complement these through wider collaboration. Therefore, to be part of the Western Gateway and collaborating on resources, ideas and knowledge, is certainly going to boost Newport's chances of future prosperity. The Gateway will also present an opportunity for a more direct link with UK Government, which could be beneficial when it comes to treasury and major investment decisions.

### **Governance**

The Governance structure will consist of three elements.

- Partnership Board – responsible for setting the overarching vision and supporting strategies supported by a Business Advisory Group to enable a broader representation of key regional business leaders;
- Advisory Groups – responsible for developing the detailed strategy on key priorities to be progressed as determined by the Partnership Board;
- Delivery Support (secretariat) – providing support to the work of the Partnership Board, to expand as momentum gains.

### **Next Steps**

An Independent Economic Review has been commissioned which will provide a comprehensive evidence-base to inform future policy development and investment, a task made ever more urgent by the economic turbulence caused by the current pandemic. A high level interim report is expected by early autumn which will outline the current challenges and immediate opportunities. This will be followed by a longer term piece of work looking at the macro-modelling and more detailed analysis to achieve the ambitions outlined above.

Overall the Western Gateway presents Newport with the opportunity to be part of a strategic partnership which will help our businesses and industries through better collaboration and shared innovation. Achieving such benefits on our own would be impossible but through partnership working, greater opportunities arise and Newport's economic growth ambitions become much more achievable and realistic.

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Competition between areas within the Western Gateway might be 'toned down' in the interests of the wider region and favouring one particular city.	L	L	Overall, Newport will continue with its own agenda to attract business and investment. Membership of the Western Gateway should boost Newport's appeal and healthy competition between individual areas of the Gateway will still occur.	Acting Head of RIH
Duplication of work already done with Cardiff Capital Region	L	L	There will inevitably be some overlap, but work for the Western Gateway will focus on this area and the unique qualities of the area as a whole. It is expected to complement other studies and research.	Acting Head of RIH
Western Gateway fails to deliver benefits to Newport	L	L	Newport is not reliant on the Western Gateway or any other partnership to deliver economic growth for our City, We have our own strategies in place but working in partnership can bring increased opportunity and sharing of skills and knowledge which would not be the case if working in isolation.	Acting Head of RIH

## Links to Council Policies and Priorities

Being a part of the Western Gateway will help meet the education and skills needs, along with investment and continued regeneration of Newport, as outlined in the Corporate Plan 2017-2022.

The ambitions of the Western Gateway are consistent with the themes, objectives and priorities of the 'Newport City Council Well-being Plan 2018 – 2023' which are:

- people feel good about living, working, visiting and investing in Newport.
- people have skills and opportunities to find suitable work and generate sustainable economic growth.
- people and communities are friendly, confident and empowered to improve their well-being.
- Newport has healthy, safe and resilient environments.

Membership of the Western Gateway also helps boost prospects for development and regeneration in line with the adopted Local Development Plan and Economic Growth Strategy.

### **Options Available and Considered**

- A. This paper is for information purposes only. The purpose is to update Cabinet on the benefits of Newport being a part of the Western Gateway.

### **Preferred Option and Why**

N/A

### **Comments of Chief Financial Officer**

Aside from the £20k annual contribution, there are no budgets specifically earmarked for this development currently. As the partnership matures, it could well have financial impacts depending on projects, funding solutions and where the public sector sits within that.

At this point, there is no formal partnership agreement or MOU but this will need to be developed when the partnership matures and issues which these would regularise and manage is needed.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the Report at this stage. Currently, there is no formal partnership agreement and the Council's only commitment has been an annual financial contribution and an in-principle agreement to collaborative working with the other authorities to deliver common economic objectives. However, if the joint working arrangements are now going to be regularised and a formal governance structure is to be adopted, then this will require a legal joint agreement or memorandum of understanding which clearly sets out roles and responsibilities of the partner authorities, any powers to be delegated to the Partnership Board and the financial obligations in relation to any specific joint projects. These detailed proposals will need to be reported back and approved by Cabinet in due course.

### **Comments of Head of People and Business Change**

The Western Gateway expands on previous work through the Great Western Cities project and seeks to build on and enhance existing regional programmes like the City Deals through cross border collaboration. There are potentially major benefits by collaborating on such a scale across an area of relatively high GVA, excellent skills availability, strong connectivity, research facilities and growth sector clusters. Three key sectors have been identified which complement Newport's specific ambition for development and growth. In addition a set of strategic ambitions have been identified and it is noted that these have synergies with sustainable development principles and the One Newport Wellbeing Plan aims e.g. carbon reduction and working towards a net zero economy. The report also notes that participation in the Western Gateway increases the Welsh participant's stake and influence in UK government funding and economic development spheres.

### **Comments of Cabinet Member**

The Leader, as Cabinet Member for Economic Growth and Investment has approved the report for consideration by Cabinet.

### **Local issues**

None.

### **Scrutiny Committees**

Under the Council's Constitution, powers have been delegated to Heads of Service and since the Covid 19 outbreak, governance arrangements including the Council's Scrutiny Committees have been suspended.

## **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

There are no specific equality issues that need further consider.

## **Children and Families (Wales) Measure**

The Western Gateway will benefit members of all society, including children.

## **Wellbeing of Future Generations (Wales) Act 2015**

The Well-being and Future Generations (Wales) Act seeks to improve the social, economic environmental and cultural well-being of Wales. Public bodies should ensure that decisions take into account the impact they could have on people living in Wales, in the future. The 5 main considerations are:

- Long term: The Western Gateway is a long term partnership that aims to boost economic prosperity for the region for the foreseeable future.
- Prevention: Through collaboration, the Western Gateway aims to become more prosperous. Collaboration amongst different cities will prevent economic decline.
- Integration: The Western Gateway city regions and local enterprise partnerships have high self-contained labour markets indicating high levels of economic integration. With over 90% of the resident in-work population working in the Cardiff Capital Region and West of England, these city regions are self-contained and integrated.
- Collaboration: The whole Western Gateway is a model for cross-border collaboration.
- Involvement: The Western Gateway consists of three local enterprise partnerships, along with the authorities of the Cardiff Capital Region and Swansea Bay Region. Business representatives will also sit on the partnership board. The Western Gateway spans a large area with a large number of businesses and organisations, and there will be numerous opportunities for these to become involved with and benefit from the Gateway.

## **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

## **Consultation**

Consultation has taken place amongst stakeholders in the establishment of the Western Gateway and the development of the Prospectus.

## **Background Papers**

Western Gateway Prospectus – A powerhouse for south Wales and western England



Western Gateway  
Feb 2020.pdf

Dated: 6 July 202