

Report

Cabinet

Part 1

Date: 19 July 2017

Subject Newport Economic Network

Purpose To seek agreement to establish a formalised structure for the Newport Economic Network

Author Will Godfrey, Chief Executive

Ward City-wide

Summary The Newport Economic Network was established in 2014 as an informal sounding board of partners across the city. A great deal has changed since 2014 and it is now time to consider a more structured network to enable the city to meet the challenges which lie ahead.

Proposal Cabinet to:

- 1) Agree to formalise the Newport Economic Network as set out in this report.
- 2) Agree the continued participation of Newport City Council in the network.
- 3) Ask the Chief Executive, in consultation with the Leader, to make arrangements to invite appropriate stakeholder representatives to serve on the network.
- 4) Agree for council officers to continue to provide appropriate support to the network

Action by Chief Executive, Strategic Director (Place), Head of Regeneration, Investment & Housing

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Cabinet Member for Regeneration & Housing
- Chief Executive
- Strategic Director (Place)
- Partner Organisations through the Economic Network

Signed

Background

A report was presented to Cabinet in July 2014 which set out the need to establish an informal sounding board of partners across the city to co-ordinate discussions about economic growth in the city.

It was agreed at that time to proceed with creating the Newport Economic Network (NEN) and for Newport City Council to participate along with other partners. The NEN has met quarterly since 2014 on an informal basis.

A great deal has changed since 2014 which makes it appropriate to review the current arrangements. I have set out some key developments below:

- 1) The Cardiff Capital Region City Deal was signed in 2016 which will develop a comprehensive investment programme for SE Wales. It is imperative that Newport continues to play a positive and active role in this initiative to secure the best outcome for the local economy.
- 2) Great Western Cities partnership with Cardiff and Bristol has been created as the UK's western economic powerhouse, focusing on working together to maximise investment across the three cities.
- 3) The EU referendum in June 2016 where the UK votes to leave the European Union. This has potentially far reaching economic consequences and individual areas need to take the initiative to take advantage of any opportunities which may arise.

Cities are key to the UK economy and Newport is vital to the success of the Welsh economy. Whilst there will always be challenges to face, Newport is well placed to take drive economic growth and has seen a number of significant developments in recent years. The opening of the Friars Walk retail and leisure scheme in 2015 has transformed the city centre and the opening of the Wales International Convention Centre in 2019 will bring significant economic activity to Newport. The city continues to grow and the Cities Outlook report 2017, published by Centre for Cities shows that for the first time Newport has the highest productivity per worker of cities in Wales (as measured by Gross Value Added).

The Well-being of Future Generations (Wales) Act requires Public Service Boards to assess the state of the city's economic, social, environmental and cultural well-being, and set objectives that are designed to maximise the contribution of partners within the city to achieving those goals. The Single Integrated Plan 'Economy and Skills' theme is part of this work, with new objectives being developed as part of the all partner Well-being Plan for the City.

As we move to the next stage of the city's development, it will be more important than ever for partners to work together effectively and a successful economic partnership can be key to helping economic growth.

Proposed Structure

Economic growth partnerships are well established across many parts of the UK. The successful partnerships share a number of characteristics:

1. Clear vision for the future
2. A common message is developed and all partners are advocates
3. The focus is on delivery
4. There are clear measures of success
5. It is understood that circumstances change and the partnership needs to be flexible to deal with this change.
6. Everyone commits long term and understands this is the key to success.

In 2014 the NEN was established as an informal network with representatives from the following sectors:

- Business
- Education
- Housing
- Sport

- Welsh Govt
- Leisure & Tourism
- Newport City Council

Representatives from each of these sectors were invited to participate and the meetings have been held on an informal basis.

We are now proposing to formalise the structure as set out in the diagram at appendix 1.

The purpose of the Newport Economic Network will be as follows:

A collective of stakeholders with a mutual interest to promote and develop the economy of Newport. The network will identify key priorities, marshal resources and co-ordinate activity to deliver economic opportunities for all communities across the city.

We have looked across the UK at different economic partnerships to learn lessons from others, ensuring that our proposed structure will be as effective as possible. We have also looked at evidence from across the world, particularly the United States, to understand how other economic partnerships work. Each partnership reflects the unique circumstances facing each city/city region but all have one common characteristic – a recognition that economic success is driven by key stakeholders working together to a mutually agreed agenda.

Another frame of reference we have considered is the work of the Regional Entrepreneurship Acceleration Programme (REAP) at the Massachusetts Institute of Technology. Wales has been part of the latest cohort and this experience is helpful when considering the best way to proceed. The purpose of the programme is as follows:

The MIT REAP is a multi-year program for multi-organization, cross-functional teams. The program is designed to help regions facilitate economic development and social progress through the creation of an actionable strategy to support innovation-driven entrepreneurship (IDE). As part of the program, participants attend three day workshops twice a year for at least two years, where they are exposed to the theory and practice of developing regional clusters of innovation-based entrepreneurship.

Having collected all this evidence and reflected on relevance to Newport we are proposing the network should operate as follows:

1. The network will have an independent chair with the council providing support to ensure it runs effectively.
2. The sectors we identified in 2014 are still broadly relevant and we will invite representatives to serve based on our knowledge of each sector.
3. We will continue to engage the wider stakeholder community across the city through an annual city summit.
4. We will create 6 sector groups which will feed issues for discussion into the network. The groups will largely follow those identified as part of the city deal governance as follows: innovation, skills and employment, connectivity, regeneration and infrastructure, destination management, business support and inward investment.
5. The network will aim to meet on a quarterly basis and notes from the meetings will be published on the council's website. However the network will not be part of the formal council governance arrangements as it will remain an informal gathering of opinion shapers across the city.

Support to the network will be able to be provided within current staffing resources.

Financial Summary

There are no on-going revenue costs associated with the running of the network. There may be some requirement to consider funding for individual projects and these will be considered when they arise.

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)					
Net Costs (Savings)					
Net Impact on Budget					

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?
Can't identify suitable chair for the network	M	L	Discussions are already taking place with potential candidates	Chief Executive

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The overall mission statement of Newport City Council is "Improving People's Lives". Continued economic growth in the city is key to delivering this mission. As such putting the Newport Economic Network on a formal basis will help the council deliver its mission .

There are clear links between the Well-being objectives and the Economic Growth strategy, which would be supported by the work outlined in this report.

Options Available and considered

Option 1 – Disband the Network

Option 2- Leave the Network to operate on an informal basis

Option 3 – Formalise the Network and co-ordinate resources across the city

Preferred Option and Why

Option 3 is the preferred course of action as it maximises the input of partners across the city. By formalising the network we can provide better access to resources and the capabilities of partners to develop a co-ordinated approach to developing the city's economy.

Comments of Chief Financial Officer

The report confirms there are no direct financial impacts coming out of the proposals here – the support and co-ordination will be met from existing resources.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. There is clearly an on-going need for partnership working between key stakeholders from both the public and private sectors in order to deliver future economic growth in Newport. This form of collaborative arrangement is also consistent with the well-being principles under the Well Being of Future Generations Act and the Council's well-being objectives regarding the promotion of economic growth and regeneration. The current Newport Economic Network has provided an effective basis for collaborative working but the proposed governance arrangements will provide a more formal, structured basis for this economic growth partnership going forward. However, the NEN will not be established as a formal partnership or separate legal entity in its own right and it will not exercise any formal decision-making powers on behalf of the Council. Any financial contribution towards individual projects will be the subject of a separate executive decision by the Cabinet.

Comments of Head of People and Business Change

There are no direct staffing implications.

The report develops partnership working and ensures that the council is working towards Newport and Wales wellbeing objectives through promoting economic growth. The Assessment of Local Wellbeing published this year has indicated that regeneration and business growth should remain a high priority in the forthcoming Local Wellbeing Plan, which is being developed with partners across all sectors.

Comments of Cabinet Member

The Leader of the Council supports the proposals in this report.

Scrutiny Committees

Scrutiny will comment on an on-going basis.

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

The Newport Economic Network is set up to promote economic growth across the city. This is central to delivering on many aspects of the seven well being goals in the Act. It has particular relevance to the following; A prosperous Wales, A more equal Wales.

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 decision take into account the impact they could have on people living in Wales, in the future. The 5 main considerations are:

- Long term: working with stakeholders and partners will enable businesses to grow and sustain jobs in the longer-term, leading to a more prosperous and resilient Newport and a more prosperous Wales.
- Prevention: working in partnership towards economic growth. Job creation will help reduce unemployment rates leading to a more prosperous Wales

- Integration: supporting economic growth will help sustain businesses, and improve the well-being of Newport's residents by providing more equal job prospect, helping to keep the unemployment level down and providing opportunities for school leavers.
- Collaboration: the proposal is all about working with existing and new partners to develop collaborative working and leading to a more prosperous Newport.
- Involvement: All the recommendations in this report fully support the findings of the recent Your Newport Survey in which there was an emphasis on employment.

The proposal is in line with the Council's well-being objectives published in March 2017, specifically, to "Promote economic growth and regeneration whilst protecting the environment"

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

Members of the current network are very supportive of the proposal in this report.

Background Papers

N/A

Dated: July 7th 2017

NEWPORT ECONOMIC NETWORK – Appendix 1

