

Report

Cabinet



Part 1

Date: 11 January 2023

Subject Western Gateway Partnership - Update

Purpose To update Cabinet on progress with the Western Gateway partnership and the potential benefits to Newport.

Author Head of Regeneration and Economic Development

Ward All

Summary The Western Gateway is a strategic partnership that aims to deliver an economic powerhouse, driving growth on both sides of the Severn. The partnership is comprised of Local, County and Combined Authorities in England and Wales, Local Economic Partnerships, City Deals, University and business representatives. As one of the five cities in the partnership, Newport is a key player in the success of the Western Gateway and seeks to capitalise on the benefits of greater collaboration. A report on the Western Gateway partnership was last presented to Cabinet in February 2022 and this report provides an update on the work and activity of the partnership.

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

Action by Head of Regeneration and Economic Development

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Head of Finance (Chief Finance Officer)
- Head of Law and Standards (Monitoring Officer)
- Head of People, Policy and Transformation
- 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 with an estimated combined economy of £107bn. Since then, membership of the partnership board has been broadened to include representatives from local economic partnerships, universities, businesses and the Cardiff Capital Region. The board works in partnership to bring additionality to the area's existing strategies and structures and uses collective talent and expertise to maximise partner-led opportunities. By working together, a strong economic and environmental partnership has been developed which is capable of delivering greater regional growth and can compete with other powerhouses in the UK.

Western Gateway Prospectus

A report on the Western Gateway partnership was last presented to Cabinet in February 2022 and since that time the partnership has published a new prospectus (Appendix A) and has been developing and building upon the key workstreams identified in the Independent Economic Review which was completed in 2021. The 2022 prospectus identifies 5 missions:

1. Contribute £34 billion to the economy by driving up productivity levels with the region, closing the gap with the UK average.

The Western Gateway contributes 6% of the UK's total economy p.a. with a GVA (Gross Value Added) per head of population higher than the Northern Powerhouse and Midlands Engine in 2019. The region is home to over 55% of the UK's high growth businesses and have strengths in sectors including advanced manufacturing, cyber, fintech and creative industries. However, with a productivity level lower than the UK average, we need to bridge that gap through strengthening supply chains and business linkages.

2. Attract investment and grow exports by £4 billion through championing the area internationally and growing exports to meet the UK average.

The Western Gateway is home to two deep-water ports and two airports that provide direct access to international markets. By growing our global brand, we can attract investment and generate export led growth.

3. Decarbonise our economy by positioning the area as a global leader in green renewable energy systems.

The region has the ability to become a world-leading green energy cluster with assets including solar, tidal, marine and wind. The Severn Estuary alone has the potential to contribute up to 7% of the UK's energy need. Alongside leading capabilities in hydrogen, nuclear and industrial decarbonisation, the Western Gateway has the opportunity to lead on the delivery of new clean and renewable energy solutions.

There has been significant progress on the Hydrogen workstream with the creation of a working group whom are working on the development of a Hydrogen Strategy to 2050, interactive map and a Meet the Buyer/Supplier event.

4. Connect communities through an integrated transport network and by improving digital connectivity to level up access to jobs, education and opportunity.

Whilst the Western Gateway is prosperous overall, there are pockets of deprivation amongst our communities. Through improvements to the Great Western Mainline and the Cardiff Capital Region Metro system, we will be able to connect people with the wider region and beyond and improve

access to housing, jobs, education and amenities. A Working Group has been set up and work is progressing on the delivery of a Western Gateway Rail Vision 2050.

5. Unlock innovation through the creation of a digital super cluster that harnesses the strengths of the high value sectors in the region.

The Western Gateway is highly innovative and has particular strengths in advanced engineering, data and digital, and creative industries. With the added benefit of a strong network of universities across the region, we have the opportunity to develop super clusters which can compete on a global stage.

Communications and Events

The partnership board are committed to improving the profile and prominence of the Western Gateway through targeted communications and events. The Inaugural Western Gateway Conference was held on 8th March 2022 at the ICCW, Newport and a Development Conference was held in Bristol in November 2022, in collaboration with the Built Environment Network. The Partnership also hosted fringe events at Party Political Conferences and roundtable events. Engagement with international companies and investors is important to raising awareness of the partnership and the opportunities on offer. Events such as MIPIM and UKREiIF (UK Real Estate Investment & Infrastructure Forum) are a good forum to advertise and promote the region and as a member of the Western Gateway, Newport is showcased to a wider international and influential audience.

A wider Communications and Engagement plan has been developed with all partners and the website has been updated to ensure it captures the very best of what the Partnership has to offer. An interactive Innovation Map of the region is also being developed to showcase areas of innovation with supporting promotional materials.

Unfortunately, the Severn Edge STEP (Spherical Tokamak for Energy Production) fusion bid was not successful but there have been several positive discussions on alternative opportunities for the site.

Governance

The partnership operates under a Governance and Assurance Framework which was updated and approved by the Partnership Board in October 2022.

The Western Gateway is principally funded by a capacity payment from the Department for Levelling Up, Housing and Communities. A tri-annual settlement totalling £3m over the next 3 years has been confirmed and is supplemented by partner contributions £10,000.

The Western Gateway is hosted by South Gloucestershire Council which is the accountable body for the partnership and therefore responsible for the budget and secretariat staff. A new Director for the Western Gateway, John Wilkinson, took up post in November 2022.

Financial Summary (Capital and Revenue)

When the partnership was first formed all partners contributed a sum of £20,000 each. Principal funding is now provided by UK Government but all public sector partners are expected to contribute £10,000 per annum.

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)		10,000	10,000	10,000	
Net Costs (Savings)		10,000	10,000	10,000	
Net Impact on Budget					

Risks

The Western Gateway Partnership is not considered to present a corporate or service area risk.

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 profile and healthy competition between individual areas of the Gateway will still occur.	Head of RED
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.	Head of RED
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.	Head of RED

* Taking account of proposed mitigation measures

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 2022-2027; 'a fairer, greener, ambitious Newport for everyone'.

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

The report is intended to provide an update only and provides information on the progress of the Western Gateway Partnership.

Preferred Option and Why

N/A

Comments of Chief Financial Officer

This report is provided for the purpose of update only and, therefore, there are no financial implications directly arising. The main risks and issues of being part of the Western Gateway partnership were outlined in the previous report, from February 2022. In the intervening period, there have been no significant matters arising which change those risks and issues.

From a funding perspective, the report reaffirms the Council's obligation to contribute £10,000 per year towards the running costs of the partnership. This amount is budgeted for within the revenue budget for Regeneration & Economic Development. Should, as the work of the partnership progresses, there be a need to increase this contribution, or contribute towards one-off costs, there will need to be a view taken on affordability and an appropriate funding source identified, before any commitment is made.

Comments of Monitoring Officer

The Council's continued participation in the Western Gateway Partnership is consistent with its general economic well-being powers under section 2 of the Local Government Act 2000 and the principles of sustainability and collaboration under the Well-Being of Future Generations Act 2015.

As previously noted, the "partnership" operates under Standing Orders and Terms of Reference which were agreed in March 2020 and have now been updated to agree work-stream priorities.

There are no additional legal issues arising from this updating report.

Comments of Head of People, Policy and Transformation

This report is an update from the Western Gateway and from an HR perspective there are no staffing implications.

The report fully considers the Wellbeing of Future Generation (Wales) Act, Equality Act 2010, Socio-economic Duty and the Welsh Language (Wales) Measure 2011. The Western Gateway partnership has the potential to bring many well-being benefits for the communities of Newport.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

(a) The Well Being of Future Generations (Wales) Act 2015.

The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous,

resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Welsh councils comprising the Western Gateway Partnership) must set and publish wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. The wellbeing duty also requires the councils to act in accordance with a 'sustainable development principle'. This principle requires the councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Through our agreement to be part of the Western Gateway Partnership, the Council has taken account of the 5 ways of working and has:

- looked to the long term - the Partnership provides a long-term collaborative arrangement which creates a long-term platform for regional growth and investment,
- focused on prevention by understanding the challenges faced within the region and how these can be addressed,
- delivered an integrated approach to achieving the seven national well-being goals,
- worked in collaboration with others to find shared sustainable solutions – the Partnership is based on principles of collaboration and finding opportunities and sustainable solutions at a regional level,
- involved a range of stakeholders from different sectors.

(b) Equality Act 2010 and social-economic duty

The collaborative arrangements for the economic growth of the Western Gateway region are consistent with equalities and socio-economic duties. Whilst the partnership is not subject to the same statutory responsibilities as local authorities in relation to discharging public sector equalities and socio-economic duties, members of the partnership are and this responsibility is reflected in the decisions made.

A Fairness and Equalities Impact Assessment has not been completed as this report is for information only.

(c) Welsh Language (Wales) Measure 2011 and Welsh Language Standards;

Whilst the partnership is not subject to the same statutory responsibilities as local authorities in relation to the Welsh Language, other Welsh Council members are and the Partnership ensures that responsibilities in relation to the Welsh language are discharged.

Consultation

None.

Background Papers

Appendix A: Western Gateway Prospectus 2022



Western_Gateway_
Prospectus_Jan 2022

Appendix B: Cabinet Report 22 February 2022



Western Gateway
Cabinet 18.2.22.pdf

Dated: 4 January 2023