
**DRAFT ECONOMIC STRATEGY: ECONOMIC DEVELOPMENT WHITE PAPER –
BUILDING MORE & BETTER JOBS**

Purpose of Report

1. To provide Members of this Committee with information ahead of scrutiny of the draft Economic Strategy: Economic Development White Paper, scheduled in the Council's published Forward Plan for Cabinet in April 2019.

Background

2. At Council on 30 November 2017, Councillor Goodway launched an Economic Development Green Paper '*Building More and Better Jobs*' for consultation; this is attached at **Appendix 2**. Full Council debated the Green Paper on 25 January 2018, as per the Council's procedure rules, set out at Point 21, Council Meeting Procedure Rules, Council Constitution (*pages 135-136*).
3. The '*Building More and Better Jobs*' Green Paper outlined the aims, objectives and intentions of the Administration with regard to economic development. It set out key issues and aspects regarding future investment and development in Cardiff and sought respondents' views on a series of questions related to these. The Green Paper also sought the views of respondents on a spatial strategy for the city, proposing the following focus for developments:
 - i. City Centre –business/ office-led mixed use development
 - ii. Cardiff Bay –leisure–led infrastructure development
 - iii. North Cardiff –innovation/ knowledge led growth
 - iv. East Cardiff – industry/ manufacturing, distribution and trade related
 - v. West Cardiff – sport- led infrastructure development.

4. The Green Paper asked respondents for their views on the following:
- Q1 - What are the key issues for the Cardiff economy?
 - Q2 - What should be the key indicators of success for Cardiff?
 - Q3 - What should Cardiff's role be in the city-region?
 - Q4 - How can we continue to engage with Europe in a post-Brexit era?
 - Q5 - What can we do to improve connectivity?
 - Q6 - How can we create more and better jobs?
 - Q7 - How can everyone benefit from growth?
 - Q8 - How can we become a smarter city?
 - Q9 - What should Cardiff's spatial strategy be?
 - Q10 - What can we do to support business development in the city centre?
 - Q11 - What can we do to support leisure activities in the Bay?
 - Q12 - What can we do to develop Cardiff West as a sporting destination?
 - Q13 - What opportunities are there to support industry in Cardiff East?
 - Q14 - What opportunities are there to support innovation in North Cardiff?
 - Q15 - How should we use events to support the city's economy?
 - Q16 - How can we make sure everyone benefits from growth in Cardiff?

Consultation Responses

5. The Council received over one hundred responses as part of the Green Paper consultation; the table below provides a summary of these:

Type of Respondent	Number Received
Individual	31
Councillors	12
Businesses	16
Universities	2
Arts Organisations	5
Cultural Organisations	3
Sports Organisations	2
Third Sector	2
Local Government & Public Sector	3
Tourism Summit	16
Brexit Roundtable discussion	10

6. Some responses were from organisations representing their members' views, such as the Federation of Small Business, bodies representing the city's diverse populations, the Business Improvement District and City-Region organisations. Between them, these member organisations represented over 5,000 members in the city-region. The responses from businesses included responses from large businesses and from SME businesses.
7. At **Appendix 1**, Members will find a Consultation Summary report that provides an overview of the main themes raised by respondents and includes selected responses. The report is structured around the consultation questions contained in the Green Paper, with a summary at the start of the key issues identified by respondents. These are:
 - i. Transport & Connectivity
 - ii. Support Business Development
 - iii. Cluster Development
 - iv. Inclusive Growth
 - v. Skills
 - vi. Wellbeing.

Draft Economic Strategy: Economic Development White Paper

8. Attached at **Appendix 3** is the draft Economic Strategy: Economic Development White Paper, titled '*Building More and Better Jobs*'. It sets out the Council's vision for the city's economy and key development priorities, in light of the UK Government's Industrial Strategy, Welsh Government policy and the role of Cardiff as the capital of Wales and in the city region.
9. The draft Economic Strategy highlights that productivity in Cardiff lags behind many of the UK's leading cities and that the economy needs to step up to the next level and provide better jobs for the people of Cardiff and the city-region. It states that this:

'.. requires the city to understand and communicate what it is good at and co-ordinate activity between business and government to develop a more productive and innovative business base.'

Page 4, Draft Economic Strategy

10. The draft Economic Strategy is set out in three parts:
 - i. Key spatial priorities
 - ii. Key industrial strategy priorities
 - iii. Underpinning themes to support the above.
11. The Key Spatial Priorities are:
 - i. Metro Central and the City Centre
 - ii. Kick-starting the Bay
 - iii. A New Focus on Industry
 - iv. The Knowledge Corridor
 - v. Continuing our Sporting and Cultural Renaissance
12. The Key Industrial Strategy Priorities are:
 - i. The City as a Creative and Digital Accelerator
 - ii. The World's Leading Compound Semi-Conductor Cluster
 - iii. The UK's dedicated Reg-Tech and Fin-Tech Cluster
 - iv. A new approach to Life Sciences
13. The Underpinning Themes are:
 - i. Inclusive Growth and Skills
 - ii. Developing Business throughout the City
 - iii. A Working City-Region
 - iv. Enabling Infrastructure.
14. Further details on key projects associated with these are provided later on in the Strategy, as follows:
 - i. Spatial strategy projects – pages 24 – 31, Appendix 3
 - ii. Industrial strategy projects – pages 32 – 36, Appendix 3
 - iii. Underpinning themes projects – pages 37 – 42, Appendix 3.
15. The relationship between the Economic Strategy and the over-arching Cardiff Well-being Plan is set out on page 23, concerning Well-being Plan Objective 1 – A Capital City that works for Wales, and Well-being Plan Objective 5 – Supporting People out of Poverty. These objectives, along with the Corporate

Plan objectives regarding visitor economy and investment, are added to the Green Paper objectives, resulting in a table of proposed Key Performance Indicators, at the bottom of **page 23, Appendix 3**.

Full Council debate

16. At Full Council on 28 March 2019, Members had the opportunity to debate the proposals put forward in the draft Economic Strategy, which is the Economic Development White Paper, attached at **Appendix 3**. In presenting the White Paper to Council, Councillor Goodway highlighted this was a chance for Members to influence policy and that no doubt this Committee would wish to take account of the views expressed in Council. The following points were made by Members during the debate that ensued:

- i. Welcome debate coming to Council first, to enable Council to influence policy direction;
- ii. It was felt by some Members that there is a lack of detail and substance in the draft Economic Strategy, in terms of specific deliverables and timescales; the following examples were given:
 - The draft Economic Strategy highlights inclusive growth and tackling poverty; however, it provides no clarity re how the draft Economic Strategy will address these;
 - Education – young people not in employment, education or training (NEETs) - the draft Economic Strategy does not itemise how it will help the Council to reduce NEETs;
 - Young People in Care – no details on how the draft Economic Strategy will improve their job opportunities;
 - Inequalities – particularly for females, BME communities and deprived communities – lack of suggestions in the draft Economic Strategy re how these will be tackled;
- iii. The draft Economic Strategy does not focus on some areas that some Members feel are key; the following examples were cited:
 - Opportunities that arise from removal of Prince of Wales Bridge tolls, the M4 relief road and the changes to business rates;

- Education – how to integrate Cardiff’s universities and businesses with schools to help develop skills set for the future;
 - St Mary’s Street – needs a refresh;
 - Sustainable economic growth/ infrastructure and the need to aim to be carbon neutral.
- iv. Concern expressed to ensure that the draft Economic Strategy aligns with the Council’s Local Development Plan;
 - v. Concern expressed that there will be separate draft Economic Strategy and Transport Strategy, given the importance of transport to economy;
 - vi. Concern expressed that need a 24-hour bus system to support Cardiff’s 24-hour economy
 - vii. Concern expressed re metrics detailed in the draft Economic Strategy in that they focus on growth rather than sustainable growth and that there is a need to include wellbeing measures as well.
17. In responding to the above points, Councillor Huw Thomas, Leader of the Council, stated that the points made regarding NEETs, Inequalities, sustainable economic growth, the aim to be carbon neutral and the need for inclusion of wellbeing measures were good points; he also stated that the administration would look at the interface of the draft Economic Strategy with the Education Strategy.

Previous Scrutiny

18. In 2013, the Committee held a workshop to scrutinise ‘*Rebuilding Momentum: A Green Paper on the Future of Cardiff’s Economy*’. The Committee’s response is attached at **Appendix 5**, for Members information.
19. In January 2018, the Committee scrutinised the ‘*Building More and Better Jobs*’ Consultation Green Paper. The Chair’s letter is attached at **Appendix 6**, for Members information.
20. In November 2018, the Committee considered the route that the Economic Development White Paper should take, in terms of presentation to Council,

Scrutiny and Cabinet. Members agreed with Councillor Goodway, Cabinet Member Investment & Development, that enabling Council to debate major policy statements prior to decision assists in making Council more meaningful. This Committee therefore supported the proposal to take the Economic Development White Paper to Council and then bring it to this Committee for pre-decision scrutiny.

Way Forward

21. Councillor Russell Goodway (Cabinet Member – Investment & Development) may wish to make a statement. The following officers will be in attendance to give a presentation and to answer Members' questions:
 - i. Neil Hanratty (Director of Economic Development)
 - ii. Jonathon Day (Operational Manager – Economic Policy).

Legal Implications

22. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

23. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

Recommendation

24. The Committee is recommended:
- a. to consider whether it wishes to pass on any comments, observations or recommendations to the Cabinet or other part of the Council;
 - b. to discuss whether it wishes to schedule any further scrutiny of these issues.

Davina Fiore
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3 April 2019