
Economic Development White Paper: Pre-Decision Scrutiny

Purpose of Report

1. To provide Members of this Committee with background information ahead of their scrutiny of the Economic Development White Paper, which is scheduled in the Council's published Forward Plan¹ for Cabinet on 13 December 2018.

Background

2. At Council on 28 September 2017, Councillor Russell Goodway gave a commitment to bring forward a Green Paper on Economic Development:

*'the new Administration's programme, set out in the Capital Ambition document, commits to the publication of a Green Paper designed to build a consensus across all sectors and stakeholders on the future economic vision for the city. The Leader of the County Council has made it clear to me that he is eager to achieve the widest possible ownership of the County's resulting economic development agenda... I will seek the Lord Mayor's permission to schedule an appropriate discussion on the Green Paper at a future meeting of the County Council to ensure that all elected members have an opportunity to influence the future policy direction.'*²

3. Councillor Goodway launched the Green Paper for consultation at Council on 30th November 2017. The relevant extract from his statement is provided below:

¹ Available at: <http://cardiff.moderngov.co.uk/mgListPlanItems.aspx?PlanId=81&RP=151&LLL=0>

² Minutes of Full Council 28 September 2017

The County Administration is, today, publishing its promised Investment & Development Green Paper "*Building More and Better Jobs*" which will form the basis of an extensive consultation exercise designed to generate a refreshed economic development agenda for our nation's capital city and its hinterland. This honours the commitment set out in the Administration's recently published policy document *Capital Ambition*.

The publication marks the beginning of a three-month consultation period which will allow local residents, businesses and all those that depend on the Cardiff economy the opportunity help shape an ambitious agenda aimed at rebuilding the momentum of Wales' economic dynamo. The Green Paper is available online and can be accessed via the Council's website.

A series of meetings and events will be held over the next three months designed to allow the greatest possible engagement with those who want to influence and inform the development of a White Paper to be published next year. I will seek an opportunity for the Council to debate the Green Paper in January to ensure that every member has the opportunity to contribute to this important exercise.

It is clear that the Council has much to do to rebuild its relationship with the private sector which we will need to rely on to help deliver the ambitious agenda that is so critical to Cardiff and Wales in the post-Brexit era. The Council has done this successfully in the past, but it is dependent on providing confidence and clarity in the direction that our city is heading. This Green Paper will trigger the start of that process.

4. The Green Paper was debated at Full Council 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*).
5. 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.
6. The Administration's intentions were set out in the Green Paper as:
 - Build a more Connected Capital
 - Build on our success as a Business Capital
 - Develop a more Inclusive Capital
 - Build a Smarter City.

7. The Green Paper set out the case for competitive cities and highlighted the need to consider a post-Brexit future and how Cardiff responds to this. The aims and objectives for a competitive city economy were listed as:

- | | |
|-----------------------------|-------------------------------------|
| ▲ Productivity | ▼ People out of work |
| ▲ Jobs | ▼ People paid less than living wage |
| ▲ Business Investment | ▼ NEETs |
| ▲ Investment in Communities | ▼ Economic leakage |
| ▲ Visitors | ▼ Congestion |
| ▲ Infrastructure Investment | ▼ Inequality |
| ▲ Earnings | |

8. The Green Paper also sought the views of respondents on a spatial strategy for the city, proposing the following focus for developments:

- City Centre –business/ office-led mixed use development
- Cardiff Bay –leisure–led infrastructure development
- North Cardiff –innovation/ knowledge led growth
- East Cardiff – industry/ manufacturing, distribution and trade related
- West Cardiff – sport- led infrastructure development.

9. 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?

Economic Development White Paper

10. The Council's published Cabinet Forward Plan lists the Economic Development White Paper as scheduled for Cabinet on 13 December 2018. The descriptor for the item, attached at **Appendix A**, states that '*In 2017 the Council published 'More and Better Jobs', an Economic Strategy Green Paper. This reports back on the consultation process and presents the subsequent White Paper.*'

11. The report to Cabinet is marked as Amber in the Scrutiny consideration section; at 15.2, Part 4 Rules of Procedure, the Council's Constitution states that
 - (i) *Green = Decisions of a non-contentious, day to day nature, unlikely to be the subject of call-in.*
 - (ii) *Amber = Decisions of a more sensitive nature, which could be potentially contentious or not of a routine nature. These would generally flow through to the Cabinet for decision, without prior scrutiny, although a judgement will be made in each case regarding scrutiny consideration before decision, and the possibility of call-in.*
 - (iii) *Red = Decisions relating to high level functions primarily relating to policy formulation within the Policy and Budgetary Framework where the Cabinet would usually make a proposal to Council. For such decisions, the engagement of scrutiny is required before the Cabinet recommendation is made.*

12. Any papers for this item that become available prior to Committee will be circulated to Members as **Appendix D**.

13. In line with the Council's Constitution, Councillor Russell Goodway, (Cabinet Member – Investment & Development), Neil Hanratty (Director of Economic Development) and Ken Poole (Head of Economic Development) have been given ten days notification that they were required to attend Committee for this item.

Previous Scrutiny

14. 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 B**, for Members information.

15. In January 2018, the Committee scrutinised the '*Building More and Better Jobs*' Consultation Green Paper. The Chair's letter is attached at **Appendix C**, for Members information.

Way Forward

16. Councillor Russell Goodway (Cabinet Member – Investment & Development) may wish to make a statement. The following officers will be in attendance to answer Members' questions:
 - Neil Hanratty (Director of Economic Development)
 - Ken Poole (Head of Economic Development).

Legal Implications

17. 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

18. 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

19. 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
Director of Governance and Legal Services
30 November 2018