

CABINET MEETING: 19 MARCH 2015

GREAT WESTERN CITIES

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 3

PORTFOLIO : LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

Reason for this Report

1. To consider proposals for collaboration and joint working between the 'Great Western Cities' of Cardiff, Newport and Bristol.

Background

2. In March 2011, the Council agreed to sign a formal 3-year Memorandum of Understanding with Bristol and Swindon Councils on common areas of interest. This followed previous collaboration, as part of the Great Western Partnership, in lobbying successfully for investment by the UK Government in the electrification of the Great Western Mainline.
3. Since May 2012, the current Administration has entered into discussions with representatives from Bristol City Council on a number of policy matters, including transport connectivity between the two cities and to the rest of the UK and the energy generation potential of the Severn Estuary.
4. More recently, in September 2014, Cardiff joined the Core Cities UK alongside Bristol, which enables both cities to work more closely on policy matters of shared interest and city-regional significance. The Leader of the Council also debated city regional issues with the Mayor of Bristol at a fringe event that followed the Cardiff Convention, which was held in the city on 30 October 2014, at which both city leaders confirmed their intention to improve collaboration between Cardiff and Bristol.
5. On 9 October 2014, the Cabinet considered a report, entitled 'Repositioning Cardiff as Europe's Most Liveable Capital City: Vision, Values and Corporate Planning', which contained the proposal for Cardiff to work with cities along the M4 corridor to develop an investment strategy similar to the 'One North' initiative, through which the five major cities of the North of England come together to support improvements in regional competitiveness and transportation.

Issues

6. As was outlined in the report on Cardiff's proposed membership of the Core Cities Group, which was considered by the Cabinet on 18 September 2014, the recent policy reviews by both the Conservative (Heseltine) and Labour (Adonis) parties have made the case for greater devolution of powers and funding to the city-region level. This is seen as a key policy development for driving economic growth in the UK and rebalancing the UK economy away from London and the South East of England.
7. In October 2014 the RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) City Growth Commission published a report entitled 'Unleashing Metro Growth' which emphasised the importance of cities and their metropolitan areas as drivers of economic growth. In particular the report emphasised that connectivity between neighbouring city-regions will be paramount to enabling the UK economy to thrive as a system of cities and to support long-term, sustainable economic growth. The report therefore argued that Britain will increasingly need to rely on the prosperity of a small number of 'power-house super city regions', including the Great Western Cities across the Severn.
8. On 4th February 2015 the leaders of the City of Cardiff Council, Newport City Council and the Mayor of Bristol launched a 'statement of intent' outlining priority areas of joint working between the three cities (see Appendix 1).
9. The Statement of Intent sets out a programme of joint work through which the three cities would collaborate on the following priority areas:
 - **Improve connectivity**: working together to significantly reduce the journey time between the Great Western Cities; making powerful case for connectivity in to the UK's high speed network and for continued investment in to the Great Western Mainline.
 - **Renewable Energy**: developing a joint strategy to unlock the renewable energy potential of the Severn Estuary.
 - **International marketing**: establishing a joint international marketing programme

Reasons for Recommendations

10. To enable the City of Cardiff Council to develop a 'Statement of Intent' for the Great Western Cities that formalises regional collaboration and joint working between Cardiff, Newport and Bristol City Councils.

Legal Implications

11. There are no direct legal implications arising out of this Report.

Financial Implications

12. There are no direct financial implications as a result of this report. The development of a programme of joint activity will be delivered within existing financial resources. The financial implications of the programme once developed will need to be considered as part of further reports and revenue and capital budget setting processes as applicable.

RECOMMENDATION

Cabinet is recommended to agree to delegate authority to the Chief Executive, in consultation with the Leader of the Council, to develop a programme of joint activity with the Great Western Cities in the areas outlined in paragraph 9 of this report.

PAUL ORDERS

Chief Executive
13 March 2015

The following appendices are attached:-

Appendix 1: Great Western Cities Statement of Intent
Appendix 2: Great Western Cities Background Brochure

The following Background Papers have been taken into account:

RSA City Growth Commission Report, 'Unleashing Metro Growth' (October 2014)
Cabinet Report (9 October 2014) – Repositioning Cardiff as Europe's Most Liveable Capital City: Vision, Values and Corporate Planning
Cabinet Report (18 September 2014) – Core Cities Group

THE GREAT WESTERN CITIES

Statement of Intent - 4 February 2015

Appendix 1

The Great Western Cities of Bristol, Cardiff and Newport power the economy of the Severn region and are the gateway to Wales and the West. Through working together they can create one of the 'power-house super city regions' upon which Britain's future prosperity will rely.

KEY FACTS:

- A combined economic output of £58bn – larger than any other major conurbation in the UK outside London.
- A combined population of over 1.8 million.
- Some of the UK's highest performing universities.
- More graduates as a proportion of its working age population than any of the other UK urban agglomerations.
- They are amongst the UK's fastest growing cities and best cities in which to live.

WE WILL WORK TOGETHER ON:

1. CONNECTIVITY

The Great Western Cities need to be connected to each other; to London and other Core Cities; and to international markets. A multi-billion pound programme of investment in to transport infrastructure is underway, electrifying the Great Western Mainline and creating Western Access to Heathrow, and revolutionising regional rail on both sides of the Severn. Connectivity between the Great Western Cities must now be radically improved.

We will seek to significantly reduce the journey time between the Great Western Cities.

The Great Western Cities support investment in the High Speed Rail network as it will bring huge benefits to the North and to the Midlands, and ultimately to UK plc. However, we also wish for similar investment to connect Great Western Cities to the UK economy and international markets.

We will make a powerful case for connectivity in to the UK's high speed network and for continued investment in to the Great Western Mainline.

2. CLEAN AND RENEWABLE ENERGY

When it comes to clean and renewable energy, the Great Western Cities have industrial strength, international research expertise, political leadership and one of the UK's major energy assets – the Bristol Channel - Severn Estuary. Releasing the potential of the Severn can help to secure the UK's energy resilience, meet challenging carbon reduction targets, and stimulate an already strong environmental and engineering business and academic sector which exists in the West.

We will develop a joint strategy to unlock the potential of the Severn Estuary and Bristol Channel.

3. INTERNATIONAL MARKETING

Through working together the Great Western Cities can become a globally renowned centre of innovation and creativity which can make a compelling case as an internationally competitive location for business, strengthening the existing economic clusters in financial services, ICT, the creative industries and aerospace.

We will establish a joint international marketing programme for the Great Western Cities.



GREAT
WESTERN
CITIES

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GREAT WESTERN CITIES



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INTRODUCTION

Cities and their metropolitan areas are now recognised as the engines of national economic growth, and the national economy is increasingly seen as a network of city and metropolitan economies.

This has brought with it a major shift in national economic policy. It's now accepted that for the UK economy to thrive there can no longer be a reliance solely on the economic power of London and the South East alone. The economic potential of Britain's major cities need to be released. To do so will require investment in to cities themselves; to make them better connected to their own regions and, crucially, to each other.

As the City Growth Commission recently argued, Britain will increasingly need to rely on the prosperity of a small number of 'power-house super city regions', including the Great Western city-regions across the Severn.

The Great Western Cities are already among the most successful in Britain. They are highly productive and highly skilled economies that offer high levels of tax returns.

They are also projected to be amongst the fastest growing cities in terms of population, hardly surprising considering their quality of life credentials. Cardiff and Bristol are consistently ranked as the UK's best cities in which to live and Newport has been ranked one of the top towns and cities in the UK with the largest proportion of high-growth businesses.

In short, the Great Western Cities are a national economic asset.

But they can do better.

With the right investment, they can deliver higher economic output and tax receipts for the Exchequer and make an even greater contribution to the UK economy. The nature of this investment must focus on improving connectivity, realising the energy potential of the Bristol Channel - Severn estuary and promoting South Wales and the West as a high quality destination for international business.

“ WITH THE RIGHT INVESTMENT, THEY CAN DELIVER HIGHER ECONOMIC OUTPUT ”





EXECUTIVE SUMMARY

- The Great Western Cities are some of the most successful in Britain.
 - Highly productive economies, with good jobs and higher than average earnings
 - They have consistently lower unemployment
 - They are amongst the most highly skilled, with the highest concentration of graduates outside London
 - They contain some of the best universities for research in the UK outside of London and Oxbridge.
 - They are the UK's fastest growing cities
 - They consistently rank as the UK's best cities in which to live
- The Great Western Cities are a national economic asset. But they can do better. With the right investment, they can deliver higher economic output and tax receipts for the Exchequer.
- The Great Western Cities support investment in the High Speed Rail network as it will bring huge benefits to the North and to the Midlands, and ultimately to UK plc. However, we need similar investment into regional and national connectivity infrastructure.
 - To better connect the Great Western Cities to each other
 - To connect the Great Western Cities to the UK economy
 - To connect the Great Western Cities to international markets
- The opportunity of the Severn Estuary is not being exploited. This is an economic, energy and environmental national asset, and we need an investment strategy which will help to unlock its potential.
- The Great Western Cities contain leading clusters in sectors such as financial and business services, creative industries, ICT, aerospace and energy.
- We want to develop an investment strategy for connectivity and energy which will guide national infrastructure investments in the Severn region for the next 20 years.

“ HIGHLY PRODUCTIVE— HIGH EARNINGS, HIGH VALUE ADDED AND HIGH LEVELS OF TAX RETURNS ”



THE GREAT WESTERN CITIES

This RSA City Growth Commission identified the 'Severn' region, including the Bristol-Cardiff city-regions, of the UK as one of 6 'power-house super city regions,' upon which the British economy will rely.

The region includes the major urban areas of Bristol, Cardiff and Newport.

“ 6 POWER-HOUSE SUPER CITY REGIONS ”





ECONOMIC OUTPUT (GVA)

The total economic output of the Bristol-Cardiff-Newport Region is just over £58bn, larger than any other major conurbation in the UK except London.

GVA by Urban Area

| Region | £million | |
|----------------------------------|----------------|------------------|
| | Total GVA 2013 | Growth 2003-2013 |
| Great Western Cities | 58,221 | 41% |
| Greater Manchester | 56,265 | 42% |
| West Midlands | 55,686 | 33% |
| West Yorkshire | 46,237 | 38% |
| Merseyside | 27,002 | 33% |
| Northumberland and Tyne and Wear | 26,594 | 39% |
| South Yorkshire | 22,560 | 38% |

Source: National Statistics ¹

“ THE
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¹Consists of the NUTS 3 areas of Bristol, City of, Bath and North East Somerset, North Somerset and South Gloucestershire, Central Valleys, Gwent Valleys, Bridgend and Neath Port Talbot, Monmouthshire and Newport, and Cardiff and Vale of Glamorgan.



EMPLOYMENT

In terms of employment, the Great Western Cities also deliver. The number of jobs offered by the region and the value of these jobs within key economic sectors makes the region crucial to the UK Economy.

- A total of 1.15m people are employed in the Bristol-Cardiff-Newport Region, with higher levels of productivity than the other urban areas outside of London and the South East².
- Over a quarter of a million people are employed in the Finance, business and IT sectors.
- Over 100,000 people are employed in the manufacturing sector.
- Overall, in employment terms, the area is second only to the West Midlands metropolitan area in size outside of London, but given higher levels of productivity, has a greater level of economic output.
- The area is also host to some of the most competitive and internationally prominent UK clusters in sectors such as aerospace, high technology, environmental, and creative industries.
- With natural resources such as the Severn tidal range, the area also has a grown cluster of businesses within the low carbon and environmental sector, and remains the leading global centre for marine technology.

“ OVER A QUARTER OF A MILLION PEOPLE ARE EMPLOYED IN THE FINANCE, BUSINESS AND IT SECTORS ”

²Measured as GVA / BRES total employment (2013)



SKILLS

Overall skills levels in the Great Western Cities are higher than all other regions of the UK, outside London. Combined with high rates of economic activity, it accounts for the higher than average output for the area.

Jan 2013-Dec 2013 - % with degree or equivalent and above - aged 16-64 (by Met County)

| Area | Number | Jan 2013-Dec 2013 |
|---------------------------------|----------------|-------------------|
| Great Western Cities | 447,700 | 26.9 |
| Greater Manchester (Met County) | 415,200 | 24.3 |
| West Yorkshire (Met County) | 341,300 | 23.3 |
| West Midlands (Met County) | 322,900 | 19.5 |
| South Yorkshire (Met County) | 177,000 | 20.7 |
| Merseyside (Met County) | 164,900 | 19.5 |
| Tyne and Wear (Met County) | 161,100 | 21.8 |

Source: Annual Population Survey

One of the competitive strengths of the Great Western city-regions is higher education.

There is a total of over 150,000 higher education students, and almost 35,000 post-graduate students and area also has significant expertise in research.

Both Cardiff and Bristol University figure prominently in the recent REF results for 2014, both figuring prominently in the top ranking of UK universities. Their results are also boosted by the other universities in the area, all of whom deliver a significant volume of world leading research.

“ BETWEEN THE TWO CITY REGIONS THERE IS A TOTAL OF OVER 150,000 HIGHER EDUCATION STUDENTS, AND ALMOST 35,000 POST-GRADUATE STUDENTS ”





SKILLS

REF 2014 top 10 by Impact

| Rank 2014 | Institution | GPA |
|------------|--|-------------|
| 1 | Institute of Cancer Research | 3.87 |
| 2 | London School of Hygiene and Tropical Medicine | 3.74 |
| 3 | Imperial College London | 3.68 |
| 4 | St. George's, University of London | 3.64 |
| 5 | Cardiff University | 3.61 |
| 6 | Liverpool School of Tropical Medicine | 3.57 |
| 7 | University College London | 3.54 |
| 8 | King's College London | 3.52 |
| 9 | University of Oxford | 3.51 |
| =10 | University of Bristol | 3.50 |
| =10 | London School of Economics | 3.50 |

Source: Hefce; GPA (Grade Point Average) calculation by Times Higher Education

The potential of the University of South Wales should also be recognised. It is now the sixth largest campus university in Britain with over 33,000 students.

The Universities of Bath, Bristol, Cardiff and Exeter have also come together to form the Great Western Four. The GW4 builds on the significant number of existing bilateral, trilateral and quadrilateral academic partnerships, collaborations and joint ventures, bringing together the major research institutions of the West, with a joint turnover of over £1 billion, to form a critical mass of research and innovation.

The proximity of the universities has led to a number of partnerships, including the Severnside Alliance for Translational Research (SARTRE), which aims to accelerate the translation of medical research into new treatments and therapies to benefit patients and the Bristol-Cardiff Neuroscience Collaboration.

“ THE UNIVERSITIES OF BATH, BRISTOL, CARDIFF AND EXETER HAVE ALSO COME TOGETHER TO FORM THE GREAT WESTERN FOUR ”





UNEMPLOYMENT AND INACTIVITY

Whilst the area is potentially the most competitive area in the UK outside of London and the South East, it also – like many other regions – has a high proportion of its population classified as unemployed or inactivity. In total there are around 100,000 people across the functioning economic area who are unemployed, and almost 400,000 who are inactive.

Unemployment and Inactivity Jul 2013-Jun 2014

| | Unemployment - aged 16-64 | | Economically inactive - aged 16-64 | |
|----------------------------------|---------------------------|------------|------------------------------------|-------------|
| | Number | % | Number | % |
| West Midlands | 131,800 | 10.8 | 476,600 | 28.1 |
| Greater Manchester | 114,600 | 8.8 | 443,900 | 25.4 |
| West Yorkshire | 100,700 | 8.9 | 368,600 | 24.5 |
| Great Western City Region | 97,500 | 7.5 | 393,400 | 23.3 |
| South Yorkshire | 68,300 | 10.0 | 192,400 | 22.0 |
| Merseyside | 64,700 | 10.3 | 236,000 | 27.4 |
| Tyne and Wear | 52,400 | 9.4 | 195,500 | 26.0 |

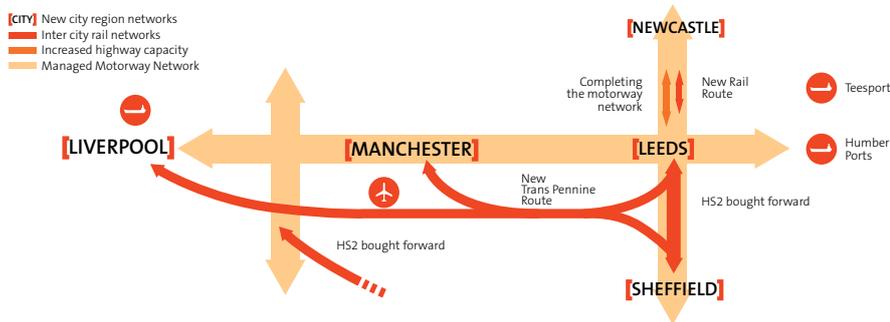
Source: Annual Population Survey

“ IN TOTAL THERE ARE AROUND 100,000 PEOPLE ACROSS THE FUNCTIONING ECONOMIC AREA WHO ARE UNEMPLOYED ”





UK AND INTERNATIONAL COMPARATORS



ONE NORTH:

City Regions of Leeds, Liverpool, Manchester, Newcastle and Sheffield

Population: 15million

One North is a strategic proposition for transport in the North which identifies the priority strategic infrastructure investments needed to connect the city-regions of the North of England.

Linkages:

The One North report outlines the economic benefits of better connectivity and how this will strengthen the North's labour markets and improve business efficiency by:

- Stimulating business investment and innovation by supporting economies of scale and new ways of working
- Achieving agglomeration economies
- Enabling firms to access a larger labour supply and providing wider employment opportunities for workers and those seeking work
- Increasing competitiveness through access to new and larger markets with the benefits of increased labour market specialisation
- Reducing trading costs and using more efficient logistics networks
- Strengthening the existing comparative advantages of the North as a place to do business





UK AND INTERNATIONAL COMPARATORS

Perhaps the foremost example of cross-border city co-operation in Europe. The Oresund bridge links Copenhagen and Malmo . Population wise, Copenhagen dominates.

Linkages:

- A formal commission called Oresund Commission manages the link
- Opens Copenhagen airport and work up to Malmo residents. Copenhagen and Malmo ports combined
- 14,000 daily commutes across the bridge, opening up real commuter links
- 12 universities formed a consortium for mutual benefit

ORESUND:

Copenhagen, (Denmark),
Malmo (Sweden).

Population 3.8million





THE OPPORTUNITY

Taken together, the Great Western Cities of Bristol, Cardiff and Newport and their metropolitan areas make a major contribution to the UK economy. As the evidence demonstrates, outside of London it is a region that leads the way in terms of delivering economic output, employment opportunities and a critical mass of graduates for the UK as a whole.

It is therefore important that the region receives a level of investment that can accelerate the growth potential of the UK's most competitive region. This will allow employment growth in key sectors and a higher tax take for government.

“ IT IS A REGION THAT LEADS THE WAY IN TERMS OF DELIVERING ECONOMIC OUTPUT ”





THE GREAT WESTERN PROPOSITION

Investment in transport connectivity and energy infrastructure will have a transformative impact on the Great Western region. We will therefore develop an investment strategy for connectivity and energy which will guide national infrastructure investments in the Severn region for the next 20 years.

1. CONNECTIVITY

The RSA's City Growth Commission made a compelling case for collaboration between geographically proximate cities, capitalising on agglomeration effects to deliver for the UK economy. Creating these 'powerhouse' super-city regions will require investment in connectivity that links cities with cities, with London and with international markets.

Better connectivity means improved journey time, reliability, better travel quality and shorter journeys. This will strengthen the Great Western economy by:

- Achieving agglomeration economies by bringing firms and their employees closer to business rivals and partners.
- Enabling firms to access a larger labour supply and providing wider employment opportunities for workers and those seeking work.

- Increasing competitiveness through access to new and larger markets with the benefits of increased labour market specialisation.
- Reducing trading costs and using more efficient logistics networks.
- Strengthening the existing comparative advantages of the West as a place to do business.

All these things will mean a more productive Great Western economy, which means higher wages, profits and tax receipts for the Exchequer.

“ BETTER
CONNECTIVITY
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QUALITY AND
SHORTER
JOURNEYS ”





CONNECTING THE GREAT WESTERN CITIES

In terms of train travel, Cardiff and Bristol are comparable to other cities of a similar distance.

| Area | Driving Distance | Fastest Train Time |
|------------------------|------------------|--------------------|
| Liverpool / Manchester | 54km | 32 minutes |
| Copenhagen / Malmo | 42km | 34 minutes |
| Amsterdam / Rotterdam | 75km | 36 minutes |
| Antwerp / Brussels | 45km | 42 minutes |
| Bonn / Dusseldorf | 71km | 45 minutes |
| Cardiff/Bristol | 69km | 48 minutes |
| Manchester / Leeds | 71km | 49 minutes |
| Edinburgh / Glasgow | 75km | 55 minutes |
| Basel / Zurich | 85km | 53 minutes |
| Brighton / London | 85km | 53 minutes |

“ THE REPORT ARGUES THAT CLOSER INTEGRATION BETWEEN THESE TWO CITIES COULD INCREASE WAGES BY 1.06%-2.7% ”

The One North proposal focuses on a new trans-Pennine route connecting Manchester and Leeds. The report argues that closer integration between these two cities (from a 20 minute reduction in journey time) could increase wages by 1.06%-2.7%, and would be worth £6.7bn across the whole of the North of England. Given the similarities in terms of distance and train times between Manchester-Leeds and Cardiff-Bristol, a similar reduction in journey times could be expected to generate a similarly positive impact in the West.





CONNECTING TO OTHER SUPER CITY REGIONS

Better inter-city transport links – to London and to other core cities - are of obvious benefit to cities in the UK. The Great Western Cities need to be connected in to the UK's High Speed Rail network, both directly to London and via a link in to the North-South line.

The Great Western Mainline is one of the UK's busiest rail corridors serving a population of around 5.3m in South West England, South Wales and the Thames Valley-Berkshire LEP area, with an economic output of well over £100bn. It is an essential economic lifeline for all of these regions. Network Rail's long term demand forecasts estimate that by 2036 long distance rail trips between London and Bristol could grow by 98%, and trips between London and Cardiff by 115%.

The £1.1bn electrification of the Great Western Mainline is now underway, and the proposals for a new line to connect to the Great Western Mainline to Heathrow are welcomed. These investments now need to be built upon.

High Speed 2 will dramatically reduce journey times between London and several UK core cities in the English East Midlands and the North of England³:

- The rail journey time between Leeds and Central London would be reduced to around 80 minutes;
- The journey between Leeds and Birmingham would take only 60 minutes;
- In comparison, the journey between Cardiff and London Paddington, even post electrification, will be 1 hour 45 minutes, whilst the journey time between Cardiff and Birmingham would remain at 2 hours.

Given the importance of connectivity to underpinning economic growth, the Great Western Cities cannot be left behind.

“ BY 2036
LONG
DISTANCE
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115% ”

³HS2 Ltd (2014) 'Rebalancing Britain, from HS2 towards a national transport strategy'.



2. ENERGY - RELEASING THE POTENTIAL OF THE SEVERN

There are compelling reasons for local authorities – and especially cities - to address the energy agenda. Recent research on low carbon cities has shown that cost-neutral investments in reducing energy demand and shifting energy supply could deliver significant (40%) reductions in greenhouse gas emissions by 2020. This is in the context of some challenging national targets.

- The UK goal is an 80% reduction in greenhouse gas emissions by 2050
- The UK has a target to deliver 15% of UK energy from renewable sources by 2020.

This is a region with real credentials in the energy sector, with one of the UK's major energy assets – the Bristol Channel - Severn Estuary – remaining undeveloped.

The tidal range in the Severn Estuary is the second largest in the world and provides the largest potential of all the UK's estuaries for renewable electricity generation from tidal and wind power. The West of England has three of the world's leading tidal turbine manufacturers, along with leading design, materials and professional services.

The possibilities of tidal and wind power offer significant opportunities for the Great Western Cities to strengthen their position as an internationally renowned marine technology cluster.

A memorandum of understanding is being prepared by local authorities bordering the Bristol Channel to collaborate in the development of marine energy, with Bristol, Cardiff and Newport playing a lead role. Local authority and LEP funds will create a fund for project feasibility and master planning studies for tidal lagoon, tidal stream and fence sites.

Given the scale of the region's ambition and the potential programme of projects and activities, there are considerable opportunities to pioneer ground-breaking technologies, infrastructure and innovative ways of working.

“ IN THE SUMMER OF 2013 BRISTOL CITY COUNCIL WAS ALSO AWARDED THE EUROPEAN GREEN CAPITAL AWARD FOR THE YEAR 2015 ”





ENERGY - RELEASING THE POTENTIAL OF THE SEVERN

The Bristol area has an estimated 300-plus companies in the environmental technologies sector (ETS), with significant clusters located in Avonmouth, the city centre and Clifton. Across the West of England, the total ETS employment is estimated at 13,600 jobs. Despite an uncertain economy, the global low carbon and environmental sector has seen steady and sustainable growth throughout the global recession, with the UK sector seeing a £5,920m (4.8%) increase in sales from 2010/11 to 2011/12⁴. The sector is forecast to continue to grow due to increased legislation, greater research and a general shift towards more sustainable modes of production, development and consumption.

In the summer of 2013 Bristol City Council was also awarded the European Green Capital award for the year 2015. This highly regarded award recognised Bristol's exceptional performance against a set of 12 technical measures of sustainability, as well as its ambition of leadership. Bristol City Council are also establishing a municipal energy company to drive forward city sustainability and smart-energy infrastructure.

Bristol is leading the way in the UK in sustainability matters. Bristol City Council, via the European Investment Bank grant-funded programme, aims to facilitate c£140m of energy generation/efficiency work.

Cardiff has developed an Energy Prospectus which has identified projects worth over £2bn. The prospectus covers a range of viable renewable technologies including solar, ground source heat, district heating network new build and retrofit, off shore wind, low carbon lighting and building retrofit, hydrogen to gas hydroelectricity generation alongside the larger potential tidal and marine energy source, with investment and delivery plans in progress.

“ THERE ARE CONSIDERABLE OPPORTUNITIES TO PIONEER GROUND-BREAKING TECHNOLOGIES, INFRASTRUCTURE AND INNOVATIVE WAYS OF WORKING ”

⁴BIS, Low Carbon and Environmental Goods and Services Report for 2011/12, July 2013



3. ECONOMY - RELEASING THE POTENTIAL OF THE GREAT WESTERN CITIES

The Great Western Cities represent the most skilled and productive urban area outside of London, boasting a workforce with a greater proportion of graduates than our competitors, and some leading clusters in sectors such as

financial and business services, creative industries, ICT, aerospace and energy. The area also has the best universities for research in the UK outside of London and Oxbridge.

| Jan 2013-Dec 2013 - Population with degree or equivalent and above - aged 16-64 | | Total GVA 2013 (£m) | |
|---|----------------|----------------------------------|---------------|
| Great Western Cities | 447,700 | Great Western Cities | 58,221 |
| Greater Manchester | 415,200 | Greater Manchester | 56,265 |
| West Yorkshire | 341,300 | West Midlands | 55,686 |
| West Midlands | 322,900 | West Yorkshire | 46,237 |
| South Yorkshire | 177,000 | Merseyside | 27,002 |
| Merseyside | 164,900 | Northumberland and Tyne and Wear | 26,594 |
| Tyne and Wear | 161,100 | South Yorkshire | 22,560 |

Source: Annual Population Survey

Source: National Statistics⁵

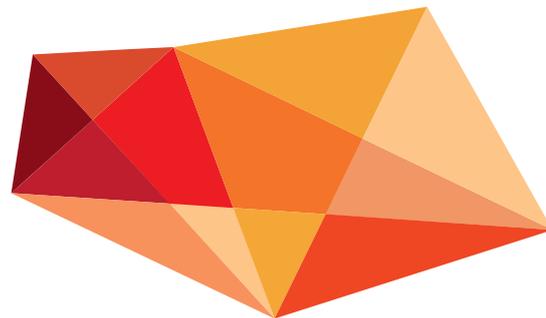
Through working together the Great Western Cities have the potential to become a globally significant destination for business, offering one of the most competitive locations in the UK, whilst still remaining cost competitive on the international level.

Working closer together will help to deliver a number of improved outcomes for the Great Western Cities – namely increased levels

of agglomeration will support further improvements in productivity, helping to support further growth in indigenous businesses. It will also enable the area to promote itself as a globally significant destination. Individually the three cities, whilst big in the regional and UK context, are not big hitters on the world stage. Together we have a bigger voice, and a bigger offer for global investors.

To build in this we will establish a joint international marketing programme and inward investment brand for the Great Western Cities.

⁵Consists of the NUTS 3 areas of Bristol, City of Bath and North East Somerset, North Somerset and South Gloucestershire, Central Valleys, Gwent Valleys, Bridgend and Neath Port Talbot, Monmouthshire and Newport, and Cardiff and Vale of Glamorgan.



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