

**WESTERN GATEWAY: OFFICER BRIEFING**

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**Purpose of the Report**

1. To provide background information to Members to aid their scrutiny of the officer briefing report, attached at **Appendix A**, regarding the Western Gateway. A report on this matter is due to be considered by Cabinet at their meeting on 16 December 2021.

**Scope of Scrutiny**

2. At their meeting on 16 December 2021, the Cabinet will consider a report that provides an update of progress with the Western Gateway partnership and associated projects and seeks cabinet approval to continue to participate in the partnership, with a focus on the policy priorities set out in the paper, and to approve an annual financial contribution of £10,000.
3. During this scrutiny, Members can explore:
  - i) The policy priorities for the Western Gateway
  - ii) The fit between the above and those of Cardiff Council
  - iii) Partnership working of the Western Gateway
  - iv) Financial implications for Cardiff Council
  - v) Whether there are any risks to the Council
  - vi) The timeline and next steps for delivering proposed projects
  - vii) The proposed recommendations to Cabinet.

**Background**

4. The Western Gateway Partnership covers the council areas of Cardiff, Bristol, Newport, Swansea, Gloucestershire, South Gloucestershire, North Somerset, Bath and North-East Somerset, Swindon, and Wiltshire as well as the Cardiff

Capital Region City Deal and West of England Combined Authority. It brings together the Welsh and UK Governments, local authorities, city regions and Local Enterprise Partnerships (LEPs). Its purpose is to boost economic productivity, improve transport and digital connectivity, and lead the UK's green transition. It acts as a convener, bringing together actors across the region to tackle collective challenges and opportunities at scale.

5. In November 2019, the UK Government announced £400k of start-up funding to help kickstart the new 'Western Gateway' partnership, together with a related future 4-year funding commitment. Katherine Bennett CBE, then Senior Vice-President of Airbus UK was appointed as the first Chair of the Western Gateway.
6. The Western Gateway is led by a Partnership Board, where each member has one equal vote. Membership is comprised of:
  - a. An Independent Chair;
  - b. Leaders of the following public authorities: Bath & North East Somerset, Bristol, Cardiff, Cardiff Capital Region, Gloucestershire (plus one District Council representative), Newport, North Somerset, South Gloucestershire, Swansea, Swindon, West of England Combined Authority and Wiltshire.
  - c. Two representatives from universities in the Western Gateway area;
  - d. Up to three representatives from businesses in the Western Gateway area, appointed via a public appointment process; and
  - e. Chairs of the following LEPs: Gloucestershire First LEP, Swindon & Wiltshire LEP, West of England LEP.
7. The Cardiff Capital Region (CCR) recently reaffirmed its commitment to the Western Gateway partnership at the CCR Cabinet meeting in November 2021.
8. The Western Gateway Secretariat function is hosted by South Gloucestershire Council, which is the Accountable Body for the partnership. The Western

Gateway has recently appointed a Director to lead the partnerships work and engagement programme, supported by a small policy and communications team.

9. In July 2019, the 'A Powerhouse for the West' report, commissioned by Cardiff, Newport, and Bristol Councils, was published and launched at an event held at the House of Commons. The report highlighted the following:
  - i) Expanding the Western Gateway, from the original core of Cardiff, Bristol and Newport to a wider region connected from Swindon to Swansea, would create the size and scale needed to compete with the Northern Powerhouse and Midlands Engine areas.
  - ii) The area has significant and complementary sector strengths in advanced manufacturing and engineering, cyber, green energy, fintech and creative industries.
  - iii) There is a need to push for significant levels of Government funding and investment in infrastructure, comparable with those given to the Northern Powerhouse and Midlands Engine areas, to avoid becoming relatively less well-connected.
  - iv) Transport links and connectivity are key to enhancing labour supply, labour market matching, labour productivity and knowledge spillover.
  - v) The Western Gateway region is losing out in terms of foreign direct investment, compared to the Northern Powerhouse and Midlands Engine, as it lacks a co-ordinated approach to internationalisations and its own trade missions to key global markets.
  - vi) The Severn Estuary brings an important opportunity for economic growth and decarbonisation as it has high potential for renewable energy generation via tidal power.
  
10. In November 2021, the UK Government published Sir Peter Hendy's independent Union Connectivity Review, which advised the UK Government to support measures to reduce congestion on the M4 and provide targeted improvements at the junction of the M4/M5. The report also recommends that the UK Government develops a package of railway improvements to increase connectivity and reduce

journey times between Cardiff, Birmingham and beyond. The report also proposes upgrading and building new stations on the existing South Wales mainline.

11. The UK Government responded to the report by underlining their commitment to better transport connections between Wales and the rest of the UK and inviting the Welsh Government to work collaboratively with them on projects.<sup>1</sup>

12. In November 2021, the UK Government announced the next stage of the Contracts for Difference Scheme will include £20million per year ringfenced for Tidal Stream electricity projects across the UK. The scheme opens for bids on 13 December 2021.<sup>2</sup>

### **Issues identified in the Officer Briefing Report**

13. The Western Gateway commissioned Deloitte to undertake an Independent Economic Review to provide further evidence and identify key priorities for cross-region action; this was published in Autumn 2021. At **point 11** of the officer briefing report, it states that following this, the Western Gateway will focus activity on:

- i. NetZero – Decarbonising Energy Generation
- ii. Strategic Connectivity
- iii. Innovation
- iv. Inward Investment.

14. The officer briefing report states that the workstreams of particular significance to Cardiff Council are the two relating to unlocking the tidal energy potential of the Severn Estuary and securing investment into the strategic rail infrastructure linking Cardiff to other Core Cities and London. Further details of these are provided at:

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<sup>1</sup> [Union Connectivity Review plans overhaul to Welsh transport | Office of the Secretary of State for Wales | Official Press Release \(wired-gov.net\)](#)

<sup>2</sup> [UK Government announces biggest investment into Welsh tidal power | Department for Business, Energy & Industrial Strategy | Official Press Release \(wired-gov.net\)](#)

- i. **Points 13-15** – Severn Estuary
- ii. **Points 16-22** – Strategic Connectivity.

15. The main points to note re the Severn Estuary work are:

- i. The changing landscape of the climate emergency, energy insecurity, rising costs, and rapid technological improvements indicate that many of the previous policy, cost, and environmental barriers to tidal energy in the Severn Estuary may no longer be as significant
- ii. In October 2021, the Western Gateway Partnership Board agreed to establish an Independent Commission on the potential re tidal energy of the Severn. The Leader of Cardiff Council was nominated to lead this initiative; a stakeholder round table is planned for January 2022 to further scope the project.

16. The main points to note re the Strategic Connectivity are:

- i. In March 2021, the Cardiff Capital Region Passenger Rail Vision set out the strategic interventions required to improve the rail network in its area
- ii. These priorities align with the South East Wales Transport Commission recommendations to reduce M4 congestion
- iii. Therefore, through the Western Gateway, Cardiff Council will seek to secure investment into the strategic rail infrastructure serving the city, as set out at **Point 22** of the officer briefing report.

17. **Points 23-24** of the officer briefing report set out the resource and financing arrangements, namely:

- i. In 2020/21, the partnership received £500,00 from the Ministry for Housing, Communities and Local Government (which has since been renamed as the Department for Levelling Up, Housing and Communities - DLUHC) and £190,000 in payments from member organisations (comprised of a £10,000 contribution by each partner).

- ii. The Western Gateway has submitted a Spending Review bid requesting sustainable capacity funding through the DLUHC, with core funding of £1.2m for the 2022/23 financial year and £1.5m for the 2023/24 and 2024/25 financial years.
- iii. A decision on levels of funding from UK Government is anticipated to align with the publication of the Levelling Up White Paper in late 2021.

### **Proposed Recommendations to Cabinet**

18. The officer briefing report states that a report will be taken to Cabinet recommending that Cabinet:

- i) *‘Note the contents of this report*
- ii) *‘Approve the Council’s continued participation in the Western Gateway Partnership and a focus on the policy priorities outlined in this report’*
- iii) *‘Approve an annual financial contribution of £10,000, as outlined in paragraph 23.’*

### **Way Forward**

19. Councillor Huw Thomas (Leader) will be invited to make a statement. He, Paul Orders (Chief Executive) and Gareth Newell (Head of Performance and Partnerships) will attend to answer Members’ questions on the proposals.

### **Legal Implications**

20. 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**

21. 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**

The Committee is recommended to:

- i) Consider the information in this report, its appendices and the information presented at the meeting
- ii) Determine whether they would like to make any comments, observations, or recommendations to the Cabinet on this matter in time for its meeting on 16 December 2021, and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**7 December 2021**