

Monmouthshire Select Committee Minutes

Meeting of Economy and Development Select Committee held at Remote Meeting on Thursday, 22nd April, 2021 at 10.00 am

Councillors Present

County Councillor P.Pavia (Chairman)
County Councillor (Vice Chairman)

County Councillors: A.Davies, D. Evans,
M.Feakins, R.Roden, B. Strong, V. Smith and
P. Jordan

Officers in Attendance

Frances O'Brien, Chief Officer, Enterprise
Peter Davies, Deputy Chief Executive and Chief
Officer, Resources
Cath Fallon, Head of Economy and Enterprise
Hazel Ilett, Scrutiny Manager
Robert McGowan, Policy and Scrutiny Officer

APOLOGIES: None

1. Declarations of Interest.

There were no declarations of interest.

2. Public Open Forum.

No members of the public were present.

3. Presentation on the Cardiff Capital Region City Deal - To discuss with the Programme Director following the Gateway Review: Strategic direction - objectives and progress to date and the benefits regionally and locally.

Kellie Beirne delivered the presentation and answered the members' questions, with additional comments from Frances O'Brien, Chief Officer for Enterprise.

Challenge:

54% of economically active Monmouthshire residents have to go out of county for work, and we have areas of deprivation. The ageing population could become unsustainable. If someone wanted to bring a major investment into Monmouthshire, how could the City Deal help our officers? We don't have the infrastructure for attracting industry, or a Skills college.

We've done lots of stand-alone investments but in order to scale impact in the future we have to try to get our money into subsidiary funds so that if a big company were coming to Monmouthshire, there would be a Strategic Premises Fund, SME finance funding to help supply chain impact, an Innovation Investment fund – because we know that provision of risk capital is tricky – etc. We have a role there, and through the Skills Partnership, how do we invest in talent development, but we need to look wider than City Deal, which is only a £500m pot. We need to connect into the bigger conversations e.g. the National Infrastructure Bank, which has £12-14 billion. How can we get in front of them and put forward propositions? How can we influence the picture with the Western Gateway? Not every area will be able to have a further education

college on its doorstep. How can we create the connections so that when something is being developed in one area, it takes into account the regional picture? The point about ageing is very important. The approach in terms of challenges is critical because the solutions to ageing could have a massive economic impact. Sometimes these societal issues can result in economic benefits. So there are no straight answers to these questions – it is a complex picture. The key is bringing together lots of different strands and having a high level of ambition.

We are very ambitious, and our geographical placement is ideal, but perhaps we need some help in how we approach and market things?

I can share the investment perspective. As a City Deal we're limited, but as a city region we could take on inward investment, highlight some of the bigger areas and start to bring a greater focus to many of these issues. There is some frustration as we're currently in a good position but how we take the next steps to develop that institutional capability as a region will be key to achieving those things that you've just set out.

Regarding collaboration with Bristol and the Western Gateway, there's a feeling that as we're on the periphery, we might fall between Cardiff and the valleys and the southwest. How are we engaging with Bristol City Deal and academic institutions there, in terms of skills development?

We are part of the GW4 network of universities – Cardiff University plays a prominent role in that. One of the things that we see is that because universities have such a big role to play in the future of science research and innovation, particularly the early stages of R&D, those universities have developed a model of co-deploying Quality Research funding. If this could get to a bigger scale, it would create an impetus for how we then apply and commercialise that knowledge. So that network is critical. We're also part of the Set Squared forum that brings those universities together. Recently, through Universities Wales, Professor Graham Reed from UCL has been brought in to do a piece of work on how all the universities in Wales can coordinate and form partnership agreements, so that when there are big investment opportunities through the various research councils, we have a platform to build on so that we can apply ourselves quickly – speed and competitiveness are the names of the game.

It's a good point about Western Gateway and how we develop those relationships with WECA and Bristol. There's been some good work to date: we've put in a joint Strength In Places bid concerning cyber, which is a research grant but also applications, and we're starting to look at innovation accelerators that would leverage the effect of compound semi-conductors across the two regions. While we are in the early stages, we are doing a lot of work to identify those shared strengths. We won't be able to collaborate on everything, and will sometimes want the space to compete. For example, we recently expressed interest in the nuclear fusion energy prototype reactors – Cardiff Capital Region made a bid, as did Gloucester. But on other matters, it is very important that collaboration comes before competition. There's a long way to go but our key interest is the arc of innovation: we know it starts in the golden triangle, sweeps across the country, but stops short of coming into Wales. Our challenge is to think about how we use some of those levers – like universities – to stimulate investment in R&D, which comes back to the way we think about the education system in general.

Are we potentially looking at things like vaccine development and the manufacturing side of medical?

Our biggest challenge is having the expansion space for high value manufacturing. One of the developments we're working on is the concept of a Life Sciences park that would bring together

clean room and randomised control testing facilities, etc. Focussing on building a MedTech cluster is probably the hardest thing that we will do because while the devices and diagnostics industry in the region is strong, we need to do more to boost and support supply chains. MedTech devices and diagnostics is definitely our biggest area of potential in the long term; we have research excellence in precision medicine. The big logistical challenge is how to bring it together as a coherent cluster. It will take a lot of time and public sector intervention. It's a matter of having the risk capital in place to support the earlier R&D, having the facilities and premises for expansion for manufacturing, and skills – we don't enough of the high skills base to support the sector as needed. It's also a case of having a coherent strategy to bring it together. We're interviewing tomorrow for someone to come in and head up these clusters. This area has the most potential but will be the most difficult.

A coherent strategy is very important, but it is always frustrating to understand who is driving the strategies forward. We have so much potential but aren't so good at delivering on it. Hydrogen, in particular, is very exciting as it has huge potential as an alternative fuel.

With City Deal, Monmouthshire has a large share of the investment, and is positively shaping it, ensuring that Monmouthshire gets access to it. The challenge back to Monmouthshire is to ask what it wants out of the deal. The deal won't deliver *for* Monmouthshire, but *with* Monmouthshire. Hydrogen is an important point. We have started to bring together a challenge around the local authority fleet: what are the emerging technologies like hydrogen and what are the new business models that we could scale into the future? Many of the companies in the region are at the forefront of manufacturing advanced electric vehicle propulsion systems e.g. Riversimple, which is at the forefront of hydrogen production. How do we make sure that in developing some of these solutions we actively buy in from the region, and create those economic benefits? That is a great challenge.

Regarding strategy, we have one but it is for a City Deal. Until we have a corporate entity to act for the region, and not just a single funding programme, we won't have the coherence that is being sought. The provisions for Corporate Joint Committees are on the legislature – Cardiff Capital Region is working towards February as a date for 2022 – at that point, it becomes a statutory requirement and an immediate duty for the region to have a regional transport plan and strategic development plan. So at this time, as a City Deal, it is hard to have competency over some of these things. We are doing the best in the circumstances but shifting to a model of regional place-development will help us to address some of these issues much more comprehensively.

With the Metro link to Severnside, it seems we are being pushed to the backburner – is that the case in other areas, too?

The first phase of Metro is about the core valley lines but other proposals are now in the offing that will affect the eastern valley lines, and we will start to see some of the emphasis coming this way. Some of the wider commercial transport connectivity opportunities are there. The Connecting The Union review will be very important, as will the western gateway – that is a national transport plan with big implications for Severn Tunnel, Chepstow and Abergavenny.

It is a good point about skills within universities' units being brought together, and technology being used to teach people these skills. It doesn't necessarily have to be the old model anymore. All we want is that strategy for leading things forward.

The Cyber Masters that we're looking to develop is really different because it's only 1 year and is all industry-based, not classroom or theoretical-based. It shows how far we have to go in evolving the model of – not just learning – but practice as well. Hopefully, this will be a good moment in time that enables us to evaluate how teaching and learning develop into the future.

Can different aspects of the deal be scrutinised, as the scale is so huge, or made easier for generalists?

Today is more of an update session, as the City Deal has a scrutiny committee. My suggestion would be that the best way for you to scrutinise local impact would be to think about how this is packaged in relation to some of your local issues and priorities, and the part that City Deal plays in those. It will then be a matter of Cath Fallon, Frances O'Brien and me to join up those dots and think about how you can have a comprehensive package and apply that important scrutiny lens in the future.

Frances O'Brien, Chief Officer for Enterprise, added: we are happy to discuss and scrutinise the individual projects in which the Cardiff Capital Region is involved as part of the forward work programme. Some of the projects and programmes sit within different Select committees e.g. Housing aspects within Adults, but that is something that we can work through with members. Monmouthshire is benefitting significantly from a number of the projects with the CCR, and we are well placed to continue to do so, and we are leading on some of them too.

What benefits can we expect from the Metro in north Monmouthshire, given that it doesn't reach Monmouth?

Metro Phase 1 was always going to have its limitations because of the investment available. There is a Metro Enhancement Framework, which we are working on with Transport For Wales, that does reach into further areas. It's a case now of making a coordinated submission to things like the National Infrastructure Bank, and talking to Sir Peter Hendy about connecting the Union Review – because he is looking at border areas and these boundary issues. So what you currently see on the Metro map isn't the end of it, but the start. There will be more potential through the Local Transport Fund and Metro Plus to have enhancements, but it is very important that those transport connectivity developments go with the grain of the economic change that you want to see. So, no easy answers, but it is on Transport For Wales's radar. These border issues are going to be so significant for us to think about differently in the future.

In terms of the Gateway Review, what are some of the key evaluation points regarding progress?

The Review did three layers of work with us over a period of time. They established the economic baseline, though that was soon irrelevant because of the pandemic. Then they did a 'one year out' report, focussing principally on the compound semi-conductor investment. In the final report, they tried to bring together a focus on the quality of data and evidence, looking at the richness of partnerships and networks that we were building, and at wider project delivery, though that was only one aspect. What they really tested us on was fitness for the future i.e. does this deal have a vision that takes it beyond just being a city deal? Is it capable of reaching for more, and looking at the wider value propositions that it is trying to develop. We had various challenge sessions with UK and Welsh Government ministers; Monmouthshire was part of that. We are positive that it was a good process but we haven't yet heard from the Ministry of Housing, Communities and Local Government whether we're through. The next five years will be more of the same but the lens will become narrower: the focus will be more on discrete

projects, and we will be able to have some of the metrics and measures in place around GBS impact. Importantly, I want us to develop alternative measures e.g. looking at the wellbeing economy, thinking about the effect on the foundational economy, etc. The next stage has to be about breaking the barrier between the work carried out so far and the citizens, to whom it doesn't mean very much at the moment.

How do you think what has been so far has been communicated to the public, and is there still communication work to do with the local authorities involved?

Some of these are complex and dense messages. They are easier to communicate to the public when there is a relevance to them directly. Zipworld will be important as an investment made by CCR, as they are onsite and putting the infrastructure in and jobs are being advertised. Hopefully, when we start work at Severn Tunnel there will be a sign saying 'Cardiff Capital Region contributing to Monmouthshire'. It's a case of building up that visibility, and making the work real to people. In terms of Comms, we do a lot in the business pages (among other things), for example, but only a certain proportion of people will read that. We aren't at the stage yet of making things resonate with people but it is a priority for the next five years.

The last year has shone a light on various gaps, particularly regarding inequalities and workforce. How do we use the foundational economy and smaller businesses to alleviate some of those problems?

We have been sitting as part of the ministerial advisory board on the foundational economy, mainly because of the work we're trying to do. The Challenge Fund has been prioritised for local wealth building, recognising that many of those sectors (social care, retail, food, tourism, etc.) have been hammered, as the ONS data has shown. The local wealth-building fund, working with Infuse, looks to find new solutions to these endemic problems. Welsh Government has put in place its Challenge Fund, from which Monmouthshire has been a beneficiary regarding social care training. Our fund is now looking to build on that. Hopefully, this move to more challenge-driven innovation and mission thinking allows us to ask better questions, because the current answers aren't good enough.

Councillor Roden raised a good point about scrutiny. Members need more information about the work taking place and what's in the pipeline.

Frances O'Brien: It's something we can work through in more detail, in terms of how we can best communicate that information to members, councillors and the wider public. A wealth of information is available on the CCR website, as well as things like the podcast, it's just a case of getting it to everyone in a format that is readily available – whether we do more dedicated sessions like this one on specific projects or things that we've secured funding on, etc.

Chair's Summary:

We thank Kellie for her attendance today, and the information provided. We want to ensure that members are sighted on further developments, and hopefully have Kellie back later in the year. There is a conduit between members and the joint scrutiny committee, which is another element with which we need to work with members if they have any questions or issues to bring.

4. Economy and Development Select Committee Forward Work Plan.

Futures economy work and town centre regeneration are mapped in for upcoming sessions. The workshop for the review of the LDP has been postponed this month due to the election – we will need to get back on track with the workshop programme leading into the summer. Hazel Ilett reassured members that there are ongoing discussions with officers to ensure that there is alignment within the work programme: the items for the next few months have been chosen deliberately, to go from that regional level through to the local level, so that members understand the alignment between the City Deal and what is being delivered locally.

5. Council and Cabinet Work Planner.

6. To confirm the minutes of the previous meeting (to follow).

The minutes were confirmed and signed as an accurate record.

7. Next Meeting: Thursday 10th June 2021 at 10.00am.

The meeting ended at **11.20 am**