



NORTH WALES CORPORATE JOINT COMMITTEE

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TITLE: Flintshire and Wrexham Investment Zone

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to provide an update on the progress of a new Investment Zone in Flintshire and Wrexham focused on Advanced Manufacturing. The Investment Zone is focused on investments in Flintshire and Wrexham but is expected to have wider beneficial impacts across North Wales.

2. DECISION SOUGHT

- 2.1. To accept the report.

3. REASON FOR THE DECISION

- 3.1. Report to update Members on progress.

4. GENERAL PROGRESS UPDATE

- 4.1. Progress continues to be made in close collaboration with Flintshire and Wrexham Councils, local stakeholders and Welsh and UK Governments. The development of Gateway 2: Sector and Geography has focused on the key themes of skills, innovation and transport and the developments unlocked on the proposed Tax Sites.
- 4.2. The draft Gateway 2 document has been prepared for formal review by Government, and the intent is to submit this draft once, and if, the IZ programme is confirmed in the Budget on the 30th October, 2024. Gateway 3 will follow in late November once Gateway 2 is approved.

5. TAX SITE OVERVIEW

- 5.1. The Investment Zone can have three Tax Sites up to 200ha each. The proposed Tax Sites are illustrated in Table 1 below. The UK Government Technical Guidance suggests the cost of tax site benefits to be £75,000 per Hectare. Based on this assumption, the cost of the benefits, funded from the £160m allocation is c£10.7m. The actual allocation will need to be agreed with HM Treasury and Welsh Government and could increase given the scale and density of development proposed.

- 5.2. The three tax sites cover 143ha, include 5,190,000sqft of development floorspace and have the potential to support over 6,400 new jobs. Further jobs - approximately 1000 - could be created by projects identified in the call for projects.

Table 1 Proposed Tax Site Summary			
Tax Site Name	Plot Name	Landowners	Hectares
Deeside Gateway	B, D and 3 Stealth	Marshalls CDP	19
	Airfields	Pochin Goodman	36
	Link 56	Smartstage Limited / Great Bear Distribution Limited	12
Warren Hall	Eastern Parcels	Welsh Government	12
Flintshire Total			79
Wrexham Industrial Estate	Utopia Phase 1	NetworldSports	28
	Wrexham 1M	First Investments	24
	Wrexham 152	First Investments	6
	Bridgeway Centre	First Investments	6 est
Wrexham Total			64
Overall Total			143

6. RETAINED RATES INVESTMENT SUMMARY

- 6.1. The Investment Zone can have two areas designated for Retained Rates Investment. To optimise the value of retained rates, the largest two Tax Sites have been proposed as Tax Site Retention Areas. Except for the 'Wrexham 1M' and 'Wrexham 152' development sites which is assumed to be fully developed, the model below is based on 50% of the development floorspace generating rates in the first 10 years (and therefore being retained for 15 years) and a contingency of 20%, the total rates fund is expected to be c£93.64m. The breakdown is illustrated in Table 2 below. The illustrated Fund amount would need to factor in its own operating costs and interest costs in establishing a funding resource. Funding allocations from the Fund will be determined by the host authority on a case by case basis.
- 6.2. The total floorspace set out in the masterplans for the identified sites is 2,465,000sqft in Flintshire and 2,502,762sqft in Wrexham. The Rateable Value is assumed to be £5psqft.
- 6.3. Further work will be undertaken to provide a more granular assessment of this aspect of the programme. Figures intended to be illustrative of scale at this point.

Table 2 Estimated Retained Rates Summary				
Retained Rates Location	Estimated floorspace delivered in first 10 years (sqft)	Collected Rates Per Annum	Total Collected over 15 years	Estimated Retained Rates Fund with 20% contingency
Flintshire	1,232,500	£3,142,875	£47,143,125	£37,714,500
Wrexham	1,827,762	£4,660,793	£69,911,897	£55,929,517
Total				£93,644,017

- 6.4. The above resources can fund Council functions associated with the Investment Zone as well as 'in year' projects and major projects funded by borrowing against future retained rates secured by confirmed Rateable Value from new development.

7. BACKGROUND AND RELEVANT CONSIDERATIONS

- 7.1. UK Government is expected to confirm the Investment Zone funding and programme in the Autumn Statement on the 30th October, 2024. UK Government, Welsh Government, CJC and Flintshire and Wrexham officers meet weekly to drive forward the development of the Investment Zone.
- 7.2. The intention is to bring the Investment Zone proposition (agreed with Flintshire and Wrexham Councils) to future CJC meetings for approval. If agreed, the submission will be considered by UK and Welsh Governments in December and January such that an MoU can be prepared for approval by the CJC in March. In parallel, an Annual Delivery Plan will be prepared and agreed with both UK and Welsh Governments to allow the payment of year 1 funds in April 2025 and the programme to start.
- 7.3. Further consideration will be necessary to set out the recruitment and team resources necessary for the programme to start. Further planning on this will take place once the Government decision on the programme is clear.

8. INVESTMENT ZONE THEMES

- 8.1. **Skills** - the Regional Skills Partnership will lead and help deliver the Skills theme for the Investment Zone. The RSP received an update on the Investment Zone at their September meeting and agreed to support a Skills Workshop with skills partners promoting projects for IZ consideration on the 15th October, 2024.
- 8.2. **Innovation** - in partnership with WG Innovation Colleagues, Flintshire and Wrexham Councils and AMRC, an innovation workshop will take place at AMRC at 2:30 on the 17th October, 2024. The workshop will run through the innovation projects submitted in the call for projects and identify synergies, gaps and opportunities for the innovation interventions proposed in the Investment Zone programme.
- 8.3. **Transport** - led by Transport for Wales and planned for the afternoon of the 15th October, the intention is to organise a transport themed workshop with LA transport leads to run through opportunities for supported bus routes, active travel opportunities and strategic and local transport infrastructure project opportunities to best enable the growth of the key development sites across Flintshire and Wrexham.

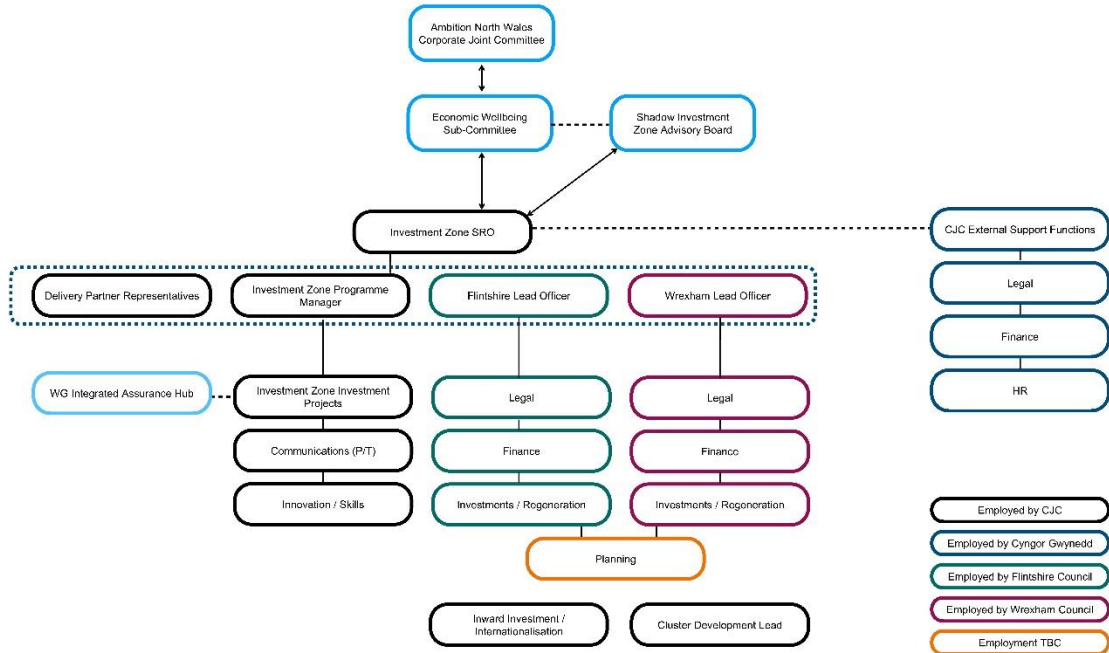
9. INVESTMENT ZONE TEAM STRUCTURE AND RESOURCES

- 9.1. The Investment Zone can allocate £6.4m to the programme costs associated with the delivery of the programme. Table 3 shows an illustrative split between the CJC and two partner councils. In addition to the core programme team, the intention is to create a Planning Unit funded by an additional revenue resource of £1m from the Investment Zone Flexible Grant funds. The Planning Unit will be set up initially over the first 5 years to accelerate planning applications and key development sites.

Table 3 Indicative Resource Allocation					
Partner	Programme Per Annum	Programme Total Resource	Planning Per Annum	Planning Unit Resource Total	Total Revenue Resource
Flintshire	£220,000	£2,200,000	£75,000	£375,000	£2,575,000
Wrexham	£220,000	£2,200,000	£75,000	£375,000	£2,575,000
CJC	£200,000	£2,000,000			£2,000,000
NRW / Planning Unit Support			£50,000	£250,000	£250,000
Total	£640,000	£6,400,000	£200,000	£1,000,000	£7,400,000

- 9.2. The CJC roles focus on programme accountability, reporting and investment project assurance. The Flintshire and Wrexham roles focus on working with local partners, developing projects and working to facilitate successful delivery through the assurance process and in delivery. Local Councils will support the work on transport, planning, skills and innovation.
- 9.3. The Investment Zone resource can be utilised on costs associated with existing Council and CJC officers to spend time on the delivery of the programme. This includes roles in programme management, assurance, economic development, business support, finance, legal and planning.
- 9.4. The team structure proposed is set out in Figure 1 below.

Figure 1 - Proposed Team Structure



10. LEGAL IMPLICATIONS

- 10.1. As per previous Investment Zone papers to the CJC, the expectation is for the CJC to enter into an MoU with UK and Welsh Governments. The CJC will also employ or enter into service contracts with local authority partners and consultants to support the delivery of the Investment Zone. In delivering the programme, as part of its role and as accountable body the CJC will oversee the management of a project assurance process and enter into Grant Funding

Agreements with university, skills, local authorities and local businesses. Subsidy Control considerations need further evaluation but are expected to be covered by a programme wide Subsidy Control Scheme.

APPENDICES:

None

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

“It is important given its role that the CJC is kept apprised of progress on this significant project.”

ii. Statutory Finance Officer:

“I support the contents of this report. Officers from the Finance Service will continue to provide support and challenge as required in the development of the project, including working with officers of the two councils as the plans develop.”