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## NORTH WALES CORPORATE JOINT COMMITTEE

21 February, 2025

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**TITLE:** Flintshire and Wrexham Investment Zone  
– Progress Update and Gateway Approvals

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### 1. PURPOSE OF THE REPORT

1.1. The purpose of this report is to provide an update on the progress to secure the Flintshire and Wrexham Investment Zone. The report illustrates the intended allocations of the £160m flexible funding to the Investment Zone themes and Interventions.

### 2. DECISION SOUGHT

2.1. To approve the financial allocations proposed in *Appendix 1*.

2.2. To delegate to the CJC's Interim Chief Executive and S151 Officer with Flintshire and Wrexham Councils to agree any minor modifications to the allocations arising from the preparation of the Gateway 4 submission. For the avoidance of doubt, "minor modifications" as those where there is a change of no more than 10% to the funding of any agreed heading, and do not include movement between revenue and capital funding.

2.3. Members to note the progress made to date and request that the remaining Gateways (4 and 5) are presented for approval, along with a final decision on the Investment Zone proposal at a future meeting, once the Memorandum of Understanding (MoU) and Gateways have been agreed with Welsh and UK Governments.

### 3. REASON FOR THE DECISION

3.1. To support the preparation of Gateway 4 (Interventions) and Gateway 5 (Delivery).

### 4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Gateway 1 (Vision) and Gateway 2 (Sector and Geography) have been agreed with UK and Welsh Governments subject to outstanding actions, arising from their review and feedback, being resolved. The Rt.Hon. Rachel Reeves MP, Chancellor of the Exchequer, announced the intention to progress with a Flintshire and Wrexham Investment Zone in a growth speech on the 29<sup>th</sup> January, 2025. The announcement has been well covered in national and regional media and supported by key private sector stakeholders Airbus, JCB and First Investments.

- 4.2. Governments invited the preparation and submission of the draft Gateway 3 (Governance) document which was presented to officers of both Governments on the 30<sup>th</sup> January, 2025. The content was based on the Governance models agreed by the CJC at its meeting on the 22<sup>nd</sup> November, 2024. Decisions on Gateway 3 by UK and Welsh Governments are expected in February 2025.
- 4.3. Information contained in Gateway 3 and drafted in support of Gateway 4 was included in Council Cabinet and Executive Board papers approved by the two partner Councils in December 2024.
- 4.4. Gateway 4 (Interventions) is concerned with demonstrating that the Investment Zone is focused on achieving high impact investments and securing high levels of private finance co-investment into the agreed outcomes. The interventions should demonstrate how the Investment Zone is helping to address the barriers to growth and key issues identified in Gateway 2. It also seeks to understand how the development of the Tax Sites, with the occupier benefits available, can yield significant new investment in manufacturing capability.
- 4.5. Gateway 4 also seeks to clarify the role of Skills interventions. To support this, the intention is to commission a Skills Plan, for review by the Regional Skills Partnership at their 13<sup>th</sup> March 2025 meeting. The Skills Plan will provide a single reference point for progressing projects within the Interventions set out for skills investment.
- 4.6. Alongside the evaluation of £160m flexible grant funding, Gateway 4 also considers the use of retained rates investment funds administered by Flintshire County Council and Wrexham County Borough Council. The position is a high level one at this stage, with the details being considered further with individual investment plans approved by the respective Councils in consultation with each other and the North Wales CJC. The initial modelling for the retained rates was provided in the report presented to the CJC on 22<sup>nd</sup> November, 2024 and will be used as the starting point for the refined approach presented in Gateway 4.
- 4.7. The intended allocation of the £160m flexible funding is set out in **Appendix 1**. The allocations have been prepared collaboratively, with partners over a 7-month period. Gateway 2 established the case for investment in manufacturing skills programmes, improved transport, site level investments as well as business support, innovation and research and development support. The 'Call for Projects' exercise in the Summer of 2024 helped to confirm the demand and opportunities for investment.
- 4.8. Through a series of multi-stakeholder workshops and programme development sessions, the broad programme of allocations against 'on menu' interventions have been refined and tested. There has been broad agreement throughout that the Investment Zone should address constraints to growth connected to the lack of public transport connectivity, challenges with developing sites, an under-skilled workforce and measures that boost innovation, R&D and business growth. Some interventions require a level of investment to achieve measurable impact (e.g. bus transformation) while others are more flexible and offer impact on a linear basis. The appraisal of allocations has looked to achieve the maximum impact for transport, skills and innovation while retaining funds sufficient to unlock the key sites and support business growth and R&D for business located across Flintshire and Wrexham. The intention is to adopt the 'on menu' interventions set out in the published Investment Zone Technical Document<sup>1</sup> and explore further the scope of grants for business focussed on manufacturing growth.

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<sup>1</sup> <https://www.gov.uk/government/publications/investment-zones-in-wales-technical-document/investment-zones-in-wales-technical-document>

- 4.9. Flintshire and Wrexham Councils have been consulted on the allocations in **Appendix 1** and will reference these in future key decision reports planned for consideration in March 2025. As part of the Investment Zone appraisal, both Governments will undertake a review of the allocations and associated outputs and may request we further refine the approach and make changes. Any changes will be captured and reported back at a future meeting of the CJC for approval.
- 4.10. Once agreed, the intervention allocations will support the Delivery Plan (which will be prepared in consultation with Flintshire and Wrexham Councils and require CJC approval) for the Investment Zone which will set out proposals for how projects will be identified, supported and delivered. A range of delivery approaches is envisioned for the Investment Zone, including: commissioning, partnering and open calls depending on the theme and project type. All projects delivered by third parties will require a business case, proportionate to their ask and be subject to a further approval and assurance process. Skills and transport projects, for example, will follow established procurement, partnering and commissioning arrangements.

## 5. FINANCIAL IMPLICATIONS

- 5.1. The financial implications of this report are significant. The contents of Table 1 in the appendix are intended to form the basis of Gateway 4 and would determine the basis of Governments' appraisal of the likely form of the Investment Zone and the expected Outputs. It also informs the delivery arrangements set out in Gateway 5 which will be clearer in the early years than for later years. These allocations can be changed over time with a formal change control process to be agreed. This will be set out in the MOUs referenced below.

## 6. LEGAL IMPLICATIONS

- 6.1. The Corporate Joint Committee has a key responsibility as Accountable Body for the Investment Zone proposal. This decision will be taken in that context and will enable the proposed allocations to be submitted to the Governments for consideration. As part of taking this project forward and establish the agreed governance models. Members should be aware that the intention is to agree two Memorandums of Understanding, as follows:
- **The Investment Zone Memorandum of Understanding**, between the UK Government, Welsh Government and the North Wales CJC; and
  - **The Investment Zone Local Memorandum of Understanding**, between the North Wales CJC, Flintshire County Council and Wrexham County Borough Council. This overarching agreement between the 3 partners will formalise the arrangements for governance and delivery of the IZ , key principles and the base financial allocations.
- 6.2. Details of these agreements will be presented to a future meeting of the CJC, likely to be in March 2025.

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## APPENDICES:

**Appendix 1:** Proposed Financial Allocations for the Investment Zone Flexible Funding

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## STATUTORY OFFICERS RESPONSE:

### i. **Monitoring Officer:**

“As the Investment Zone proposal is developed the CJC will have a central role as Accountable Body. This will involve assuming responsibility for approval of the key elements of the project . As with any public body taking significant decisions it will require sufficient information to ensure that the decision is taken appropriately and on the basis of demonstrable evidence and justification. However, the detailed and collaborative approach taken to bring these matters forward mean that the CJC should take confidence that the decision sought will be based on a rigorous and collaborative process.”

### ii. **Statutory Finance Officer:**

“I have received assurance that the figures contained in the Appendix are the result of an iterative process to identify suitable areas of expenditure. Government guidance is clear that CJs will need to make clear how public money is to be spent and the associated outputs and outcomes which they expect to deliver. This detail will form the basis for monitoring progress and holding CJs accountable for delivery.

This report, therefore, is a critical one for the CJC as well as for the two councils. As the work of developing to Investment Zones progresses the financial service will continue to support the CJC and its officers as required.”