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Beel, David ORCID logoORCID: <https://orcid.org/0000-0002-1146-229X>, Russell, Bertie, Jones, Ian Rees, Morgan, Kevin and Jones, Martin (2022) Research Report: North Wales Growth Deal. Research Report. Wales Institute of Social and Economic Research and Data (WISERD).

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Research Report

North Wales Growth Deal

Dr David Beel (Manchester Metropolitan University), Prof Ian Rees Jones, Dr Bertie Russell, Prof Kevin Morgan (Cardiff University), Prof Martin Jones (Staffordshire University)

November 2022



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The Wales Institute of Social and Economic Research and Data (WISERD) is a national, interdisciplinary, social science research institute.

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North Wales Growth Deal Research Report (Nov 2022)

A report on a series of interviews with stakeholders in the North Wales Growth Deal, conducted between July-December 2021.

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About the research

This report was produced in November 2022 as part of research undertaken by the Wales Institute of Social and Economic Research and Data (WISERD) as part of its ESRC Centre research programme. Fifteen remote interviews were conducted in English or Welsh (depending on the participant's choice) by three researchers (Dr Beel, Prof IR Jones, Dr Russell). A range of potential participants were identified in dialogue with Alwen Williams the Programme Director of the North Wales Growth Deal (NWGD), from which we sampled a cross-section of interviewees, supplemented by interviews with a small number of political leaders.

Whilst the interviewees will remain anonymous, they included: lead officers for economy, regeneration and development, local authority chief executives, NWGD team members, chief executives/managing director of NWGD partners, and local authority leaders. The interviews were supplemented with a limited review of reports and minutes associated with the NWGD.

The interview schedule had been co-developed with members of the NWGD team and were conducted with a semi-structured approach. The interviews were transcribed and analysed using qualitative data processing software (NVivo). Interview transcripts can be made available on request by interviewees.

These interviews were conducted as part of a wider research project focused on the role of regional economic development policy in supporting the strengthening of the Foundational Economy. The research was given ethical approval by the Cardiff University School of Social Sciences Research Ethics Committee (Reference Number: SREC/4077)

About this report

The report makes several observations about the process of developing and implementing the NWGD. The report uses excerpts from the interviews to illustrate our observations and interpretations, but it does not provide an exhaustive account of the perspectives of interviewees. Whilst we endeavour to represent differences in opinion, we have focussed on highlighting trends or tendencies, which means not all voices will be represented at all times. Our observations should be approached as points for further reflection and discussion, rather than conclusive statements.

The report does not focus on evaluating or assessing the individual projects funded by the NWGD, except where useful in illustrating a wider point.

We have used an anonymised coding system to identify any excerpts used in the report. These are displayed as [i4], [i5], and so on.

The report has been situated in the context of the wider challenges the NWGD faces, not least in terms of reflecting on the role the NWGD aspires to play in delivering economic development that moves beyond 'just growth' and ensures a socio-economy that operates within the Earth's ecological ceiling. We conclude with some provisional opportunities for consideration in the future development of the NWGD.

Executive Summary

Negotiated from 2017 onwards, the NWGD was recurringly viewed by respondents as a pragmatic effort to attract funding in the context of a UK Government committed to city-regional growth deals. That the funding had been granted was generally seen to validate this process as a success and is now commonly used as a reference point for potential regional partnership working. Understandings of what the NWGD was going to deliver tended to echo the priorities of the Treasury; jobs, private investment, and economic growth. In terms of different perspectives of the deal, a common thread was the view that the NWGD was borne of political pragmatism and necessity, and that this partially characterises both the composition of the programmes and the overarching narrative about what the Deal ought to deliver. These pragmatic elements and the bringing together of different actors and interests was perceived as a successful outcome that provided a platform for future work. However, there were also considerable doubts about whether this narrative equates to a substantial vision for the future of the North Wales economy, and thus if and how the NWGD could help realise this. The deal was also put into practice in the teeth of the Covid crisis and the impact of the pandemic on individual projects and related institutional responses has been profound.

In terms of perceptions of ambition and impact, while there was a strong recognition of headline targets like uplift in GVA, job creation and further investment, there was ambiguity about how or why the targeted investments contained within the deal would function as a catalyst of a wider economic development; or indeed what that economic development would look like.

In relation to the Wellbeing of Future Generations Act there was a sense that this is not embedded within the NWGD. Respondents were acutely aware of the countervailing pressures of a central challenge posed by the prioritisation of GVA growth and job creation over the development of a wellbeing economy within ecological limits.

In relation to the Foundational Economy, respondents expressed deep concerns about how foundational sectors in North Wales are owned and managed (and who benefits from this). However, with the exception of a few examples, there were limited understandings of the Foundational Economy framework and what kind of economic interventions could become part of the NWGD to address this.

At this early stage of implementation, several opportunities and associated challenges present themselves:

Firstly, we suggest The North Wales Economic Ambition Board (NWEAB) considers a 'strategic refresh' of the NWGD; considering the publishing of the North Wales Regional Economic Framework, post-2016 policy developments associated with the FutGen Act, and implications of The Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment report. The process by which this strategic refresh is conducted should serve as an opportunity for engaging civil servants and local leaders with heterodox economic proposals and practices (e.g. doughnut economics, community wealth building, collective approaches to land and home ownership via community land trusts, degrowth approaches in sectors such as tourism and regenerative agriculture, and so on).

Secondly, a revised decision-making matrix should be developed for the reallocation of capital funding in the case of failed projects. That a project may contribute to job creation and prospective economic growth is an insufficient basis for the reallocation of funding, and an additional decision-making framework is necessary to ensure that investments contribute to a *more* inclusive vision of a future North Wales economy.

Thirdly, the existing portfolio of projects should, where legally possible, be re-evaluated to reflect the outcomes of a strategic refresh. This is because, a strategic refresh raises the prospect of significant capital funding being allocated to potential ‘white elephants’ if they do not appear to fit with a strategic change of direction.

Fourthly, to explore possibilities to innovate in realising social value, leveraging capital investment so to allow projects to ‘touch’ foundational areas that are commonly unwaged and predominantly performed by women. A key example is the recent call from the Future Generations commissioner to explore the implementation of Four Day Week trials in Wales, which could be pursued as part of the realisation of social value by beneficiaries of NWGD projects.

Post the signing of the NWGD and parallel to its delivery, has been the development of the Regional Economic Framework (Welsh Government/NWEAB, 2021) for North Wales. This strategic policy document, in rhetorical terms, points towards an understanding of prosperity in a holistic sense (cf. Doughnut Economics, see Figure 1) under its three themes of social and community wellbeing, the experience economy and the low carbon and emissions economy. The framing of economic development policy towards this, represents a welcome step and points towards the possibility of a more progressive approach, this should be heeded in future delivery of the NWGD.

The NWGD is operating within a very limited window of opportunity. The capital investments made through the next decade are critical in ensuring that we develop a regenerative and distributive economy; one that brings human activity within the Earth’s ecological ceiling whilst simultaneously guaranteeing the social foundation of human well-being. Overtures towards ‘sustainable growth’ should be treated with caution. Therefore, there should be a refocus of efforts towards substantive interventions that engender different ways of guaranteeing human wellbeing, irrespective of whether this leads to economic growth.

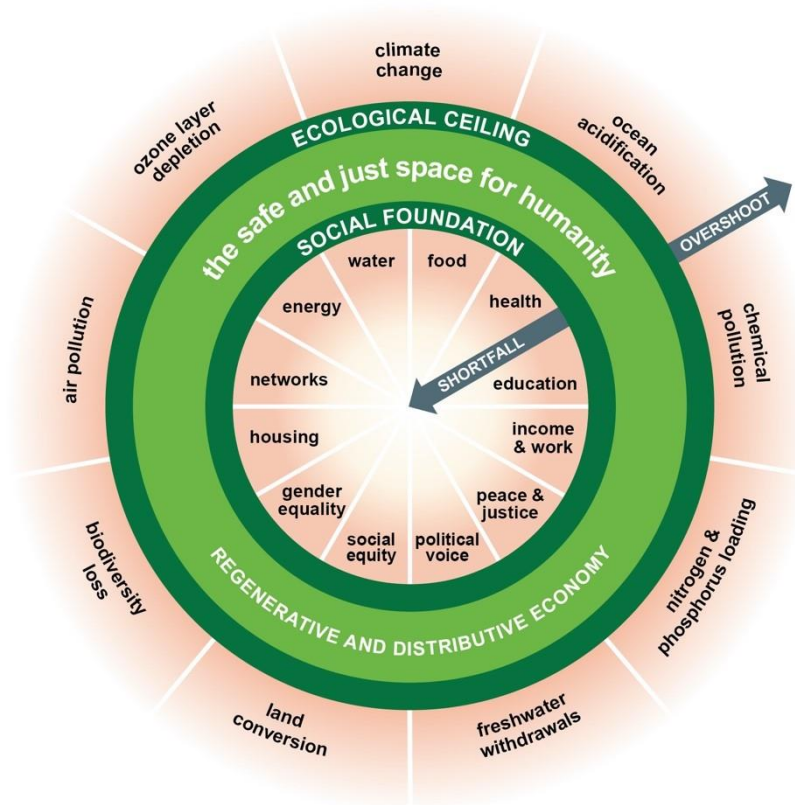


Figure 1: Raworth's Donut (2017)

Thematic feedback

a. Perspectives on the development of the deal

It is broadly recognised that North Wales's economy is highly variegated, with both "a huge difference between East and West" [i5, i7] and between "a rural economy [and] an economy which is more urban" [i8], where "West Wales is more consistent in terms of its cultural, linguistic, economic and landscape assets than for the North of the country" [i2]. Whilst certain sectors such as "the arts, cultural, digital sectors" [i4] are seen to have some synergies across North Wales, respondents largely perceived that "the economic geography of Wrexham... doesn't particularly align to Anglesey and Gwynedd" [i4], and that North Wales "is a difficult unit to make work from an economic perspective" [i12].

Whilst there were some counter-views that recognised "transport routes and supply chains and everything are going through and crisscrossing the area" [i6], it was generally considered that "there are obvious clusters in the North East where the border with England is artificial, or is one economy across that area" [i11] but that the geographical distribution of benefits

“doesn’t tend to happen” [i11] across North Wales. Indeed, some perceive “the links... seem to be a lot stronger” [i3] between North-West England and North-East Wales, and that local authorities such as Wrexham are viewed as having “a lot more commitment to the MDA¹ as a region... that’s where the aspirations lie” [i5].

The importance of reiterating these perspectives is to illustrate that the North Wales Growth Deal was constructed from a ‘patched together’ political geography of six local authorities that did not easily map over a coherent underlying economic geography. This political patchwork was both pragmatic and opportunistic, as local authorities had “to be alert to the opportunities [and] be prepared to change, be flexible and change regularly” [i11] so as to try and “squeeze ourselves into that model” [i12] of city-regional growth deals². As one respondent summarised, “you work together and you’ve made it work because you had to, to get the money” [i5].

“Listen, what it was, as I say, George Osborne, announced these Growth Deals as Chancellor of the Exchequer and we got together, very early days and said “Listen, there’s pots of money here, from the Treasury, the Chancellor of the Exchequer has said Growth Deals”, and it was a buzz wasn’t it, they were all being awarded, all over the country.

For some, the partnership working underpinning the development of “the NWGD has been a harder sell, because it’s not as natural in terms of the economy” [i5], and that “it didn’t make sense, to be honest, at the outset” [i4]. Yet it is now often considered that “talking coherently about a single economic approach for North Wales is absolutely the right thing to do” [i10] and “the right unit to go for” [i12]. Indeed, that there are clear limitations to conceptualising North Wales as a coherent economic region “doesn’t mean that we shouldn’t try to make it more effectively like that for the future” [i12]. Yet as the following sections suggest, it remains less clear as to what exactly this new enthusiasm and potential for regional working could or should be leading to.

The experience of partnership working through the NWGD process has prefigured the possibility of future collaboration at the regional level, resulting in a sense that it “feel[s] a bit more like we’re working as a single unit in North Wales” [i4] and that “there is cohesion through the Board” [i14]. That the “growth bid was not foisted upon us” but the result of “a much healthier, organic will” has helped build trust between the authorities in the potential of future collaboration, but it is recognised that maintaining trust in these relationships “will be the challenge for the future as we now have two governments that are fighting in different ways” [i15].

Whilst the “Welsh Government have very much promoted an ethos of collaborative across region working”, as indicated by the publication of the recent North Wales Regional Economic Framework, the UK Government is now “driving in a different direction” [i14]. The Levelling Up and Community Renewal funds are seen as undermining regional strategic approaches, promoting a “fragmented and disjointed” [i9] approach to accessing funding which, “if you

¹ Mersey Dee Alliance (MDA) The Mersey Dee Alliance (MDA) is a partnership that supports strategic economic growth across North East Wales, West Cheshire and Wirral.

² For more on city-regional agglomeration in the context of the NWGD, see Beel et al. 2020.

were being cynical you would say... is an exercise of the UK Government ensuring that there's some big, shiny projects that go on in constituency areas where they've got Tory marginals" [i10]. The present reality is thus one of "six local authorities driven through [UK] Government policy to work in silos on developing their own microeconomies" [i14], which is in tension with Welsh Government efforts to develop more regional partnership level working. As one respondent noted, "it's so ad-hoc, it's so disjointed, and I'm just nervous if this is how we're developing the economy, and it's just so stupid" [i15]. In light of these tensions, and in recognition that local authorities "need to speak the language that the funder wants to hear", there is a fear that these competing priorities may result in "a lack of joined-up policy and practice" [i1].

b. Perceptions of ambition and impact

Although the NWGD was driven by the pragmatic and opportunistic need to access funding, one respondent in a senior role perceived that "from the very beginning, the ambition board had set out their vision for the North's economy very clearly" [i8]. Likely evidence of this would be the 2016 *Growth Vision for the Economy of North Wales*, reiterated in the 2018 launch document *A Growth Deal for Wales*, which set out to pursue innovation in high value sectors, improving transport and digital infrastructure, and retain young people through increasing employment and educational levels. Additional claims were made that the NWGD would 'build a more vibrant, sustainable and resilient economy in North Wales, building on our strengths to boost productivity and tackling long term challenges and economic barriers to deliver inclusive growth'³. Similarly, the deal itself was premised on unambiguous targets for 2036 of contributing to an uplift in GVA of £2-2.4bn, creating up to 4,200 jobs, and attracting further private and public sector investment.

Recognition of these headline targets was expressed by most respondents, although there were doubts as to whether the economic goals were realistic. In particular, "the original growth strategy for the economy of North Wales had some very ambitious targets for the growth of GVA... and there's no chance it's going to do that in the timeframe that we've got" [i4]. Whilst respondents tended not to reflect on the NWGD in terms of broader macroeconomic context, it was noted that there has been a long-term trend of "GVA stagnation across Western economies", and that "we have to be very careful to not claim that we can achieve something in the face of wider evidence that it's almost impossible to achieve" [i6]. Whilst the NWGD is constrained by UK and Welsh government expectations and guidelines concerning economic growth, reflecting on these broader macroeconomic trends will nonetheless be important when considering future opportunities for the NWGD. Whilst one respondent exuberantly suggested the NWGD had "loads of projects that can change the world" [i7], respondents were mostly more reserved in their ambitions. A number felt that the Growth Deal funding was ultimately "a bit of a token gesture" where "we are here getting the crumbs and saying thank you" [i15], a "kind of a side show" [i2] and "still marginal really" [i9] in the context of the wider challenges facing North Wales. It was also cautioned that the deal should not be seen as "a panacea for all economic, environmental or social problems in North Wales" [i8] and that "we shouldn't sit back and take it for granted that the growth deal is going to solve everything"

³ Provided as part of the 'strategic context' for the NWGD in each of the Executive Overviews for the five programmes.

[i11]. Despite these reservations, the NWGD was frequently framed as “a catalyst” [i8, i9] or “a boost” [i6, i9, i11] that could “enable economic development” [i14] and the “continuation of growth in wealth and jobs” [i13].

What was less clearly articulated was precisely how or why the targeted investments contained within the deal would function as a catalyst of a wider economic development, or indeed what that economic development would look like. One of the more concrete suggestions was that “the key enablers are the right skills agenda, the right transport agenda and the agenda relating to the planning of infrastructure within the region” [i9], yet both skills and transport investment predominantly sit outside the remit of the NWGD. In terms of infrastructure, some spoke of their vision for “the MDA to be the capital of the hydrogen revolution” with “hydrogen hubs in Flintshire, Wrexham and then going up the A55” [i13] with the goal of meeting the “potential demand for hydrogen in North East Wales, and Flintshire in particular” [i3]. However, this speaks to a particular strategy for either retaining or expanding heavy industry (such as cement production) in Mersey-Deeside, rather than a strategy for the development of the North Wales economy. Indeed, it is the Mersey-Dee Alliance (rather than the NWGD) that is primarily looking to draw down government support for the development of hydrogen infrastructure.

Considered part of infrastructural development, a considerable amount of hope was put on the digital portfolio, which was viewed to be “of fundamental importance, because, once you’ve got the connectivity, then the playing field levels a little bit, and rural companies can compete, they can be part of the supply chain, people can be working from home etc.” [i12]. Indeed, it was suggested that the digital programme “will have more impact on our rural communities than any other intervention” [i5], and that “without that technology, we [are] shafted in North Wales” [i4]. Whilst internet access is increasingly necessary in accessing key health, educational and social services, along with enabling online consumption, research has provided ‘limited evidence that broadband service affects rural economic growth’ (Kim & Orazem 2016) and there remain ‘questions whether broadband access in rural areas has the potential to contribute to economic development’ when rural business ‘tend to lack propensity for growth and diversification’ (Galloway 2007). Whilst the expansion of internet access should be seen as the necessary provision of a social good, its role in fuelling economic growth in rural areas remains uncertain.

Contrary, then, to the perspective that “the ambition board had set out their vision for the North’s economy very clearly” [i8], others who had “spent years absolutely committed to developing this vision for a North Wales Economic Growth Vision” reflected that they were “not sure how coherent it is if I’m being really honest” [i11]. Others raised questions about “how the Growth Deal was structured in the first place, it was really like these 14 projects and there’s not an overarching strategy” [i6] and expressed doubts that the NWGD had “embraced developing the economy in the most strategic way” [i13]. Despite being “committed to the growth scheme”, others reflected that “there is no strategic economic planning” and “no alignment to create a foundation to develop the economy fairly across everywhere” but rather “a kind of patchwork... we’re making a patchwork of developing the economy and I can’t put it better than that, sorry” [i15].

This raised questions over how the projects funded by the NWGD contributed to a wider economic agenda, when it was widely acknowledged that “there's compromises we've had to make to make the whole project work together, because it only took one of the six local authorities to say I'm not playing this game, and the whole bid collapses” [i6].

“There was absolute insistence in North West Wales that we included tourism in the growth deal. Now you tell me whether that's going to provide the economic growth to you know, double the GVA of the area or whatever, no chance. But we had no choice, because the number of jobs that are dependent upon that sector in North West Wales is huge, and politically it was very, very important that it was recognised and developed” [i4].

In one respect this demonstrated the capacity of the local authorities to collaborate in accessing funding in an otherwise unlikely context. Yet it also led to a basket of projects shaped as much by “political convenience” [i10] and “the demands of Government, particularly British Government in terms of GDP growth” [i9], as it did a strategic economic intervention aimed at fulfilling a substantial vision of the North Wales economy. As one respondent concluded, “there's no forward thinking around creating the economy for the future, is there?” [i15].

c. The Wellbeing of Future Generations Act and the NWGD

The foreword to the North Wales Growth Deal Final Deal Agreement noted that ‘our approach is to promote growth in a scalable, inclusive and sustainable way in line with the Future Generations Act’. Underlying this point, the five programme Executive Overviews noted a ‘particularly strong alignment with the Well-Being of Future Generations Act and its cross cutting themes’. Given the 2015 Act ‘gives a legally-binding common purpose for national government, local government, local health boards and other specific public bodies’⁴, the NWGD is required to take all reasonable steps to meet the Act’s objectives.

Opinions on how the Act was being embodied by the NWGD were mixed. Some respondents were initially bullish in suggesting that “what is in the Wellbeing of Future Generations Act, it’s just common sense, isn’t it?” and that “if you look at the five themes [SIC⁵] in the Wellbeing of Future Generations Act, I think you can see them all within the Growth Deal”, although this confidence was somewhat dampened by the reflection that “there is no alignment between that expectation within the Future Generations and the policy tools that we have” [i3]. Others were more reserved in reflecting that whilst the principles behind the Act had “to some degree influenced the thinking around the Growth Deal” [i10], it amounted to “very light touch referencing” and that there was a need “to embed [it] in a bit more meaningful way”. Indeed, it was suggested that “you could hold [the NWGD] up against the Future Generations, and some of [the projects] might do better than others on a robust assessment” [i6].

Some of the more critical voices suggested that a “fundamental issue... is that the Growth Deal goes against the Wellbeing of Future Generations Act” and that “the fact that we have a

⁴ <https://gov.wales/sites/default/files/publications/2021-10/well-being-future-generations-wales-act-2015-the-essentials-2021.pdf>

⁵ Seven goals and five ways of working

Growth Deal at all in any part of Wales is a fundamental strategic... incognisance. It's wrestling with itself. To me it's a cognitive dissonance at a national level that we have three Growth Deals, four Growth Deals within the country, and yet we have a national act outlawing it if you like" [i16]. Similarly, whilst one respondent noted they were "a fan" of the Future Generations Act, they thought it was "sad that we need a law to think about planning the future to be honest" and that they "didn't think we're going to develop the economy in a long-term way... forget the future generations law" [i15]. Some respondents noted internal efforts to respond to this perceived disconnect between the NWGD and the Future Generations Act. Most prominently, it was noted that until the submission to the Executive Board of a discussion paper on the Climate and Ecological Emergency in March 2021, "there was probably very little dialogue that happened at the Board level about climate change and the implication of investing through the Growth Deal" [i14]. This discussion paper was reportedly well received, with the Executive Board agreeing to strengthening its commitment to deliver 'at least 40% less embodied carbon' and 'at least 10% net benefit for biodiversity' through the Growth Deal projects; commitments which need to be realised in shaping the project business cases⁶. Similar efforts have been made to nudge the development of the project business cases through incorporating certain FutGen indicators within the Benefits Realisation framework, such as promotion of "Welsh language, diversity and inclusion, retention of young people... but because it's not embedded it's tinkering. I whole heartedly recognise it's tinkering" [i16].

One example of the circumscribed impact of the FutGen Act is the £3m capital investment in the Digital Signal Processing Centre at Bangor University. Forecast to lead to the creation of 10 new jobs (from the current baseline of 11), it was recognised that there was a distinct risk that none of these jobs would be filled by people currently living in North Wales (the current 11 jobs are all filled by international staff members). In response, a target of ensuring that two of these 10 new jobs would be filled by Welsh residents was introduced to the Business Case. Whilst this shows there is some capacity to shape the delivery of projects, it is also illustrative of the concern that the Wellbeing of Future Generations is "not embedded" but rather amounts to "tinkering" with the projects. Furthermore, whilst the NWGD has thus nominally aligned itself with the Future Generations Act, there is a need to unpack the belief that the multifaceted ecological crises is a market opportunity, in which "the energy reduction, carbon reduction programme... is going to be the key to underpin economic growth" [i4]. Rather, the specific investments and overall strategic aim of the NWGD needs to be considered in the following context:

"The Growth Deal is a 15 year project, a 15 year package, and these 10 years are very critical in terms of moving to a low carbon economy which is embedded within the idea of prosperity for example within Wellbeing and Future Generations. Are these the right projects, are these going to really help the region shift to a low carbon economy in this period? Because if it's not in this period it's going to be too late, as in if you look at the pathways for decarbonisation we probably won't be able to do large infrastructure projects after a certain date because of the amount of emissions that they're continuing to put in" [i16]

⁶ Minutes from the North Wales Economic Ambition Board 26/03/21

d. *The foundational economy and the NWGD*

The foundational economy (FE) refers to the breadth of activities that are ‘close to wellbeing and the needs of everyday life’ (Barbera and Jones 2020). These activities are performed as both waged and unwaged work, take place across the private, public and third sector, and are both material goods (such as food, energy, housing, logistics and transport) and providential goods (such as healthcare, education and childcare). Interventions in the foundational economy are thus related to changing how such goods are provided, who provides them and makes decisions about their provision, and *who* profits and bears the costs of their provision.

Understandings of the terminology of the ‘foundational economy’ were varied. Some stated plainly that “the truth is I probably don’t really understand the terminology” [i10] whilst some were less comfortable in acknowledging their uncertainty [i13]. Others reflected that although they “struggled a bit with the term and find it quite opaque”, noting that they had seen the term used in discussion of heavy industry such as steel, it could be understood as “the everyday pieces of the economy that keep us all fed and healthy and, I guess, educated” [i6]. This was reflected by those who saw it as “the economy that supports people... that provides essential services for people within the region” [i14], that provides “the fundamental things you need to live” [i8] and that “are fundamental to people’s wellbeing and survival” such as “housing and food and power and all those sorts of things” [i1]. Several emphasised it was about “supporting local businesses” [i3] and “your sole traders, your plumbers, electricians” [i2], where “the whole thing is about recognising localism isn’t it... buy food locally, you know, live locally” [i5]. In this sense, one respondent also considered “tourism as a core pillar of the foundational economy” [i12].

Less common was the recognition that focusing on the foundational economy means questioning “how the economy is run and what we prioritise... what the economy’s for and who should benefit” [i1]. One starting point for this was an observation that “Wales for centuries has been stripped of its assets and the economic benefits have been derived by others outside the country. And, so why shouldn’t we own it really?” [i2]. One respondent exemplified this in their concern with “multinational building companies” that have “no real alliance or allegiance to an area. They have an allegiance to their profits” [i3]. Similarly, the “big national companies wouldn’t think twice about leaving a property empty on a high street, they don’t think about the impact on the local area, because that’s not their priority” [i5] whilst major employers such as Airbus are “always big on this local employer thing [but] if push came to shove, they’d just think about profits” and “would go at the drop of a hat” [i3] if production costs in Flintshire increased.

Although visions of an alternative approach to economic development were largely absent in the interviews, the Morlais tidal energy scheme and Glynllifon Rural Economy Hub were two Growth Deal projects highlighted as “potentially part of the solution” [i16]. One respondent used the example of the Community Benefit Company *Ynni Ogwen* to illustrate what it meant to rethink the development of the foundational economy:

“Ynni Ogwen creates power and energy through the hydro scheme in Bethesda, and the energy is then gradually released into the grid, and they don’t get the best out of it... What would be great obviously would be if the energy created from the river was

used in our houses in Dyffryn Ogwen, so that our tenants buy the energy locally, and the money stays local and is then used to support community activities, adapt buildings in the valley for a community purpose that will benefit our tenants, rather than going to the shareholders at British Gas in London. So that for me is the circular economy, that's the foundational economy" [i9].

From the perspective of the Growth Deal, a significant challenge is that the FE was understood as “the non-sexy bit... it’s the mundane. It’s not the advanced manufacturing, the sexy bit, the growth bit... it’s the rest of us” [i4]. With the NWGD structured around the primary goals of job creation, GVA uplift and encouraging private investment, it was “very difficult to see where the foundational economy fitted into the deal, wasn’t it” [i15]. There was a sense that “when we were developing the Growth Deal, the foundational economy could not be taken into account, it had to be about high growth and that was the real message, the mandate, from UK government in particular” and that “if you brought it up, that would be your failing as a person, because you had misunderstood the purpose of this funding” [i12].

“In terms of the growth deal, the guidance and direction I was getting was to focus on the high growth sectors, to focus on quality employment, what is going to improve the performance of the GDP. There was always an emphasis on improving the performance of the GDP, or GVA, that was the basis of the growth deal. Now the foundational economy is a little bit different isn't it. Whilst focusing on the foundational economy, you're not going to see a significant improvement in GVA or GDP, but what you can see is that you can sustain your communities, you can maintain wages, you can sustain services" [i9].

This sharp distinction raises significant challenges if “the goal ultimately is that you would read about what we’re doing with the Growth Deal and you can absolutely see how it relates to the Wellbeing of Future Generations Act” [i14]. As mentioned above, whilst there have been subsequent efforts to include criteria other than economic growth within the Benefits Realisation framework, and whilst the Welsh National TOMs framework⁷ is designed to reflect the priorities of the FutGen Act, this is ultimately “not embedded” in the purpose of the Deal but is rather “tinkering” [i16]. As one respondent considered, “is it going to make a difference to the foundational economy? I think it’s still early days... At the moment, mmm, I don’t know what it’s impact will be, no. If I’m completely honest” [i7].

⁷ Themes, Outcomes and Measures (TOMS) – is a framework for delivering excellence in measuring and reporting social value

Conclusion – Opportunities for transformation

“COVID has made people re-evaluate everything, and now there’s a whole sense of, well maybe there are other things that you’re looking at, maybe there’s productivity and maybe there’s the sort of, the quality or average salary or all sorts of different criteria that you could look at” [i12].

This report has covered four interconnected themes; firstly, that the NWGD was borne of political pragmatism and necessity, and that this partially characterises both the composition of the programmes and the overarching narrative about what the Deal ought to deliver. Secondly, that there are doubts that this narrative equates to a substantial vision for the future of the North Wales economy, and thus if and how the NWGD could help realise this. Thirdly, that there are significant concerns that the Wellbeing of Future Generations Act is not embedded within the NWGD, including a central challenge posed by the prioritisation of GVA growth and job creation over the development of a wellbeing economy within ecological limits. Fourthly, that whilst there are concerns about how foundational sectors in North Wales are owned and managed (and who benefits from this), there are relatively low levels of understanding and lack of knowledge about the sort of economic interventions that could address this.

Opportunities to respond to the themes raised in this research are both limited and shaped by the Growth Deal agreement with Welsh and UK government, not least that this is exclusively capital funding that must be used in the pursuit of GVA uplift and job creation. Yet the economic, social and political context has changed significantly since the Deal was negotiated. Reflecting on the research in the wider context, the report observes four opportunities for action at this early stage of the implementation of the NWGD.

Consider a strategic refresh of the North Wales Growth Deal

There are significant questions as to whether the negotiation of the NWGD was underpinned by a vision for future the North Wales economy that holistically spoke to the entirety of the region. Our research therefore points towards the benefits of undertaking a strategic refresh of the North Wales Growth Deal, to be led by Ambition North Wales, and to support the ongoing work of the Programme Office. The strategic refresh should guide and empower the Programme Office to embed this substantial economic vision within its benefit realisation framework.

The refresh should consider several key developments since the deal was in negotiation, including: the publishing of the North Wales Regional Economic Framework, post-2016 proposals and policy developments associated with the FutGen Act, and implications of the IPCC’s Sixth Assessment report⁸. The process of the refresh could also serve as an opportunity for collective learning about alternative economic policy and practice agendas, such as doughnut economics, community wealth building, collective approaches to land and home ownership via community land trusts, degrowth approaches in sectors such as tourism and regenerative agriculture, and so on.

⁸ The AR6 Synthesis Report is due for publication at the end of 2022, and will include a summary for policymakers

The refresh should also act as an opportunity to reengage Local Authority actors in the process of regional collaboration. The continuation of regional dialogues is essential in order to present what the ‘value added’ of regional working can be. This is ever more pertinent due to ongoing delivery of UK Government funds (see Levelling Up Fund) which could act as a divisive funding mechanism for the regional footprint.

Develop a revised decision-making matrix for the reallocation of capital funding

For varying reasons, it is anticipated that several projects may fail to reach delivery. Following the strategic refresh, there is an opportunity to develop a revised decision-making matrix for the reallocation of funding. While job creation and prospective economic growth remain contractual expectations for capital funding, a broader decision-making framework will be required to reflect the priorities of the strategic refresh.

This matrix should reflect the broad economic benefits that different investments could deliver (such as reduced fuel bills from retrofitting housing), their specific impact on wellbeing (such as improved mobility), and ecologically restorative effects of the investment (such as improved soil quality). Further, this matrix should look to reflect the system effects of investment, considering the ownership and governance models of potential projects. As illustrated through the earlier example of *Ynni Ogwen*, who owns resources and how they are governed has implications for what future growth looks like and who stands to be the principal beneficiaries. The collective learning undertaken as part of the strategic refresh should help inform and develop these criteria.

Reevaluate the existing portfolio of projects that have not yet received Full Business Case approval

Whenever and wherever legally possible, the existing portfolio of projects should be re-evaluated, whether through the revised Benefits Realisation framework or otherwise. Concerns were raised that a number of the projects may be ‘white elephants’, representing significant capital investment in infrastructure that may not be compatible with an ecologically sustainable well-being economy. This, in places, reflects a lack of attention to revenue consequences of capital schemes and in other cases where there have been specific issues with the delivery of certain projects. A strategic refresh should provide the opportunity to reassess if and how the existing portfolio of projects will contribute to fulfilling a substantial vision for the future North Wales economy.

Explore possibilities to innovate in realising social value, leveraging capital investment so to allow projects to ‘touch’ unwaged foundational areas

There is an opportunity for the NWGD to explore innovative approaches to realising social value, especially in enabling the NWGD to have a social impact in areas typically not associated with capital investment programmes. A key opportunity here has been highlighted in a recent report commissioned by the Office for Future Generations, which recommended that ‘public sector procurement strategies should be used – in line with the Fair Work Commission and the Well-being of Future Generations Act – to encourage working time reduction with private sector partners’ (Autonomy 2022: 11).

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