Wrexham Gateway
LCR STRATEGIC OUTLINE BUSINESS CASE (SOBC)

January 2021

PREPARED BY

North West Office of LCR

LCR

Project Name	**Wrexham Gateway**
LCR Project Lead	**Adam Wisher, Regional Director**
LCR Sponsor (SRO)	**Rick Lawrence, Property & Partnerships Director**

Project Description (Strategic Context)

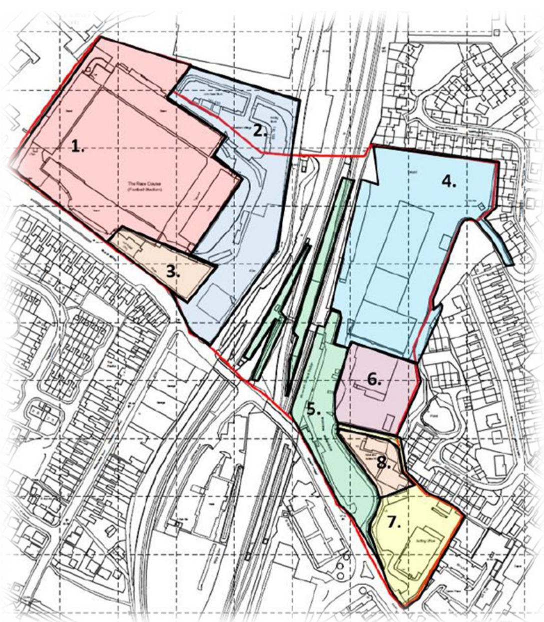
Describe the Opportunity

A mixed-use regeneration proposal at Wrexham General Station, one of two train stations located in the town centre of Wrexham.

LCR have a signed collaboration & task agreement in place with the Wrexham Gateway Partnership (WGP) which comprises Wrexham Council, Welsh Government and Wrexham Glyndŵr University. We have recently completed our initial scope of support on the project and the agreements allow for continued collaboration between LCR and WGP subject to agreement by the WGP and approval from the LCR P&P Panel.

The regeneration has the potential to enable up to 252 homes and over 16,000 sq.m of commercial space to include a new football stand, all of which is estimated to generate £39.7m of Public Value to contribute towards LCR's strategic delivery targets.

Location of Project (plus masterplan proposal)



Landownership facts:

- Site area: c12 acres.
- 4 land parcels to be consolidated. NR land - see green land ref 5. WGP land - see ref 1, 2 & 6.
- Welsh Government has already acquired some land. Network Rail ownership and university ownerships also to be consolidated.

What have we spent to date

LCR has incurred the following costs on the project to date:

- External Consultancy Fees - £20,000
- LCR Resource Cost - £15,000
- **Total - £35,000**

This has delivered a review of partnership's previous masterplan and an additional two alternative proposals, all with order of cost estimates and full development appraisal options based on a number of delivery models and levels of public sector intervention.

Feasibility analysis on the previous masterplan plus additional design iterations managed by LCR has bought the viability gap down by c£9m from our analysis of the previous masterplan, however the appraisals still show a negative land value in the region of -£43m to -£45m. There are clearly significant challenges in delivering on partnership objectives on a conventional appraisal model.

The feasibility work showed us that the scheme is unlikely to be deliverable on a conventional land promotion & disposal delivery model. For the masterplan to deliver on the WGP objectives, the public sector partners will need to take on a more active role in delivery and therefore take more risk. This could be through a number of mechanisms including:

(a) Underwriting investment assets through public sector taking on head leases of assets.
(b) Grant funding for infrastructure.
(c) Direct delivery of certain plots.

Early analysis indicates that intervention options a & b could improve the appraisal position by £11m - £28m depending on the level of intervention by the WGP, these are summarised as follows:

Intervention	Combined Deficit	Deficit less Stadium	Improvement from Baseline Appraisals
(a) PubSec Head-Lease*	**-£34,023,083**	**-£21,500,000**	**£11,000,000**
(b) Infrastructure Grant	**-£27,923,953**	**-£15,400,000**	**£17,100,000**
(a) & (b) Head-Lease & Infra Grant	**-£17,038,149**	**-£4,500,000**	**£28,000,000**
(c) Direct Delivery	We have run high-level models which improves viability further. We will explore this model in more detail, looking at specific assets for an early phase that may be more risk averse and can help act as a catalyst for the masterplan.		

**applied to office, hotel & MSCP assuming pre-lets to long term occupier/operator with strong covenant*

LCR's public value calculator has estimated that **the project could generate £39.7m of public value.** For context the estimated public value for the Batch 1 sites in Stockport & Trafford is a total of £3.8m, so this project could generate around 10x more public value than those three sites combined.

With a level of commitment already taken place on the land, we also think there may be appetite for a level of intervention by the WGP and have modelled a number of scenarios with differing public sector risk profiles. These models have reduced the gap by up to £28m. With a careful phasing strategy and pre-engagement with end users, there may also be certain assets that could be directly delivered by the public sector, such as the hotel or a pre-let office, to act as a catalyst to the wider regeneration, generating market appetite and closing the viability gap further. Indeed the Council is in discussions with TfW and Health Authority regarding office pre-lets and Hampton by Hilton for the hotel component.

Despite the challenges, there is senior will within the Welsh Government and the Council to take the proposal forward. The focus on the proposal has risen further with the football club recently changing hands to a consortium of high-profile investors https://www.bbc.co.uk/sport/football/54973357 - *"Why Wrexham? Why not!" - Rob McElhenney.*

The WGP have recognised the value brought by LCR thus far and have requested correspondence on our continued involvement. A fee basis (as opposed to equity) could be explored to enable us to set a delivery structure and planning framework that would enable us to recognise these significant public value targets.

Projects such as Wrexham Gateway keep up LCR's track record and profile of our ability to support in the delivery of large scale, transformational regeneration projects but also could introduce an alternative operating model to work on projects where a return on investment via equity is a challenge.

Next steps to progress

LCR Way Stage 4 - Feasibility & Strategy (OBC)

External fees £191,950 + LCR Resource Cost £25,638

Due to the viability challenges noted it is proposed that LCR does not contribute towards the external fees and will be supporting through its internal resources, providing a development management function only.

(1) Point for panel approval: progressing of the above net spend to LCR of £25,638 comprising LCR resourcing costs only. The panel will be updated once we have confirmation of WGP funding for additional world.

A full breakdown of this cost is shown in Section 5.4.

This spend will enable us to achieve the following target milestones:

Interim focus:

Approvals / mobilisation: Jan - April (no LCR spend).

SOBC - OBC:

1. Completed due diligence and revised masterplan proposal - September 2021.
2. Land Promotion Heads of Terms or other agreement to govern future delivery - October 2021.
3. Confidence in scheme deliverability with a clear delivery, funding and phasing strategy and defined early intervention - November 2021.

OBC - FBC:

1. To include level of planning certainty, most likely Strategic Planning Document - March 2022.

Key Stakeholders: Other organisations involved in project: (briefly explain roles)

Stakeholder	Interest / Involvement
Wrexham Council	Local Authority and Planning Authority
Welsh Government	Landowner and Potential Funder
Wrexham Glyndŵr University	Landowner
Wrexham A.F.C	Leaseholder of the Stadium
Network Rail	Landowner and Rail Authority
Transport for Wales	Train Operator

Score from 1 (does not meet criteria / not sufficient information) to 3 (fully meets criteria)	
5 Case Model (assessment for prioritisation)	
Strategic *Fit with Local Growth Aspiration* *Requires public sector intervention*	3
Financial *Affordability and viability of scheme*	1
Commercial *Scale and resilience of demand for space*	2
Economic *Significance of potential economic returns and local regeneration need*	3
Delivery *Strength of existing relationships* *Local Consensus* *Complexity of delivery*	2
Project Delivery Timeframe (anticipated)	tbc
Project Benefits: **e.g. Homes, Jobs, Commercial Development** **(Select the main theme relevant to the project)**	252 Homes 16,400 sq. m Commercial Space 792 Jobs (Construction & Operational) 686 Population Capacity Station Improvements & Enhanced Passenger Experience
Public Value Aspiration Overview	£39.7m

i. Economic Impact	£36.7m
ii. Financial Impact	£1.5m
iii. Social Impact	£1.4m
iv. Environmental Impact	£0.1m
Total Anticipated Final Cost of the project	tbc
Forecast Cost for the completion of the next stage	£201,063* ***consultancy fees not funded by LCR - LCR to provide resourcing support only at an estimated internal cost of £25,638** *(see Section 5.4 for breakdown of services and structure of draw down)*

Contents

Purpose of the Strategic Outline Business Case

The purpose of the Strategic Outline Business Case (SOBC) is to establish the strategic context for the project, provide evidence for the case for change and set out the process for establishing the preferred way forward. Building on the baseline information provided in the Project Brief. The SOBC will provide the necessary information for LCR to assess the scope and anticipated benefits.

It also sets out the proposed commercial strategy, including procurement arrangements, demonstrates the project's affordability and outlines the management arrangements for the successful delivery of the project.

The SOBC will determine whether a project should continue and enter into a Task Agreement with the identified partners to complete the feasibility and strategy stage.

Part 1 - Strategic Case

1.1 Project Overview

State the brief description of the project, including its objectives, key deliverables, funding being sought and the details of the wider programme or package of investments that the project sits within (if applicable) and project benefits. (approx. 550 words)

This is the first time that Wrexham General Station has been considered by LCR under the new governance structure.

1.1.1 Project Context

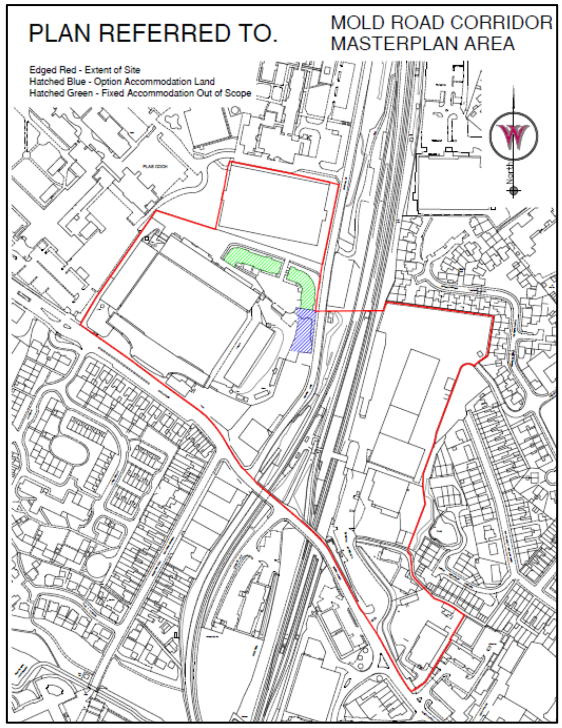
In February 2020 the WGP commissioned The Urbanists, supported by Colliers and Mott MacDonald to undertake a masterplan exercise and feasibility study to maximise development opportunities at Wrexham General Station.

The objectives of the WGP are as follows:

- Delivery of a first-class spectator stadium to serve North Wales.
- Maximise development opportunities that improve the gateway into Wrexham.
- Undertake a series of interventions for integration with the wider area.
- Enable enhancements to the station to become a better regional transport hub.
- Develop proposals that are cognisant of existing landownerships.

Wrexham General Station Masterplan

The study area can be seen to the below-right. The Urbanist masterplan delivers on the WGP objectives outlined above however the Colliers appraisal work had identified viability challenges.



LCR entered into collaboration with the WGP in August 2020 to support on the feasibility and to engage with Royal Mail regarding any potential relocation. The feasibility study ran through to November 2020 where we established a more detailed assessment of the viability of the Urbanist masterplan. We appointed Farrells to develop two alternative design options which reduced the viability gap considerably, although significant challenges still remain in this regard. The Urbanist masterplan plus the 2 Farrells layouts can be seen below:

1.1.2 Project Description

A mixed-use regeneration proposal at Wrexham General Station, one of two train stations located in the town centre of Wrexham.

LCR have a collaboration & task agreement signed with the Wrexham Gateway Partnership (WGP) which comprises Wrexham Council, Welsh Government and Wrexham Glyndŵr University. We have recently completed our initial scope of support on the project and the agreements allow for continued collaboration between LCR and WGP subject to agreement and approvals.

The proposal has the potential to enable up to 252 homes and over 16,000 sq.m of commercial space to include a new football stand, all of which could generate £39.7m of Public Value to contribute towards LCR's strategic delivery targets.

1.1.3 Programme & Key Deliverables

We are now in a position where we believe to have defined a scheme that meets the partnership objectives and could be deliverable subject to the public sector undertaking certain interventions and accepting some development risk. The existing masterplan can be seen in ***Appendix A: Masterplan Studies*** and in summary the scheme could deliver following outputs:

Homes	Community / Commercial	Affordable Housing
252	16,400 sq.m / 176,500 sq. ft.	tbc

In terms of station uses and improvements, these proposals deliver a new car park with increased provision to service the station, whilst providing improved public realm and a footbridge to enable access from both sides of the railway.

The next steps would be to complete further feasibility alongside the relevant due diligence studies in the coming months and so the scheme outputs will continue to evolve.

1.1.3 Rationale for Funding Requirements

The investment made to date has enabled us to start to understand the complexities the site and viability challenges which has many challenges including the requirement of some level of public sector intervention. The work undertaken has also given the WGP confidence in the value that LCR will add as a longer-term partner.

Due to the scale and regeneration ambition of the masterplan proposals, a more detailed feasibility study is required to include a number of baseline technical studies to support the cost plan and appraisals, to fully establish the viability of a scheme and the means by which it could be delivered and funded.

1.1.4 Identified Benefits

Provide an update on how the project has progressed since the SOBC was prepared, including any key changes that have occurred. (approx. 100 words)

The breakdown of scheme outputs can be found in Section 1.1.2 and the anticipated public value benefits associated with this can be found in Section 2.3.

The potential public value impact of the proposal is noteworthy and can provide a significant contribution to LCR's strategic targets through continued involvement, whilst managing our risk and cost exposure.

1.2 Strategic Alignment

How does this scheme support and align with LCRs Strategic /objectives (approx. 100 words)

From challenging sites, LCR enables the creation of great places for the benefit of society. This is LCR's continued strategic intent through its national collaborations. This masterplan has great potential to achieve exactly that by unlocking the potential of sites in an economically challenging area which, in their current makeup are too complex for the market for a number of reasons and so would not be delivered without some level of intervention by the public sector.

The projected outputs which include new homes, various commercial uses, station improvements and other placemaking benefits, are all directly aligned with LCR's and other partner's strategic objectives and contributes to delivery targets in relation to enabling homes and unlocking public value.

This site also presents an opportunity to better establish the concept of LCR's emerging ways of working in strategic partnerships, being near the forefront of LCR's emerging collaboration model to help facilitate the delivery of challenging sites. As such it can help to accelerate momentum on LCR's ambitious 10-year strategy of enabling release of land capable of supporting c.50,000 homes, c.50,000 jobs and in excess of £7bn of Public value alongside a sustainable dividend profile for its shareholder.

With key parties involved such as Transport for Wales and Welsh Government, this project also presents an opportunity for LCR to widen its geographical remit and establish itself across Wales where there are doubtless numerous additional opportunities to delivery on the strategy.

Which other local and national strategies will the project contribute to and how? (approx. 300 words)

In terms of wider regional and national strategies, the schemes deliver on a number of key agendas. Core to government policy is the housing agenda which the masterplan delivers on. In addition, this project aligns with further regional and national strategies including levelling up of the economy, developing on brownfield land and encouraging more sustainable lifestyles with increased usage of public transportation.

1.3 Project Justification

Provide evidence of need or demand for the project. (approx. 300 words)

We will be undertaking a soft market testing exercise in the next stage of work to fully gauge market appetite. Wrexham Council has been in informal dialogue with a hotel operator who has shown interest in this location.

Transport for Wales also have an office requirement and they intend to take occupation of an office on the site upon completion. Their spatial requirement is still to be determined.

Explain what barriers/problems the project will address and/or the opportunities it will unlock. (approx. 300 words)

There are a number of barriers and constraints to contend with as we work through design stages and respond to stakeholder feedback. One common barrier is the key partnership objective to deliver a first-class spectator stadium, at international standards to serve North Wales. This has a substantial capital cost in the region of £12.5m - £20m depending on the level of facilities included within the stadium structure. With limited revenue generated for the appraisal, it provides a significant financial burden to the wider masterplan.

This barrier is compounded by challenging market conditions and local desire to deliver additional commercial uses whilst also diversifying the current residential offering. As values are low apartments are not conventionally viable, hence why typical surrounding stock tends to be Victorian terraces or new builds suburban housing, delivered at low density by volume housebuilders. However initial market advice has indicated that there may be a market for PRS tenures which could provide a viable route to delivery for these elements of the masterplan.

State why the project public sector funding is required. What market failures will the project address? (approx. 300 words)

Whilst there is no explicit evidence of market failure at these locations, they have intricate complexities related to landownership structures and the rail environment which make them unappealing to the marketplace in their current guise and are untested until now. Therefore, upfront funding is required by the public sector to de-risk these opportunities and make them investable sites for a development or funding partner.

1.4 Stakeholder Involvement

Who are the key stakeholders and main beneficiaries of the project? (approx. 150 words)

There are a number of key public and statutory authorities that are engaged in the project, either in the capacity as a project partner or project stakeholder.

In addition, there are a number of third-party landowners who have key existing stakes in the sites at a commercial level whom LCR and the WGP intend to engage with in the coming and months.

The Wrexham Gateway Partnership (WGP)
The WGP comprises the following parties:

- Wrexham Council
- Welsh Government
- Wrexham Glyndŵr University.

These stakeholders have driven the project forwards from its inception and have all been fully engaged since LCR entered into collaboration and completed the feasibility study.

The project is a strategic high priority for all stakeholders and through these parties they have a local influence, a funding source and hold good portion of the landownership within the study area. This gives confidence that despite the viability challenges, the right people are around the table with appetite to move the scheme forwards and take on some level of risk to enable delivery.

Network Rail & Transport for Wales
The rail industry is key as always, both as a landowner (Network Rail) and operator (Transport for Wales) of the station, which is the catalyst for the regeneration. Transport for Wales also has an office requirement and could occupy an early office development so may also have this additional commercial influence going forwards. Early and continued rail engagement around the station and any potential changes or enhancements will form an important part of the next stage of work to ensure buy-in.

Landowners
In order to deliver the schemes proposed there is a requirement to incorporate 3rd party land. A landownership map can be found in ***Appendix B: Landownership*** and there are four 3rd party ownerships to consider in Wrexham.

Due to the likely viability challenges of this scheme and the Council key strategic objective to intervene at this location, we advise that LCR does not seek to acquire land and land should instead be assembled either via Local Authority intervention or via grant funding, likely via Welsh Government.

1.5 Constraints and Dependencies

Describe any constraints that could affect the successful delivery of the project in line with its identified objectives (e.g. Government policy or regulation). (approx. 200 words)

Land Assembly

The spend, as with all to date, comes at risk in the absence of the WGP agreeing terms on some key 3rd party landowners to enable implementation of the proposals.

Set out any actions or developments required of others that the success of the project is dependent on (i.e. external influences on the project). What are the key success factors? (approx. 200 words)

Grant Funding Assistance

These sites will require grant assistance to deliver infrastructure and achieve policy compliant affordable housing provision, as well as meeting other key objectives of our strategic partners such as delivering the new football stand.

Although Homes England do not operate in Wales, Welsh Government appear to take similar roles & responsibilities evidenced by land assembly within the study area. We will seek to better understand the mechanisms by which Wales accesses grant in the next stage, be it by direct applications to Central Government or via a devolved allocation to Welsh Government. In any case, the presence of local & national government within WGP provides confidence that some of the tools of the public sector arsenal to assist viability could be accessed for the benefit of the proposal.

Part 2 - Economic Case

2.1 Options Considered

There will be a number of scenarios to assess and consider in respect the masterplan as we work through the next stage of detail. Clear options will emerge with regards to the level of site assembly required. We have already undertaken initial appraisal analysis around scheme delivery with or without the Royal Mail site, which was well received by partners.

We envisage that the key options to work through in the next stage of work will focus around the extent of public sector intervention and partners appetite for the same; related to this will be detailed thinking around the first phase and enabling its delivery.

Alongside this is the broader consideration of whether the partnership chooses to zoom in on an initial intervention phase for future due diligence or continues to work up comprehensive strategic masterplan proposals. With the deliverability challenges in mind, it may be the former that is optimal to build regeneration momentum and help the wider vision be realised in future phasing, whilst gaining a level of planning certainty over the wider proposal.

All options will be assessed alongside a ‘do nothing’ scenario as a baseline consideration.

2.2 Estimating Public Value Impact

The following table sets out the public value that could be generated in implementation of our current preferred option. More detail on the methodology behind these figures can be provided on request.

Metric	Scheme Output
Financial Value	£1.5m
Economic Value	£36.7m
Social Value	£1.4m
Environmental Value	£0.1m
Aggregate Public Value	**£39.7m**
Household Operational Expenditure	£4.9m
Construction Jobs Created	136
Operational Jobs Created	656
Population Capacity Increase	686

What are the main outcomes that each option is expected to generate? Please explain how each option will generate or contribute to increased economic activity (as measured using Gross Value Added (GVA)) and employment. This could include indirect and longer-term benefits - although if these are identified please indicate whether and how much additional public funding would be required to generate them (approx. 150 words)

Please explain the other wider benefits (including social and environmental effects) that each option will generate. (approx. 250 words)

These proposals with be transformative to the passenger experience and sense of arrival at the station. Existing local businesses in the vicinity will also benefit greatly from an increased population and improved place at its doorstep.

The average house price in Wrexham was around 66% of the average across England & Wales in the last 12 months. As such the public value and other benefits that the schemes will bring will surely have an amplified, unquantified effect in terms of boosting the local economies and driving future growth, improving the existing market and also introducing new markets to Wrexham.

How does the project respect the principle of sustainable development? In particular how does the project maximise positive environmental impacts or mitigate potential negative impacts (with regard to the "polluter pays" principle where appropriate)?

The development of new housing and commercial space at sustainable station-side location on existing underutilised brownfield sites is directly aligned with LCR's strategy and the core principle of sustainable development. We will seek to maximise the scale and quantums achievable at the location, within the local planning and site context.

Please explain the level of 'additionality'1 associated with the benefits under each intervention option at both the LCR level and the UK level. (approx. 300 words)

The profile of a successfully delivered, locally high-profile scheme in an economically challenging area will help raise the profile of LCR amongst further local and strategic authorities both locally and nationally.

An ongoing working relationship with partners such as Welsh Government and Transport for Wales could also open up numerous future working opportunities for LCR across Wales.

Part 3 - Commercial Case

1.1 Governance Structure

We intend to continue working with the WGP under the terms of our existing Collaboration and Task Agreement for the further feasibility, due diligence and strategy work and seek agreement on the basis of future funding. Programme, budgets and scope of work will be agreed between partners and formally noted at the Working Group, before being added as an addendum to the Task Agreement.

These arrangements will ensure that LCR's investment and associated interest is protected and aligned with the national collaboration with Network Rail.

3.2 Procurement

If you intend to commission or procure any activities in the development or delivery of this project, please demonstrate that your procurement method will comply with public procurement requirements (e.g. will your procurement trigger the OJEU process). Set out details for each procurement. (approx. 100 words)

All consultants to be retained have been procured previously via mini competitions or existing LCR contracts which have been jointly approved between the project partners. Due to the level of fees on a consultant-by-consultant basis there has not been the need to run an OJEU compliant procurement process in this regard.

Additional services not already procured previously will be appointed via either a mini competition or utilising a procurement framework, subject to partner approvals.

3.3 Statutory and Other Consents

Please indicate how the project complies with and/or has secured (is securing) the necessary regulations and requirements with regard to: (approx. 200 words)

Statutory consents such as planning and rail clearances will be undertaken in future stages of work however this work programme will shape the masterplan into a proposition that this acceptable and compliant in principle, in order to achieve these required statutory and regulatory consents in future.

We anticipate that some form of planning document such as an SRF or SPD will be drafted and endorsed in the future de-risking and structuring stage of work, following completion of the next stages of work.

Part 4 - Financial Case

4.1 Project Cost Summary

Provide a summary of the required project funding. and the position in relation to the LCR Business Plan The costs should be presented in current prices = i.e. including inflation (please outline any assumptions made about inflation).

See below historic costs incurred to date by LCR:

- External Consultancy Fees - £20,000
- LCR Resource Cost - £15,000
- **Total - £35,000**

These costs are currently captured and recoverable under the terms of the existing Collaboration and Task Agreements between LCR and the WGP and were approved by all parties within the agreements and at through respective Working Groups or email correspondence, details of which can be provided upon request.

The estimated required external spend for the next stage of work is £191,950. Due to viability challenges and uncertainty on deliverability we are proposing that LCR does not fund the delivery of these services but retains a role and stake solely by way of providing a development management service to help drive the project forwards**.**

The LCR resourcing costs for this work is estimate at £25,638. This would be the extent of LCR's financial exposure to the project.

These costs have been established using working experience on other projects and informal dialogue with consultants.

4.2 Capital and revenue costs

On review of the appraisal work prior to LCR involvement there were significant omissions in the figures and cost items, which notably excluded site-wide public realm and infrastructure costs which are always substantial in a masterplan of this scale. Using our revised cost assumptions as informed by Arcadis, we arrived at the following financial outputs for both the Urbanist masterplan and the 2 options developed by Farrells:

East Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
The Urbanist *(LCR Appraisal)*	**-£30,604,997**	**£35,552,509**	**£4,947,512**	**-£15,883,035**	***-£3,150,000***	**-£19,033,035**
Farrells Option A	**-£22,653,935**	**£26,363,873**	**£3,709,938**	**-£10.192,985**	***-£3,150,000***	**-£13,342,985**
Farrells Option B	**-£22,653,935**	**£26,363,873**	**£3,709,938**	**-£10.192,985**	***-£3,150,000***	**-£13,342,985**

West Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
The Urbanist *(LCR Appraisal)*	**-£20,649,125**	**£23,586,000**	**£2,936,875**	**-£37,681,079**	***-£1,600,000***	**-£39,281,079**
Farrells Option A	**-£22,653,775**	**£25,986,000**	**£3,350,225**	**-£30,040,324**	***-£1,600,000***	**-£31,640,324**
Farrells Option B	**-£22,636,281**	**£25,986,000**	**£3,349,719**	**-£28,533,173**	***-£1,600,000***	**-£30,133,173**

Combined Surplus/Deficit

Masterplan	Combined Deficit	Stadium Costs	Deficit less Stadium
The Urbanist *(LCR Appraisal)*	**-£58,314,114**	**£12,500,000**	**-£45,800,000**
Farrells Option A	**-£44,983,309**	**£12,500,000**	**-£32,500,000**
Farrells Option B	**-£43,476,158**	**£12,500,000**	**-£31,000,000**

It is clear from the feasibility study that the scheme is not viable and is unlikely to be deliverable on a conventional disposal delivery model. For the masterplan to deliver on the WGP objectives, the public sector partners will need to take on a more active role in delivery and therefore take more risk. This could be through a number of mechanisms including:

1. Underwriting investment assets through public sector taking on head leases of assets.
2. Grant funding for infrastructure.
3. Direct delivery of certain plots.
4. A combination of the above.

Early analysis indicates that intervention options 1 & 2 could improve the appraisal position by £11m - £28m depending on the level of intervention by the WGP, these are summarised as follows:

Intervention	Combined Deficit	Deficit less Stadium	Improvement from Baseline Appraisals
PubSec Head-Lease	**-£34,023,083**	**-£21,500,000**	**£11,000,000**
Infrastructure Grant	**-£27,923,953**	**-£15,400,000**	**£17,100,000**
Head-Lease & Infra Grant	**-£17,038,149**	**-£4,500,000**	**£28,000,000**

We have also run models on the basis of option 3, looking at direct delivery from the public sector with an appointed development management team. This improves viability substantially and we will explore this model in more detail, looking at specific assets for an early phase that are more risk averse and can help act as a catalyst for the masterplan.

More detail behind these figures can be provided on request.

Whilst future design optioneering and management of consultants should ensure that we arrive at a scheme that is closer to viable going forwards, there is unlikely to be any residual value to enable LCR to recoup costs spent. We are not, therefore, recommending that LCR commits further capital to the project beyond internal time in supporting the delivery of the project.

In financial terms, it is likely to be a cost-neutral venture to LCR, provided that we can reach agreement with WGP to recover costs under the terms of our existing agreement. However, this masterplan could produce in the region of £40m in public value which is a significant contribution towards LCR's public targets and with limited future cost exposure - we consider it to be a worthwhile venture to continue support to the WGP through the next stage of work.

Please explain the source and evidence for the costs set out above (provide separate detailed information as appropriate)

In accordance with LCRs requirements please provide a development appraisal, summary assumptions/evidence.

To be confirmed following feasibility study and design optioneering in the next stages.

Identify the areas where contingency has been applied and the reasoning behind the level of contingency. (approx. 100 words)

To be confirmed following detailed financial analysis in the next stages.

Part 5 - Management Case

5.1 Management Arrangements

Please summarise the project governance and management arrangements, including the organisation and management structure for the project and key roles and responsibilities. (approx. 300 words)

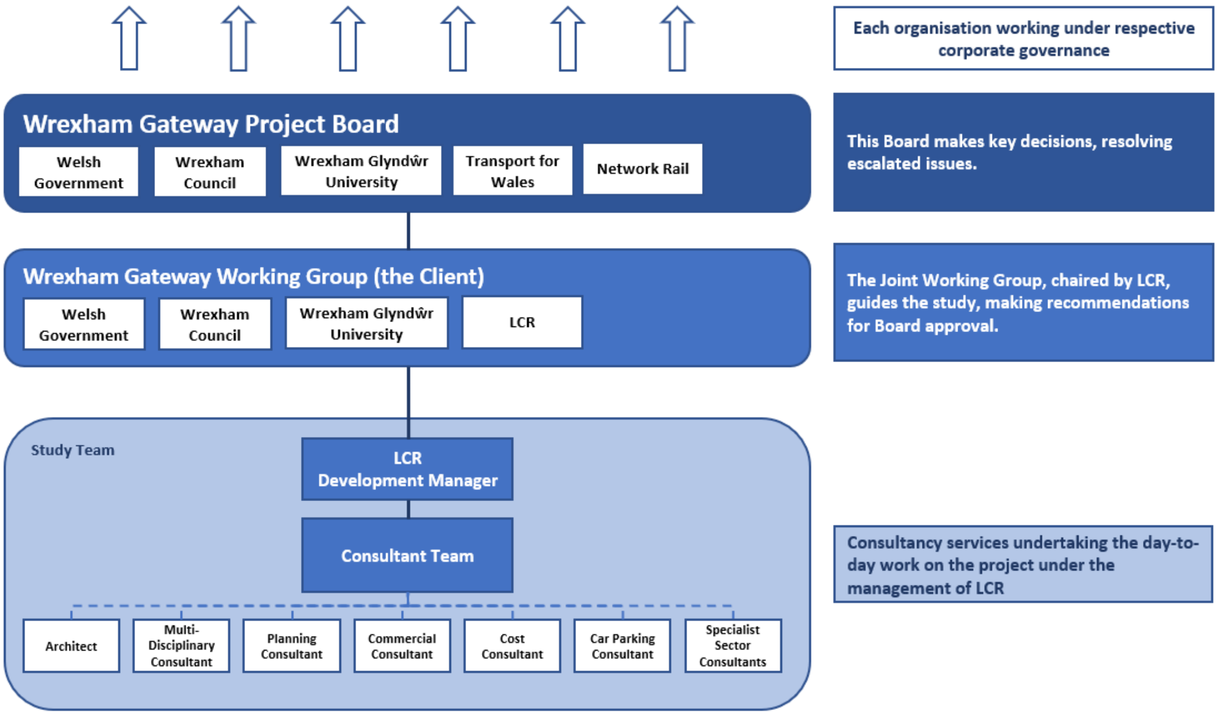
Please summarise the anticipated project governance and management arrangements, including the organisation and management structure for the project and key roles and responsibilities. (approx. 300 words) including

- *Outline Programme and Project Board. and reporting arrangements.*
- *Project manager and team.*
- *Project plan and agree deliverables.*
- *Budget allocation and resources.*

We intend to continue working under the terms of our existing Collaboration & Task Agreement in place between the LCR and the WGP for the proposed work programme. Programme, budgets and scope of work will be agreed between partners and formally noted at the Working Group, before being added as an addendum to the Task Agreement.

There is currently a monthly Project Board which governs the activities of the WGP and makes key decisions on the project. It is proposed that an additional layer of governance is introduced below this to provide a project Working Group, which LCR can Chair and provide updates as part of its development management service to the WGP. Key decisions will then be escalated up to Project Board level as and when required.

The organogram below illustrates how the structure is intended to work:



(If use has or will be made of external support in the development or delivery of the project, please provide details of the advisers and their role. (approx. 100 words)

The following services will procured to support LCR in undertaking the necessary due diligence work and understand the optimum route towards delivery, namely:

- masterplanning & design lead.
- transport, engineering and survey services.
- planning consultant.
- commercial support & delivery strategy advice.
- cost consultancy.
- car parking consultant.

(Please describe how you will engage with key stakeholders (e.g. do you have a communications plan and engagement strategy). (approx. 200 words)

A summary of the key project stakeholders and the future management of engagement is set out below:

Stakeholder	Interest	Summary of Engagement to Date	Summary of Planned Engagement
Wrexham Council	Local Authority and Planning Authority	Party to Collaboration & Task Agreement.	tbc
Welsh Government	Landowner and Potential Funder	Party to Collaboration & Task Agreement.	tbc
Wrexham Glyndŵr University	Landowner	Party to Collaboration & Task Agreement.	tbc
Wrexham A.F.C	Leaseholder of the Stadium	Engagement via Wrexham University as landlord.	tbc
Network Rail	Landowner and Rail Authority	Existing national Collaboration with LCR.	tbc
Transport for Wales	Train Operator	Not party to any governance structures but attendee at the Partnership Working Group.	tbc

5.2 Communication Strategy

(Please provide details of the communication and marketing strategy for the project. (approx. 200 words)

There is currently no defined communications strategy as proposals are still considered to be locally sensitive by partners and not yet suitable for the public domain. However, we understand that the WGP is eager to release some public communications in the near future once there is more certainty on how the project will be taken forwards.

A communications strategy and timescales will be agreed at the Partnership Working Group.

5.3 Milestones

Milestone activity	Target Timescales
Partner Approvals & Funding Secured	April 2021
Procurement	May 2021
Commencement of Feasibility & Due Diligence Studies (subject to procurement strategy & commencement)	May 2021
Studies Completed & Revised Scheme	September 2021
Land Promotion (or other governance) Heads of Terms	October 2021
Delivery Strategy Established in Principle	November 2021

5.4 OPEX Budget

It is proposed that that LCR does not fund the delivery of these services but retains a role and stake by way of providing a development management service to drive the project forwards, incurring resourcing costs only. The cost estimate for the next stage of work is a combined total of circa £217,588. This is broken down as follows:

Service Required	Consultant	Budget
Stage 4: Feasibility & Strategy (OBC)		
Architect / Masterplanner	tbc	£50,000
Transport & Access	tbc	£20,000
Flood Risk & Drainage Strategy	tbc	£3,000
Utilities	tbc	£10,000
Topography	tbc	£500
Phase 1 Geotechnical	tbc	£6,000
Cost Consultancy	tbc	£20,000
Planning Consultant	tbc	£10,000
Commercial Consultant	tbc	£15,000
Specialist Sector Consultant - early intervention tbc	tbc	£15,000
Specialist Sector Consultant - football stadium	tbc	£15,000
Car Parking Study	tbc	£7,500
	SUB-TOTAL:	£174,500
Contingency @ 10%	-	£17,450
Total Budget		£191,950
LCR Resource Costs	LCR	£25,638
Total Project Costs		**£217,588**
Total LCR Exposure		**£25,638**

It is anticipated that LCR will manage the project and consultants related to these services, but the appointment and funding will be led by one or more parties in the WGP.

Point of Clarification from LCR Property & Partnership Panel

- **Confirmation of the £25,638 of LCR costs to complete feasibility and initial due diligence studies.**

5.6 Risk Management

As detailed throughout the SOBC, there are a number of moving parts and uncertainties in the progression of plans in Wrexham. In LCR's role we continue to work at risk, ultimately until LCR, the WGP, other landowners and the developer / purchaser have fulfilled their obligations under a future land promotion & receipts are secured.

We are, however, mitigating against risk with our proposed role of just providing a development management support service; LCR's investment being by way of time only.

The follow sets out a series of project risks that will remain, our proposed mitigation / management and person / party responsible.

Risk Category	Risk Mitigation / Management	Action Owner
Grant Funding Requirement	Continued discussions with Welsh Government and exploring other potential grant funding opportunities to build the case for grant assistance.	LCR (Welsh Government and Local Authority Support)
Planning	LPA appetite to go below policy levels of affordable housing (25%) should grant funding not be available to part subsidise the delivery of this element.	LCR (Wrexham Council support)
Rail	Limited Network Rail engagement to date by WGP. Network Rail land holding is key to masterplan and so detailed engagement with various parts of Network Rail is critical and will be ongoing throughout the next stage, alongside the development of a station design brief to ensure a level of buy-in.	LCR (supported by Network Rail and Transport for Wales)
Governance	Requirement to establish future governance which fully captures all partners equity interests and establishes the future ways of working towards delivery. This will be raised with partners and worked through in the next stages.	LCR (WGP and Network Rail support)
Commercial	Commercial elements to masterplan such as workspace and hotel are challenging in a regional town in any case but are extremely uncertain in the current economic / Covid backdrop and so market conditions and movements will need to be monitored closely and regularly.	LCR (consultancy support)

5.5 Benefit Maximisation

Please explain how you will ensure that the benefits are maximised. (approx. 200 words)

The financial benefits of the project to LCR will be maximised in ensuring all necessary de-risking works are conducted as set out to provide a credible proposition when taking the opportunity to the market.

We will procure a design team that will help us to push the boundaries of the development envelope within the context of the site location, to maximise the number of homes and public value in this sustainable location.

We will continue to look for opportunities of sustainable forms of transport within our proposal and look to provide sustainable, futureproofed car parking solutions with flexibility for repurposing beyond its life as a car park.

Building up to the market launch and at key millstones, we would look to leverage each and every opportunity to remind the market of LCR's role in delivery as and when taken forward, via a social media and company websites.

5.6 Monitoring and Evaluation Arrangements

Please explain the arrangements that will be put in place to monitor the progression of the project and delivery of benefits. (approx. 100 words)

To be confirmed and subject to nature of future LCR role to be defined.

Set out how and when the project will be evaluated. (approx. 100 words)

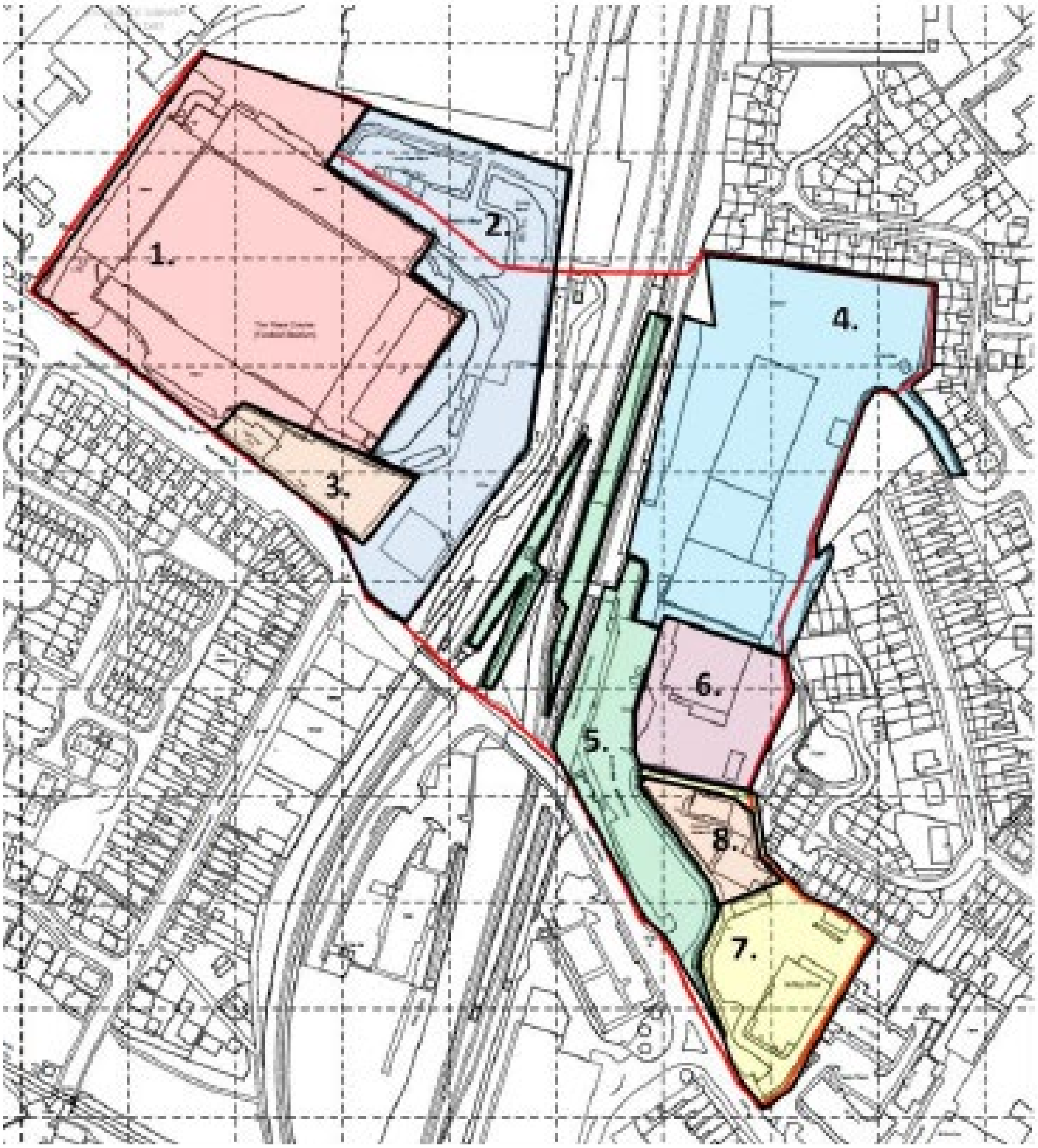
We propose to monitor the development through a continued relationship with local partners and overage provisions set in place with the developer. The progress will be updated on a quarterly basis. We would propose a more comprehensive update of the developments benefits at intervals in accordance with LCR's emerging policy.

Summarise the outline LCR exit strategy (approx. 100 words)

To be confirmed and subject to the delivery strategy.

Appendix A: Masterplan Studies (full report can be provided on request)

Appendix B: Landownership



Map Reference:	Land Registry No:	Freeholder:	Leaseholder:	Further Information:
1	CYM689981	Glyndwr university	Wrexham Supporters Trust Assets Limited.	Lease Term: 99 Years Commencement: Aug 2016
2	CYM454401	Glyndwr University	SP Energy Network	Sold: Aug 2018 for £11,000,000 Lease Term: 99 Years Commencement: Sept 2010 Electricity sub-station located on site with access required from AIB Group (UK) PLC
3	CYM274450	Newriver Trustee 7 LTD & Newriver Trustee 8 LTD		Marstons operate the public house known as The Turf.
4	CYM259613	United UK Propco	Cambrian Works / Jewsons	Sold: Dec 2018 for £4,113,000 *(For this title, CYM56164 and CYM259182)* Lease Term: 25 Years Commencement: Sept 2005 *This lease also comprises other land. (CYM56164 and CYM259182)*
5	CYM59754	Ownership Pending First Registration		
6	WA834578	Countrywide Farmers PLC		Sold: Nov 2004 for £592,000 Vacant and currently on the market.
7	CYM174451	Royal Mail Group Limited	Owner occupied	Sold: Jul 2017 for £91,773
8	Not registered	Scouts (presumed)		

Appendix C: LCR Progress

Exclusions
This initial findings report does not include assessment of:

- Footfall and any related benefits
- Transport effects
- University effects
- Sport effects
- Covid-19 impacts
- Benefits of public realm (look and feel)
- Spillover effects or catalysed investments
- Interactions between component parts

Initial Findings

Using the cost figures from the LCR reports, the baseline numbers from the Urbanists and Right Solution reports, and additional details from the literature the economic impact on GVA and jobs created/safeguarded has been estimated for the Wrexham Gateway scheme.

Due to the nature of the scheme, the various sites and two options proposed by LCR, the headline findings are broken down into their constituent parts. It is recognised however that there will be benefits from brining the different components of the Wrexham Gateway proposal together and some of these interactions inform basic assumptions. For instance, better transport links are likely to enable greater attendance to the Racecourse Ground. Other factors will have a large influence on the outcomes of the scheme but are not possible to consider given they remain outside of the control of any project stakeholder. The performance of Wrexham FC and the influence on attracting spectators to games, and the implications of a Covid-19 legacy on conference facility usage are two such examples.

Given the completion of the conference centre is likely to be some years away, the effects of any Covid-19 impact are likely to be nullified, but changed working practices may still have an impact. Several other assumptions have been made with the figures, such as the number of additional events brought about by a new stand at the Racecourse Ground and the attendance to conference facilities. Where appropriate, these have been based on available evidence for similar sites, though they include an element of uncertainty that would need to be addressed by demand and feasibility studies for the various sites.

The economic information presented includes the construction and end use impacts for both Gross Value Added and jobs created or safeguarded. This distinction between jobs created and safeguarded is indicative of whether a job is a newly created one which have not existed previously, compared to those that are going to be secured through the continued operation of a firm or activity, such as construction. Finally, a general cost benefit ratio has been calculated based on the indicative investment costs for each part of the project and the expected economic outcomes in both GVA and employment. These relate only to the project and do not include a wider narrative around benefits that may be generated from the visual improvements, transport links and catalytic investments generated.

In calculating construction impacts we have used the initial investment figures developed by LCR in their latest Masterplan (and supported by the evidence presented from partners CBRE), for instance the stadium is expected to cost £12.5m. This starting point is then modelled into GVA and employment impacts through ONS ratios for the construction sector in Wales.[1] Multiplier effects from the UK input-output tables are then used to estimate how such spending indirectly impacts the supply chain. This produces a total GVA and jobs safeguarded/created figure.

Stadium

This covers the stadium separately from the conference facility which will be addressed below.

Construction impacts from the £12.5m estimated spend on the stadium (from LCR) will generate £4.7m in direct GVA and a further £4.9m through the supply chain for a total GVA impact of £9.6m. Over 84 Full Time Equivalent (FTE) job years will be safeguarded in the construction sector, and 98.8 more in the supply chain.

The stadium impacts are primarily driven from the reported ambition to use the new stand as an opportunity for attracting additional events to Wrexham, principally concerts and sporting events. The context is important here, with competition to other localities such as Liverpool and Chester likely to be a factor in whether such events choose to use the Racecourse Ground as a venue. Given this starting point an additional two large sporting events are hosted per year at the stadium and two concerts. In each case, 75% capacity is assumed. Outcome figures are only based on the additional spend brought by the attendees to these events which is based on the £16.75 average per person from available literature. This generates a GVA impact of £440k in the local food and drink sector and safeguards 55 jobs, both directly and through the supply chain. Depending on the scale of the event, this could be larger with further advantages arising from overnight stays for attendees. Further insight on returns for the football club / stadium from the ticket price for such events is needed to calculate this additional impact.

A cost benefit ratio of the stadium development and end use, for a 20 year use period, is £1.80 in GVA for every £1 invested using the current assumptions. Each job year created or safeguarded will be due to £9,776 of spend. No degradation or additional spend has been assumed over these 20 years.

[1] Turnover:GVA and Turnover:Employment ratios are taken from the GVA Balanced by NUTS Region data tables and the Business Register and Employment Survey, both 2019, following ONS best practice.

Conference Centre

Evidence shows that including facilities such as conference centres, health centres or leisure centres within stadiums can make significant savings compared to if the two were separate.[2] The construction cost of the conference centre at the Racecourse Ground is estimated to be £7.5m by LCR which will create £2.8m in GVA directly, with a further £2.9m through the supply chain for a total GVA impact of £5.7m. FTE job years safeguarded will be 50.5 for the construction and 59.3 through the supply chain, 110 in total.

The end use of the conference centre draws on figures provided in the Right Solution report which does not take into account the impact of the Covid-19 pandemic. Given the length of time between the pandemic and the likely build completion these assumptions are considered acceptable, however, a future demand report for conferencing facilities may be needed when the changed working practices brought about by the Covid-19 pandemic have been realised. The figures show that per year 205 events (of all sizes) may be expected at the conference centre which will generate £414k in GVA directly and a further £180k through the supply chain. Thirteen new jobs will be created, with 33 more safeguarded through the multiplier effect. Displacement is likely to be high as the new conference facility will compete for the trade of a fixed number of businesses with other locations. This may be as high as 50%, and would reduce these outputs by half.

There is potential overlap between the use of the conference centre and the stadium for activities including post game hospitality and events. The interplay between such activities has not been explored, though some is implicit in the events covered in the conference model, it could be that the attraction of more or larger stadium events could have further benefits to any mixed-use conference space.

The cost benefit ratio for the conference centre, operating for 20 years, is £2.40 GVA return for every £1 spent. Each job year created or safeguarded has a cost value of £7,231. This does not include any additional investment in the conference centre facility over the 20-year period.

Hotel

The construction of the hotel is estimated to be £9.5m by LCR and though this might be taken on in partnership with a hotelier the construction related impacts will remain the same. An anticipated £3.5m in GVA will be directly created with a further £3.73m through the supply chain. Nearly 64 FTE job years will be safeguarded during the construction period and an additional 75.1 will be produced by the multiplier effect.

The scale of employment generated by the hotel will depend on the number of rooms, and design adopted by the hotelier. Using the CBRE figures with 100 rooms suggests a hotel turnover of £425k, which would create 29 FTE jobs both directly and through the supply chain. Should there be a restaurant as part of the hotel this would increase. GVA impacts would be £396k per annum.

[2] https://democracy.york.gov.uk/documents/s19763/Annex%205%20Community%20Stadium.pdf

Office Space

A small amount of commercial space has been allowed for within the LCR Masterplan, though with options to substitute some of the housing allocation for additional office space as demand might require. The £3.75m construction will generate £1.4m in direct GVA and a further £1.4m through the supply chain. Twenty-five job years will be safeguarded in construction and a further 29.6 through the supply chain.

Based on the LCR Masterplan, 2100m² of office space will accommodate 161.5 FTE jobs. The rental income at £13f² would produce £294k in revenue, potentially generating returns for the investors and additional GVA. There may be additional economic impacts from the end use if the new office space has facilitated growth or expansion of businesses, but this comes with significant deadweight as businesses relocate from other areas.

Multi-Storey Car Park

The construction impacts of building a £2.4m MSCP are £906k in direct GVA and £940k indirectly. Sixteen FTE job years will be safeguarded in construction during the build phase, with a further 19 through the supply chain.

During operation, CBRE suggest that the MSCP is likely to be operated by a contacted party, which will generate revenue for the owner/investor. The terms of the lease agreement will determine this impact, but whether for the contractor or investor the revenue from a 400 space MSCP using £5 per day figures and 75% occupancy would create £196k in GVA and potentially support 3.2 jobs. There are further operational benefits that may be achieved from the location of the MSCP facilitating integrated use of onward transportation by bus or rail or encouraging use of the conference facility.

Student Accommodation

A £12.8m student accommodation block will principally only generate economic impact during the construction phase, though additional students will bring their own impact separately. Construction will safeguard 86.2 job years directly and a further 101.2 through the supply chain. GVA impacts are estimated to be £4.8m directly and a further £5m through multiplier effects.

Should the accommodation accommodate 50 new students, then this would lead to an estimated additional GVA from local services by £544k per year, though this is tied to the new students, not the use of the accommodation block. There may be some increase in cleaning and security required to cover the new accommodation block, but this will be negligible (<0.5 FTE).

Residential

There is a large allocation of residential usage across the East and West parcels of the site. These plots may be made available for commercial development with a partner but will generate economic impacts in their construction. Under LCR Masterplan Option 1, the residential configuration will cost an estimated £54m generating an GVA impact of £20.5m directly and a further £21.4m in the supply chain. Nearly 370 FTE job years will be safeguarded during the construction and an additional 431 through the supply chain. Under Option 2, £38m is invested, resulting in £14.6m in direct GVA and £15m indirectly. The work will safeguard 261 job years in construction, and 307 through the supply chain.

Returns on investment based on house price estimates can be calculated, though these may be moot given the role of a developer compared to any ownership and sale from the Wrexham Gateway partnership.

Public Realm

The changes to Mold Road, Crispin Lane junction and public realm around the station will create additional economic impact during construction. Further benefits may be accrued by attracting footfall and encouraging residents and visitors to the area, though these are not quantified. Under LCR Masterplan Option 1, £16m in spending will generate £12m in GVA, both directly and indirectly, and safeguard 246 jobs in construction and in the supply chain. Under Option 2, £12m in direct and indirect GVA is created, while 173 job years are safeguarded in construction and through the supply chain.

Summary Table

Plots	Development Cost Estimates TOTAL	Construction GVA	Construction Job Years	Operation GVA	Operation Jobs	Years of operation	Cost/Benefit GVA	Cost/Benefit Jobs
Stadium	£ 12,500,000.00	£ 9,632,056.54	182.9	£ 668,853.72	54.8	20	1.8	£ 9,776.57
Multi-Storey Car Park	£ 2,400,000.00	£ 1,849,354.86	35.1	£ 196,914.85	3.2	30	3.2	£ 18,306.72
Conference Centre	£ 7,500,000.00	£ 5,779,233.92	109.7	£ 595,128.11	46.4	20	2.4	£ 7,230.99
Hotel	£ 9,500,000.00	£ 7,320,362.97	139	£ 396,550.19	29.1	20	1.6	£ 13,160.58
Student Accommodation	£ 12,805,000.00	£ 9,867,078.72	187	N/A	N/A	N/A	N/A	N/A
Commercial Office Space	£ 3,745,000.00	£ 2,885,764.14	55	N/A	161.5 Accom	N/A	N/A	N/A
Residential O1	£ 54,541,204.00	£42,027,516.85	798	N/A	N/A	N/A	N/A	N/A
Residential O2	£ 38,831,204.00	£29,921,948.20	568	N/A	N/A	N/A	N/A	N/A
Public Realm O1	£ 16,404,100.00	£ 12,640,417.49	246.1	N/A	N/A	N/A	N/A	N/A
Public Realm O2	£ 15,904,100.00	£ 12,255,135.23	173.9	N/A	N/A	N/A	N/A	N/A

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FIRST DRAFT
Report to Welsh Government
Conference and Event spaces study
Wrexham Football Club

August 2019

Prepared by Sally Greenhill

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Contents

Appendices (separate documents)

Introduction

The Right Solution were appointed by Welsh Government to undertake a preliminary feasibility study for new conference and event facilities within a new stand at Wrexham Football Club within the Wrexham Gateway project.

The preliminary layout/design prepared for a new stand suggests it would include a function area able to accommodate dinners or conferencing for up to 800 people, with the concourse also able to serve as exhibition area. The spaces allocated are included in the design for the redeveloped stand known as *The Kop* as part of the wider Wrexham Gateway project. The Welsh Government are interested in whether this may provide the opportunity to develop a regional conference centre for North Wales.

The tasks carried out to determine feasibility of new events facilities as part of the overall new stand building are as follows:

- Assessment of likely demand and usage of the facilities for different types of event
- Review of Wrexham's current conference, meetings and events business to assess the extent to which market share can be increased
- Outline of the UK meetings and events market to illustrate demand potential
- Discussion of potential with a sample of event organisers
- Assessment of Wrexham as a destination and potential for the future
- Assessment of supply and competition and impact on potential for new facilities
- Specification of new facilities to meet the demand
- Preliminary Financial forecasts.

The tasks included liaising with stakeholders for the project plus individuals and businesses in Wrexham. The Right Solution would like to thank everyone for their time, contribution, support and steer for the project. They include the following:

- Adam McDonnell, Welsh Government
- David Elcock, Glyndwr University
- Gavin Jones, Wrexham Football Club
- Haydn Hughes, Glyndwr University
- Joe Bickerton, Wrexham Council
- Phil Bennett, Wrexham Football Club
- Simon Stewart, Glyndwr University
- Spencer Harris, Wrexham Football Club
- Steve Bayley, Wrexham Council.

In addition to those listed above, organisers of meetings and events in the area were approached for their views and their feedback is included in this report.

This report outlines the findings of the tasks listed above and concludes with the specification for recommended events facilities together with a preliminary estimate of the income potential for those facilities.

It should be noted that the financial estimates are intended to provide a preliminary illustration of the potential and many different factors could influence their achievement. Therefore, they cannot be guaranteed. Most importantly it would require proactive marketing and selling to achieve these business levels. There may also be displacement of existing business from the Football Club and the University and other local venues.

Executive Summary

- Wrexham has lower population than many popular conference destinations, however its location as gateway to North Wales and proximity to North West England and Manchester Airport are advantages in attracting meetings and events. Improving the rail access and frequency as part of the wider Wrexham gateway project would help to further improve its appeal.
- Volume of meetings and events held in a town is influenced by its major employers. Those around Wrexham include many in high tech manufacturing, biotech, finance and professional services and pharmaceuticals, all sectors that generate reasonable volume of meetings and events, although the number of employees based here is lower therefore demand and frequency of holding events will be lower than other larger cities. Only 6 out of 16 representatives from local corporates that we spoke to were positive about new facilities in Wrexham compared to their current choices of Chester, Liverpool, Manchester and London. One commented that it "would need to be a really amazing venue for us to consider it".
- North Wales also has Aerospace, Nuclear and Marine energy in the region and they would be a significant draw for events in those fields.
- In addition to local corporate organisations, Glyndwr University, the Council and the NHS also generate significant volume of meetings and events. More conference business leads to increased employment and other economic benefits for the town, supporting the relationship between the town, the Council and its people.
- The demand generated by Glyndwr University is particularly important to this study. Many academic and association conferences are attracted to a destination where that town or city's leading academics and professors or experts invite the association to hold the conference in that town or city. From the University's perspective their gains from conferences are raised profile and increased appeal for research funding, publications, students, academics and staff. The Faculty Dean for Social and Life Sciences is very supportive of development of new conference facilities at the Football Club as it would enable them to host more regional and national conferences, in turn helping the synergy between healthcare fields and their visiting professors and consultant physicians. New conference facilities would further aid the University's ambitions for the Estate as outlined in *Campus 2025* to adapt use of space as learning and teaching styles change.
- The University's existing facilities – the largest being the William Aston Hall (highly occupied for entertainment) and the Catrin Finch Hall -generate around £300,000 in revenue per year from conference and banqueting. However, the existing facilities do not provide the required facilities for many academic conferences and additional facilities at the Football Club would enable them to attract more of these prestigious events.
- The existing conference and banqueting facilities at the Football Club were designed as hospitality areas for match days at the time of the individual stand developments. They fall behind newer more up to date facilities and are preventing Wrexham from competing successfully with other destinations. The events revenue to date is £145,800 per year (This figure does not include match day hospitality).
- The other main facilities in the town currently are at the Ramada Hotel which has a typical hotel ballroom seating up to 200 theatre style but does not offer the combination of spaces needed for many conferences.
- Potential demand for new facilities would come from many different types of events including conferences, meetings, seminars, workshops from both the corporate and not for profit sectors, some stand-alone exhibitions plus banqueting from private and corporate events.
- There were 1.48 million Business Events in the UK in 2018 generating £18.3 billion in direct spend. Many more of these events are for up to 400 than larger, with 65% being for 1 day or less. The top factors influencing destination choice are access, location, price and capacity of conference facilities.
- The selection of existing local supply that we researched shows that those venues around Wrexham do provide facilities for up to 700 – at Chester Racecourse- but the quality of facilities is equally important

as the space available. Although the competitive nature of this market should not be underestimated, new high quality facilities able to meet market needs for many different types of events could attract reasonable levels of demand. Good quality facilities often generate their own demand. Wrexham being the oldest Football club in Wales and the third oldest in the world (particularly if it is able to accommodate the Football Museum for Wales) may also help generate demand.

- The results of the research carried out (although preliminary at this stage) have led to specification totalling just over 2,000 square metres which includes a divisible main space of 720 square metres plus there further meeting rooms and support spaces for successful operation.
- A hypothetical diary for stable year of operation has been prepared based on potential demand for the specified facilities. Two options for pricing have been applied to this diary to illustrate revenue potential of £598,729 for Pricing Option 1 and £732,889 for Pricing Option 2.
- Estimating marketing, staff costs and overheads for the specified space results in a potential surplus of -£65,209 for Option 1 and £68,951 for Option 2. It is important to note that these all show the Conference Centre alone. As the Conference Centre will be part of the whole Wrexham Football Club operation, there could be economies of scale and therefore the surplus shown above may improve.
- Many factors will influence the achievement of revenue and the surplus. These include the infrastructure, the appeal of the destination, the supply of hotel accommodation and style and standard of operation. Building new facilities is only one element of ensuring success. They will also have to be well managed, well marketed, offer high quality catering and guarantee friendly efficient service at the right price.

1. The current meetings and events business in Wrexham

1.1 Background information on potential meetings business for Wrexham

In comparison to many popular meetings and events destinations (see later section on the UK events market for city rankings) Wrexham is a smaller town with population close to 62,000 (120,000 in the wider vicinity). However, its location at the gateway to North Wales, within easy reach of North West England and 45 minutes to/from Manchester Airport is a major advantage in attracting meetings. In addition, improving the rail access and frequency is an objective for the wider Wrexham Gateway project which would further enhance its appeal.

The volume of meetings that may provide demand for new facilities at the Football Club are very often influenced by the presence of corporate and public sector organisations in a town or city who look for external venues for events in addition to those they hold within their own facilities.

The following major employers - listed with their sector/industry -are located in the vicinity of Wrexham:

Airbus - aerospace	Kronospan – Wood Reprocessing
Annyalla Chicks - Agriculture and Food	Magellan – Engineering – Predominantly Aerospace
Ardagh – Can Manufacturing	Mondelez – Food Manufacture
Ash Manor Cheese - Food Manufacturing	Moneypenny – Services – Call Handling
Brother - electronics	Pendine – Care Facility
Cott – Drinks Manufacturing	Plastipack – Manufacturing – Packaging
Demon Tweeks – Motorsport Retail and Wholesale	Sharp - electronics
Development Bank of Wales	Solvay – Manufacturing Composite Materials
DTCC (Depository Trust and Clearing Corporation) - Data Analysts	Tomlinsons Dairy - Food Manufacturing
Fibrax – Engineering – Predominantly Automotive	Transcontinental Advanced Coatings - Manufacturing - specialist coatings
IPSEN – Pharmaceuticals	Tritech – Engineering – Predominantly Aerospace
JCB – Manufacturing -Agricultural Products / Automotive	Village Bakery – Food Manufacture
Kelloggs – Food Manufacture	Wockhardt – Pharmaceuticals

Source: Wrexham Council plus Wikipedia

This list includes many in high tech manufacturing, biotech, finance and professional services and pharmaceuticals - all sectors that tend to generate reasonable volume of meetings and events, although the number of employees at these bases is lower than many major cities therefore demand is likely to be lower in volume of meetings generated. Many of the above organisations were approached to gain feedback on their meetings and events business. The results are outlined overleaf.

In addition to aerospace, other major sectors present in North Wales are Nuclear and Marine Energy and the expertise and experience of the projects in the region would be a significant draw for conferences in these fields. Research we have undertaken previously for Business Events Wales has identified opportunities for events in these fields.

The Maelor Hospital is the region's major acute district hospital, the largest of the three core hospitals in North Wales. This and the NHS departments in the region also generate meetings and events.

The Council also generate significant volume of meetings and use many local venues including the existing facilities at the Football Club and the University, albeit price sensitive business.

It is understood that Wrexham is keen to be selected as the destination for a new Museum of Football for Wales. Although this is beyond the scope of the brief for this study, it may be worth noting that should such a facility be located at the Football Club it would provide a further attractive area for functions and receptions with the added appeal of a different environment to offer attendees that may encourage all events.

The economic impact of tourism in Wrexham grew by 10% from 2014 to 2015. However, growth has since reduced to an increase of between 1.6% and 2.1% to 2017 (Source: STEAM figures for Wrexham Borough Council). Increasing conference and event tourism would help raise this growth in future.

The focus of this study is Business Events. However, new multi-purpose facilities would be attractive for all types of events. The new stand and enlarged capacity of the whole stadium would also enable the Football Club to attract more entertainment.

1.2 Feedback from local organisations on the development of new conference facilities

All the local organisations were approached to ask their views on new conference, meeting and banqueting facilities within Wrexham. Many were unwilling or too busy to comment, and often it is difficult to get beyond their switchboards. Feedback from those we did speak to varied. 16 telephone interviews were completed, 6 were positive about the opportunity for new facilities for their needs and the remaining 10 did not think Wrexham would be an option compared to their current destinations of choice which include Chester, Liverpool, Manchester and London. One comment was “it would need to be a really amazing venue for us to consider it!”.
It is recommended that further similar research is undertaken if the development of conference facilities is to be progressed.

1.3 Wrexham Football Club -existing facilities and the business they are doing now

The existing facilities available for events at the Racecourse ground used for meetings and events are shown in the table below. The events income they generate currently is £145,800.

Name of room	Capacity in persons	Match day hospitality income 2018 £
1864 Suite	80	18,988
Altitude Suite	40	1,260
Bamford Suite	140	96,579
Centenary Club/supporters bar	400	54,190
Hospitality boxes x 7	10	
Concourse area	1000 (max estimated)	
Match day hospitality income 2018	£358,024	
Events income	£145,800	

N.B. Another suite was opened mid July 2019 with space for approx. 30 people but no income for this suite has yet been recorded.

The events income (room hire plus Food and Beverage) for non-match days for the year to 2018 includes 91% generated by private events (parties, funerals etc) and 9% from corporate or public sector events.

In addition to the figures quoted above, the Football Club has hosted large entertainment events in the stadium, for example the Stereophonics. The hospitality income associated with such events is significant. The addition of the new stand would enable the club to attract more of these events due to the increased capacity to 15,000 in total being more attractive to promoters. High quality new conference and banqueting facilities would help market the Stadium for these events as it would enable a more upmarket hospitality package to be hosted.

In our view, the spaces available currently were designed as hospitality areas for the core business of match day hospitality at the time of the individual stand developments. In comparison with newer more up to date facilities they are adequate, but they are preventing Wrexham from competing successfully with other destinations. Feedback we have received suggests that they do not compare favourably with many of the facilities local organisations have in their own buildings, or those in venues in Chester.

Modern facilities with up to date technical and technological infrastructure, and entrance and arrival areas with more presence could transform the offer for the club for events demand and match day hospitality.

1.4 Wrexham Glyndwr University – opportunities for conferences and events and assessment of the existing facilities

The information in the next section on UK demand for meetings and events outlines the characteristics for the two main sectors of meetings and conferences– not for profit and corporate. It is of interest to this study to note that many academic and association conferences within the not for profit sector are attracted to a destination when that town or city's leading academics, professors or experts in their field lead the bid and invite the association to hold the conference in their town or city. The involvement of that academic in the conference is often a key reason why people choose to attend the conference.

From the University's perspective there are advantages in raising the profile of their academics through conferences as it helps to attract research funding, increases the awareness of their publications and helps to market the University for students, academics and staff. More conference business also leads to increased employment and other economic benefits for the town, thereby further supporting the relationship between the town and its people, the Council and the University.

Synergy of University subjects for conferences

The University has four schools:

- North Wales Business School
- School of Applied Science, Computing and Engineering
- School of Creative Arts
- School of Social and Life Sciences.

The main categories of subjects for the Faculty of Social and Life Sciences are as follows:

- Health, Psychology and Social Care
- Education, Family and Childhood Studies
- Society including Criminology and Social work
- Sports
- Business.

All the above are subjects for which many conferences and meetings are held, with healthcare and medical sciences the leading generator of association and academic conferences/meetings. The Welsh Government is investing further into Health education programmes over the next 5 years which should lead to additional conferences and meetings.

Technology and digital is a major sector for generating meetings and events and the Fintech Innovation Centre at the University should generate further opportunities.

The University has partnerships with Social Care Wales, Royal College of Occupational Therapists, the British Psychological Society and the British Horse Society, all of which hold regular conferences and events.

The Faculty Dean for Social & Life Sciences is very supportive of the development of new conference facilities at the Football Club saying “a new centre with gravitas would be met with enthusiasm enabling us to move to hosting more regional and national conferences/events from local. More upmarket facilities and the synergy between healthcare fields and their visiting professors and consultant physicians would really help the University.”

The Estates and Learning Environment Strategy *Campus 2025* outlines the ambition for adapting the use of space in the University as learning and teaching styles continue to develop. New conference facilities within the new stand development at the Football Club would further aid this ambition and support the University’s plans for the Estate. They would help develop further cross border relationships and widen the University’s profile across North West England as well as North Wales.

N.B. Bangor University also has a campus in Wrexham which focuses on Nursing, Radiography and Midwifery – other key subjects for meetings and conferences. The opportunity for student nurses to attend events would be popular with the Royal College of Nurses and other medical associations.

Existing conference business and facilities at the University

The University is already generating significant levels of meetings and conferences from both the not for profit and corporate sectors, with over 600 individual events having taken place in the academic year 2018/19 generating approximately £300K in revenue. These include small meetings, training courses, academic and association conferences, public sector meetings and banqueting events. Many of the local organisations contacted for comment on the proposition are using the University facilities regularly.

The conference and meeting facilities at the University include the following larger spaces:

- The William Aston Hall seating up to 800 — £275 +VAT for 4 hours
- Catrin Finch Hall seating 250 and divisible into 2 spaces for 120 — £400 +VAT per day

There are many smaller rooms including lecture theatres and flat floor spaces available and despite occupancy for teaching during term time, there is availability for rooms for other uses. The largest space is the Sports Hall which can be used for exhibition space of approximately 1,000 square metres. This is used for Wedding fairs etc around 12 times per year. However, the University’s current facilities do not offer all the required facilities for many academic conferences and additional facilities at the Football Club would enable them to attract more prestigious such events.

The largest event held at the University to date is Comic CON which used the facilities together with temporary structures as it attracted up to 8,000 people per day. This has now moved to Telford where larger permanent facilities are available.

As the William Aston Hall is largely used by an external organisation for entertainment, the Catrin Finch Hall is the main conference space available currently. The University's Conference Manager favours the development of larger facilities at the Football Club, as he believes there is demand for larger flexible flat floor meeting and catering space able to accommodate awards dinners and many other types of events.

The specification outlined later in this document takes into account the opportunity to attract some events that will require all the existing facilities at the University together with the new facilities, such as for larger association conferences.

1.5 Hotels and other venues in Wrexham - (also see section 3 Competition and supply)

Ramada Hotel

Apart from the existing facilities at the University and the Football Club, the main conference and function space in Wrexham currently is at the Ramada Hotel. The Pontcysyllte Suite seats up to 200 theatre style and 170 for banqueting. It divides into three sections seating up to 50 in each section. The hotel's total meeting facilities are shown in the following table. (Rates for these are outlined in the section on competition and supply). These are typical for a hotel of its size with one medium sized divisible function room and some further smaller rooms. They cannot provide all the facilities for many academic and association conferences.

Room	Theatre style	Banqueting	Boardroom
Pontcysyllte Suite	200	170	n/a
2 sections of Pont' Suite	120	100	50
1 section of Pont Suite	50	50	25
Yale/Yorke	20	n/a	12
Executive Boardroom	n/a	n/a	12
Executive Lounge	30	n/a	n/a

In addition to conference facilities, the Ramada together with the Premier Inn are the primary hotels in Wrexham (providing 171 rooms in total). Anecdotal information suggests the occupancy is high for the two hotels – averaging over 80% compared to the UK national average of 68%. The Ramada is achieving an Average Room rate of £85 and the Premier Inn £65[1]. These rates are low in comparison to other parts of the UK. Increased demand from business events visitors would help to increase average room rates and create additional demand for hotels.

Other serviced accommodation options are:

-Berwyn House	-Holt Lodge
-Lemon Tree	-Rossett Hall
-Trevor Arms	-Wynnstay Arms

There are some apartment options in addition to serviced accommodation. The total does not provide sufficient quantity of rooms of the required standard to meet the needs of all business events visitors.

Although the university halls of residence will be available in vacation time these do not follow peak periods of demand for conferences and meetings

It is understood that an application for an additional hotel on the Industrial estate has been made. Even if this is successful, this total of accommodation of appropriate standard would be inadequate if

[1] Source: Wrexham Council

conference business in Wrexham increases. Pushing delegates to stay overnight in Chester could result in the organiser considering Chester as the better option location for the event.

All these factors plus the fact that Conference organisers generally prefer an onsite ‘headquarters’ hotel suggests there will be a need for at least one additional hotel to support the new facilities at the Football Club.

2 UK Market Demand: potential for conferences, meetings & events

The potential demand for the new events facilities at Wrexham Football Club will come from many different types of events including conferences, meetings, seminars, workshops and others (often collectively known as Business Events). In addition, there are exhibitions and entertainment plus private and corporate banqueting and hospitality. The characteristics of these events are outlined here to help identify the appropriate facilities to maximise demand. The core business of the Football Club and the hospitality associated with it is separate to this market.

2.1 Market Groups & potential for increased Business events

Business events comprise different market groups (N.B. for further detailed information, see the *Appendix UK Conference Market Demand*). The potential target event types for new facilities at the Football Club are as follows:

- Not for profit sector conferences and meetings –academic conferences such as those being organised already plus those being organised by national and international associations, public sector governmental and NGO organisations, charities and institutions
- Corporate - profit making sector conferences and meetings – those being organised by local, regional, national and international corporate companies – some are also being held at the Football Club already
- Small stand-alone exhibitions (not related to conferences) – business to business/ trade and consumer. The Concourse area of the new stand would enable small exhibitions to be held here.
- Banqueting and social events – receptions, parties, dinners etc.

Increased revenue from the hospitality associated with the football itself is included in the revenue forecast as it is generated by the new facilities being available. It is believed to be achievable according to discussions with the management of the club, but this was not the focus of this study and will need further exploration at a later date.

Each of these sectors is summarised briefly here in relation to potential for the new facilities.

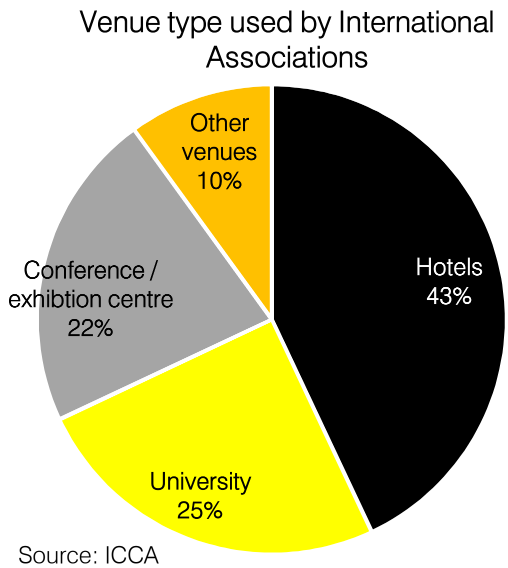
- Not for profit sector - National Associations: comprise groups with similar interests – either professional (including specialised medical and academic groups but also other professional groups), hobby and special interest, or religious groups. In many cases their main annual event rotates around the country to reach as many members or potential members as possible. The relevance of the destination to the subject matter and the presence of experts (such as the University professors, doctors and surgeons etc.) in a particular field are very important to the choice of venue and destination. Increasingly, the ability to set up legacy projects with the local community are also impacting on that choice. For example, if a conference is discussing a particular medical field, the ability to involve the local population in tests or promotions, and the help given by that destination in setting this up is very influential.

  Associations often look for support from a destination in terms of help with attracting attendees, subvention funding, reduced venue rates, add-ons and this can influence destination and venue choice. Accommodation requirements are varied – again depending on the type of association (and whether fees are covered by an employer or the delegate themselves).

Events last from 1 day to 3 days on average.

- International Associations: share many of the characteristics of national associations. However, their members will be from many countries, and events will rotate from country to country (or even continent to continent). They are typically higher spending, larger, longer and with longer lead in times than national associations.

  This market is very competitive with 1,593 destinations overall attracting these events[2]. The UK tends to be in the lower reaches of the top 10 countries for international associations. They tend to be held in major cities with London, Edinburgh, Glasgow and Manchester the most popular UK cities in 2018.



Source: ICCA

Size of the association sector

Together national and international associations account for 19% of conferences and meetings in the UK[3] but generate a higher proportion of spend and additional benefits. The chart (right) shows the breakdown of venues typically used by international associations.

Although this segment encompasses a wide range of organisations, the medical, scientific and pharmaceutical meetings tend to be the most attractive both in terms of numbers attending and revenue generated by attendees. The destination decisions are also driven by Universities' local 'experts' and specialists who invite the conference to their city and country. The top ten subjects generating international association meetings are shown in the table (right).

international meetings	association meetings 2017 (%)
Medical sciences	16.7
Technology	14.5
Science	13.6
Industry	6.5
Education	6.3
Social sciences	5.1
Economics	4.2
Management	4.2
Transport and communication	3.5
Culture and ideas	3.1

- Public, government and third sector. This sector covers events held by government departments and agencies, local authorities, the National Health Service, charities and similar public bodies. It accounts for 27% of UK events. It shares some of the characteristics of associations in terms of being more price sensitive than the corporate sector. Events can be locally, regionally or nationally driven and tend to be small with relatively short lead in times.

- The profit-making sector (corporate companies and organisations) generates 54% of the UK's conferences and meetings. These can include company meetings and training courses, annual general meetings, board meetings, sales meetings, product launches.

[2] Union of International Associations
[3] UKCAMS

Traditionally the sectors that generate most meetings and events are pharmaceutical/healthcare; financial services/banking/insurance; ICT; automotive; manufacturing & industrial; retail/FMCG; utilities/oil & gas; construction and engineering. Many of these have links to the faculties at Wrexham Glyndwr University.

Corporate sectors anticipated to generate more meetings in future include biotechnology, life sciences, creative industries and retail sectors which relate to specialist subjects at the University and local employers in Wrexham and North Wales.

There are local, regional, national and international corporate events but the majority of corporate business for a venue is generated from the immediate locality.

Lead times for corporate events are relatively short – typically 2 to 3 months and they tend to involve lower numbers of delegates and therefore require smaller facilities. Budgets per delegate are sometimes higher and accommodation preferences will tend to be higher end (4*). Residential venues and hotels are popular for this market.

- Exhibitions form the next largest sector accounting for approximately £11bn economic benefit for the UK. These can be trade events (business to business shows) and consumer exhibitions (for the general public). Key UK destinations for this market are London and Birmingham (and the West Midlands), and to a lesser extent Manchester and Glasgow – partly a reflection of their venue supply - but also their accessibility, populations (many exhibition organisers look for a target audience of at least 1 million) and the supporting infrastructure for such events. Many of these require several thousand square metres of space. The visitors to exhibitions are in the main local - within one and half hour's drive and they spend little at the venue or in the destination. Some small exhibitions could be targeted for the Concourse area of the new stand such as Wedding Fairs, Antique Fairs or those also requiring outdoor space such as Camping and Caravanning.

- Banqueting. This includes the hosting of both corporate and private receptions, dinners, parties, weddings and all catering related events without a meeting element. This is a significant generator of events for all towns and cities. The University and the Football Club host many such events already. More of these may be attracted to the new facilities particularly if they have pitch views.

The UK Conference and Meetings Survey (UKCAMS) 2019 states that 66% of conference and meeting business is generated from the region in which a venue is located so the ability to generate business from partners in the project -the University, the Council, the Football Club and Welsh Government is very important as is the indications of potential demand from local organisations.

Appendix 1 -The UK Events Market - provides a more detailed overview of these sectors.

2.2 Factors influencing venue and destination

The key elements that make a successful business event venue and destination vary for different events but there are common factors such as access and transport links, and location. The top ten influencing factors for conferences and meetings in the UK are as follows:

1. Access (road, rail and air links)
2. Location (are of the country)
3. Price/value for money
4. Capacity of conference facilities
5. Availability
6. Quality of conference facilities
7. Free WiFi
8. Quality of service
9. Quality of Food
10. Style of venue that suits the organisation.
    Source: BMEIS 2019

In summary, events will use facilities of the right price, format, quality and capacity if they are easily accessible. The venue standards and those of the supporting hotels are very important.

Although it has already been mentioned, it is particularly relevant to the new facilities to reiterate that key factors for associations include:

- Local academics and contacts for association events - an expert in that field with a connection to the venue and destination - particularly academics or industry specialists.
- The attractiveness and appeal of a destination is a key element in persuading delegates to attend an event. The venue can play a large part in this and buildings 'with a difference' (such as a Sports venue) can have an advantage if the capacity, quality and other client requirements are all met.
- The table below shows that Sports venues experience quite low levels of demand in contrast to other venues, but this is often because their facilities do not meet market needs. Multi-purpose venues, unusual venues and dedicated conference centres are more popular.

The venues types used for each sector's events are shown in the table below:

Preferred venues Venue type	Sector holding events in this venue type (%)	
	Not for profit / Associations	Corporate
City Centre Hotel	59%	61%
Dedicated conference centre/management training centre, residential	45%	33%
Luxury venue	28%	45%
Multi-purpose venue	30%	32%
Unusual venue	20%	39%
Purpose-built convention centre	34%	21%
University/Academic Venue	41%	13%
Out of Town (Seaside/Country) Hotel	17%	19%
Sporting Venue	7%	19%
Business centre e.g. Regus	7%	14%
Airport Hotel	9%	13%

Source: BMEIS 2019

2.3 Volume and Value of the market

The potential overall UK target market achieved a total of 1.48 million events in UK during 2018[4] of which

- 281,200 (19%) were for associations. Of these 574 were international
- 399,600 (27%) for public sector organisations
- 799,200 (54%) for corporate organisations.

The value of all business meetings and events totals £18.3 billion in spend generated.

The characteristics of those events that are relevant for developing new facilities at Wrexham Football Club are as follows:

Key market characteristics relevant to new conference facilities at Wrexham			
Key factors	Associations and public sector	Corporate	Implications for Wrexham
Average number of delegates main annual event	403	368	Size and combination of facilities
Average size other regular events	121	130	
Average budget Daily Delegate Rate - organisers budget (inc VAT) Venues experience' UK wide	£51.78 £40	£58.71 £40	Potential for good value offer
Percentage change in budget for 2019	-7.5%	+7.5%	Sensitive to pricing
Percentage organising more events in year ahead	28	34	Stable market with low growth which varies for different corporate sectors
Most used UK cities	London, Birmingham, Manchester, Leeds, Glasgow		
Average event duration	1.6 days (65% up to 1 day)		
Influencing factors	Access, location, price, capacity of conference facilities		

Sources: BMEIS 2019 and UKCAMS 2019

The characteristics suggest that new facilities able to provide the formulae of facilities able to meet the needs of many different types of events at the right price could gain market share.

2.4 Top Trends affecting meetings venues

Conferences and meetings are experiencing the following trends influencing the facilities required to host them.

- More interactive communication is influencing the style of facilities with less formal layouts and they are used for shorter periods of time
- More cabaret style meetings (at round tables rather than in rows)
- More breakout sessions
- Less formality to all meeting sessions, with layout often decided or changed on the spot (requiring flexibility and responsive staff)
- Exhibitions and poster display alongside conferences require smaller amounts of space and are more digital in format.

2.5 Other trends affecting venues

- All meeting organisers are working to tight budgets which requires efficient negotiation

[4] UK Conference and Meeting Survey 2019

techniques and flexibility with options proposed.

- The very competitive market and over supply (of meeting spaces) in most parts of the UK requires venues to keep innovating to gain competitive advantage
- Many venues are investing in keeping facilities up to date – UKCAMS 2019 records 73% of venues had invested in their property in 2018, 17% spending more than £500,000.
- Lead times are very short due to uncertainty in different market sectors and economic influences.
- Interactive and informal meeting styles requires different meeting room layouts - fewer theatre style and more cabaret or informal.
- More fluid requirements (changing continually) means venue staff need to react quickly to change formats on site
- Flexible meeting rooms with adjustable sizes help maximise occupancy.
- Excellent technological infrastructure is essential for data and telecommunications plus experienced and knowledgeable technicians and/or staff.
- More varied dietary and catering requirements need to be catered for with imagination – vegan, gluten/dairy free, local food suppliers.
- Experience of attending needs to justify time invested for attendees (personally as well as for their organisation). This often leads to extra elements to meetings and networking opportunities to create interest.

Further details of the market characteristics are outlined in the Appendix: The UK Market Demand. This explains more about the different characteristics of the not for profit and corporate sectors.

3 Supply and competition

3.1 National Supply

There are at least 3,500 conference venues in the UK in total[5]. This is based on a definition of a venue having at least three meeting rooms with a minimum capacity of 50 delegates theatre style. The breakdown of venue type is shown in the table below with the comparison drawn between this and the low levels of supply in North Wales. The one purpose-built convention centre is Venue Cymru in Llandudno.

Venue type	Venues (%)	Actual number for North Wales	Percentage of all UK supply
Hotel	52%	13	0.7%
Unusual/multi-purpose venue	30%	5	0.5%
Academic*	4%	6	4%
Conference/training centre	12%	3	0.7%
Purpose built convention centre	2%	1	1.4%

Source: UKCAMS *facilities available year round

The list of supply includes venues that are not pro-active in the market.

In addition to quantity of supply, the other consideration is quality, which varies hugely. Venue Cymru was opened in 1982 and provides the style of facilities of that time. Although it has a wide range of facilities, its core business is entertainment and it struggles to meet the breakout requirements for many association conferences.

If a destination's venues are not totally appropriate to market needs, they limit the ability to attract more demand. Good quality facilities often generate their own demand.

Other key points relevant to the success of new facilities at the Football Club are:

1. It's a competitive marketplace – there are some excellent facilities within easy reach -particularly in North West England - and competition from a wide range of venues.
2. Dedicated conference space that is purpose designed with state of the art technical and technological infrastructure is required to enable return from pro-active sales in this competitive marketplace.
3. Commitment is key. Successful conference functions are not only defined by dedicated spaces but also by a top down commitment which recognises and empowers conferencing as an important function within the overall businesses (in this case the Football Club and the University).
4. Marketing the new facilities internally to the stakeholder organisations of the University, the Football Club, the local council and the Welsh Government, who are likely to be its most important customers, will help ensure that economic, reputational and recognition benefits from conferences are realised. There will be an educational process to go through internally to explain the value of developing additional conference facilities.
5. Continued investment in the offer, sales/marketing and systems is important beyond the initial capital investment.
6. The benefits can be substantial but are often realised in economic impact to the town rather than in profit from the facilities themselves.

[5] UK Conference and Meetings Survey

A selection of venues comparable for planning new facilities at the Football Club were researched to explore pricing and to identify any gap in facility provision that may exist. The results are shown in the table on page 17.

This shows that facilities for up to 700 theatre style are provided at this small selection of venues. However, as stated earlier, the quantity of facilities is not the only consideration. The quality to meet market needs is equally if not more important. In particular the association and academic conferences require a formula of facilities for meet/plenary, breakout, catering and exhibition space.

3.2 Association conference facilities

One example of the possible requirements for an association conference for 500 in net space terms is as follows:

Element	Minimum space requirement*
Theatre style seating assumed lenary session for 500	432 sq. m. minimum
Possible varying combination of breakouts:	
2 x 200	350 sq. m
3 x 150 (sizes required vary day to day)	390 sq. m
2 x 100	200 sq. m.
4 x 50	173 sq. m.
4 x 25	86 sq. m.
Catering area for 500 (included in space shown below as can be dual use)	700 sqm. (@1.4 sq. m pp)
Exhibition space, minimum	500 sq. m.
Poster display space	300 sq. m.
Total	2,432 sq. m. lettable space

*estimate approx. 0.864 sq. m. per person theatre style or 1sq m for classroom style although other styles will also be used

It is particularly important for associations to include exhibition space as this is the element from which they earn revenue from the exhibitors.

Although the earlier section on demand showed that Sporting Venues tend to be less popular than other venue types, there are many examples of Football Clubs who have made a success of their events facilities by developing flexible facilities able to accommodate their match day hospitality requirements and those for conferences, meetings and banqueting. Examples include Manchester United, Manchester City, Chelsea and Leicester City (King Power Stadium has facilities for up to 650). Being in the Premiership and in popular destinations adds to the appeal for events. However, it is possible that Wrexham being the oldest club in Wales and the third oldest club in the World, and its strong local following, may compensate to some extent.

The pricing shown overleaf has been used as a basis for the preparation of the pricing for the proposed facilities outlined in the later financial forecast in this document.

3.3 Pricing for a selection of competitive venues

NAME OF VENUE	LARGEST ROOM	CAPACITY OF LARGEST ROOM	DDR INC. VAT	ROOM HIRE PER DAY INC. VAT	INCLUDED IN DDR
RAMADA WREXHAM	PONTCYSYLLTE SUITE	200 THEATRE	FROM £38.00	£900	Flipchart & stand, OHP & Screen, 2 course lunch, 3 x tea/coffee breaks with light snack, car parking.
CHESTER RACECOURSE	PAVILLION	700 THEATRE, 270 CABARET	£43.20 (hot buffet) £48 (finger buffet)	£1,800	Projector/Screen, Flipchart, Free WiFi, 3 x coffee break with biscuits, Hot Buffet Lunch, Free car parking
CHESTER GROSVENOR HOTEL	WESTMINSTER SUITE: BELGRAVE	250 THEATRE, 128 CABARET	£40	£1,500	Built in A/V, Flipchart, free WiFi, Morning coffee/tea with Danish pastries, tea/coffee with biscuits, afternoon tea/coffee with French Fancies, lunch.
CROWNE PLAZA, CHESTER	KINGS SUITE	600 THEATRE, 272 CABARET	£32	£4,250	LCD Screen/Flipchart, 3 x coffee breaks, hot and cold buffet, car parking.
CARDEN PARK	CARDEN SUITE	400 THEATRE, 280 CABARET	£70	£12,000	Built in A/V, Flip chart, 3 x coffee breaks, 2 course hot/cold buffet, free wi-fi, complimentary car parking
HALLMARK THE QUEEN HOTEL	COLONNADES BALLROOM	250 PAX	£32	£995	LCD Projector/Screen, Flipchart, 2 x coffee breaks, lunch, WiFi
AINTREE RACECOURSE	SUNLOCH SUITE AND GOLDEN MILLER SUITE	600 THEATRE 360 CABARET	£45.60	£4,800	Data Projection, Screen, 3 x coffee breaks, lunch,
ROWTON HALL	BALLROOM	130 THEATRE	£40	£500	LCD projector and Screen, 3 x coffee breaks, 2 course lunch, Free WiFi, Free car parking

4 Specification of facilities

4.1 Proposed events facilities

The research into potential demand, the characteristics of event demand generally plus the availability of existing supply locally have led to the proposed event spaces as follows.

The total net internal floor area of just over 2,000 square metres shown below allows for a divisible main events space of 720 square metres plus three further meeting rooms and the support spaces for successful operation. These new areas can be used in conjunction with existing facilities (such as the 1864 suite and the Directors Suite at the Football Club or the existing facilities at the University) for some events. However, this would also stand alone to form a Regional Conference Centre. The specification aims to accommodate maximum demand for events of all types and provide a higher quality facility than those existing in the older areas of the Football Club.

POTENTIAL EVENT SPACE CONFIGURATIONS

Description	Capacity		Area	Dimensions (m)		
	T/S	Banq.	(m^2)	Width	Length	Height
Multi-Purpose Hall (Divisible)	800	500	720	21	34	6
Multi-Purpose Hall - Potential Divisibility						
Section A	243	146	210	10	21	4
Section Ai	116	69	100	10	10	4
Section Aii	116	69	100	10	10	4
Section B	243	146	210	10	21	4
Section Bi	116	69	100	10	10	4
Section Bii	116	69	100	10	10	4
Section C	243	146	210	10	21	4
Section Ci	116	69	100	10	10	4
Section Cii	116	69	100	10	10	4
First floor meeting rooms x 3 each	30	25	30	10	10	3

Area Assumptions	m^2	Notes:
Total Function Area (Max) level 1	720	
Function space above foyer	340	
Registration (800 people)	340	Optimum room ratio = 1:1.6
		Room heights should be clear floor to ceiling (not
Toilets	160	soffit) and may need adjusting for divided spaces
Plant and storage	250	Kitchen areas to be provided by catering consultant
		Nett to Gross factor 1:1.3, due to fire exit widths and
Kitchens and serveries	250	wall thicknesses. Architect to confirm.
		Toilet areas based on TRS Calcs (male) & BS6465 (female)
		Maximum capacity conference 800 people, in terms of ancillary facilities
		Section A + B = banq. for 250 pax
		Section C = theatre style for 250 pax
Total Area (Nett Internal Floor Area)	2,060	
Total Area (Gross Internal Floor Area)	2,678	

The bases for all calculations are:

1. Theatre style $0.864m^2$ per person
2. Banqueting $1.44m^2$ per person
3. Reception $0.72m^2$ per person
4. Cloaks $0.098m^2$ per person
5. Lavatory numbers as 150% theatre style capacity split between male and female
6. Urinals 1 per 25 people (as per restaurant provision)
7. Male WC 1/100 up to 400 and 1/250 thereafter (restaurant)
8. Male WHB 1/WC +1/5 urinals (theatre)
9. Female WC = 2 up to 75 then 1/50 thereafter (theatre)
10. Female WHB 1/WC (theatre)

4.2 Support spaces

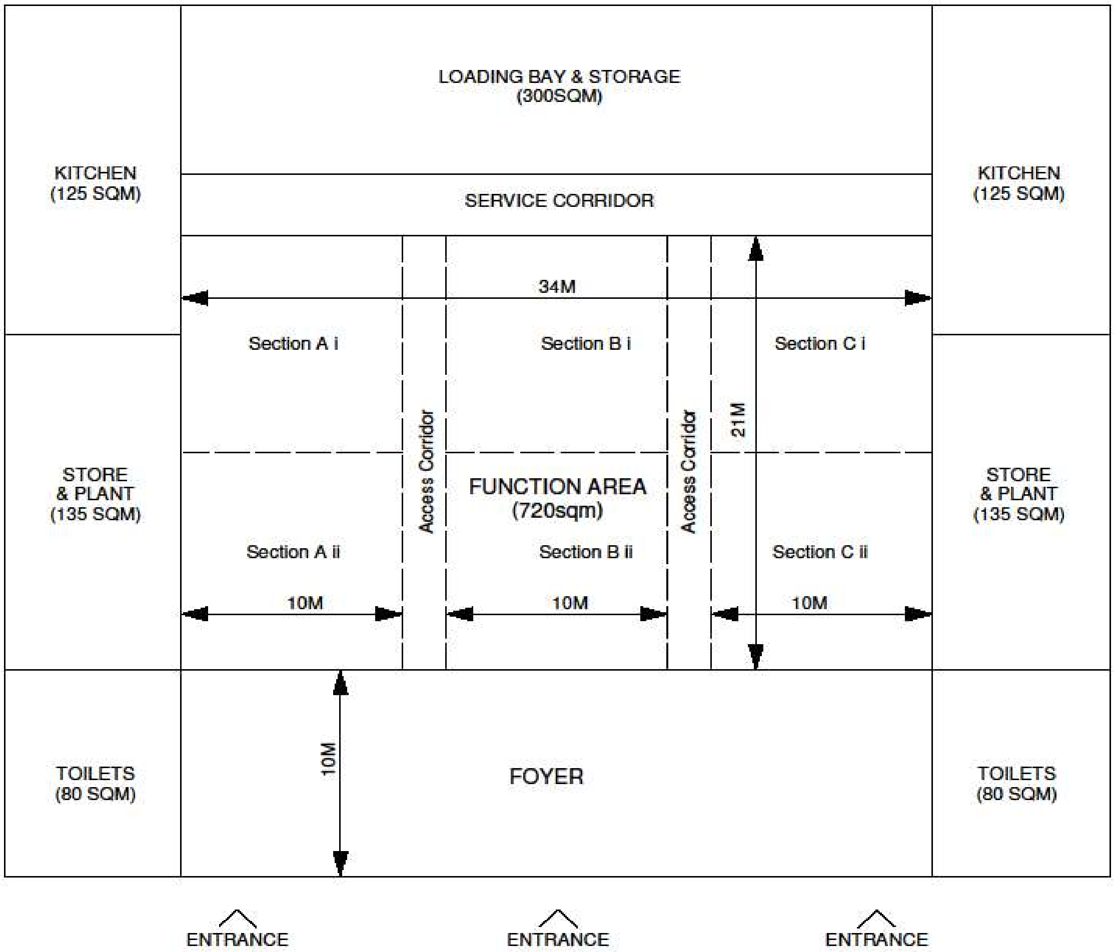
Space	Description	Area (m2)	Notes
Loading Bay #1	Easy access to all areas	300	Width should be enough for 44 tonne articulated lorries to manoeuvre to include storage
Locker/changing space	For staff such as caterers	100	Split between male & female
Audio Visual/technical rooms	Projection/sound/lighting rooms	75	Adjacent to main meeting rooms
Medical Room	First Aid and ambulance reception	30	Located with a back-of-house route to the loading bay for ambulances
ICT Rooms	Comms room and hub rooms	100	Distributed throughout building
	TOTAL:	605	

4.3 Toilet requirements Calculation

Location	Area (m^2) (Approx.)	Theatre Style	Banquet Style	Reception	Cloaks Capacity	Urinals	WC	WHB
Function Room	720	833	500	1000				
Cloakroom	82				833			
Male Toilets	70					25	5	10
Female Toilets	70						13	13
Disabled	24					Min. 1/toilet block, unisex		

The block diagram overleaf illustrates how the space may be laid out. It is not intended to be a design, just an indication of the space required.

4.4 Block diagram of Proposed Events Spaces



POTENTIAL FLEXIBLE CONFERENCE CENTRE LAYOUT
(NOT TO SCALE)

5 Financial forecasts

5.1 Hypothetical diary

The research results outlined in this report and the specification of facilities in the previous section have led to the preparation of a hypothetical diary believed to be realistic for likely levels of demand in stable year of operation (year three or four after opening) as follows:

Event	Number of times per year	Average Number of days	Facilities	Average No of people	Average Catering income per head £	Total days
Match day hospitality	20	1	Main space	400	£25	20
Academic or association conferences	12	3	All new spaces plus 1864 and directors suite	200	20	36
Gala dinners for conferences	12	1	All main space	250	40	12
Private Banqueting - weddings, parties, funei	40	1	All main space	200	30	40
Corporate awards dinners etc	20	1	All main space	200	50	20
Public sector meetings	15	1	One Section e.g. A	70	20	15
Medium to large Corporate meetings	12	2	All new spaces	100	30	24
Xmas parties Thurs, Fri, Sat	12	1	Main space	300	40	12
Hospitality during entertainment	6	1	Main space	400	50	6
Small corporate meetings	20	1	2 first floor meeting rooms	15	10	20
	169					205

In addition to the events above, 6 exhibitions in the Concourse area of the new stand have been assumed and the concourse area has been added for exhibition space for some academic and association conferences.

It should be noted that these are estimates intended to illustrate the potential and many different factors could influence their achievement. Therefore, they cannot be guaranteed. Most importantly it would require proactive marketing and selling to achieve these business levels. There may also be displacement of existing business from the Football Club and the University.

5.2 Pricing policy

Two options for pricing have been applied to the diary based on the research undertaken and what may be achievable in the location. This is shown below:

Proposed Pricing	Option 1 £	Option 2 £
Multi-Purpose Hall (Divisible)	1200	1750
Sections of multi-purpose hall		
Section A	450	600
Section Ai	250	300
Section Aii	250	300
Section B	450	600
Section Bi	250	300
Section Bii	250	300
Section C	450	600
Section Ci	250	300
Section Cii	250	300
First floor meeting rooms x 3 each	100	150
	1500	2200

Concourse for exhibitions	3000	3000

5.3 Revenue forecast

Set up days at 50% of the room hire revenue have been added to those events where they are likely to be required. Catering/F&B revenue has been estimated at a budget per head for each event type as shown in the table above x number of attendees x open days. A margin of 15% has been assumed for Food and Beverage revenue. This has been used as an appropriate figure whether catering is serviced in house or whether commission is earned from an outsourced contract. It is possible this may be higher if serviced in house. Please note all prices are based on current rates and are exclusive of VAT.

The results in potential revenue are as follows:

	Room hire Revenue	Ancillary revenue* @30%	Food and Beverage revenue	Margin from F&B @15%	Total income**
Pricing Option 1	£313,330	£93,999	£1,276,600	£191,400	£598,729
Pricing Option 2	£416,530	£124,959	£1,276,600	£191,400	£732,889

*ancillary revenue is earned from technical services, a/v equipment, entertainment for dinners etc.
**Room hire revenue, ancillary revenue and F&B margin combined.

This illustrates the potential increase in income from achieving slightly higher room hire. However, in the initial years Option 1 is more appropriate particularly when compared with the prices being achieved for current facilities. Although higher quality facilities often demand higher prices, the local market will be sensitive to increases on what they are currently budgeting and there is little indication of latent demand.

5.4 Resources and operating options

The achievement of the forecast revenue will be dependent on proactive marketing, effective management and operational expertise that builds up trust with clients, understands yield management and is able to drive sales and profitability from the potential business.

Sales and Marketing

It has been outlined earlier in this report that this is a competitive market which requires aggressive marketing and sales to realise the potential revenue. There will be a need for a marketing budget with a suggested figure between £70,000 and £100,000 (it will vary each year) to cover:

- Collateral -with branding applied to all marketing
- Digital marketing, website and social media
- Exhibitions and promotional events
- PR and advertising
- Research and database generation
- Membership of associations and networking.

Staff costs

There would be a need for staff to operate the new conference facilities. Although the management and staff are likely to be integrated into the whole Football Club enterprise and therefore some positions may have a dual role, indicative salaries for the recommended staff for the Conference Centre are shown below:

Position	Indicative salary	+25%	Total £
Head of Events (possibly dual role with FC)	£70,000 +	£17,500.00	87,500.00

Position	Indicative salary	+25%	Total £
Sales manager	£38,000 +	£19,000.00	57,000.00
Sales administrators x 2	£23,000 +	£11,500.00	57,500.00
Event planner	£38,000 +	£9,500.00	47,500.00
Technicians x 2 (for IT and AV)	£38,000 +	£19,000.00	95,000.00
Reception X 3 (2 shifts to be covered)	£16,000 each	£12,000.00	60,000.00
Floor services x 3 (2 shifts to be covered)	£15,000 each	11,250.00	56,250.00
Total			460,750.00

Overheads

In addition to utilities for power, heating and lighting, there will be cleaning, maintenance and security costs. There will also be a need to cover administration including office costs for staff, telephone, printing, internet, legal, IT and accounting fees, hospitality and travel. Preliminary estimates for 2,678 square metres (GIFA of the conference facilities) are as follows:

Item	Rate per square metre for 2,678 sq. m £	Total cost for 2,678 sq. m £
Utilities	14.00	37,492
Maintenance	£6.00	16,068
Cleaning	£9.00	24,102
Security	£7.00	18,746
Administration and general	£10.00	26,780
Total		£123,188

Total costs and potential surplus/deficit

	Revenue Option 1	Revenue Option 2
Revenue	£598,729	£732,889
Payroll	£460,750	£460,750
Overheads	£123,188	£123,188
Marketing budget	£70,000	£80,000
Total costs	£653,938	£663,938
Potential surplus/deficit	-£65,209	£68,951

Please note all figures are at current values and exclude VAT.

It is important to note that these are all shown in isolation for the Conference Centre alone. In reality, the conference facilities will be part of the whole Wrexham Football Club operation and as such there could be economies of scale and therefore reduction in the costs shown above. However, it is essential that quality is not compromised. If the quality of facilities, service or marketing are reduced in order to minimise costs, this will result in reduced revenue.

Other factors for success

There are other factors beyond the scope of this preliminary study that will impact the success of the Conference Centre. They are as follows:

1. Infrastructure – transport/travel. The Wrexham Gateway project includes improvements to the transport and travel options for the Football Club. These will be essential to its future success. The quicker, easier and cheaper it is for people to arrive and depart from the venue, the more likely it is to be used for all kinds of events including short meetings of less than one day that will help to maximise occupancy.

2. Hotel accommodation. The hotels in the vicinity have been outlined on page 8. The primary providers of Ramada and Premier Inn have a total of 171 rooms. Once the conference and events business has increased, together with the Football Club hospitality and entertainment business, and allowing for the hotels existing regular demand, this will be insufficient. If the supply of hotel accommodation of appropriate standard for business events visitors is not increased, this could limit the achievement of the revenue forecast above.

3. Appeal of the destination. It has already been explained that the links through the University, the local industries, the Council and the Welsh Government will be most influential in driving business events to the facilities. However, there is no doubt that the more attractive the destination, the more likely organisers are to select it for their events, as they want to be sure that their delegates will want to attend an event held there. This is particularly true of association and similar events where delegates pay the attendance fees themselves. Going to an attractive town or city, that they will enjoy visiting will influence their decision to attend the conference or meeting. The future development of Wrexham, the product offer for visitors including restaurants, retail, entertainment and other attractions (e.g. the Museum, Erddig, Chirk Castle, Pontcysyllte Aqueduct, Alyn Waters etc) will also be important to enable the target business to be achieved.

   There is the added benefit that the longer attendees and their accompanying partners or families want to stay in the vicinity, due to the appeal of the town and what there is to see, the greater the economic benefit to the region. This potential benefit could easily be lost to Chester if there is not enough to retain them in Wrexham and North Wales.

4. Style and standards of operation. Business events and their attendees are demanding. They require high standards of facilities, service, food, technical equipment and knowledge to ensure their events are successful. It has been outlined earlier in this document how competitive this market is. Unless the required standards are provided, it will be difficult for a new conference centre at Wrexham Football Club to compete successfully. Building new facilities is only one element of ensuring success. They will also have to be well managed, well marketed, offer high quality catering and guarantee friendly, efficient service.

Wrexham Gateway Work Programme	*Week Commencing*																
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	15/04/21	22/04/21	29/04/21	06/05/21	13/05/21	20/05/21	27/05/21	03/06/21	10/06/21	17/06/21	24/06/21	01/07/21	08/07/21	15/07/21	22/07/21	29/07/21	05/08/21
Due Diligence																	
Procurement & Mobilisation																	
Inception						✓											
Utilities Searches																	
Flood Risk RAG Assessment																	
Phase 1 Geotechnical - Remediation Strategy																	
Preliminary Cut & Fill Assessment																	
Transport Analysis & Access Points Review																	
Rail Parking Study																	
Planning Appraisal & Strategy																	
Site Constraints Plan										✓							
Rail Stakeholder Engagement																	
Station Improvements and Footbridge Feasibility & Design Brief																	
Stadium Feasibility Study & Commercial Brief																	
Architect Option Testing and Masterplan Refinement																	
Drainage Strategy																	
Utilities Capacity & Loading Assessment																	
Incoming Services Cost Estimates																	
Order of Cost Estimates																	
Financial Appraisals																	
Completion of Due Diligence Exercise																	
Land Strategy																	
Agree Heads of Terms for Land Promotion																	
Documentation of Land Promotion Agreement																	
3rd Party Land Discussions & Negotiations																	
Delievery Strategy																	
Soft Market Testing																	
Delivery Strategy Workshop 1																	
Delivery Strategy Options Paper																	
Delivery Strategy Workshop 2																	
Emerging Preferred Strategy Established & 1st Phase Defined																	
Stakeholder Engagement / Key Meetings *(indicative only)*																	
Wrexham Gateway Partnership - Project Board																	
Planning Engagement																	
Highways Engagement																	
Potential Funding Partners Engagement																	

17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
12/08/21	19/08/21	26/08/21	02/09/21	09/09/21	16/09/21	23/09/21	30/09/21	07/10/21	14/10/21	21/10/21	28/10/21	04/11/21	11/11/21	18/11/21	25/11/21	02/12/21	09/12/21	16/12/21	23/12/21	30/12/21	06/01/22

Task Ref	Wrexham Gateway - recommended next steps	Consultant	Budget	Comments
1.1	Professional Fees			
1.1.1	Architect	tbc	£50,000	*includes station brief*
1.1.2	Transport	tbc	£20,000	*baseline transport assessment and design support*
1.1.3	Utilities	tbc	£10,000	*existing constraints, loading assessment of masterplan proposal, allowance for diversion and incoming services quotations*
1.1.4	Topography (desktop / LIDAR of outstanding areas)	tbc	£500	*understand we have topo info for west side but for where we don't and can't access the land*
1.1.5	Flood Risk & Drainage	tbc	£3,000	*flood risk RAG assessment & desktop drainage strategy for masterplan*
1.1.6	Phase 1 Geotechnical	tbc	£6,000	*existing ground conditions, preimlinary cut & fill assessment & desktop remediation strategy*
1.1.7	Cost Consultancy	tbc	£20,000	*order of cost estimate and infrastructure phasing support*
1.1.8	Planning Consultant	tbc	£10,000	*planning appraisal & strategy for adopting planning document (SPD, SRF etc)*
1.1.9	Commercial Support	tbc	£15,000	*ongoing market advice, phasing & delivery strategy support*
1.1.10	Sector Specialist Consultant - 1st Phase (hotel/office)	tbc	£15,000	*detailed feasibility study for 1st phase land use, likely to be hotel or office based on existing occupier/operator interest*
1.1.11	Sector Specialist Consultant - Leisure (football stand)	tbc	£15,000	*detailed feasibility study for football stand and potential integrated uses to part subsidise*
1.1.12	Car Parking Study	tbc	£10,000	*demand assessment, commercial assessment of charging and future ownership / operational structure*
1.1.13	Development Manager	LCR	£25,638	*see LCR costs calc - NOT fee - future equity / cost recovery*
1.2	Contingency			
1.2.1	Contingency @ 10%		£17,450	
	External Costs		£191,950	
	LCR Costs		£25,638	
	Total Costs		£217,588	

STOP / GO

Wrexham Gateway - LCR Resourcing
LCR Resource Fees

Resource	Name	Daily Rate	Week						
			1	2	3	4	5	6	7
Chief Executive	Peter Hawthorne, LCR	£1,400							
Director	Rick, Lawrence, LCR	£1,200							
Regional Director	Adam Wisher, LCR	£900	0.50	0.25	0.13	1.00	0.25	0.25	0.13
Development Manager	James Howard, LCR	£500	1.50	1.00	0.25	2.00	1.00	0.50	0.50

Resource	Name	Daily Rate	Week						
			1	2	3	4	5	6	7
Chief Executive	Peter Hawthorne, LCR	£1,400	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Director	Rick Lawrence, LCR	£1,200	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Regional Director	Adam Wisher, LCR	£900	£ 450	£ 225	£ 113	£ 900	£ 225	£ 225	£ 113
Development Manager	James Howard, LCR	£500	£ 750	£ 500	£ 125	£ 1,000	£ 500	£ 250	£ 250

8	9	10	11	12	13	14	15	16	17	18	19	20	21
0.25	0.13	0.50	0.13	0.13	0.13	0.25	0.13	0.25	0.50	0.25	0.13	0.25	0.13
0.50	0.50	2.00	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.25	0.25	1.50	1.00

8	9	10	11	12	13	14	15	16	17	18	19	20	21
£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
£ 225	£ 113	£ 450	£ 113	£ 113	£ 113	£ 225	£ 113	£ 225	£ 450	£ 225	£ 113	£ 225	£ 113
£ 250	£ 250	£ 1,000	£ 125	£ 125	£ 125	£ 250	£ 250	£ 250	£ 250	£ 125	£ 125	£ 750	£ 500

22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
0.50	1.00	0.25	0.50	0.25	0.25	0.50	0.50	0.25	0.25	1.00	0.25	0.13	0.25	0.13	0.25	0.5
1.50	2.00	2.00	1.50	1.00	0.25	0.25	0.25	0.50	0.50	1.50	0.25	0.25	0.25	0.25	0.25	1

22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
£ 450	£ 900	£ 225	£ 450	£ 225	£ 225	£ 450	£ 450	£ 225	£ 225	£ 900	£ 225	£ 113	£ 225	£ 113	£ 225	£ 450
£ 750	£ 1,000	£ 1,000	£ 750	£ 500	£ 125	£ 125	£ 125	£ 250	£ 250	£ 750	£ 125	£ 125	£ 125	£ 125	£ 125	£ 500

£ 25,638

Phase	Asset	Why?	Potential Capital Cost (as developer - costs today)*	Potential Gross Income (as developer - values today)	Potential Capital Value (as developer - values today)
Phase 0	Infrastructure Enabling: Crispin Lane realignment & rail footbridge	Footbridge provides key connectivity to fully open up station. Road realignment defines the development plots.	£2,400,000	-	-
Phase 1	Hotel	Land under WGP control Existing operator interest Can help act as a catalyst/anchor for the regeneration	£11,100,000	£425,000	£4,250,000
Phase 2	Office	Occupier interest (TfW) although spatial requirement tbc Not WGP land but appears to be within NR land who should be collaborative	£4,400,000	£223,600	£2,800,000
Phase 3	Stadium & MSCP	Could be delivered earlier or later but all subject to funding, however key objective to deliver stadium and helps create the place so hoping to be a relatively early phase	£17,400,000	£120,000 (MSCP only)	£2,000,000 (MSCP only)
Phase 4	Apartment Blocks 2 & 3	Could be delivered earlier if viable on PRS tenure but allow some value growth from placemaking to make apartments a more viable land use	£17,000,000	£697,200	£10,900,000
Phase 5	Student Accomodation	Understand not currently demand for additional student resi block but could be by mid 2020s	£15,000,000	£1,000,000	£17,300,000
Phase 6	Residential (Jewsons)	Complex & long term to get VP, however should be strong developer interest once VP secured	£11,000,000 (excludes relocation costs)	£602,400	£12,700,000
Phase 7	Conferencing	Could be delivered in phase 3 if sufficient funding, if not could be incorporated into structure at later date once sufficient capital generated	£8,800,000	£300,000	£2,500,000
Phase 8	Residential (Royal Mail)	Complex and expensive intervention, place to be established first and values need to grow. Also plot less integral than other areas of masterplan but also not one to lose sight of	£21,100,000 (includes costs to relocate RM)	£670,800	£10,800,000

* excludes financing costs
*build costs only unless specified

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Wrexham Station Gateway

Feasibility Study: Financial Analysis

December 2020

Cost Assumptions Comparison

Cost Item*	Colliers Appraisal	Arcadis Order of Cost
MSCP	***No allowance***	£15k per space *(MSCP option)*
Housing	£100 psf	£110 psf
Apartments	£100 psf	£156 psf (£160 psf for BtR)
Retail	***No allowance***	£75 psf
Hotel	£135 psf	£95k per key
Student Accommodation	£100 psf	£65k per room
Office	£160 psf	£159 psf
Public Realm	***No allowance***	c£8m
Site Wide Infrastructure	***No allowance***	c£4.5m
Kop Stand	£15m	£12.5m *(just seating / terraces)* £20m *(seating / terraces + conferencing facilities)*
Mold Road Junction Works	£1.25m	£1.25m
Crispin Lane Realignment	***No allowance***	£500k
Contingency	3%	5%
Professional Fees	7.5%	8%
DM Fee	***No allowance***	4%

**based on the Urbanist Masterplan for like-for-like comparison.*

Value Assumptions Comparison

Land Use*	Colliers Appraisals	LCR Appraisals
MSCP	***No allowance***	£600 per space @ 6%
Housing	£205 psf	£205 - £220 psf
Apartments	£205 psf	£195 - £205 psf
Retail	£15 psf @ 8%	£15 psf @ 10%
Hotel	£3,500 per key	£4,250 per key
Student Accommodation	£205 psf	£5,280 per room
Office	£15 psf @ 5%	£13 psf @ 8% *(assume TfW pre-let)*
Refurbished Workspace	***No allowance***	£12 psf @ 10%
Conferencing	£300k pa @ 12%	£300k pa @ 12%

**based on the Urbanist Masterplan for like-for-like comparison.*

Appraisal Key Assumptions

The following list is not exhaustive but below are some further assumptions beyond the cost and value assumptions stated in the previous slides:

- Developer profit on cost = 17.5% on private sale, 15% on commercial & 12% on student accommodation.
- s106 contributions based on 'Developer Contributions to Schools' guidance note. Further guidance being sought by Wrexham Council colleagues.
- Royal Mail site & relocation excluded from study area and appraisals.
- affordable housing currently excluded but requires consideration going forwards.
- Kop stand cost only relates to requirement to bring stadium into international capacity standards.
- Office yield reflecting a pre-let to TfW.
- Station works excluded but will require consideration in future funding & delivery strategy.

Residual Appraisals

Disposal Model - Build & Sell All

East Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
The Urbanist *(Colliers Appraisal)*	-£30,282,378	£35,626,327	£5,343,949	**£1,203,978**	*inc. in appraisal*	**£1,203,978**
The Urbanist *(LCR Appraisal)*	-£30,604,997	£35,552,509	£4,947,512	**-£15,883,035**	*-£3,150,000*	**-£19,033,035**
Farrells Option A	-£22,653,935	£26,363,873	£3,709,938	**-£10.192,985**	*-£3,150,000*	**-£13,342,985**
Farrells Option B	-£22,653,935	£26,363,873	£3,709,938	**-£10.192,985**	*-£3,150,000*	**-£13,342,985**

West Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit	Combined Surplus/Deficit
The Urbanist *(Colliers Appraisal)*	-£35,727,171	£17,480,650	£1,748,065	**-£18,246,521**	*inc. in appraisal*	**-£18,246,521**	**-£17,042,543**
The Urbanist *(LCR Appraisal)*	-£20,649,125	£23,586,000	£2,936,875	**-£37,681,079**	*-£1,600,000*	**-£39,281,079**	**-£58,314,114**
Farrells Option A	-£22,653,775	£25,986,000	£3,350,225	**-£30,040,324**	*-£1,600,000*	**-£31,640,324**	**-£44,983,309**
Farrells Option B	-£22,636,281	£25,986,000	£3,349,719	**-£28,533,173**	*-£1,600,000*	**-£30,133,173**	**-£43,476,158**

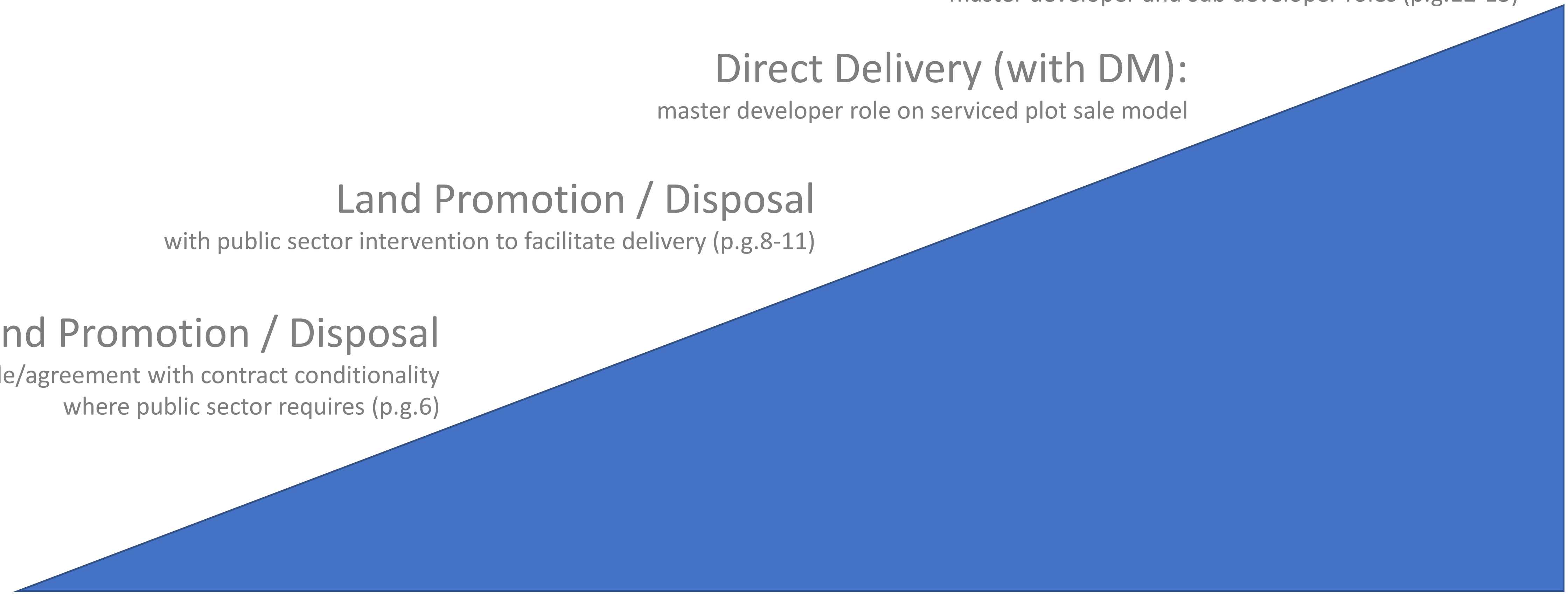
Delivery Model Options

Direct Delivery (with DM):
master developer and sub developer roles (p.g.12-13)

Direct Delivery (with DM):
master developer role on serviced plot sale model

Land Promotion / Disposal
with public sector intervention to facilitate delivery (p.g.8-11)

Land Promotion / Disposal
land sale/agreement with contract conditionality where public sector requires (p.g.6)



LOW ***RISK*** HIGH

Appraisal Optimisation: PubSec Support

(1) Public Sector Lease Underwriting to Guarantee Investor Income

- Applying a public sector head-lease to an income generating asset vastly reduces risk for a prospective investor, therefore the yield achievable is much more attractive and creates significant additional value in the appraisal.
- Typical head-lease term dependant on asset type but usually a minimum of 15-20 years.
- Comes at risk to public sector however as it is obliged to pay head-lease rent regardless of if there is an occupier in place, therefore not generally advisable on assets where changes in tenant/operator is frequent and voids likely.
- Applied in appraisals to office, hotel & MSCP to illustrate impact. Assuming an office pre-let to TfW these assets are considered to be most reliable in terms of attracting a single, long term tenant and operator. Could also be considered on conferencing and rental residential products if there is appetite to explore.

(2) Infrastructure Grant Funding

- Current infrastructure estimate in order of cost is c£14.29m. Adding in associated fees & contingency gives a potential infrastructure funding ask of c£16.7m. This figure will no doubt evolve as we complete further due diligence on the site.
- **Point for Clarification:** Welsh Government to clarify local application of grant funding model.

Residual Appraisals
Disposal Model with PubSec Headleases

East Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
Farrells Option A	-£25,778,781	£29,957,444	£4,178,663	**-£7,146,177**	*-£3,150,000*	**-£10,296,177**

West Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
Farrells Option A	-£30,740,567	£35,307,429	£4,566,861	**-£22,126,906**	*-£1,600,000*	**-£23,726,906**

Includes stadium cost of £12.5m

This produces a net improved position of c£11m. However this model gives potential exposure to the public sector in a worst case scenario of £770k per annum, in a circumstance whereby all underwritten assets are fully void for a year.

Residual Appraisals

Disposal Model with Infrastructure Grant

East Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
Farrells Option A	-£22,653,936	£26,363,873	£3,709,937	**-£2,006,412**	*-£3,150,000*	**-£5,156,412**

West Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
Farrells Option A	-£22,638,756	£25,986,000	£3,347,244	**-£21,167,541**	*-£1,600,000*	**-£22,767,541**

Includes stadium cost of £12.5m

This produces a net improved position of c£17m but with gap / infrastructure funding requirement of £16.7m.

Grant requirement of £16.7m

Residual Appraisals

Disposal Model with Infrastructure Grant + PubSec Headleases

East Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
Farrells Option A	-£25,744,906	£29,957,444	£4,212,538	**£965,973**	*-£3,150,000*	**-£2,184,027**

West Side

Masterplan	Cost	Revenue	Developers Profit	Residual Land Value	Land & De-Risking Costs	Total Surplus/Deficit
Farrells Option A	-£30,743,550	£35,307,429	£4,563,879	**-£13,254,122**	*-£1,600,000*	**-£14,854,122**

Includes stadium cost of £12.5m

This produces a net improved position of c£28m. However this model gives potential exposure to the public sector in a worst case scenario of c£770k per annum, in a circumstance whereby all underwritten assets are fully void for a year.

Grant requirement of £16.7m

Alternative Model: Direct Delivery

Delivery Model Principles

- Public sector takes on development risk and funds delivery of masterplan using Prudential Borrowing Facility (PWLB).
- Public Sector appoints development manager(s) to lead on day-to-day project work.
- Assets retained as income strip to repay debt over time, option to exit at point by which receipt of asset will repay outstanding debt.
- More detailed study on phasing required to optimise cash-flow and reduce borrowing costs.

Appraisal Assumptions

- All options are 'all in' scenarios as a simplistic example. In reality would not expect this level of public sector borrowing and would instead be adopted on certain assets when de-risked to appropriate level (CBRE have provided a hotel case study which we will share).
- For simplicity all assets held over fixed period of time and then sold at same point in time.
- Could be models whereby certain assets held for longer and other assets disposed of sooner. Many variations to explore.
- Housing disposed to developer upfront to reduce borrowing costs as they are viable assets. Could also be tested for PRS.
- Apartments modelled on build to rent tenure. Build cost increased to reflect better internal spec and building efficiencies decreased to allow for more amenity space. Annual value growth of 0.5% in excess of cost inflation.

additional grant requirement of £16.7m

Development Cash-Flow

Direct Delivery

Heading	Apr 34-Mar 35	Apr 35-Feb 36	Apr 39-Mar 40	Apr 40-Feb 41	Apr 49-Mar 50	Apr 50-Aug 50
Project Costs	£0	-£9,945,731	£0	£0	£0	£0
Financing / Interest	-£1,302,466	-£1,155,649	-£1,066,382	-£850,466	-£1,037,412	-£334,206
Total Costs	-£1,302,466	-£11,101,380	-£1,066,382	-£850,466	-£1,037,412	-£334,206
Income	£3,507,490	£66,055,954	£3,569,075	£52,975,902	£3,701,488	£50,941,278
Net Cash Flow	£2,205,024	£54,954,573	£2,502,693	£56,178,385	£2,664,076	£56,803,987
Cumulative Net Cash Flow	-£62,297,431	**-£7,342,858**	-£50,334,076	**£5,844,309**	-£48,815,712	**£7,988,275**

Hold Period	10 Years with infra grant*	15 Years with infra grant*	25 Years including infra costs
Total Financing Costs	-£17,200,784	-£22,710,608	-£40,877,583
Peak Borrowing	£82m, Dec 2025	£82m, Dec 2025	£99m, Mar 2026
Year 9/14/19 Project Position	-£62,297,431	-£50,334,076	-£48,815,712
Year 10/15/20 Project Capital Value	£54,954,573	£56,178,385	£56,803,987
Total Project Profit	-£7,342,858	£5,844,309	£7,988,275
Land and De-Risking Payback	*-£4,750,000*	*-£4,750,000*	*-£4,750,000*
Net Profit	**-£12,092,858**	**£1,094,309**	**£3,238,275**

Summary & Conclusions

- Wrexham Station Gateway is an unviable scheme in conventional terms as is commonplace with significant, station regeneration proposals.
- Significant public sector backing and intervention will be required in some form; there are a number of ways to do this with different levels of risk & reward profiles. Careful consideration required in terms of appetite.
- Grant funding options need to be explored, particularly for infrastructure as an enabler and value generator.
- Detailed funding & delivery strategy key in next stage of work, alongside due diligence studies, design optioneering and value engineering.
- All appraisals and supporting work comprising this study will be provided to the partnership for review.

Steps to Delivery

1.	2.	3.	4.	5.	6.	7.	8.	9.
COLLABORATION	OPPORTUNITY FILTER PROCESS	SCOPING PHASE	FEASIBILITY & STRATEGY	DUE DILIGENCE & APPROVAL	DE-RISK & STRUCTURE	TAKE TO MARKET	MONITOR CONTRACT/ PLANNING	MONITOR DELIVERY & BENEFITS
Initial engagement with external partner	Identify a potentially viable project	Define the opportunity	Proving the opportunity & strengthening evidence based land partnering	Clear proposal & partnering arrangement	Create a marketable site	Delivery vehicle identified and agreed	Regulatory approvals	Realising the benefits
PROJECT BRIEF	PB UPDATE	SOBC	OBC	FBC	FBC UPDATE	TRANSACTION	BENEFITS	BENEFITS

WE ARE HERE…

Proposed Next Steps & LCR Role

- LCR has enjoyed working on this project and hopefully provided with the Partnership with clarity on the scale of the challenge, a few new ideas and emerging direction on steps to fund the gaps that will exist to realise the vision of the Partnership.
- LCR remain committed to support in the next stages and further work up the structure to engage with the market, PubSec funding solutions and have opportunity to submit our Strategic Outline Business Case in February 2020.
- Important feedback will be needed on likely appetite of Welsh Government & Wrexham Council to explore and potentially participate in the delivery structures identified.
- We would welcome feedback on this proposition and future collaboration at the next partnership meeting in January 2021.

QUESTIONS AND DISCUSSION…

A Fiscal Stimulus Package for the Mersey Dee Economy

A Strategic Proposition

HATCH

Contents

Foreword

Foreword

Foreword by Councillor Mark Pritchard, Chair of the Mersey Dee Alliance and Leader of Wrexham County Borough Council

To add once complete.

PARTNER LOGOS HERE

01: Our Proposed Fiscal Stimulus Package

INSERT IMAGE IN BACKGROUND

01

Our Proposed Fiscal Stimulus Package

Mersey Dee Alliance Fiscal Stimulus Package

Our economy

- 1 million residents
- 22 billion GVA
- 413,000 jobs
- 77% of residents live and work in the MDA area
- 2,900 companies with +£1m annual turnover
- £4.5 bn manufacturing cluster

The Need for Stimulus

- **£3.5bn GVA** lost (**-15%**) in 2020
- **1,400 redundancies** at Airbus Broughton
- **+1,233% business insolvencies** (May- Dec 2020)
- Key sectors facing challenges of **decarbonisation**
- **23%** of the MDA **within most 30% deprived** part of England
- **£225m** of unfunded rail infrastructure schemes
- Dependent on EU for **exports** (80% to EU)
- **Only 37%** Ultrafast broadband reach (54% UK)

Our Stimulus Package

- £79m Business support & Skills programme
  to support our anchor companies to remain competitive and decarbonise
- £115m Low Carbon energy programme
  to propel Mersey Dee to becoming a low carbon industrial hub
- £30m Digital programme
  to raise our productivity through digital connectivity
- £110m Transport programme
  to enable a cleaner, modern cross-border network
- £75m Place programme
  to ensure our town and city centres are resilient and recover from the pandemic

Outcomes

Total impact: **+£1.2bn GVA** and **5k jobs** created and safeguarded

- 300 businesses assisted
- £475m private sector co-investment
- 100km H2 pipeline, 10 hydrogen and CCUS hubs, a Hydrogen Demonstrator facility
- 100km walking and cycling infrastructure
- 130km of super-connected transport routes

Delivering on Government objectives

- Driving forward **Ten Point Plan** for a **Green Industrial Revolution**
- Tackling historic **under-investment** in infrastructure
- Grasping the opportunities from **Global Britain**
- **Levelling up** our communities

Our economy

The Mersey Dee is a unique, functional economy spanning the border between North West England and North East Wales. The Mersey Dee Alliance (MDA) is a well-established economic partnership bringing together four local authority areas: Cheshire West and Chester and Wirral in England, and Wrexham and Flintshire in Wales. We are a cross-border initiative, spanning the border of North East Wales and North West England. The University of Chester, Wrexham Glyndwr University and Welsh Government are also partnership members. We work together to enhance the profile of the region, grow its competitiveness and continue to establish it as a pivotal location in the UK.

The MDA seeks to reduce cross border complexity caused by differing policy frameworks in England and Wales. The local population and businesses do not see a border and it is the mission of the MDA to represent them. We are one of the most self-contained labour markets in the UK, with **77% of our residents living and working within the MDA area.** Census data identifies that **29,800 people travel across the national border** every day for work.

We make a very strong contribution to the national economy. **We have more residents than Reading, Cambridge & Milton Keynes combined** and **our Gross Value Added (GVA) of £22 billion is equivalent to a third of the entire Welsh economy.** Our economy is diverse, hosting nationally important firms including Airbus, Tata Group, Toyota, Vauxhall, Kelloggs and JCB. We host nationally significant concentrations of industry in sectors such as advanced manufacturing, energy and life sciences. We are at the heart of the drive towards net zero with our renewable energy assets and opportunities, and we are set to host **the UK's first at-scale hydrogen project**. The MDA area and Deeside/Wrexham in particular are **unique in rebuilding a manufacturing economy after the decline of traditional industries**.

There are major economic opportunities for development and growth in the Mersey Dee area.

The need for this package

Our economy has been hit particularly hard by the COVID-19 pandemic.

In 2020, the UK economy was estimated to have shrunk by 9.9%[1], the largest fall on record and probably the biggest economic shock since the start of the 18th century. Our own modelling estimates suggest that **15% of our pre-pandemic GVA of £22.9bn (£3.4bn) was lost during 2020.** This is due to the mix of sectors that we host. Our manufacturers have been hit extremely hard, as have our town centres and the range of retail and hospitality businesses across the region. Insolvencies in the MDA area increased by 1,233% between May and December 2020. Almost 13% of the eligible workforce was on furlough in January 2021.

Alongside the impacts on our town centres, one of the most visible consequences was the **announcement last year from one of our anchor companies, Airbus, of 1,700 redundancies across the UK.** This has resulted in the announcement of 1,400 job losses and a 30% cut in production at the Broughton site. Airbus employees have subsequently voted for a Trade Union deal to implement a Shorter Working Week when the Job Retention Scheme ends. Given the multiplier effects through

[1] ONS, December 2020, Monthly GDP estimate

companies impacted in the supply chain and through lost employee spending, **we estimate that this alone has cost the UK economy around £700 million in GVA and 11,000 job losses**. Much of this is located in the MDA area, given the locations of employees and suppliers.

Furthermore, **our anchor companies, many of which are multinationals, face increasing global competition.** This environment means that local plants need to compete internally with other global sites for continued investment. Structural shifts including our departure from the European Union and the need to decarbonise operations have intensified this competition. With 80% of our exports going to the EU**, our internationally oriented firms need to adapt to new trading arrangements and to grasp the opportunities in a Global Britain.**

These concerns are not theoretical or far off. At the time of writing, we are also facing the potential closure of the Vauxhall car plant at Ellesmere Port, which has been making cars since 1964. Airbus is at risk of wing production moving to France or Germany unless Broughton remains competitive.

The long-term prosperity and competitiveness of our employers, people and places is further held back by **under-investment in our transport and digital infrastructure**, partly due to administrative and policy barriers created by the national border. [Note: we will add hook to strategic transport schemes here]

We must act now to safeguard our economic assets, our skills base and our places, and ensure they are positioned to take advantage of the opportunities presented by the Green Industrial Revolution and Global Britain.

Our strategic priorities

In response to these challenges, partners across our region have come together to agree **a targeted package of investments** that will stimulate economic recovery, whilst accelerating major long-term opportunities for shared, sustainable and inclusive economic growth.

Our proposition is firmly grounded in the established vision for MDA economy, with three strategic themes:

1. **Supporting cleaner growth**: the UK has adopted a target of achieving net zero emissions by 2050. With our mix of industries, renewable energy assets, the UK's first proposed at-scale hydrogen project and an industrial cluster at the forefront of decarbonisation, we our ideally placed to lead this ambitious transition and to act as an exemplar region for the green industrial revolution. This also offers major opportunities for diversification within our advanced manufacturing supply chains.
2. **Connecting places, people and businesses**: as a cross-border economy with multiple centres, the Mersey Dee area will be strengthened by improving the links between those places, their businesses and people. Enhancing our connectivity is crucial and we have suffered long-term challenges from under-investment, in part due to the administrative border. We must accelerate and deliver the cross-border transport and digital infrastructure improvements our employers and workers need to be competitive.
3. **Ensuring sustainable and inclusive growth**: as the region recovers from the pandemic, we must look beyond a simple headline level of growth. We must ensure that everyone benefits

from the region's success and that we level up inequalities across our region and within our communities.

Delivering on national imperatives for the UK and Wales

Our priorities and programmes have been designed to complement the existing national packages of support such as the Plan for Jobs and to directly deliver on UK and Welsh Government priorities. We will act as an exemplar for the delivery of the **UK's Plan for Growth** by:

- driving forward the **Ten Point Plan** for a Green Industrial Revolution – decarbonising our industrial cluster, driving the innovations needed and creating highly-skilled jobs for the future, including opportunities for industries and supply chains hit by the pandemic to diversify.
- **tackling historic under-investment in infrastructure,** by bringing forward the transport improvements that have been neglected partly as a result of the administrative border.
- supporting our multinational anchor companies to adapt to the new trading environment following our exit from the European Union, so that they can take advantage of the opportunities from **Global Britain**.
- **levelling up** our communities, ensuring that all parts of our cross-border economy benefit from the recovery and growth and regenerating our town centres
- **strengthen the Union** by bringing forward strategic investments in connectivity – both transport and digital – that strengthen the cross-border links that are critical for our cross-border functional economy.

We will also directly support Welsh Government objectives as underpinned by the Wellbeing of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, and set out in the Economic Action Plan and Future Wales. The Welsh Government has inputted into the development of our package and is a key partner for the MDA. The package will deliver strongly on the Welsh Government's priorities for **decarbonisation, innovation, skills, and cohesive communities**. It will particularly help to deliver on the targeted outcomes for **Future Wales** by boosting connectivity and inclusion, reducing socio-economic inequality, supporting our towns and cities, building world-class digital infrastructure, and decarbonising the economy.

Moreover, we have consulted widely with our partners in the public and private sectors to understand the needs and market failures across the region. All of our proposals have been tested to ensure that they complement and add value to existing initiatives in both North Wales and North West England. This includes the North Wales Growth Deal, the economic recovery plans in North Wales and the Liverpool City Region, and the relevant Local Industrial Strategies.

Our fiscal stimulus package [impact figs to be finalised]

Our proposed package will deliver **£1.2 billion in net additional economic benefits, benefitting 1 million residents, creating and safeguarding at least 5,000 jobs and levering in £475 million in private sector investment.** By funding or unlocking over £800 million [to check] in capital spending we will quickly support the construction sector, with **over 8,000 construction years of employment** supported to help boost economic recovery.

Our ask of Government is to support our priority projects and programmes through **£400 million** of funding.

The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funding streams.

Our proposed package is split into five programmes.

Business support and skills

Our goal: support our businesses and workers to recover, remain competitive and to capitalise on the opportunities presented by the Green Industrial Revolution.

Key projects: A £60m business challenge fund, targeted business support and skills/employment brokerage for firms and employees in the manufacturing sector, pump priming new skills programmes for the Green Industrial Revolution.

Main Government priorities addressed: Supporting the creation of a low carbon industrial cluster by 2030, supporting productivity growth through skills and innovation, supporting the vision of a Global Britain and crowding in private investment.

Main outputs and outcomes: The business challenge fund will provide low carbon premises for 290 businesses, safeguard or create over 2,000 jobs, deliver savings in excess of 450,000 tonnes of Carbon, levering at least £80m of private sector investment.

Our ask: £80 million (£70m capital; £10m revenue)

Low carbon energy

Our goal: propel the Mersey Dee area towards becoming a low carbon industrial hub at the forefront of the emerging global hydrogen and CCUS economy.

Key projects: A strategic hydrogen demonstration facility for the UK, 100km blue hydrogen pipeline, development of 5-10 local hydrogen and CCUS hubs in the Mersey Dee area, a tidal energy centre of excellence.

Main Government priorities addressed: Investing in net zero, supporting the creation of a low carbon industrial cluster and generating 5GW of low carbon hydrogen capacity and capturing 10MtCO_2/year using CCUS by 2030 and crowding in private investment.

Main outputs and outcomes: The funding will deliver a new strategic hydrogen demonstrator facility, accelerate the delivery of over 100km of hydrogen pipeline, support a new tidal range energy project and centre of excellence.

Our ask: £107 million (£95m capital; £12m revenue)

Transport

Our goal: lay the groundwork for a cleaner, more modern cross-border transport network in which the car is no longer the default.

Key projects: Development funding to accelerate more than £200m of rail capital investment, building a 100km long cross-border Active Travel network linked to major employment sites and public transport and funding the infrastructure needed to support integrated ticketing across the region.

In addition, [insert words here on strategic schemes outside the package]

Main Government priorities addressed: addressing historic under-investment in infrastructure, strengthening the union, stimulating demand and driving productivity through infrastructure investment, connecting people to opportunity and levelling up the Mersey Dee, investing in net zero.

Main outputs and outcomes: The transport investment programme will support a 100km Active Travel network, new ticketing infrastructure for 20 stations & 400 buses covering 50 routes and 9 operators as well as preparing business cases for nearly £200m of rail capital investment.

Our ask: £115 million (£90m capital; £25m revenue)

Place

Our goal: ensure that our town and city centres are more resilient, vibrant and dynamic as we recover from the impact of the pandemic.

Key projects: Unlocking the Wrexham gateway project and funding the revitalisation of town centres across the Mersey Dee area.

Main Government priorities addressed: Regenerating struggling towns, levelling up the Mersey Dee area and supporting small and medium sized enterprises to grow.

Main outputs and outcomes: The place programme is expected to lever in at least £130m of private investment, and provide bridge infrastructure, green space, public realm and new workspace across town centres throughout the Mersey Dee area.

Our ask: £75m million (£70m capital; £5m revenue)

Digital connectivity

Our goal: supporting our businesses and workers to recover from the pandemic, remain competitive, innovate and to capitalise on the opportunities presented by the UK's exit from the EU and reducing carbon emissions.

Key projects: Extending the North Wales Economic Ambition Board's Connected Corridors 5G project across the England Wales border, joint procurement of fibre ducting infrastructure across the Mersey Dee area and installation of digital infrastructure in town centres.

Main Government priorities addressed: addressing underinvestment in infrastructure, strengthening the union, supporting small and medium sized enterprises to grow, stimulating short-term economic activity and long-term productivity by investing in infrastructure, enabling the vision of a Global Britain.

Main outputs and outcomes: The digital programme will deliver 130km of super connected transport routes and 55 deployments of new 'smart town' infrastructure.

Our ask: £30 million (£27m capital; £3m revenue)

Taking the package forward

We have operated successfully as an economic partnership since 2007 and have a strong track record in delivering major projects. We have the established structures, capacity and partnerships to deliver quickly and effectively. We do not propose, or need, to create new governance structures to deliver our fiscal stimulus package.

The MDA will provide central co-ordination of the package of investments, with xxx acting as the accountable body. Delivery will be led by the individual local authorities and Transport for Wales, as appropriate.

Delivering our proposed fiscal stimulus package is now our number one priority.

We are ready to deliver, and to deliver quickly.

We recognise that our proposition is the starting point in a conversation. Our package is deliberately designed to be flexible and adaptable.

We look forward to working collaboratively with Government to take this forward.

The remainder of the document is structured as follows.

- **Section 2** introduces the Mersey Dee Economy, bringing out its key features and what makes it distinctive as an area to invest in
- **Section 3** sets out why this package is needed, including our assessment of our priorities, split into key themes and outlining the fit with wider strategies and policies
- **Section 4** details the proposed fiscal stimulus package, explaining how we developed it and the six programmes of investment
- **Section 5** explains how we propose to deliver the package
- **Section 6** sets out the stakeholder support our package has secured
- Finally, we conclude with our **proposals for taking the package forward with Government.**

IMAGE IN BACKGROUND

02: The Mersey Dee Economy

The Mersey Dee: a unique functional economy

02

The Mersey Dee Alliance

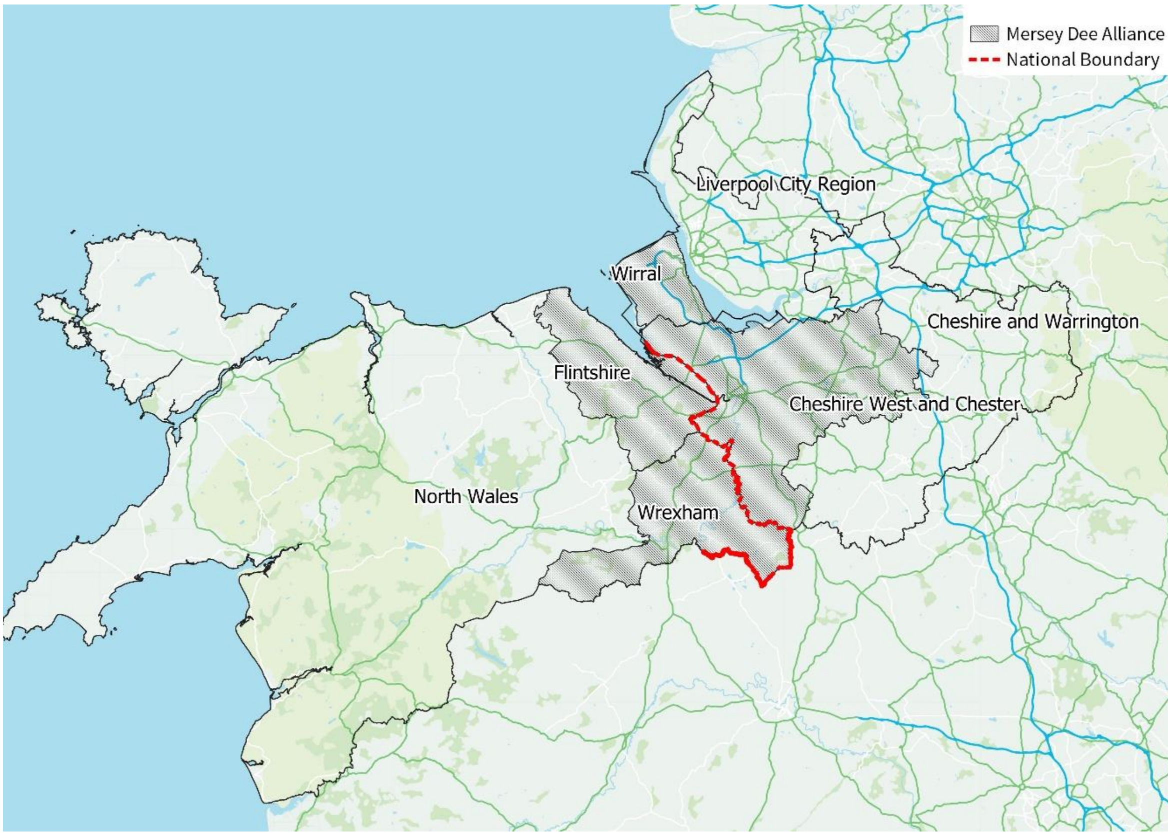
The Mersey Dee Alliance (MDA) is an economic partnership spanning four local authority areas: Cheshire West and Chester and Wirral in England, and Wrexham and Flintshire in Wales. We are a cross-border initiative, spanning the border of North East Wales and North West England. The University of Chester, Wrexham Glyndwr University and Welsh Government are also partnership members.

The MDA seeks to **strengthen the Union** by reducing cross border complexity caused by differing policy frameworks in England and Wales. The local population and businesses do not see a border and it is the mission of the MDA to represent them.

The MDA was established as a strategic economic partnership in 2007, bringing together the four local authorities around a shared aim to **enhance the profile of the region, grow its competitiveness and continue to establish it as a pivotal location in the UK**.

Through this, the Alliance acts as a catalyst for business growth and innovation, and inward investment.

Mersey Dee Alliance Boundary



A leading economic location

The Mersey Dee is an important strategic and dynamic region, contributing significantly to the UK economy:

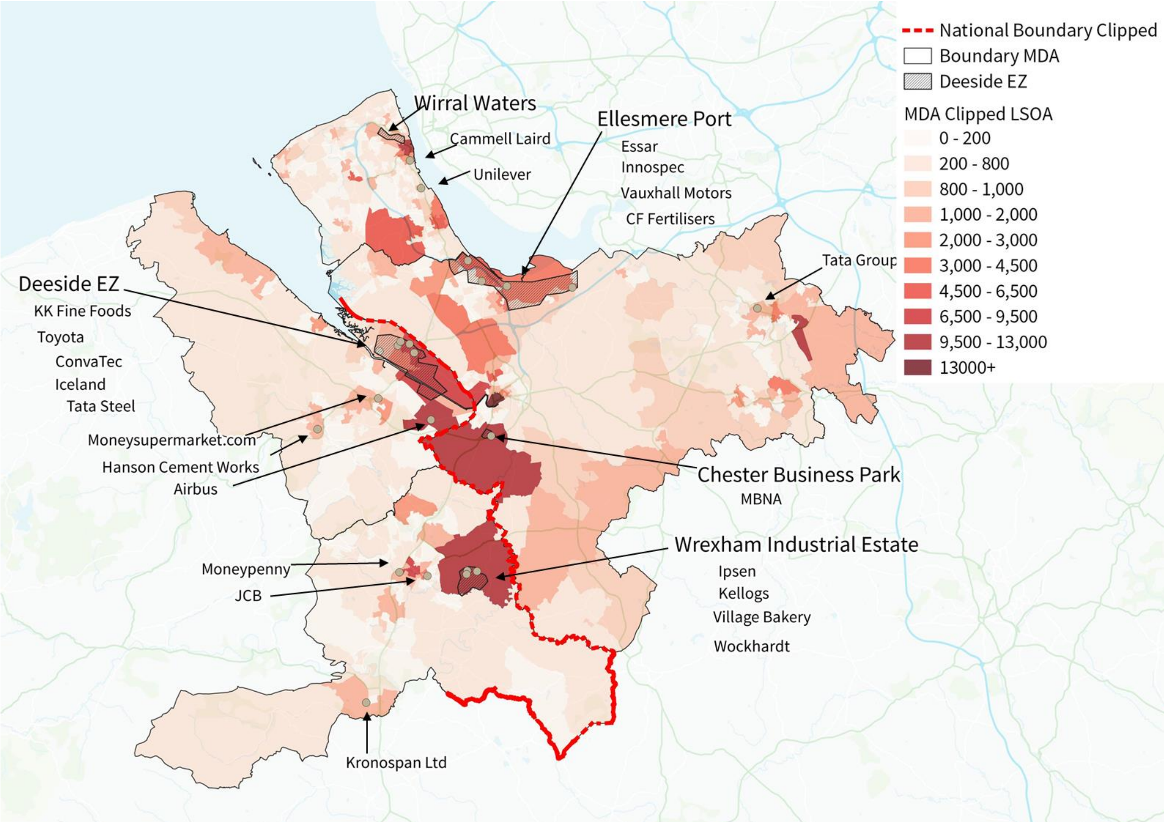
- We have nearly **1 million residents**, which is roughly equivalent to that of Belfast and **larger than Reading, Cambridge & Milton Keynes combined**
- We contribute **£22 billion in Gross Value Added**[2] annually, which is **equivalent to a third of the entire Welsh economy.**
- We are home to **32,470 businesses,** which support over **413,000 jobs**, which is equivalent to almost a half of all businesses in the North East of England and almost a third of all businesses in Wales and we house more jobs than Manchester, Sheffield or Edinburgh.
- We have **700 companies** that each turn over more than **£1 million** per year.
- We host **nationally important firms and activities**, including international names such as Airbus, Tata Group, Toyota, and Vauxhall.
- We are a **high value manufacturing cluster**, producing £4.5bn in manufacturing GVA and housing 70% more manufacturing employment than the national average. Our industrial growth outperforms the rest of the UK.
- We are a **diversified economy** with key strengths in advanced manufacturing, energy, life sciences, financial services, food, tourism and retail.
- The region has significant **variations in prosperity and inclusion**: 23% of MDA's LSOAs are in the top 30% most deprived nationally and 26% are in the top 20% least deprived.

The resurgence and growth of the MDA economy as a manufacturing powerhouse follows the closure of more traditional activities in recent decades including coal (Wrexham), textiles/chemicals (Flint) and Steel (Shotton). The area lost many other engineering/industrial firms in the course of this transition. **The MDA area and Deeside/Wrexham in particular are unique in rebuilding a manufacturing economy**.

[2] ONS (2019) Regional Gross Value Added (balanced) by industry: local authorities by NUTS1 region

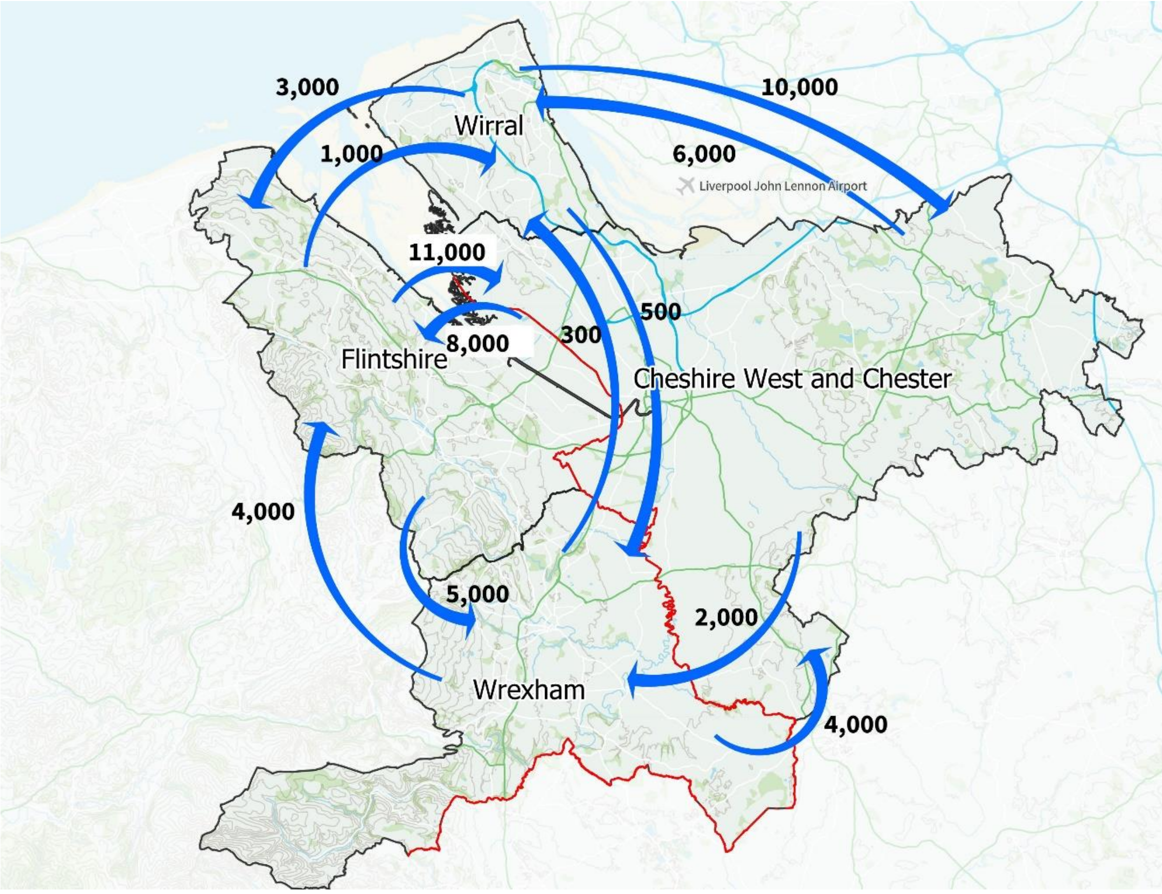
We are a polycentric region, with five main centres in Chester, Wrexham, Deeside, Ellesmere Port and Birkenhead. More than a quarter of the population resides in the three main urban areas of Chester, Wrexham and Birkenhead. We have a number of strong employment centres, including Deeside Enterprise Zone, Ellesmere Port, Chester City Centre, Chester Business Park, Birkenhead/A41 corridor, Wrexham Town Centre and Wrexham Industrial Estate. There are particular concentrations along the national borders.

Key Employment Locations



A critical feature of our economy is its **unique, integrated cross-border nature**:

Labour Force Commuting Flows



- **77% of our residents live and work within the MDA area[3],** making it one of the most self-contained labour markets in the UK. We are more self-contained than Cardiff (76%), Liverpool (70%) and Cambridge (67%).
- **29,500 people travel across the national border** every day for work, illustrating the cross-border integration of our economy[4].
- **Cross-border journeys starting in North Wales are more than 20 times greater** in number than the interregional journeys that take place from North Wales to other regions of Wales.

[3] Proportion of usual residents aged 16 and over in employment at the time of the 2011 census

[4] ONS, Census (2011), Travel to work flows

Our Key Sectors

The region offers a great location for businesses to thrive and innovate, as well as an excellent quality of life. For example, Wirral was voted the happiest place to live in the North West by RightMove in 2017. With thriving urban centres like Chester located in close proximity to the UNESCO World Heritage site of the North Wales Coastline, Snowdonia National Park, and Pontcysyllte Aquaduct, we have a unique offering that enables us to attract and retain major firms and mobile talent.

The Mersey Dee economy is home to a number of sectoral specialisms with six sectors that define the region's economy:

- **Advanced Manufacturing**: We are a manufacturing powerhouse, producing £4.5 billion in GVA and employing 54,000 people. With a Location Quotient of 1.7, the MDA houses 70% more manufacturing employment than the national average. Our sectors are relatively high productivity, with an overall GVA per FTE (Full Time Equivalent) job of £83,500, which is 2% greater than the national average for all manufacturing and 9% higher than the national average across all sectors. The sector includes leading anchor companies in aerospace, automotive and pharmaceuticals, such as Airbus, Toyota and JCB, along with thriving research and innovation assets such as the Advanced Manufacturing Research Centre (AMRC) Cymru, Thornton Science Park and Wrexham Glyndwr University's specialisms in optics and composites.

We house 70% more employment in advanced manufacturing than the national average

- **Energy**: The Mersey Dee is a nationally important region in the UK's energy sector employing 13,500 people across 1,430 businesses. We are home to a burgeoning nuclear and offshore wind industry and associated supply chain, with the Capenhurst nuclear power plant and one of the largest concentrations of nuclear consulting engineering companies in Europe. We are at the forefront of efforts to decarbonise industry by generating and deploying hydrogen at scale, housing the flagship Hynet project. The Cheshire Energy Hub have devised the Energy Innovation District which provides an opportunity to deliver a new energy system in the North West.
- **Finance and professional services:** The region is home to nearly 7,000 financial and professional services businesses, accounting for 21% of all businesses and supporting 48,800 jobs. This includes 3,500 jobs at Chester Business Park, with a presence of many high profile and global brands such as MBNA Lloyds Banking Group, Bank of America, M&S Bank and Moneypenny, world leaders in offsite secretarial services and a Welsh Government anchor company.
- **Health and life sciences:** The health and life sciences sector is one of the largest sectors in the region with a GVA of £2.1bn, 48,300 jobs and a location quotient of 1.1. With the Wrexham industrial estate, one of the largest industrial sites in Europe, there is a cluster of a number of medical and pharmaceutical companies most notably Ipsen and Wockhardt, along with Unilever in Wirral. The make-up of businesses in the sector are large employers with only 975 businesses supporting all the employment.
- **Tourism:** The region is located close to the North Wales coastline, Pontcysyllte Aquaduct and Snowdonia National Park which attracts around 4 million tourists per year. The tourism sector within the Mersey Dee region is also a strength of the area with a number of nationally recognisable retail locations and sporting facilities including the Royal Liverpool Golf Club, which hosts internationally recognised tournaments such as The Open Championship.

- **Retail:** The region boasts nationally significant retail locations with the UK's largest designer outlet in Cheshire Oaks at Ellesmere Port, which attracts around 8 million shoppers a year, alongside the major redevelopment at Northgate in Chester. Wrexham is the largest town centre in North Wales. The MDA's strong retail offering is a pivotal local economic sector employing 52,150 people (13% of overall employment) and over 3,300 businesses as well as the 3rd highest GVA producing sector in the MDA accounting for 11% of the regions total GVA.

The manufacturing sector accounts for a fifth of Mersey Dee's total GVA.

Top 10 Broad Sectors in the Mersey Dee by Gross Value Added (GVA)				
Rank	**Sector**	**GVA (£m)**	**Share of Total GVA**	**Employment**
1	Manufacturing	4,469	20%	56,000
2	Real estate activities	2,708	12%	5,450
3	Wholesale and retail trade	2,364	11%	68,000
4	Health	2,079	10%	59,000
5	Financial and insurance	1,655	8%	12,350
6	Education	1,212	6%	32,000
7	Professional, scientific and technical	1,126	5%	32,000
8	Admin and Support	1,070	5%	29,500
9	Public administration and defence	1,060	5%	18,000
10	Construction	917	4%	17,750

ONS, 2018 GVA data and Business Register and Employment Survey, 2019

Our Assets

Education

The MDA area is home to two universities: University of Chester and Wrexham Glyndwr University and three further education colleges: Wirral Metropolitan College, Coleg Cambria and Cheshire College (South and West). Our educational institutions play a strong role as partners in the Mersey Dee Alliance and in driving forward strategic economic development projects for key sectors.

The region has a strong retention rate of graduates within the key priority sectors for growth going forward. 61% of the past five years' graduates who had found employment upon graduation were employed in a priority or growth sector[5]. Overall graduate retention stands at 54%, which is notably higher than some other locations.[6] The high level of employment in priority sectors is supported by schemes such as the Cheshire Energy Hub Graduate Scheme at Capenhurst, an industry led energy sector support organisation that has established an award-winning graduate development programme.

We also have an expanding academic research base with the Energy Centre at the University of Chester's Thornton Science Park, highlighting the region's inclusive research and innovation with links between

[5] Study includes Wrexham Glyndwr University, Bangor University and the University of Chester

[6] For example, Liverpool, at 37%.

local businesses and education institutions. Wirral Metropolitan College has built a new campus in the heart of Wirral Waters Enterprise Zone. Supported by the Skills Funding Agency, the new Campus is a dedicated Built Environment, Skills and Enterprise Centre. Coleg Cambria and Cheshire College provide significant numbers of apprenticeships in the region: for example, Coleg Cambria provides the apprenticeship programme for Airbus.

Employment sites

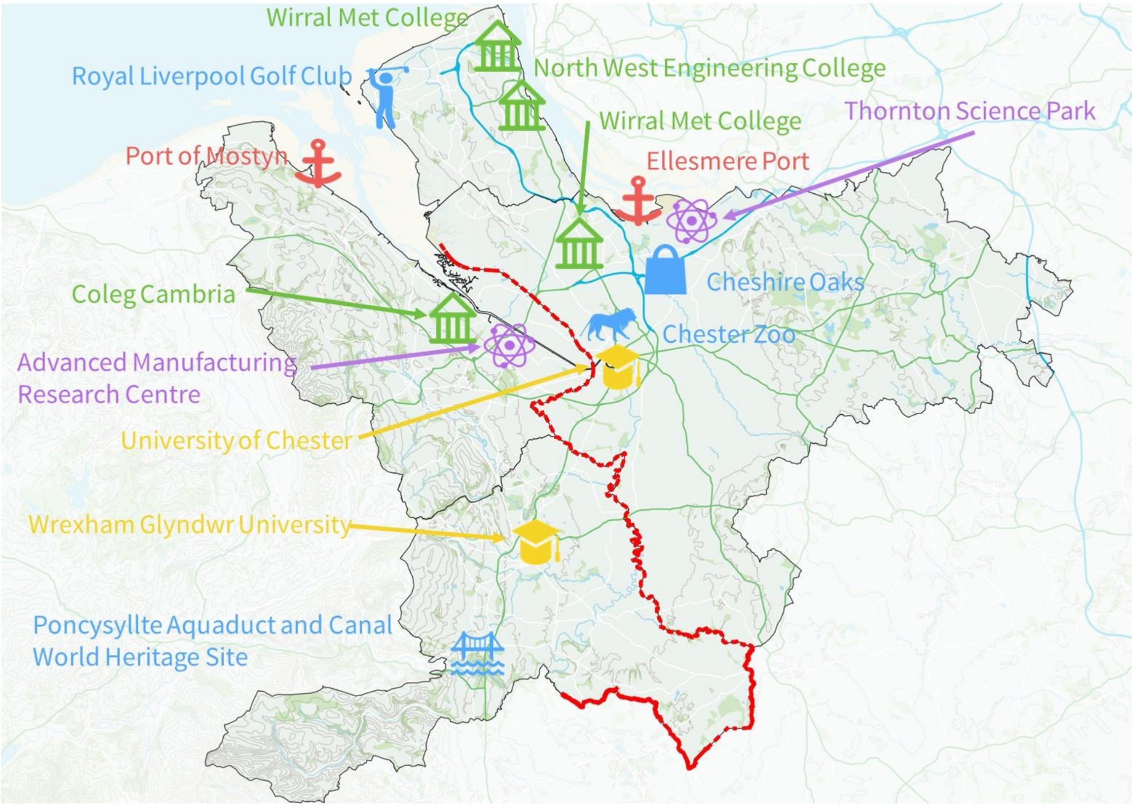
The MDA area is home to a number of high employment growth opportunity areas which were expected to see around 40,000 new jobs created over a 20-year period (starting in 2013):

1) **Mersey Waters Enterprise Zone** - +20,000 jobs. This £10bn regeneration project is one of the most significant opportunities to attract investment and accelerate growth in the UK. The investment will support supply chain growth and boost the automotive and renewable energy sectors in the area, especially around focusing on the wind farm industry.
2) **Deeside Enterprise Zone** - +5,000 – 7,000 jobs. The Deeside Industrial Park is a 2,000 hectare site which primarily focuses on the advanced materials and manufacturing sector and is already home to a number of major international manufacturing companies.
3) **Ellesmere Port** - +4,450 jobs. Ellesmere Port is earmarked as a catalyst for regeneration by turning it into a leisure destination of regional significance. The area is heavily dominated by wholesale and retail employment (21.6%) as well as manufacturing employment (16.2%). The port plays a vital role in the energy and nuclear industry for the MDA region. The Port is home to a number of internationally recognised businesses in GM Vauxhall and Urenco.
4) **Ince Resource Recovery Park** +3,250 jobs. The $122m waste to energy project will be one of the final Advance Thermal Conversion Plants to be accredited under the U.K. Government's Renewable Obligation Certification scheme. MWH constructors have outlined the use of a number of local suppliers and subcontractors from the Cheshire & Merseyside population.

Companies in the MDA area also have the opportunity to build relationships with the new Nuclear Advanced Manufacturing Research Centre (Nuclear AMRC) located at Cammell Laird in Wirral and AMRC Cymru at Airbus.

The main assets across the Mersey Dee region are predominantly clustered around Birkenhead, Ellesmere Port, Wrexham, Chester and the Deeside EZ (as shown in the map below).

Mersey Dee Alliance's Assets



Key employers

We have a number of employers of International importance:

Airbus: The world's largest airliner manufacturer which took the most airliner orders in 2019. It is a major local employer with 5,000+ jobs at its Broughton site and +12,000 jobs in the total supply chain.

Essar: A multinational conglomerate and construction company which operates Stanlow refinery at Ellesmere Port. It is estimated that Stanlow contributes £60million each year to the local economy and accounts for 16% of all road transport fuels in the UK.

Tata Steel: Is one of the most geographically diverse steel producers with operations spanning over 35 countries. The 404ha site at Shotton employs 700 people and produces 400,000 tonnes of coated steel products a year. The site exports 40% of its product from the UK. The site provided the galvanised steel for all 87 floors of the Shard in London.

Vauxhall: Is a British car manufacture and the second-largest selling car brand for two decades. The plant in Ellesmere employs over 1,000 staff and produces approximately 187,000 units a year.

Toyota: are a Japanese automotive company and is the largest automobile manufacture in the world. The engine plant located in Deeside employs around 600 people and in 2018 308,415 fully assembled engines were produced.

Cammell Laird: One of Britain's biggest shipbuilders founded in 1828 and located in the River Mersey and supports around 2,000 local jobs. It is leading a collaboration to develop modular manufacturing techniques to support the UK's nuclear new build programme which has led to the opening of the Nuclear Advanced Manufacturing Research Centre in Birkenhead.

MBNA Lloyds Banking Group: Specialist Credit Card Firm which facilitates 480,000 transactions a day. Locally it employs around 1,700 people at Chester Business Park.

Urenco: A British nuclear fuel company and one the largest in the world. They have operated in Capenhurst since 1973 and employ more than 300 people. The site's 3 enrichment plants enable nuclear power stations globally to generate electricity. The largest of the 3 plants, E23, produces more than 80% of the facility's enrichment capacity.

Iceland: Is a British supermarket chain with its headquarters in Deeside, Wales. The company has around 25,000 employees and 5 million customers.

KK Fine Foods: Established in 1987 the company employs 500+ people across the foodservice, retail and catering sectors and are manufactures of high quality meat, fish and vegetarian meal solutions.

Kelloggs: Is an American multinational food manufacturing company with products marketed in 180+ countries. Located in Wrexham the factory has been running a local apprenticeship scheme for 30 years.

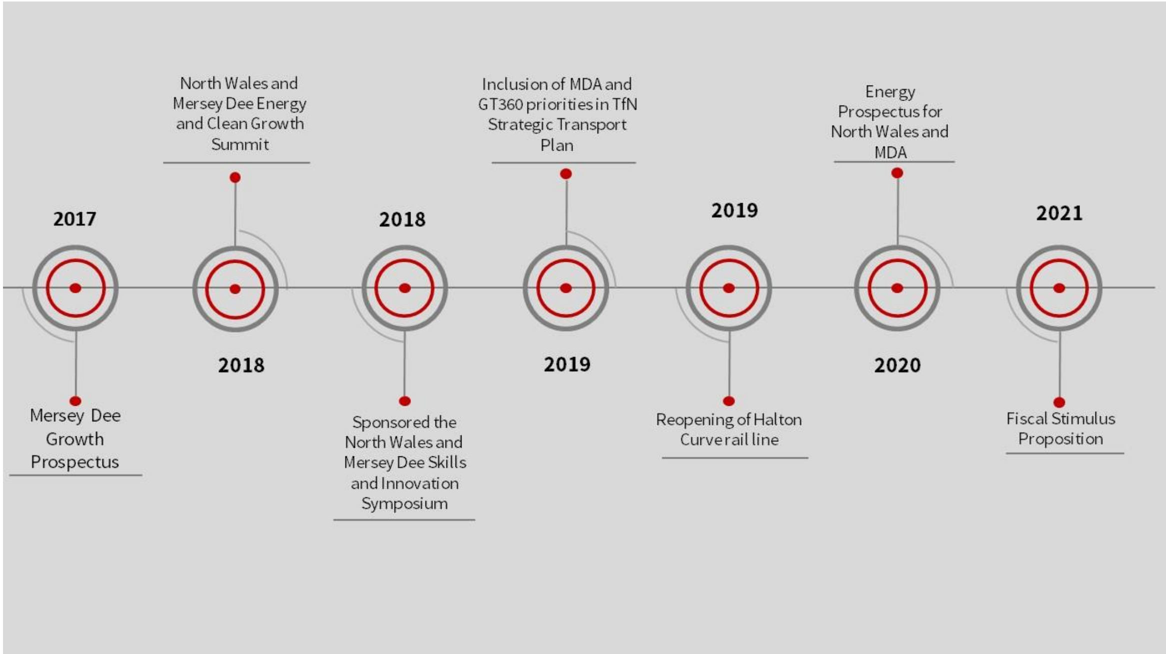
Village Bakery: Founded in 1964 the award-winning family run bakery is located in Coedpoeth, North Wales. The company employs 500+ staff and following a fire in 2019 the factory was rebuilt as one of the most modern in Europe.

The Story So Far

The Mersey Dee Alliance was founded in 2007 and it has since become a successful cross-border partnership which supports economic growth across North East Wales, West Cheshire and Wirral. Throughout the last decade the partnership has sought to maintain and increase the area's competitiveness, support key business sectors alongside skills, employment and inclusive growth and has exerted its influence to bring economic infrastructure to the region. There have been numerous key contributions and achievements to date across four main areas; transport, skills and employment, low carbon and clean growth, and business support, which are explored in more detail below. On top of this the MDA has continued to work with key stakeholders such as the Liverpool City Region, and the North Wales Economic Ambition Board.

The 2017 **MDA Prospectus** was a seminal document, bringing together a set of projects which underpinned funding bids by individual Councils in the MDA and Local Growth Partnerships of which they are members e.g. Wirral Waters is a major development proposal in the plans of Liverpool City Regions, the Welsh Government took on the development of Deeside's Northern Gateway and the proposed AMRC, whilst the North Wales Growth Deal incorporated schemes such as Warren Hall and the Wrexham Western Gateway.

The Story So Far



Transport:

- **Halton Curve:** The redevelopment of the Halton Curve rail line which provides services between Liverpool and North Wales. Within the first 6 months of opening the line has accommodated around 500,000 passenger journeys.
- **North Wales Metro:** The MDA has supported the North Wales Metro which is developing a comprehensive integrated public transport system in North Wales and cross-border. Key Metro projects: Deeside Parkway station, Shotton Interchange, Wrexham to Liverpool and North Wales Mainline enhancements, Station Active Travel Plans and Wrexham Gateway.
- **Growth Track 360 (GT360):** The cross-border collaboration of the North Wales and Mersey Dee Rail Task Force has supported intraregional rail enhancements: Chester Station capacity, Wrexham to Liverpool, North Wales Mainline journey time and Crewe Hub. The Task Force produced both Growth Track 360 Rail Prospectus and West & Wales Strategic Rail Prospectus calling for investment.
- **Transport for North (TfN):** The Alliance successfully lobbied to get the Mersey Dee areas transport priorities included in the TfN Strategic Transport Plan, with Chester Station capacity improvements and Wrexham Bidston service and line improvements included.

Skills and Employment:

- **Skills and Innovation Symposium:** The MDA is committed to upskilling its residents and in 2018 the Mersey Dee Alliance, alongside the North Wales Regional Skills Partnership, sponsored the North Wales and Mersey Dee Skills and Innovation Symposium in collaboration with Wrexham Glyndwr University, Bangor University and the University of Chester, which brough together both the private and public sector. The Symposium resulted in the formation of an Industry Panel comprising of a number of the key employers in the region including Airbus and Unilever.

Low Carbon and Clean Growth:

- **Energy Summit:** The MDA, along with NWEAB and the Cheshire and Warrington LEP, held the North Wales and Mersey Dee Energy and Clean Growth Summit, attended by Welsh Government Minister for Economy and Transport, Liverpool City Region’s Metro Mayor, Parliamentary Under Secretary Wales Office, businesses and organisations representing Smart, Low Carbon and Renewable Energy as well as Skills and Technical Expertise.
- **Energy Prospectus:** The prospectus was one of the main outcomes of the Summit and was published in March 2020.

Business Support:

- **Business Networking:** The Alliance has successfully held many cross-border Business Breakfast Networking Events, 5 - 6 events are held annually with an average attendance of over 150 delegates. The events offer businesses to *"get involved in one of the most innovative and effective networks across the North Wales/North West border area".*

03:

Why the package is needed:

Our Investment Priorities

03 Why the Package is Needed: Our Investment Priorities

The poly-centric, cross-border nature of the Mersey Dee area makes it somewhat unique in Great Britain. With a population that, in normal times, freely and regularly crosses the national border for both work and leisure, differences in English and Welsh institutions are no barrier to daily life and the boundary is invisible for most.

As we saw in Section 2, the area is consequently home to a diverse economy that includes major businesses across aerospace, automotive, nuclear, renewables, pharmaceuticals, chemicals, financial services, food, engineering, ICT, tourism and retail.

Why are we asking for support?

These close economic links mean that issues and market failures emerging in any one of our local authority areas create impacts that are felt across the Mersey Dee area. Our economy now faces the **twin challenges of recovering from the Covid-19 pandemic and adjusting to life outside of the EU**. Given the nature of our economy and some of its key employers, these have posed particular problems and we have been hit especially hard.

In 2020, the UK economy was estimated to have shrunk by 9.9%[7], the largest fall on record and probably the biggest economic shock since the start of the 18th century. It has been estimated that up to 2 million people across the country may not have worked for at least six months.

In our area, our sectoral mix means that there have been some particularly damaging economic effects from the pandemic:

- Almost 50,000[8] workers (13% of eligible staff) were on furlough in January 2021. Additionally, ONS survey data showed 21% of businesses had paused trading and did not intend to restart trading in the next two weeks (which equates to around 6,950 businesses)[9].

Almost 50,000 workers in the MDA area were on furlough in January 2021 (13% of eligible staff)

- Insolvency data from The Gazette further highlights the impact of the Coronavirus pandemic on businesses within the MDA with 144 businesses filing for insolvency between the months of May and December 2020. The number of insolvencies in December was 1,233% higher than that in May.

[7] ONS, December 2020, Monthly GDP estimate

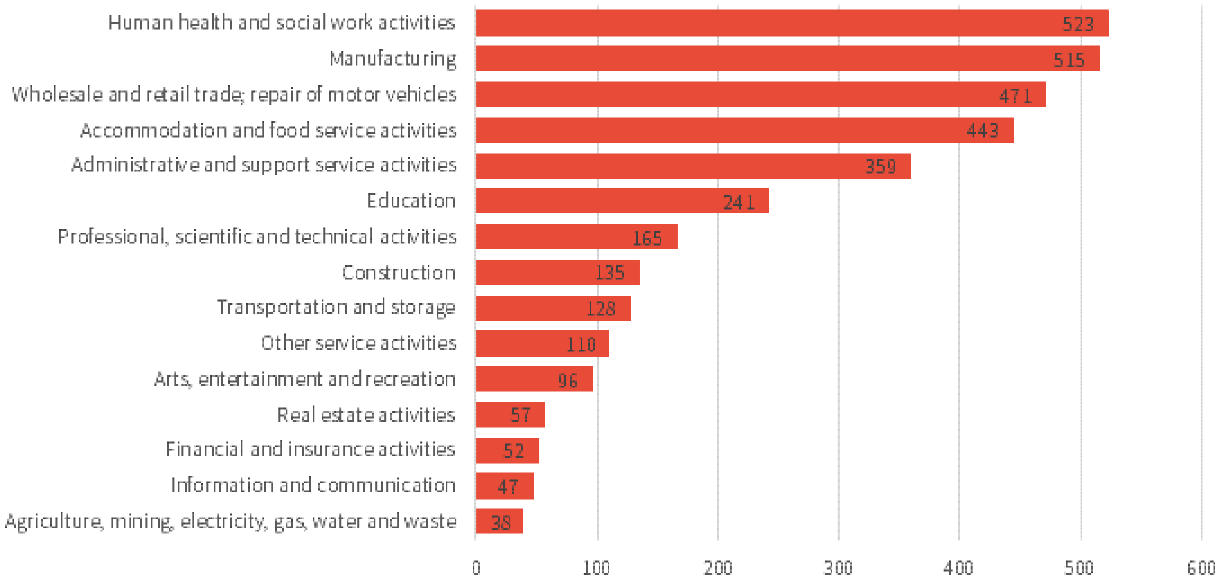
[8] HMRC, Coronavirus Job Retention Statistics, January 2021

[9] ONS, 2021, Business Impacts of Coronavirus, Wave 23, 11th January to 24th January

- The financial and insurance industry, one of the region's key sectors, was one of the hardest hit accounting for 13% of all insolvencies.

Our own modelling of the impacts of the pandemic on the Mersey Dee area has found that **an estimated 15% of our pre-pandemic GVA of £22.9bn (£3.4bn) was lost during 2020.** This is proportionally significantly higher than the fall experienced nationally. Manufacturing, and human health and social work experienced the largest losses. Wholesale and retail trade contracted as social distancing protocols were put in place and lockdowns ensued, and this is similarly the case for the accommodation and food sector.

Estimated GVA Loss by Sector (£m) for Mersey Dee Economy, 2020



Source: Hatch economic analysis

The most visible manifestations of these challenges are as follows:

- **Airbus**: One of the Mersey Dee's largest private sector employers announced 1,400 job losses from its site at Broughton following a 30% cut in production. Given the multiplier effects through companies impacted in the supply chain and through lost employee spending, **we estimate that this alone has cost the UK economy around £700 million in GVA and 11,000 job losses**. Much of this is in the MDA area, given the locations of employees and suppliers. This will have a major, long-term impact on our economy and its people if not mitigated.

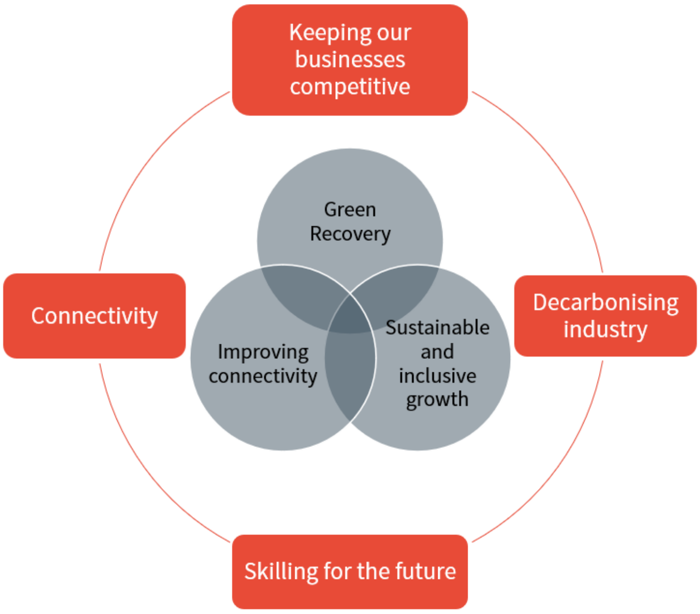
- **Town centres**: unlike some other city regions, the Mersey Dee economy has no central node in which to focus efforts for the recovery. Multiple smaller town centres that were already facing a decline as retail destinations have been devastated by the pandemic. Whilst there is considerable uncertainty, the rise of homeworking and shift to online have probably changed the role of these town centres permanently.

Furthermore, **our anchor companies, many of which are multinationals, face increasing global competition.** This environment means that local plants need to compete internally with other global sites for continued investment. Structural shifts including our departure from the European Union and the need to decarbonise operations have intensified this competition. With 80% of our exports going to the EU, **our internationally oriented firms need to adapt to life outside the European Union**, and to what this means for their supply chains and international trade.

At the time of writing, we are facing the potential closure of the Vauxhall car plant at Ellesmere Port which has been making cars since 1964. Airbus is at risk of wing production moving to France or Germany unless Broughton remains competitive.

Our strategic priorities

Partners in the region have responded swiftly to these challenges, **identifying the need to develop a targeted package of support.**



Our extensive engagement with stakeholders has identified a number of clear, near-term priorities in response to these twin economic shocks – but this package also looks beyond that short time horizon. **Our aim is to catalyse a recovery that will create a stronger, more sustainable future for the Mersey Dee area.** The themes presented below build on our established vision for the local economy, its strengths and longstanding structural challenges.

Our package confronts these challenges and builds on the corresponding opportunities for creating sustainable, inclusive growth in the Mersey Dee area across three cross-cutting strategic themes:

Supporting cleaner growth – the UK has adopted a target of achieving net zero emissions by 2050. Our mix of industries and energy assets leaves us ideally placed to lead this ambitious transition and to act as an exemplar region for low carbon development.

Connecting places, people and businesses – as a cross-border economy with multiple centres, the Mersey Dee area will be strengthened by improving the links between those places their business and people. Enhancing our connectivity is crucial.

Sustainable and inclusive growth – as the region recovers from the pandemic our aim is to look beyond a simple headline level of growth. We want to ensure that everyone benefits from the region's success

We have then identified and agreed **five investment priorities** for our package.

Priority 1: Keeping our businesses competitive

The COVID-19 pandemic has hit our businesses extremely hard. Whilst we have been cushioned by the range of economic support measures put in place nationally, we know that once these (especially the Coronavirus Job Retention Scheme) are tapered back, redundancies among the region's firms are expected to accelerate. The job losses announced by Airbus were driven by a huge downturn in the market for aircraft following the collapse of international air travel leading the firm to cut production by a third. This impact will inevitably work its way through the locally based supply chain unless those businesses are unable to diversify and adapt for new markets. [add supply chain stats if available]

Airbus represents a major event that will have a disproportionate impact on employment and **risks the permanent loss of highly skilled engineers from the local labour market**. Yet the cost of the pandemic on jobs has also been far more widespread. Our town centres had already been suffering due to high business rates and the rise of online spending. The Centre for Cities ranks Birkenhead town centre as weak with 19% of high street services vacant, but also most likely to bounce back fastest. Throughout 2020, many major retailers entered administration and social distancing regulations forced a far wider range of consumers to shift spending online. While this may spell trouble for many traditional retailers, the Office for National Statistics reported that the number of business creations in the last three months of 2020 was up by a quarter on the same period in 2019[10]. Surprisingly many of these were new retailers, adapting as the proportion of retail spending online soared to 35.2% in January 2021. This was the highest level on record[11] and shoppers are probably now forming lasting new habits. For better or worse, the pandemic has almost certainly changed the role of town centres for good and policy makers both locally and nationally will likewise have to adapt. Plus with 11% of pre-pandemic employment[12] in the Mersey Dee area in the retail sector, the risk to jobs is high.

Despite these challenges - with some targeted support - the same strengths that brought multi-nationals like Airbus to the Mersey Dee and allowed home grown talent to flourish here will allow our businesses to adapt and thrive.

Simultaneously, **manufacturers in the region need to adapt to the new trading arrangements with the European Union**. Any additional complexity in trading with the UK potentially reduces the competitiveness of manufacturers in the Mersey Dee area. Airbus is at risk of wing production moving to France or Germany unless its site remains competitive. Meanwhile, the cluster of financial services firms in Cheshire, that no longer have the same level of access to the single market, may also see jobs at risk.

This disruption to so many jobs across such a diversity of sectors risks leaving economic scars that are hard to heal. Yet the Mersey Dee's economic strengths also leave it uniquely placed to capitalise on some of the trends that are set to drive economic growth in the post-pandemic era. However, during periods of uncertainty most firms must face the difficult choice of putting their plans for growth on hold to ensure their survival. Indeed, across the UK business investment in the final quarter of last year was 19.2% lower than the year before - **we must seize this opportunity to keep our businesses competitive and help them to build back better**.

[deprivation stats]

[10] ONS, Business Demography, quarterly experimental statistics, October to December 2020.

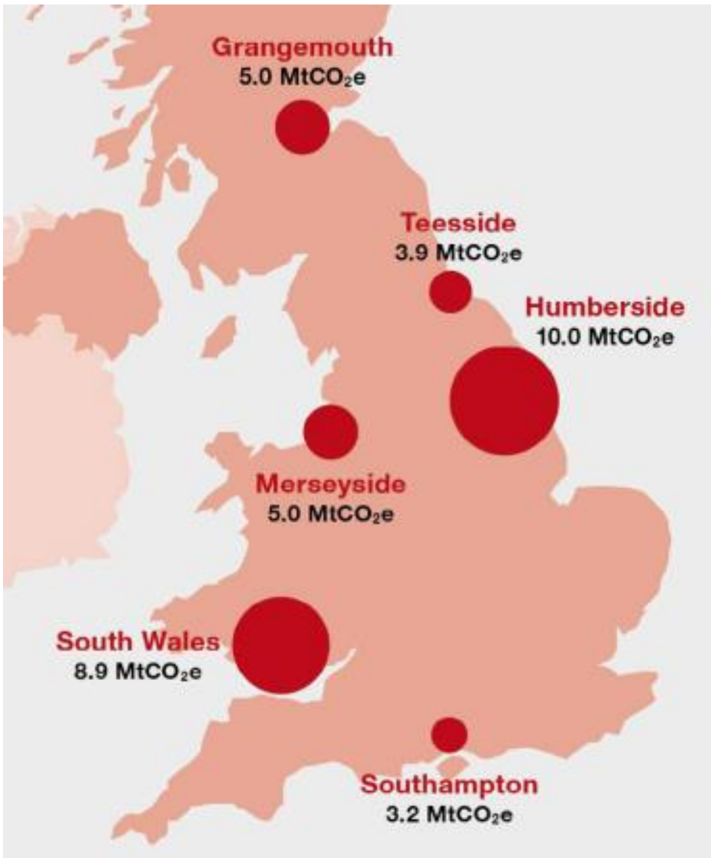
[11] ONS, Retail Sales, Great Britain, January 2021.

[12] ONS, Business Register and Employment Survey, Employment, 2019

Priority 2: Decarbonising industry

The UK has set itself a legally binding target for reducing net greenhouse gas emissions to zero by 2050 and has made huge strides in reducing fossil fuel use in its production of electricity. Renewables now account for a third of electricity generation. This process means emissions from households and businesses that primarily rely on electricity for their energy needs have fallen rapidly. With renewables now typically representing the cheapest option for future electricity generation this trajectory looks set to be maintained as the UK transitions to net-zero emissions. Despite these gains two notable barriers to achieving net-zero in the timetable set out in legislation:

- **Predictable power**: due to its dependence on the weather conditions wind and solar power – without storage capacity - are less predictable energy sources than traditional fossil fuelled or nuclear power stations. Other sources of low carbon power will be needed to ensure predictable electricity supply in a net zero world.
- **Heavy industry**: some industries have very significant needs for the generation of heat and power which is not easily electrified. These industries will not be in a position to benefit directly from the growth in cheaper renewable electricity and will need alternatives like low cost hydrogen or carbon capture and storage (CCS) to meet emissions targets while maintaining their competitiveness.



Nonetheless, the UK government's energy white paper states that by 2050, **emissions from industry will need to fall by around 90 per cent from today's level**. This process looks most challenging for energy-intensive manufacturers and refineries. These sectors account for 16% of UK greenhouse gas emissions and are geographically concentrated into a few industrial clusters that make up about half of the total. As major local employers, **getting the transition to net zero emissions right in these clusters is essential to protect their local economies**. This is especially true for the Mersey Dee area, given our cluster of heavy industry, especially around Ellesmere Port. Large industrial installations were responsible for 4 times the emissions per capita than the national average.[13]

The UK's stated long-term strategy is to let markets and carbon pricing incentivise the shift to low carbon technologies in industry - but over the next decade it is clear that upfront investment will be required to lay the groundwork for those markets to operate effectively. The impetus for achieving the net zero legislative target through this sort of investment has been given a boost with the

[13] Analysis of BEIS 2020, Local Authority territorial CO2 emissions estimates 2005-2018 (kt CO2), total emissions from large industrial installations per capita in Flintshire, Wrexham, Cheshire West and Chester and Wirral compared to UK.

UK government's new Ten Point Plan for a Green Industrial Revolution and UK-wide Industrial Decarbonisation and Hydrogen strategies are due to be published this year.

The extent of potential industrial uses for hydrogen and the existence of major carbon capture, utilisation and storage (CCUS) and hydrogen projects already in place makes **the Mersey Dee area a prime opportunity to invest in rapidly achieving one of the world's first net-zero industrial clusters.** The Mersey Dee area is already home to projects that will help deliver on UK Government targets for 5GW of hydrogen to be deployed by 2030 and capture 10Mt CO_2/year using CCUS. Its location places the Mersey Dee in an ideal position to link up with other parts of the hydrogen economy across the North West of England and North Wales. Indeed, there are numerous examples of both public sector and industry-led projects across the region:

- **Net Zero North West** – led by industry this collaboration aims to make the North West of England home to the UK's first low carbon industrial cluster, creating at least 33,000 jobs and seeing over £4bn invested in the region.
- **The North West Hydrogen Alliance** – the largest regional membership body dedicated to hydrogen in the UK. The Alliance intends to make the most of hydrogen to drive a low carbon economy and support a green recovery.
- **HyNet North West** – a collaboration between Cadent and Progressive Energy, the project will be capable of generating 80% of the UK target low carbon 'blue' hydrogen in Cheshire by 2030.
- **Protos** is a strategic cluster of energy generation and energy intensive industry in Cheshire; with a masterplan extending to 280 hectares. Existing infrastructure includes a 50 MW windfarm and 26MW biomass facility with the opportunity for Carbon Capture and Storage in future.
- The Budget 2021 announced £4.8 million for a **hydrogen hub in Holyhead** to pilot the creation of hydrogen using renewable energy and its use as a zero-emission fuel for Heavy Goods Vehicles

With many other important projects coming forward in the wider area and building on the research taking place at the Thornton Science Park, the Mersey Dee is positioned to become a national if not global leader in the hydrogen and CCUS economy. While this was always going to be necessary for the UK to reach net zero, action taken now, to stimulate this emerging sector, will have the dual benefits of protecting the labour market from economic scarring and accelerating the transition to net zero.

New projects off the coast of North Wales and North West England that could deliver almost **3.5 gigawatts of energy, enough to power 3.2 million homes**, were recently announced following Offshore Wind Licensing Round 4.

Moreover, **the expansion of renewable energy production brings further opportunities for the Mersey Dee's existing engineering and manufacturing supply chain to diversify its customer base and expand into new sectors as a national and global leader in low carbon energy.**

Indeed, the Offshore Wind Growth Partnership has identified the need to bring new firms into the Offshore Wind supply chain from the automotive and other industries – but there is a requirement for joint support from 'sector supply chain organisations and growth partnerships' to achieve this aim. It is critical that as new wind projects are established in the region, the engineering capabilities of the Mersey

Dee's businesses and households are deployed to support the government's ambition to raise the UK content into the offshore wind projects to at least 60%.

Priority 3: Skilling for the future

With the pandemic likely to have permanently changed the nature of retail and the role of the office in daily life, new entrants to the workforce and those working in sectors that may now be in permanent decline will have to adapt. The speed of this change and the breadth of its impact means there is a clear role for governments, both local and national, in managing this change. **The UK government Plan for Growth** recognises this need, and with it the requirement to provide billions in additional revenue funding for:

- **Expanding DWP Jobcentre support** – e.g. doubling the number of work coaches
- **Kickstart** – helping young people at risk of long-term unemployment with fully-funded roles
- **Restart** – helping the long-term unemployed access additional support

Aside from help to find existing jobs, changes in the sectoral mix and the way people work after the pandemic is also expected to create needs demands on the education system, to reskill the workforce for the future. The Mersey Dee area's role in a major industrial cluster creates a pressing need for decarbonisation. The level of technological and regulatory change that is necessary to meet net zero targets will create commercial pressures that are likely to demand an understanding of new plant and processes. At a precarious time for businesses, **such a fundamental change creates a requirement for new Green skills at all levels from apprentices through to business leaders.**

Education is a devolved matter and as such a potential border may exist in the skills system that is not recognised in the labour market. This can mean different employees of a company operating in the Mersey Dee may not always have access to the same support because of where they live, an issue that is unlikely to be faced by employers anywhere outside of the Mersey Dee given the size of the cross-border economy. While the level of provision either side of the border is not necessarily at issue, **employers across the whole Mersey Dee economic area should be able to access the equivalent standard of support**, seamlessly, regardless of their location.

Universities	Colleges
University of Chester (*Cheshire West and Chester and Wirral*)	Cheshire College South and West (*Cheshire West and Chester*)
	Coleg Cambria (*Flintshire and Wrexham*)
Wrexham Glyndŵr University (*Wrexham*)	Wirral Metropolitan College (*Wirral*)
	North West Engineering College (*Wirral*)

There are six higher and further education providers in the MDA area, including two universities and four colleges.

The table above outlines the six higher and further education providers within the Mersey Dee area, although there are also a number of Private Training Providers operating in the area and links between a number of the Universities and Colleges with other sites outside of the area. For instance, University of Chester and University of Bangor are linked in their teacher training offer, and Wrexham Glyndŵr also operates in Denbighshire. **While these institutions offer a wide range of subjects, the educational offer in the region is especially strong on business and technical education**.

Over time these providers and their partners in businesses, from the major anchor employers and their supply chains down to smaller local firms, will naturally take ownership of the training programmes of the future. **However, the market for education is imperfect and without coordination this process may take time to achieve the critical mass needed to support the industries of the future.** This effect is compounded by uncertainty over new green technologies that are not yet operational and managers that are, in many cases, only at the early stage of embedding the transition to net zero into business plans.

However, the moment to achieve this is now. The impact of the pandemic has already changed the labour market and the opportunity to make major investments in net zero has arrived. With £12bn already pledged towards the **Ten Point Plan for a Green Industrial Revolution** and major hydrogen, CCUS, tidal power and wind projects coming forward across region, new skills need developing now to avoid acting as a brake on this progress. To ensure that green skills programmes are optimised and commercially viable under normal funding arrangements quickly will require coordination and pump priming of new courses.

Possible stats/hooks to add:

The Liverpool City Region Skills for Growth Action Plan Low Carbon Economy report indicated that one in five (20 per cent) of businesses felt that they had skills gaps. Energy and Utilities sector reported the highest level of gap (31 per cent of respondents),

Skills for Jobs: Lifelong Learning for Opportunity and Growth

Shared prosperity fund

Welsh funding?

the West Midlands Levy Transfer Fund and SME apprenticeships funding pledge.

Priority 4: Connecting our region

Opportunities for work are harder to reach for those living in disconnected communities. In parts of our region, poor connectivity and the poly-centric geography of the area can mean the cost of getting to work is prohibitively high for some lower paying jobs. Physical connectivity is limited by several major factors including:

- **Lack of integrated ticketing** between services – especially across the England/Wales border
- Lack of **connectivity between modes/services** for public transport users
- **Inaccessibility of major employment centres** to public transport, especially for shift workers
- **Limited strategic cycle networks and poor integration with public transport**

As the Mersey Dee area looks to recover following the economic collapse of 2020, the nature of work is likely to change. This may mean **digital connectivity is also an increasingly important factor in spreading opportunity across the region** as more jobs encourage working from home, at least some of the time. Parts of the Mersey Dee continue to suffer from poor virtual and in-person access to the workplace, which will cut those areas off from the benefits as the recovery takes hold. Notably, as an industrial hub, the ability for many in the region to work from home is also likely to be proportionally lower than in the more service-based economy of the UK's other city regions.

Across the Mersey Dee area and indeed further afield within North Wales, the private car is the dominant form of transport. With work trips and commuting heavily reliant on cars this is both a cause of increased pressure on the road network and the effect of under-investment in public infrastructure, especially rail. Slow journeys by car do not just cost commuters time getting to and from work but the congestion they produce has an impact on other road users. The burden on road capacity limits the ability of freight to move freely into and out of the region's ports and there are further hidden costs to other businesses and households.

In normal times, an estimated 12 million commuter trips took place across the England/Wales border each year and 85% of these were taken by car[14]. Compared to just 68% across the UK[15]

Active and sustainable travel

While a number of specific road improvements may still be required to unlock major new development sites, **the pandemic also creates the opportunity, and the need, to rethink the nature of transport in the Mersey Dee area.** With the right infrastructure in place, disconnected communities could be more closely linked to work opportunities without the need for putting more cars on the road. Short physical distances would make walking and cycling a viable mode of travel if only the infrastructure to link population centres to workplaces, healthcare, leisure and education opportunities or to connect to the wider public transport network were in place.

In a region so dominated by car travel, the benefits could be widespread:

- **decarbonisation** - the opportunity to rapidly reduce emissions from private car use
- **health and well-being** – for households that are at present reliant on their cars, enabling active methods of travel to become the most efficient and cost-effective route to work could make daily exercise routine.
- **air pollution** – active modes of transport and better public transport provision would reduce the level of air pollution from cars
- **inclusive growth** – the lower cost of cycling and walking could open up work opportunities to households that are unable to cover the higher cost of car travel

Each of the local authorities in the Mersey Dee area has a plan in place for increasing active travel and this is considered a priority for both the UK and Welsh Governments' transport strategies. However, for these strategies to work most effectively in support of the Mersey Dee economy, joining up these plans to ensure **cross-border** walking and cycling connectivity is essential.

[14] Growth Track 360 analysis

[15] ONS, Labour Force Survey, 2017

Public Transport

On a larger scale, the arrival of HS2 services through Crewe and into Liverpool brings a new era of connectivity to the doorstep of the Mersey Dee area. This presents a chance to open up the economy to new opportunities across much more of the UK. However, institutions such as Transport for the North (TfN) and the Northern Transport Acceleration Council (NTAC) have been focused on schemes such as the Trans-Pennine route, meaning relatively small but high impact schemes at the border of England and Wales have been overlooked.

Reliance on private cars means infrastructure upgrades at industrial sites to handle electric vehicle charging or a big modal shift to public transport or active travel will be required for net-zero.

Currently there is **limited public transport provision** to these major employment sites creating issues over accessibility of jobs, congestion and emissions.

The Union Connectivity Review implicitly recognises the importance of the UK's cross-border areas. And as a centre of industrial and commercial activity, the Mersey Dee region might be described as a Union Powerhouse, yet it has still to be recognised as such in the planning of transport infrastructure investments. The high degree of planning for public transport in the Mersey Dee cross-border economic region presents some of the highest societal value project opportunities in the UK.

The Welsh component of the Mersey Dee region is located in the North of the nation, which is a high priority area for rail improvement by the Welsh Government. However, rail infrastructure investment is non-devolved, which requires our proposals to be a priority of the UK Government as well. Currently, just 1% of cross border commuting is by rail, 80% less than the national average[16]. The geography of the railways means we require infrastructure investment on both sides of the border to realise economic benefits in the North Wales and Mersey Dee geography.

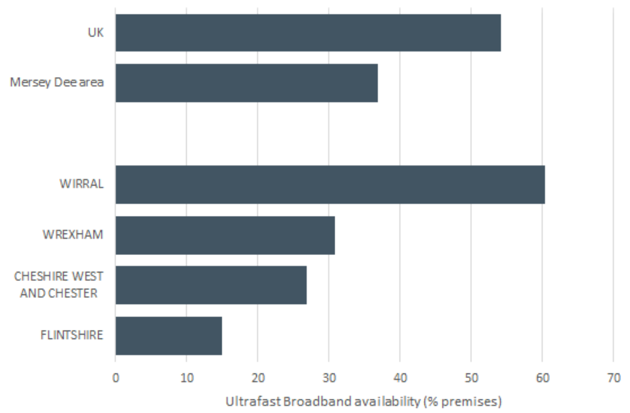
A typical journey from Wrexham to Manchester Airport takes 140 minutes by rail compared to just 50 minutes by car.

With most people in the region still dependent on their cars the public transport network still needs a major upgrade to compete. The lack of integration between services makes journeys seem inaccessible to the public and slow or irregular services make congested roads seem the more practical choice. **Improvements are required to ticketing, line speeds and service frequencies to truly enable inclusive cross-border connectivity and all the benefits that this entails.**

[16] Growth Track 360

Priority 5: Digital connectivity

Digital connectivity is a nationwide challenge but even though some parts of the area, such as Wirral have above average access to Ultrafast broadband, there are particular issues around rural areas in the Mersey Dee area, and on average, the availability of ultrafast broadband is below the UK average.



Connect Corridors will support a host of potential applications including autonomous vehicles, logistics, vehicle telematics and passenger connectivity.

The North Wales Economic Ambition Board is already taking a lead on upgrading the region's digital connectivity. Through a combination of investment from the Welsh Government, UK Government and the local authorities, by the end of 2021 the entire public sector in North Wales will be one of the best connected in the UK. There will be gigabit capability at almost all sites that require it to deliver high quality public services, and the North Wales Growth Deal Digital Programme intends to extend this impact to the private sector, where this opens up the opportunity for significant growth.

With the Digital Signals Processing Centre of Excellence at nearby Bangor University already a leader in its field, there is an outstanding opportunity to link this capability into the wider economy across North Wales and into the Mersey Dee Area. The manufacturing strength of the Mersey Dee presents a host of prospective test-bed firms with the potential for digital innovation.

The logistics networks that support those firms also stand to gain from the North Wales Connected Corridors project which will extend high bandwidth and capacity mobile coverage along key routes in North Wales. As with most networks, the benefits of greater connectivity grow in a non-linear way. With additional support, sitting alongside the investment brought forward by the North Wales Growth Deal, these Connected Corridors could easily extend into England and at little additional cost could rapidly expand the pool of users that are able to benefit from the approach.

Meanwhile, the Liverpool City Region has also started its own Digital Connectivity project to boost productivity and innovation. The City region's plan will:

- Build a 200+ km underground fibre network that will run through the City Regions major economic clusters, connect with 3 transatlantic cables and a supercomputer located at the Haretree Centre Daresbury.
- Work in partnership with the private sector to develop the network. This will be partially achieved by adopting a Dig Once approach which is to install ducting at the same time as road, cycling and walking schemes are undertaken.

The marginal cost of installing duct infrastructure while roadworks are ongoing is relatively low and inconvenience to road users can be greatly reduced by combining works. Lower costs mean fibre connectivity becomes commercially viable much sooner across a wider area. The North Wales Digital Programme is also exploring a similar approach to providing publicly owned duct infrastructure to accelerate the roll out of fibre connectivity. As the Mersey Dee area partially overlaps with the administrative areas covered by both programmes, the case for expanding procurement efforts to connect the dots between North Wales and the wider Liverpool City Region is strong.

Strategic fit and policy context

Despite the dramatic change in the economic context, the broad strategic direction for much government policy remains the same as it was before the pandemic struck. Indeed, the events of 2020 have solidified a number of policy positions. With interest rates now hitting historic lows and the economy in urgent need of fiscal stimulus – there is now a **once in a generation opportunity to invest in net zero, level up the economy and raise productivity.**

A core principle of our proposed package is that it helps to deliver on these major policy objectives and complements existing initiatives.

National

UK:

- Build Back Better: Plan for Growth
- The Ten Point Plan for a Green Industrial Revolution
- Energy White Paper
- UK Digital Strategy
- Gear Change—active travel
- Union connectivity review

Wales:

- Llwybr Newydd – a new Wales transport strategy
- Transforming Towns
- Prosperity for all: economic action plan
- A Manufacturing Future for Wales—framework for action
- Future Wales: The National Plan 2040

Regional:

- Liverpool City Region: Building Back Better
- Cheshire & Warrington LEP: Digital Infrastructure Plan, Strategic Economic Plan, Energy Plan
- North Wales Growth Deal
- Growth Track 360 West and Wales rail prospectus
- Mersey Dee Alliance: Growth Prospectus, Energy Prospectus

Local:

- Cheshire West & Cheshire and Liverpool City Region: Local Cycling and Walking Infrastructure plans
- Wrexham and Flintshire walking and cycling plans
- Birkenhead Town Investment Plan
- Wrexham gateway masterplan

With the vaccine rollout gathering pace attention has turned to engineering the economic recovery in the aftermath of the Covid-19 pandemic. The Build Back Better plan for growth, published in March 2021, sets out how the UK government plans to drive forward the economic recovery. The plan covers the government's approach to developing: infrastructure, skills, innovation, net zero, levelling up and global Britain.

Net zero

Perhaps the most important shift in UK policy in recent years has been driven by the amendment to the Climate Change Act setting a target of reaching net zero emissions by 2050. Further weight was added to this during 2020, when a **Ten Point Plan for a Green Industrial Revolution** was rolled out, alongside a new Energy White Paper. An Industrial Clusters mission was published early this year which sets out the aim to have at least one net-zero industrial cluster by 2040 and one low emission cluster by 2030. Industrial decarbonisation and hydrogen strategies are expected in 2021 to further support this aim.

Levelling up

Both governments have produced plans to tackle some of the spatial disparities that affect the two nations. Future Wales: The National Plan 2040 is the Welsh national development framework, which builds on the Future Generations (Wales) Act 2015 to set the direction for development in Wales to 2040. Meanwhile, the UK government has recently started to focus on '**levelling up**' the country. The objective is to raise levels of opportunity outside the more affluent regions of London and the South East. Indeed, the Build Back Better plan states that "*the UK Government's most important mission is to unite and level up the country*."

One of the specific issues that falls under the levelling up agenda is the role played by towns. The Future Wales plan highlights the Welsh **Town Centre First** approach, whereby development should be geared toward bringing activity into town centres. The Transforming Towns initiative in Wales funded some of these interventions directly. In England, the Ministry for Housing Communities and Local Government (MHCLG) were preparing Town Deals for 101 towns across England before the pandemic hit. These are now been assessed with more than half of the Town Investment Plans now having been accepted.

Transport

Both UK and Welsh government have issued transport strategies that focus on active and sustainable travel.

Llwybr Newydd or 'New Path' sets out the Welsh Government's vision and 20-year ambitions for how transport can contribute to the wider social, environmental, economic and cultural well-being of people in Wales. Notably, right at the start of the strategy is a vision in which the private car takes a less prominent role in transport and there are fewer barriers to walking, cycling or public transport. And walking and cycling are placed at the top of the sustainable travel hierarchy.

The Department for Transport also released '**Gear Change**' a vision for cycling and walking which states that the UK Government wants, and will fund, "*cities and towns across the UK to install first hundreds, then thousands, of miles of main road cycle tracks*". This has led to local authorities producing their own Local Walking and Cycling Infrastructure plans.

04: Our Proposed package

04 Our Proposed Package

Our proposed fiscal stimulus package has been designed to address the key themes set out in the preceding section. We believe that it offers a compelling set of investable projects that will drive short term recovery, help deliver on national priorities and be capable of being delivered quickly. It has been designed to deliver strong strategic fit and complementarity with existing initiatives, and to be attractive to a range of funding sources.

Parameters of the package

Our package is the result of an intensive and collaborative effort to develop and agree a compelling proposition.

The first step in this process was to agree a set of **key criteria** / **Critical Success Factors** that the package must deliver on. This was critical to ensure that our package is distinctive and fit for purpose.

These were as follows:

1. **Strategic fit**. Critically, any interventions within the package must have a strong strategic fit. This means not only that they align with the wider strategy and policy landscape; they need to make a demonstrable contribution to delivering on the priorities of national and local Government.
2. **Delivering cross-border impact**. All of the proposed investments should serve to benefit the MDA's cross-border functional economy, with a significant proportion explicitly targeting cross-border issues such as transport connectivity.
3. **Immediacy of impact**. Whilst projects will have different trajectories, we agreed that all projects need to be able to be delivered in the current Parliament and at least some of the investment should be able to take place in the next 12 months.
4. **Additionality**. There must be a clear and evidenced need for government intervention, resting on an identified market failure. This means that investment needs to:

- Enable (new) projects to happen that would not otherwise have happened at all
- Enable existing projects to be significantly accelerated where they are demonstrably held back by market failure
- Significantly enhance the scale and impact of existing/planned projects.

5. **Complementarity**: linked to the preceding point, all interventions need to complement existing and planned projects elsewhere in the area and in adjacent locations. This includes major investment programmes such as the North Wales Growth Deal and the Liverpool City Region Devolution Deal

6. Private and public sector leverage: As a corollary of their strategic fit, projects need to have strong stakeholder support and to lever investment from the private and public sectors.

7. Deliverability. Finally, of course, it is important that projects are deliverable.

Project development

With these agreed criteria and critical success factors in place, we began an intensive and rigorous process of project development, in consultation with stakeholders. This included:

- An initial **request for projects** that fit the criteria
- A **project prioritisation process** to reduce and focus down this initial set of ideas, using the agreed criteria
- A set of **workshops and stakeholder engagement sessions** to further refine and develop the project ideas (these are outlined in Section 6). This involved all of the partner organisations, Welsh Government representatives, North Wales Economic Ambition Board representatives and representatives from the private sector.
- A parallel **consultation exercise with the private sector**, designed to collect their views on investment needs and opportunities and initial project ideas
- Sorting the projects into a set of **programmes** with common strategic drivers.

The proposed programmes

This process yielded a set of **five programmes**, each with their own distinct set of strategic objectives, linked by a golden thread of the overarching themes identified in the preceding section. Each programme contains a set of priority interventions that have been identified by partners as those that will deliver on our priorities.

Our proposed package will deliver **£1.2 billion in net additional economic benefits, benefitting 1 million residents, creating and safeguarding at least 5,000 jobs and levering in £475 million in private sector investment.** By funding or unlocking over £800 million [to check] in capital spending we will quickly support the construction sector, with **over 8,000 construction years of employment** supported to help boost economic recovery.

Our ask of Government is to support our priority projects and programmes through **£400 million** of funding.

The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funding streams. However, with a need to act fast and businesses facing almost unprecedented levels of uncertainty there is a requirement for short-term revenue funding to accelerate these plans as well as the major capital investments that will cement growth in the long-term.

The five programmes are summarised below. While the projects are separated into programmes according to their primary aims, all support the high-level priorities for the package as a whole:

- To create **sustainable, inclusive growth** – levelling up the country and creating fair work and inclusive growth
- To improve connectivity across the Mersey Dee area and help **strengthen the union**
- To **Build Back Better** - investing in net zero, better jobs & higher productivity

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Skills and business support	Support our businesses and workers to recover, remain competitive and to capitalise on the opportunities presented by the Green Industrial Revolution. .	A £60m business challenge fund, targeted business support and skills/employment brokerage for firms and employees in the manufacturing sector, pump priming new skills programmes for the Green Industrial Revolution.	Capital: £70m Revenue: £9m Total: £79m	• £130m of private investment unlocked • 300+ firms in the manufacturing supply chain supported • 2,000+ jobs safeguarded • a new Business centre for Green Recovery • 450,000 tonnes of CO_2 saved
Low carbon energy infrastructure	Propel the Mersey Dee area towards becoming a low carbon industrial hub at the forefront of the emerging global hydrogen and CCUS economy.	Fund a strategic hydrogen demonstration facility for the UK, design and consenting for 100km blue hydrogen pipeline, development funding for hydrogen and CCUS hubs, design work for a tidal energy project on the Mersey and associated centre of excellence.	Capital: £95m Revenue: £12m Total: £107m	• Strategic hydrogen demonstration facility • 100km hydrogen pipeline • £250m private investment • 5-10 hydrogen & CCUS hubs • tidal energy project centre of excellence.

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Transport	Lay the groundwork for a cleaner, more modern cross-border transport network in which the car is no longer the default. To improve workplace accessibility and increase the number of trips by active modes for example walking or cycling.	Fund a cross-border active travel network, fund the infrastructure required for cross-border integrated ticketing, development funding for a range of key cross-border rail schemes.	Capital £90m, Revenue: £25m, Total: £115m	• 100km of high-quality cycling and walking infrastructure • New ticketing infrastructure for 20 stations, 400 buses across 50 routes and 9 operators. • 3 shovel-ready rail schemes.
Place based support	Ensure that our town and city centres are more resilient, vibrant and dynamic as we recover from the impact of the pandemic.	A fund managed flexibly across the Mersey Dee area will be used to support a range of areas across the MDA to support businesses and employment. Fund enabling works to the Wrexham Gateway development.	Capital: £70m Revenue: £5m Total: £75m	• Private sector investment of £80m • bridge works • links to active and public transport • new start-up, meanwhile and entrepreneurial space • town centre biodiversity and green space.

Programme	Rationale and objectives	Key project activities	Total investment ask	Outputs / Impact
Digital	Supporting our businesses and workers to recover from the pandemic, remain competitive, innovate and to capitalise on the opportunities presented by the UK's exit from the EU and the Green Industrial revolution.	Installing high bandwidth and capacity wireless connectivity along major transport routes (5G and LPWAN), connecting logistics and transport hubs to manufacturing bases; expand the fibre network more rapidly through efficient roll out of a publicly funded duct network; expand the use of digital technology in town centres.	Capital: £27m Revenue: £3m Total: £30m	• 130km of 5G and LPWAN connectivity along key transport routes • 55 new deployments of 'smart town' infrastructure.

Business support & skills

Business Challenge Fund

Our ask of the Fiscal Stimulus Package: £60m public investment

With businesses large and small in need of rapid support, to ensure the recovery does not stall as the pandemic related restrictions subside, we propose a Business Challenge Fund for the MDA area.

The fund seeks to drive immediate investment and growth by local businesses, stimulating the economy and building back better/greener whilst also supporting the long-term sustainable development of key sectors and employers and their integrated supply chains throughout the cross-border region. The ultimate aim of the Business Challenge Fund is to provide additional impetus to businesses seeking to increase their productivity and accelerating the journey to net zero at a time when the economic fallout from the covid-19 pandemic means returns to private investment may appear uncertain.

In providing targeted support we will protect and grow the number of high value jobs, lever in further private sector investment and increase productivity. To achieve this the Business Challenge fund would be made up of two key pillars of activity:

- **Competitive Grant funding** – businesses would bid for gap funding or other financial support for investments that meet the fund's criteria.
- **Net-Zero Accelerator loans** – 0% interest loads for applicable investment in decarbonisation.

Competitive Grant funding

To accelerate and decarbonise investment across the Mersey Dee area the grant funding will support three specific aims:

1. **Commercialisation/Scale-up of new technologies** – Accelerated support to help deliver key sector wide projects early benefitting businesses and their supply chains. Projects must facilitate SME access to the assets in question and the UK leading projects that could be accelerated include:

- **Tata Steel Construction Campus** - Tata Steel's site in the Deeside Enterprise Zone, Flintshire, has the potential to become a Construction Centre of Excellence with space for 1.2 million sq. ft of industrial property. Using raw steel from Port Talbot in South Wales the site already produces 400,000 tonnes of coated steel products a year and is a supplier to the construction, domestic appliance and automotive industries, with 40% of this exported from the UK. The plans could potentially also incorporate AMRC's Centre of Excellence 'Design for Modular Assembly'.
- **National Centre for Packaging and Innovation** - an AMRC/Wales & CPI multi-site development in Wirral & Flintshire. This centre for sustainable packaging research would accelerate commercialisation of sustainable packaging from materials and consumer/industrial packaging, through to full lifecycle management and traceability. Potential Industrial partners in the Mersey Dee area include Unilever, Iceland, EconPro, Food & Drink Federation, KK Fine Foods.
- **Sustainable Aviation Research Park led by AMRC** - linking locally based international aerospace manufacturing to R&D (beyond wing developments) to 'pilot' projects utilising local airport, hydrogen production and port facilities. Potential partners include Aerocare, Airbus, Magellan, ElectroImpact and Raytheon.

2. **Commercial Sites & Premises** – Enabling low carbon premises for local companies through new developments or re-purposing of existing premises. Grant funding targeted only at project elements that enable a market leading low carbon, operational base for businesses e.g. incorporating low carbon construction, renewables onsite generation, EV installation etc.

3. **Reshoring of Supply Chains** – Gap funding to help secure the reshoring of up to 15 suppliers to the region, delivering productivity and net zero benefits for their key anchor customers in the cross-border area whilst boosting jobs, investment and GVA. Funding would be focused on specific connecting infrastructure (e.g. substations, digital connectivity etc…) for the commercial sites in question, where a major employer has a prospect for reshoring a major part of its supply chain but the commercial site in question needs additional accelerated investment to make it 'supplier ready'.

Net-Zero Accelerator loans

Where businesses in key sectors and their cross-border supply chains, have an evidence-based case for investments that will aid their efforts to decarbonise they will be supported by 0% interest loans to make those investments.

How this supports the cross-border economy:

The Challenge Fund will allow locally led investment to get to those of our businesses that are able to drive forward the recovery, decarbonising their operations and supply chains and linking them to the accelerated delivery of world class R&D / commercialisation facilities in the region. By ensuring the parameters of the grant fund are set to lever in private sector funding and that loans are targeted at green investment – we will not only ensure good value for the taxpayer but also match UK and Welsh government's commitment to:

- **Build back better** – by investing in net zero and supporting the Ten Point plan for a Green Industrial Revolution
- **Strengthen the union** – we will boost the cross border labour market
- **Support levelling up** – by rapidly disseminate funds to the areas that need it most.

The Challenge Fund is expected to provide low carbon commercial premises for 290 businesses, to safeguard 1,800 jobs and decarbonise and accelerate key projects such as Wrexham's Food Technology Park. The Net-Zero Accelerator loans programme will also drive productivity and deliver savings in excess of 450,000 tonnes of Carbon, levering at least £80m of private sector investment and supporting 270 jobs.

Skills and other business support

Our ask of the Fiscal Stimulus Package: £19m public investment

The energy sector has long been identified as a local strength in the Mersey Dee and the infrastructure to build up a net-zero industrial cluster is now falling into place around the existing energy assets in the North West. However, there is a long road ahead to meet the net-zero target. To jointly combat the current downturn in demand for key sectors through diversification and to ensure businesses get ready for net-zero we propose acting quickly, with appropriate revenue funding to deliver:

- **Technical Business Centre for Green Recovery** – the project aims to upskill and reskill the workforce in the MDA area with relevant industry-led clean growth skills for the green industrial revolution to service the rapidly developing low carbon cluster (particularly what may become one of or the world's first Net Zero Industrial Cluster). It will assist with upskilling the advanced manufacturing supply chains in the area aiding diversification. Utilise existing funding streams such as Apprenticeships and Skills Boot Camps the project would aim to be self-sufficient beyond a pump priming period
- **Offshore Energy Alliance (OEA)** – the OEA would like to offer 30 companies who supply the aerospace sector and were directly impacted by the Airbus/aerospace sector decline, a chance to go through the Fit for Offshore Wind Programme. A further programme of business support activities to support the offshore wind sector in procuring local suppliers would also be developed. This would include supply chain capability mapping; employment and skills; networking events; supply chain meet the buyer events; supply chain qualification programmes etc.
- **Fit for the Future** – this programme will offer short-term additional support to businesses and employees in affected priority sectors. The programme will offer business diagnostic services, enhanced skills and employment brokerage across the border and clear signposting to existing services. The aim is to ensure consistent provision, without gaps between areas for those in at risk sectors. For those individuals made redundant or at risk of redundancy via the change in demand from Airbus and other anchor employers a skills assessment and training plan will be provided. Provision developed should training not be readily available and brokerage service will be developed to bring these individuals to emerging opportunities.

How this supports the cross-border economy:

We will coordinate activity to intensively support businesses in some of the region's priority sectors to diversify into other areas, especially clean energy. This will help the successful role out of some of the other low energy investments proposed in this package as well as the UK's own net-zero ambitions in the **Ten Point Plan for a Green Industrial Revolution**.

The management and business support to be provided here will further build on the UK government's **Plan for Jobs**, including the Help to Grow programmes, only with renewed focus on the specific strengths and needs of the Mersey Dee economy and its unique cross-border structure.

All of which will speed the recovery, build a more resilient economy and help us develop world-leading, exportable Green energy capability to boost growth nationwide.

Place

Our ask of the Fiscal Stimulus Package: £75m public investment

While we recognize the value of the work being delivered in both England and Wales in relation to the issues facing town centres nationwide – the Town Fund and Transforming Towns programmes, respectively – we propose an additional funding stream for the Mersey Dee area to support holistic improvement of a number of the places that have not been able to access existing funds.

While it is acknowledged that each town centre is individual in character, common challenges include:

- Vacant floor space
- Poor quality retail premises
- Declining footfall in town centres
- Lack of quality housing and urban living opportunities
- Lack of affordable commercial space
- Economic inequality
- Lack of affordable commercial space
- Unattractive and underutilized public realm

A key objective of the scheme will be to connect new start-ups and entrepreneurs with improved, viable spaces within town centres. Targeted acquisitions of property, new green space and biodiversity projects will add vibrancy and help manage the transition of some of the region's town centres from fading retail hubs towards more vibrant locations as cultural, residential and employment hubs. Co-ordinating this funding across four highly connected local authority areas will boost the effectiveness of its management and the movement of consumers and businesses across borders within the MDA region justifies a central co-ordination of the overall scheme administration, monitoring and learning.

Meanwhile, the Wrexham Gateway project is first transport linked transforming towns pilot in Wales. Ensuring seamless access to key city core sites has been identified specifically as a chance to transform the gateway into Wrexham town centre. There is an existing masterplan that is poised to regenerate Wrexham General Station, link to improved rail connectivity/active travel schemes, and maximise the regional impact of the Racecourse Football Stadium, which has been hosting international football matches since 1877. The proposed infrastructure works will de-risk the project for and lever in private sector investment of over £80m.

How this supports the cross-border economy:

The Wrexham Gateway investment will include bridge works, road access, walkways, cycleways, hard and soft landscaping, street lighting and street furniture and will unlock around £80m of private sector investment.

The wider funding package will support growth and sustainability across the Mersey Dee area's multiple centres as the economy and the role of the town centre adjusts to life after covid. This flexible pot of funding will allow local leaders to coordinate their interventions across the functional economic geography to meet the specific challenges faced by the region. We expect businesses will be able to provide match funding.

This will enable stakeholders within the small, independent business sector and creative industries all of which have been hit hard by the pandemic and will increase the vibrancy of our town centre spaces post-covid.

Low carbon energy infrastructure

Our ask of the Fiscal Stimulus Package: £115m public investment

The North Wales-North West England cross border area aims to be one of the first Hydrogen-CCUS large scale deployment areas in the world. With additional funding the Mersey Dee area is perfectly located to capitalise on the growing hydrogen and CCUS economy.

HyNet

Additional public funding to advance the design stage and secure consents for Phase 3A of the HyNet pipeline would accelerate access to blue hydrogen for a larger range of businesses across the MDA – particularly in North Wales.

HyNet could also develop and build a new UK strategic product testing facilities/demonstration facility linked to the Thornton Science Park.

Without a cheap and reliable source of hydrogen manufacturers are unable to run full machine tests on potential new equipment. This will hold back advances in the type of technology that will be essential to providing low carbon alternative solutions and drive the UK toward net zero. The facility is intended to be open access to all manufacturers and if the capital requirements for the following items can be publicly funded – equipment manufacturers are likely to bear the cost of hydrogen used for testing purposes:

- Hydrogen upgrading facility
- Pipeline
- Demonstration facility

Hydrogen Hubs

A further £40m fund will be made available to address the market failures that hold back the deployment of newer green technologies such as hydrogen and CCUS.

An advanced candidate is the **Deeside Hydrogen Hub** project, being brought forward under the North Wales Growth Deal. This aims to develop a hydrogen hub around the Deeside Industrial Park in Flintshire as a new location for the production of green hydrogen. Although the project is initially being developed by the North Wales Economic Ambition Board, once a hydrogen source has been established further public sector investment will complement the proposal, by accelerating deployment and commercialisation of new technologies such as:

- **Heavy goods vehicles**.
- **Local authority fleet**
- **Passenger transport vehicles**

Tidal

There is potential for a 3GW Tidal Range project in the Mersey and given the extensive benefits this project could hold for local manufacturers over many years the Mersey Dee Alliance would like to support the Liverpool City region in funding the next phase of the front end engineering and design work as well as providing development funding to progress a potential North West Tidal Energy Centre of Excellence.

How this supports the cross-border economy:

The proposals above will assist with enabling the UK Government's 2030 ambitions to support:

- the creation of a low carbon industrial cluster
- generating 5GW of low carbon hydrogen capacity
- capturing 10MtCO2/year using CCUS

The direct investment in design and consenting work for HyNet pipeline will unlock around £250m of private sector investment and deliver around 100km of new pipeline.

Transport

Active Travel

Our ask of the Fiscal Stimulus Package: £85m public investment

We want to rapidly accelerate provision of a single network of active travel routes across the Mersey Dee area by 2025. This will facilitate convenient access by bike and by foot to and from key employment, leisure, commercial and educational facilities.

- The major **employment sites** that would be opened up to increased access via the Active Travel network include: Birkenhead, Wirral Waters, the A41 corridor, Ellesmere Port, Ellesmere Port Industrial Area, Chester, Deeside Industrial Park, Wrexham Industrial Estate and Broughton.

- The proposals are also designed to improve access to and use of the **public transport network**. The Active Travel network will link to the Borderlands (Wrexham-Bidston) rail line which allows onward connections from North Wales through to Liverpool and proposed new stations e.g. Deeside Parkway.

The proposals would create a cross-boundary network of high-quality routes designed in accordance with rigorous standards set out in the Department for Transport and Welsh Government's guidance. The project will bring together and coordinate the four local authority members of the Mersey Dee Alliance to progress their own plans, with support from Transport for Wales as a local transport development & delivery body with specialist Active Travel team/expertise.

How this supports the cross-border economy:

We have identified a network of around 100km of cycling and walking infrastructure within the plans of the Mersey Dee Alliance's four local authority members. Both UK and Welsh government transport priorities recognise the significant value of walking and cycling to our residents and our economy. UK government estimates that:

- **Health** - Physical inactivity costs the NHS up to £1bn per annum, with further indirect costs calculated at £8.2bn
- **Wellbeing** - 20 minutes of exercise per day cuts risk of developing depression by 31% and increases productivity of workers
- **Congestion** - new cycle routes in London are moving 46% of the people in only 30% of the road space
- **Local businesses** - Up to 40% increase in shopping footfall by well-planned improvements in the walking environment
- **Environment -** doubling cycling and increasing walking could lead to savings of £567 million annually from air quality alone and can help reduce the

In the context of this Fiscal Stimulus Package, investing in this low cost transport infrastructure is especially important for open up additional opportunities to residents and improve access to major employment sites. Connecting more people to better jobs is the best way to foster inclusive growth throughout the region. The labour market will function better, reducing potential periods of unemployment and facilitating better matching between employers and potential employees.

Public transport

Our ask of the Fiscal Stimulus Package: £30m public investment

The Mersey Dee area has long suffered from underinvestment in public transport infrastructure and a range of important capital spending projects that are under development urgently need capital support to move forward. However, in order to meet the immediate needs of our fiscal stimulus package two short-term investments are required:

- £20m in **revenue to fund development work** that will enable up to £225m of potential rail capital projects to advance

- £10m in capital to fund the infrastructure and technology platforms required to institute **cross-border integrated contactless ticketing**

How this supports the cross-border economy:

The revenue funding package would enable North Wales Mainline and Borderlands enhancements to be expediated by Transport for Wales over the next 3 years. This will enable 3 shovel-ready schemes Deeside Parkway Station, Shotton and Chester Station (i.e. Stage E Plan of Works/GRIP 5/Full Business Case) and a further 6 schemes to be taken forward to single option selection and Preliminary Design (Stage C Plan of Works/Outline Business Case). Not only will this accelerate much-needed public investment in new rail infrastructure, helping to level up the region. By increasing the certainty of future rail investment will inspire confidence for private investors into the MDA.

Meanwhile, integrated ticketing across modes and operators would both boost access to jobs for people across the MDA over the longer term.

The funding outlined here will provide integrated ticketing across:

- 20 train stations
- 400 buses
- 50 routes
- 9 operators

Bb creating better integrated transport links we will also allow a better integrated labour market. This means improved matching of those who have lost their jobs due to the pandemic with new educational and work opportunities.

Wider strategic transport infrastructure projects

The long-term prosperity and competitiveness of our employers, people and places has been held back over time by under-investment in our transport and digital infrastructure. These immediate asks of the Fiscal Stimulus Package sit in the context of a wider set of transport infrastructure priority investments including:

- **The North Wales Metro** – a capital investment programme must follow the development work above to realise these benefits
- **The A494 River Dee crossing** – this vital river crossing that carries more daily trips that the Severn bridge needs replacing
- **The Chester - Broughton Growth Corridor** – improve access to Chester City centre and unlock development sites
- **The A483 junctions 4-5 –** an expansion of one of Wrexham's key employers is dependent on these congestion reliving works
- **M53 and M56 interventions –** improving access to Manchester and Liverpool by improving capacity and resilience

Digital

Our ask of the Fiscal Stimulus Package: £30m public investment

The physical and digital connectivity of the Mersey Dee is not as good as it could or should be to support the region's households and businesses.

While both the North Wales Growth Deal, Liverpool City Region and the Cheshire and Warrington Local Enterprise Partnership have begun work on separate Digital connectivity programmes that will address those issues across the Mersey Dee area. The connected nature of the Mersey Dee economy means there is ample opportunity to expand on these programmes, adding real value in joining up the work across two major areas:

- **Connected corridors** – the North Wales Growth deal will develop high bandwidth and capacity mobile coverage (5G and LPWAN) on major transport networks. With additional funding these connected corridors could be continued across the England/Wales border towards Manchester and Liverpool.

- **Fibre duct installation** – both the Liverpool City Region and North Wales Economic Ambition Board intend to use public funds to accelerate roll out of the fibre network. With innovation around the installation of ducting required for future fibre installation across a broader range of locations network can be made accessible to commercial operators. With additional funding to join up this effort across the Mersey Dee area, growth of the network could be better coordinated, and procurement options explored over this much larger geography.

- **Town centre digital** - the project will enable business communities and place managers to better understand the performance of their High Streets and to make investment decisions based on robust and dynamic data sets. Digital technology will be installed in Town Centres across the Mersey Dee area and resources deployed to ensure procurement of technology and uptake of relevant insights from the data collected are efficient.

How this supports the cross-border economy:

The Mersey Dee area is a recognized economic geography that covers and area which overlaps the administrative boundaries of the North Wales Economic Ambition Board, the Cheshire and Warrington LEP and the Liverpool City Region. The Mersey Dee Alliance members have the opportunity to coordinate digital infrastructure provision across those boundaries, building a network of connectivity that is bigger than the sum of its parts.

In the aftermath of Covid-19, with opportunities to work from home increasing, greater digital connectivity across the border will help the Mersey Dee economy overcome some of its physical connectivity challenges. Further afield, expanding the benefits of ongoing investment in 5G connectivity further along transport corridors holds huge potential for logistics firms and manufacturers, in particular as they adapt to new customs requirements for trade with the EU. Indeed, as a consequence of this expansion in digital infrastructure and the close proximity of the Digital Signals Processing centre of excellence at Bangor University we hope to facilitate the role of advanced manufacturing businesses for example in the food processing sector to act as test-beds for further 5G innovation.

05: How we will deliver

How we will deliver

05

We have the established structures, capacity and partnerships to deliver quickly and effectively. Our partnership has a strong track record in the effective and efficient delivery of major projects.

We do not propose, or need, to create new governance structures to deliver the fiscal stimulus package. The MDA will provide central co-ordination of the package of investments, with xxx acting as the accountable body. Individual projects would be delivered by a range of lead partners including our member local authorities, Transport for Wales and we will contract with the private sector as appropriate.

Could do with a diagram here

06: Stakeholder support

06

Stakeholder Support

We have been working intensively and collaboratively with our partners in the region to develop our fiscal stimulus proposition. This has been done through a process of consultation, a series of listening exercises and interactive workshops to gather views, test ideas and refine proposals.

As a consequence, our package has strong support from key public and private sector organisations in our region.

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07: Taking the Package Forward

Taking the Package Forward

07

Our proposed fiscal stimulus package has been designed to address the urgent need to stimulate economic recovery in the Mersey Dee economy. We believe that our proposed programmes provide a compelling set of investment propositions that will drive short term economic recovery whilst delivering on national objectives for low carbon transition and growth, levelling up opportunity and developing skills and capabilities for the future. Our proposals will also help strengthen the union.

Our partners in the public and private sectors are fully behind the package and recognise the urgent need to deliver.

We recognise that this is the starting point in a conversation. The proposals have been designed to offer an attractive, investable set of propositions suitable for funding by a range of potential funders.

The MDA will:

- **Engage with the UK and Welsh Governments** to take forward and negotiate funding for the proposals in the Strategic Proposition.
- Use the election period for the Welsh Senedd to **engage with business and partners to further refine and develop our proposals,** for example the Business Innovation and Challenge Fund
- Continue to work closely with our neighbouring Local Growth Partnerships **to ensure that MDA proposals are complementary and add value to existing propositions** like the LCR CA Recovery Plan, the North Wales Growth Deal and the Cheshire and Warrington Recovery Plan.

We are ready to deliver this quickly and to work with Government to make this happen.

We welcome feedback from Government on our proposals, and we look forward to working collaboratively to take this forward.

For more information, please contact us below. [need contact details]

- Contact details here [Who should be added here?]

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