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Chair of the
Equality, Local Government and Communities Committee

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Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
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City Deals and the Regional Economies of Wales

Over the last couple of months the EIS committee has been taking a wide range of evidence on City Deals and the Regional Economies of Wales. We have almost concluded our evidence gathering and will be drafting a report over the summer recess.

As you are undertaking your work on in-work poverty, we thought it might be helpful to pass on the following points:

1. City Deals across the UK have been driven by an agenda which is primarily focused on growth. However, in Scotland and Wales, the governments have been keen to ensure that deals also contribute to their wider agendas – in Scotland this is termed inclusive growth, and in Wales it tends to manifest itself in talk of tackling poverty or achieving the Future Generations goals. While these are explicit targets of the Welsh and Scottish Governments, they are only implicit in the City Deals signed in Wales to date. It is unclear to what degree they have been incorporated in the City Deals themselves.



2. Little thought appears to have been given to what happens if there is a global period of de-growth (i.e. a recession), which would prevent Deals from reaching Growth targets. Although there appears to be optimism among City Deal leaders that such circumstances would be taken in to consideration.
3. The asymmetry of City Deals is a great strength – in that Deals can be tailored to local need. But it also creates problems in comparing Deals (as each is so markedly different) and in ensuring that all work harmoniously together. In Wales we heard evidence from organisations that hoped the forthcoming Welsh Government strategies would knit together the City Deals in to a coherent national picture. But the evidence from Scotland was not promising. For example – the Highlands and Islands deal is based on encouraging young people to remain in the area. The Glasgow deal is based on growing its population. It was not clear whether these two goals were compatible in a post-Brexit climate where high levels of inward migration seem unlikely.
4. While City Deals will aim to increase GVA across the region, we have asked lots of questions about the distribution of that growth within the region. Colegau Cymru, for example, warned that Deals had the potential to “hollow out” certain areas, concentrating prosperity, and leaving pools of poverty. There is a great deal of optimism from City Deal leaders that this will not happen.
5. Appraisal and monitoring methods for City Deals are still evolving. In Scotland we heard about their dashboard that the Glasgow City Deal has developed to monitor a range of indicators. The Joseph Rowntree Foundation has done some work in Leeds and Manchester taking a more ‘inclusive growth’ approach. And we heard from the Bevan Foundation that they are looking to do some similar work in a Welsh context. It is not clear at this



stage, whether this work will provide a more useful set of indicators to judge success, or whether the UK Government will buy in to it if it does.

I hope these notes are useful in your consideration.

Best wishes

A handwritten signature in black ink, appearing to read 'Russell', with a stylized flourish underneath.

Russell George AM

Chair of the Economy, Infrastructure and Skills Committee

