Written evidence submitted by Western Gateway (LRS0027)

- Western Gateway is the UK's newest 'powerhouse' or pan-regional economic partnership. Launched in November 2019 with funding from MHCLG, it has an independent business chair, Katherine Bennett, Senior Vice-President, Airbus.
- A Partnership Board has been established, comprised of partners from each of the nine local authorities, three Local Enterprise Partnerships and three city regions/combined authorities across our footprint. A member from the business community and two members from the university sector will be appointed later this year.
- The Gateway is unique in being cross-border, spanning a geography embracing South Wales and western England, including eight cities and large towns and rural communities, covering a population of 4.4m.
- We have a bold vision to lead the UK's transition to a net zero future, make substantial enhancements to transport and digital connectivity, build on our world leading innovation and become a global brand for export and investment-led growth. Our focus is inclusive and decarbonised economic growth, where scale and collaboration can deliver more than our constituent parts could achieve alone.

The Western Gateway is keen to engage with the Committee's inquiry to demonstrate the role that pan-regional bodies can play in propelling transformative, inclusive and green growth in the UK.

Pan-regional structures: Evidence base and stakeholders

The Western Gateway was forged from the bottom-up, a process of building cooperation across our geography based on existing economic interconnectivity.

A report[1] published in July 2019 by Metro Dynamics provided a strong economic case for a cross-border partnership being established and we already have great combined track-record of economic success, innovation and creativity.

The report demonstrated a highly interconnected area which meets the Organisation for Economic Co-operation and Development's preconditions for a functional economic region. For example, commuting between city regions and LEPs in the Western Gateway are comparable to those in the Northern Powerhouse.

The cross-border economic relationships between the two regions of the West of England and Cardiff Capital Region are at the core of our partnership. But these regions exist within a wider economic geography with economic relationships based on the cross-border connectivity and agglomeration benefits of the M4 and Great Western Railway, extending west to Swansea and east to Swindon, as well as the critical north-south axis along the M5 and Cross Country Rail from Weston-super-Mare to Tewkesbury. Given that the focus of infrastructure development tends to be on north to south connectivity, ensuring that there is a shared focus on improving east to west connectivity is another 'unique selling point' of this pan-regional approach.

[1] http://western-gateway.co.uk/wp-content/uploads/2020/02/A-Powerhouse-for-the-West-Metro-Dynamics-July-2019.pdf

To build on our evidence base and to inform future policy and investment decisions, we are currently in the process of commissioning an Independent Economic Review.

- The first phase, an **Economic Position Statement**, is underway and will be presented to both UK and Welsh Governments in autumn 2020. This will draw on existing economic evidence bases in place across the area, including Local Industrial Strategies, to provide an overview of the strengths and weaknesses of the economic area and the impacts of COVID -19 and help ensure the Partnership is as well prepared as possible to deal with the economic challenges ahead.
- The second phase will build on the outputs from the first stage. This will involve economic modelling of various scenarios, allowing for comparison between a 'business as usual' scenario and a 'transformational' scenario to calculate the potential economic benefits of adopting a coordinated pan-regional approach.

This existing evidence base and forthcoming Independent Economic Review will support the partnership in developing its pan-regional strategy and will enhance the ability of cross-border partners to harness the innovation and geographical assets across the area as the UK.

Pan-regional structures: Role in delivering growth and levelling up

- The Western Gateway, alongside with the Northern Powerhouse and the Midlands Engine are voluntary arrangements, supported by Government to bring added regional value on top of metro mayors and city devolution deals.
- The Gateway aims to accelerate agglomeration benefits to create scale and impact at an international level and to leverage joint assets. Achieving the region's potential in its high value key and growth sectors will generate much needed revenue for the UK and will drive export-led growth. Delivering the vision outlined in the Gateway's prospectus (detail below) will add more than £56bn to the UK economy by 2030.
- We believe that pan regional bodies can make a vital contribution to delivering first-class physical and digital connectivity, boosting productivity, unlocking housing growth and leading our transition to a net zero future.
    - The Northern Powerhouse and other similar 'powerhouses' demonstrates that working as a formidable regional grouping can help drive economic rebalancing and help promote trade and investment through the internationalisation of their wider region. Large international investors favour scale. Collaborating over a larger footprint enables regions to create scale in investment pitches for trade and investment promotion.

These new arrangements have rapidly become an established feature of the policy landscape and if sufficiently supported and resourced, can release the untapped potential of our cities, towns and villages, and provide real amplification and additionality to existing projects, infrastructure and industrial strategies.

Our priorities and how operating at a pan-regional level delivers additionality

In February 2020, the Western Gateway set out its prospectus[2] and mission: '*Propelling a greener, fairer, stronger Britain by drawing on our combined strengths and unique assets to unleash our full potential and blaze a trail for the UK's next generation economy, delivering a gateway to a cleaner, fairer and more prosperous future'*.

The region's strengths and assets include:

- Economic performance that is already ahead of the UK average, excluding London;
- World leading, export focussed businesses and research in the growth industries of the future;
- Creative, qualified and committed people and some of the best quality of life in Europe;
- Unique environmental and low carbon energy assets.

The prospectus outlines three priority areas – **Connectivity, Inward Investment** and **Innovation**. Working at a pan-regional level has the potential to deliver additional benefits in each of these areas

Innovation: The inquiry is considering how clustered R&D investment can support local growth. Ours is an innovative region, home to innovative companies such as Rolls Royce, BAE Systems, Airbus, Honda, Intel, Dyson and EDF, and a diverse range of research, digital, science and technology assets. Research taking place within universities is also crucial to innovation in the region.

A key ambition of the Western Gateway is to spark collaboration and innovation in our distinctive high-tech sectors, universities and R&D assets, making the most of the region's renewable and environmental assets. There are ten universities in the Western Gateway, with three research-intensive universities – Bath, Bristol and Cardiff – joining Exeter to become the GW4 Alliance. The region's universities are part of an 'M4 innovation arc' stretching from Cardiff to London, according to the Economic and Social Research Council, with many international collaborations as well.

The Western Gateway has a strong and dynamic economy with distinctive strengths in key sectors, including advanced manufacturing and creative and digital. We see significant potential for stronger collaboration and supply chain integration across our footprint within these sectors.

Case study: Western Gateway Applied Digital Accelerator

The Western Gateway aims to be recognised as the UK's foremost digital region. A priority project for the partnership is an **Applied Digital Accelerator** - a coordinated network of leading research, teaching, innovation and enterprise assets focused on the development, integration and application of digital technologies.

The aim of the initiative is to accelerate the application of digital technologies to benefit people, society, industry and the environment. Integrating existing capabilities and major investments would enable us to scale up and accelerate their impact.

[2] https://western-gateway.co.uk/wp-content/uploads/2020/02/Western-Gateway-ENGLISH-WEB.pdf

Connectivity: Transport links and connectivity are fundamental to the coherence and legitimacy of pan-regional partnerships or 'powerhouses'. Connectivity is a crucial attribute associated with agglomeration, which has a wide range of economic benefits including labour market supply and productivity, knowledge spill-overs, business efficiency, and competition by access to suppliers and markets. The additionality provided by the Western Gateway is a cohesive, overarching approach, bringing together plans from across the region to improve connectivity across the area. Our ambition is to join planned infrastructure investment projects across our region together – and to the national transport system – so the whole is much greater than the sum of its parts. Reduced journey times are also a critical part of delivering inclusive growth, and we have outlined an ambition for a Western Gateway smart ticket which would allow residents to travel within the area in a 'golden hour', which would open up job opportunities across the region.

Investment: Targeted regional investment will be a critical feature to ensure all areas of the UK see the benefits of 'levelling up'. The Gateway partnership has a clear role in facilitating export and investment-led growth. The Western Gateway is an outward-looking area with strong international relationships and there are a number of global companies operating in the area, and the region is a large exporter, trading with the EU and other international markets. In the post-Brexit world, export-based growth will become even more critical and the region has the opportunity to lead this, competing with high growth regions around the world. We have already outlined plans to deliver a Global Gateway Strategy, looking at trade, investment, ports and airports, the visitor economy and business events, and put in place a programme of sectoral trade missions to promote our shared sectoral strengths and assets to key international markets.

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