

Hearing Statement for Matter 3

A recently published document outlines the response of Flintshire CC Economic Recovery Group on March 9, 2021 [Economic Recovery.pdf \(flintshire.gov.uk\)](https://www.flintshire.gov.uk/Assets/Attachments/20210309%20Economic%20Recovery%20Group%20Meeting%20Minutes.pdf). This new document is an important one for full discussion of Matter 3: Strategic Growth. It helps to underpin the assessment of whether the LDP is coherent, realistic and appropriate given the available evidence. Here is a summary of some key points:

FCC acknowledge the vulnerability of Flintshire economy to the combined ongoing forces of Brexit and Covid:

- x Nearly all economic modelling shows reduced economic growth for many years
- x Grant Thornton (consultants to FCC) estimate that the Flintshire and Wrexham economic area could lose £300m annually in trade. This excludes consequential effects upon supply
- x A disproportionate proportion of Flintshire businesses are not owned locally, making them more vulnerable to disinvestment decisions made elsewhere.
- x There is a higher proportion of Flintshire residents with low skill levels compared to the Wales average. Typically, those with the lowest skills are most at risk of redundancy and longer term unemployment.
- x The tourism and hospitality sector has been disproportionately affected and businesses in the sector are less likely to have the cash reserves needed to survive.
- x Critical sectors such as aerospace, automotive and advanced manufacturing have made considerable use of the furlough scheme which is masking the impact of Covid upon those sectors.

Grant Thornton noted that the Hatch study (for the North Wales Economic Ambition Board) identified that businesses are rethinking their long term intentions:

- xrethinking premises and physical footprints;
- xreducing overheads and building resilience;
- xdiversification;
- xshifting to greater online activity.

For Flintshire, the Economic Recovery Group recognise that corporate risks include:

- xCorporate risk PE03 Unable to regenerate Town Centres through implementation of the Town Centre Strategy due to insufficient resources and the compound economic consequences of the emergency situation
- xCorporate risk PE04 & PE19 Failure to prepare and deliver Growth Deal projects due to potential realigning of capital