

# A Cross-Border Recovery Deal for the Mersey Dee Economy



**MERSEY DEE** *Alliance*

*Cynghvair* **MERSI A'R DDYFRDWY**

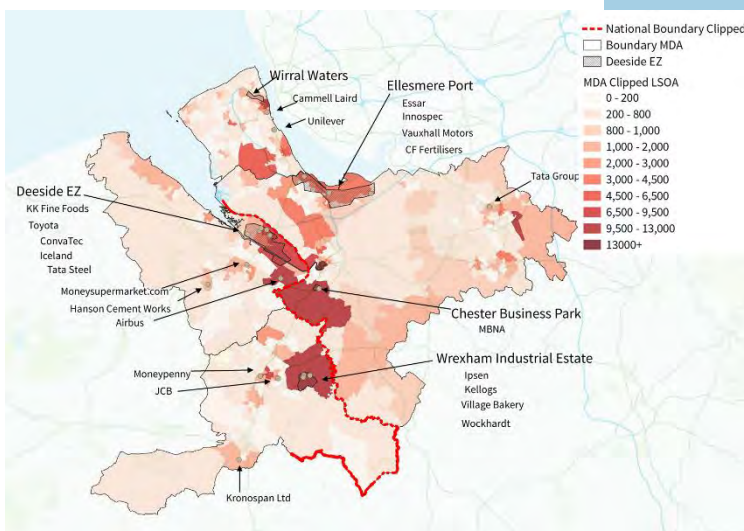
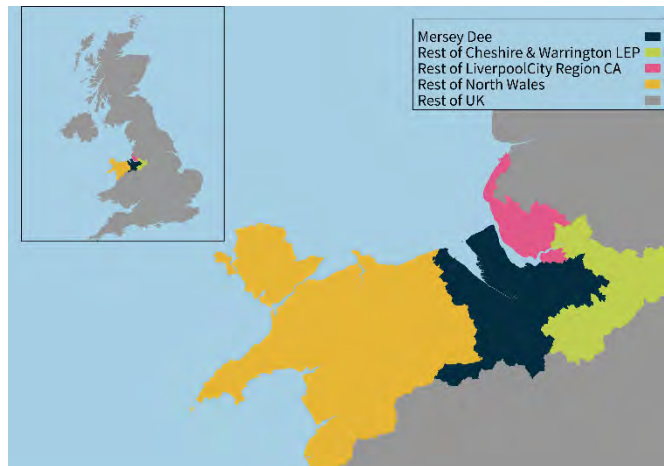
Photo by Phil Kiel on Unsplash

**HATCH**

# The Mersey Dee – a major cross-border economy

The **Mersey Dee** area is a major centre of employment and industry but one that has been overlooked due to its unique economic geography. Arranged across several locations that appear relatively small in their own right and split by a national border – the **scale of the region’s economy is missed by typical statistical aggregations.**

The Mersey Dee area links together the Liverpool City region, with North Wales and the Cheshire and Warrington LEP...



And much of its economic activity takes place right at the border between England and Wales....

**77%** of residents live and work within the MDA area, making it one of the most self-contained labour markets in the UK.

**29,500** people travel across the national border every day for work, illustrating the cross-border integration of the economy.


# The Mersey Dee Industrial Cluster

In 2020, the entire nation was affected by COVID-19 and the UK economy was estimated to have shrunk by 9.9%<sup>1</sup>, the largest fall on record and probably the biggest economic shock since the start of the 18<sup>th</sup> century. Modelling at the time suggested that up to 15% of the MDA's pre-pandemic GVA of £22.9bn (£3.4bn) was lost during 2020.

The MDA is home to **32,475** businesses, which support **412,500** jobs.




In 2019, the MDA produced **£5.8bn in manufacturing output**.



The MDA also houses **70%** higher manufacturing employment than the national average - **13% of the workforce** of the MDA work in the sector.

Nationally, 2020 saw manufacturing output fall by around 9% - representing a **£500 million** hit to the MDA economy from this sector alone.



One of the region's anchor companies, Airbus, announced **1,400 job losses and a 30% cut** in production at the Broughton site which sits right at the heart of the MDA.

The transition to **net-zero** will affect the competitiveness of many of these businesses - holding back their recovery. Large industrial installations in the MDA area were responsible for **5 times** the national average emissions per capita

But the transition also creates **opportunities**. Ellesmere Port plant will become Stellantis' first manufacturing site dedicated to battery electric van and car models - after **investing £100m** backed by the UK Government to save **1,000** jobs.

Many of the MDA's anchor companies are multinationals, with local plants now facing increasing global competition, even vying against other sites in the same company for continued investment. Structural shifts including our departure from the European Union and the need to decarbonise operations have intensified this competition.

One of the most visible consequences of this effect on the MDA economy was the announcement from Airbus of **1,400 job losses and a 30% cut in production at its Broughton site** which sits right at the heart of the MDA. With companies impacted in the supply chain and lost employee spending, we estimate that this alone could have **cost the UK economy around £700 million in GVA and 11,000 job losses**. In 2021, other major employers based in the region have faced issues that required government intervention:

**Stellantis:**  
Its Ellesmere Port plant nearly closed as a result of the decision to ban new petrol and diesel cars in the UK from 2030.

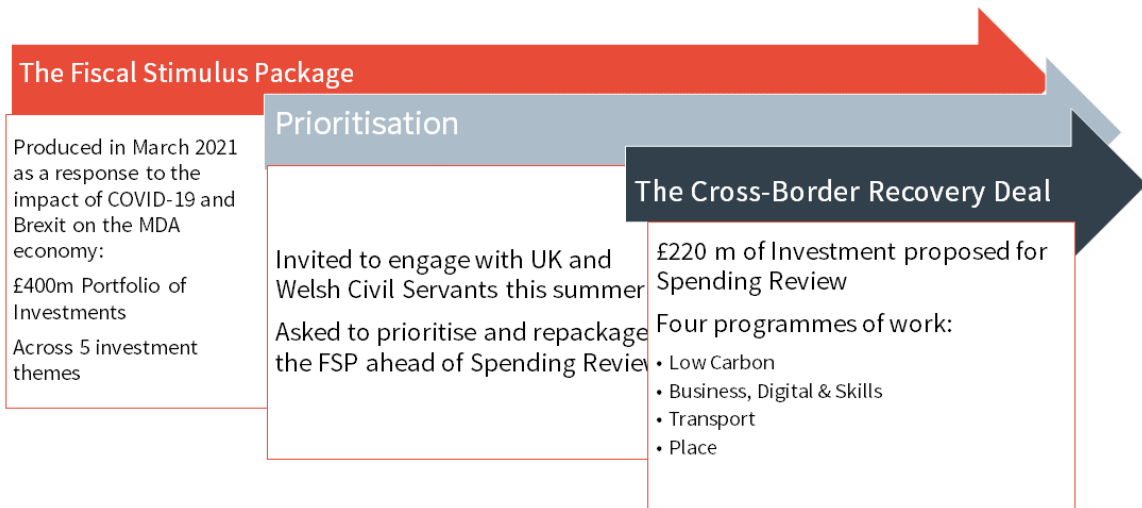
**CF Fertiliser:**  
The plant, based in Cheshire West and Chester, was temporarily shut down as the impact of the pandemic on gas prices made operations unviable

**Essar Oil UK:**  
Speculation over the ability to pay a deferred tax bill meant issues were raised in the press over the potential future of its Ellesmere Port refinery

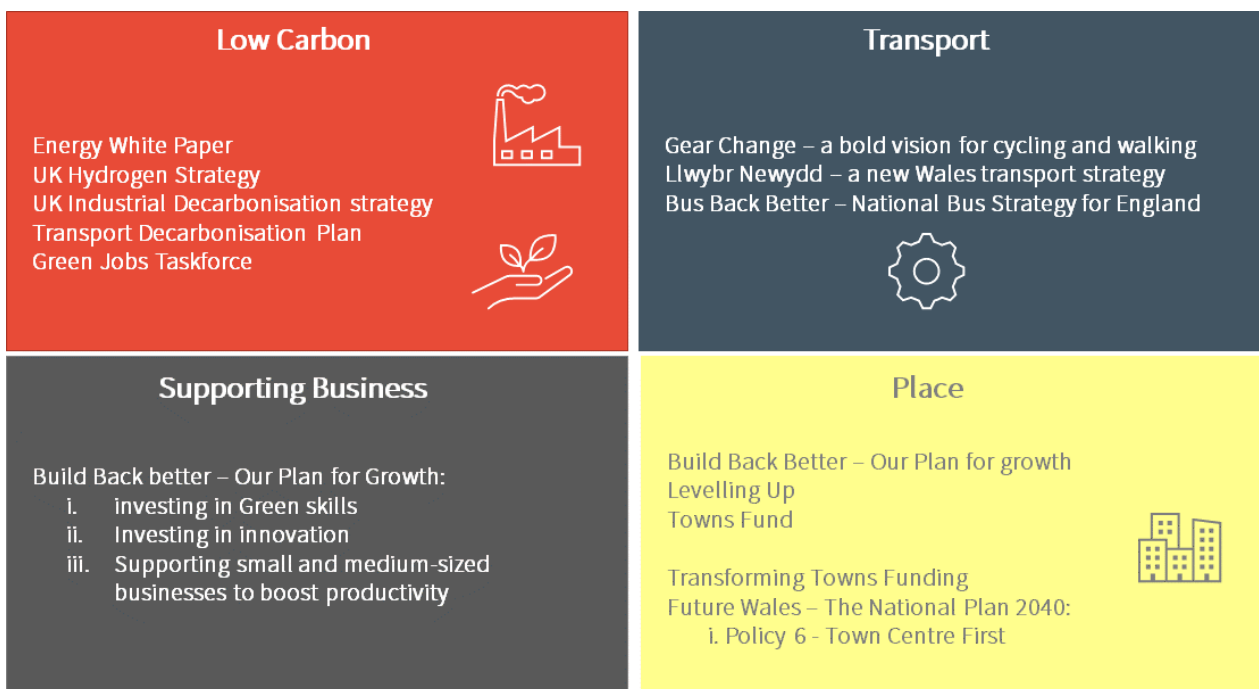
# Our Portfolio of investments

With numerous challenges facing the economy the MDA has developed a **Portfolio of investments** that responds to the immediate threat to jobs and output from the pandemic and positions the region to capitalise on the opportunities presented by longer term structural changes like Brexit or the transition to net-zero.

The Mersey Dee Alliance is ready to respond to these challenges but needs government support

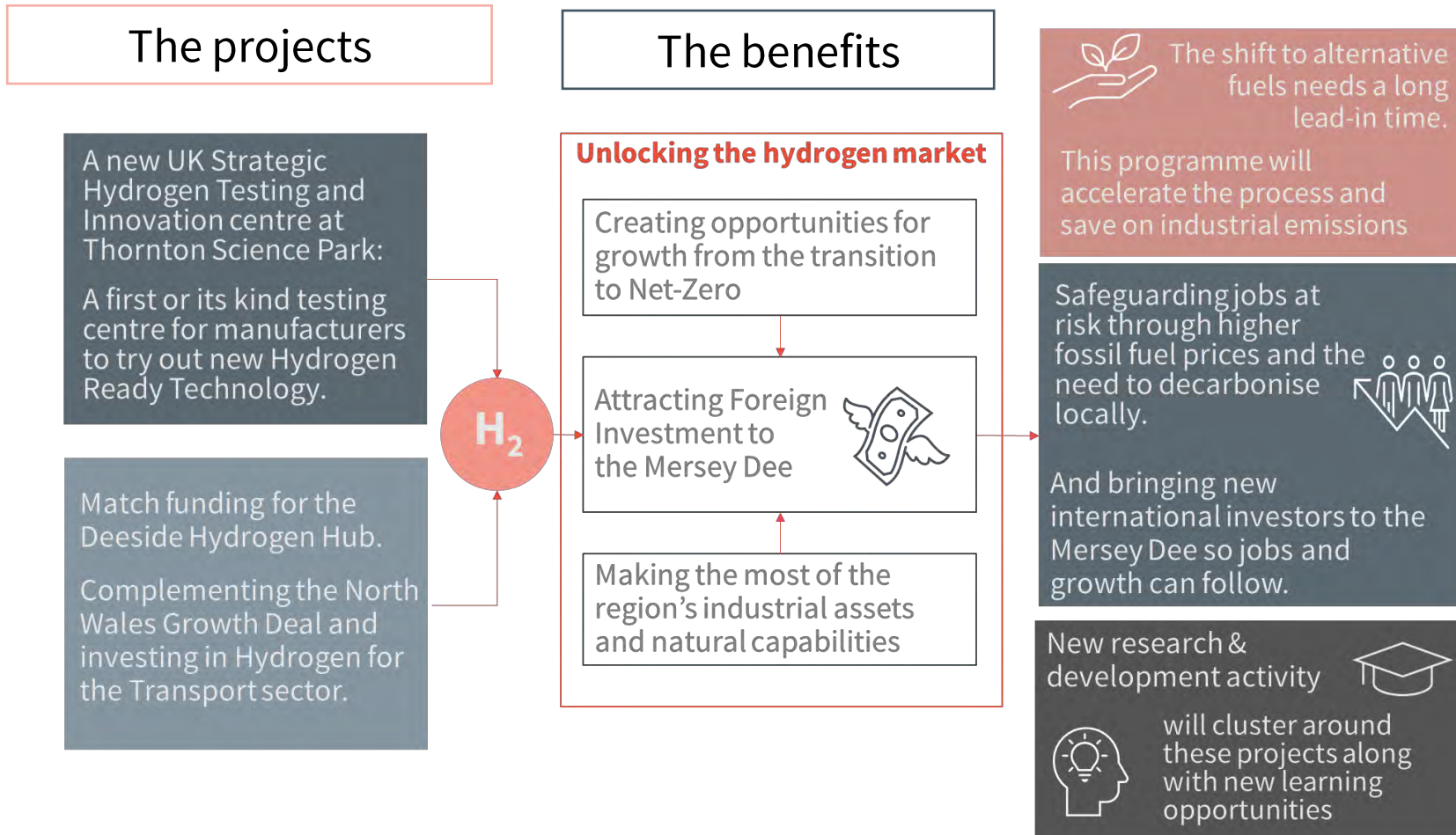


The **four programmes that comprise the Portfolio** are themselves designed to complement the objectives of UK and Welsh government.



# Phase 1 of the Low Carbon Programme

The first phase of the MDA Low Carbon programme will **unlock the hydrogen economy** and anchor it in the Mersey Dee area. A demonstrator project located next to continuous source of hydrogen at Thornton Science Park, the like of which is currently unavailable anywhere in the country, will allow testing of large-scale equipment. This is essential for industry to switch to hydrogen as a low carbon fuel and will attract international manufacturers to the region. We will help to consolidate the hydrogen economy locally by supporting a hydrogen project focussed on transport at Deeside.



# Phase 1 of the Transport Programme

The first phase of the MDA Transport programme comprises funding a **development fund** for active travel and new equipment to allow **integrated ticketing** for cross-border buses. Our plan will produce a properly designed and comprehensive set of **Cross-Border** walking and cycling routes, to a standard good enough to start the building work with the support of councils and communities. To enable integrated ticketing, capital funding is required to fit out more of the buses that operate across the border with contactless Pay-As-You-Go readers – making bus travel cheaper and easier.

## The projects

Designing a plan that makes walking and cycling a realistic choice for regular Cross Border travel.



Allowing more cross-border buses to operate contactless Pay As You Go ticketing.



## The benefits

Reducing congestion on the roads

Cutting the cost of travel and work more accessible

Making alternatives to the car a viable option for residents



Congestion and air quality are both issues that can't be resolved by zero-emission vehicles alone.

Inclusive growth means increasing access to jobs, particularly for those on With lower incomes.



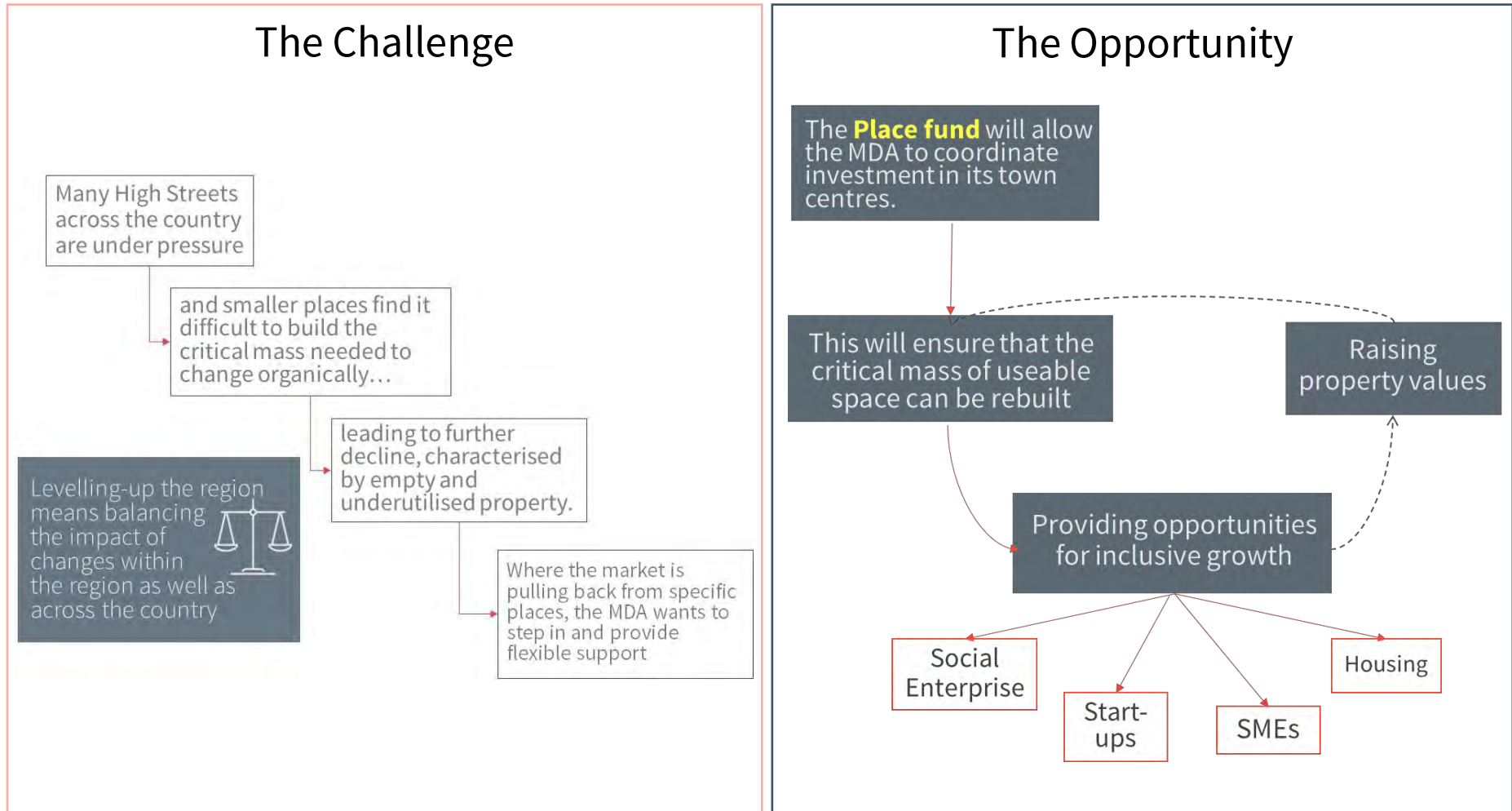
Cheaper more effective transport allows people to get on the job ladder by looking further afield.

Access to learning will be boosted by better transport options, both within areas and across the border.



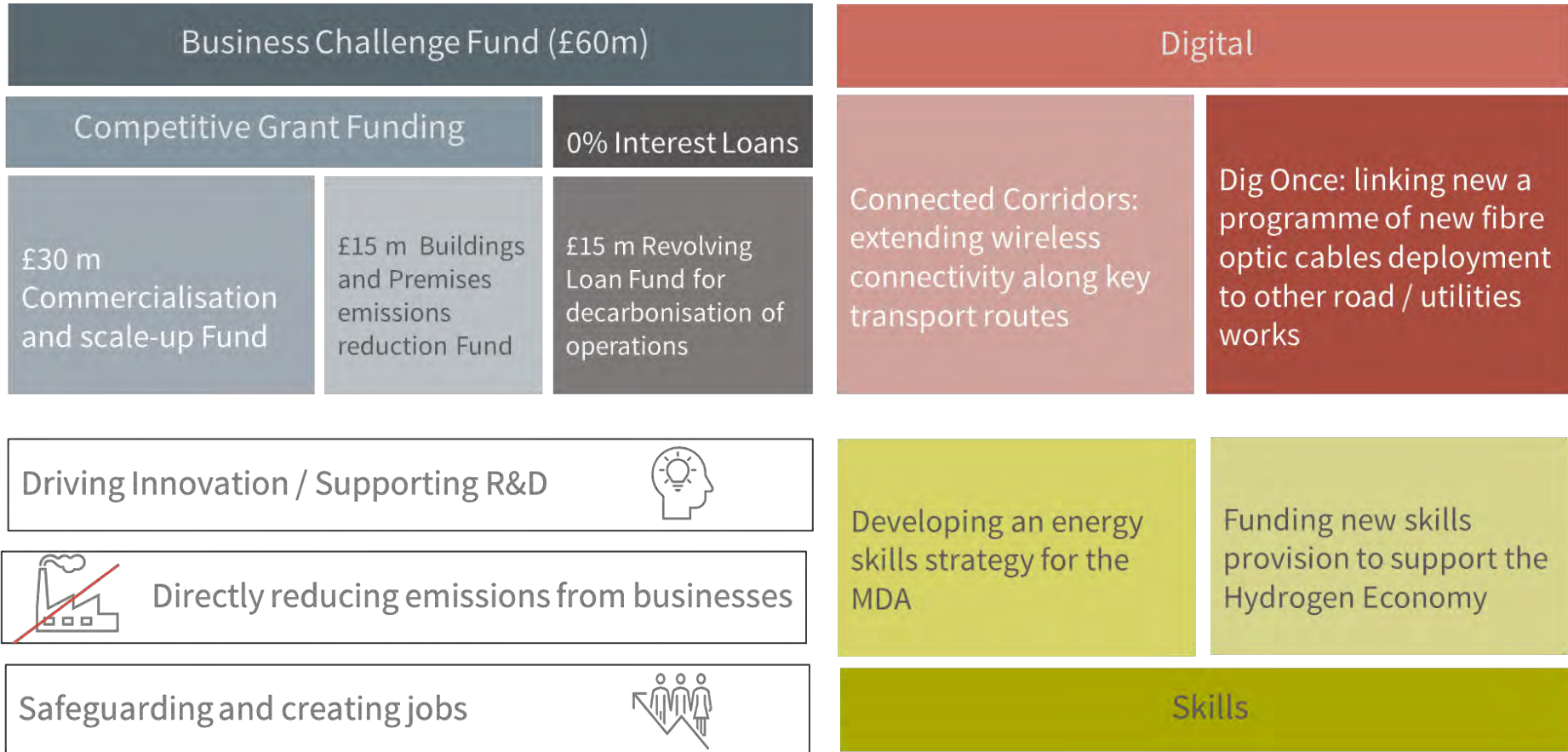
# Phase 1 of the Place Programme

The MDA place Fund will be a **flexible £55m fund** to tackle empty and underutilised property in MDA town centres. Acquiring, refurbishing and repurposing key properties for regeneration.



# Phase 1 of the Business, Digital and Skills programme

The MDA's economy is home to many exporters and energy intensive firms. After being rocked by Covid-19, the region must navigate a future outside of the EU and a difficult the transition to net-zero. We propose a £60 m fund to support **enterprise, innovation and net-zero investment** in businesses across the region. This is to be supported by wider investment in **enabling digital infrastructure and skills**.





## **Our Next steps**

The MDA has submitted its Cross Border Recovery Plan to Government Officials and is in the process of submitting to Ministers of both Governments.

The MDA seeks: -

1. Feedback from both Welsh and UK governments
2. A commitment to the proposed Cross Border Recovery Deal in the Comprehensive Sending Review
3. A programme of engagement at Ministerial and Official level to co-produce the Cross Border Recovery Deal for funding
4. A lead minister for the MDA from the UKG to work with the MDA and Vaughan Gething MS, Minister for the Economy, who is leading on the MDA for the Welsh Government
5. Pace, as the proposals are designed to give a rapid stimulus to the MDA economy to counter the greater than average impact of Covid 19 on the area

## Contact details

---

Emma Wynne

E: [emma.wynne@cheshirewestandchester.gov.uk](mailto:emma.wynne@cheshirewestandchester.gov.uk)

Senior Officer

T: 0151 356 6564

Mersey Dee Alliance

M: 07718 657014

---

Stephen Jones

E: [stephen.jones@wlga.gov.uk](mailto:stephen.jones@wlga.gov.uk)

Programme Co-ordinator (Interim),

T: 07775 885053

Mersey Dee Alliance

---

Councillor Mark Pritchard

E: [Leader@wrexham.gov.uk](mailto:Leader@wrexham.gov.uk)

Leader, Wrexham County Borough

Council

T: 01978 292581

Chair of Mersey Dee Alliance

---



**MERSEY DEE** *Alliance*  
*Cynghvair* **MERSI A'R DDYFRDWY**