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THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

1st January 2021

Dear Sir/Madam

REGENERATION SCRUTINY COMMITTEE

A meeting of the Regeneration Scrutiny Committee will be held in Virtually via Microsoft Teams - if you would like to attend this meeting live via Microsoft Teams please contact committee.services@blaenau-gwent.gov.uk on Wednesday, 6th January, 2021 at 10.00 am.

Please note that a pre and post meeting will be held 30 minutes prior to the start and following the conclusion of the meeting for members of the committee.

Yours faithfully

Michelle Morris
Managing Director

AGENDA

Pages

1. SIMULTANEOUS TRANSLATION

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required

We welcome correspondence in the medium of Welsh or English. / Croesawn ohebiaith trwy gyfrwng y Gymraeg neu'r Saesneg.

should you wish to do so. A simultaneous translation will be provided if requested.

2. **APOLOGIES**

To receive.

3. **DECLARATIONS OF INTEREST AND DISPENSATIONS**

To receive.

4. **REGENERATION SCRUTINY COMMITTEE** 5 - 20

To receive the minutes of the Regeneration Scrutiny Committee held on 2nd December, 2020.

(Please note the minutes are submitted for points of accuracy only).

5. **ACTION SHEET - 2ND DECEMBER 2020** 21 - 22

To receive action sheet.

6. **PROGRESS REPORT - TARGETED REGENERATION INVESTMENT PROGRAMME AND TOWN CENTRE REPAYABLE FUNDING SCHEME** 23 - 32

To consider the report of the Team Manager Regeneration Opportunities.

7. **EMPLOYMENT PARK, LIME AVENUE – PROGRESS UPDATE REPORT** 33 - 36

To consider the report of the Service Manager Business and Regeneration.

8. **BUS EMERGENCY SCHEME (BES)** 37 - 46

To consider report of the Corporate Director Regeneration & Community Services.

9. **FORWARD WORK PROGRAMME - 10TH FEBRUARY 2021** 47 - 50

To consider report.

Councillor G. A. Davies (Vice-Chair)
Councillor M. Cross
Councillor M. Cook
Councillor G. L. Davies
Councillor H. McCarthy
Councillor K. Hayden
Councillor S. Healy
Councillor W. Hodgins
Councillor J. C. Morgan
Councillor J. P. Morgan
Councillor L. Parsons
Councillor K. Rowson
Councillor B. Willis

All other Members (for information)
Manager Director
Chief Officers

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COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: THE CHAIR AND MEMBERS OF THE REGENERATION SCRUTINY COMMITTEE

SUBJECT: REGENERATION SCRUTINY COMMITTEE – 2nd DECEMBER, 2020

REPORT OF: DEMOCRATIC & COMMITTEE SUPPORT OFFICER

PRESENT: COUNCILLOR J. HILL (CHAIR)

Councillors M. Cook
 P. Edwards
 G.A. Davies
 K. Hayden
 W. Hodgins
 H. McCarthy
 J.C. Morgan
 J.P. Morgan
 L. Parsons
 K. Rowson
 B. Willis

AND: Managing Director
 Corporate Director of Regeneration & Community Services
 Head of Regeneration & Development
 Team Manager Regeneration Opportunities
 Service Manager Business & Regeneration
 Service Manager Development & Estates
 Business Innovation Manager
 Destination Management Officer
 Marketing Projects Officer
 Scrutiny & Democratic Officer/Advisor

ITEM	SUBJECT	ACTION
No. 1	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	

<p>No. 2</p>	<p><u>APOLOGIES</u></p> <p>Apologies for absence were reported for Councillors G.L. Davies, D. Wilkshire, M. Cross.</p> <p>Councillor S. Healy also submitted apologies due to technical issues.</p>	
<p>No. 3</p>	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>Councillor L. Parsons declared an interest in Item No. 7 Destination Management Plan.</p> <p>Councillor W. Hodgins declared at interest in Item No. 8 Cardiff Capital Region City Deal Performance Review 2020/21 Quarter 1</p>	
<p>No. 4</p>	<p><u>REGENERATION SCRUTINY COMMITTEE</u></p> <p>The minutes of the special Regeneration Scrutiny Committee held on 21st October, 2020 were submitted.</p> <p>The Committee AGREED that the minutes be accepted as a true record of proceedings.</p>	
<p>No. 5</p>	<p><u>ACTION SHEET – 21ST OCTOBER, 2020</u></p> <p>The Action Sheet arising from the meeting of the Regeneration Scrutiny Committee held on 21st October, 2020 was submitted, whereupon:-</p> <p><i><u>Forward Work Programme</u></i></p> <p>A Member said the report on the Business Improvement District had been requested as a matter of urgency, and expressed concern that the report would not be received until the New Year. He said a date when the report could be expected should have been provided.</p> <p>In response the Business Innovation Manager said the current priority was dealing with economic stimulus packages, however, he confirmed that the report would be included in the Forward Work Programme and undertook to</p>	

	<p>discuss with the BID's legal entity as to when an update on the business plan could be expected.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	
<p>No. 6</p>	<p><u>TRANSPORT STRATEGY AND REVIEW TASK AND FINISH GROUP</u></p> <p>The report of the Service Manager Business & Regeneration was submitted consideration.</p> <p>The Service Manager Business & Regeneration presented the report which sought endorsement and nominations to form a 'Transport Strategy and Review' Task and Finish Group.</p> <p>He said transport needed to evolve to meet new challenges and adapt to changing demands, and in order to address these issues, a Strategy and Review was currently being procured to identify a programme of work that would provide a strategic vision and plan for transport within Blaenau Gwent. Given the breadth of issues which need to be looked at as part of the Review and Strategy, there was a clear need for Member representation to support the work and oversee its development and implementation via a Task and Finish Group.</p> <p>A Member asked what arrangements had been put in place to provide public transport to the new Grange Hospital.</p> <p>The Officer said in terms of transport available there was already an existing transport route to the Grange and working closely with colleagues in Health Board to identify a specific need and demand. Those discussions ongoing to make sure adequate provision to allow people to access the hospital.</p> <p>The Member said this needed to be monitored, and said the public transport system had been decimated as a result of the pandemic.</p> <p>The Officer said the pandemic had had a significant impact on the commercial viability of a number of routes. Part of</p>	

the IRT pilot project was to identify and plug those gaps in services, in particular looking at areas that are particularly isolated and linking those areas into the network both in terms of bus and rail.

Councillor J.C. Morgan said he would like to sit on the Task and Finish, and said it was important for all areas of the Borough to be represented. In relation to comments regarding transport to the new Grange Hospital, he said this should be considered as part of the work of the IRT, and should also be an area for consideration by the Task and Finish Group.

In response the Officer said the IRT was a flexible service, and we need to be mindful that it was a pilot project, the idea of which was to act as a service where there were gaps and to link them into the core provision. He said it would evolve as a project, but it was important that dialogue continued with existing operators.

The Member said he understood it was a pilot project, but it was also an opportunity to ensure adequate service provision to the new Grange Hospital and also Nevill Hall, as these Hospitals were very important to Blaenau Gwent, and should be included as part of the work of the Task and Finish Group.

A Member referred to the proposed frequency of meetings of the Group, and said quarterly meetings was not sufficient. He also said the public should be informed that a Group had been established to look at public transport as this was a major concern within the community.

The Officer said he would be guided by Members as to the frequency of meetings.

A Member referred to section 2.3 of the report and asked whether there would be any support available for taxis in the move towards the use of ultra low emission vehicles, like the WG Emergency Bus Scheme. He also asked why the Council had set aside £25k to undertake this work when it was a Welsh Government initiative.

In relation to taxis, the Officer confirmed that they were a key part of the development of a strategic and integrated transport service. There were support programmes available through Welsh Government and he confirmed that the Business Innovation Manager and his Team was working with taxis to support, and continued to lobby WG for support for that sector.

In terms of funding as this was a County Borough wide study it was not eligible for funding through the Local Transport Fund. He said the £25k allocated was an existing budget, and whilst the Regional Transport Policy was being developed there was a need for the Local Authority to look at what was needed in the area, to allow linkage on a more regional level.

The Team Manager Regeneration Opportunities confirmed work was being done to support taxis in the short term, but also the Capital Region had received funding to look at longer term support, particularly in the transition to low emission vehicles.

A Member said the Council should also maximise its opportunities through the South Wales Metro. He said Blaenau Gwent was on the edge of the capital city region, but expressed concern regarding the links along the Valleys to the Industrial Estates, and said this should also be included within the scope of the work of the Task and Finish Group.

The Service Manager Business & Regeneration confirmed that the South Wales Metro was included in the bullet points at section 2.6 of the report, and said the purpose of the strategy was to look at various elements and bring those together in a cohesive document. He confirmed that the works along the A465 would form part of the work of the Task and Finish Group and input from local Members would ensure coverage across the Borough. He also pointed out that as part of the IRT, the Council was working closely with BID on the provision of services to the Rassau Industrial Estate to allow people to travel there.

A Member referred to the recent announcement from WG that the M4 relief road scheme was not going ahead, and

	<p>the implications of that decision, and asked whether the proposals for the Ebbw Fawr Railway was still ongoing.</p> <p>The Officer confirmed that a series of packages had been included within the WG Burns Commission to address issues arising from the M4 project not being progressed. In terms of the Abertillery link, he confirmed that the Council was working closely with Transport for Wales to take that forward, and was currently in the process of commissioning work to identify the works needed to realise that as a key project.</p> <p>The Corporate Director Regeneration & Community Services said this was a key piece of work in identifying the needs and priorities for transport within the County Borough, and also in terms of regional needs.</p> <p>A discussion ensued regarding membership of the Task and Finish Group.</p> <p>It was proposed that membership of the Task and Finish Group be extended beyond the proposed 5 Members.</p> <p>The proposal was agreed by the Scrutiny Committee.</p> <p>The Committee AGREED to recommend, subject to the foregoing, that the report be accepted and a Task and Finish Group be established and the following Members be nominated to sit on the Group (Option 1):</p> <p>Councillors J. Hill, G.A. Davies, M. Cook, H. McCarthy, P. Edwards, J.C. Morgan, W. Hodgins and J.P. Morgan</p>	
<p>No. 7</p>	<p><u>DESTINATION MANAGEMENT PLAN UPDATE</u></p> <p>Consideration was given to report of the Destination Management Officer.</p> <p>Councillor L. Parsons declared an interest in this matter.</p> <p>The Destination Management Officer presented the report which provided a summary of the Blaenau Gwent Destination Management Plan, which was a strategic document setting out the priorities for tourism development</p>	

in Blaenau Gwent over the period 2020-2025, and which complemented the new Visit Wales Tourism Action Plan over the same period. The aim of the Plan was to ensure that people, businesses and organisations work together in a coordinated way to deliver agreed targets and priorities for investment.

The Plan identified six cross cutting themes and five main themes and priority areas, and these were highlighted at section 2.3 of the report. The Plan and associated Action Plan have taken account of national, strategic and local trends and priorities, and has been developed by the Destination Partnership which included representatives from the private, public and third sectors.

A Member said there seemed to be a lack of information leaflets promoting Blaenau Gwent available in other tourist areas, and asked whether there were plans to address this moving forward, and also more information for the local community.

The Officer said there were a number of leaflets available, however, due to the Covid pandemic establishments were reluctant to stock them. However, some postal deliveries of leaflets had been undertaken, and information on local walks etc. was available on the Blaenau Gwent website. The Officer confirmed that an electronic version of the Blaenau Gwent Destination Guide was currently in the process of being upgraded, and once completed would be circulated. She undertook to e.mail a copy of last year's Guide to Members for information.

A Member commended the work of the Team, but felt that the Communications Section could be more proactive in promoting the work of the Team.

In response the Officer said most of the communications for the Team was done through Southern Wales, and hopefully in due course when restrictions are lifted, promotion of tourism within Blaenau Gwent would continue.

A Member said he was disappointed with a number of areas within the report, namely:

- The reference to 'good transport links', in light of the fact that the Scrutiny Committee had agreed to develop a Task and Finish Group to look at transport provision within the Borough.
- Page 38 'expanded locations and installed public counters', he enquired as to the location of the counters.
- Reference to local events, he questioned why the Remembrance Parade was included as this was an annual event, but other key events that regularly took place had been omitted.
- P.39 where it referred to a new Ebbw Vale Business Group, and said he was not aware of this Group.
- Accommodation within the Borough and whether they were subject to regular checks.
- The condition of the Cholera Cemetery at Cefn Golau, and lack of signage and information.
- Whether the proposed information boards on walkways had been installed.

The Officer responded was follows:

- Extra counters had been installed on walking routes and managed and maintained by the Countryside Section.
- Transport provision – the dualling of the Heads of the Valleys road, the X4 Bus Service and development of the train network were considered beneficial to bringing visitors to Blaenau Gwent.
- The Ebbw Vale Town Centre Group - at the time of the report being prepared, the Officer was working with the Group on a number of ideas, but the Group had since disbanded.
- Accommodation establishments were graded by Visit Wales and all proprietors were encouraged to register with them, and those serving food were checked by Environmental Health.
- The events section referred to the posters that were prepared by the Team, and whilst the Remembrance Events were not considered a tourist attraction the Officer had a duty to provide information to the local community as well as visitors.

- The Cholera Cemetery was the last remaining in Wales and was a listed structure. There were brown signs directing to the site, and information provided. Security fencing was in place, and also links to Tredegar Museum.
- The provision of information boards on walkways was not under the remit of the Team, but the Officer confirmed that some had been installed on the Ebbw Fawr Trail and Parc Bryn Bach this year.

In relation to the Member's concern regarding public counters, the Team Manager Regeneration Opportunities explained that this was part of the work of the Town Centre Task & Finish Group. The previous footfall counters in our Town Centres were unreliable in terms of data, but also a number of shops had closed since they had been installed. However, a new contract had been procured to look at alternative locations for the counters, and discussions were ongoing with the Company and the Council's Streetlighting Section to consider installation on streetlighting columns.

Another Member referred to the Action Plan, particularly culture and heritage, and referred to the Blue Plaque initiative that was developed a number of years previous to commemorate influential figures from Blaenau Gwent. He said the project was successful at the time, and suggested that the Committee consider reinstating this initiative.

In response the Destination Management Officer agreed that it was successful, and the concept of the project was in some ways being taken forward by the Blaenau Gwent Heritage Forum. The Officer said she would be happy to liaise with the Forum on this matter, however, funding was crucial and the necessary applications to secure funding would need to be progressed.

The Member also referred to the report of the Audit of Commemoration Task and Finish Group which was published on the 26th November, 2020, and asked whether a report on the appropriateness of street names could be considered.

The Corporate Director Regeneration & Community Services confirmed that a review had been undertaken a report would be submitted in due course.

Another Member also expressed concern with the report and felt it needed to be fluid to take advantage of opportunities that may arise. He said the report lacked attention in a number of areas, e.g. the fact that Blaenau Gwent was a gateway to the Brecon Beacons; greater reference to the steel industry in Ebbw Vale; links to the Chartist movement; and the NHS project and the links to the Tredegar Medical Aid Society.

He also referred to the Action Plan and pointed out that the lead for the majority of the activities was the Council. He said the Team lacked the resources necessary, and felt that greater emphasis should be placed on partner organisations, and he referred to the NHS Project as an excellent example of working with partners, particularly Coalfields Regeneration and Cymru Creation, and expressed concern that they had been omitted from the report.

In response the Officer said the Action Plan did state other stakeholders, but undertook to include Coalfields Regeneration and other partners. In relation to the NHS Project, she confirmed that feedback on the report was available in Bedwellty House some time ago, and 10 The Circle was one of the elements featured. The Officer had supplied reports and imagery to Coalfields Regeneration for use in their interpretation planning and development, and the report would be submitted to Scrutiny in due course as part of the Forward Work Programme.

In response to a further question from a Member regarding the provision of a dedicated Blaenau Gwent tourism website, the Officer explained that it was Council policy to not have external free standing websites. All information relating to tourism was available on the Blaenau Gwent website.

The Corporate Director Regeneration & Community Services said listening Members comments, he suggested that the report be reconsidered to provide clarity in terms of

	<p>the Council's work and that of partners, and also make a strategic link in the areas raised by Members.</p> <p>The Committee AGREED that the report be <u>DEFERRED</u>.</p>	
<p>No. 8</p>	<p><u>CARDIFF CAPITAL REGION CITY DEAL PERFORMANCE REVIEW 2020/21 QUARTER 1</u></p> <p>Consideration was given to report of the Managing Director and Head of Regeneration.</p> <p>The Head of Regeneration presented the report which provided the performance information of the Cardiff Capital Region City Deal (CCRCD) during 2020/21 Quarter 1. The report summarised and highlighted key programmes of work the Council was engaged in and was of interest to Blaenau Gwent, and these were highlighted at section 2.2 of the report. The Officer then went through the report and highlighted progress made against some of the key projects.</p> <p>A Member referred to page 59 of the report, namely the proposed 51% reduction in domestic heating and power, and asked how this would be achieved and whether the costs would fall to the homeowner and Registered Social Landlords.</p> <p>The Officer said she did not have the details on this, however, she was aware that work had been undertaken on the Welsh Quality Housing Standards over the last 10 years, and RSL's had been tasked with reducing domestic heat and power. Welsh Government was pushing this agenda, and she confirmed that discussions would take place with partners in terms of resulting issues and funding. She also reported that sustainability funding had recently been secured for some of the Council's industrial properties.</p> <p>The Member expressed concern that many of the houses within Blaenau Gwent were old and that the cost of the measures required to be taken would likely fall to the homeowner. In relation to new housing he asked whether the provision of energy saving initiatives like solar panels etc. could become a planning requirement.</p>	

The Officer said the current housing standards for new builds ensured significantly reduced heat loss. Reducing power emissions would be more difficult in the future, however, there were new building regulations emerging requiring sustainable energy in developments.

In response to a further question regarding the proposed availability of land for tree planting, the Officer said she was unaware of any regional proposals, however, work was being done locally with RSL's and the Environment Section.

The Service Manager Development & Estates explained that developers were encouraged to incorporate sustainable homes during pre-application enquiries, and the main issue emerging is that this would be captured by buildings regulations which would provide a far better framework to push this agenda.

In relation to tree planting, the Team Manager Regeneration Opportunities referred to the Welsh Government Plant Cymru initiative launched a number of years ago, and said she would be happy to revisit any funding opportunities via this scheme.

A Member referred to the Metro Plus and said he felt that without the link to Newport, the proposed 4 trains per hour into Blaenau Gwent from Cardiff would be excessive, and said the Council should be actively pushing the link to Newport. He also said there should be links to the Heads of the Valleys, particularly industrial estates, and questioned how the Abertillery link would bring economic benefits with 2 trains to Ebbw Vale and 2 to Abertillery.

The Member also referred to the Housing Catalyst Fund, and a previous report highlighting a number of sites, and expressed disappointment that none of those sites had met the criteria for funding, and questioned the viability of these sites being delivered in the future without this funding.

The Member expressed concern that the Sirhowy River had not been included in the proposals for hydro power; and that there was no mention of 5G connectivity in the report.

	<p>In relation to the Member’s comments regarding the train links, the Officer said in terms of what we want internally within Blaenau Gwent, more in depth discussions were needed to push this through strategically. However, as far as our work with Transport for Wales was concerned, the work on the lines had likely gone as far as could be expected. In relation to the Newport link, the Officer confirmed that this was still being pursued and Transport for Wales was considering options as to how this could be delivered.</p> <p>In relation to the Housing Catalyst Fund, the Officer explained that this particular site met the criteria and the timescales for submission of funding. However, she confirmed that alternative funding was being explored for the other sites referred to by the Member.</p> <p>The Officer explained that the hydro power project was in conjunction with Natural Resources Wales, and the 5G project was stopped due to the fact that only 5 LA’s had expressed an interest.</p> <p>A brief discussion ensued regarding the Western Gateway, and the Officer said it was important to the Council to take any opportunity available through the Western Gateway, but to also formulate its own opportunities through the HoV and connections to the Midlands, and work was being done in terms of business engagement. She said she was pleased that Welsh Government had put out its Manufacturing Plan for consultation as this was key for the Valleys.</p> <p>The Committee AGREED to recommend that the report be accepted and considered the overall progress and made comments on progress before the report goes to Council (Option 2).</p>	
<p>No. 9</p>	<p><u>ENERGY PROSPECTUS ANNUAL REVIEW</u></p> <p>Consideration was given to report of the Team Manager Regeneration Opportunities.</p> <p>Team Manager Regeneration Opportunities presented the report which provided an update on the Energy Prospectus and the activities carried out since its approval in 2019. An</p>	

annual review report which contained highlights for each of the Projects identified within the Energy Prospectus was attached at Appendix 1, and the Officer went through the report and highlighted points contained therein.

A Member referred to the District Energy Network and asked whether there was any potential for this within domestic dwellings.

The Team Manager said the cost of connection on The Works site was difficult, however, there was potential for future projects to link into domestic dwellings and all those aspects were included within the Smart Living Programme.

The Member also referred to the low emission fleet, and a timeframe when the smaller electric powered Council vehicles could be expected.

In response the Officer said she was not aware on the exact timescales, but the Team was quite keen to get this progressed, and she understood that proposals were coming forward quite quickly.

A Member commended the report, particularly news of the hydro power project.

Another Member also referred to the District Energy Network and enquired as to the heat loss at the General Offices.

The Officer said there was work that could be undertaken to understand the level of heat loss in the building, however, the measures that could be taken to reduce heat loss was restricted as it was a listed building.

The Corporate Director Regeneration & Community Services explained that the General Offices was refurbished to the lowest energy loss standards for a listed building, so in terms of the fabric of the building there was little else that could be done. He said at the time he was disappointed that CADW refused permission to allow the windows and doors to be changed, but as far as energy and heat loss the building was quite efficient.

	<p>The Committee AGREED to recommend that the report be accepted and the Scrutiny Committee:</p> <ul style="list-style-type: none"> • Continue to support, promote and develop projects within the Energy Prospectus, and to ensure that the document be updated to reflect any additional projects that have emerged; and • To also continue to identify future projects that would also meet the vision and objectives of the Council with respect to energy and decarbonisation (Option 2). 	
<p>No. 10</p>	<p><u>FORWARD WORK PROGRAMME: 6TH JANUARY, 2021</u></p> <p>The Forward Work Programme for the meeting scheduled to be held on 6th January, 2021 was submitted.</p> <p>The Chair reported that the Chair’s update of the Joint CCCRD Scrutiny Committee would be deferred.</p> <p>The following additional reports were requested by Members:</p> <p>A breakdown of money spent on consultancy fees across the Portfolio during the last 2 years.</p> <p>Tech Valley progress update.</p> <p>A Member proposed that the report on the Turkish glass factory visit be an agenda item instead of an information pack item.</p> <p>A brief discussion ensued and upon a vote being taken it was agreed that the report on the Turkish glass factory visit would remain as an Information Pack item.</p> <p>The Committee AGREED, subject to the foregoing, that the report be accepted.</p>	

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Blaenau Gwent County Borough Council

Action Sheet

Regeneration Scrutiny Committee – 2nd December 2020

Item	Action to be Taken	By Whom	Action Taken
5	<u>Action Sheet – 21st October 2020</u> Forward Work Programme Date of meeting to be confirmed to present the Bid Improvement District report.	Moe Forouzan	Report to be presented to 24 th March 2021 meeting.
7	<u>Destination Management Plan Update</u> A copy of the Blaenau Gwent Guide to be emailed to Members.	Alyson Tippings	Emailed to Members of the Committee on 14 th December 2020.
10	<u>Forward Work Programme – 6th January 2021</u> Additional reports requested: <ul style="list-style-type: none">• Use of Consultants in relation to the Regeneration portfolio – cost of consultants and the benefits / outcomes of using external consultants over the last 2 years• Tech Valleys Progress and spend	Ellie Fry Ellie Fry	Report to be presented to the 10 th February 2021 meeting. A special meeting to be arranged in April 2021.

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Agenda Item 6

Executive Committee and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Regeneration Scrutiny Committee**
Date of meeting: **6th January 2021**
Report Subject: **Progress Report - Targeted Regeneration Investment Programme and Town Centre Repayable Funding Scheme.**
Portfolio Holder: **Cllr D Davies, Executive Member Regeneration and Economic Development**
Report Submitted by: **Amy Taylor, Team Manager Regeneration Opportunities**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
09.12.20	x	18.12.20			06.01.21			

1. Purpose of the Report

- 1.1. To provide an update on the current positions with the Targeted Regeneration Investment (TRI) Programme and Town Centre Repayable Funding Scheme.

2. Scope and Background

- 2.1. This progress report follows a report presented to the Regeneration Scrutiny Committee on 5th March 2020. The TRI programme was established in 2018 and was originally intended to be a three-year programme (2018-2021). In 2020, Welsh Government announced a one year extension of the programme for the 2021/2022 financial year.
- 2.2. For the initial three-year phase of the TRI programme a capital budget of £100million funding was made available in Wales. Allocations of the funding are dependent upon the quality of the projects, regional significant and approval of the national panel. TRI funding will not be automatically apportioned equally across each of the ten authorities. Allocation for the South East Wales region is £44million.

Targeted Regeneration Investment Thematic Projects

Property Enhancement Grants

- 2.3. Target Regeneration Investment Thematic grants cover Urban Centre Property Enhancement Fund Grants (Commercial building enhancement) and Urban Centre Living Fund Grants (Residential enhancements). They support the work of the Council's Growth Strategy aims by improving town centres such that we achieve an increase in spend within the local economy. It will also support bringing vacant commercial properties back into use. It will also

increase the quality of commercial spaces within the Town Centres and help support town centre traders to support the foundational economy.

- 2.4. TRI Thematic grant funding has enabled the Council to work with property owners across the Borough to tackle properties held on the empty properties register and prominent, vacant or sub-standard, hard to let properties as a way of encouraging retail, housing and business opportunities.
- 2.5. The Council acts as grant administrator and this role includes the following areas of work:
 - Supporting grant applicants with grant application process;
 - Protecting grant funding by working with Property Solicitor to place legal charges on the properties;
 - Liaison with grant recipients to ensure project programme is on track;
 - Commissioning Quantity Surveyor to ensure value for money is achieved;
 - Reviewing grant claims meet funding requirements (e.g. defrayment evidence);
 - Paying grant claims to recipients; and
 - Submitting final claims to Welsh Government via Rhondda Cynon Taf as lead authority for reclaiming funds.
- 2.6. A total of £920,000 was made available to Blaenau Gwent over two financial years (2019/20 & 2020/21) for property enhancement grants. A total of £348,092 was spent in 2019/20 (TRI year one). The grants administered by the Council were used to works to 6 town centre properties with the aim of refurbishment or bringing them back into use. It resulted in 5 jobs being created and one additional housing units being made available.
- 2.7. In 2020/21 we have spent £118,736 with the remaining £453,172 committed for projects in 2020/21. These grants will continue to be administered by the Council and will support works to a further 8 buildings across Town Centres in Blaenau Gwent. As outlined in section 6.3 these projects will support 24 jobs being created and 6 jobs being accommodated. The projects will support premises being refurbished and brought back into use for commercial purposes which will contribute to the long term viability of the Town Centres.
- 2.8. A number of the projects will also result in additional housing units being created. It is currently envisaged that as a result of the 2020/21 funding an additional 3 housing units being brought into use.
- 2.9. All of the projects supported through the TRI Thematic funding will improve the overall attractiveness of the town centres and assist in lifting the profile of the retail cores across Blaenau Gwent. Details of the outputs already achieved and expected are outlined in Table 1 in Section 6.1 of this report.
- 2.10. In the report of 5th March 2020, it was reported that a proposal for additional £5 million Capital funding from Valleys Task Force to extend the Cardiff Capital Region TRI Thematic Project in Valleys Taskforce areas had been

successful. We were later advised that this funding would not be forthcoming from Valley's Taskforce but there would be scope to include the projects put forward for this funding within the existing TRI Thematic Programme (described above).

- 2.11. Due to the COVID-19 pandemic a number of Councils were no longer able to achieve full spend on their 2020/21 allocations and these funds would therefore be re-purposed to enable the proposals put under Valleys Taskforce to be delivered under TRI Thematic funding.
- 2.12. One project nominated for VTF funding will be accommodated within the existing TRI Thematic Urban Centre Property Enhancement Fund programme in 2020/21 and another is to be progressed as a standalone capital project (see section 2.18) due to its anticipated project costs exceeding the £250,000 upper threshold for TRI grant.
- 2.13. Officers are currently working on 11 projects from across the borough for grant assistance in the 2020/21 and 2021/22 Financial years. As outlined above the programme will be extended for a further year to cover the 2021/22 financial year but the funding allocation has not yet been confirmed.

Transforming Towns Thematic Covid-19 Recovery Grants

- 2.14. In response to the Covid-19 pandemic Welsh Government proposed a variation in the £10m Targeted Regeneration Investment Programme, diverting £3.5m for Covid-19 recovery adaptations in the 2020/21 financial year across towns in the Cardiff City Region.
- 2.15. Each Council was asked to put forward proposals for ways they would like to support their Town's in the recovery from COVID-19. One of the biggest challenges to the recovery of businesses from COVID-19 was for them to open in a safe way that protects employees, visitors and customers.
- 2.16. Blaenau Gwent therefore put forward a proposal for a new smaller grant programme. Grants would cover 80% of the costs to a maximum value of £15,000 per business.
- 2.17. The Grant was intended to support business owners with the purchase of equipment or modifications to premises to enable safe ways of working and operation along with social distancing in areas of a business where customers and members of the public congregate, are served food and drink or rest.
- 2.18. As at 7th December 2020, a total of 91 Expressions of Interest have been received and 4 applications have been progressed to the stage of delivery at a total cost of £44,731. There are a number of reasons for the low number of enquiries progressed through to delivery, these include:
 - The funding cannot be used to fund works already completed before the grant was made available or a funding approval is in place;

- The funding can only be utilised for businesses located within one of the Town Centres (Ebbw Vale, Tredegar, Brynmawr, Abertillery and Blaina); and
 - The funding can only be used for external measures to support business recovery (outdoor seating, canopies).
- 2.19. Recognising that there are businesses throughout Blaenau Gwent that have served the community for many years and during the current pandemic have had to make adjustments to the way they work in order to be safe for customers we explored other options to support them.
- 2.20. Valleys Taskforce invited applications for this type of support and from businesses in smaller retail areas who would not be eligible for the TRI funding scheme. The Valleys taskforce funds could also be used to support internal measures to make businesses safe and would accept retrospective applications. The application was submitted in November and we expect a decision in December.

Capital Projects

- 2.21. Two capital projects totalling £1,035,400 have also been awarded funding under the TRI capital funding programme. The projects will upgrade and bring town centre properties back into use. The Council's role in these projects shall be Grant Administrator (as per section 2.5) and work with grant recipients. The two projects shall receive £550,000 and £485,400 of TRI funding respectively. These projects will also be supported by match funding from the grant recipients.
- 2.22. One of the projects will support refurbishment of premises that accommodates 7 retail businesses. Without intervention the premises may fall into disrepair and could result in the loss of local and national businesses. The funding will be used to refurbish the premises and ensure that they are COVID-Safe and safeguard existing jobs of businesses within the town centre.

Development Projects

Ebbw Vale Placemaking Plan

- 2.23. The Urbanists have been appointed to develop a placemaking plan for Ebbw Vale. Key strategic sites that will be considered as part of the plan will include:
- Ebbw Vale Town Rail Station
 - Station Square, The Works
 - Access from The Works to the Town Centre
 - Land at the Walk
 - Ebbw Vale Town Centre
 - Eugene Cross Park
- 2.24. The work will be delivered in two parts the first a placemaking plan which sets out the key vision and themes for the future of Ebbw Vale Town Centre

followed by a delivery plan which will outline the specific projects along with project proposals and information that can be used to support business cases for funding applications to the Targeted Regeneration Investment Programme.

Tredegar Placemaking Plan

- 2.25. Funding has also been secured to develop a place making plan for Tredegar. This will be subject to procurement over December with the commission commencing in January 2021. The plan will be delivered using the same approach as the Ebbw Vale Placemaking Plan.

Repayable Town Centre Loans Fund

- 2.26. The Repayable Town centre Loans fund is a Welsh Government funded loan programme administered locally that offers repayable loans to owners of town centre properties. Funds drawn down from Welsh Government are required to be recycled at least three times before repayment to Welsh Government in 15 years' time.
- 2.27. The core aims of the scheme are to reduce the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of town centres by encouraging more sustainable uses for empty sites and premises, such as residential, leisure and for key services.
- 2.28. Town Centre loans can be utilised as part of a package of funding and have been successfully used as the match funding for applicants eligible for a Targeted Regeneration Investment (TRI) grant. Having this option means businesses who don't have the initial match funding investment but a viable business with the ability to repay the funds they require within a five-year period can take their projects forward.
- 2.29. Town Centre Loans are offered to applicants to a maximum of £200,000 with 0% interest and flexible repayment terms - ranging from initial monthly repayments to 'repayment in full' on the 60th Month. To date we have successfully bid and received three tranches of loan funding totalling £1,954,286 with a further application for £555,000 approved in December 2020.
- 2.30. Twelve loans have been issued to date totalling £1,125,000 with an available loan balance of £1,384,000 which will be available to those progressing TRI grants in 2020/21 and 2021/22 financial years. The loans have been used to support property owners in undertaking refurbishment works to their commercial premises where they may not have the full capital to outlay at the time of undertaking the works. They have been used to support acquisition of premises and are also used alongside TRI Grants to undertake property enhancement works.

- 2.31. For six of the loans, the outputs of the TRI Property Enhancement Grants will be the same outputs of the loan scheme. The remaining loans will support building owners who wish to invest in their properties and will be used for new shop fronts and internal and external refurbishments.

3. Options for Recommendation

- 3.1. There are no recommendations associated with this report. This report is an progress update for members.

4. Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

- 4.1. The project supports the Corporate Plan Outcome to support a fairer sustainable economy and community. Through these projects will work with partners to develop a new vision for our town centres ensuring their long term future.

5. Implications Against Each Option

Cost

- 5.1. The maximum Welsh Government intervention rate for TRI Building Enhancement Grants is 70% and a maximum application value of £250,000.
- 5.2. The maximum Welsh Government intervention rate per TRI Covid-19 Recovery Grants is 80% and a maximum application value of £15,000.
- 5.3. In addition to the capital funding a total allocation of £200k per region is available per annum to support project development costs. Development costs have a maximum intervention rate of 50%. At present there is no identified fund to cover the match funding costs required for the capital and development studies under the TRI Programme. Funding shall be sourced from a range of sources including internal and external funding sources where possible.
- 5.4. There are no direct financial implications against repayable town centre loans.

Risk including Mitigating Actions

- 5.5. With TRI property enhancement grants there is a risk that projects fail prior to completion and money already drawn down could be lost. To mitigate against this, legal charges are placed upon properties to cover the value of funding drawn down. This will provide security against potential loss of funding.
- 5.6. With Covid-19 recovery grants there is a risk that items purchased with grant funding will not be utilised or will be missing from their intended location. To mitigate this Periodic checks on grant funded items will take place to ensure items acquired under this grant programme are utilised for their intended

purpose. Items purchased under the grant which are not in use or missing will result in the recovery of the grant award from the applicant.

- 5.7. With Repayable Town Centre Loans there is a risk of default on the repayment schedule. To mitigate against this risk, legal charges are placed upon properties to cover the value of funding drawn down. This will provide security against potential loss of funding.

Legal

- 5.8. In order to administer the grants, work has been undertaken with the Council's Property Solicitor to establish a process for grant application, due diligence and terms and conditions which enable a full audit trail to be put in place.

Personnel

- 5.9. The projects are currently project managed within the Regeneration Opportunities Team. This supported service areas including Resources, Community Services, Estates and Asset Management and Planning.

6. Supporting Evidence

Performance Information and Data

- 6.1. In order to secure the funding through TRI, projects will be required to identify how it will contribute towards meeting the outputs identified through the TRI programme. Details of the outputs already achieved and those expected are shown in the table below.

Table 1: TRI Thematic Funding (Building Enhancement Grants) - Project Outputs

Output	2019/20 (Actual)	2020/21 (Estimated)
Properties Refurbished	6	8
Jobs Created	5	24
Jobs Accommodated	0	6
Additional Housing Units	1	3

- 6.2. Table 2 shows the funding profile for projects already delivered and those which are underway during this financial year. It shows that overall the TRI projects have the potential to support investment of £6,440,205 during the two years (2019/20 and 2020/21).

Table 2: TRI Funding 2019 to 2021

Project	TRI Funding (Actual and Estimated)	Match Funding (Public and Private)	Total Investment*
TRI Thematic Projects (Commercial and Residential)	£920,000	£2,155,573	£3,075,573
COVID Recovery Grants	£44,731	£18,151	£62,882
Capital Projects	£1,525,400	£1,481,350	£3,006,750
Development Projects	£165,000	£115,000	£270,000
Revenue Funding	£25,000	£0	£25,000
Total	£2,680,131	£2,534,501	£6,440,205

*estimated total(subject to change) – final figures will be confirmed at end of March 2021

- 6.3. Estimates suggest that the TRI Thematic and Capital Projects for 2020/21 will result in 27 jobs being created and 51 Jobs being accommodated. Grant applicants are required to provide evidence of success against the projects and that outcomes are achieved.

Expected outcome for the public

- 6.4. The thematic priorities and funding opportunities available through TRI and Repayable Town Centre Loans fund will contribute towards the overall regeneration of Blaenau Gwent by improving the viability of our town centres.
Involvement (consultation, engagement, participation)
- 6.5. Consultation and engagement activity was undertaken at the outset of the TRI programme. Member engagement will continue as and when project opportunities are identified.

Thinking for the Long term (forward planning)

- 6.6. The projects and work carried out through the TRI programme and repayable Town Centre Loans are aimed at improving and upgrading our physical infrastructure that will help us to meet requirements in terms of accessibility and use. The programmes will also assist in improving the long term viability of our town centres. It will enable us to bring derelict / vacant buildings and land back in to use for the benefit of our businesses, residents and visitors.

Preventative focus

- 6.7. Derelict / vacant buildings left to further deteriorate will require greater works to bring them back into use and in cases of listed buildings the liabilities for building owners will only increase more and more until works are undertaken.

Collaboration / partnership working

- 6.8. Where possible collaborative opportunities will be pursued with property owners and funding organisations.
- 6.9. Capital projects to bring sites and premises back into use may require substantial funding to enable them to proceed. The Council needs to work with partners to identify suitable uses for such sites and premises along with those who have the potential to co-invest in delivery of projects. This is especially important where TRI is the only funding source available.

Integration (across service areas)

- 6.10. The projects being delivered shall cut across a number of service areas and as they are developed appropriate governance and project management arrangements across the multi-disciplinary teams required will be established.

7. Monitoring Arrangements

- 7.1. A number of monitoring arrangements are in place to monitor performance of the projects. These include:
- Quarterly performance reporting (Business Plan internal reporting);
 - Six monthly monitoring reports to Welsh Government.

8. Background Documents /Electronic Links

- *Environment, Economic Development and Regeneration Scrutiny Committee Report, 12 September 2018*
- *Regeneration Scrutiny Report, 5th March 2020*

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Agenda Item 7

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Regeneration Scrutiny Committee**

Date of meeting: **6th January 2021**

Report Subject: **Employment Park, Lime Avenue – Progress Update Report**

Portfolio Holder: **Cllr D Davies, Executive Member Regeneration and Economic Development**

Report Submitted by: **Owen Ashton, Service Manager Business & Regeneration**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	10.12.20	17.12.20			06.01.21			

1. Purpose of the Report

- 1.1 The purpose of this report is to provide Members with a Progress Update on the Employment Park, Lime Avenue, Works Site, Ebbw Vale.

2. Scope and Background

Background

- 2.1 The Employment Park, Lime Avenue is a 4.38-acre site located at the south of the Works Site, Ebbw Vale. The site has planning permission for the construction of 6 units with a Net Development Area of approximately 17,755-sqm.
- 2.2 Funding of £2.58m has been secured from WEFO and attempts have been made to secure further funding from Welsh Government via Tech Valleys to deliver the approved scheme.
- 2.3 Following discussions with Tech Valleys and discussions with Coalfields Regeneration Trust (CRT) on other projects, CRT have made enquiries to deliver property related projects at the Works Site and expressed an interest in developing the Employment Park. Working collaboratively with the Welsh European Funding Office (WEFO), Welsh Government (WG) and CRT, Blaenau Gwent County Borough Council (BGCBC) has sought to develop a deliverable scheme at the site.

Current Position

- 2.4 Under the CRT delivery model, the site would be acquired by CRT and their internal Property Team design, procure and manage the works on site and, once constructed, the units are let with a proportion of any profits reinvested locally.

- 2.5 CRT propose that they will need to re-design the current approved proposal in line with similar developments that they have successfully delivered elsewhere. Detailed costs are currently being established, with an outline cost estimate in the region of around £8m. CRT are in discussions with Welsh Government to secure a Property Development Grant and utilising the WEFO funding to deliver the scheme.
- 2.6 Further work is needed to ensure a suitable and appropriate design at a gateway to the Works Site; this will be facilitated through the Planning process. Along with the designs of the buildings themselves, additional site investigation work will be required to inform the type of foundation required, both of which will have an impact on the cost of the scheme.
- 2.7 The parcel of land is owned freehold by BGCBC and discussions are ongoing with CRT to confirm the nature of the disposal. Likewise, further work is being undertaken to ensure that CRT activities complement the work of BGCBC Regeneration in relation to skills training and support for businesses
- 2.80 Fundamentally, the project represents an excellent opportunity to continue the development of the Works Site, delivering a collaborative project which will support local businesses and residents.

3. **Options for Recommendation**

- 3.1 Option 1 – Members to accept the content of the report.
- 3.2 Option 2 – Members to not accept the content of the report

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

- 4.1 This project supports the achievement of the Council's Corporate Plan 2020-22 Outcome Statements:
- Protect and enhance our environment and infrastructure to benefit our communities
 - Support a fairer sustainable economy and community
- 4.2 The Council's Well-being Plan for 2018-23 includes 5 Objectives. This project directly supports the objectives of creating 'safe and friendly communities' and 'forge new pathways to prosperity'.

5. **Implications Against Each Option**

5.1 ***Impact on Budget***

BGCB has already undertaken design work and site investigations and it is proposed that the costs which have already been incurred will be absorbed

into the funding package for the project – this has been accepted in principle by Coalfields.

5.3 *Risk*

Officers will continue to work with CRT, WEFO and the WG to mitigate risks to BGCB. Should the scheme not proceed, the expenditure which has already been incurred, including design work and site investigations, will need to be covered by existing budgets and the site will likely remain undeveloped for some time and the loss of the £2.58m from the area.

5.4 *Legal*

A disposal agreement will need be entered into with CRT which will be overseen by the BGCBC Estates team.

5.5 *Human Resources*

Staff within the Regeneration and Estates will work collaboratively to bring the scheme to fruition.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The project is based on a robust analysis of data and information which has established a demand for the project.

6.2 **Expected outcome for the public**

The project provides an excellent opportunity for existing and new businesses within Blaenau Gwent to establish and grow on the Works Site and for residents to access training locally.

6.3 **Involvement (consultation, engagement, participation)**

The project has the potential to deliver a key site forming part of the Works Masterplan, working with a Third Sector partner to provide premises for local businesses.

6.4 **Thinking for the Long term (forward planning)**

The project has the ability to increase the range of premises available to local businesses and a pathway for growth in the area.

6.5 **Preventative focus**

The project will ensure that WEFO funding of £2.58m is not lost to the area and a range of new premises are created for businesses and social enterprises.

6.6 **Collaboration / partnership working**

The project can be seen as an excellent example of collaborative and partnership working between BGCBC, WEFO, Welsh Government and the

Coalfields Regeneration Trust in delivering high quality premises that supports the regeneration of the county borough.

6.7 Integration (across service areas)

Consultation has been undertaken across Planning and Regeneration and the initial designs and development work has been completed by Tech Services.

6.8 EqIA (screening and identifying if full impact assessment is needed)

An Equalities Impact Assessment screening is currently being undertaken.

7. Monitoring Arrangements

7.1 To be confirmed.

8. Background Documents / Electronic Links

Agenda Item 8

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: Regeneration Scrutiny

Date of meeting: **6th January 2021**

Report Subject: **Bus Emergency Scheme Phase 2 (BES2) Briefing**

Portfolio Holder: **Cllr David Davies, Executive Member for Regeneration**

Report Submitted by: **Richard Crook, Director of Regeneration & Community Services**

Report Written by: **Ellie Fry, Head of Regeneration and Development**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
					06.01.21	13.01.21		

1. Purpose of the Report

- 1.1 This paper provides an overview on progress of the Bus Emergency Scheme (BES) Phase 2 to respond to the Covid-19 pandemic and to enter into longer term arrangements to make the bus services more sustainable across Wales.

2. Scope and Background

2.1 Journey to Date and Plans for BES2

Since the start of the COVID 19 pandemic Welsh Government, Local Authorities, TfW and operators have worked together to make bus services available to Welsh citizens in spite of the significant reduction in passenger numbers and associated fare income. Money is still being provided to operators on an emergency basis under the terms and conditions in the BES 1.5 agreement which expires at the end of March 2021.

- 2.2 With the BES2 agreement the public sector is planning to enter into longer term arrangements with operators, ideally by the end of January 2021, which will replace BES 1.5 when agreed.

What does BES2 Mean for Local Authorities?

2.3 Actively managing recovery from the impact of COVID-19 on local bus services

The BES2 agreement formalises Welsh Government's commitment to supporting recovery of bus services following the impact of COVID-19. BES2 funding will be used to address the loss of fare box revenue and the additional costs associated with responding to the COVID 19 pandemic. Welsh Government will be a co-signatory to the proposed BES2 agreement with bus operators

- 2.4 Under the terms of the BES2 agreement, operators will be required to provide bus services that meet local needs under the direction of the Lead Authority for each region, working with and on behalf of its constituent local authorities.
- 2.5 The end date for the BES2 contract is 31 July 2022. This should allow enough time for revenues to recover. The contract may be terminated earlier if market conditions mean that additional Government funding is no longer required to address the impact of COVID-19.
- 2.6 **Funding responsibilities**
The BES2 agreement exists to provide a legal basis for funding the costs associated with the impact of COVID 19. These include the loss of fare box, duplication of buses to take account of social distancing or providing alternative services where operators give them up and the services are still needed. This applies to services that were commercial pre-COVID and to tendered services.
- 2.7 The BES2 agreement does not change local authorities' ability to determine where and how they spend the Revenue Services Grant (RSG). The RSG funding is not hypothecated and most local authorities including Blaenau Gwent spend an element of this grant on local bus service provision to fill gaps in the commercial network and to match with the Bus Services Support Grant (BSSG) (roughly £8m across Wales) to secure the delivery of services to a specified standard.
- 2.8 The BES2 funding for COVID19 related costs sits alongside this local authority funding for local bus services and does not remove or amend local authority powers and responsibilities with regard to local bus services. The two funding streams serve different purposes and Blaenau Gwent will still need to prioritise and fund local bus services where we see fit.
- 2.9 Welsh Government have clarified that in terms of this BES 2 Funding:
- if a local authority chooses to cease to fund a supported contract, BES 2 funding cannot be applied to backfill that loss of funding
 - local authorities remain responsible for their existing contracts and may need to vary these contracts to scale back services if BES 2 funding were to cease before fare box takings return to pre-COVID levels, unless additional sources of funding are available.
- 2.10 **Directing the provision of services**
Working in a similar way to the way that the BSSG is currently regionally managed, with the Lead Authority in each region, local authorities will need to jointly prioritise the routes that BES 2 funding should be applied to, taking into account the work already undertaken under BES 1.5 and using these priorities for spend:
- supporting learners' journeys to school or college on registered local bus services;
 - increasing frequencies where demand exceeds capacity;
 - improving accessibility to jobs and services across our regions and communities;

- supporting economic recovery; and
 - ensuring social inclusion,
- 2.11 Under the terms of the BES2 contract, subject to the Lead Authority acting reasonably within the bounds of available funding, the bus operators will be required to provide services that meet local priorities as directed by the Lead Authority.
- 2.12 The BES2 arrangements include the collaborative development of regional Reference Networks by local authorities, operators, Welsh Government and TfW. The Reference Networks will reflect local, regional and national priorities and will help to guide investment in bus services for the future. BES2 ensures local authorities have an influence over the development of a coherent Reference Network which will ultimately be delivered by a mix of tendered and commercial services.
- 2.13 **Implications for local bus contracts**
The BES2 agreements do not supersede the existing supported contracts (e.g. section 63 contracts) that are in place between each local authority and bus operators. The BES2 agreements sit alongside existing contracts and provide a legal basis for the additional funding that operators are receiving in respect of their supported contracts to cover the loss of fare box and additional costs incurred, for example, with respect to complying with social distancing and cleaning requirements. The BES2 agreements also set out the basis on which operators will exit the BES arrangements and return to the original terms of contract.
- 2.14 The additional funding that is being paid to operators to address the impact of the COVID 19 pandemic would breach local authorities' de minimis limits for direct award contracts. Welsh Government is a signatory to the existing BES 1.5 agreement and to the proposed BES2 agreement in order to use its powers to support continued provision of the operators' services without breaching the de minimis cap. Welsh Government powers in this regard can be exercised for a two-year term and date from the start of the BES 1.5 agreement on 1 August 2020 to 31 July 2022.
- 2.15 BES can impact on local contract procurement. Where a local authority wishes to tender for a new or time expired supported contract the risks associated with predicting fare box revenue, during and immediately after the pandemic, will affect tender prices. In these circumstances, bidders will be required to offer a price that they will charge while BES funding is in place and alternative prices for when BES funding is no longer available, with their tenders covering both before and after the fare box has returned to pre-COVID levels.
- 2.16 **Regional Working**
BES2 supports the move to improve regional co-ordination and oversight of delivery of local bus services. Under BES1.5, the funding was distributed to the Lead Authority in each region. Each operator signed one agreement with the Lead Authority in each region where it operates, with Welsh Government and Transport for Wales as co-signatories. The Lead Authority is then responsible

for distributing the BES funding to the operators in its region. It is proposed that this model is retained for the BES 2 agreement. The responsibilities of each party will be clearly set out in the grant letter to the Lead Authority and in the BES 2 agreement, and measures are being taken to minimise the risk to the Lead Authority relating to funding and termination of the BES2 agreement.

2.17 Why move to BES2?

The benefit for operators is that they will be able to make a profit under the terms of BES2. No profit has been allowed in the emergency arrangements up to now.

2.18 The benefit for the public sector is that we can jointly better manage the recovery of bus services. The alternative is that, as recovery begins, operators will shrink their networks to the routes and services that are commercially viable for them leaving government to support an even larger subsidised network. The BES2 arrangements are seeking to ensure that operators are incentivised to support the recovery of the whole network and not just a limited number of commercial routes.

2.19 The public sector is taking fare box risk under BES2 and, as fare box levels rise, this revenue will augment the funding available to work with operators to support the recovery of services. This will benefit us all in the long term by building passenger confidence in a reliable and comprehensive public transport network.

2.20 Although recovery from the impact of the COVID 19 on patronage is likely to be slow, we do not expect operators to stay within the BES2 arrangements forever. As passenger confidence returns and fare box recovers, we expect operators to exit the BES2 arrangements and work with us under partnership agreements. The partnership agreements will be based on agreed core set of principles and behaviours that will be developed with operators as part of the BES2 arrangements.

2.21 What results are we trying to achieve with BES2?

BES2 provides a mechanism for managing the recovery and reshaping of bus services to respond to the impact of the COVID 19 pandemic. Specifically:

- Address areas of high demand where social distancing has reduced available capacity
- Ensure that communities are not cut off due to low fare box revenues.
- Offer new options for meeting demand such as demand responsive transport which may be more cost effective as patterns of travel change.
- Offer better value for money for passengers by working with operators to rationalise their fare structures and develop multi operator ticketing, to the extent permitted by competition law.
- Build a better working relationship with operators to develop a robust and viable network of services for the future.
- Gain a better understanding of the costs of delivering bus services in Wales to inform future policy and funding decisions
- Reduce pollution by introducing measures to attract people out of their cars and onto public transport and by working with the industry to upgrade their fleet.

2.22 **What does BES2 mean for operators?**

Where an operator signs up to the BES arrangements (whether BES1, 1.5 or BES2), all the services that the operator runs – whether they are supported or formerly commercial – are included in the contract.

2.23 Each operator is expected to continue to operate routes that are largely similar to those which they operated pre-COVID, amended as necessary to respond to the crisis. This helps to maintain stability in the short term and provides a framework for decision making e.g. if an operator chooses not to run services that they used to run before COVID a decision can be made to let a tender for those services if they are still required.

2.24 Funding for the regional BES contracts will be a mix of existing sources and additional funding from Welsh Government, with operators being funded to cover all their allowable costs across all their services less their earnings from the fare box, concessionary fares, BSSG and YPT.

3. **Options for Recommendation**

Option 1: preferred option

3.1 For Blaenau Gwent to endorse the contents of the attached report and support the BES2 arrangements as part of a regional and Wales approach.

3.2 **Option 2: do nothing**

For BG not to support the BES2 arrangements

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

This project support the amendments made to the Outcome Statements within the Corporate Plan in its review in October 2019.

Corporate Plan 2020/22 Outcome Statements:

- Protect and enhance our environment and infrastructure to benefit our communities
- Support a fairer sustainable economy and community
- To enable people to maximise their independence, develop solutions and take an active role in their communities
- An ambitious and innovative council delivering the quality services we know matter to our communities

5. **Implications Against Option 1: preferred option**

5.1 ***Impact on Budget (short and long term impact)***

There is no impact on the funds currently used in Blaenau Gwent to subsidise Buses (BG RSG and Bus Support Grant) as this is additional funding from Welsh Government.

5.2 **Risk including Mitigating Actions**

5.2.1 **What risks exist with the proposed approach?**

Operators choose not to sign the BES2 agreements and instead shrink their networks to the minimum required and/or reduce the quality of their services to make a commercial return. *Mitigation – working with operators to address their concerns and ensure that all parties see this as a beneficial arrangement.*

5.2.2 The BES 2 arrangements breach competition, state aid or procurement law and are rendered invalid. *Mitigation – working with lawyers to ensure that the terms are compliant with the law.*

5.2.3 Operators challenge the local authority's ability to let new contracts on routes where the operator has registered a commercial service. *Mitigation – the standards that will be specified as part of BES2 provide an objective way to defend the local authority's right to let a supported contract where the service offered by the operator does not meet the specified standard. Legal advice and guidance will be provided to local authorities to support this statement.*

5.2.4 Additional funding from Welsh Government beyond the end of March 2021 is yet to be confirmed. *Mitigation – WG have committed additional funding from September 2020 to support local bus services and officials are working to secure further funding to support these key services beyond the 2020/21 budget horizon.*

5.2.5 Funding operators in this way is not cost effective and/or operators are not incentivised to be efficient. *Mitigation – use the data from operators to assess the cost effectiveness of the spend and shape contract terms to incentivise efficiency.*

5.3 **Legal**

Legal matters will be addressed by WG and our lead authority – Torfaen CBC.

5.4 **Human Resources**

There are no human resource issues as part of this initiative.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

Performance will be monitored through Transport for Wales and lead authorities and fed back to BG.

6.2 **Expected outcome for the public**

We are expecting this to improve local bus services for the communities in BG.

6.3 **Involvement (consultation, engagement, participation)**

There has been limited consultation on the options due to time constraints and the emergency nature of the initiative.

- 6.4 ***Thinking for the Long term (forward planning)***
This scheme takes into account current and longer term needs and is planned in accordance with those on a regional basis.
- 6.5 ***Preventative focus***
The scheme is being undertaken to prevent bus services failing further due to the effects of the pandemic
- 6.6 ***Collaboration / partnership working***
We are working with our lead partner Torfaen CBC on this initiative.
- 6.7 ***Integration (across service areas)***
This initiative will be integrated across all those departments that currently use buses to deliver a service to BG communities.
- 6.8 ***EqlA(screening and identifying if full impact assessment is needed)***
Screening has been undertaken and no full assessment is required.
7. **Monitoring Arrangements**
Will be undertaken via our lead partner and TfW.
- 7.1 **Background Documents /Electronic Links**
- *Report to Cabinets on BES2*
 - *BES2 Appendix letter*

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Eich cyf/Your ref - LW.436.20

Local Authority Transport Lead Members

18 December 2020

Dear Members,

Following my letter of the 19 November explaining the next phase of the Bus Emergency Scheme that will ensure longer-term partnership from operators in return for their bail out funding, I am pleased to follow up with a summary document explaining the rationale and approach. This has been developed and agreed with the Welsh Local Government Association, the Association of Transport Coordination Officers, Transport for Wales, and the Welsh Government.

Since the start of the COVID 19 pandemic, we have worked together to maintain bus services in spite of the significant reduction in passenger numbers and associated fare income. To date, the BES arrangements have been short term, only providing security for a few months at a time. Money is still being provided to operators on an emergency basis under the terms and conditions of the BES 1.5 agreement which expires at the end of March 2021.

BES 2 sets out longer term arrangements for delivering bus services while operators continue to receive support from the Welsh Government and local authorities to address the short fall in revenue. The agreements sit alongside existing local authority contracts and support your ability to act to address the impact of COVID-19, providing the legal basis for the additional funding that operators are receiving in respect of their supported contracts to cover the loss of farebox.

The BES 2 agreement has four parties to it – namely the Welsh Government, Local Authorities, Transport for Wales and Operators. The BES2 agreement does not fundamentally alter the role and decision-making powers of Local Authorities but provides a framework for working with operators to ensure that bus services meet priorities, allowing you to better direct where we want the available funds to be spent so that we can jointly better manage the recovery of bus services. Each operator is expected to continue to operate routes that are largely similar to those which they operated pre-COVID, amended as necessary to respond to the crisis. Without these agreements, operators could instead choose to shrink their networks to the minimum required and/or reduce the quality of their services to make a commercial return.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Given the urgency of moving towards a more sustainable footing, it is imperative that this is done early in the New Year so that we can offer certainty to the industry, maintain essential services for communities, and maximise the benefits of our significant funding. I hope that you will be in a position to agree the new contract in January to align with our expectation that operators will also sign early in the New Year. Simon Jones, Director of Economic Infrastructure, will send separately to local authority Chief Executives the Bus Emergency Scheme 2 contract and the WLGA will send a template report for your cabinets that you can adapt and refine to meet your own needs. If you need any further information or support, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lee Waters', with a large, sweeping flourish extending to the right.

Lee Waters AS/MS

Dirprwy Weinidog yr Economi a Thrafnidiaeth
Deputy Minister for Economy and Transport

Agenda Item 9

Executive Committee and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Regeneration Scrutiny Committee**

Date of meeting: **6th January 2021**

Report Subject: **Forward Work Programme: 10th February 2021**

Portfolio Holder: **Cllr David Davies, Deputy Leader and Executive Member Regeneration and Economic Development**

Report Submitted by: **Cllr John Hill, Chair of the Regeneration Scrutiny Committee**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
x	x				06.01.21			

1. **Purpose of the Report**
 - 1.1 To present to Members the Regeneration Scrutiny Committee Forward Work Programme for the Meeting on 10th February 2021 for discussion and agreement.
2. **Scope and Background**
 - 2.1 The Scrutiny Work Programmes are key aspects of the Council's planning and governance arrangements and support the requirements of the Constitution.
 - 2.2 The topics set out in the Forward Work Programme link to the strategic work of the Council as identified by the Council's revised Corporate Plan, corporate documents and supporting business plans.
 - 2.3 Effective work programmes are essential to ensure that the work of scrutiny makes a positive impact upon the Council's delivery of services.
 - 2.4 The Committee's Forward Work Programme was agreed in September 2020, recognising the fluidity of the document to enable the Committee to respond to urgent and emerging issues, and included timescales when reports will be considered by the Committee. The work programme is managed and implemented by the Scrutiny and Democratic Officer under the direction of the Chair and Committee.
 - 2.5 The forward work programme for the forthcoming meeting will be presented to Committee on a 6 weekly cycle in order that Members can consider the programme of work; request information is included within the reports, as appropriate and / or make amendments to the work programme.

3. **Options for Recommendation**

3.1 **Option 1:** The Scrutiny Committee consider the Forward Work Programme for the meeting 10th February 2021, and

- Make any amendments to the topics scheduled for the meetings;
- Suggest any additional invitees that the committee requires to fully consider the reports; and
- Request any additional information to be included with regards to the topics to be discussed.

3.2 **Option 2:** The Scrutiny Committee agree the Forward Programme for the meeting 10th February 2021, as presented.

Background Documents /Electronic Links

- Appendix 1 – Forward Work Programme – Meeting on 10th February 2021.

Regeneration Scrutiny Committee Forward Work Programme

Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
Wednesday 10th February 2021 Deadline: 25 th January 2021	1. Aspire Shared Apprenticeship Programme	Performance Monitoring <ul style="list-style-type: none"> • To update on the current performance of the Aspire programme and associated external business engagement. • To provide performance information on the BGCBC Internal Apprenticeship & Corporate Traineeship programme 	Tara Lane / Andrew Bevan	Executive
	2. Crowd Funding	Pre Decision To seek endorsement to engage and be the lead authority for a regional crowd funding platform, providing funding for community based projects.	Bethan McPherson	Executive
	3. Community Benefits	Performance Monitoring Members to consider community benefit outcomes delivered (20/21) through BGCBC contracts and wider partner opportunities.	Bethan McPherson / Laura Bull	Executive
	4. Use of Consultants (Regeneration Portfolio)	Monitoring To provide information on the cost of consultants and the benefits / outcomes of using external consultation over the last two years.	Richard Crook / Ellie Fry	Executive
	5. Joint CCCRD Scrutiny Committee Update	Chair's Update Chair to provide an update to Members on the working to Joint Scrutiny Committee.	Chair	

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