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THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

25th June 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, 30th June, 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 - 14

To receive the minutes of the Special Regeneration Scrutiny Committee held on 28th April, 2021.

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

5. **ACTION SHEET - 28TH APRIL 2021** 15 - 18

To receive the Action Sheet.

6. **PROPOSED SCRUTINY COMMITTEE FORWARD WORK PROGRAMME 2021-22** 19 - 28

To receive the report.

7. **COMMUNITY MUNICIPAL INVESTMENT** 29 - 38

To consider the report of the Team Manager Regeneration Opportunities.

8. **DEVELOPMENT OF BUSINESS ENERGY MODEL TO ENABLE BUSINESS PARKS TO ACHIEVE NET ZERO OUTCOMES** 39 - 48

To consider the report of the Team Manager Regeneration Opportunities

9. **COVID-19 RECOVERY - ECONOMY** 49 - 54

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

To: Councillor J. Hill (Chair)
Councillor G. A. Davies (Vice-Chair)
Councillor M. Cross
Councillor M. Cook
Councillor G. L. Davies
Councillor P. Edwards
Councillor H. McCarthy
Councillor K. Hayden
Councillor S. Healy
Councillor W. Hodgins
Councillor J. C. Morgan
Councillor L. Parsons
Councillor G. Paulsen
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: SPECIAL REGENERATION SCRUTINY COMMITTEE 28TH APRIL, 2021

REPORT OF: DEMOCRATIC & COMMITTEE SUPPORT OFFICER

PRESENT: COUNCILLOR J. HILL (CHAIR)

Councillors G.A. Davies

M. Cook

P. Edwards

K. Hayden

S. Healy

W. Hodgins

H. McCarthy

J.C. Morgan

L Parsons

K. Rowson

B. Willis

L. Winnett (*substituting for M. Cross*)

AND: Corporate Director Regeneration & Community Services

Head of Regeneration & Development

Service Manager Business & Regeneration

Service Manager Development & Estates

Team Manager Regeneration Opportunities

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>	
No. 2	<p><u>APOLOGIES</u></p>	

	Apologies for absence were reported for Councillors M. Cross and J.P. Morgan.	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>The following declaration of interest was reported:</p> <p>Councillor W. Hodgins – Item No 6 Cardiff Capital Region City Deal Performance Review 2020/21 Q4</p>	
No. 4	<p><u>REGENERATION SCRUTINY COMMITTEE</u></p> <p>The minutes of the Regeneration Scrutiny Committee held on 24th March, 2021 were submitted.</p> <p>The Committee AGREED that the minutes be accepted as a true record of proceedings.</p>	
No. 5	<p><u>ACTION SHEET – 24TH MARCH, 2021</u></p> <p>The Action Sheet arising from the meeting of the Regeneration Scrutiny Committee held on 24th March, 2021 was submitted.</p> <p>The Committee AGREED that the Action Sheet be noted.</p>	
No. 6	<p><u>CARDIFF CAPITAL REGION CITY DEAL PERFORMANCE REVIEW 2020/21 Q4</u></p> <p>Consideration was given to report of the Managing Director.</p> <p>The Head of Regeneration & Development presented the performance review of the Cardiff Capital Region City Deal (CCRCD) for quarter 4, against projects relating to investment in Blaenau Gwent during the last few months. The report highlighted the key programmes of work in Blaenau Gwent, and progress of the programme against key targets identified within the CCR Business Plan for 2020/21.</p> <p>The Officer went through the report and highlighted the key points contained therein.</p>	

A Member referred to section 2.15 of the report and asked whether taxi companies had been contacted, and if so whether any interest had been shown in taking up the opportunity to trial an electric taxi.

In response the Officer confirmed that the taxis had been delivered in the last few weeks. However, she undertook to check whether the Council's Taxi Licensing Team had circulated correspondence to taxi companies.

The Team Leader Regeneration Opportunities confirmed that a number of virtual engagement events had been arranged, and the Licensing Team were contacting taxi drivers in the area. Also as part of wider promotion, the launch of the new taxi scheme would coincide with the launch of the new Merthyr Bus Station and taxi rank improvements, at the end of May 2021.

Another Member referred to the rail link improvements, and the £70m loan, and said the report implied that some of the money had already been spent. She understood it was intended to have discussions with other LA's regarding a potential contribution. She also stated that a rail link from Brynmawr to Pontypool would be more beneficial for the residents of Blaenau Gwent, providing a link to Cwmbran and Newport, and she asked whether any progress had been made in relation to this.

The Head of Regeneration & Development explained that the £70m was separate funding split between each LA to undertake additional projects, alongside the railway renewal. In terms of a rail link between Brynmawr and Pontypool, the Officer did not have any information, but referred the Committee to section 2.16 of the report which stated that services to both Cardiff and Newport were currently being tested in detail, so there would be a link to Newport in the future.

A Member said section 2.6 stated that the design work for Abertillery was coming from CCR funding. However, he asked who would be funding the work for the increased service to Ebbw Vale, and whether this would come from the £70m loan.

The Officer explained that the £70m loan was for line improvement works. The works currently ongoing on the network, i.e. Crumlin improvements, were not part of the £70m, however, some of the design work was part of the CCR funding. The £70m was for specific work on the Ebbw Valley line to increase the service to 2 trains per hour initially, and then linking to Welsh Government's announcement that the Heads of the Valleys should have 4 trains per hour.

In response the Member requested a breakdown of the different funding streams. He also asked whether other LA's had been approached to contribute to the £70m loan.

The Officer explained that the loan repayments would be based on users of the railway.

The Member asked who would be responsible for any shortfall in funding should passenger numbers not meet the loan repayments.

The Officer was unable to respond as it was not part of the report, and the Member asked that this be noted as an action point, and also his request for a breakdown of the funding.

Another Member referred to section 2.16 of the report and asked that Members be consulted on the locations of the electric vehicle charging points within their wards. He also suggested that the possibility of installing charging points on one floor of Ebbw Vale Multi Storey Car Park and potential income generation be explored, and also that they be factored into the Council's Destination Management Plan.

In response the Team Leader Regeneration Opportunities said the locations were identified as part of previous studies undertaken, but confirmed that Ward Members would be advised of the locations. However, if Members had any additional suggested locations, these could be put on the reserve list should additional funding become available in the future.

In terms of income generation, the Officer said this would be nominal due to the management and maintenance

requirements of the charging points, but it could be looked at in the future. She also confirmed that the locations of the charging points would be factored into the Destination Management Plan where appropriate.

The Member then referred to section 2.25 of the report, namely the CCR Energy Strategy, and asked whether there could be funding implications for the Council in terms of having to match fund some grants.

In response the Team Leader said this had not yet been determined. The Council had put forward its projects and funding was being explored, however, it was unlikely to be any more of a match funding requirement than if the Council was to take forward the prospectus.

Another Member requested details of the proposed improvements to the Ebbw Valley line, and asked whether they included a second platform at Llanhilleth, and also whether the link to Newport was guaranteed.

The Head of Regeneration & Development confirmed that the ongoing design work at Llanhilleth was being undertaken by Transport for Wales. In terms of the link to Newport, whilst this could not be guaranteed, the infrastructure was in place to be developed and TFW was currently looking at this and the scheduling.

The Member said a more detailed report would be beneficial for Members, and he also supported his colleague's comments regarding a Brynmawr link. He said Members needed to know what Blaenau Gwent could expect from City Deal and the Metro.

In response the Chair pointed out that a Brynmawr link was not part of City Deal, however, progress of the Ebbw Valley line improvements would be included in the Scrutiny FWP moving forward.

Another Member said this was a positive report, particularly the Housing Strategy, and also the 'green' strategies. He referred to the excellent work of the previous 'Green Team' forum and suggested that this be re-established moving forward.

A discussion ensued when the Team Leader Regeneration Opportunities confirmed that a report on the Hydro would be included in the FWP. She also reported that funding had been secured through the Rural Development Programme to look at Cwm and Llanhilleth in the first instance, and initial investigations were nearing completion. A number of sites had also been identified as part of the second phase, and consultants would be looking at micro-hydro opportunities for those sites.

In response to the Member's comment regarding the Green Team, the Head of Regeneration & Development said if re-established the forum could filter into the work around the De-carbonisation Plan.

Another Member referred to the Energy Strategy and asked whether any timescales had been set.

In response, the Team Leader Regeneration Opportunities said no detailed timescales had been set, but undertook to look into the matter.

Another Member referred to the proposed new industrial units at Ashvale, Tredegar, in particular the entrance to the site opposite a primary school, and the Head of Regeneration & Development confirmed that Highways were looking at this.

A further brief discussion ensued regarding the electric taxi scheme, when a Member asked whether an affordable repayment plan would be considered.

The Team Leader Regeneration Opportunities confirmed that incentives for the scheme were being considered by City Deal, including a finance package, and this would be communicated to taxi drivers as part of the engagement exercise.

Another Member said a Members Briefing on the Ebbw Valley Railway link would be beneficial for Members, and suggested that Transport for Wales be invited to attend.

	<p>The Committee AGREED to recommend that the report be accepted and the content of the CCRCD report be noted.</p>	
No. 7	<p><u>GOVTECH CATALYST CHALLENGE</u></p> <p>Consideration was given to report of the Team Manager Regeneration Opportunities.</p> <p>The Team Manager presented the report which provided an update on progress of the GovTech Catalyst project, which was a £20m fund from Government Digital Services, UK Government to work with suppliers to solve public sector problems using innovative digital technology.</p> <p>The Council’s Regeneration Department put forward a number of project ideas to GovTech Catalyst team and in 2018, Blaenau Gwent County Borough Council (BGCBC) was invited to form a collaboration to work on this with Durham County Council (DCC) to work on a project entitled “Intelligent data to transform local council service delivery”. The project would look at how existing assets, like the Council’s vehicles, could be utilised to support and improve how we deliver our services.</p> <p>The Officer went through the report and highlighted points contained therein.</p> <p>In response to a question raised by a Member, the Team Leader confirmed that the technology could be deployed on any vehicle, including the Council’s recycling and refuse vehicles.</p> <p>A brief discussion ensued when the Officer confirmed that there would be opportunity to tweak the technology in the future to address other issues.</p> <p>The Committee AGREED to recommend that the report be accepted and the progress of the project be noted, and a further report on the outcome of the project be provided.</p>	
No. 8	<p><u>LIME AVENUE BUSINESS PARK AND BOXWORKS PROGRESS UPDATE</u></p>	

Consideration was given to report of the Principal Project Officer Regeneration Opportunities

The Team Leader Regeneration Opportunities presented the report which provided a progress update on both the Lime Avenue Business Unit and Boxworks schemes on the former Works site.

The Officer spoke to the report and highlighted points contained therein.

A Member asked whether the Council could claim back the overspend from the Covid Relief Fund, and also whether the Council was guaranteed to recoup the monies spent during the 15 year life span of the units.

The Service Manager Business & Regeneration confirmed that the Council was working closely with Welsh Government on both projects, and all options were being explored in terms of the overspend.

A Member said 'take-up' of all of the Council's units should be included on the Scrutiny's FWP, as she had received complaints regarding the condition of some units and the increase in rental.

The Chair confirmed that the Council's industrial units portfolio was included on the FWP.

The Team Leader explained that when the developments for both projects were put forward, a demand analysis was undertaken of the locality in terms of the units already in place, the level of interest and where we could meet the demand. The Boxworks units was a different provision to anything else in the Borough, and from the demand analysis we anticipate demand based on enquiries that we have received and been unable to meet.

The Officer referred to the 'Employment Park' report on the previous agenda and confirmed that as part of that work the demand analysis was revisited, and there was evidence showing a demand for smaller units like the Boxworks.

Another Member asked whether any rental costs etc. had been established, and whether there would be any time limit on rental of the units.

The Service Manager Business & Regeneration said in terms of the length of rental it was important to offer flexibility. Options had been developed around a 6 month licence arrangement, and an extended option, and an increase in demand was anticipated as a result of the change in working arrangements due to the Covid pandemic.

In terms of rental costs etc. he said this was based on market rate assessments and would cover ongoing costs for the units.

A brief discussion ensued when the Service Manager said a flexible provision was intended for the box units to enable small start-up businesses to rent on a short term basis, but also to develop a sequence and provide support to enable those businesses as they grow and need more space, to relocate to larger existing units within the Borough.

The Committee AGREED to recommend that the report be accepted and;

- i. Noted progress made to date with both the Lime Avenue Business Unit and Boxworks schemes, with final completion anticipated to be in June 2021; and
- ii. Noted that a detailed closure report would be presented to Scrutiny later this year, also incorporating findings from the Wavehill consultancy report, which was a condition of the WEFO funding.

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Blaenau Gwent County Borough Council

Action Sheet

Regeneration Scrutiny Committee – 28th April 2021

Item	Action to be Taken	By Whom	Action Taken
6	<p><u>Cardiff Capital Region City Deal Performance Review 2020/21 Q4</u></p> <p>Members to receive a breakdown of the different funding streams in relation to the Metro Plus programme and other funding for rail.</p> <p>Members to receive information on the locations for the electric vehicle charging points.</p>	<p>Ellie Fry</p> <p>Amy Taylor</p>	<p>The current programme of funding is a mixture of Welsh Government and CCR funding. There may also be an opportunity to secure UK Government funding, but we are yet to receive details on this.</p> <p>'Fast' electric vehicle charging is provided by in 4 locations across the borough. These locations are:</p> <ul style="list-style-type: none">• Colliers Row, Ebbw Vale NP23 6ES• Abertillery Leisure Centre, Alma Street, Abertillery NP13 1QD• King St/ Worcester St Brynmawr Ebbw Vale NP23 4DJ• High Street, Blaina NP13 3AT <p>These electric vehicle charge points are provided by Blaenau Gwent Council for the benefit of residents and visitors to facilitate the transition to a low carbon future. There are 2 dual charge points in each car park listed above. Each charge point has 2 charging</p>

Item	Action to be Taken	By Whom	Action Taken
	<p>Members to receive an update on the status of the works ongoing at Llanhilleth Train Station.</p> <p>In relation to the Energy Strategy and 2.26 of the report, Members requested an update on timelines for the implementation plan.</p> <p>In relation to 2.18 of the report and the Ashvale site, members to receive information on the size of the units.</p> <p>A Member Briefing Session to be arranged in relation to rail lines and Transport for Wales to be invited.</p>	<p>Ellie Fry</p> <p>Amy Taylor</p> <p>Ellie Fry</p> <p>Richard Crook / Ellie Fry</p>	<p>sockets; therefore 4 electric vehicles can charge simultaneously at each location.</p> <p>Information is stored on the Council website: https://www.blaenau-gwent.gov.uk/en/resident/electric-vehicle-charging/</p> <p>Improvement works are proposed for Llanhilleth Train Station including extension of the existing rail platform and 'Access for All' works to improve access to and from the station – this will form part of the wider improvements to the EVR line.</p> <p>A session was held on 16th June between Chief Executives and Members to discuss the implementation plan priorities. Further feedback on timescales has been sought.</p> <p>The current proposal outlines 70 units (64 open market and 6 social rent). The social rent will be 1 and 2 bed units. The open market will be 3 and 4 bed – the exact mix has not yet been determined.</p> <p>Date to be arranged.</p>

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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: **30th June 2021**

Report Subject: **Proposed Scrutiny Committee Forward Work Programme 2021-22**

Portfolio Holder: **Councillor D. Davies, Deputy Leader / Executive Member Regeneration and Economic Development**

Report Submitted by: **Councillor John Hill, Chair of 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)
May 2021	27.5.21	20.06.21			07.06.21	Executive FWP – 30.06.21	Council FWP – 29.7.21	

1. **Purpose of the Report**
 - 1.1 To present the Regeneration Scrutiny Work Programme for 2021-22 (Appendix 1) and to seek approval from Committee.
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 Corporate Plan, agreed by the Council on 23rd July 2020, corporate documents and supporting business plans.
 - 2.3 The Scrutiny Committee Forward Work Programmes are also aligned to the Governance and Audit Committee, Executive Committee and Council Forward Work Programmes.
 - 2.4 The Work Programme is a fluid document and there is flexibility to allow for regular review between the Chair and the Committee.
 - 2.5 The Work Programmes have been discussed with Chairs and Vice-Chairs of individual committees, prior to presentation to the respective scrutiny committees for consideration and approval.
3. **Options for Recommendation**
 - 3.1 The work programmes have been endorsed by the relevant departments of the Council.

3.2 **Option 1**

To agree the Forward Work Programme for the Regeneration Scrutiny Committee.

Option 2

To suggest any amendments prior to agreeing the Forward Work Programme.

Draft Regeneration Scrutiny Committee Forward Work Programme

Date	Topic	Purpose	Lead	Executive / Council
Special Meeting: 9th June 2021	Community Renewal Fund Submission – Blaenau Gwent Project(s)	Pre Decision Members to consider the recommend approval to the Executive.	Beth McPherson	Executive

Date	Topic	Purpose	Lead	Executive / Council
Meeting: 30th June 2021	Proposed Forward Work Programme 2021/22	Approval To agree the Forward Work Programme for 2021/22, recognising the fluidity of the document.	Chair	N/A
	Community Municipal Bonds	Pre-Decision Endorse the proposals to take forward Community Municipal Bonds in Blaenau Gwent	Amy Taylor	Executive – 21.07.21
Deadline: 16th June 2021	Development of Business Energy Model to enable Business Park to achieve Net Zero Outcomes	Performance Monitoring To ensure Members are aware of the project being undertaken in conjunction with Welsh Government Smart Living Team and monitor progress	Amy Taylor	Executive
	Recovery - Economy	Performance Monitoring To ensure that Members are aware of arrangements to support the economy recovery and renewal activity from the pandemic and to monitor progress.	Owen Ashton	Executive

Date	Topic	Purpose	Lead	Executive / Council
Wednesday 15th September 2021	Decarbonisation Plan	Performance Monitoring To enable Members to monitor performance of the Decarbonisation Plan.	Michelle Morris (Andrew Parker)	Executive
	Regeneration Directorate Performance report	Performance Monitoring Members to monitor and challenge the performance data for the Directorate.	Richard Crook Ellie Fry	Executive 22 nd September 2021
	Renewable Energy Generation Project – Hydro Power	Pre Decision Endorse the proposals to take forward hydro generation projects	Amy Taylor	Executive
	Aneurin Bevan report	Pre-Decision To consider and support the report findings and recommend approval to the Executive.	Moe Forouzan	Executive
	Ebbw Vale Placemaking Plan	Pre Decision Endorse the proposals for placemaking in Ebbw Vale	Amy Taylor	Executive
	Performance Information on the Cardiff Capital Region City Deal Quarterly	Performance Monitoring Members to consider the activity of Blaenau Gwent Council as part of the overall CCRCD and influence areas of focus.	Ellie Fry	Council

Date	Topic	Purpose	Lead	Executive / Council
Wednesday 3rd November 2021	Lime Avenue Business Units and Box Works Closure report	Performance Monitoring Members to receive the closure report.	Nick Landers	Executive
	Tredegar Place Making Plan	Pre Decision Endorse the proposals for placemaking in Tredegar	Amy Taylor	Executive
	STEM Programme	Performance Monitoring Performance Monitoring report for Members.	Beth McPherson	Executive
	Kickstart Employment Placement	Performance Monitoring Performance Monitoring report for Members.	Beth McPherson	Executive

Date	Topic	Purpose	Lead	Executive / Council
Wednesday 8th December 2021	Energy Prospectus Annual Review	Performance Monitoring To provide members with information on the progress made since approval of the Energy Prospectus	Amy Taylor	Executive
	Tredegar Heritage Initiative	Performance Monitoring Members to receive the closure report.	Amy Taylor	
	Blaenau Gwent Replacement Local Development Plan	Pre Decision Endorse the Deposit Plan and the report of Consultation on the Preferred Strategy	Lynda Healy	Council

Date	Topic	Purpose	Lead	Executive / Council
Wednesday 9th February 2022	Aspire Shared Apprenticeship Programme	Performance Monitoring To update on the current performance of the Aspire programme and associated external business engagement.	Tara Lane	Executive

Date	Topic	Purpose	Lead	Executive / Council
Wednesday 23rd March 2022	Regeneration Directorate Performance report	Performance Monitoring Members to monitor and challenge the performance data for the Directorate.	Richard Crook Ellie Fry	Executive 27 th April 2022
	Annual Industrial Property Performance update 2020/2021	Performance Monitoring To monitor the priorities and activities being delivered and what outcomes have been achieved i.e. constrained units updates, occupancy figures, new property developments.	Moe Forouzan/Matthew Thomas	Executive
	Destination Management – Annual Performance Review 2020/21	Performance Monitoring To monitor the priorities and activities being delivered and what outcomes have been achieved and influence areas of focus.	Moe Forouzan	Executive
	Performance Information on the Cardiff Capital Region City Deal Quarterly	Performance Monitoring Members to consider the activity of Blaenau Gwent Council as part of the overall CCRCD and influence areas of focus.	Ellie Fry	Council

Date	Topic	Purpose	Lead	Executive / Council
Wednesday 4th May 2022	Community Benefits (Annual Performance Report 2021-22)	Performance Monitoring Performance Monitoring report for Members.	Bethan McPherson / Laura Bull	Executive
	Recovery - Economy	Performance Monitoring To ensure that Members are aware of arrangements to support the economy recovery and renewal activity from the pandemic and to monitor progress.	Owen Ashton	Executive

Date for Items to be confirmed				
Dates / Deadlines	Topic	Purpose	Lead	Executive / Council
TBC	Re-establishment of the Green Team	Terms of Reference – Working Group Nominations to be sought. As requested by Committee on 28 th April 2021		
TBC	Climate Assembly Recommendations		Michelle Morris (Andrew Parker)	Executive or Council ?

Member Briefing Sessions – Regeneration Scrutiny Committee			
Date	Topic	Purpose	Lead Officer
Quarterly	Directorate Briefings	A closely focused directorate update session to provide information and detail on service areas in order to raise the interest and enthusiasm of members. This also provides a legitimate avenue to raise local issues outside of the scrutiny process.	All
Early July 2021	STEM Facilitation Project		Bethan McPherson
September 2021	Employment and Skills	To provide an overview of current projects under employment and skills, key outcomes and future direction; aligned to the Employment and Skills Plan.	Bethan McPherson
September 2021	Housing	Overview of the current housing delivery priorities including the social housing grant programme	Bethan McPherson
	Rail Link		Richard Crook / Ellie Fry Transport for Wales

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: **30th June 2021**
Report Subject: **Community Municipal Investment**
Portfolio Holder: **Councillor D Davies, Executive Member for
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)
02.02.21	21.05.21	20.06.21			30.06.21			

1. Purpose of the Report

- 1.1. To seek approval to take forward Community Energy Investment as a financial instrument to fund low carbon energy generation infrastructure and technology to provide energy and heat to Blaenau Gwent residents and businesses.

2. Scope and Background

- 2.1. The Council has the opportunity to become part of a nationwide EU funded pilot exploring using Community Municipal Investment (CMI) to fund infrastructure for the Council. The pilot project, known as SocialRES aims at closing non-technological research gaps that impede the widespread uptake of social innovation business and service models in the European energy sector.
- 2.2. Through research and pilot studies, the EU funded project will set the basis for a better understanding of the socio-economic, socio-cultural, socio-political and gender factors that influence the behaviour of consumers in the energy system.
- 2.3. The Council first approved an Energy Prospectus in December 2019. Within the prospectus there were a series of projects identified that would assist the Council in reducing its carbon footprint and fuel poverty in the Borough. One of the main barriers to delivery of the projects within the prospectus is availability of capital funding and as the Council does not have significant capital reserves it has to explore alternative methods of funding such investment.

- 2.4. A Community Municipal Investment (CMI) is a bond or loan instrument issued by a Local Authority directly to the public via an internet based crowdfunding platform. Due to the low-cost nature of crowdfunding CMIs can be issued via a proven, low risk, easy to use online process at rates which aims to undercut market borrowing rates and terms, while also providing a competitive investment product for local savers and investors.
- 2.5. The bonds are targeted at people living within the region of the issuing authority but are also available to people living across the UK. CMIs are built to prioritise individual investment but are compatible with the requirements of institutional investors such as pension funds. The Blaenau Gwent Community Bond would be focussed on low carbon energy generation schemes highlighted in the Energy Prospectus 2019.
- 2.6. The pilot scheme works by the Council issuing a community bond to fund circa £2m of the project costs. The bond is issued to residents and investors from Blaenau Gwent and the country to receive a percentage return on their capital for the investment. The scheme would be administered by Abundance, who are a separate Financial Conduct Authority (FCA) registered company, on behalf of the Council. Legal & General (and the UK pension funds it represents) are exploring opportunities with Abundance to help supplement interest from retail investors.
- 2.7. Abundance is an FCA regulated investment platform founded in 2012 with a mission to help turn members of the public into real stakeholders in things they care about. The platform connects businesses and public sector bodies alike with investors large and small by issuing direct investments with social or environmental benefits.
- 2.8. Ordinary people get the chance to build a portfolio of investments they truly believe in, allowing anybody to invest from as little as £5. Abundance has previously raised over £100 million on their platform from over 6,500 investors towards Community and Social schemes.
- 2.9. In 2016 Abundance launched the first Local Authority Green ISA bond with Swindon Borough Council, which funded two 5MW solar parks with the participation of more than 1,600 investors. Since then, Abundance has been working to find ways to help more Local Authorities finance public infrastructure through crowdfunding opportunities.
- 2.10. West Berkshire Council worked with Abundance Investment to launch bonds seeking up to £1m to invest in energy and wider environmental projects. They saw both Local people and others from across the UK investing in their Green Energy Bonds. Local investors on average invested more individually than

other investors. The total of £1million was raised over a period of three months.

2.11. Participation in this research and development pilot project will also directly address rural challenges and opportunities including:

- Participation opportunities in low carbon measures for the public;
- Measurement of citizen engagement in reducing carbon emissions as part of the Trinity College Dublin research study of resident's attitudes towards the Council in building a low carbon future;
- Promote and reinforce public support for the Blaenau Gwent Decarbonisation Plan;
- Support delivery of low carbon, reduced cost and locally generated energy and the development of the local foundational and circular economy;
- Access to low carbon energy for businesses and communities;
- Job creation in low carbon industries

3. Options for Recommendation

Option One – Proceed with Launching a Community Bond (preferred option)

- 3.1. Proceed with the SocialRes Project and work towards development of a Community Bond offer.
- 3.2. This will include undertaking initial due diligence of the legal agreements and overall approach but funding is available through abundance in order to carry out the required evaluation (See section 5.1).
- 3.3. By pursuing this option the Council would gain access to lower cost, financial investment to support with development of pipeline projects outlined in the Energy Prospectus 2019.
- 3.4. This can be used to replace or alongside Public Works Loan Board (PWLB) funding. If the pilot is successful further bond offers can be considered in the future.

Option Two – Do Nothing

- 3.2 Do nothing. There are no benefits identified with Do Nothing.

Preferred Option

It is recommended that Scrutiny:

- Endorses Option One as the preferred way to proceed;
- Due diligence commences alongside the Head of Legal and Corporate Compliance together with the Chief Officer for resources;

- Endorses the launch of Community Municipal Bonds subject to due diligence and final sign off of the necessary agreements delegated to the Head of Legal and Corporate Compliance in consultation with the Chief Officer for Resources; and
- That the Chief Officer for Resources is delegated to determine the date of the formal launch of the bond, bond length period and bond issue rate so long as it is below the PWLB rate.

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

- 4.1. SocialRes complies with the well-being five ways of working, supports the well-being goals and associated activities are expected to have a positive impact on all groups and people with protected characteristics.
- 4.2. This project would link to the Council's Corporate Plan 2018-2022 in creating strong and environmentally smart communities. It has the potential to assist in helping the Council realise its ambition to be a carbon neutral organisation by 2030. The project will also protect and enhance our environment and infrastructure to benefit our communities through development of an excellent low carbon local energy generation infrastructure including energy supply that can support the needs of the whole community.
- 4.3. The resulting low carbon infrastructure development opportunities listed in the Energy Prospectus 2019 such as hydro generation, solar and wind projects will also act to support a fairer sustainable economy and community by improving skills and promoting greater understanding and acceptance of low carbon energy generation and participation and ownership of climate emergency resolution.
- 4.4. Through the SocialRes Project, the Council also demonstrates its ambition as an innovative council delivering the quality services we know matter to our communities. By acting as a strong and effective partner, collaborating where possible the SocialRes project will deliver financial, business and community benefits to both Blaenau Gwent Council and the wider South Wales region.

5. Implications Against Each Option

5.1 *Impact on Budget*

- 5.1.1 The pilot includes up to £20,000 of external European funding for internal and external costs in setting up the bond. The due diligence is supported with external research from Trinity College Dublin on the success or otherwise of the bond issue so that there is a clear post implementation review of the

project; the bond must be used for low carbon / green initiatives to qualify for the pilot.

5.1.2 Other authorities who are taking part in the pilot are Leeds City Council, Kingston Council, Warrington Council and West Berkshire Council. They will be using the proceeds of the bond to fund their own green initiative schemes.

5.1.3 In order to raise funds through bond issue, the Council would need to review its treasury management policy and ensure that it includes the ability to raise funds in this way. If not a change would need to be made to allow this.

5.1.4 A worked example of the financial benefits associated with this approach are shown in **Appendix 1**.

5.1.5 Each of the projects considered for utilisation of the funding will be subject to a business case for investment. Each business case will consider whole life cost of the investment including capital and revenue costs associated with any installation and ongoing maintenance. These will be considered in line with the Council's Commercial Strategy.

5.2 ***Risk including Mitigating Actions***

5.2.1 Throughout the Project a risk register will be developed and maintained, with any high risks being reported within Regeneration Services Business Plan.

5.2.2 Risks of proceeding with Community Municipal Bonds include:

- Lack of uptake from investors – bonds are open to investors both within and outside of Blaenau Gwent;
- As a result of COVID-19 there may be less appetite for public investment when financial situations are uncertain

5.2.3 Risks of Do Nothing would include:

- Disjointed delivery of low carbon infrastructure could lead to missed opportunities and delayed delivery of projects within the Energy Prospectus;
- The Council would need to continue using PWLB for borrowing to support delivery of large scale projects; and
- The Council would have less options for low cost funding to shape the future low carbon direction of the energy market for both supply and demand.

5.3 ***Legal***

5.3.1 The SocialRes Collaboration Agreement set out the Terms and Conditions of the EU Horizon 2020 funded grant offer, conditions of award and ownership

of assets including Intellectual Property Rights on behalf of Abundance Investment.

- 5.3.2 The Council would be a subcontractor to the EU Horizon 2020 SocialRes project, and would not be held to the terms and conditions of Horizon 2020 funding.
- 5.3.3 The Council would retain full rights to the IP generated and assets generated through involvement in the project alongside Abundance Investment. When the Council issue the bond, we will need to sign an engagement letter with Abundance Investment acting as arrangers and agent of the bond, but through this the Council will also retain rights to any IP / assets generated alongside Abundance Investment.
- 5.3.4 The agreement defines the need for confidentiality of sensitive commercial, financial and data protection measures to safeguard residents who participate in purchase of Community Municipal Bonds.
- 5.3.5 A comprehensive Due Diligence exercise has been carried out by Association of Public Sector Excellence Energy (APSE), EY, Cornwall Insights, Geldards Solicitors and James Goudie QC for West Berkshire Council.
- 5.3.6 Blaenau Gwent Council Legal Department would also carry out due diligence of the project and low carbon energy generation schemes as part of any legal and financial modelling prior to launching bonds to fund low carbon technologies in Blaenau Gwent.

5.4 ***Human Resources***

- 5.4.1 There are no immediate staffing/workforce implications. These will however be better understood once due diligence and review of the legal agreements has been completed. The project is being Project Managed by existing resources from within the Regeneration Section and we will seek support from other relevant departments where necessary.

6. **Supporting Information**

6.1 ***Performance Information and Data***

Once the project is established a performance framework will be developed and reported accordingly.

6.2 ***Expected outcome for the public***

The public will also benefit from better environmental and infrastructure management, supporting localised renewable energy generation and data

management of public service provision to drive down costs and improve efficiency through technological development.

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

6.3.1 Abundance Investment will carry out consultation via a focus group of Blaenau Gwent residents to identify if residents would be supportive of the bond issue, which would allow Blaenau Gwent and UK residents to invest in green climate positive investments that are secure and low risk paying a competitive rate of interest.

6.3.2 The project will seek to bring together a range of partners including developers, community stakeholders and the Council to work collaboratively to assist Blaenau Gwent to meet its low carbon aspirations and to develop the community bond offer in line with local conditions and requirements identified through the consultation process.

6.3.2 Blaenau Gwent Council are already working across business and industrial energy communities through the Welsh Government Smart Living Programme, Tech Valleys Business Improvement Grant Pilot and with residents through social and private sector low carbon initiatives and each of these and other established fora will be consulted and engaged as part of any development of the local community municipal bond offer.

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

6.4.1 The project may also assist the Council with balancing its short term needs to identify areas for potential financial efficiency (reduced energy costs) alongside its long term business and community needs for a sustainable, low carbon future through local the development of energy generation.

6.5 ***Collaboration / partnership working***

6.5.1 The project is being delivered through a partnership approach. The collaboration agreement will set out the formal partnership arrangements and this will be overseen by Trinity College Dublin as the organisational research lead for the duration of the pilot project under the co-ordination of the EU funding requirements of the European Horizon 2020 programme.

6.5.2 Other Authorities including West Berkshire have gone through the process of due diligence and issuing a bond offer so it is hoped that by using their experiences, lessons learned and our understanding of local conditions we can deliver a successful pilot in Blaenau Gwent.

6.5.3 In 2020, the UK was scheduled to host COP26, a global climate change conference. As a result of the COVID-19 pandemic this has been re-scheduled to November 2021 and this offers an opportunity for Councils including Blaenau Gwent to showcase during COP. The Green Finance

Institute are looking to provide support to get as much PR as possible to support the projects.

6.6 ***Integration (across service areas)***

6.6.1 A range of service areas across the Council will need to be engaged with the SocialRes project including Legal, Finance and Technical Services, Procurement, Communications, in addition to the wider Regeneration Services Department.

6.6.2 Discussions have taken place with Resources and in principle they are supportive of the project. This however is subject to the necessary due diligence taking place prior to a bond offer being agreed.

7. **Monitoring Arrangements**

7.1. The project will be externally reviewed by Trinity College Dublin in accordance with EU grant conditions. Abundance Investment are regulated by the Financial Services Authority in accordance with UK Government.

Background Documents / Electronic Links

- *Appendix 1*

Appendix One

The table below shows a representative example of bond repayment based upon £1 million over a period of 5 years.

Period end date (for interest calculation)	Interest Payment Date	Days in Period	Balance Brought Forward	Interest Due	Principal Repayment Due	Total Debt Service Due	Balance Carried forward
15 October 2020	31 October 2020		£0.00	*	£0.00	*	£1,000,000.00
15 April 2021	15 April 2021	182	£1,000,000.00	£5,983.56	£97,329.61	£103,313.17	£902,670.39
15 October 2021	15 October 2021	182	£902,670.39	£5,430.86	£97,913.59	£103,344.45	£804,756.80
15 April 2022	15 April 2022	182	£804,756.80	£4,815.31	£98,501.07	£103,316.38	£706,255.73
15 October 2022	15 October 2022	182	£706,255.73	£4,249.14	£99,092.08	£103,341.22	£607,163.66
15 April 2023	15 April 2023	182	£607,163.66	£3,633.00	£99,686.63	£103,319.63	£507,477.03
15 October 2023	15 October 2023	182	£507,477.03	£3,053.20	£100,284.75	£103,337.95	£407,192.28
15 April 2024	15 April 2024	182	£407,192.28	£2,449.85	£100,886.46	£103,336.30	£306,305.83
15 October 2024	15 October 2024	182	£306,305.83	£1,842.87	£101,491.77	£103,334.64	£204,814.05
15 April 2025	15 April 2025	182	£204,814.05	£1,225.52	£102,100.73	£103,326.24	£102,713.33
15 October 2025	15 October 2025	182	£102,713.33	£617.97	£102,713.33	£103,331.30	£0.00
					£1,000,000		

Through the due diligence we would determine the value that would be most appropriate for Blaenau Gwent's bond offer

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Agenda Item 8

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: **Wednesday 30th June 2021**
Report Subject: **Development of Business Energy Model to enable Business Parks to achieve Net Zero Outcomes**
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)
X	X	20.06.21			30.06.21	21.07.21		

1. Purpose of the Report

1.1. To provide Regeneration Scrutiny Committee with:

- Details of the background to the Project;
- Progress made as a demonstrator of the Welsh Government Smart Living Programme;
- An overview of the newly established Whole System Business Research Innovation for Decarbonisation (WBRID) Project; and
- An overview of the Blaenau Gwent WBRID Competition.

2. Scope and Background

Smart Living, Welsh Government

- 2.1. The Welsh Government (WG) Smart Living Programme commenced in 2015. Blaenau Gwent was one of the first wave of demonstrator projects across the Smart Living Demonstration Programme. The Blaenau Gwent Energy Prospectus approved by Executive Committee in 2020 identifies the Blaenau Gwent Energy Catalyst Model as a key project opportunity within the Borough.
- 2.2. The Blaenau Gwent Energy Catalyst Project seeks to consider how we can generate local energy, distribute it locally and how we can use it to benefit Blaenau Gwent businesses and residents.
- 2.3. The Project has gone through a number of Phases to reach the current stage of development. During Phase 1, BRE Wales highlighted some of the problems faced by Blaenau Gwent around energy. Fuel poverty is high in Blaenau Gwent which is illustrated by demographic trend across the Borough. The majority of residents rely upon prepayment meters which have the highest tariffs. For residents who have standard meters, they are typically on expensive 'standard' tariffs with many not having investigated switching to lower rate tariffs.

2.4. The breadth of the local energy system in Blaenau Gwent is very wide, so we sought to break down the energy system into groups or categories. We identified four initial categories of buildings across Blaenau Gwent that would be required to form part of a local energy services model. Figure 1 shows details of the four platforms identified.



Figure 1: Blaenau Gwent Energy Catalyst Model – Proposed Energy Platforms

- 2.5. Subsequent phases of the project have considered each of the energy platforms along with consideration of how this can all be brought back together as the Local Services Model.
- 2.6. Across Blaenau Gwent, the Industrial and Commercial sector was found to use the highest proportion of supplied electricity. As a result, the Industrial and Commercial sector platform was selected as the first of the energy platforms to be considered in greater detail.
- 2.7. Another reason for focusing on this platform is the change to Landlord regulations for non-domestic properties. Since April 2018, landlords of non-domestic private rented sector (PRS) properties are not been permitted to grant, extend or renew an existing tenancy if their property has an EPC rating of F or G. Landlords have to ensure their properties achieve a minimum energy efficiency standard Energy Performance Certificate (EPC) Band B by 2030.
- 2.8. Blaenau Gwent is home to 25 Business Sites (**Appendix One**) which includes Business Parks, Town Centres and Out of Town Retail. Our primary focus shall be on what are likely to be larger energy users in Business Parks. The parks across Blaenau Gwent were all developed at different points and as a result vary greatly in age. For example, the oldest of the Council owned business parks are over 60 years old and in some cases this will cause challenges over technologies that can be deployed to support building energy requirements.
- 2.9. This was split into two areas of work, the first being business consumer research and the second platform development:
- Consumer Research focused upon making contact and establishing relationships with various sectoral representative companies across Blaenau Gwent that would help us understand the current energy picture across businesses in Blaenau Gwent.
 - Business Platform Development initially started with building up a picture of the Industrial and Commercial assets across Blaenau Gwent and in later stages looked at the modelling of potential technology solutions.

Business Consumer Research

- 2.10. Miller Research were engaged by WG to undertake the Business Consumer Research Study. The objectives of the study were to develop business knowledge and understanding of opportunities, benefits and risks for businesses within Blaenau Gwent in the area of energy. In addition, we sought to understand the assets of the businesses or landlords to inform development of the business energy platform to align with the Council Smart Living objectives.
- 2.11. The engagement was carried out using 1 to 1 interviews, phone interviews and online surveys. Stakeholder interviews and the online survey noted energy as not the primary concern for businesses, however, it was seen as a top five priority within the next five years, by 53 per cent of businesses surveyed. Interestingly, cost of utilities was seen as the biggest risk for businesses through the online survey and 86 per cent of respondents noted the cost of energy as the highest perceived risk related to energy.

Business Platform Development

- 2.12. Recognising that we have many business parks across Blaenau Gwent, some with similar characteristics and others with different characteristics we recognised that it would not be possible to adopt a 'one-size fits all' approach. Taking this into account we set about developing a virtual 'typical business park' that could be used to test and model the impact of different energy efficiency / generation technologies. AECOM Limited were commissioned by WG to undertake this element of Phase 2.
- 2.13. The purpose of creating the 'Typical Business Park' was to inform decision making about key items such as scalability of solutions and technologies. It also provides a good indication as to what the market opportunities are in relation to technologies in the business sector and the supply model most suited to delivery.
- 2.14. As part of Phase 2A a range of renewable energy technologies and services were considered and whilst some were discounted due to technical compatibility, relevance in their application and economic viability were able to identify a number of opportunities to be explored further. These were:
- Brokerage service operated by the Local Authority which provides:
 - Solar PV (ground and roof mounted)
 - LED replacement lighting
 - Energy procurement
- 2.15. Further engagement work with stakeholders in Phase 2B enabled more robust and finer grain data to be gathered to underpin proposed options as part of Phase 2B. Engagement along with desk-top and drive-around surveys enabled identification of the levels of energy demand and suitability of PV and lighting installations. From this, four business parks were identified to showcase the opportunities identified. The four parks were selected because they held common characteristics with a number of other business parks that would enable us to simulate potential opportunities across sites in Blaenau Gwent.

Whole System Business Research Innovation for Decarbonisation (WBRID)

- 2.16. In late 2020, the Welsh Government made funding available for four Local Authorities to issue challenges to businesses with innovative products, processes and services to help communities and the public sector adapt to the challenge of net zero developments and integration of multi energy vector and sectors on a whole system basis.
- 2.17. The Whole System Business Research Innovation for Decarbonisation (WBRID) scheme, is a pilot using the tested principles of Small Business Research Initiative schemes, and is offering four challenges up to £100,000 for each challenge for phase one and up to a further £500,000 for each challenge for phase two, subject to budget provision.
- 2.18. Individual challenges will support work with up to four suppliers in phase one up to £25,000 per project. Those suppliers successful in phase one will be able to apply and if successful, progress to phase two in 2021-22.
- 2.19. The four Local Authorities invited to be challenge owners are Blaenau Gwent County Borough Council, Bridgend County Borough Council, Rhondda Cynon Taf County Borough Council and North Wales Economic Ambition Board. Each of the challenges are different but all have to consider potential for replication and scalability.

Overview of the Blaenau Gwent WBRID Competition

- 2.20. The invitation for BGCBC to become a challenge owner in the WBRID pilot has enabled the Business Platform Development to move into its third phase. Our competition shall seek to identify innovative solutions which will support energy supply, demand and storage for commercial end users (and in the future domestic end users) across Blaenau Gwent and to work towards creating zero energy parks as a USP for Blaenau Gwent.
- 2.21. We will work with suppliers to consider to create a local energy system that would meet industrial and commercial energy requirements and work alongside domestic energy user requirements to help alleviate fuel poverty.
- 2.22. Suppliers were selected using the pre-commercial procurement process. A contract notice was released in December and the deadline for supplier applications was 27th January 2021.
- 2.23. In total 11 submissions were received from suppliers wishing to work with Blaenau Gwent in Stage 1. These have been evaluated and four companies selected to proceed to Stage 1. Between February and April 2021 they worked with the Council and WG on the development of solutions that will support delivery of our challenge.
- 2.24. Results of Stage 1 are currently being considered in conjunction with WG, Smart Living Team with a view towards securing funding for Phase Two and selecting the preferred suppliers.

3. Options for Recommendation

- 3.1. This report provides an update on progress therefore there are no options for recommendation. Regeneration Scrutiny Committee asked to note progress of the Project.

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

- 4.1. Generation of renewable energy in Wales is supported and encouraged through legislation as follows:

Welsh Government Energy Policy Statement 'A Low Carbon Revolution' (2010) - Notes the potential involvement of WG in encouraging renewable energy industries in order to both reduce greenhouse gas emissions and promote sustainable economic growth.

Well-Being of Future Generations (Wales) Act 2015

- 4.2. Welsh Government 'Well-being of Future Generations (Wales) Act' 2015 – Large scale renewable energy is directly aligned with:

'A prosperous Wales' goal, striving towards creating an innovative, productive and low carbon society, which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

- 4.3. There is also a direct link to the well-being goal for 'A globally responsible Wales' in tackling climate change. The Act encourages long term generational thinking by public bodies to improve the economic, social, environmental and cultural well-being of Wales.

Blaenau Gwent County Borough Council Corporate Plan Refresh 2020-2022

- 4.4. This topic supports the achievement of the Council's Corporate Plan Refresh 2020-2022 in the following areas:

- To create strong and environmentally smart communities we are taking a strategic approach to the management of our land in different ways;
- To be a carbon neutral Council by 2030;
- To develop a portfolio of potential energy opportunities to deliver economic, business and community benefits; and
- To develop a more commercial organisation to generate income and deliver cost reductions to make local services sustainable and raise money to re-invest in our priorities.

Blaenau Gwent Local Development Plan

- 4.5. In Blaenau Gwent generation of renewable energy development is supported within the LDP under LDP Strategic Policy 7 – Climate Change, which seeks to address the cause of climate change through ‘encouraging more of the County Borough’s electricity and heat requirements to be generated by renewable and low/zero carbon technologies’.
- 4.6. Development Management Policy 4 – Low and Zero Carbon Energy, also encourages major development proposals to incorporate schemes which generate energy from renewable sources.

Blaenau Gwent Energy Prospectus 2019

- 4.7. The project is one of a number identified within the Energy Prospectus endorsed by the Council’s Regeneration Scrutiny and Executive Committees.

Blaenau Gwent Decarbonisation Plan, 2020-2030

- 4.8. This project will also work towards addressing some of the key challenges identified within the Council’s decarbonisation plan 2020-2030. For the Council to become carbon neutral by 2030 we will have to exploit local opportunities for renewable generation and using energy differently.

5. Implications Against Each Option

Cost

- 5.1. There have been no direct financial implications as a result of our involvement in the Smart Living Demonstration Programme. All work completed to date has been fully funded and commissioned via the Smart Living Team at Welsh Government.
- 5.2. There are no direct financial implications for Stage 1 or the potential Stage 2 of WBRID as Welsh Government have committed research and development funding as noted above to fund the whole of the project prior to commercial purchase of any model developed during the research and development phase of the project.
- 5.3. Funding of £100,000 has been awarded to the Council from Welsh Government for the purposes of running the WBRID Challenge. If we successfully complete Phase 1 and receive approval to proceed to Phase 2 funding of up to £500,000 would be made available by Welsh Government.

Risk including Mitigating Actions

- 5.4. Throughout the Project a risk register will be maintained, with any high risks being reported within Regeneration Services Business Plan. A table containing initial risks for the project is included below.

Theme	Description	Likelihood (1 to 3)	Impact (1 to 5)	Status	Mitigation
Engagement	Blaenau Gwent businesses do not take advantage of bulk material, energy purchase	2	2	Medium	Miller research tested different methods of engagement to increase stakeholders part of phase 2 studies face to face engagement identified as a successful form of engagement increased communications with businesses to keep them updated on the project and progress Standalone energy event to bring businesses together - possibly create a network of businesses
Technology	Solutions do not provide as much improvement in energy performance as anticipated	2	3	Medium	AECOM collected further data around energy usage and performance in Phase 2B Further energy information to be collected to validate and model against original assumptions Pilot project carried out to test performance and consider how modelling / forecasting should be adapted
Procurement	Lack of interest from companies wishing to participate in this research project	2	1	Low	Promote using same methods as SBRI (Innovate UK) Work with KTN to promote the project Communications campaign developed to promote the project with potential suppliers

Legal

- 5.5. Across the industrial and commercial portfolio, we see mixed ownership (public, private, owner occupier) which adds complexity to project delivery. In some cases, where tenancies are in place there will be different forms of tenancy agreement which adds further layers of complexity around carrying out works.

Personnel

- 5.6. The challenge will be project managed within Regeneration Services and will involve working with a number of teams including Economic Development, Estates, Legal and Community Services.

6. Supporting Evidence

Performance Information and Data

- 6.1. Once the project is established a performance framework will be developed and reported accordingly.

Expected outcome for the public

- 6.2. Some of the many benefits of low cost, low carbon financial, technical and digital investment for the public will include benefit from economic development for the region. Businesses that invest in and deliver low carbon infrastructure would further sustain businesses through local energy supply and offer the potential to own and manage local energy generation assets as part of a partnership arrangement with the Council.
- 6.3. Local businesses would also have the opportunity to shape and support the development of any commercial offering and to support the facilitation role of the Council in attracting further inward investment into the region. The project can also enhance the reputation of Blaenau Gwent and move towards low carbon sustainable business parks as a unique selling point.
- 6.4. There is also an opportunity in the future for the Council to generate lower cost, locally sourced renewable energy for the benefit of residents to tackle fuel poverty, improve local energy generation and resale of surplus energy generation on Blaenau Gwent business parks to the local community.

Involvement (consultation, engagement, participation)

- 6.5. Blaenau Gwent Council will continue to work with local business parks and carry out further engagement with building owners and tenants. The project will seek to bring together a range of partners to work collaboratively to assist Blaenau Gwent to meet its aspirations of Net Zero Business Parks.

Thinking for the Long term (forward planning)

- 6.6. The project will assist the Council with balancing its short term needs to identify areas for potential financial efficiency (reduced energy costs, digital efficiencies) both for its own business and property rental portfolio, alongside its long term support for businesses and community needs for a sustainable, low carbon future through local the development of energy generation.
- 6.7. Should this test also prove that the solution is replicable we would then look to consider scalability and replicability with some of our neighbouring Local Authority Partners. Blaenau Gwent has successfully led on joint Local Authority projects and we could consider a similar approach towards deployment of the challenge solution.

Collaboration / partnership working

- 6.8. Business developments across Blaenau Gwent are in mixed ownership (Public, Private and Owner/Occupier) and this will require us to collaboratively with each of the ownership groups if we are to fully achieve the aspiration of Net Zero Business Parks.

Integration(across service areas)

- 6.9. As outlined above work for this project will need to take place across multiple service areas. Service areas including Economic Development, Estates, Legal and Community Services will be included in discussions and invited to provide feedback on potential solutions.

7. Monitoring Arrangements

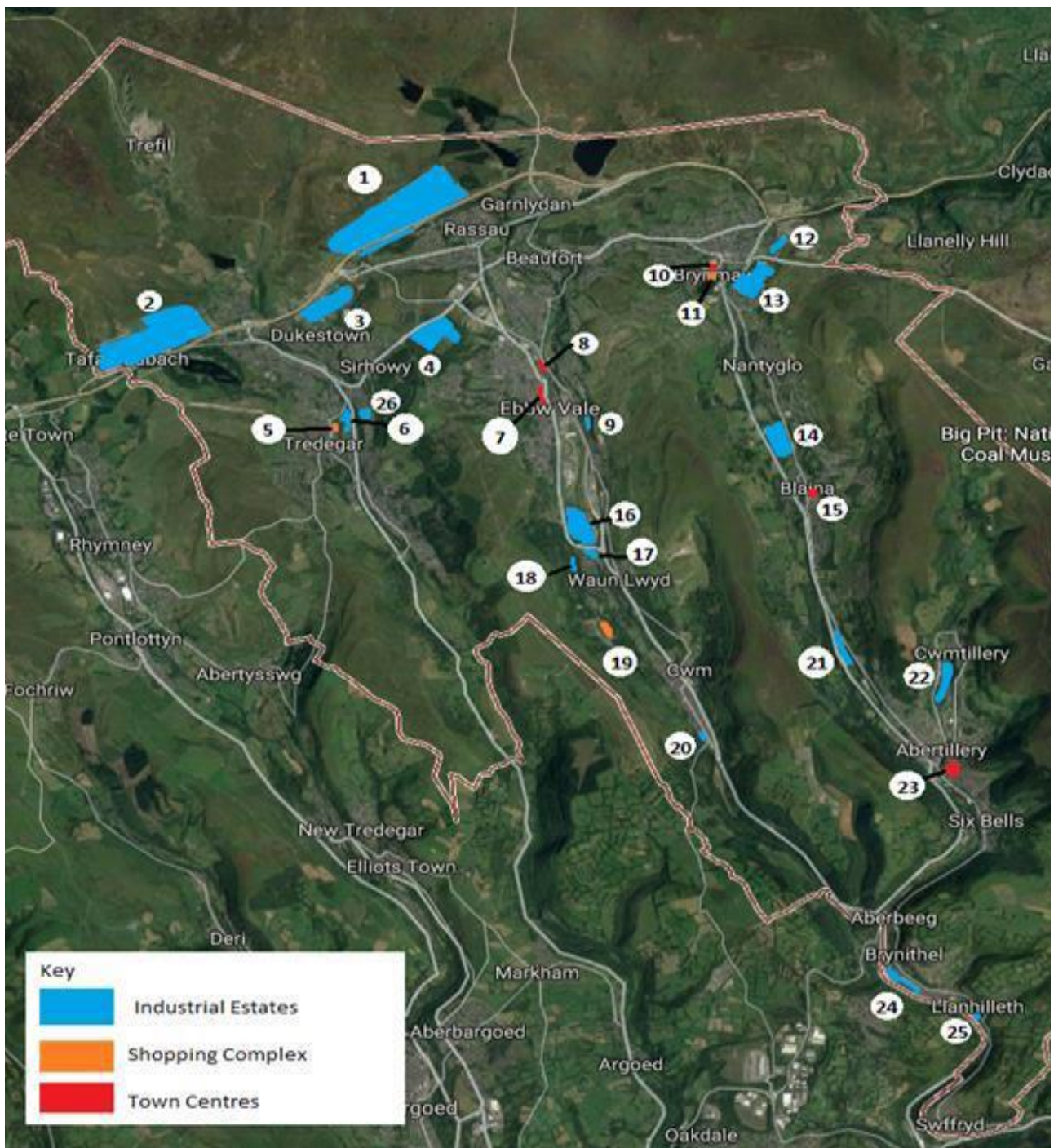
- 7.1. As a result of receiving grant funding from Welsh Government to carry out the challenge we are required to report back on progress and seek approval for future stages of funding. A Stage One completion report is required at the end of Stage One.
- 7.2. Weekly meetings are held with the Lead Officer from Smart Living at Welsh Government and the other four challenge owners. These meetings are used to provide updates on progress, discuss risks and/or issues and discuss common themes that support Welsh Government in evaluating the success of the WBRID programme.

Background Documents /Electronic Links

Appendix One – Business and Industrial Estates Across Blaenau Gwent

Executive Committee Report, Energy Prospectus, 18th December 2019
Executive Committee Report, Energy Prospectus Annual Review, 13th January 2021

Appendix One – Business and Industrial Estates across Blaenau Gwent



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: **30th June 2021**

Report Subject: **Covid-19 Recovery - Economy**

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)
13.06.21	15.06.21	20.06.21			30.06.21	21.07.21		

1. Purpose of the Report

- 1.1 The purpose of this report is to provide Members with a summary of work undertaken and proposals to support economic 'recovery' within Blaenau Gwent.

2. Scope and Background

Background

- 2.1 Covid-19 has had an unprecedented impact on the global economy. Its effects will be felt for a number of years as the UK, Wales and Blaenau Gwent takes tentative steps towards 'recovery' from the global pandemic.
- 2.2 Studies have shown that the pandemic has had an uneven impact across the UK with some communities and sectors being disproportionately affected. The UK and Welsh Governments through 'furlough' and other schemes have attempted to reduce the impact of the pandemic, providing much needed support which has enabled some businesses to survive.
- 2.3 Despite this support, many communities and businesses face a challenging future, requiring fundamental shifts in where and the way in which they work. The successful roll-out of the vaccination programme provides hope for a return to some level of normality, however there is an emerging consensus that we may need to live with and adapt to Covid-19, its variants and future pandemics.

The Challenge

- 2.4 The challenge for government, both national and local, and for communities and businesses is to understand and adapt to new ways of working, embrace and integrate some of the changes which have been enforced during the pandemic. A key part of this is to understand the impact that Covid-19 has had on local businesses and to work with businesses to collaboratively

identify support measures to create a more resilient and sustainable economy within Blaenau Gwent.

2.5 Fundamentally, this may need to start with agreeing on what we mean by 'recovery' – does it mean a return to a pre-Covid-19 economy or something different? We will also need to be driven by data and evidence which could be obtained from various sources, most importantly from businesses and our communities. Business feedback and engagement will be key to any attempts at 'recovery'.

2.6 We will also need to agree on key areas to focus on – these could be 'Town Centres' and 'Business Parks' within the county borough and supporting businesses within these areas to address a number of challenges:

- Digital maturity will be more important for business delivery across all sectors, and digital skills will become key.
- Plans for manufacturing moves to robotics, AI will be brought forward.
- On-shoring means more local supply chains will be sought from UK and EU by bigger businesses
- More resilient businesses may mean more storage required for finished products and raw materials
- Town centres will need a total rethink, as almost everything retail moves to on-line capability and hospitality venues will be the last to reopen with fewer staff
- As homeworking grows more quickly businesses change their working model and COVID proof spaces are the new office space

2.7 Alongside this, some of the responses to the challenges include actions across a range of partners and sectors including:

- Manufacturing tech advice, investment and skills
- Digital skills program across all sectors
- Supply chain support, sites and premises (on-shoring facilitation)
- Specific support for growth companies and R&D in BG
- Identify initiatives for 18-24 post-ed work related training (e.g. FJF)
- Build the Foundational Economy
- Widen accessibility through innovative/sustainable transport solutions
- Enable more start-ups especially town centre and on-line
- Progress with Test Facility as future facing anchor investment to BG
- Influence other economic recovery work in Wales and UK

2.8 There may be other actions that communities and businesses may see as more or equally as important – we want to understand what these are and how we can support businesses and communities.

The Next Steps

2.9 Members will recall a previous report to Council detailing proposals as part of the Blaenau Gwent Recovery Plan outlining the Council's approach. Tying in to the Recovery Plan, an Impact Assessment is currently being undertaken to establish a baseline and metrics, working closely with partners utilising

existing networks. The networks have already provided input into the actions identified in 2.7 which forms the basis of the emerging Impact Assessment and will continue to provide valuable data and insights to help shape and inform support programmes, metrics to be used, as well as providing sounding boards to test proposals and delivery agents.

2.10 We propose to continue engagement with these networks over the next few weeks to finalise the Impact Assessment which will feed into the Recovery Plan. However, a key challenge is that some businesses and the Council are in many ways still in a 'response' mode. Although many lessons have been learned, the opening up of the economy has only recently started and so it may take some time to fully reflect on and understand in detail the real impact of the pandemic and the steps needed.

2.11 The Council has already started this process and has been working with UK and Welsh Government to support businesses in a number of ways, for example the Regeneration department has worked closely with colleagues in Finance on administering Covid-19 relief funding on providing direct support as detailed below:

Grant scheme	No of Grants Awarded	Total Value of Grants
Self-Employment Bursary	30	£75,000.00
Freelancer & Cultural	74	£185,000.00
Freelancer & Cultural 'Top Up'	56	£140,000.00
Lockdown Discretionary	213	£420,500.00
Restrictions Discretionary (Round 1)	226	£452,000.00
Restrictions Discretionary (Round 2)	222	£444,000.00
	821	£1,716,500.00

2.12 This complemented by over £500,000 of funding via WG through its Valleys Taskforce and TRI programmes supporting Town Centre businesses to undertake improvements to Covid-proof their premises. In combination with other support programmes managed and administered with the Council's Finance team, local businesses have been provided with around £30m of Covid-19 support.

2.13 We are also in the process of submitting an application to the UK Government for the Community Renewal fund and will potentially be submitting an application for the Levelling Up fund. Collaboratively developing the Recovery

Plan will support these and other applications to UK and Welsh Government to facilitate economic recovery in Blaenau Gwent.

3. **Options for Recommendation**

3.1 Option 1 – Endorse the report and recommend any additional avenues of engagement and/or actions.

3.2 Option 2 – To not endorse the report.

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

4.1 The report supports 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**

Impact on Budget

5.1 Should Option 1 be taken forward there should be no direct impact on Council budgets at this time in terms of work to be undertaken.

5.2 However, with the pandemic continuing, and its longer term impacts as yet not fully understood, there is likely to be an impact on the Council's budgets in terms of loss of income from service charges and rents as businesses and residents struggle with payments. For 2020/2021, the Economy Portfolio received funding from the Emergency Hardship fund totalling £164,000 for loss of income.

5.3 Whilst not fully quantifiable at this time, it needs to be acknowledged as a potential ongoing impact on the Council's budgets, however, the recovery work should assist in reducing wherever possible the impacts by working with and supporting businesses and the community.

5.4 ***Risk***

Option 1 – The risks associated with Option 1 are that the Council may raise expectations on the extent of recovery that it can influence and may face challenges in effectively engaging with businesses and communities, many of whom are still actively engaged in responding to the pandemic.

Option 2 – The risk with option 2 is reputational in that the Council may be seen to not attempting to work with businesses and communities and provide a framework for ‘recovery’.

5.5 **Legal**

There are no legal implications anticipated at this stage and it is proposed that the engagement with businesses is undertaken on an informal basis.

5.6 **Human Resources**

Staff within the Regeneration and other departments will work collaboratively on data collection, analysis and engagement with businesses and communities.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

The Recovery Plan and proposals will be evidence-led and data-driven.

6.2 **Expected outcome for the public**

The Recovery Plan will provide a framework and reference point for the public to see the collaborative work undertaken with businesses and communities.

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

Consultation, engagement and participation will form the central pillar of the Recovery Plan.

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

The Recovery Plan will provide a long-term framework to support business and communities

6.5 **Preventative focus**

The Recovery Plan will hopefully establish measures and interventions to prevent similar pandemics having such an impact on the economy

6.6 **Collaboration / partnership working**

Collaboration and Partnership working will be a central pillar of the Recovery Plan.

6.7 **Integration (across service areas)**

The nature of the work required to co-produce the Recovery Plan will involve input and expertise from across the Council.

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.

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