

Committee: **Regeneration Scrutiny Committee**

Date of meeting: **4th November 2019**

Report Subject: **Bridging the Gap – Growth Plan**

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

Report Submitted by: **Richard Crook, Corporate Director Regeneration and Community Services**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
08.10.19	08.10.19	16.11.19			19.11.19		12.12.19	

1. Purpose of the Report

1.1 To set out the purpose, aims and objectives of the Growth Plan and to seek Member's views on the proposals set out in the plan.

2. Scope and Background

2.1 The Growth Plan has the clear intention to support more people working, earning more money living in Blaenau Gwent and pulls together actions contained in the Councils Housing Prospectus, Skills and Employment Plan (Draft) and Enterprise Framework along with the review of the Industrial portfolio.

2.2 In addition the Plan looks to take forward the opportunities around the growing interest that the private sector is showing in housing delivery in the County Borough, the growing interest in the Heads of the Valleys corridor following the dualling programme, the proposed increase in frequency of the Ebbw Valley rail line and the initiatives such as Tech Valleys.

2.3 The aims of the Growth Plan are to:

- To stabilise and increase the population base of BG
- To increase the spend in the local economy
- To increase the Councils Council Tax base/recovery of Council Tax
- To generate funds/income for future investment
- To redefine the local economy for the future

2.4 The Objectives of the Growth Plan are to:

- To bring back into use 5-10% of vacant properties per annum (circa 40)
- To support the delivery of circa 400 new houses by 2023
- To increase the economic competitiveness of Blaenau Gwent in the 2022 UKCI

- To secure a multiplier effect from increased population in Blaenau Gwent spending locally
- To bring forward an energy prospectus to enable investments in wind and water turbines.
- To have commenced an investment portfolio for BG

- 2.5 The role of housing in regeneration has long been recognised in terms of the construction jobs and supply chain benefits that the investments offer. New house building and the filling of vacant property also increases the number of people living in Blaenau Gwent (increasing the Council Tax Base) and the additional spend into the local economy.
- 2.6 The Growth Plan has reviewed the housing sites that are coming forward over the next 4 years in terms of sites with planning permission and/or those with active developer interest and has identified that there are likely to be 400 houses delivered by 2023. The supply of this level of house building is higher than has been achieved over the last five years and will require a focused effort to ensure delivery. The Housing prospectus contains further details of the main sites being taken forward to the market and has stimulated further interest from the market since the formal launch earlier in 2019.
- 2.7 There are currently approximately 1000 vacant homes in the County Borough which is high relative to our overall housing stock and is an asset which is underutilised in the area. The Council has been running a successful loans scheme to assist the bringing back into use of homes. The loan fund of £800k, is operated on a repayable basis and this has already brought back into use some 52 accommodation units over the last 3 years. The Council are also becoming involved in a Valleys Task Force initiative which will look to provide grants to home owners to bring property back into their use which would be aiming to bring forward £1m per annum. However whilst the Council offers these incentives there is the opportunity for the Council to provide further encouragement by removing the discount offered on the Council Tax to owners of vacant properties. This would have the benefit of increasing the Council Tax base through a policy change whilst encouraging the reuse of homes. This is subject of a separate report on this agenda.
- 2.8 The Plan also identifies the opportunities and benefits that may be available in terms of investing in renewable energy and that these could provide medium term income for the Council whilst also contributing to the carbon reduction agenda in Blaenau Gwent and more broadly across Wales and the UK. The current opportunities lie in wind and hydro, this follows an assessment across the County Borough of Council owned land, and will be the subject of a separate report about the Energy Prospectus and links to the Councils Investment strategy which is currently being developed.
- 2.9 Integral to the ability to deliver growth is the need to ensure there is employment available and that the residents have the necessary skills for current and future job requirements. There is a clear link between skills and income which will drive further spend in the local economy supporting other services and activities such as town centres. The additional income in the local

economy will also assist in the Councils wider preventative agenda. The actions to support the skills need, and to ensure residents possess the required skills for future employment are contained in the Draft Skills and Employability plan.

2.10 The Growth Plan will look to bring forward further industrial development where demand exists across the 60 acres of Council owned Industrial land whilst supporting private investment in new floor space.

2.11 The overall outcomes from the Growth Plan over the plan period are:

- To generate up to £600,000 of additional Council Tax over the next five years

Year	2019/20	2020/21	2021/22	2022/23
Units per Year (additional)	100	100	200	50
Council Tax Income	-	£150,000	£150,000	£300,000
Realigned Council Tax Policy	£170,000	-	-	-

- To secure up to £2m Capital receipt (Part of this will be repaid to WG as Derelict Land Grant DLG) for Council owned housing land
- To generate an additional £170,000 Council Tax from a realigned Council Tax policy in relation to vacant properties and the additional support for property owners
- A stabilized or growing population supporting the RSG
- More people earning more money will deliver a sustainable economy for the future and support foundational economy businesses
- Longer term Income stream from Energy and a reduced carbon footprint
- Longer term Income stream from external investment portfolio

3. Options for Recommendation

3.1 **Option 1: preferred option** That Members support the Growth Plan as presented and recommend to Council for approval.

3.2 **Option 2:** That Members provide specific comments on the Growth Plan before recommendation to Council for approval.

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

This review supports the Council's aims in the Council's Corporate Plan 2018-2022 in the following area:

Economic Development and Regeneration

- To work with partners to provide effective employment support and access to skills development
- To increase the start-up business rate, retention and growth of local businesses and attract new inward investment

5. Implications Against Each Option

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

The proposed changes to the Council tax policy around vacant property discount will generate an additional income for the Council of £170,000 over the period. The increase in house building will generate an additional £600,000 over the plan period, and provide a sustainable income stream for the Medium Term Financial Plan. The additional Income streams from the Industrial property review and the Energy opportunities will present greater benefits in the medium term and will be included in future reports on the specific subjects.

5.2 ***Risk including Mitigating Actions***

The provisional financial assumptions assume that 100% of the Council Tax yield is collected and no other discounts and reductions are applied. It is also based on the current Council Tax base any change to this will impact upon the outcome. If Members do not accept the change in policy around empty properties.

5.3 The plan is reliant on the house building market and the wider UK economy continuing to perform as predicted. Any economic shocks could affect the viability of housing and employment sites. Any economic shocks or change could impact on the existing employment base reducing the spending power in the local economy.

5.4 There is a potential that as more families move into the area there will be an increased demand on Council Services for example education and waste.

5.5 ***Legal***

No legal issues associated with this review process.

5.6 ***Human Resources***

The increased focus around reducing the rates of vacant property has implications around the need for staff to focus on the subject. The Council have seconded an Officer to the role for an initial period, internally funded, to determine if there is a longer term business case around for the post.

6. Supporting Evidence

Performance Information and Data

6.1 The levels of house building and the population levels are contained in the current LDP, the Annual Monitoring Report and in the emerging replacement LDP.

- 6.2 The UK Competitiveness Index is a benchmarking of the competitiveness of the UK's localities put together every three years by Cardiff University. The least competitive locality in Britain is Blaenau Gwent. To improve our outcomes in the index start-up and growth of indigenous business is crucial, and supporting these businesses with property, skills, finance and sales is key to their sustainable development.
- 6.2 ***Expected outcome for the public***
Better industrial facilities in BG plus a better environment and a growth of businesses.
- 6.3 ***Involvement (consultation, engagement, participation)***
The respective Policy and Strategy documents that underpin the Growth Plan are subject to their respective consultation exercises.
- 6.4 ***Thinking for the Long term (forward planning)***
The Growth Plan is considering the long term development of the County Borough in line with the LDP
- 6.5 ***Preventative focus***
The Growth Plan is seeking to secure longer term population growth and increased income into the County Borough which will reduce the pressure and demand for Council services.
- 6.6 ***Collaboration / partnership working***
Strong collaboration with the private sector and RSL's will be required to deliver the plan.
- 6.7 ***Integration(across service areas)***
The project team is made up of staff from Regeneration and Development, Community Services, Finance, and Policy Services areas.
- 6.8 ***EqlA(screening and identifying if full impact assessment is needed)***
Needs to be undertaken.
7. **Monitoring Arrangements**
7.1 The reviews are being monitored through CLT, Scrutiny and Executive.

Background Documents /Electronic Links