



***SOUTH WEST WALES CORPORATE JOINT  
COMMITTEE - ENERGY SUB-COMMITTEE***

***2.00 PM MONDAY, 13 MAY 2024***

***VIA MICROSOFT TEAMS***

**All mobile telephones to be switched to silent for the duration of the meeting**

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1. Chairs Announcements
2. Declarations of Interests
3. Minutes of Previous Meeting (*Pages 3 - 10*)
4. Costed De-carbonisation Delivery Plans and the Funding Challenge for Net Zero 2030 (*Pages 11 - 16*)
5. Urgent Items  
Any urgent items at the discretion of the Chairperson pursuant to Section 100BA(6)(b) of the Local Government Act 1972 (as amended).

**W.Bramble**  
**Chief Executive**

**Civic Centre  
Port Talbot**

**Tuesday, 7 May 2024**

**Committee Membership:**

**Chairperson: Councillor P.Miller**

**Councillors: A.Owen, A.Lewis, J.Hurley and R.Sinnett**

**National Park**

**Representatives: S.Alderman and L.Bickerton**

## South West Wales Corporate Joint Committee - Energy Sub-Committee

(Via Microsoft Teams)

**Members Present:**

**27 February 2024**

**Chairperson:** Councillor P.Miller

**Councillors:** A.Owen, A.Lewis, J.Hurley and R.Sinnott

**National Park  
Representatives:** S.Alderman and L.Bickerton

**Officers In  
Attendance:** N.Pearce, S.Brennan, G.Bacon, A.Moss,  
R.Moxey, K.Davies, S.Aldred-Jones, G.Jones,  
K.Tillman, D.West and C.Plouman

**External Advisors:** V.Camp, J.Lewis and J.Baker-Edwards

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### 1. **Chairs Announcements**

The Chairperson welcomed everyone to the meeting.

### 2. **Declarations of Interests**

The following declaration of interest was received:

Liz Bickerton

General declaration - As she is a freelance consultant, who undertakes a number of evaluations for third sector organisations, some involving energy efficiency. Energy efficiency is one of the priorities of the Energy Sub Committee.

### 3. **Minutes of Previous Meeting**

The minutes of the meeting held on 6 November 2023, were approved as an accurate record.

4. **Forward Work Programme**

The Energy Sub Committee Forward Work Programme was noted.

5. **Delivery of Local Area Energy Planning in South-West Wales**

The Committee were advised on the progress of delivery of the Local Area Energy Plans (LAEPs) within the Region.

It was explained that the LAEPs formed part of Welsh Government's commitment to achieve a Net Zero Wales by 2050. Members were informed that Welsh Government had funded the development of the LAEPs in each of the 22 counties across Wales. It was mentioned that several Local Authorities, including Pembrokeshire, were part of a pilot project; and therefore, already had their LAEPs delivered. It was confirmed that the LAEPs for the remaining 18 counties were currently being produced in conjunction with the service providers; City Science were delivering the LAEPs for Swansea, Neath Port Talbot, and Carmarthenshire. It was mentioned that City Science were endeavouring to ensure that the four LAEPs had a synergy between them, to reflect the regional emphasis.

Officers confirmed that Welsh Government had funded the appointment of three support staff to assist in this process; interviews were held in November 2023, and two out of three posts were filled. It was confirmed that these posts were the Energy Project Manager, and the Energy Project Officer; the third post was currently vacant, however the job was out for advert and Officers were hoping to fill this post in the near future.

Members were informed that the funding for the LAEPs was due to end in March 2024; the three remaining LAEPs for the region were on target to be produced by the end of February 2024. It was highlighted that the drafts were currently with each Local Authority for internal comment, and utilities for the technical modelling comments.

A presentation was provided by City Science. It was explained that Local Area Energy Planning was a detailed, comprehensive process designed to identify the most effective pathways to Net Zero for the local energy system.

It was stated that the Regional Directors Group, which reports to the Corporate Joint Committee, was the regional steering group for LAEP sign off; whilst plans were local, they had been developed using

regional collaboration and themes aligned with the four regional energy strategies.

Reference was made to the extensive stakeholder engagement programme that had been held during the development of the LAEPs; which was ensuring that they were aligned with the different thematic and regional themes, to ensure collaboration and a regional approach to development.

It was noted that whilst many of the scenarios and levers were local, a large number were regional (skills, transport, housing, infrastructure); therefore, Officers have ensured the LAEPs remained connected and transparent with regional governance structures.

Following the completion of the LAEPs, it was explained that there will be an exercise undertaken by the technical advisors to Welsh Government, to align and consolidate the findings; this will then inform the further development and strategic direction of regional actions, and lead to the creation of a Wales-wide National Energy Plan.

An update was provided in regards to the progress through the stages of the LAEP; action plans had now been developed for each of the LAEPs. It was explained that this will create a robust trajectory for all of the implementation steps that had been identified within the LAEP process, to create a Net Zero energy system in the future. Officers highlighted that they started with baseline modelling to understand the current energy system, before then developing different scenarios to test what the future might look like, and then setting out actions that can support reaching Net Zero by 2050.

It was highlighted that since completing the actions plans, the LAEP documents had been drafted; and as previously mentioned, they were currently being reviewed by each Council, Welsh Government, and the Energy Service. Once feedback had been provided, it was noted that City Science will make the relevant amendments and send off the final versions; stage eight will then commence, which consisted of corporate briefings and Cabinet sign off.

The presentation detailed information regarding the stakeholder engagement that had occurred during the process; all engagement for stages one through six had been completed. It was explained that the last piece of engagement for stage seven was to provide a presentation on the final report to wider group and stakeholders, and

then to this Energy Sub Committee. Reference was made to how the engagement activities influenced and fed into the final LAEPs.

City Science provided an overview of what the LAEP documents look like, and how they were structured. It was noted that each LAEP consists of two documents; the main LAEP report which was more accessible, easy to understand and engaging, as well as a technical annex covering all of the technical detail. It was mentioned that both documents followed the same structure; therefore it was easy for the reader to reference different sections in the technical annex as and when they feel that they want to get more information. It was stated that the documents firstly covered the local context and energy system, then shared the vision and future energy scenarios, before looking at interventions, and then finally the action plan.

Members asked if there were going to be any workshops or similar, that will provide a regional overview of the individual LAEPs in order to find the common themes and areas where the regions can collaborate. It was confirmed that after the LAEPs are published, there will be a session to get everyone together to look at the Plans on a regional basis; the action plans identify instances where some actions sit across the region. It was added that the new recruitments, as previously mentioned, will help align the LAEPs and the Energy Strategy to make sure that the themes were working in the right way.

Officers highlighted the importance of the regional and national approach, and the need to obtain a consistent view from Welsh Government in order drive this work forward.

Following the discussion, the report was noted.

## 6. **Regional Skills Partnership (Verbal Update)**

Officers provided a verbal update in regards to the work that the Regional Skills Partnership had been undertaking, in the South West Wales region, in order to identify skills needs and skills gaps.

It was explained that through the City Deal Skills and Talent Programme, Officers had been undertaking a piece of work around a skills barometer in order to identify current gaps in skills, and what future skills would be required, for both industry and Public Sectors; across the five key areas of digital, energy, construction, manufacturing and health. It was noted that the barometer was complete; however, it would continuously be updated as new opportunities emerged.

Members were informed that this work highlighted the current provision, and how the provision needed to be updated going forward; for example, some of the courses and opportunities delivered through colleges, universities and schools were outdated, and needed to be refreshed. It was stated that the work also looked at new skills coming through, as a result of the projects that had been supported through the City Deal, the FLOW Accelerator project, and the Celtic Freeport opportunities. It was noted that although it was important to educate young people in schools and colleges of these opportunities, it would also be vital to upskill the existing workforce to transition into these new jobs as they developed; some of these jobs would be long term, however the workforce needed to be ready in order to meet the upcoming challenges.

Reference was made to energy and construction, which were key areas for new skills; the Regional Skills Partnership were looking at how the workforce, within the construction sector, can be upskilled to meet the necessary demands.

Officers expressed the importance of ensuring that colleges were also delivering these new skills within the existing courses and apprenticeships on offer. It was mentioned that there were new vocational qualifications being developed, which will be introduced to schools in 2027; this will hopefully bring through opportunities for young people to look at construction, engineering, manufacturing within the school programme.

Through the Regional Skills Partnership work with the Skills and Talent Programme, it was noted that Officers had been able to support some of the pilot projects; utilising funding from the programme. The Committee were provided with examples of some of the pilot projects that had taken place in schools and colleges.

It was noted that the Regional Skills Partnership had nine specific cluster groups, eight Private Sector and one Public Sector, which looks at specific areas of concern and how these concerns could be solved.

A discussion took place in regards to specific courses available to increase knowledge, across the Public Sector, in regards to sustainability; these courses were free of charge and available to all Public Sector bodies.

Other key areas that were highlighted through the Public Sector group were ecology and planning; Officers were trying to identify how

awareness of these opportunities could be increased, and encourage people to think about studying in these areas.

The Committee was informed of the four county reports that will be published at the end of March 2024, which provided detail about specific skills requirements for each county.

Reference was made to TATA Steel, and the issues that the closure will bring; particularly regarding staff losing jobs both within TATA and the supply chain. Members were assured that the Regional Skills Partnership had been working hard to try and mitigate these concerns, and ensure that the staff and their skills would be kept within the region; a mapping exercise had been undertaken to assist with this.

Officers provided information regarding a user experience project within the digital sector, which was a course that had not yet been delivered anywhere in the UK; the course had been written and approved, and was now being delivered as a level two, three and four apprenticeship through Gower College. It was added that the degree apprenticeship through Trinity St David University had also just started.

Following the discussion, the report was noted.

## 7. **Investment Prospectus**

A report was provided to the Committee setting the scene on factors and governance structures influencing regional energy policy, and outlining known developments in regional energy; as well as the need to seek additional financial resource required for the next steps.

Officers had been working with Net Zero Industry Wales to develop an investment pack to support the energy work stream; along with specific activities and feasibility studies on prioritised projects. Further to this, Officers were seeking to bring in additional resource to enable South West Wales to surge forward in terms of the opportunities that present themselves. The Committee were informed that all other regions across Wales were looking at carrying out similar work to this.

It was explained that the project had been sectioned into three 'Sprints'; the first Sprint was detailed as an appendix to the circulated report. Officers highlighted that this stage would take all of the relevant regional information (Regional Energy Strategy, FLOW projects, Celtic Freeport project, Local Area Energy Plans), along with



information from the Private Sector, and identify the scale of the opportunity for South West Wales region.

Members were informed that the next part would identify and engage with a contact point within each Regional Structure; before then creating a list of regional projects contained within Regional Structures, and build an investment prospectus and narrative that describes the scale of opportunity. Officers hoped that by the end of the process, a useful and dynamic resource will be created.

The circulated report detailed the request of £120,500 be utilised from the Corporate Joint Committee reserves, in order to support this work.

A discussion took place in regards to the funding concerns. It was highlighted that the Energy Sub Committee had been allocated £20k, from the Corporate Joint Committee, to undertake the work; there was a need to try and secure additional funding to Welsh Government, as without funding Officers could not progress delivering the aspirations of this work stream.

The Committee recognised that the Corporate Joint Committee will have the issue with balancing competing funding priorities, as there were three other work streams within the Corporate Joint Committee.

It was mentioned that the Corporate Joint Committee were in the process of writing to the Minister in relation to the Regional Transport Plan and Strategic Development Plan funding constraints and felt that Energy could also be included within the correspondence.

It was supported that a letter be written to Welsh Government in regards to additional funding.

**RESOLVED:**

That the request for the draw down of £120,500 be passed to the Corporate Joint Committee for decision.

8. **Urgent Items**

There were no urgent items received.

**CHAIRPERSON**

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## SOUTH WEST WALES CORPORATE JOINT COMMITTEE

### Energy Sub-Committee

13<sup>th</sup> May 2024

### Report of the Chief Executive

**Report Title:** Costed Decarb plans and the funding challenge for Net Zero 2030

<b>Purpose of Report</b>	To provide information on the current position concerning a costed delivery plan for Net Zero and the wider funding challenges from the perspective of one local authority.
<b>Recommendation(s)</b>	It is recommended that members note the content of this report.
<b>Report Author</b>	Geoff Bacon Head of Property Services, Swansea Council
<b>Finance Officer</b>	Chris Moore
<b>Legal Officer</b>	Craig Griffiths

#### Introduction / Background:

1. At the last meeting of the South West Wales Corporate Joint Committee (SWWCJC) Energy Sub-Committee, the question of accuracy and consistency of costed plans was raised. This then led into a further query around availability of funding to enable delivery of costed plans.
2. The purpose of this report is to inform SWWCJC of the approach taken by Swansea Council and the start of the journey following direction from the Welsh Audit Office (WAO) that in order to meet its net zero ambition the Council needs to fully cost its action plan and ensure that it is aligned with its Medium-Term Financial Plan. This to culminated in a report to Swansea Council Cabinet December 2022.

This set out a very high-level summary of potential costs to achieve Net Zero for scopes 1 (Fleet, Grey Fleet, Street Lighting and Mobile Equipment) & 2 (Buildings & Energy) emissions:

## Scope 1& 2

Category	Current t CO2e (21-22)	Spend already allocated	Projected t CO2 based on spend already allocated	Investment option A	Projected t CO2e Based on Inv A – Future Funding Ops	Investment Option B	Projected t CO2e Based on Inv B – further funds required.	Balance of t CO2e	Cost
Buildings & Energy	21,031	£1.3m retrofit, £26,400 ERF (Energy Sparks)	379  103 (1% of bills)	£7m retrofit (Salix Finance/WG Funding Programme) – 8 years payback on investment	4,438	£93m investment on building decarbonisation programmes	12,889	3,222	£101.5m million investment excluding cost of offsetting
Street Lighting	2,041	£1m approved	159	£800,000 required to complete.	118			1,764	£1.8million
Fleet & Mobile Equipment	6,100	£484,000 assigned to EV £300,000 grant for charging points. £40,000 plus annual fee for data base mgt – internal budget		£7m to 2027 only for light commercial vehicles. EV fleet charging points - £700,000 - £1m.		150 HGVs x price differential of £200k each +£30m  Further 200 light commercial @ +£8m  450 mixed coming around again @ before 2030 @ +£10m	Average of 760 t reduction per year	0	+£55m to 2030
Grey Fleet	285	£1.5m social care.					Average of 36 t reduction per year	0	£1.5m
<b>Total</b>	<b>29,457</b>								<b>£159.8m</b>
Land Use	-5,594							-5,000	£27.5m
<b>Total</b>	<b>23,863</b>								<b>£187.3m</b>

It was though stated that, if the expected reductions could actually be achieved and accepted by Welsh Government (WG) as being allowable, this would still leave net emissions for Swansea Council of approximately 6000 tonnes of CO2.

In order to establish the financial cost of offsetting this figure two scenarios were presented for information.

The first being that Swansea Council either assume that land could be identified and purchased in the Swansea boundary and, if allowable, be accounted for in its return to WG. This could equate to circa 1,100 hectares of established forest i.e. for more than 20 years, or 4,166 hectares of grassland. Even if either could be identified this could be established as a likely capital cost of £27,500,000 based on current woodland values of approximately £25,000 per hectare.

Alternatively, in theory, carbon credits could be purchased at the market rate at that time of circa £78 per tonne per annum which generates an approximate revenue cost of £400,000 pa. The estimated figure was undoubtedly high level and at the time

considered to be likely understated. This has been proven to be the case. Recently commissioned studies into offsetting and asset decarbonisation of Swansea Council buildings with City Science and SIA partners have indicated that challenges around heat replacement alternatives could reduce the anticipated asset decarbonisation to a likely 55% instead of the 80% target used in the initial costed plan. The new indicative cost has risen to £111k per t/CO<sub>2</sub>e from £7.5k per t/CO<sub>2</sub>e. This brings the estimated building costs to £178m, which as opposed to the reported estimate at £101m. but again this is likely underestimated but is helpful as a marker for the scale of the challenge.

In order to ensure there is consistency across all of Wales, Local Partnerships (LP) are developing a scenario planner, building on good work they have already been undertaking with Cardiff. The planner will be hosted online and made freely available to all councils. It will generate estimated costs and emissions of different building and fleet decarbonisation options. These can then be tested against each other, as well as the status quo, to help you make strategic decisions about decarbonisation planning. This will be a valuable source of forecasting data for informing our pathway to net zero and, importantly, to understand the impacts on the 2030 target of key decisions along the way.

In the case of the LP work, they will use the data we already collate to feed into the annual public sector carbon emissions monitoring (relating to energy use, buildings and vehicle fleet). They will use commercial benchmarks to allocate costs and carbon savings for a range of potential carbon saving measures identified as suitable to the council's assets. Our officers can then use the tool to test different scenarios and, ultimately, understand which pathway to net zero is the most appropriate for your authority.

The importance of identifying likely costs will be critical when it comes to identifying funding requirements. From a Swansea perspective any core funding is going to be limited and any funding will have to come from national governments. This of course does not fully align with the direction from WAO.

We continue to explore all funding opportunities other than Salix finance, which in itself is now no longer interest free, with a focus on Grant funding over loan borrowing. In order to maximise any funding identified we are putting together a small programme of projects with feasibility studies so that when the opportunities arise we are able to actively apply as due to limited resources are finding last minute applications a challenge in relation to the time needed in a short window that the funding presents itself.

Also to be noted, most grants require an additional capital contribution/match funding from in order to qualify and without this we are limited to what we can access. Some Authorities have a Carbon budget set aside for such times that they can apply on the basis that this budget remains year on year whether it through ringfencing a percentage of savings from active projects or just setting that budget each year.

Suggestions have been made for a similar process to be set up for Swansea, however, with the current challenges this is unlikely.

### 3. Financial Impacts:

None. This report is for information only.

### 4. Integrated Impact Assessment:

The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

In recognition of the above duties, the CJC has adopted an Integrated Impact Assessment (IIA) Tool which allows for a 2-stage approach to be undertaken to measure any potential impact of its decisions.

The CJC approved its Corporate Plan 2023-2028 in March 2023. The Corporate Plan includes the CJC's Equality Objective which is set out below for ease of reference:

*“To deliver a more equal South West Wales by 2035 by contributing towards:*

- (a) *The achievement of the [Welsh Government's long-term equality aim](#) of eliminating inequality caused by poverty;*
- (b) *The achievement of the [Equality statement set out in Llwybr Newydd](#) which is to make our transport services and infrastructure accessible and inclusive by aiming to remove the physical, attitudinal, environmental, systemic, linguistic and economic barriers that prevent people from using sustainable transport,*

*and*

- (c) *[The achievement of the Welsh Government's long-term equality aims](#) of cohesive communities that are resilient, fair and equal and where*

*everyone is able to participate in political, public and everyday life. There will be no room for racism and / or discrimination of any kind.”*

## **Well-being of Future Generations (Wales) Act 2015**

### Alignment with CJC Corporate Plan 2023-2028 and the identified CJC Well-being objectives:

The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.

The CJC approved its Corporate Plan 2023-2028 in March 2023. The Corporate Plan contains the CJC’s well-being objectives and frames the corporate direction of travel. To this end, it is considered that the recommendation(s) contained within this report align(s) to the corporate policy framework of the CJC as set out within its Corporate Plan,

#### ***Well-being Objective 1***

*“To collaboratively deliver the Regional Economic Delivery Plan and **Regional Energy Strategy** thereby improving the decarbonised economic well-being of South West Wales for our future generations.”*

#### ***Well-Being Objective 2***

*“To produce a Regional Transport Plan for South West Wales that is founded on collaboration and enables the delivery of a transport system which is good for our current and future generations of people and communities, good for our environment and good for our economy and places (rural and urban).”*

#### ***Well-Being Objective 3***

*“To produce a sound, deliverable, co-ordinated and locally distinctive Strategic Development Plan for South West Wales which is founded on stakeholder engagement and collaboration and which clearly sets out the scale and location of future growth for our future generations.”*

**5. Workforce Impacts:**

There are no workforce impacts associated with this report.

**6. Legal Impacts:**

There are no legal impacts associated with this report as for information only.

**7. Risk Management Impacts:**

No impacts

**8. Consultation:**

No requirement as this report is for information only.

**9. Reasons for Proposed Decision:**

No requirement as this report is for information only.

**10. Implementation of Decision:**

No requirement as this report is for information only.

**11. Appendices:**

None.

**12. List of Background Papers:**

South West Wales Corporate Joint Committee - Energy Sub-Committee  
10.00am 27<sup>th</sup> February 2024

[Agenda for South West Wales Corporate Joint Committee - Energy Sub-Committee on Tuesday, 27th February, 2024, 10.00 am: NPT CBC](#)