



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Regeneration and Sustainable Development Cabinet Board

11 March 2022

Report of the Head of Property and Regeneration – S. Brennan

Matter for Information

Wards Affected: All Wards

Neath Port Talbot led Swansea Bay City Deal projects Funding Agreements and update

Purpose of the Report:

To advise Members that the Swansea Bay City Deal Neath Port Talbot led Homes as Power Stations (HAPS) and Supporting Innovation and Low Carbon Growth (SILCG) business cases have been approved by UK and Welsh Governments and the Funding Agreements between Carmarthenshire Council (SBCD Accountable Body) and Neath Port Talbot CBC (Lead Authority for HAPS and SILCG) have been agreed in preparation for signing.

In addition, this report provides an update on project progress to date.

Executive Summary:

The Neath Port Talbot led Swansea Bay City Deal Homes as Power Stations (HAPS) project was approved by UK and Welsh Governments in July 2021 and the Supporting Innovation and Low Carbon Growth (SILCG) programme was approved by UK and Welsh Governments in August 2021.

The Funding Agreements between Carmarthenshire County Council and Neath Port Talbot County Borough Council have now been agreed.

The projects / programmes are moving into delivery phase with established governance structures and documentation.

Background:

Swansea Bay City Deal

The Swansea Bay City Deal is an investment of up to £1.3 billion in a portfolio of major programmes and projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea.

The Swansea Bay City Deal is being led by the four regional local authorities - Carmarthenshire Council, Swansea Council, Neath Port Talbot Council and Pembrokeshire Council - together with the Swansea Bay and Hywel Dda University Health Boards, Swansea University, the University of Wales Trinity Saint David, and private sector partners.

The City Deal is being funded through the approval of project business cases by the UK and Welsh Governments.

In the 15-year life span of the City Deal, the investment portfolio will boost the regional economy by at least £1.8 billion, while generating more than 9,000 jobs. The total investment package currently estimated is made up of £235.7 million UK and Welsh Government funding, £330.2 million other public sector investment, and £591.79 million from the private sector.

Neath Port Talbot CBC is leading on two City Deal projects – Homes as Power Stations and Supporting Innovation and Low Carbon Growth.

Homes as Power Stations – Project overview

'Homes as Power Stations' (HAPS) is a regional project, led by Neath Port Talbot and will deliver across all four City Deal local authority areas. As a pioneering project, the overall investment objectives include:

- Future proof at least 10,300 properties (7,000 retrofit, 3,300 new build) within five years to increase 'affordable warmth' and reduce fuel poverty
- Improve health and wellbeing and reduce the burden on health and social services
- Deliver a sustainable, cost effective and holistic housing programme (facilitation role) by:
 - a) Taking a 'whole house' approach and developing proven, flexible designs
 - b) Demonstrating the viability of the HAPS approach to the rest of Wales / UK
 - c) Creating skilled jobs, a legacy and mainstreaming the HAPS approach
 - d) Creating a sustainable regional supply chain that retains the creation of design, construction and maintenance jobs

Homes As Power Stations – Progress to date

Project Team

The project manager was appointed and commenced the role in November 2021. Oonagh Gavigan has numerous years' experience of delivering regional projects on behalf of Neath Port Talbot Council.

An additional two members of staff will be recruited in the coming weeks to support the business engagement / supply chain development and fund coordination project activities.

Legal

Neath Port Talbot Legal Team is drafting and co-ordinating the 'Inter Authority Agreement'(s) and 'Third Party Agreements' to enable the financial conduit between Neath Port Talbot Council (as lead), the

three Local Authority partners and third party grant recipients. This will enable the reimbursement of localised schemes that have been agreed through the Financial Incentives Fund and Supply Chain Fund application and approval process.

Supply Chain Development

Work is ongoing with business teams across the region to gather baseline data on the current supply chains related to HAPS and identify opportunities for businesses to diversify and maximise opportunities via the Supply Chain Development Fund.

Financial Incentives Fund

This fund will encourage and support the uptake of the HAPS concept primarily with local authorities that have housing stock and Registered Social Landlords. Private Sector developers are also eligible to access the fund. Work has begun to draft the associated documentation, application and scoring process.

Co-ordinating Activities

Several groups are being established including a Lessons Learned Group, Skills Group and Technical Advisory Group. The input from each group will be invaluable to inform and support the delivery of the project.

Monitoring and Evaluation

An external independent organisation will be procured to support the ongoing monitoring of the various concepts of HAPS. Information and findings will be disseminated to provide a 'Knowledge Sharing Hub' to build confidence and encourage a longer term take up from the private sector. The specification of the tender specification is currently being drafted, taking into consideration information and data already in existence to ensure added value and reducing duplication.

Supporting Innovation and Low Carbon Growth – Project overview

The Supporting Innovation and Low Carbon Growth (SILCG) programme is a £58.7 million multi partner programme designed to deliver low carbon, sustainable and inclusive economic growth through creating the right environment to develop new technologies

from research through to production to support job creation in the region.

The programme comprises seven interlinked projects:

- Bay Technology Centre – energy positive building providing high quality, flexible office and laboratory space
- South Wales Industrial Transition from Carbon Hub (SWITCH) – specialist facility and equipment to decarbonise the steel and metals industry and supply chain
- Advanced Manufacturing Production Facility – open access specialist production facility and equipment to support start-up companies and regional business growth in the innovation and manufacturing sectors.
- Property Development Fund – gap funding for commercial buildings
- Hydrogen Stimulus Fund – a demonstrator to prove the commercial viability of green hydrogen to fuel vehicles.
- Air Quality Monitoring Project – test bed for new technology to monitor air quality
- Low Emission Vehicle charging infrastructure – developing a strategy and pilot projects to decarbonise journeys in the region

Progress to date - SILCG

Programme Team

A Programme Manager and recently been appointed and will commence in April 2022.

Legal

The MoU/SLA between Neath Port Talbot Council and Swansea University to operate the SWITCH facility and procure specialist equipment is being finalised for agreement.

The Funding Agreement between Neath Port Talbot Council and the University of South Wales in relation to specialist hydrogen equipment is being finalised for agreement.

Projects

The Bay Technology Centre is complete, with a number of viewings taking place. The Centre will officially open in the spring 2022.

The design and build specification for the SWITCH specialist facility is being finalised prior to a procurement exercise for a contractor.

The University of South Wales is carrying out site preparation for the hydrogen electrolyser to deliver the Hydrogen Stimulus Project.

The Advanced Manufacturing Production Facility is at scoping stage with industry and academia engagement prior to procuring a design and build contract.

The Port Talbot Waterfront Property Development Fund is due to be launched in spring 2022.

Funding Agreements:

The Funding Agreements between Carmarthenshire County Council and Neath Port Talbot County Borough Council in respect of the distribution of funding from the Swansea Bay City Deal to the Homes as Power Stations project and Supporting Innovation and Low Carbon Growth programme (attached at Annex 1 and 2) have been agreed.

The Director of Environment and Regeneration has delegated authority to sign the Homes as Power Stations Funding Agreement in consultation with the Section 151 Officer and the Leader and relevant cabinet member as agreed at the Regeneration and Sustainable Development Cabinet Board on 20th March 2020.

The Supporting Innovation and Low Carbon Growth funding agreement will be signed under seal.

Financial Impacts:

Financial impacts are detailed in the Swansea Bay City Deal Joint Working Agreement. Eligible expenditure incurred will be funded via the City Deal grant reimbursement arrangements detailed in the Joint Working Agreement and Funding Agreement in line with the UK and Welsh Government profile.

Integrated Impact Assessment:

This report is for information purposes only, therefore there is no requirement to undertake an Integrated Impact Assessment.

Valleys Communities Impacts:

This report is for information purposes only, there are no impacts or implications associated within the Valleys Communities.

Workforce Impacts:

This report is for information purposes only, there are no impacts or implications associated within the Workforce.

Legal Impacts:

The Swansea Bay City Deal Joint Working Agreement between the participants of the Swansea Bay City Deal and the Funding Agreements set out the legal requirements, suitable legal agreements will be in place to cover the respective obligations of all parties participating in these projects.

Risk Management Impacts:

There are no risk management issues associated with this report.

Each of the Swansea Bay City Deal projects has a risk register which is updated regularly and monitored through the project /programme governance and the Swansea Bay City Deal Programme Board, Joint Committee and Joint Scrutiny Committee.

Consultation:

There is no requirement for external consultation on this item.

Recommendations:

That members note that the Swansea Bay City Deal Neath Port Talbot led Homes as Power Stations (HAPS) and Supporting Innovation and Low Carbon Growth (SILCG) business cases have been approved by UK and Welsh Governments and the Funding Agreements between Carmarthenshire Council (SBCD Accountable Body) and Neath Port Talbot CBC (Lead Authority for HAPS and SILCG) have been agreed in preparation for signing.

Implementation of Decision:

Not Applicable

Appendices:

Appendix 1 – Homes As Power Stations Funding Agreement
Appendix 2 – Supporting Innovation and Low Carbon Growth Funding Agreement

List of Background Papers:

None.

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