



## Report of the Cabinet Member for Economy, Finance and Strategy

Cabinet – 15 July 2021

### Economic Acceleration and Regeneration Through Innovation Project (EARTH)

<b>Purpose:</b>	The EARTH Project will provide the Swansea Bay City Region with the administrative structure and arrangements to build the capacity to allow a number of strategic functions to be delivered at a regional level in the key areas of transport, land-use planning, economic development and energy – to confirm approval to implement the project and resource the local delivery team
<b>Policy Framework:</b>	Swansea Bay City Region Economic Regeneration Strategy; Financial Procedure Rule 5.7.
<b>Consultation:</b>	Access to Services, Finance, Legal.
<b>Recommendation(s):</b>	It is recommended that Cabinet:  1) Approves acceptance of the ESF grant funding and approves the implementation of the project together with its financial implications.  2) Delegates authority to the Director of Place in conjunction with the Chief Legal Officer to negotiate and enter into any collaboration or funding agreements necessary to regulate the relationships between the Local Authority partners in delivering the project.  3) Approves the recruitment of staff to establish the local delivery team.
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## **1. Introduction**

- 1.1 The City Deal Heads of Terms state that The Swansea Bay City Region through the Joint Committee and in partnership with the Welsh Government, will commit to deliver service reforms that will see a number of strategic functions delivered at the Regional level. These functions include land use planning, transport planning and economic development and provide the underpinning blueprint and delivery mechanism for development across the region.
- 1.2 Carmarthenshire County Council has now received approval from the Welsh European Funding Office (WEFO) for the Economic Acceleration and Regeneration Through Investment Project (EARTH). The EARTH Project will provide the required capacity and administrative arrangements within the Swansea Bay City Region to enable the public sector to address these functions at a regional level and the project now requires sign off and confirmation of match funding by each regional partner.
- 1.3 Following the Welsh Government declaring a climate emergency across Wales it was decided that Energy including Decarbonisation should also form a key theme within this project.
- 1.4 With the huge effect that Covid-19 has already had on the Welsh economy, the pandemic has highlighted opportunities to rebuild our economy and the importance of the foundational economy in this. Welsh Government's Economic Action Plan had already set the direction for the foundational economy and in making the communities we live in stronger and more resilient. The Covid pandemic has highlighted how local organisations and communities have come together and found innovative ways to meet the challenges of the pandemic. With this in mind it has been decided that community wealth building and the foundational economy will also form a key theme in this project.
- 1.5 Through initial assessments of organisational capacity and capability, development of action plans, workforce development plans and the subsequent series of complementary investment in skills, organisations and systems, this project will result in building the required capacity and capability within the region to enable the local authorities collectively to achieve maximum impact and delivery in these key areas.
  - Transport
  - Land-use Planning
  - Economic Development
  - Energy

## **2. Management and Delivery of the Project**

- 2.1 The project will be based within the Economic Development Division of Carmarthenshire County Council and will report to a Regional Steering Group. The Regional Operation Office Staff will be employed by

Carmarthenshire County Council to manage the programme of activities under each of the themes.

- 2.2 A local delivery team will be established within each Local Authority, comprising of a Programme Coordinator, Finance Officer (0.5 FTE) and 4 Programme Officers (one officer per theme situated in the respective service area for delivery).
- 2.3 It is proposed that the Job Descriptions currently used in the External Funding Team are utilised for this project as the multi-disciplinary nature of these roles would fit well with this project and ensure grant compliance requirements. The External Funding Programme Officer role at Grade 9 would serve as local coordinator, whilst the External Funding Officer role at Grade 8 would serve as programme officer for each theme, and as finance officer.
- 2.4 With an approved start date of 1<sup>st</sup> April 2021, the project will run until 30<sup>th</sup> September 2023 with staff contracts ending at the 30<sup>th</sup> June 2023.
- 2.5 Monthly team meetings will take place giving management and delivery staff the opportunity to meet and discuss operational targets, achievements, and areas for improvement with an action plan for continuous improvement.
- 2.6 The project will report into the governance arrangements for the Swansea Bay City Region City Deal.

### **3. Work Programmes and Outcomes**

- 3.1 A Project Manager will be appointed to manage the entire Operation at regional level together with a Quality and Performance Officer who will be responsible for the overall day to day financial management, compliance and monitoring of the Operation. There will be a dedicated programme officer appointed under each key theme embedded into the Local Authorities that will report into regional coordinators. The Operation will be delivered in 3 Phases:

- Phase 1 – Assessment of Capacity
- Phase 2 – Design
- Phase 3 – Mobilisation

#### Phase 1

- 3.2 In Phase 1 the assessments of capacity are a key element to the operation. It is vital to understand and a distinction made on what that capacity means across the four themes identified. For example, is the capacity issue in relation to managing staff; financial requirements; upskilling staff to build capacity regionally etc. This work is needed to understand what is currently happening and what gaps exist. This first element of the Operation will be procured. These assessments will form a baseline for the region and

identify any skills and capacity gaps. The result of these assessments will include action plans detailing the required investments into people, models and tools required and will shape the next phase of the Operation.

### Phase 2

- 3.3 It is anticipated that following a detailed assessment of capacity and its associated action plan, as the Operation moves into Phase 2 investment will be required in people development and training, IT systems and piloting models of delivery, in order to increase “the offer to investors”.
- 3.4 The exact nature of these investments will be determined following the completion of the assessments during the initial phase of the operation and as such it is imperative that there is flexibility within the operation in order to maximise the impact of the funding.
- 3.5 At this stage it is anticipated that there will be a need for investment into a web-based interactive tool that will map the inward investment opportunities across the region bringing together the sites and premises together with the skill sets that the region has to offer.
- 3.6 The region is experiencing planning application delays due to a lack of ecologists. It is anticipated that the assessments of capacity will identify this as an issue with a need to investigate doing things differently as a region to ensure that the available sites are development ready.

### Phase 3

- 3.7 Phase 3 would see the mobilisation and delivery of actions determined at Phase 2.

### Areas of Work

- 3.8 As referred to above the project will focus on four areas of work, with staff in place to support the delivery of the programme through the three phases:

#### Transport Planning

- 3.9 One of the service reforms that The Swansea Bay City Region through the Joint Committee and in partnership with the Welsh Government is committed to deliver as detailed in the City Deal Heads of Terms is Transport Planning. Transportation helps shape an area’s economic health and quality of life. This operation through a series of investments in people and systems will ensure that there is sufficient capacity to develop and deliver the transport vision for the region.
- 3.10 With regional collaborations already in place there is a need for an initial assessment of capacity to assess the current governance, strategies, provision, people resource and gaps in the regions offer, and develop a

detailed action plan to ensure that the region is able to address the challenges of the future, for example congestion and reducing CO2 emissions. The Department for Transport has reported that by 2040 almost a quarter of all travel time could be spent stuck in traffic.

- 3.11 Transport needs to play its part in reducing CO2 emissions and reducing car dependency is a key part of meeting targets. This will call for better quality and more reliable public transport and better integration between the models.
- 3.12 The exact investments required from this operation will be determined following the assessment of capacity and subsequent action plan, however it is envisaged that there will be a requirement to invest in the skills of the current workforce to ensure that they are at the forefront of cutting-edge future technologies.
- 3.13 A dedicated officer resource will be embedded into each of the authorities within the region to resource the Transport Planning strand of work.

#### Land-Use Planning

- 3.14 The ongoing preparation of the National Development Framework (NDF) by the Welsh Government and the potential to prepare and deliver a Strategic Development Plan (SDP) across the South West Wales Region provides a framework for investments, growth and environmental enhancements across the region. The commitment at a national policy level through the emerging NDF provides a backdrop for the future shape of strategic planning across Wales. Translating and applying this to the region whilst recognising and understanding the needs of its individual communities will be essential in safeguarding the area's economic vitality and the quality of life of its residents and visitors. Matters relating to governance structures are also noted.
- 3.15 Planning at that strategic level is essential if there is to be an integrated delivery of objectives across the region and within the context of the City Deal. This will require both investment in people and evidence to ensure that there is sufficient capacity to develop and deliver the strategic planning vision, which is essential to meet the region's ambitions, whilst integrating with national priorities.
- 3.16 Key to this is the recognition of health, wellbeing and placemaking as a strategic contributor. The need to comply with legislation, national policies and objectives is an important consideration, as is the need to create great places for people to live and work. Developing a strategic framework across the region with the aim of enabling the delivery of high quality healthy environments, which embed high quality design and the principles of Green Infrastructure and greening towns and cities is central to delivering a progressive agenda that delivers against national well-being and zero carbon agendas.

- 3.17 With regional collaborations already in place, there is a need to add to and consolidate on current strategies and policies. Essential will be broadening the understanding of the benefits and its role in driving environmental improvements - including reducing flood risk, tackling climate change and reducing pollution.
- 3.18 Planning has a central role in delivering the national objectives for growth and development, whilst also facilitating and guiding the provision of key infrastructure nationally and across the south west region. Driving forward the agenda in relation to sustainable development and green environmental principles will, along with the zero-carbon agenda, inform the responses to the declaration of climate emergencies nationally and within many local authorities. Providing and consolidating the necessary skills to facilitate a strategic planning context which embeds health, wellbeing and placemaking in a manner which balances the need for economic prosperity, job creation and new high-quality homes with the creation of cohesive and healthy places and the enhancement of our environment.
- 3.19 Driving the regional agenda requires a collaborative approach with the current regional planning group forming a cornerstone through which to collate evidence necessary and enhanced skillset. This will be determined following the assessment of strategic objectives across the region, which are currently being worked up as part of the regional collaborative grouping, capacity and a subsequent action plan. It is considered that that there will be a requirement to invest in and where appropriate supplement current skillsets and capacity to drive forward a progressive and responsive agenda.
- 3.20 A dedicated officer for each authority will be required to deliver this strand of the operation within the region.

#### Economic Development

- 3.21 Welsh Government's Economic Action Plan outlines and establishes the basis for regional working and the shift to regional economic development. Chief Regional Officers have been appointed and regional teams established that are currently in collaboration with regional stakeholders developing Regional Economic Frameworks that will present the Region with a vision for the future.
- 3.22 Welsh Government has also proposed the establishment of Regional Corporate Joint Committees (CJCs) covering areas such as economic development, transport, planning and education. Welsh Government has also recently unveiled its 'Town Centre First' approach with regeneration funding to support it. It is imperative that this operation is aligned with, adds value and directly links to the work that is already being carried out by Welsh Government teams, local authorities and other stakeholders.

- 3.23 The economic development challenges that this operation is seeking to address, such as inward investment, community wealth building, the foundational economy are all challenges which have also been identified by Welsh Government in various strategies. It is therefore key that this operation, through its initial assessments of capacity examines the work that has already taken place and explores the work that is currently underway in the region in order to share learning and best practice and identify gaps in provision that can be addressed by the subsequent phases of the operation.
- 3.24 As the operation progresses, the current economic climate will change significantly, e.g. the effects of the Covid-19 pandemic and its associated economic recovery work are not yet fully understood, also the economic challenges that Brexit poses will also become clearer during the course of the operation. It is essential that this operation is flexible and able to adapt to challenges as they arise. Covid-19 has already had a huge impact on the Welsh economy, with health, public finances, businesses, and jobs all at risk.
- 3.25 There are undoubtedly huge, unprecedented challenges ahead. In addition to the challenges, the pandemic has also highlighted opportunities to rebuild our economy and has demonstrated the importance of the foundational economy in this. Welsh Government's Economic Action Plan had already set the direction for the foundational economy and in making the communities we live in stronger and more resilient. The Covid-19 pandemic has highlighted how local organisations and communities have come together and found innovative ways to meet the challenges of the pandemic.
- 3.26 Community Wealth Building and Inward Investment are the key Economic Development Challenges within the region that this Operation will focus on. Inward Investment is a traditional approach to economic development where a region seeks to attract and incentivise large private employers. These large private businesses can significantly contribute to local employment. It is key to economic growth that the region looks at new, dynamic, and innovative ways of attracting inward investors. Inward Investment as a sole model for economic growth in the region is, however, a huge risk.
- 3.27 As market conditions change, there is nothing to stop these large employers who have no long-term stake in the region or in the success of the local economy moving, leaving the region with a loss of jobs and any alternative sources of wealth. This model lasts only if the business chooses to remain in the region. Community Wealth Building is a new approach to regeneration and economic development and there are many examples of initiatives providing viable alternatives to the inward investment model. This Operation will provide the region with the opportunity to bring together the current localised work being carried out in relation to Community Wealth Building and build the capacity to take it forward on a regional basis.

## Energy

- 3.28 Three of the four authorities in South West Wales have declared a climate emergency and there is a need to urgently identify practical solutions that demonstrate a clear and effective response to address this regional, national, and global challenge. As a result, this Operation seeks to identify opportunities to build capacity and develop a robust regional strategic delivery to achieve ways to capture, use and store carbon; and to reduce carbon emissions across the public and private sector in South West Wales.
- 3.29 Local Authorities, Public Bodies and businesses across the region are already developing different approaches to meet the challenge set by Welsh Government to reduce carbon emissions by 2050. Prosperity for All: A Low Carbon Wales is just one policy response by Welsh Government to emphasise the importance of adopting approaches to carbon capture usage and storage (CCUS). There is a need to identify a regional solution to develop and share good practice; and avoid duplication. There is a commitment amongst the four Counties to understand what is already being undertaken within South West Wales, within the rest of Wales and elsewhere to meet the challenge and develop an effective response.
- 3.30 Work areas within the Energy theme will focus on the following:
- Land Use, Land Use Change and Forestry
  - Low Carbon
  - Wind and Wave Technology
  - Skills

## **4. Integrated Assessment Implications**

- 4.1 The Council 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.



- 4.1.1 The Well-being of Future Generations (Wales) Act 2005 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'.
- 4.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 4.2 An Integrated Impact Assessment screening form has been completed in relation to the project which is attached at appendix A. The screening form has determined that a full IIA report will not be required.
- 4.3 The direct impacts of the initiative will be low though it will have some impact due to putting in place the capacity building and administrative functions to facilitate regional delivery of certain key services.
- 4.4 No engagement will be undertaken as the project will put in place resources and administrative arrangements to support a commitment in the City Deal Heads of Terms for the Swansea Bay City Region.
- 4.5 The project will embrace the five key ways of working / behaviours outlined in the Wellbeing of Future Generations (Wales) Act (WBFG Act), which requires future investments in Wales to Act in accordance with the sustainable development principles (attend to the long-term impact, prevention, integration, collaboration, and involvement) in setting and meeting the objectives.
- 4.6 Through building the capacity and capability within the region will give strategic support to enable the local authorities collectively to achieve maximum impact and delivery in the key areas of land-use planning, energy, economic development and transport.

## **5. Financial Implications**

- 5.1 The total project cost is £3.82m, comprised of £2.86m ESF grant and 955k of match funding in the form of officer time seconded to the project from across the region. Each delivery LA will provide £100k of match funding, totalling £400k with Carmarthenshire County Council providing the balance of £555k as cash match.

<b>Cost Heading</b>	<b>Total</b>
<b>Actual</b>	£3,820,611
<b>In Kind</b>	
<b>Total Revenue</b>	<b>£3,820,611</b>
<i>Financed by:</i>	
<b>Match</b>	£955,153
<b>Grant</b>	£2,865,458
<b>Total Investment</b>	<b>£3,820,611</b>

- 5.2 The total revenue grant funding available to Swansea Council is £564k with £100k match funding required over the 2.5 year period of the project.

<b>Cost Heading</b>	<b>Total</b>
<b>Actual</b>	£663,594
<b>In Kind</b>	
<b>Total Revenue</b>	<b>£663,594</b>
<i>Financed by:</i>	
<b>Match</b>	£100,000
<b>Grant</b>	£563,594
<b>Total Investment</b>	<b>£663,594</b>

- 5.3 Match funding will be in the form of core funded officer time across the Place directorate.

## **6. Legal Implications**

- 6.1 The Council will need to comply with the grant terms and conditions attached to the grant funding offer letter.
- 6.2 The procurement of any works, goods or services necessary to deliver the project will need to comply with the Council's Contract Procedure Rules and the relevant procurement legislation.
- 6.3 It may be necessary to enter into collaboration or funding agreements with Carmarthenshire County Council or any of the other Council partners to implement any project governance or to regulate the respective parties roles and responsibilities.

**Background Papers:** None

### **Appendices:**

Appendix A – Integrated Impact Assessment