

Agenda Item No. 6
Supplementary Information

Cabinet – 3rd November 2022

Final Draft Vale of Glamorgan Council Annual Self-Assessment Report 2021/22 – Governance and Audit Committee: 24th October, 2022.

Cabinet requested to agree revision to section - Improving our Economic Infrastructure of Appendix A of the report – Section to read -

“Improving our Economic Infrastructure

Infrastructure plays a critical role in supporting local communities and the local economy. It can unlock an area’s potential, enable residents to access education, skills, and work opportunities support local retail and business areas, and increase the viability of new sites for homes and businesses. The UK Government have replaced some EU funding with new **funding streams such as the Levelling Up Fund (LUF) and the Shared Prosperity Fund (SPF), LUF is competitive in nature and heavily oversubscribed. Consequently, this has required considerable input of resources with no guarantee of success** at the end of the process. Authorities in West Wales in the Valleys have existing staff in place who are currently managing EU funding programmes and working on projects. This is not the case in the Vale of Glamorgan. Furthermore, if we are successful, the funding demands **significant financial control and project monitoring to ensure delivery of projects** within defined timescales or else risk financial penalty. Approved funds come with an administration fee and the Vale will need to recruit additional staff whereas other authorities are able to move existing EU admin staff into these new roles. **We will not know however if we have ultimately been successful in securing nearly £19.9m to transform Barry Docks waterfront until the Autumn of 2022 (it has been indicated that this could be in the Governments Autumn budget statement but there are no guarantees on this)**. This will see the development of a new marina and lock gates as the centrepiece of our plans, which will serve as the catalyst for the next stage of the regeneration of the waterfront. The scheme also includes a business incubator space which would sit alongside the marina including hospitality businesses as well as a 2 acre linear park. Additionally, there are plans for the construction of a new, green, purpose built water sports facility at Barry Waterfront. Designed to boost leisure opportunities and wider community use of the area, the facility would provide a new home for the Ocean Watersports Trust and will not only benefit local clubs and organisations but also schools, youth groups, and the general public by giving them access to first class facilities to enjoy the water. The new space will also provide meeting rooms, community spaces and classrooms, as well as equipment storage space. The Council has also submitted a draft investment plan (via RCTBC) to the UK government to gain access to over £14m of funding provided by the Shared Prosperity fund and this plan will now be further developed to ensure that the Council and its communities and business benefit from this financial support.

The Council also faces additional economic regeneration challenges connected to sourcing significant investment in linking employment to where people live, regeneration programmes of work have also been subjected to the same inflationary pressures on goods and services. In enhancing our economic infrastructure, there is the need to consider climate change with a particular focus on decarbonising the economy. **At a time when the Bank of England is forecasting a recession, attracting inward investment from businesses will become more challenging, which will have a knock-on effect on our ability to further enhance our local infrastructure.** One of the key factors compounded by Brexit and Covid-19 has been the availability of contractors and labour in the market to be able to undertake key regeneration projects and the rising cost of materials associated with inflation is likely to make the costs of delivering key regeneration projects more costly and potentially unviable if

availability of successful funding bids is diminished. **There are also the anticipated challenges in balancing the need to develop an ‘holistic’ infrastructure that not only enhances economic development but improves transport links within our communities, regenerates areas of deprivation, addresses skill gaps and enhances cultural investment.”**

During the past year we have delivered a programme of investment in all our town centres, including town centre planting schemes, new café licenses, smart footfall counters and organised business networking event schemes. We also secured funding to support commercial growth within the Enterprise Zone boundary including potential development of a new college site at the airport. We exchanged contracts with Cardiff & Vale College (CAVC) on developing a college based at Barry Waterfront and are progressing design work on the scheme to transform the BSC2 in Barry into an office and leisure facility. Despite the challenging economic environment, we committed £18.74m to schemes across the Vale which will support improvements in our economic infrastructure for the long term. In addition, in-year we spent nearly £5.6m on public transport, walking and cycling networks, new school places, public open spaces and public art enhancements. 189 affordable housing units were delivered, with a further £469,874 in S106 affordable housing contributions secured for new projects. Construction has commenced at Hayeswood Road, Barry (53 units) and St Cyres Road, Penarth (14 units) as part of the Council house building programme, with contracts being exchanged for an additional 32 units of housing at Coldbrook Road East, and Colcot Clinic, both in Barry.

We also need to sustain investment in our schools and housing ensuring we have the right infrastructure in the Vale to support economic, social, environmental and cultural well-being. The challenges and risks associated with school investment and our Sustainable Communities for Learning (previously 21st Century Schools) investment programme are expected to increase over time as we are faced with supply chain issues escalating cost of materials which will continue to have an impact on the deliverability of projects. Without additional funding from the Welsh Government to address these market changes, any up-and coming schemes may not be feasible within current budgets.

The Covid-19 pandemic has rapidly accelerated digitalisation in local government as councils have risen to the challenge of delivering public services remotely. There is now an increased expectation for digital services delivered in innovative ways to meet citizens’ needs. Maintaining the required levels of investment in digital technology infrastructure to sustain and enhance these new ways of working for the long term in line with growing expectations, will be challenging within existing resources. Alongside this, there is a need to address skills gaps and staff capacity which limit our capabilities for digital transformation.

Beyond the immediate pressures of increasing service demand and limited resources, we also recognise that there is a huge opportunity to deliver services better, faster and with improved outcomes while staff can also become better equipped to work together to empower our communities. To this end, we have acted ambitiously in investing in digitalisation of our services and upskilling staff, which is helping to improve the well-being of citizens by making our services more accessible, supporting independent living, reducing social isolation, supporting education and skills and the local economy. In the face of limited resources, a key focus going forward will be to work more collaboratively to identify and implement innovative solutions to deliver sustained digital transformation whilst addressing digital exclusion as service provision becomes increasingly “digital first”.