

Agenda



Pwyllgor Craffu ar Berfformiad – Lleoedd a Materion Corfforaethol

Dyddiad: Dydd Llun, 28 Chwefror 2022

Amser: 4.00 yp

Lleoliad: Cyfarfod Rhithwir

At: Cynghorwyr: J Cleverly (Cadeirydd), M Al-Nuaimi, G Berry, Y Forsey, I Hayat, M Kellaway, M Linton, J Richards and M Whitcutt

Eitem	Wardiau Dan Sylw
1	<u>Ymddiheuriadau</u>
2	<u>Datgan diddordeb</u>
3	<u>Cofnodion y Cyfarfod Diwethaf</u> (Tudalennau 3 - 8)
4	<u>Strategaeth Adfer Economaidd - Adroddiad Diweddar</u> (Tudalennau 9 - 36)
5	<u>Cynllun Rheoli Carbon – Monitro Cynnydd</u> (Tudalennau 37 - 74)
6	<u>Casgliad Adroddiadau Pwyllgorau</u> Ar ôl cwblhau adroddiadau'r Pwyllgor, gofynnir i'r Pwyllgor ffurfioli ei gasgliadau, ei argymhellion a'i sylwadau ar eitemau blaenorol i'w gweithredu.
7	<u>Live event</u> To watch the live meeting please click here

Mae'r dudalen hon yn wag yn

Minutes



Performance Scrutiny Committee - Place and Corporate

Date: 24 January 2022

Time: 3.00 pm

Present: Councillors M Al-Nuaimi, Y Forsey, M Kellaway and J Richards

In Attendance: Meirion Rushworth (Head of Finance), Robert Green (Assistant Head of Finance), Rhys Cornwall (Strategic Director - Transformation and Corporate Centre), Paul Jones (Strategic Director - Environment and Sustainability), Gareth Price (Head of Law & Regulation), Tracey Brooks (Head of Regeneration, Investment and Housing), Amie Garwood-Pask (Service Manager Accountancy - Finance Business Partnering), Alastair Hopkins (Senior Finance Business Partner (Place & Corporate)), Neil Barnett (Scrutiny Adviser) and Louise Thomas (Governance Officer)

1 Apologies

Councillors Graham Berry, Malcolm Linton, Ibrahim Hayat and Mark Whitcutt. Cllr John Richards was nominated as the Chair for the meeting.

2 Declaration of Interest

None.

3 Minutes of the previous meeting held on 29 November 2021

The minutes of the meetings held on 29th November 2021 were approved as a true and accurate record.

It was noted that information requested on tree planting throughout the City was still awaited. The Scrutiny Adviser will chase up with the Service Manager – Environment and Leisure.

4 2022-23 Budget and Medium Term Financial Projections

Invitees:

- Meirion Rushworth – Head of Finance
- Robert Green – Assistant Head of Finance
- Paul Jones – Strategic Director – Environment and Sustainability
- Rhys Cornwall – Strategic Director – Transformation and Corporate Centre
- Gareth Price – Head of Law and Regulation
- Tracey Brooks – Head of Regeneration Investment and Housing
- Amie Garwood-Pask – Service Manager Accountancy – Finance Business Partnering
- Alistair Hopkins – Senior Finance Business Partner – Place and Corporate

The Head of Finance gave a brief overview of the report and said that it had been a different budget process this year. Having received a relatively generous settlement this year the proposed budget was more optimistic to that of previous years, with no need to find

significant savings. A more bullish approach had been taken and the medium term financial plan had been worked through and it had been reasonably prudent to assume that there would be no need to identify significant budget savings. Total funding for the following year was due to be increased by a little over £27 million, however, the Minister had highlighted a number of areas to be dealt with which included paying care providers an amount in order for them to pay their staff the living wage as opposed to the minimum wage. National Insurance would also be rising for employers, together with some pension scheme increases.

There would be no new budget proposals to scrutinise in this report but the Committee were tasked rather with focussing on proposed budget investments, proposed Council Tax increase, and proposed fees and charges. The key priorities for investment were highlighted as being:

- School's funding
- Early Intervention and Prevention activities / services
- The City Centre

Members made the following comments and asked the following questions:-

- It was pleasing to Members that this year they were not having to discuss any necessary cut backs to services. Clarity was sought on the accelerated contributions made towards the Cardiff City Regional deal and the reference to advanced manufacturing capability throughout the region.

The Head of Finance stated that we contributed just under 10 % the City Deal's costs alongside the other Councils and the treasury. The City Growth Deal was an ambitious one both in terms of investment and economic growth. The business plan in place meant that the Cabinet accelerated its investments and so all the councils had to increase their contributions in order to cover the short term cash flow and were therefore funding the projects until the treasury money was received. As part of the settlement for Wales there was also increased funding for the City Deal.

In relation to the advanced manufacturing capability, this went above and beyond the Semi- Conductor facility in the region. The Head of Regeneration Investment and Housing explained that this was one of the drivers for general growth in the region. Alongside some of the established businesses currently in Newport and the rest of the region, it was very much a target market to be investing in to create jobs and spur economic growth. Currently it was more of an aspirational investment growth plan rather than a list of specific investments.

A member asked to note that it would be helpful for members to be kept updated on developments in this area.

- Members commented on the Fees and Charges schedule and that it was pleasing to see many were remaining at the same level as last year. However, the increase to parking permits, while modest, was queried, the member stating that it was a charge that appeared to increase every year.

The Head of Finance said that there was a general overall assumption that in the medium term financial plan all of our significant fees and charges that we controlled would rise by 4% each year, roughly in line with inflation. The Strategic Director – Environment and Economy confirmed that car parking permits had increased last year as well and was one of the fees that rose every year by 4% or thereabouts. It was necessary to support the cost base of providing the service and to meet the element of inflation in terms of our back office costs. This was a discretionary service, not available to the general taxpayer and if it didn't keep up with inflation, then the general taxpayer would be picking up the costs. There was also the sustainability element to consider, the Council's objectives being to encourage

people to live a more sustainable lifestyle and money could be spent on improving active travel and public transport, rather than subsidising car parking for the benefit of a particular group of residents only.

- Members welcomed the investment in the School budget but asked how much of the increase would be taken up by inflation and also what was the situation with the budget to support rough sleepers?

The Head of Finance explained that in relation to schools, this was where budget planning was important. Whilst the inflation figure may be 4%, the actual pay award finally agreed for next year could be a different figure and this was where we needed to be in terms of budget planning. We had made allowances in the draft budgets of 4% for full pay rises and increased our inflation figures for our social care contracts because of the need to fund providers to pay the real living wage.

In regards to the rough sleeper's budget, we had increased provision during the pandemic and were now looking at the updated cost pressures to maintain this provision. Allowances had been made for this but Welsh Government would be making specific grants available to local Councils to fund these costs and we would be looking into this to see if we could benefit from this grant.

- Members asked for further information on the early intervention and prevention activities.

The Head of Finance explained that this aspect would fall more within the Scrutiny People Committee's remit but to answer the question, it related to social care hubs and the work the social care teams did with families, joining this up with the Housing Department to prevent families getting into crisis. It also linked in to Education and Social Services, aiming to assist the more challenged families by taking a more holistic view across these services in order to try and prevent deterioration at the earliest opportunity.

- A member asked about the impact on the closure of the asbestos cell.

The Strategic Director explained that the asbestos cell was in a small designated area of the current landfill site and had originally opened as a method of raising income. Landfill space had a finite length of time and this particular area was now reaching its end of life and would shortly be full. As asbestos has been banned for some time, the ongoing need for space to dispose of it would drop off and there was no current intention to seek further landfill space for this provision.

- A member commented that it seemed unfair that some residents had to pay management fees to developers for services such as grass cutting and general maintenance on their housing estates and yet still had to pay Council Tax for providing the same services.

The Head of Finance explained that Council Tax was a property linked tax and being a general tax based on properties, it was not therefore linked directly to the services that people received. The Strategic Director confirmed that it was a legitimate way for any new development to discharge its duties when a large-scale application came into the planning process. Developers would confer with the Council in terms of adoption, which was the Council's preferred option, taking on responsibility and maintaining upkeep of the roads. This meant building to certain standards and paying appropriate inspection fees, and so some developers preferred to pass on these charges to residents.

The Head of Regeneration Investment and Housing confirmed that all new developments at the planning stage were offered the choice of full adoption and in Wales the developers were allowed to choose the management company route, and some chose to use this route and passed those extra costs onto the residents. Welsh Government were aware that this arrangement was not ideal in all cases and this was currently under review.

- A member asked about the living wage and what would the costs be if we were to ensure this for everyone.

The Head of Finance commented that was currently just under £10 per hour and generally related to the social care sector at present. We were currently using the hardship fund but the Real Living Wage would apply to registered workers in care homes and domiciliary care, in both adults and children's services with Welsh Government providing Local authorities and Health Boards with £43 million so they could implement the Real living Wage from April.

- member asked how the figure of the proposed rise in Council Tax of 3.7% was arrived at and queried if Newport ever reached the level of its standard spending assessment (SSA). A

The Head of Finance commented that the final figure would be agreed by Cabinet in their February meeting following consultation and feedback from the public and scrutiny committees. Although we had had generous settlements, there remained cost pressures to take into consideration when determining the final figure. Council Tax in Wales was generally low and in Newport we had the second lowest council tax across Wales, generating 24% of our income. This council's current year budget was well below its standard spending Assessment (SSA) by £11.1m, which was almost entirely due to our low level of council tax funding. Given the low starting point on Newport council's tax, it would still be lower than most of the neighbouring authorities, even if they had a lower level of increase. The financial advice given had always been to maintain a steady increase in council tax and although this was a burden, it was important to find a balance that worked for the best. At a proposed 3.7%, Newport City Council's proposed Council Tax increase would still maintain its position as one of the lowest in Wales.

- members commented on the statement in the report that the Council provided services for over 158,000 thousand people in 69,000 households, and this put the budget planning process into perspective for our City, which was still continuing to expand. M

The Head of Finance agreed that Council services had had to adapt and change during the past two years and that now we were looking to progress not only the day to day business of the Council but also supporting and developing all of our other projects and aspirations.

- members asked how Covid had impacted on revenue from room hire and car parks. M

The Head of Finance and Strategic Director both agreed that income streams such as these, together with leisure services, had inevitably been impacted during the pandemic but that we were able to claim for these from the WG Hardship Fund, claiming the difference between budget and actual levels of income. This would be coming to an end on 1st April 2022 and the budget will then need to absorb this shortfall. Proposals were not to increase these fees so there would be some budget

shortfall we would need to cover. People's habits had changed over the last 2 years and it was unknown if and when these income areas would revert to normal use and this was an area of work to be investigated over the coming year in readiness for future budgets.

The Chair thanked the Officers for their contribution and responses to Member's questions.

The Committee wished to make the following comments to the Cabinet:

- The Committee thanked the officers for attending. Members welcomed the investment proposals presented to them and were pleased to see no savings proposals within this year's Draft Budget. Members also noted the points made with keeping pace with inflation and the importance of not falling behind.
- Members welcomed the proposal to increase the salaries of care and domestic workers to the living wage. Members queried whether the Council can ensure that social care providers follow through with the proposed increases for their staff.
- Members were pleased to hear about the accelerated funding for the Cardiff City Region Deal to fast-track support, including for advanced manufacturing capability in the region. It was asked whether officers could organise an All Member seminar or briefing to discuss the Cardiff City Region Deal in further detail, such as the involvement Newport have and what we are getting in return. Members also requested if the officers could provide the Committee with a list of projects upcoming.
- Members requested if officers are able to provide a list of housing developments that have a management fee in place.
- Members requested if in any way a more speedier approach to facilitate and help rough sleepers to get into appropriate accommodation and support.

5 **Scrutiny Adviser Reports**

Invitee:

- Neil Barnett – Scrutiny Adviser

a)Forward Work Programme Update

The Scrutiny Adviser presented the Forward Work Programme, and informed the Committee of the topics due to be discussed at the next committee meeting:

Monday 13th November 2021 at 4pm, the agenda items; -

- Economic Growth Strategy and Economic Recovery Plan – Recommendations Monitoring
- Carbon Management Plan – Progress Monitoring

b)Actions Sheet

The Scrutiny Adviser told the Committee that the comments and recommendations made at the previous meeting held on 29th November 2021 were forwarded onto Heads of Service and Cabinet on 30th November 2021.

The meeting terminated at Time Not Specified

Mae'r dudalen hon yn wag yn

Scrutiny Report

Performance Scrutiny Committee – Place and Corporate

Part 1

Date: 28 February 2022

Economic Recovery Strategy – Update report

Author Regeneration Manager

The following people have been invited to attend for this item:

Invitee:	Area / Role / Subject
Matt Tribbeck	Regeneration Manager
Tracey Brooks	Head of Regeneration and Economic Development
Councillor Jane Mudd	Leader of the Council and Cabinet Member for Economic Growth and Investment

Section A – Committee Guidance and Recommendations

1 Recommendations to the Committee

The Committee is asked to:

1. Consider the Economic Recovery Strategy and presentation on the progress against the plan.
2. Assess the contents of the plan and presentation and decide if there has been satisfactory progress against the aims stated within the plan.
3. Establish whether there is any additional information needed.
4. Decide if the Committee wishes to make any comments or recommendations in relation to the plan

2 Context

Background

- 2.1 The Council adopted an Economic Growth Strategy in 2015 and approved an update in February 2020, just before the UK went into the first lockdown. In response to the shutting down of the economy and the challenges this presented to our businesses, an Economic Recovery Strategy was approved by Cabinet in May 2020. Little did we know at that time that there would be further periods of lockdown and a more prolonged adverse effect on the economy.

2.2 The Economic Recovery Strategy proposed the following objectives:

- Recover, through supporting Newport businesses and providing leadership
- Reposition, through securing inward investment, preparing for new infrastructure development, and supporting growth in skills and learning.
- Renew, through economic resilience

2.3 The long-term effects and impacts of the pandemic, coupled with other macro-economic influences such as the departure from the EU, are yet to emerge but the report suggests that we need to remain focussed on how Newport can best promote growth in job opportunities, adapt to changing skills demands and drive more sustainable economic growth. It is suggested that regional partnerships, regeneration schemes and work & skills programmes are the most powerful tools we have to encourage inward investment, support indigenous business growth, and reduce inequality during and after the pandemic.

3 Information Submitted to the Committee

3.1 Two documents are provided. The Economic Recovery Strategy and the update report.

4. Suggested Areas of Focus

Role of the Committee

The role of the Committee in considering the report is to:

Review and analyse the contents of the update report and establish what progress has been made against the plan and what that means for the Council.

- Take a look at the achievements to date and reflect on whether this constitutes sufficient progress.
- Assess and make comment on the impact that the plan has had on economic recovery, bearing in mind that we are only just emerging from a period of sustained restriction.
- Conclusions:
 - Is the Committee satisfied that it has had all of the relevant information to base a conclusion on the performance against the strategy?
 - Do any areas require a more in-depth review by the Committee?
 - Does the Committee wish to make any Comments / Recommendations to the Cabinet?

Suggested Lines of Enquiry

- 4.1 The Committee might wish to think about the following when devising questioning strategies;
- What activities have made the biggest contribution towards economic recovery?
 - What have been the wider benefits of having the strategy and delivering against it.
 - What are the opportunities for economic recovery?
 - What are the main challenges to the delivery of the strategy?

Section B – Supporting Information

5 Supporting Information

- 5.1 The following have been provided to the Committee for additional / background reading to support the scrutiny of the Economic Recovery Strategy.

Economic Growth Strategy 2015
Economic Growth Strategy Update 2020.

6 Links to Council Policies and Priorities

Well-being Objectives	Promote economic growth and regeneration whilst protecting the environment		Improve skills, educational outcomes & employment opportunities	Enable people to be healthy, independent & resilient	Build cohesive & sustainable communities		
Manifesto commitments	Working Newport: Jobs, growth & the economy	Sustainable Newport: Environment & transport	Learning Newport: Education & skills	Future Newport: Well-being & social care	Fairer Newport: For all our residents	Safer Newport: Community safety & antisocial behaviour	Vibrant Newport: Creativity & culture
Corporate plan actions	A thriving city		Aspirational people		Resilient communities		
Supporting function	A modernised council						
	Objective 1		2	3	4		

7 Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality.

An FEIA has not been provided as this update is for information purposes only.

7.1 Summary of impact – Wellbeing of Future Generation (Wales) Act

NA

7.2 **Summary of impact – Equality Act 2010**

NA

7.3 **Summary of impact – Socio-economic Duty**

NA

7.4 **Summary of impact – Welsh language**

NA

8. Background Papers

- [The Essentials - Wellbeing of Future Generation Act \(Wales\)](#)
- [Corporate Plan](#)
- [Socio-economic Duty Guidance](#)
- [Public Sector Equality Duty](#)
- [Welsh Language Measure 2015](#)

- Economic Growth Strategy 2015



Economic Growth
Strategy_Final versic

- Economic Growth Strategy Update 2020



EGS UPDATE 2020
-Final.pdf

Report Completed: 21 February 2022

CITY OF NEWPORT

**ECONOMIC GROWTH
STRATEGY RECOVERY
2021 UPDATE**



RECOVER – REPOSITION - RENEW

Introduction

This paper looks to provide an update on how the Council has delivered on its economic recovery agenda within the unique context of the pandemic. It presents a narrative on how Newport is performing as we look ahead to a period of economic uncertainty and recovery.

Having adopted the updated Economic Growth Strategy (EGS) shortly before the full impact of the pandemic was brought to bear, an Addendum to the strategy was published in October 2020 which focussed specifically on economic recovery from the devastating impact of the pandemic. This new strategy was entitled Recover, Reposition, Renew and sought to understand the fundamental changes underway in the local economy and suggested ways the Council might respond to the economic challenges that accompanied the spread of Covid-19. It forms an additional layer to the adopted EGS focusing on economic recovery in the first instance.

Since the first confirmed case of Covid-19 in Wales in February 2020 a great deal has changed. Our society has been through a series of lockdowns and restrictions that have helped to curb both infections and serious illness. These restrictions have however had a profound effect on our economy and brought about a number of changes to our working patterns, accelerating the rise of digital technology and home working. Offices have no longer been the heart of corporate activity and administration and the already-struggling retail sector has seen a number of high-profile casualties that have further affected confidence in town and city centres. Measures to enforce social distancing have affected the hospitality sector considerably and in some cases, irreversibly. The pandemic has however also delivered opportunity, with a focus on re-imagining existing commercial property as collaborative, co-working and flexible space. The need to make real and credible progress towards decarbonisation has gathered momentum, alongside a wave of technological advancement as services and enterprises digitise as the norm. We will feel the effects of the pandemic for generations, and it has not occurred in isolation. Significant economic factors such as the UK Exit from the EU, social security reform, and rising energy prices will continue to impact on the local economy for years to come. However we will continue to respond to these challenges and provide support and assistance where required.

Well-being of Future Generations Act

The structural shifts in global and local economies over the last two years have also served to fuel debate on what we mean by economic wellbeing and how we measure and frame success. The pandemic has intensified the effects of inequality in our society and ignited the need to focus on outcomes for people and place that promote resilience and sustainability, instead of a pure focus on growth.

The long-term Economic Growth Strategy inherently supports the Well-being of Future Generations Act and the Recovery addendum reflects the shift towards prioritising resilience over growth. The emphasis of the immediate response was fundamentally about preventing and limiting the damage in the economy in the short term, whilst considering longer-term impacts and predicting changes to the economy.

Newport's economic response to the pandemic has relied on collaboration with partners to find the most innovative solutions and businesses will need to be involved in decisions that affect them through vehicles like the Newport BID. Collaboration is at the core of Council's Well-being Objectives and remains key to delivering cross-cutting objectives around improving skills, educational outcomes and employment opportunities, and promoting sustainable economic growth and regeneration while protecting the environment.

The Newport Offer post Covid-19

Newport's strengths leading into the pandemic are those that will drive recovery and form the pillars of the Newport offer post Covid-19. The strengths of the local workforce, key industrial sectors and clusters, and a uniquely advantageous location remain relevant in the post-Covid world. These are intrinsic to the message the city presents to inward investors and visitors in order to build business confidence within the city.

Once restrictions fully lift within Wales, efforts to harness our green environment and natural assets will redouble, as a first step in bringing the tourism and hospitality sector back. This will also complement the Green and Safe Spaces intervention in Newport's Wellbeing Plan, through which partners are working together to promote access to green space for health, play and recreation. With increased home working, and ongoing apprehension regarding international travel, the opportunity to encourage travel to Newport safely for visits, holidays and outdoor recreation must be fully exploited.

Newport's key attractions range from historical assets such as the Transporter Bridge, the Roman fortress at Caerleon and Tredegar House, to nature experiences such as the RSPB National Nature Reserve and the Living Levels, complemented by a genuinely global brand and catchment through the Celtic Manor Resort. Each location benefits from being able to operate predominantly in an open-air environment with reduced risk of viral transmission making them resilient to future coronavirus restrictions. Developing new Covid-19 safe business models has allowed visitors to return to Newport, and while this is yet to be in large numbers with limited organised events, we have nonetheless seen the start of the return of important events such as the Newport Marathon and the Christmas Lights Switch On.

Newport remains positioned as a strong contender to capitalise on demand for office space from companies looking to relocate to more accessible and strategic locations. Capturing the interest of these occupiers in part rests on the operating models of businesses first stabilising and then understanding their needs. We have seen this start with the decision of Admiral to rationalise their estates portfolio. Whilst this has seen the partial closure of their City Centre building, there has been a high level of interest in this space and we work with the Company to bring in new and expanding businesses into the City Centre. We have a strong offer in Newport, presenting an opportunity for an outstanding quality of life and more affordable housing. The potential workforce within an hour of Newport has been a key consideration for previous inward investors in the past and as we strengthen, grow and adapt our skills base to ensure that it reflects the needs of existing and new employers and businesses, we will ensure that Newport and its workforce are well positioned for the future.

The recognition of Newport as a focus for national growth within Future Wales, the National Plan 2040 also reflects Welsh Government's commitment to promoting Newport for growth and investment. Newport is also part of strategic partnerships including the Cardiff Capital Region and the Western Gateway. Both these partnerships have ambitious plans to improve connectivity and economic opportunity through projects such as the South Wales Metro and exploring opportunities to harness green energy. The Burns Commission will see more community-based connectivity through new train stations and other infrastructure improvements which supports sustainable travel at a local level. This reflects the commitments of the Well-being Plan and the focus of the PSB partners on increasing options for efficient, safe and accessible transport across the city with overall low impact on the environment.

Performance

The following section summarises the objectives detailed in the Recover, Reposition, Renew paper and progress against these objectives.

Short Term – Recover

1. Support Newport Businesses

- Maximise take up of existing and emerging schemes,
- Ensure business support is sufficiently agile to respond to those who need it most need it but remains aligned to local, regional and national priorities for growth and recovery
- Focus on start-ups, particularly those in identified growth sectors and the foundational economy

2. Leading the City through Recovery

- The local authority must continue to show leadership to all communities including businesses, and ensure that interventions are timely, appropriate and efficient.
- Ensure critical opportunities to rebuild the economy are not missed and resources are not duplicated and wasted given the scale and unprecedented nature of this challenge

Actions to date:

Business Support

- Total Covid -20 Grants given out from Business Support, across 10 discretionary grant schemes - £6,284,500, of which 1 grant scheme focussed on start-ups (74 assisted)
- Total number of Businesses assisted - 3233
- Budget this year for the Business Development Fund (mainly the City of Newport Business Grants) is - £366,000 (increase of over £300,000) – 350 expression of interest forms have been received and £100,000 awarded to date.
- Grant maximums are higher this year for the City of Newport Grants (Max £10,000 for city centre businesses and £5,000 outside city centre), with a focus on ‘progressive’ business. Additional items such as IT/online trading software and website development have also been included.
- Through the Welsh Government Transforming Towns framework, an investment of £181,567 to facilitate business outdoor trading including provision of free branded barriers to support social distancing

NNDR / Business Rates relief

NCC administered the roll out of rates relief and grant support to businesses:

- Delivered 7312 grants across the 4 Covid Business Rate grants - £46,785,201.00
- Processed Covid Extended Business Rates Relief - £20,004,058.24 for 1411 businesses.

Trading standards

NCC Licensing allowed a number of businesses to defer Licensing fees until such time as certain sectors could reopen or receive relevant grants from Welsh Government, this includes the 1200+ taxi drivers that NCC licence.

To support businesses to continue trading, the Café Pavement policy was revised and flexibility afforded to businesses specifically in the city centre where we not only permitted longer trading hours outside but also allowed more trading space.

Community Regeneration

Covid, and its associated lockdown restrictions provided a challenge to what is predominantly a customer facing section. There was a need to look at alternative ways to continue support to those most in need. In doing so, the need for greater digital engagement was identified and rolled out:

- Newport is one of 22 authorities that deliver the Communities for Work and Communities for Work Plus programmes across Wales. Through the Welsh Government and Digital Communities Wales Digital Loans Scheme we were able to loan Chromebooks and Wi-Fi dongles to those participants identified as in need. This provision provided them with a means to communicate with the community regeneration team and other services, to undertake job search related activity e.g. writing a CV, submitting applications, attending virtual interviews and completing online training courses. The programme provided 10 laptops and Wi-Fi dongles per Hub.
- Reach + is a joint initiative with Coleg Gwent that supports migrants and refugees. During lockdown it was identified that many clients were isolated and with no Wi-Fi or digital equipment had little or no contact/support. Through our Barriers Fund we were able to purchase and distribute 65 iPads and Wi-Fi dongles to customers. In doing so it enabled them to continue ESOL education during lockdown and enabled us to communicate important info to clients regarding Covid and restrictions. We were able to remove language barriers through translating and circulating digital information on rules and guidance on lockdowns, testing, isolating etc. for clients to clearly understand the risks. We distributed 65 iPads and WIFI Dongles out to Refugee Customers in order to continue with online ESOL during COVID.

Empty Property Group

The Empty Property Group is a multi-disciplinary group led by the Regeneration, Investment & Housing service, and seeks to improve the physical condition of Newport's built environment by bringing about the re-use or demolition of key vacant properties. In 2020, officers and elected members participated in training sessions facilitated by Welsh Government on how to tackle long-term empty properties through enforcement action. The group has developed an action plan which has been approved by Welsh Government. Tailored action plans are now being implemented for specific, problematic properties in the city.

Medium Term – Reposition

3. Securing Inward Investment

- The only current certainty is that the world has changed fundamentally, and Newport will need strengthen and flex its core offer to ensure it is well positioned for a new world.
- Opportunities around promoting the city as a Covid-secure place to visit, with a very competitive quality of life offering must be fully exploited.
- The city must maximise and exploit opportunities for public investment through the Welsh Government regional development framework and Transforming Towns programme, alongside any UK Government-led investment opportunities.

4. Preparing for Infrastructure Development

- Being ready for a world where new concepts such as social distancing align with the acceleration of digital networks. Recognising the move away from traditional work base and commuting

requirements of the workforce and improving the ability to accommodate and accelerate remote working as part of investment packages.

5. Skills and Learning

- Growing the FE and HE sectors in the city is a key strategic objective but the challenges for this sector are currently intense. Prioritise the delivery of new and improved educational and learning facilities and support both universities and Coleg Gwent to align their offer to the 'new normal'.

Actions to date:

Transforming Towns

Newport is a significant beneficiary of funding through the Welsh Government's Transforming Towns framework for regeneration in Wales. To date, the Council has secured over £15m towards Newport projects. As outlined above, significant projects in the pipeline as the pandemic hit the UK have nevertheless progressed toward completion, often being refined in the process to reflect the post-pandemic context. These developments include:

- The £20m development of a new leisure and well-being centre adjacent to the University
 - The £5.5m redevelopment of the historic indoor market
 - A £3m restoration of the Market Arcade
 - Re-purposing of the Information Station as a tech hub, and the associated refurbishment of the central library building
 - The £17m Chartist Tower redevelopment as a 4* city centre hotel
 - Investment of £181,567 to facilitate business outdoor trading including provision of free branded barriers to support social distancing
 - Redevelopment of Olympia House and a third phase of development at the Kings Hotel
- In addition, the Council has continued to support key developments such as the £4m refurbishment of the former sorting office on Mill Street.

Community Renewal Fund

In June 2021, Newport Council supported organisations to apply to the UK Government's, Community Renewal Fund. The purpose of this fund is to enable local organisations and groups to access funding up to the value of £3 million pound to deliver various schemes focused on investment in skills, local businesses, communities and place and supporting people into employment.

The Council received 11 bids from various private, not for profit, third sector and education organisations. Following the submission of eight applications, the UK Government awarded funding to seven bids that are primarily focused on skills, employment, rejuvenation of areas in Newport, and tertiary education. These successful projects will commence in February with funding available until June.

Right Skills Board

The Board is one of the five interventions in Newport's Well-being Plan 2018-23 published by One Newport. Achievements this year include:

- Virtual Careers weeks for Newport schools (Year 9 and above) focussing on growth sectors:

- Digital sector with interactive sessions with local employers in the CS Connected Semi-conductor cluster, cyber security, creative, software engineering, future tech.
- Health, social care and childcare sectors in Newport with interactive sessions with NCC, ABUHB, Child and Adult Mental Health Service, Coleg Gwent and USW.
- Successful bid with Ffilm Cymru to the UK Community Renewal Fund for a programme to link young people in Newport to a range of career opportunities in the screen sector, provide placements and work experience opportunities for Coleg Gwent students and create strong, ongoing links between education in Newport, screen sector employers / organisations and Careers Wales.
- Youth Engagement and Progression Framework in Newport reducing the number of NEET young people
- REACH restart project providing employability support to refugees and ESOL assessment / support to refugees and asylum seekers to aid integration.

NCC Youth Academy

The Newport Youth Academy programme delivers to 16 and 19 years olds identified as NEET (Not in Education, Employment or Training) who are furthest from employment and/or further education.

It uniquely offers a wide range of vocational qualifications and career pathway, including niche opportunities in Coding, Construction and Sport to name a few.

Performance October 2020 – October 2021:

Total number of students enrolled on Programme: **111**

- Of the 53 students that have left the programme, 45 of them left with evidence of a positive destination (into employment or further education)
- 115 accredited qualifications have been achieved and certified

Long Term – Renew

6. Economic Resilience

- Unique opportunity – the indiscriminate and sudden impact of Covid-19 brings the realness of other challenges into focus, including climate change, balancing growth with resilience, changing demographics and inequities of both health and wealth. Whilst co-ordinating the immediate recovery of the local economy, and seeking to reposition Newport for the new world, the opportunity to reflect on the relationship between the economy, the environment and society must not be lost. A better balance between these three domains will equal greater long-term resilience for the local economy and the future well-being of citizens of the city.

Actions going forward:

Right Skills Board - has the following projects to take forward:

- RDP-funded Carbon literacy training to community organisations in rural areas with a “Train the Trainer” element to support wider roll-out across Newport as a legacy
- Initiatives to support Welsh in the workplace and promote Welsh as an employability skill in local schools
- Further sector-focused careers weeks with schools
- Work with Regional Skills Partnership to foster engagement between the semi-conductor cluster and Newport schools on skills development

LDP Review

The Council has begun the process of creating a replacement Local Development Plan (RLDP). This plan will cover the period 2021-2036 and will set out how the authority will meet its role as a centre for national growth, as identified by Future Wales, the National Plan 2040. The RLDP work involves creating a robust evidence base which includes the need to understand and plan for economic growth and recovery. The Council has commissioned BE Hatch to undertake an Employment Land Review and economic projections to inform the growth options for the plan; all of which will assist in the policy development for directing land use in a manner that assists in the focus for an economic recovery.

Conclusion – Moving ahead

The Coronavirus pandemic has brought about a shift across the economy with unprecedented effects on society and jobs. Since March 2020 society has adapted to find new ways of living and working that can allow us to live with Coronavirus.

The impact of the pandemic on the local authority has been stark, with contraction in business and jobs evident across sectors and mirroring the trend seen for both Wales and the wider UK. Nevertheless, as the ongoing vaccination campaign and diminishing severity of new waves of the virus begins to signal a way out of restrictions, there are a number of key positives to note which suggest that Newport is well-positioned to thrive as we emerge from the pandemic.

- Excellent jobs growth leading into the pandemic has helped mitigate the inevitable losses in the wake of the pandemic, notably in the scientific, technical and cultural sub-sectors.
- Progress of an ambitious programme of regeneration and investment, with over £120m of projects in the pipeline for delivery. Many of these schemes are due to complete soon, including the re-opening of the indoor market, restoration of the Market Arcade and opening of the Chartist Tower.
- Enhancement of partnership working in response to the pandemic, with bodies such as the Right Skills Board reaching maturity quickly and beginning to deliver projects.
- Further securing of investment from the UK Government through the Community Renewal Fund.

As we look forward, support for the local economy through the next phases of delivery under the Economic Growth Strategy will remain critical. The long-term effects and impacts of the pandemic, coupled with other macro-economic influences such as the departure from the EU, are yet to emerge and we must now turn to how Newport can best promote growth in job opportunities, adapt to changing skills demands and drive more sustainable economic growth. Regional partnerships, regeneration schemes and work & skills programmes are the most powerful tools we have to encourage inward investment, support indigenous business growth, and reduce inequality during and after the pandemic.

Recover, Reposition, Renew: Economic Growth Strategy Recovery

Short Term - Recover

1. Support Newport Businesses

- Maximise take up of existing and emerging schemes,
- Ensure business support is sufficiently agile to respond to those who need it most need it but remains aligned to local, regional and national priorities for growth and recovery
- Focus on start-ups, particularly those in identified growth sectors and the foundational economy

2. Leading the City through Recovery

- The local authority must continue to show leadership to all communities including businesses, and ensure that interventions are timely, appropriate and efficient.
- Ensure critical opportunities to rebuild the economy are not missed and resources are not duplicated and wasted given the scale and unprecedented nature of this challenge

Medium Term - Reposition

3. Securing Inward Investment

- The only current certainty is that the world has changed fundamentally, and Newport will need strengthen and flex its core offer to ensure it is well-positioned for a new world.
- Opportunities around promoting the city as a Covid-secure place to visit, with a very competitive quality of life offering must be fully exploited.
- The city must maximise and exploit opportunities for public investment through the Welsh Government regional development framework and Transforming Towns programme, alongside any UK Government-led investment opportunities.

4. Preparing for Infrastructure Development

- Being ready for a world where new concepts such as social distancing align with the acceleration of digital networks. Recognising the move away from traditional work base and commuting requirements of the workforce and improving the ability to accommodate and accelerate remote working as part of investment packages.

5. Skills and Learning

- Growing the FE and HE sectors in the city is a key strategic objective but the challenges for this sector are currently intense. Prioritise the delivery of new and improved educational and learning facilities and support both universities and Coleg Gwent to align their offer to the 'new normal'.

Long Term - Renew

6. Economic Resilience

- **Unique opportunity – the indiscriminate and sudden impact of Covid-19 brings the realness of other challenges into focus, including climate change, balancing growth with resilience, changing demographics and inequities of both health and wealth. Whilst co-ordinating the immediate recovery of the local economy, and seeking to reposition Newport for the new world, the opportunity to reflect on the relationship between the economy, the environment and society must not be lost. A better balance between these three domains will equal greater long-term resilience for the local economy and the future well-being of citizens of the city.**

Introduction

Circumstance and events have changed dramatically since the arrival of Covid-19. The lives of citizens, and the economic outlook of businesses and employees has become significantly more uncertain. The Prime Minister's announcement of lockdown on 23rd of March effectively shut down large swathes of the economy and necessitated unprecedented intervention from the UK and Welsh governments to mitigate the worst of the economic damage a prolonged lockdown would bring. This Covid-19: Economic Impact and Recovery Paper will look to inform further on the effect of the pandemic, and how a recovery strategy can complement Newport's existing Economic Growth Strategy.

The Economic Picture before lockdown

At the current time, the UK is still in the early stages of its response to the pandemic. Over time, key economic indicators will be published so we will be better able to understand the wider impact across society and the economy as well as the local picture.

Heading into the pandemic, Indicative data over the Jan-Mar 2020 period showed the Welsh employment rate was 73.4% and 1.1% points down on the year¹. Conversely the national unemployment rate was at 3.2% and 1.3% down on the year.

Lockdown Period: March-May

The effect of lockdown on the wider economy has been modelled by the Office for Budget Responsibility. The scenario of a 3 month lockdown has seen the UK economy forecasted to shrink by -12.8% in 2020 with an unemployment rate of 7.3%.

To counteract economic contraction and mass unemployment brought about by the lockdown policy the UK government introduced an unprecedented number of economic support packages to UK business.

Official statistics (Table 1) make clear there has been significant uptake of Government support with only 15.3% of businesses still trading not having accessed any of the available schemes.

The most significant has been the Coronavirus Job Retention Scheme with 75.9% uptake by businesses accessing the scheme to some degree. The very high use of the scheme reflects reduced demand across most of the economy for workers while economic activity was halted. This policy has made it possible for business operations to be paused or downscaled

¹ Source: Welsh Government Analysis of Labour Force Survey <https://gov.wales/key-economic-statistics-may-2020>

without mass redundancies, retaining much of the workforce in place in readiness for recovery.

Table 1: Source: Office for National Statistics – Business Impacts of Coronavirus Survey (Coronavirus and the latest indicators for the UK economy and society: 14 May 2020)

Government Support	All businesses not permanently ceasing to trade
Business has not applied for any support	15.3%
Devolved governments business grants or loan schemes	2.9%
Accredited Finance agreements	11.6%
HMRC Time to Pay scheme	22%
Deferring VAT payments	59.2%
Business Rates holiday	29.1%
Coronavirus Job Retention scheme	75.9%

Additional financial packages are intended to assist with cash flow for businesses to adapt during a period of reduced demand in many sectors however there is an urgent need to navigate a way out of lockdown to prevent further long term economic and societal pressures. Chart 1 below illustrates the effect on businesses that have continued to trade throughout lockdown in each nation with over 60% of businesses having turnover decreased and over a quarter of businesses suffering a turnover loss of more than 50%.

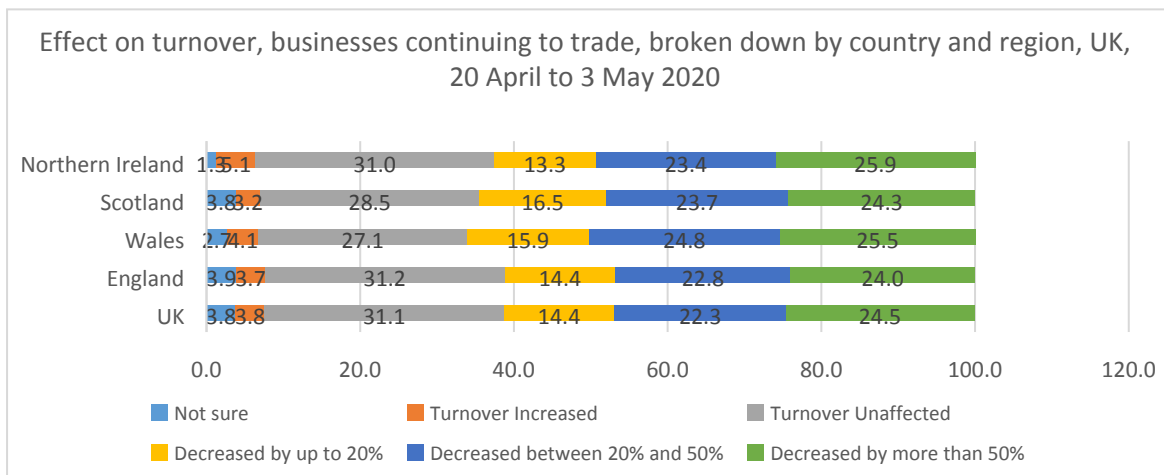


Chart 1: Source Office for National Statistics – Coronavirus and the economic impacts on the UK

Conversely for businesses still trading, the workforce has largely (71.4%²) continued to work as normal although average hours have dropped for many workers. Recent figures show 21.8% of businesses workforce have been placed on furlough however this fluctuates significantly between industries; ranging from 96%³ of accommodation and food service businesses applying to the scheme but only 45% of Human Health and Social Care organisations. Therefore, for a rapid resumption of economic activity, it will be necessary to

²Source: Office for National Statistics – Coronavirus and the economic impacts on the UK Effect on workforce, businesses continuing to trade, UK, 20 April to 3 May 2020

³ Government schemes being applied for, surveyed businesses who have not permanently stopped trading, broken down by industry, UK, 20 April to 3 May 2020

explore options for raising the number of workers able to return to work in a secure environment in a way that responds to the bespoke needs of individual sectors.

The Regional Picture – How is Newport doing?

The 2019 Business Count for Wales shows a total of 106,015⁴ active enterprises. Data published to May 2020 shows the national take up of Business Rates relief to be 50,700 (Table 2) or 47.8% of Welsh businesses.

Table 2 <https://gov.wales/summary-data-about-coronavirus-covid-19-and-response-it-18-may-2020>

Welsh Government Support	Number Awarded/Applied	Amount
Business Rates Relief	50,700	£622,000,000
Development Bank of Wales Loans	1,351	£87,200,000
Economic Resilience Fund - Micro Businesses	6893	£67,000,000
Economic Resilience Fund - SME's	2,578	£143,000,000

Business rates relief was a key element of the immediate response to the economic crisis. Newport City Council has received praise for the swiftness and efficiency with which it has rolled out this support, with a total rates relief awarded in Newport to date has been over £17m. In addition to the suspension of business rates, the Council has awarded grant support totalling a further £26m to more than 2,000 Newport businesses.

The majority of Newport's businesses fall into the 'micro' category (4,460). Before the pandemic, there was a significant focus on these being a growth driver for the local economy due to the city's excellent start-up rates; with a particular focus on responding to demand for flexible working space capable of accommodating new digital companies.

Across Wales, ERF funding to micro-businesses has been the most widely applied for, which reflects both its flexibility but also the fact that many businesses in this bracket did not qualify for support via local authority rates teams. The application process is now paused but Business Wales estimate around 220 Newport micro-businesses were successful in accessing the funding.

Data for Wales 21,130 SME's shows around 12% of this size bracket also accessed this funding, however only around 6% of Newport's 1135 SME's accessing this funding before the application process was paused. Whilst this suggests take-up was lower for Newport businesses, the speed and efficiency at which rates relief and grants were rolled out would have meant many were ineligible for this funding. In addition, a criticism of the ERF scheme is that it has not been open to businesses that are not VAT registered, leaving many of Newport's large number of start-ups and micro-businesses unable to access the funding. However, in recognition of the need to assist a greater range of businesses, Welsh Government have launched Phase 2 of the Economic Resilience Fund. Applications for this funding closes at the end of June.

⁴ Inter Departmental Business Register (ONS)
<https://www.nomisweb.co.uk/reports/lmp/la/1946157404/report.aspx?town=newport>

Signs of Recovery

Survey of public views on Covid-19 19 th March-18 th May 2020		19 th -21 st March	15 th -18 th May
Threat posed to your job or business	Very high or high	54%	48%
Coronavirus will have financial impact on self and family	Strongly or somewhat agree	75%	63%
Concerned will be able to pay bills one month from now	Extremely or very concerned	-	21%
Welsh Government doing good job to contain spread of virus	Very good or good job	-	73%
NHS doing good job to contain spread of virus	Very good or good job	76%	81%

Tentatively, the public has become more confident about job security as the national response to the pandemic has progressed. Surveys of adults aged 16-74 between March 19th and 18th May have shown a 6%⁵ reduction in those who fear they may lose their job or business, and a 12% reduction in the number of people who feel Coronavirus will have a financial impact on themselves or their family.

The public are also slightly more confident in measures taken to contain the spread of Covid-19, with 81% of respondents now feeling the NHS is doing a good job to contain the virus; an improvement of only 5% over the 9-week period.

A change in attitudes and the production of the Welsh Government recovery plan 'Unlocking Our Society,' will enable a gradual resumption of national economic activity across many sectors within Wales. What is clear is that not all sectors will be able to move at the same pace, with hospitality and leisure predicted to be among the last sectors to reopen. We are still uncertain how shifts in working practices will impact on major developments and the potential change to global supply chains as businesses and countries seek to limit their exposure to future shocks.

It is within this context that an economic recovery strategy for Newport will need to identify what areas of the economy will require support, where new opportunities may be found as a result of the disruption of the pandemic, and the need to shape the 'new normal'.

Emerging Trends – Business contraction & growth

Forecasting future outlooks for sectors will be difficult at this time with many economists viewing the nature of the exit from lockdown as being key to minimising the damage that has already been done to the economy and jobs market. Nationally, 44%⁶ of active businesses have reported their cash reserves will not last 6 months while a quarter of businesses have reported turnover has dropped by 50%.

Hopes for a 'V Shaped' recession are now receding with the Chancellor Rishi Sunak warning of 'a recession like no other'. Therefore to effectively combat the worst economic effects of this recession we should learn the lessons of the past one. Adapting to the 'new normal' will require innovation, education & training and investment in digital infrastructure. Re-

⁵ <https://gov.wales/survey-public-views-coronavirus-covid-19-8-11-may-2020>

⁶

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundup/2020-03-26#businessimpact>

evaluating who society considers key workers has been enforced by the reality of life with Coronavirus. Currently, only 33.7%⁷ of Newport employees meet this classification.

Foundational Economy

As is the case across Wales, the foundational economy as a 'sector' accounts for the majority of the jobs available in Newport. A total of 42,300 roles are within the definition of the foundational which represents more than one in every two jobs. This sector provides the services necessary for people to enjoy a basic quality of life, including food, energy, housing and care. The Coronavirus pandemic has both redefined the way we think about the role these jobs play in the delivery of society's essential services, and showcased their inherent resilience in adapting to current trading challenges.

Foundation Economy – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Electricity, gas, steam and air conditioning supply	500	0.6%
Water supply; sewerage, waste management and remediation activities	800	1%
Construction	4500	5.5%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11000	13.4%
Public administration and defence; compulsory social security	6000	7.3%
Education	4500	5.5%
Human health and social work activities	13000	15.9%
Other service activities	2000	2.4%

Wholesale retail, construction and education will have experienced the most disruption. The outlook for high street retail is uncertain. During lockdown store overheads have been a significant cost to retailers and only those who have continued to trade online have secured any sales.

If traditional retail is to survive, support for local retailers, and new ways of operating safely are required. We should look to learn from European countries who are exiting lockdown and permitting the opening of their retail businesses safely and quickly. The new normal will affect property requirements, with greater click and collect facilities and less display space likely feature in the future.

Some essential construction sites have remained operational throughout the Coronavirus pandemic and many more are now beginning to reopen with both the UK and Welsh Governments providing support and guidance on working with social distancing in place. The UK Government has shown eagerness to get the construction industry working again in face of significant contraction to support the property sector's recovery.

Education

Education has changed dramatically with social distancing requirements; with increased digitalisation contrasted with profound disruption to normal curriculums. Nevertheless, the education sector will be one of the pacesetters of lockdown-easing, and among those able to return to something close to its previous operation.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundup/2020-03-26#businessimpact>

In respect of the higher education subsector, there are concerns that HE students will be the last to resume studies with some university students expected not to return in 2020-21 and other lectures confined to digital platforms. The financial outlook for UK universities is poor as a result with the loss of income from international student fees and many more UK students considering deferring their place.

Newport's USW campus houses business and computer science courses and it is unknown how these will respond to the change in teaching practices but with the growth of online trading and learning, this should strengthen the position of the growing South Wales Cyber Cluster.

Manufacturing & Logistics

By their nature, these industries are unable to continue to work remotely and as a result many businesses within the manufacturing sector will have furloughed employees to cope with reduced demand. Some national businesses within the sector are already making employees redundant as a result with potentially more to come following a future winding down of the government furlough scheme. Others have been able to rapidly reposition themselves in order to respond to the current demand for materials such as hospital beds, PPE and sanitiser.

Manufacturing & Logistical – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Mining and quarrying	50	0.1
Manufacturing	8000	9.8
Transportation and storage	6000	7.3

Logistics have rapidly adapted in response to the pandemic however with reduced overall demand in the economy and lower consumer confidence this industry may also experience contraction in line with manufacturing and wholesale retail industries.

Professional Services

Professional and Financial services are one of the UK's largest sectors and account for significant amount of Welsh national GVA totalling £13,231m; around 29%⁸ of Wales economic output. Significantly, professional services will be those most able to work from home during the lockdown period and least effected by demand side effects that could cause a more significant downturn across the wider economy.

Profession Services – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Financial and insurance activities	4000	4.9
Real estate activities	1250	1.5
Administrative and support service activities	8000	7.3

⁸ <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/latestgva-by-area-industry>

Newport has a number of SME's within this sector with further opportunities for FinTech products to be rolled out further. The ability of these businesses to operate remotely and the pace of adaptation towards home working may reduce demand for office space but conversely, presents an opportunity for Newport with its competitive house prices and quality of life offer to promote itself in the rise in home-working.

Innovation

Innovative industries linked to higher education and skilled graduates are vital to adapting to social distancing and wider economic recovery; though this will be via the medium of technological advancement rather than the mass creation of new jobs. Up to the lockdown period Newport was benefitting from a successful cyber and semiconductor hubs with growth in the cyber cluster and expansion of digital start-ups generating demand for office development.

Innovation – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Information and communication	2250	2.7
Professional, scientific and technical activities	5000	6.1

Digital businesses by their nature have a high turnover therefore the effect of market disruption to these businesses may not be as profound as is experienced in other sectors. Most do not require a commercial unit to operate from and this trend may again continue with greater numbers of people working from home in the future.

The semiconductor cluster represents an innovative high-tech industry with potential for further growth, as their products are found in many of the electrical devices we use.

Increased investment in medical technology companies is likely, and will intersect with other industries such as logistics and distribution. This represents a further opportunity for Newport to capitalise on wider med-tech activity in the Cardiff Capital Region which is being accelerated in part by the Covid-19 response and desire to reduce dependency on imports of vital equipment and supplies.

Tourism & Hospitality

The economic outlook for tourism, leisure and hospitality is the most challenging across all industries. By design these require travel and social interaction and even the most positive 'V shaped' recovery forecasts predict significant impact over the short term. In an industry that operates on often-small profit margins and high turnover, operating existing models will remain challenging.

Tourism, Culture & Hospitality – Newport Employee Jobs by Industry 2018 (NOMIS)	No.	%
Accommodation and food service activities	6000	7.3
Arts, entertainment and recreation	1250	1.5

Wales Tourism Barometer Survey between 22nd April and 1st May 2020 reported 72%⁹ of South East Wales tourism businesses having to furlough at least some staff. On average this amounted to 15.6 people in practice accounting for most if not all of the business staff. Across all sizes of business, the median reported loss as a result of the crisis in just the period since the beginning of the outbreak was approximately 20% of normal revenue for the whole year. Around 5% of businesses had applied for the ERF microbusiness scheme and 11% had applied to the SME fund, while 23% had applied but did not meet the criteria. Three in four businesses that were eligible had applied for the business rates scheme while take up of loans has been low as many businesses feared being unable to make repayment.

South East Wales businesses will be significantly affected by continued lockdown; with 84% reporting the loss of substantial bookings in May.

The hospitality and events industry is a cornerstone to the ‘Newport Offer’ strategy, and a mechanism for promoting Newport to inward investment and visitors. In the run up to the pandemic, the industry had grown significantly with investment in hotel accommodation driven by demand generated the by International Convention Centre Wales. To avoid a ‘lost opportunity’ situation finding ways to help the sector adapt to become Covid-19 secure will be vital to continuing to promote Newport.

Over the short term, this could involve bringing food and drink services to the customer in order to promote Newport’s brands and facilitating access to outside space in order to operate adapted business models.

The city has a Destination Management Group (DMG), which comprises key businesses and organisations in the hospitality sector in Newport. This would be a way to involve tourism and hospitality businesses in the recovery plan and through which initiatives could potentially be promoted,

Emerging Trends – Regional collaboration in response to pandemic

Newport remains a part of greater regional and partnerships, most saliently the Cardiff Capital Region and Western Gateway. These regional partnerships seek to further economic development through shared resources and collaboration, such that success at regional level filters down to local areas.

While Newport has a growth potential second only to Cardiff in the South East Wales region, as recognised and reinforced by the strategic role and importance afforded to it in the National Development Framework, this places further responsibility on the city to drive growth on behalf of the region. Activity through the recovery period must therefore closely align with the plans of the wider Cardiff Capital Region.

Cardiff Capital Region developed its Industrial and Economic Strategy in 2019. The strategy has been reviewed to ensure it remains fit for purpose in a post-Covid world, with the conclusions of this review endorsed by the CCR Economic Growth Partnership and the Regional Cabinet on 18th May 2020. The five over-arching actions identified for CCR are as follows:

1	Avoid the short-term crowded immediate ‘funding’ response space to ensuring interventions compliment not duplicate existing business support packages.
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⁹ <https://gov.wales/sites/default/files/statistics-and-research/2020-05/tourism-barometer-coronavirus-covid-19-impact-survey-wave-3-2020.pdf>

2	Maintain adherence to original strategic plan and its focus on our industries of the future BUT accelerate efforts on building clusters around med-tech, compound semi-conductors, data/ AI, infrastructure, fin-tech and energy. Balance this with an appropriate approach to building local wealth.
3	Revisit, adjust and adapt current investment programmes as necessary to ensure they are still fit for purpose;
4	Leverage other funding sources and swiftly deploy, relevant financial tools and solutions where there is a proven viable company or proposal in order to increase business resilience and facilitate growth.
5	Establish a new “Re-building Local Economies Challenge Programme”

Emerging Trends - Infrastructure

Newport’s role as a city within the South East Wales region facilitates a net inflow of 15,300 workers (Chart 3). Its strategic location as the gateway to Wales also supports a large flow of workers and goods across the border to England, with an estimated 4,500¹⁰ people commuting from Newport each day to Bristol for work. The intra-regional commuter pattern illustrates a significant exchange of workers, most significantly between Cardiff, Caerphilly and Torfaen.

Despite the technology being available for some time, it has taken an event of the magnitude of the Covid-19 lockdown to drive a step-change in home working and the associated enabling digital platforms that allow this. Up to 44%¹¹ of the UK workforce are currently working from home to some degree.

This change of behaviour has significantly reduced travel and congestion on our roads, with huge associated reductions in pollution and carbon emissions. It is unclear how this will play out long term as workers begin to return to their workplaces, however the revolutionary rise in home working is likely to continue to shape the wider economy. Emerging from this pandemic could present us with an opportunity to accelerate our decarbonisation ambitions and complement our own Carbon Management Plan.

¹⁰ <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Commuting/detailedcommutingpatternsinswales-by-welshlocalauthority>

¹¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukconomyandsocietyfasterindicators/14may2020>

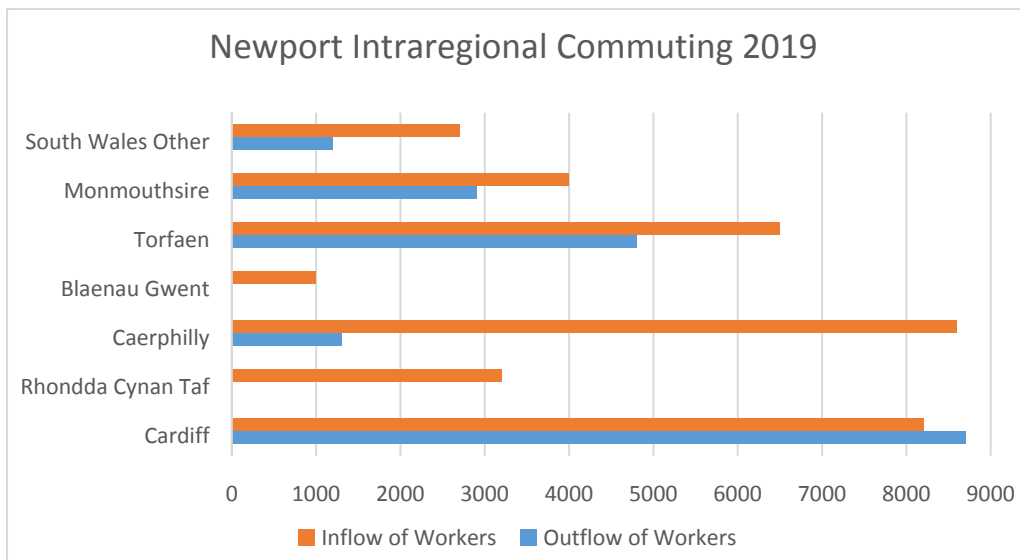


Chart 2: Source Detailed commuting patterns in Wales by Welsh local authority statsWales

As a consequence of the move to greater homeworking it is inevitable digital infrastructure will require further investment in areas including extending superfast and ultrafast internet connectivity beyond the current 96% of premises and connecting more remote areas. Revisiting earlier proposals around a 'Digital Bid' could also serve to boost digital infrastructure and coordinate increased investment.

Expansion of data warehousing facilities will also be needed to meet increased digital working. Many businesses will require considerable digital storage and bandwidth therefore considerations around expansion of data storage facilities should be considered to accommodate expected growth in the market. Newport is well placed to meet this need with proposals already being considered for a significant expansion to the Next Generation Data site at Imperial Park.

Emerging Trends – Education & training for a changing job market

It is reasonable to expect reduced skills demand across all sectors in the short term. Over the short to medium term, demand for skills will change in response to shortages in industries that have been able to adapt quickest to the pandemic. These will need to be identified to support the development of new training pathways.

The Economic Growth Strategy adopted by NCC identifies the need to align educational curricula to future growth sectors, including ICT, life sciences, advanced manufacturing and financial and professional services. Covid-19 is unlikely to change the direction of this focus, but will intensify it given these industrial sectors are also those at the heart of the global response to the pandemic crisis. Conversely, construction and tourism were also identified as opportunities to grow job opportunities within the foundational economy, have been two of the harder hit industries.

Healthcare was not identified as a strategic growth priority, however the coronavirus pandemic has shown a constant need for these skills in society. Increased investment in healthcare can be anticipated in the future alongside policy changes that may mean greater demand for healthcare professionals.

Opportunities for apprenticeships is uncertain but the long term goal of increasing Science, Technology, Engineering and Maths (STEM) skills levels remains vital for recovery. Given the challenge facing further and higher education bodies as a result of the pandemic our

institutions will need to be supported as they transition to more digital academic platforms, and ensure that their structure and courses remain suitable for the a changing job market and increased digitalisation of work. Labour market analysis will aid targeted interventions and help adapt pathways into skilled employment in a disrupted jobs market.

Pre-coronavirus, sport and leisure were emerging pathways into employment. Lockdown measures have effectively paused demand for qualified coaches, qualified personal trainers and instructors. The full extent of how lockdown will effect growth in this area is unknown but should be explored as it offered a route into flexible skilled employment.

One of the objectives in Newport's Well-being Plan published by the Public Services Board (PSB) is that "People have skills and opportunities to find suitable work and contribute to sustainable economic growth". To this end, the PSB has a Right Skills Intervention Board with representation from across the training and education sector (including NCC, National Training Federation for Wales, Coleg Gwent, University of South Wales, Careers Wales, the Department for Work and Pensions, and Gwent Association of Voluntary Organisations). The Skills board has links with employers through the Newport Economic Network and the PSB members themselves are significant employers in their own right.

The Board could be the vehicle to co-ordinate skills support in the city as part of the economic recovery post Covid-19, linked to regional initiatives through the Cardiff Capital Region Regional Skills Partnership. It has already identified the digital and health sectors as key sectors requiring support in Newport, and applies an "Equalities" perspective to its work to address the needs of disadvantaged groups.

Emerging Trends – Investment & innovation

Future inward investment is uncertain. Prior to Covid-19, attracting greater foreign investment from high net worth individuals and institutions was recognised as an opportunity to move Newport up the value chain, however some economic analyses are now predicting a contraction in extra-territorial investment globally, as individual countries concentrate on their own recoveries. The pace at which countries exit lockdown will further affect the availability and risk appetite of investors. However there could be an opportunity for the Council to consider using development funding and strategic acquisitions in order to put in place and stimulate a number of key investment opportunities.

As in any crisis response, public funding will be critical to kick-start the economy in the wake of Covid-19, and the Council has welcomed the Welsh Government's proposals to develop a Regional Investment Framework in order to ensure their future investments deliver the greatest strategic impact. The Council has requested greater clarity around the mechanics of the framework, and relationships with the existing regional fora detailed above. The framework will also need to address the challenges posed by the as-yet unknown landscape of risk around the EU Exit and Shared Prosperity Fund if it is to be a success.

The Newport Offer post Covid-19

Whilst promoting the strengths of the local workforce, the advantageous location and growing cyber cluster will remain a key message within the Newport Offer. We will tailor our approach to inward investment and visitors in order to build business confidence within the city.

Once travel restrictions lift within Wales, efforts to harness our green environment and natural assets will redouble, as a first step in bringing the tourism and hospitality sector back. This would also complement the Green and Safe Spaces intervention in Newport's Well-

being Plan, through which partners are working together to promote access to green space for health, play and recreation. With increased home working, and ongoing disruption to international travel, the opportunity to travel to Newport safely for visits, holidays and outdoor recreation must be fully exploited.

Newport's key attractions range from historical assets such as the Transporter Bridge, Caerleon, the Roman fortress and Tredegar House, to nature experiences such as the RSPB National Nature Reserve and the Newport Wetlands, complemented by a genuinely global brand and catchment through the Celtic Manor Resort. Each location has the potential to operate to some degree an open-air environment with reduced risk of viral transmission. Developing new Covid-19 safe business models will allow visitors to return to Newport. This should be explored as an angle for the Newport Offer to promote Newport as Covid-19 secure place for both business and leisure.

Newport remains positioned as strong contender to capitalise on demand for office space from companies looking to relocate to more economic locations. Capturing the interest of these occupiers is likely to rest on the ability to bring forward further Grade A office space in conjunction with a strong narrative around the outstanding quality of life and housing affordability offer. The potential workforce within an hour of Newport has been a key consideration for previous inward investors in the past, such as the Office for National Statistics.

The recognition of Newport within the draft National Development Framework as a focus for regional growth and investment with a strategic role for the wider region will also act to attract highly skilled employment opportunities across sectors. Despite the pandemic, the South Wales Metro remains a strategically important project for the long term that will see Newport benefit with improved connections between communities and worksites. Supporting sustainable travel at a local level and through the Well-being Plan, PSB partners are focused on increasing options for efficient, safe and accessible transport across the city with overall low impact on the environment.

Conclusion – Adapting to the new normal

The Coronavirus pandemic has brought about a shift across the economy with unprecedented effects on society and jobs in just three short months. To respond, society will have to find new ways of working and a 'new normal'. We must look to support businesses as they exit lockdown in the most effective and safest way. This will need to be followed up with identifying the long term impacts on job opportunities, and skills demands and adapting our strategy to how best we can continue to drive economic growth during and after the pandemic. Regional partnerships, regeneration schemes and work & skills programmes are the most powerful tools we have to encourage inward investment, support indigenous business growth, and reduce inequality during and after the pandemic.

Well-being of Future Generations Act

The proposals above are in line with the Well-being of Future Generations Act in that they seek to prevent further contraction in the economy in the short term where this could be averted but with a view to bringing benefits to the economy in the longer term through skills development and inward investment in potential growth sectors.

Newport's economic response to the pandemic will rely on partners collaborating to find the most innovative solutions and businesses will need to be involved in decisions that affect

them through vehicles like the Newport BID, Newport Economic Network and the Destination Management Group.

The response is in line with the Council's Well-being Objectives:

- To improve skills, educational outcomes and employment opportunities.
- To promote economic growth and regeneration while protecting the environment.

The recovery plan also integrates with interventions in Newport's Well-being Plan which can respond flexibly to changing circumstances.

Appendix 1

Table 3 Government schemes being applied for, surveyed businesses who have not permanently stopped trading, broken down by industry, UK, 20 April to 3 May 2020

Industry	Coronavirus Job Retention Scheme	Business rates holiday	Deferring VAT payments	HMRC Time To Pay scheme	Accredited finance agreements	Devolved government funded - small business grants or loan schemes	The business has not applied for any of these initiatives
Water supply, sewerage, waste management and remediation activities	67.1%	11.4%	55.7%	18.6%	5.7%	2.9%	20.0%
Construction	89.4%	16.0%	55.3%	29.1%	9.9%	3.5%	7.1%
Wholesale and retail trade; repair of motor vehicles and motorcycles	78.5%	43.9%	60.7%	22.5%	8.6%	4.3%	10.6%
Education	58.3%	7.7%	26.6%	8.0%	4.5%	*	35.6%
Human health and social work activities	45.0%	15.5%	20.2%	7.8%	1.6%	3.1%	47.3%
Manufacturing	72.5%	13.5%	46.1%	18.2%	9.5%	2.0%	19.8%
Transportation and storage	82.1%	20.6%	58.8%	23.3%	12.0%	2.0%	11.3%
Real estate activities	72.9%	50.0%	68.6%	22.9%	11.4%	5.7%	18.6%
Administrative and support service activities	84.6%	23.7%	67.9%	22.3%	13.8%	3.4%	9.1%
Information and communication	48.0%	9.5%	51.0%	14.1%	4.5%	*	31.4%
Professional, scientific and technical activities	73.2%	12.5%	67.9%	17.3%	11.1%	1.8%	16.3%
Accommodation and food service activities	95.0%	82.2%	86.2%	41.5%	21.0%	4.9%	1.3%
Arts, entertainment and recreation	86.2%	59.6%	64.0%	30.2%	17.5%	4.4%	6.2%
All industries	76.3%	28.7%	58.9%	21.9%	10.9%	2.9%	15.1%

Mae'r dudalen hon yn wag yn

Scrutiny Report

Performance Scrutiny Committee – Place and Corporate

Date: 28 February 2022

Subject Carbon Management Plan – Progress Monitoring

Author Carbon Reduction Manager

The following people have been invited to attend for this item:

Invitee:	Area / Role / Subject
Ross Cudlipp	Carbon Reduction Manager
Tracey Brooks	Head of Regeneration and Economic Development
Cllr Jason Hughes	Cabinet Member for Sustainable Development

Section A – Committee Guidance and Recommendations

1 Recommendations to the Committee

The Committee is asked to:

1. Consider the Carbon Management Plan (the plan) and presentation on the progress against the plan.
2. Assess the contents of the plan and presentation and decide if there has been satisfactory progress against the targets within the plan.
3. Establish whether there is any additional information needed.
4. Decide if the Committee wishes to make any comments or recommendations in relation to the plan

2 Context

Background

- 2.1 This will be the Committee's first consideration of the Council's Carbon Management Plan (2018-2022). The plan was adopted as a policy of the Council in January 2020 by the Cabinet Member for Sustainable Development. The Carbon Reduction Team, led by the Carbon Reduction Manager, oversee the day-to-day management of our energy needs and also the delivery of projects to reduce carbon emissions across the Council's estate.

2.2 Carbon reduction is being achieved by:

- Being more energy efficient
- Replacing energy consuming equipment with more efficient alternatives (including vehicles)
- Retrofitting buildings to a higher level of insulation and reducing draughts
- Generating zero carbon energy on our own sites (such as solar PV)
- Offsetting carbon emissions (if absolutely necessary)

2.3 The ultimate target of the Carbon Management Plan is for the Council to achieve Carbon Neutrality (also known as Net Zero Carbon) by 2030.

2.4 The plan and target cover the emissions from our buildings, streetlighting, and fleet. This scope is a component of the wider organisational climate change plan that has been subject to recent public consultation.

3 Information Submitted to the Committee

3.1 The submission for the committee comprises two documents. The first is the adopted Carbon Management Plan and the second is a presentation giving an overview of the plan and the progress made against the plan to date.

3.2 The Carbon Management Plan has the following structure:

- Context of the plan
- Carbon Emission Baseline
- Vision
- Mission
- Objectives
- Targets
- Strategies

3.3 The Presentation covers the following:

- Carbon emission baseline
- Progress against the Vision, Mission and Objectives
- Progress against the plan's targets
- How the plan's strategies have been implemented

4. Suggested Areas of Focus

Role of the Committee

The role of the Committee in considering the report is to:

Review and analyse the contents of the report and the additional information contained in the presentation. Establish what progress has been made against the plan and what that means for the Council.

- Take a look at the achievements to date and reflect on whether this constitutes sufficient progress.
- Assess and make comment on the impact that the plan has had on the council, the environment, and schools and local communities.
- Conclusions:
 - Is the Committee satisfied that it has had all of the relevant information to base a conclusion on the performance against the plan?
 - Do any areas require a more in-depth review by the Committee?
 - Does the Committee wish to make any Comments / Recommendations to the Cabinet?

Suggested Lines of Enquiry

- 4.1 The Committee might wish to think about the following when devising questioning strategies;
- What activities have made the biggest contribution to our carbon reduction progress?
 - What have been the wider benefits of having the plan and delivering against it.
 - What are the opportunities for the next phase of the plan, and to 2030?
 - What are the main challenges to the delivery of the plan?

Section B – Supporting Information

5 Supporting Information

- 5.1 The following have been provided to the Committee for additional / background reading to support the scrutiny of the Carbon Management Plan.

None.

6 Links to Council Policies and Priorities

Well-being Objectives	Promote economic growth and regeneration whilst protecting the environment		Improve skills, educational outcomes & employment opportunities	Enable people to be healthy, independent & resilient	Build cohesive & sustainable communities		
Manifesto commitments	Working Newport: Jobs, growth & the economy	Sustainable Newport: Environment & transport	Learning Newport: Education & skills	Future Newport: Well-being & social care	Fairer Newport: For all our residents	Safer Newport: Community safety & antisocial behaviour	Vibrant Newport: Creativity & culture
Corporate plan actions	A thriving city		Aspirational people		Resilient communities		
Supporting function	A modernised council						
	Objective 1		2	3	4		

7 Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality.

An FEIA has not been provided as this update is for information purposes only.

7.1 Summary of impact – Wellbeing of Future Generation (Wales) Act

NA

7.2 Summary of impact – Equality Act 2010

NA

7.3 Summary of impact – Socio-economic Duty

NA

7.4 Summary of impact – Welsh language

NA

8. Background Papers

- [The Essentials - Wellbeing of Future Generation Act \(Wales\)](#)
- [Corporate Plan](#)
- [Socio-economic Duty Guidance](#)
- [Public Sector Equality Duty](#)
- [Welsh Language Measure 2015](#)

Report Completed: 21 February 2022



Carbon Management Plan 2018 – 2022

Release: 1

Date: January 2020

Author: Ross Cudlipp

Title: Energy & Sustainability Manager

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1 Foreword

I am pleased to present Newport City Council's Carbon Management Plan.

There is an urgent need for the world to decarbonise if we are to limit global temperature rise to 1.5C above pre-industrial levels and avert the worst impacts of climate change. As a globally responsible organisation, the council aims to show leadership in decarbonisation and work with others to do the same for the benefit of our city, country and the planet.

We are facing very challenging times in local government, with decreasing budgets and increasing demands for services which are being addressed within a weak economy at national and local level. The need has never been greater to improve operational efficiency and financial performance. Investing in carbon reduction schemes will deliver long-term sustainable savings while also improving resilience and environmental impact. Every pound saved is a pound available to invest in services.

This plan sets out the council's vision, mission, objectives and strategy for carbon reduction from 2018 until 2022 and beyond.

I will continue to work closely with the community, partner organisations, elected members and officers to ensure the council continues to work towards our challenging but exciting and achievable vision of becoming a net carbon neutral organisation by 2030.

Councillor Deborah Davies

Cabinet Member for Sustainable Development

2 Introduction

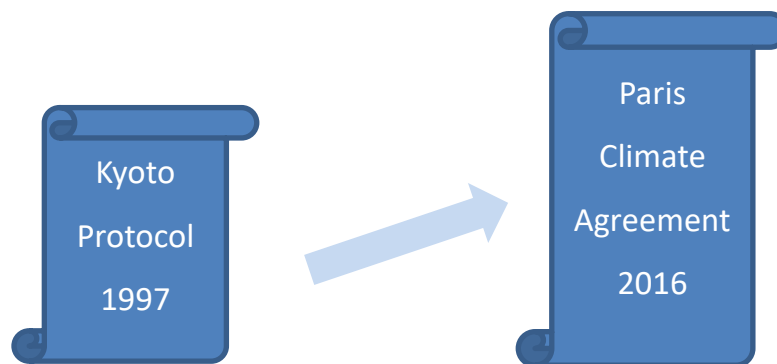
Greenhouse gas¹ emissions are driving man made climate change. A changing climate will have significant impact on the way we live with far-reaching consequences. It is globally recognised that there is an urgent need to reduce carbon emissions to limit the impact we have on the planet's environment. This document outlines how Newport City Council intends to reduce our own carbon emissions while supporting the city to do the same.

¹ Hereafter referenced as carbon emissions (equivalent) or CO₂e.

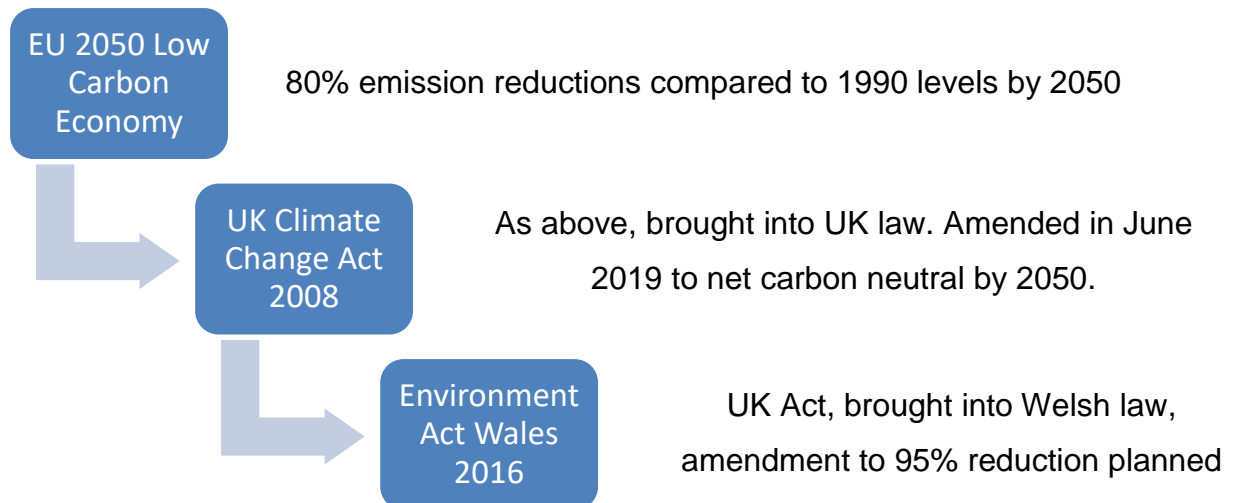
3 Context

The Carbon Management Plan has been developed in line with the following international and national legislation and organisational context.

International Agreements



Legislation



Ambitions



The Environment Act Wales (2016) legislates for an 80 per cent reduction in emissions from 1990 levels by 2050 as a minimum requirement. In June 2019, the Welsh Government announced plans to increase this target to a 95 per cent reduction by 2050. These national targets will driver local and organisational targets.

The Well-being of Future Generations Act (2015)

This Act is about improving the social, economic, environmental and cultural well-being of Wales. The act of law requires, for the first time, that public bodies listed in the Act must do what they do in a sustainable way. The sustainable development principle of the Act consists of five ways of working that public bodies are required to take in to account when applying sustainable development. These are:

- Considering the **long-term** so that the ability of future generations to meet their own needs is not compromised;
- Understanding the root causes of issues to **prevent** them from occurring;
- Taking an **integrated** approach so that public bodies look at all the well-being goals when decision making;
- Working with others in a **collaborative** way to find sustainable solutions;
- **Involving** a diversity of the population in the decisions that affect them.

Carbon reduction requires a long-term and a preventative approach to reduce pollution. It also needs an integrated approach that supports a number of the well-being goals, namely *Prosperous Wales, Globally Responsible Wales, A Healthier Wales* and *A Resilient Wales*, and does not adversely affect any of the other well-being goals. The council is working on carbon reduction with partners in a collaborative way through the Public Services Board, One Newport, and the implementation of the Local Well-being Plan.

Organisational Context

The council is committed to decarbonisation. In addition to the significant external drivers, it recognises the benefit to both the organisation and the City of Newport. Decarbonising brings environmental benefits and ongoing financial benefits which will help the council, and therefore the city, to become more sustainable in the long-term.

This Carbon Management Plan supports *Objective 4 – Modernised Council* in the regeneration, investments and housing service plan 2018-2022. It is strongly linked with the strategic asset management plan 2018-2022 that lays out the strategy for the buildings in the council's estate. As three quarters of the council's carbon emissions are due to utility consumption in buildings, the strategy for reducing carbon emissions is intrinsically linked to the estate management strategy.

As part of showing the council's commitment to decarbonisation, it has signed up to the UK100 pledge with the aim of using 100 per cent clean energy by 2050. The organisation already purchases 100 per cent renewable electricity and, as laid out below, is considering options to reduce usage and generate more of its own electricity, as well as using renewable energy to power its vehicles.

The council is guided by the ambition from the Welsh Government for the Welsh public sector to be net carbon neutral by 2030 and is working within the context of the Well-being of Future Generations Act to achieve this.

4 Emission baseline

In order to understand more about the council's carbon emissions and develop a plan, analysis was undertaken to establish an emissions baseline and breakdown of emissions per function. This information can be used to target emissions reduction projects and track progress. Details of the scope of emissions can be seen below.

4.1 Emissions Scope

The reporting of greenhouse gas emissions falls into well-defined categories:

Scope 1: Direct – estates and council-owned vehicles

Scope 2: Indirect – purchased energy for organisational use

Scope 3: Indirect – all other activities and supply chain.

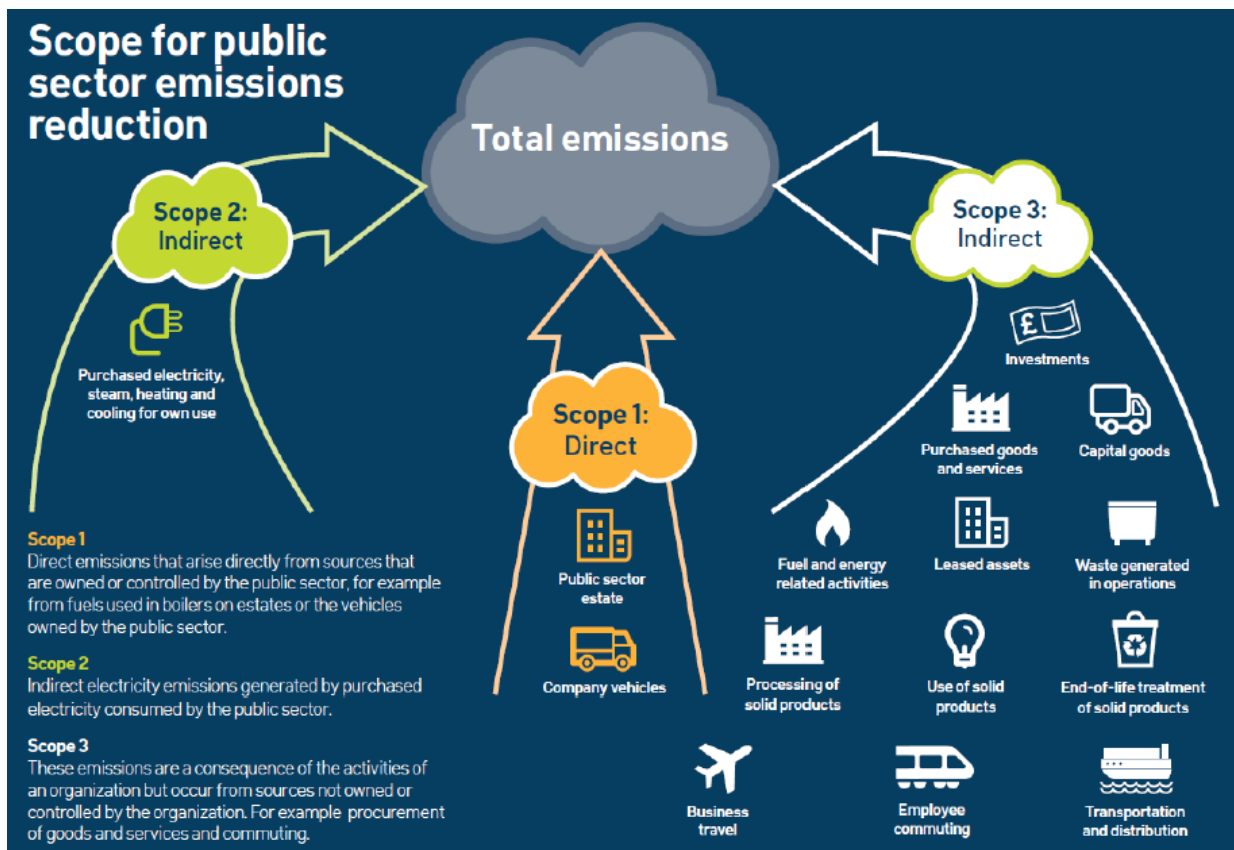


Figure 1: Explanation of Emission Scopes

The council's carbon management plan 2018-2022, will focus primarily on:

- Scope 1 - Direct: The council can have most direct influence in the area, success in the organisation will allow us to build a base from which to support others.
- Scope 2 – Indirect: Emissions per unit from the consumption of electricity and other fuels are externally dictated and changes are outside of the council's control but will affect our reported emissions. However, every opportunity will be taken to reduce the consumption which should reduce overall reported emissions.
- Scope 3 – Indirect: Opportunities to make improvements will be taken, where suitable, although they will not be the focus of the council's activities for its present CMP. Nevertheless, planned council activities such as reducing business travel and supporting active travel will make a contribution towards decarbonisation. Welsh Government is expected to drive improvements in the supply chain through procurement policy.

The Welsh Government's support for the public sector to decarbonise is currently focused on Scope 1 and Scope 2 emissions. The council's carbon management plan 2018-2022 is also focused in these areas.

At the time of writing, the Welsh Government is planning to implement further reporting requirements and standards for the Welsh public sector which are likely to incorporate some scope 3 emissions. This is likely to come into effect in 2021.

4.2 Baseline

The carbon management plan has taken the financial year 2017/18 as its baseline:

- The source data is the council's carbon reduction commitment reporting data and purchased liquid fuel volumes
- The reporting measurement unit is tonnes of carbon dioxide equivalent tCO_{2e}.
- The conversion units used to calculate emissions are the Department for Energy and Climate Change greenhouse gas emission factors 2017²
- Electricity is broken down into two categories, the first being all buildings where the council pays the utility bills and all electrical supplies which feed on-street equipment, pumping stations and similar locations. The second category is unmetered street lighting assets.

The data for the baseline year is as follows:

Table 1: Carbon Emission Baseline

Newport City Council - Carbon Emissions 2017/18					
Fuel	Emissions Scope	Value	Unit	Tonnes CO _{2e} / Unit	tonnes CO _{2e}
Electricity (Buildings+)	2	16,389,656	kWh	0.000352	5,762
Electricity (Streetlighting)	2	7,387,918	kWh	0.000352	2,597
Natural Gas	1	35,247,505	kWh	0.000184	6,491
Gas Oil	1	183,492	Litres	0.002954	542
Propane	1	5,823	Litres	0.001508	9
Diesel	1	652,094	Litres	0.002600	1,696
Petrol	1	20,800	Litres	0.002197	46
Scope 1 Total					8,783
Scope 2 Total					8,359
Grand Total					17,142

The baseline of 17,142 tonnes CO_{2e} will be used to measure the council's future performance.

² <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017>

4.3 Analysis

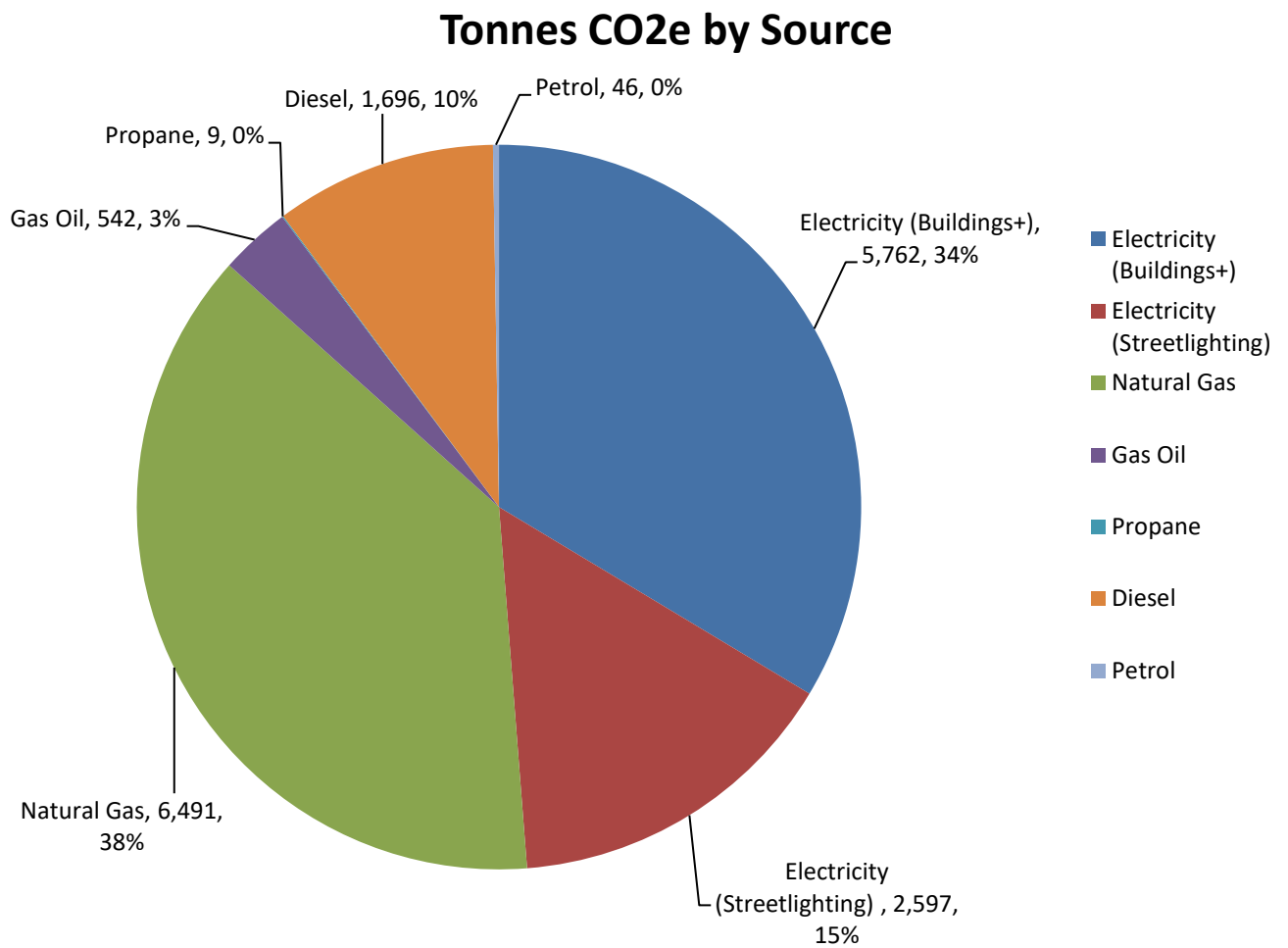


Figure 2: Breakdown of Carbon Emissions by Fuel

The chart highlights the fuels that contribute most to our overall emissions; electricity at 49 per cent, natural gas at 38 per cent and diesel for vehicle and plant operation at 10 per cent.

Further estate-wide data analysis and benchmarking has been undertaken and will inform internal project choices.

5 Carbon Management Plan

5.1 Vision

Newport City Council to be net carbon neutral by 2030³.

5.2 Mission

To be a locally and globally responsible organisation by decarbonising our buildings, fleet, and operations while reducing our costs and environmental impact for the benefit of future generations.

5.3 Objectives

The council will:

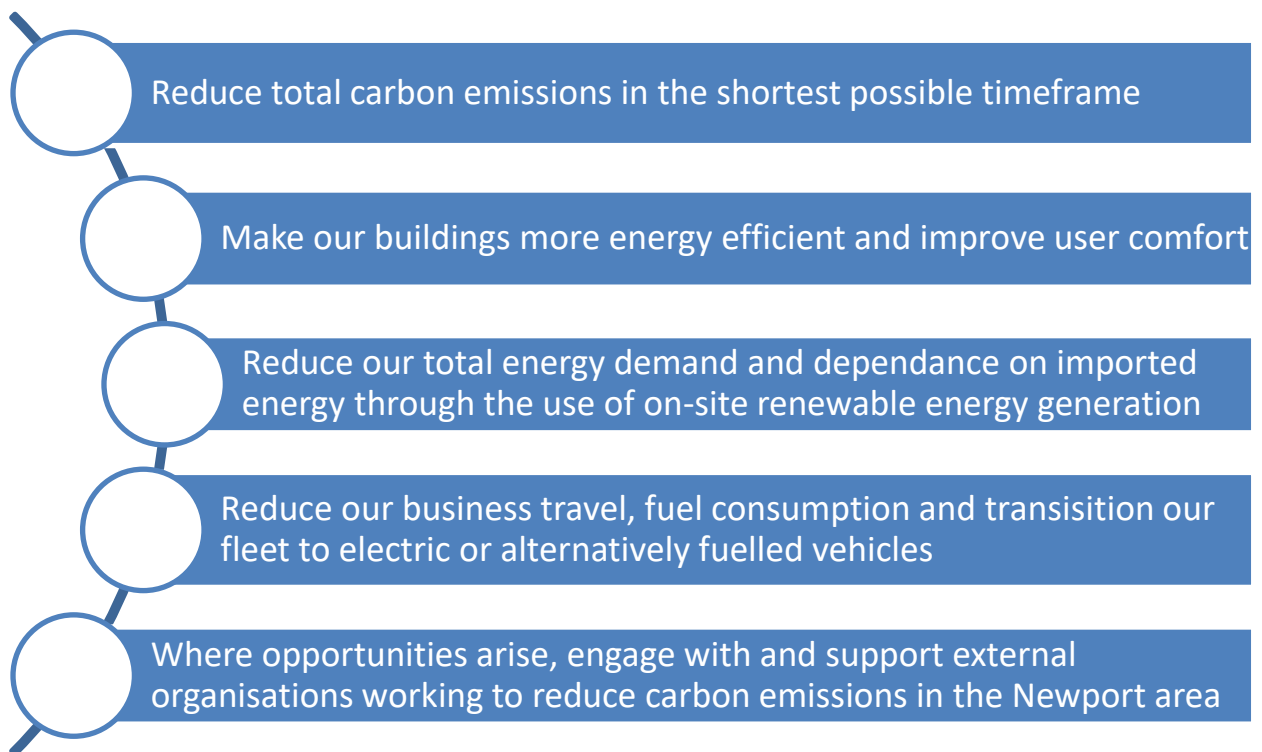


Figure 3: Carbon Reduction Objectives

³ The net balance of Scope 1 and 2 emissions

5.4 Targets

The council aspires to achieve the following targets:

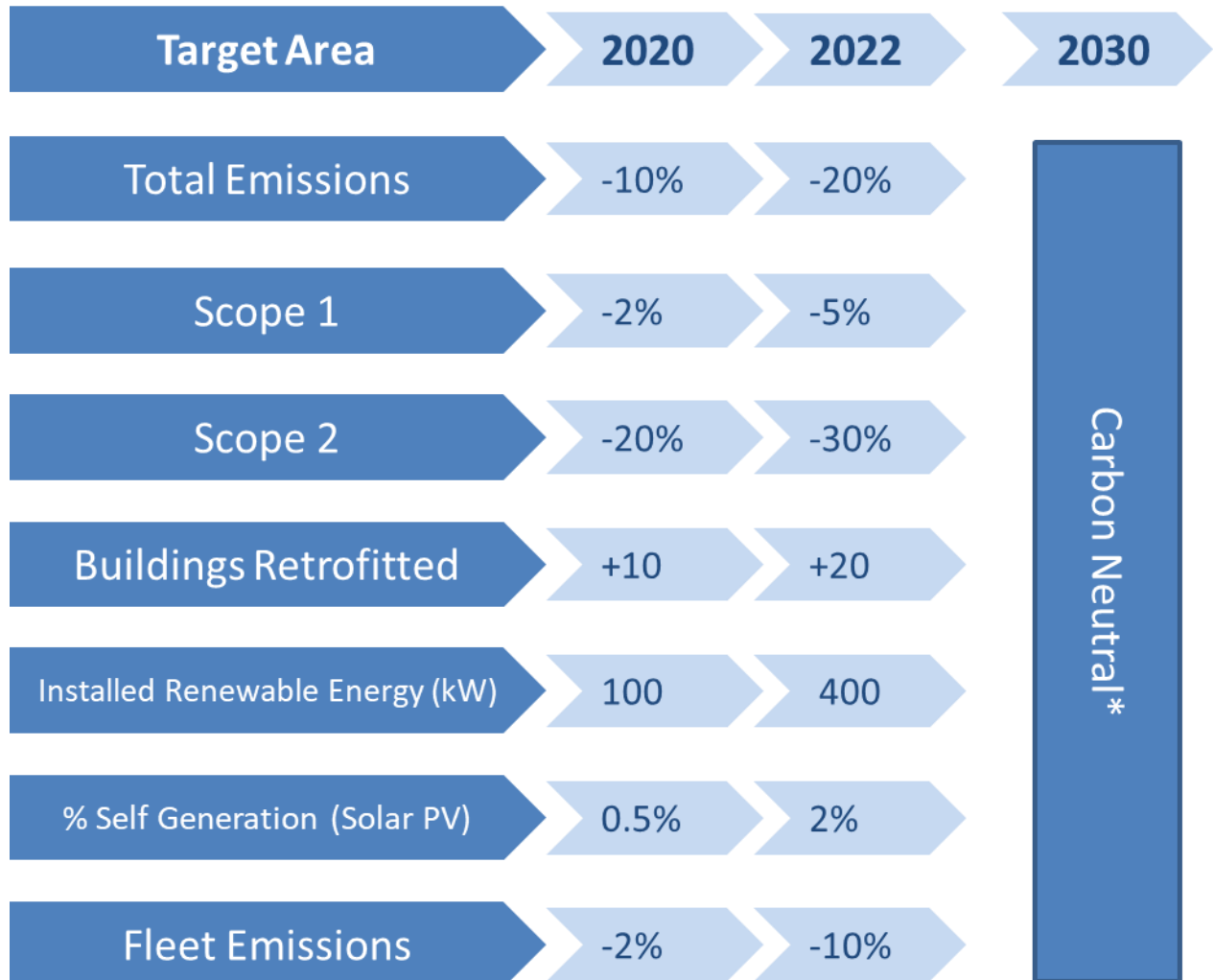


Figure 4: Carbon Reduction Targets

The above targets are designed to give a breadth of drivers to support carbon reduction activities, they cover building heating fuels, electricity consumption/generation and fleet fuel consumption / source. The targets are ambitious but achievable.

* The exact targets required as part of becoming carbon neutral by 2030 will be reviewed and set as part of the 2022-2026 carbon management plan. An interim

monitoring report will be produced in 2020 to track progress within the current plan period.

5.5 Strategies

In order to work towards achieving the council's stated objectives and targets, specific strategies will be developed for each source of emissions. The broad basis for these strategies is as follows:

5.5.1 LED Street Lighting

The implementation of LED street lighting is a priority due to the ability to deliver carbon and cost savings in a relatively short timeframe. In recent years, the council has taken steps to reduce the carbon emissions of street lighting via measures such as implementing part-night operation of selected streetlights. In addition, when an older light reached the end of its a more efficient LED replacement would be installed life which resulted in the installation of around 2,900 high efficiency LED lights which saved, on average, 60 per cent on electricity, cost and carbon compared with those being replaced.

In 2019 a project was started to change all remaining street lights to LED by March 2020. This will deliver carbon savings of 1,050 tCO₂/yr or 6 per cent from the 2017/18 baseline.

5.5.2 Energy efficiency in buildings

Three quarters of the council's direct emissions are a result of consumption within its buildings so these offer the greatest potential for emission reduction in the long-term.

A desktop study looked at the energy saving potential of implementing three simple measures across our estate (including the implementation of LED lighting). Potential savings are estimated to be significant as a proportion of our total carbon emissions. The study aimed to give an initial indication and did not include site visits and all possible energy saving measures, further feasibility work is required to establish exact figures.

Further work is now being undertaken to establish the emission reduction potential within the council's building estate and it is anticipated the first major works will be completed by the end of 2020.

5.5.3 Solar PV

The strategy will be to implement solar PV on council-owned buildings wherever viable. Building-mounted Solar PV is the principle way in which the council can generate zero carbon electricity for use in its own buildings. A small number of building-mounted solar PV installations are currently in place which generate electricity equivalent to less than 0.5% per cent of the council's total electricity consumption.

Due to the number of buildings that the council owns and operates, a significant proportion of its electricity could be generated on-site. A high-level desktop study undertaken in the summer of 2018 indicated that there could be the potential to generate the equivalent of one fifth of its total electricity consumption if solar PV installations sized at just 10 per cent of building floor area were installed on each building.

Though there are constraints to installation many sites and detailed feasibility is required, the council will endeavour to maximise the potential for solar PV installations across the estate, both on new and existing buildings as it works towards the maximising the proportion of consumed electricity from its own renewable electricity generation.

The Welsh Government has set out the ambition for 70 per cent of the electricity consumed in Wales to be generated from renewable sources by 2030. In order to help achieve this goal, local authorities are being supported to identify potential sites within their estates for grid scale renewable energy installation and the council is engaging fully with this. Due to their potential scale, ground-mounted solar PV installations have the ability to significantly reduce the council's overall emissions

and provide other opportunities for carbon reduction and revenue generation. The council is currently progressing towards a planning application on a grid scale solar PV farm which if developed would provide a revenue stream and contribute significantly towards the objectives and targets within this plan.

5.5.4 Transport fleet and equipment

Fuel use from owned and or operated vehicles and plant currently represents 10 per cent of -the council's direct carbon emissions. The strategy to reduce these emissions should be as follows:

1. Provide options for active travel and attempt to reduce vehicle mileage
2. Implement zero emission vehicles, plant and equipment
3. Implement more efficient vehicles and driving

At the time of preparing this report, the council had two electric cars for staff use and further electric vehicles scheduled for delivery. The council will develop a plan to meet the One Newport Public Services Board target of at least 10 per cent of its fleet to be zero emission in the next five years, however, as per the targets set out above the focus will be on -reducing fleet emissions overall which can only be done by reducing or displacing fuel consumption.

5.6 Financing

For the duration of this plan all carbon reduction initiatives will be funded on an invest to save basis using low and interest free borrowing available to the council. All projects must show a financial return on investment as well as a carbon (or water) reduction. The council will commit to continue to make funding available to fund the implementation of viable schemes to ensure the agreed targets and objectives set out above are met.

Projects will be prioritised for implementation principally taking into consideration: carbon benefit, revenue benefit and complexity of delivery.

5.7 Embedding carbon reduction across the Council

Carbon reduction is the responsibility of all elected councillors, members of staff and users of our estate. Therefore, the council will work to embed a culture of carbon reduction across the organisation via communication and engagement with staff and through the development of policies in support of this carbon management plan. By 2020 the council will:

- 1) Update and re-implement an energy policy within the estate
- 2) Put forward a more detailed carbon reduction implementation plan

5.8 Review and Reporting

Progress against the council's stated objectives and targets will be monitored through regular meetings of the carbon reduction steering group involving the stakeholders integral to the success of the plan and its goals. A full governance structure can be found in the appendices of this document. Progress against the plan will be reported on an annual basis from summer 2020 and the plan will be renewed in 2022.

Future reporting structure:

Baseline	Plan period 1 – 2018 - 2022			
	NA	Interim	Annual	Period end
2017-18	2018-19	2019-20	2020-21	2021-22

Plan period 2 – 2022 - 2026			
Annual	Interim	Annual	Period end
2022-23	2023-24	2024-25	2025-26

Plan period 3 – 2026 - 2030				2030
Annual	Interim	Annual	Period end	Net Carbon
2026-27	2027-28	2028-29	2029-30	Neutral

Mae'r dudalen hon yn wag yn

Newport City Council Carbon Management Plan Progress Report

Ross Cudlipp, Carbon Reduction Manager

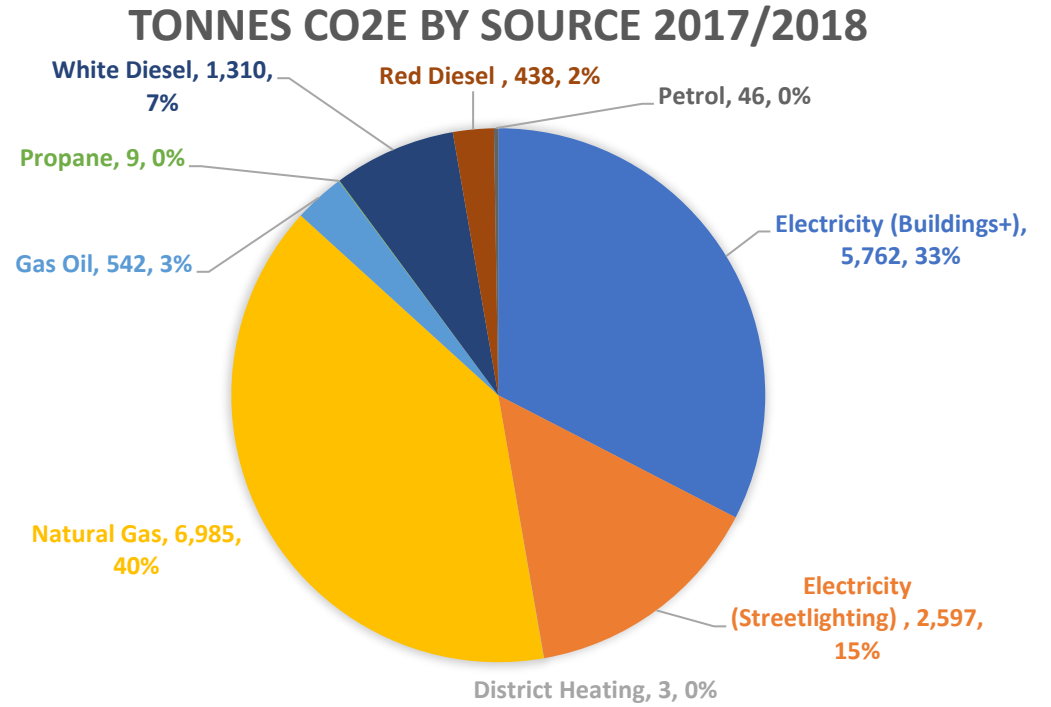
Introduction

- NCC's organisational Carbon Management Plan (CMP) monitors and targets a reduction in emissions from electricity, gas and transport fuel (Scope 1 and Scope 2 emissions).
- The CMP, will now sit below the Council's Climate Change Strategy, which covers our wider organisational climate impact (including Scopes, 1, 2 and 3).
- The baseline year for the plan is 2017/18 and the monitoring covers the four financial years from 2018/19 to 2021/2022.
- The plan sits within the portfolio of the Cabinet Member for Sustainable Development.
- Progress against the plan is delivered by the Carbon Reduction Manager and Carbon Reduction Team.

2017/2018 - Baseline

Tudalen 61

Newport City Council - Carbon Emissions 2017/18					
Fuel	Emissions Scope	Value	Unit	Tonnes CO ₂ e / Unit	tonnes CO ₂ e
Electricity (Buildings+)	2	16,389,656	kWh	0.000352	5,762
Electricity (Streetlighting)	2	7,387,918	kWh	0.000352	2,597
District Heating	2	213,432	kWh	0.000015	3
Natural Gas	1	37,926,348	kWh	0.000184	6,985
Gas Oil	1	183,492	Litres	0.002954	542
Propane	1	5,823	Litres	0.001508	9
White Diesel	1	503,958	Litres	0.002600	1,310
Red Diesel	1	148,136	Litres	0.002954	438
Petrol	1	20799.62	Litres	0.002198	46
			Scope 1 Total		9,329
			Scope 2 Total		8,363
			Grand Total		17,691



Baseline – 17,691 tonnes of CO₂

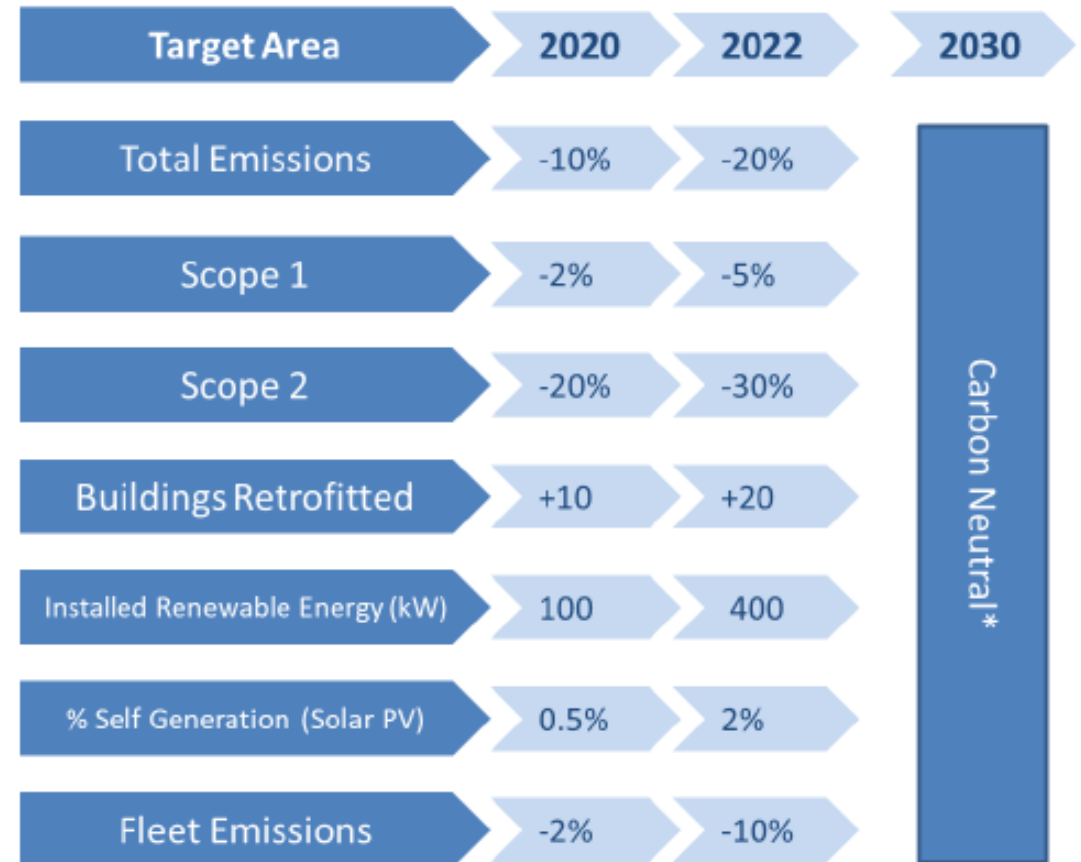
Vision, Mission & Objectives – Progress

- **Vision** – to be net carbon neutral by 2030.
 - Progress towards this vision is assessed via carbon reduction targets, covered in this presentation.
- **Mission** – To be a globally responsible organisation by decarbonising our buildings, fleet and operations while reducing our costs and environmental impact for the benefit of future generations.
 - Progress on decarbonisation is reducing our environmental impact, and in most areas reducing our costs, however the decarbonisation of heating will increase our cost in the short term
- **Objectives** – There are 5 objectives of the plan
 - Progress against objectives will be reviewed towards the end of this presentation

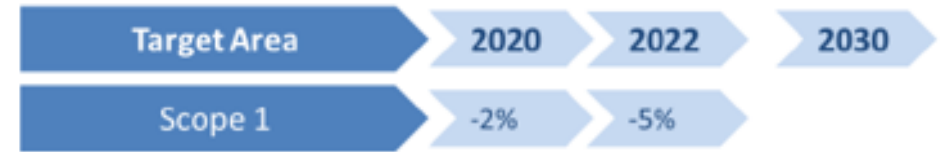
Carbon Reduction Targets

- The ultimate target of the CMP is for the Council to achieve Carbon Neutrality by 2030.
- Plans will run from 2018-2022, 2022-2026 and 2026 until 2030.
- The first plan contains the interim targets shown on the right.
- This presentation provides a progress update against the individual targets and the target of carbon neutral 2030.

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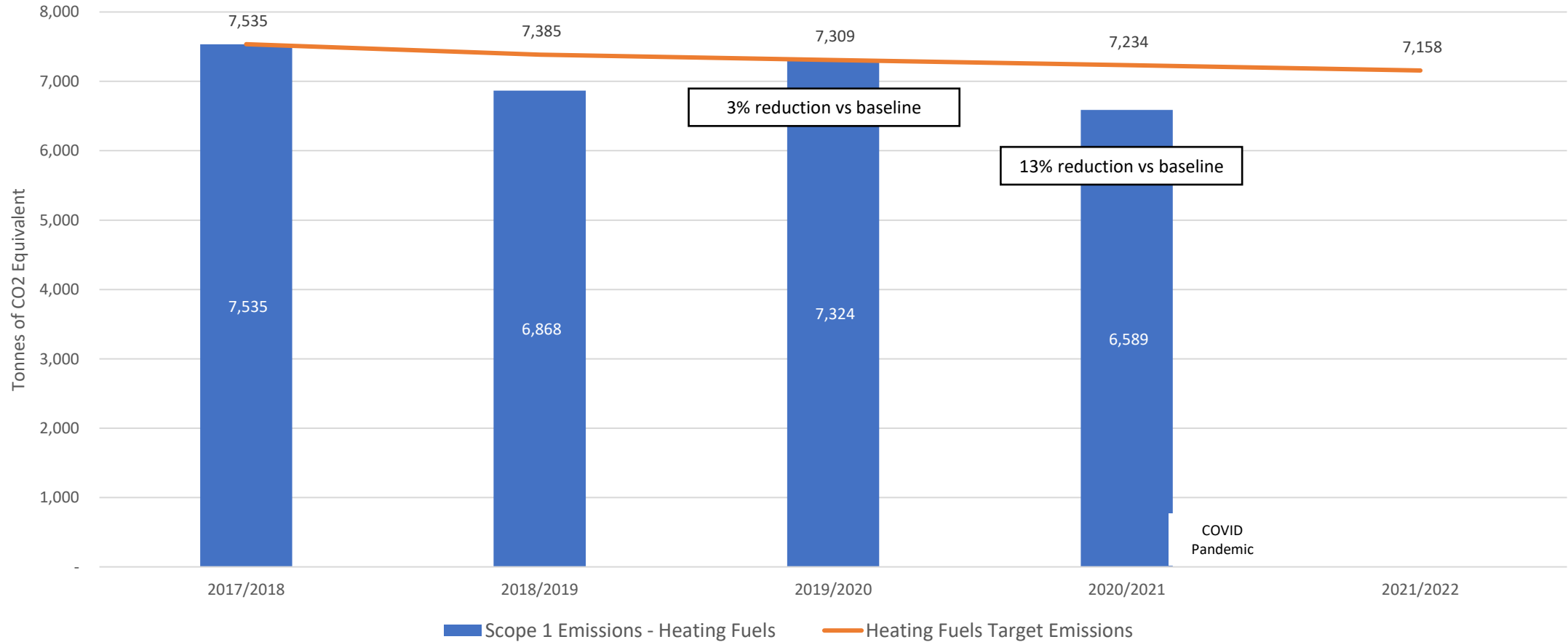


Scope 1 Emissions – Heating Fuels



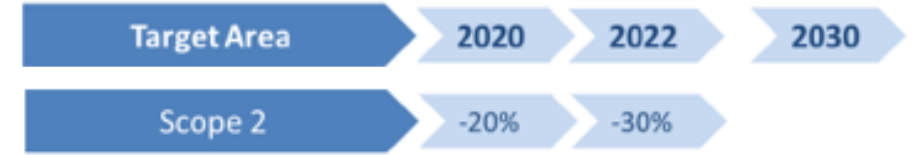
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Scope 1 - Heating Fuels



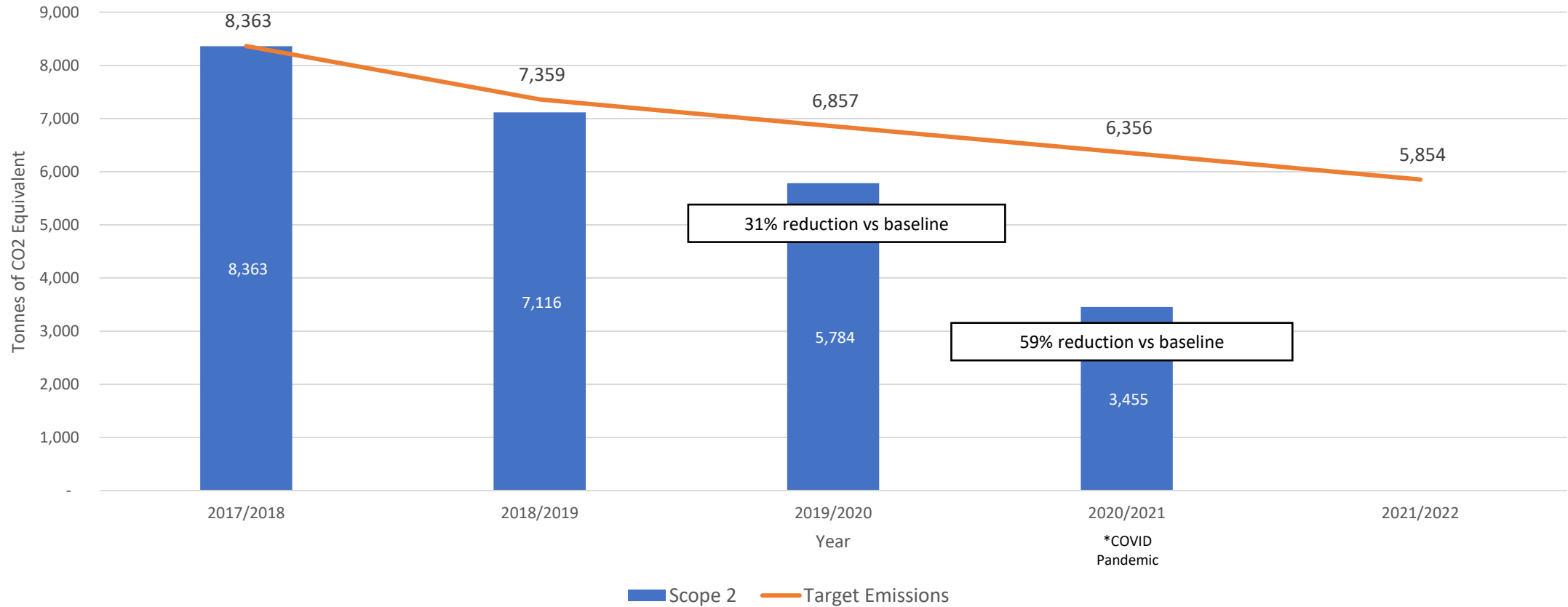
*Seasonal variability is a factor in figures related to heating

Scope 2 Emissions – Electricity & District Heat



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Scope 2 Emissions



Buildings Retrofitted

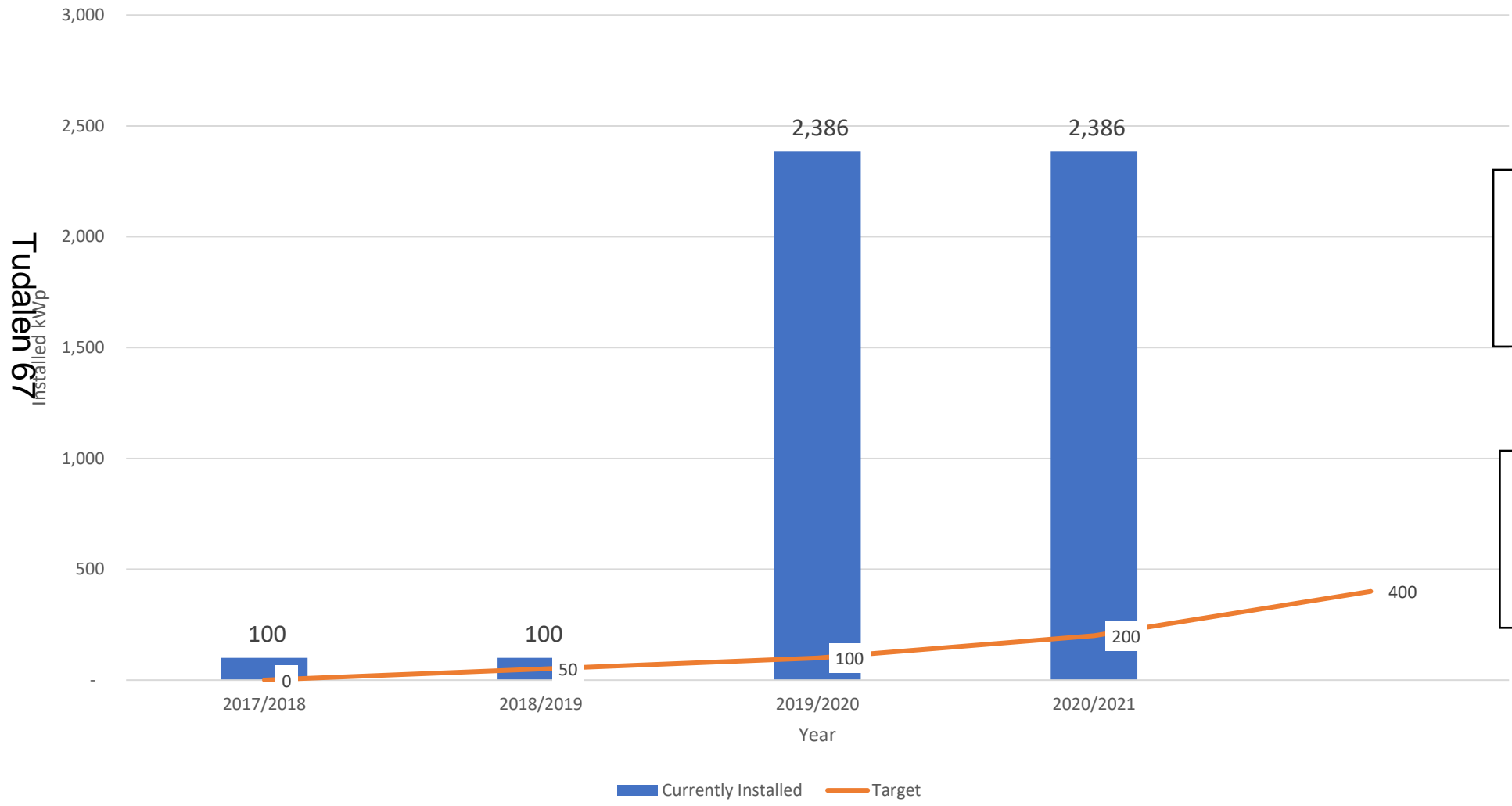
- The Council's main mechanism for delivering building retrofits will be the RE:Fit Energy Efficiency Framework.
- Due to other priorities which delivered greater carbon savings for lower cost and resource, such as changing to 100% LED streetlighting and community solar PV, commencement of the RE:Fit programme was put back to 2021.
- In the next iteration of the plan, more granular targets will be added, including: number of buildings with full LED lighting, Solar PV, Heat Pumps and other measures.

*Depending on the definition of building retrofit, which needs refinement.

Solar PV Electricity Generation



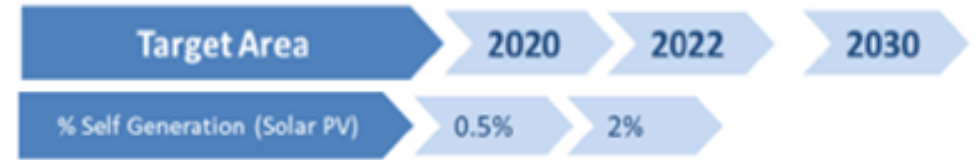
Current Installed kWp Capacity



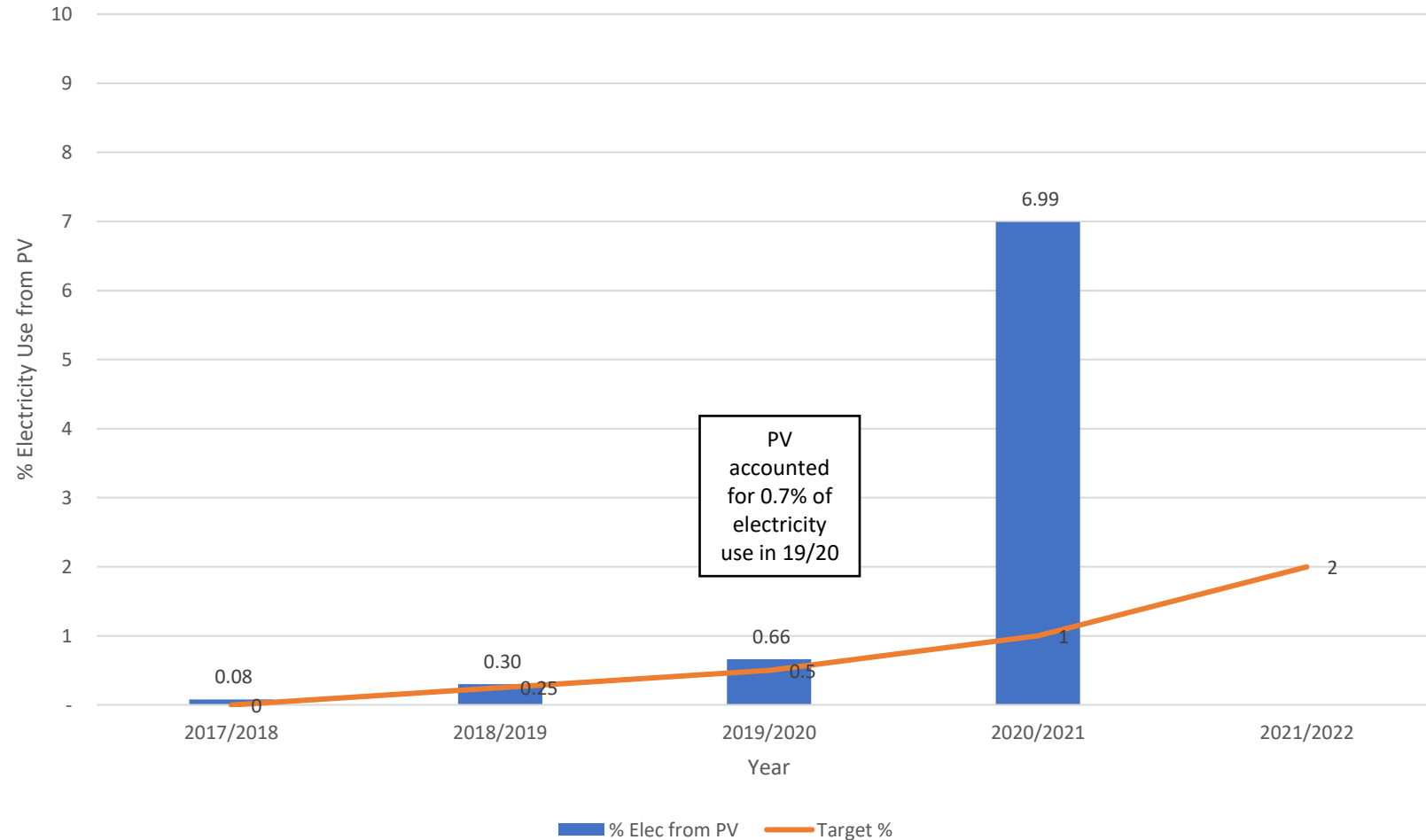
The 2022 target of 400kW was exceeded in 2019, the value us currently 2,386kW

Further PV installations are planned for 2022 and beyond.

Solar PV Electricity Generation



% Electricity Use from PV



PV accounted for 0.7% of electricity use in 19/20

This target relates to the proportion of electricity consumed on our sites which comes directly from our roof mounted solar panels.

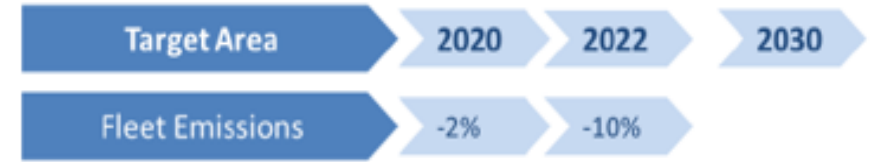
We also export zero carbon energy which benefits the city.

7% of our electricity came from solar PV in 2020/2021

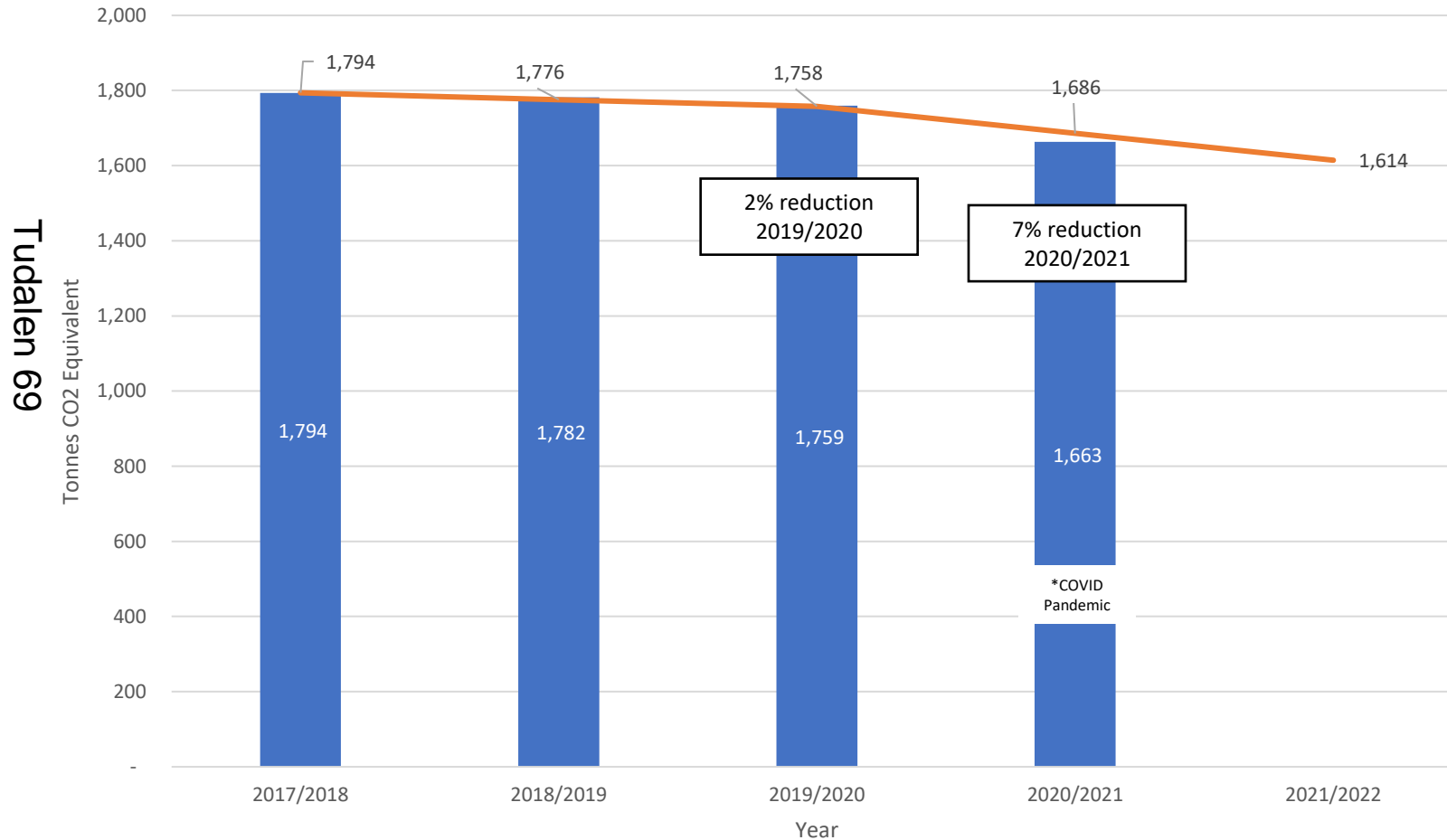
We predict that we will achieve the 2022 target of 2%.

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Fleet Emissions



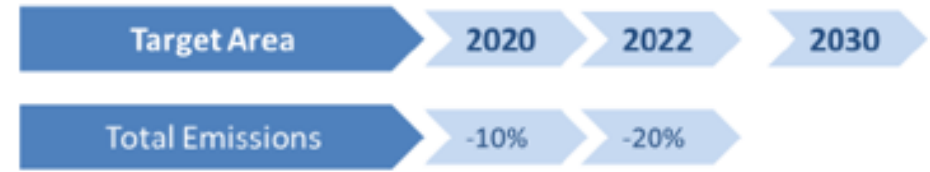
Fleet Emissions



Fleet emission reduction of 7% in 2020/2021

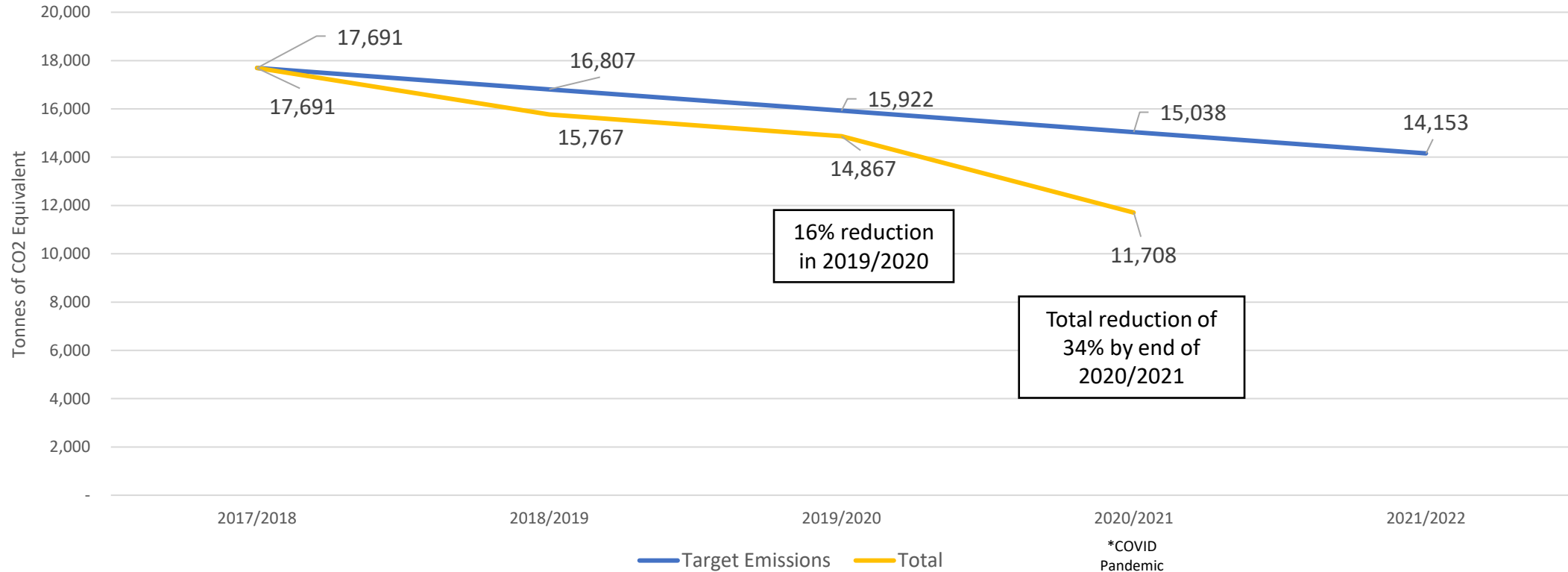
2022 figures will be reviewed in May.
The use of electric refuse vehicles will have had a significant impact of carbon emission reduction.

Total Emissions vs Target



Breakdown of Emissions by Scope






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Scope 1		Scope 2	
Fuel	Fleet	Electricity	Heat & Steam

We predict that the 2020 target of a 20% emissions reduction will be achieved

Objectives – Progress

-  Reduce total carbon emissions in the shortest possible timeframe → Currently ahead of target
-  Make our buildings more energy efficient and improve user comfort → Draught-proofing and new lighting has improved user comfort in some buildings. This will to be replicated across the entire estate.
-  Reduce our total energy demand and dependance on imported energy through the use of on-site renewable energy generation → 7% of the electricity we consumed in 2020/21 was generated from solar PV panels on our roof. In the future we will need to maximise this proportion.
-  Reduce our business travel, fuel consumption and transision our fleet to electric or alternatively fuelled vehicles → All of these metrics are being progressed as we move to video conferencing and an electric fleet.
-  Where opportunities arise, engage with and support external organisations working to reduce carbon emissions in the Newport area → We have supported diocese schools with community solar installations and engaged with other public sector organisations on a range of matters.

2022 – 2026 and beyond

- The next iteration of the plan covering the period 2022 - 2026 will be published in Autumn 2023.
- The plan will fully align with NCC's organisational climate strategy and have an expanded scope to cover standards for new buildings and an energy usage policy for current buildings.
- The targets for the plan will be set following the completion of reporting for the final year of the current plan (2021 – 22)
- We have calculated that we require a 14.5% reduction per year from 2019/20 until 2030 to achieve an 80% reduction in carbon versus our 2017/2018 baseline.
- Achieving a 100% reduction will not be possible, therefore some local offsetting will be required.

End of Presentation

Mae'r dudalen hon yn wag yn