



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
25 March 2022

TITLE: Proposal for delivering Local Area Energy Plans in North Wales
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1. PURPOSE OF THE REPORT

- 1.1. To seek agreement for Ambition North Wales to deliver Local Area Energy Plans (LAEPs) in North Wales.

2. DECISION SOUGHT

- 2.1. That the Board agree to adopting a coordinated, regional approach to delivering the LAEPs across north Wales local authorities led by the Portfolio Management Office (via Gwynedd Council as Accountable Body).
- 2.2. That the Board agree to the recruitment of a project manager and two project officers to deliver the LAEPs to be funded by Welsh Government and delegate authority to the Portfolio Director in consultation with the s151 Officer to agree the grant funding agreement with Welsh Government and implement the proposal.
- 2.3. That the Board note that, subject to a grant funding agreement, Welsh Government will provide grant funding to cover the costs of delivering the plans and for the project management resource.

3. REASONS FOR THE DECISION

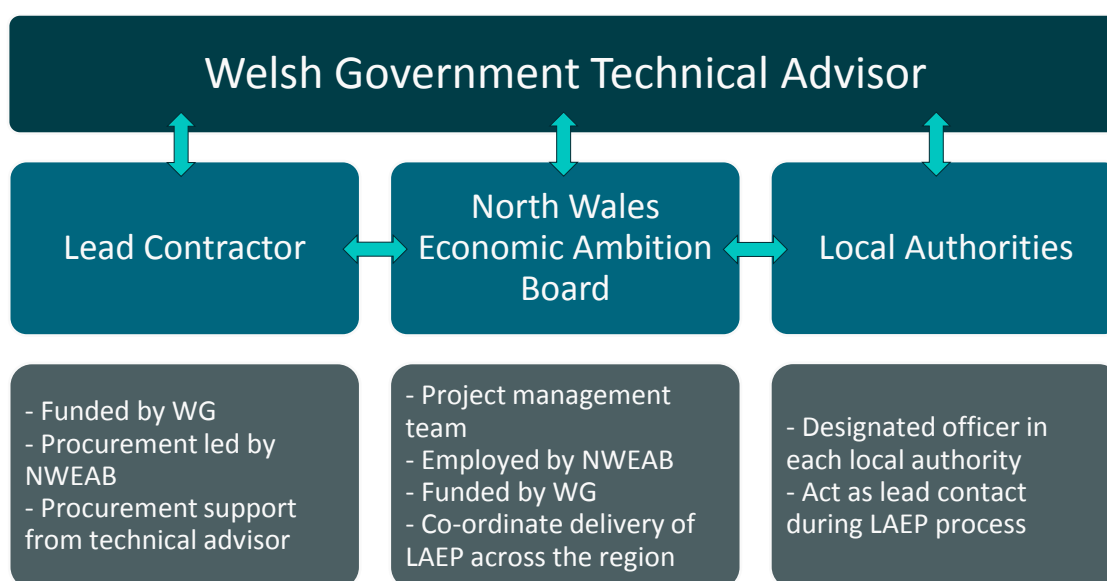
- 3.1. Welsh Government has made a commitment to support Local Area Energy Planning (LAEP) across Wales and proposed a coordinated regional approach to delivery. North Wales' local authority Chief Executives have confirmed their support for this approach and for delivery to be coordinated by Ambition North Wales' Portfolio Management Office.
- 3.2. Subject to the North Wales Economic Ambition Board approval, a project manager and two project officers will be recruited to the Portfolio Management Office to procure and coordinate delivery of the LAEPs.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. Local Area Energy Plans (LAEPs) involve a process which has the potential to inform, shape and enable key aspects of the transition to a net zero carbon energy system at local authority

area level. This can be achieved by a combination of emission reduction and emission removal. They are a critical enabler of decarbonisation, but ultimately their main purpose is to understand what is required for local authority areas to reach net zero and how to plans for it. Importantly, they also outline what is required from other key stakeholders such as the energy sector, the government, and the local community, but also what finance, governance and policies are required to ensure success.

- 4.2. LAEPs use the Office of Gas and Electric Markets (Ofgem) 8 stage methodology approach supported by an assessment of various future energy system and demand models prior to putting in place a plan for the first 5 years of the LAEP and route-map to achieve net zero by 2050. LAEPs set out an ambitious vision supported by actions that need to be taken to reach the wider and longer term 2050 net zero target. They outline how the whole energy system will change, what councils will do, and what is required from the energy sector, the government, regulators, developers and the local community to achieve this.
- 4.3. LAEPs build on the work of the regional energy strategies, taking a more detailed approach to identify the actions to decarbonise a local energy system.
- 4.4. Welsh Government has made a commitment to support Local Area Energy Planning (LAEP) across Wales. It aims to have plans in place for each local authority area by the end of the 2023-24 financial year.
- 4.5. A LAEP will be produced for each local authority area in North Wales (Anglesey, Gwynedd, Denbighshire, Flintshire & Wrexham). Conwy has already developed its plan as a result of being one of two pilot areas in 2021-22.
- 4.6. Following a proposal from Welsh Government, in February 2022, North Wales local authority Chief Executives confirmed their support for adopting a coordinated, regional approach to delivering the LAEPs. It was agreed that delivery of LAEPs would be coordinated by Ambition North Wales' Portfolio Management Office.
- 4.7. The diagram below illustrates the proposed delivery model:



5. PROPOSED WAY FORWARD

- 5.1. Under the proposed model Welsh Government provides grant funding to Ambition North Wales for
- a) the delivery of five LAEPs by a supplier (to be procured by Ambition North Wales) and
 - b) a project manager and two project officers within Ambition North Wales' Portfolio Management Office.

Delivery of five Local Area Energy Plans by a supplier

- 5.2 The Ambition North Wales Project Management Team will procure a single supplier to deliver the five LAEPs with support from the Welsh Government-appointed Technical Advisor. Each LAEP is expected to cost £100k-110k and will be funded by the Welsh Government grant.
- 5.3 The main stage of the procurement process will commence once the Project Management Team is in place.

Project Resources

- 5.4 The purpose of the new posts will be to:
- Project-manage the delivery of the five LAEPs
 - Lead the procurement of a supplier to deliver the five LAEPs
 - Coordinate and support input from the five local authorities
 - Manage the governance arrangements put in place to oversee the LAEPs
 - Provide additional capacity to support delivery of the North Wales Regional Energy Strategy, its Action Plan and other strategic energy-related work areas.
- 5.5 The project manager and two project officers will sit within Ambition North Wales' existing PMO structure, reporting to the Energy Programme Manager as part of the Energy Team. This will allow the project management team to utilise the existing Energy Team's knowledge and networks and enable a joined-up approach to Ambition North Wales' energy related work, including the Growth Deal Energy Programme and the Regional Energy Strategy.
- 5.6 The project management team size and structure will provide the capacity to deliver LAEPs whilst minimising the impact upon the Portfolio Management Office's ability to deliver the Growth Deal projects.
- 5.7 The three FTEs will be employed on fixed term contracts for 24 months. A term of 24 months is considered necessary to support the procurement, delivery and adoption of the LAEPs. The project resource will consist of:
- 1 x Project Manager: This post will project-manage delivery of the LAEPs and support delivery of the Regional Energy Strategy & Action Plan. The Project Manager will matrix-manage the two project officers.
 - 2 x Project Officers: The project officers will support the project manager in delivering the LAEPs and other regional energy related work (e.g. the Regional Energy Strategy & Action Plan).
- 5.8 The estimated costs of the project resources for 24 months are set out below. They include 10% of the Programme Manager's time, factoring-in the line management and oversight responsibilities.

Project Manager (Salary, N.I. and Pension)	PS4	£115,903
Project Officer #1 (Salary, N.I. and Pension)	S3	£83,109
Project Officer #2 (Salary, N.I. and Pension)	S3	£83,109
Energy Programme Manager (10%)	UR2	£15,602
Office equipment (desk, laptop etc)		£4,500
Office space		£3,000
TOTAL		£305,223

Next Steps

- 5.9 If supported by the Board, the next step will be to agree the grant funding offers with Welsh Government. Once the funding is secured, the Portfolio Management Office will progress the recruitment of the project management team.
- 5.10 Once the project resources are in place, the procurement and delivery of the LAEPs will commence.

Main Benefits

- 5.11 The main benefits of the proposed approach include:
- Supported and recommended as an approach by Welsh Government
 - Involves the procurement of one supplier via the Portfolio Management Office
 - Allows for a consistent, joined-up approach to delivering the plans
 - Leverages economies of scale and better value for money
 - Allows for efficiency of delivery in terms of data collection and stakeholder engagement.
 - Supports strategic alignment with Regional Energy Strategy for North Wales

Main Risks

- 5.12 The main risks associated with the proposed approach include:

Risk	Mitigation
Failure to recruit a project management team	Posts to be graded at the appropriate level to attract applicants
Impact upon delivery of the Growth Deal	Project management team will provide the necessary capacity to deliver LAEPs and other regional workstreams currently being supported by the PMO

6. CONSULTATION UNDERTAKEN

- Portfolio Board endorsed proposals in January 2022.
- Portfolio Director received endorsement from local authority chief executives in February 2022.

7. FINANCIAL IMPLICATIONS

- 7.1 The costs of delivering the LAEPs and the costs of the project management team will be met by Welsh Government, subject to a grant funding agreement. The Board should note that any redundancy costs associated with the new posts will not be covered by the Welsh Government grant. These costs will need to be funded by the NWEAB.

8. LEGAL IMPLICATIONS

- 8.1. There are no direct legal implications arising from the report.

APPENDICES:

None

STATUTORY OFFICERS RESPONSE:

- i. **Monitoring Officer – Host Authority:**
The report sets out the proposed project and the employment context appropriately.

- ii. **Statutory Finance Officer (the Host Authority’s Section 151 Officer):**
I am satisfied that the financial information contained in the report is correct. As the report notes, there would be a financial obligation on the Board if there were the need to pay redundancy costs at the end of the project, but I am confident that this can be dealt with should the situation arise.