

Complete Agenda



north wales economic ambition board
bwrdd uchelgais economaidd gogledd cymru

Meeting

TRANSPORT DELIVERY SUB-BOARD

Date and Time

11.00 am, FRIDAY, 14TH MAY, 2021

Location

Zoom

Contact Point

Natalie Lloyd Jones

01286 679490

(DISTRIBUTED 08/05/21)

TRANSPORT DELIVERY SUB-BOARD

MEMBERSHIP OF THE JOINT COMMITTEE

Voting Members

Councillors

Robert G Parry	Isle of Anglesey County Council
Greg Robbins	Conwy County Borough Council
Gareth Wyn Griffith	Gwynedd Council
Brian Jones	Denbighshire County Council
David Bithell	Wrexham County Borough Council
Carolyn Thomas	Flintshire County Council

Link Member of the North Wales Economic Ambition Board

Councillor Ian Roberts	Flintshire County Council
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Officers in Attendance

Emlyn Jones	Denbighshire County Council
Huw Percy	Isle of Anglesey County Council
Geraint Edwards	Conwy County Borough Council
Darren Williams	Wrexham County Borough Council
Stephen Jones	Flintshire County Council
Dafydd Wyn Williams	Gwynedd Council
Iwan Prys Jones	North Wales Economic Ambition Board
Iwan G. Evans	Monitoring Officer
Dafydd L. Edwards	Section 151 Officer

A G E N D A

1. APOLOGIES

To receive apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT MATTERS

To note any items that are a matter of urgency in the view of the Chair for consideration

4. MINUTES OF THE PREVIOUS MEETING

4 - 9

To confirm the minutes of the previous meeting held on 7 December 2020.

5. CHAIR'S UPDATE ON THE WORK OF THE NORTH WALES ECONOMIC AMBITION BOARD (NWEAB) AND THE REGIONAL TRANSPORT GROUP

10 - 14

To update Members on the work of the North Wales Economic Ambition (NWEAB) and the Regional Transport Group.

6. REGIONAL BUS AND METRO UPDATE

15 - 21

For Members to receive a presentation and update on progress from Transport for Wales on work being undertaken on a Wales National Bus Network Review and the North Wales Metro.

7. INFORMATION ITEM - TRANSPORT DE-CARBONISATION AND HYDROGEN HUB UPDATE

22 - 31

To update Members on progress with developing project proposals for low and zero carbon transport projects in North Wales.

To provide an overview of the Hydrogen Hub Holyhead project in respect of progress to date and outline the next steps in the development of the project.

Agenda Item 4

TRANSPORT DELIVERY SUB-GROUP 7 December 2020

Present:

Voting Members - Councillors - David Bithell (Wrexham County Borough Council), Robert G. Parry (Isle of Anglesey County Council), Greg Robbins (Conwy County Borough Council), Gareth Wyn Griffith (Gwynedd Council), Brian Jones (Denbighshire County Council) and Carolyn Thomas (Flintshire County Council).

Officers present – Darren Williams (Wrexham County Borough Council), Huw Percy (Isle of Anglesey County Council), Geraint Edwards (Conwy County Borough Council), Stephen Jones (Flintshire County Council), Ian Roberts (Flintshire County Council), Emlyn Jones (Flintshire County Council), Dafydd Wyn Williams (Gwynedd Council), Iwan G D Evans (Monitoring Officer – Lead Authority), Peter Daniels (Flintshire County) and Einir Rh Davies (minutes – Lead Authority).

Others invited - Iwan Prys Jones (North Wales Economic Ambition Board), Lee Robinson (Transport for Wales), Dewi Rowlands (Welsh Government), Claire Germain (Welsh Government), Kate Clark (Welsh Government) and David Willis (Welsh Government)

1. APOLOGIES

It was noted that Councillor David Bithell and Darren Williams were having difficulty in joining the meeting due to technical issues. Councillor Robert G Parry took the Chair for items 1, 2, 3, 4, 5 and 6.

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

No urgent items were received for discussion.

4. MINUTES

The minutes of the previous meeting, held on 14 September 2020, were accepted as a true record and were proposed and seconded.

5. MATTERS ARISING

There were no matters arising from the minutes.

6. NORTH WALES CORPORATE JOINT COMMITTEE CONSULTATION

The item was submitted by Iwan G D Evans - Host Authority Monitoring Officer.

DECISION

RESOLVED to accept the information in the paper, as this was a paper informing the Sub-Board of the consultation that was underway.

DISCUSSION

The Monitoring Officer noted that the purpose of the item was to inform the Sub-Board of the consultation that was underway.

The Monitoring Officer referred to the paper he had prepared which noted that Welsh Government was currently undertaking a consultation on proposals to establish Corporate Joint Committees (CJCs) in the four areas of Wales based on footprint (North Wales, Mid Wales, South-West Wales and South-East Wales).

Within the Bill, there were two categories of CJC: CJCs by Regulation and CJCs by Request. The possible areas for a CJC by Regulation are limited to four, namely improving education, transportation (Regional Transportation Plan), the function of preparing a Strategic Development Plan and the economic well-being function.

It was confirmed that the CJCs were separate corporate bodies, established through Councils - i.e. were corporations in their own right, and operated semi-independently from the Councils.

In terms of the transport field, the mandatory membership for the six Leaders of North Wales Councils (with the right to co-opt) was confirmed. It was noted that there would be an option here to establish Sub-committees.

In terms of finance and funding matters, it was confirmed that the Councils funded the CJCs by agreement, along with arranging scrutiny and audit matters, again by agreement.

The following questions arose from the discussion:

- What would the formal relationship be with the Authorities?
- In terms of matters such as scrutiny, code of conduct etc., under what arrangement would these matters fall?

Gratitude was expressed for the report and the following observations were received:

- The CJCs would take powers from the Councils. It was noted that Welsh Government officers had already contacted some members of the Sub-Board, noting that this was a vehicle for Local Government to shape and build on the work that has already been done.
It was reiterated that the intention was to strengthen the situation and include Members, giving them an opportunity to share their views fully and with honesty on these draft regulations.
- How did Transport for Wales and the Trunk Road Agency fit in?
Appointing officers was a matter of concern, especially in reading that the roles would take up 1-5 days of an officer's time.
Was there a misconception here that this would save money? Councils did not now have officers duplicating work.
How were they to be funded?
Giving Local Authorities the power to run their own bus transportation was very difficult without local expertise.

Concerns were also noted relating to governance matters.

A Welsh Government Officer responded, confirming that the only function being transferred to the CJC was the Local Transportation Plan, that the activities around buses remained with the Local Authorities, and that transferring other functions would be optional.

In terms of Transport for Wales, it was confirmed that this was a delivery body, and that it would fit in wherever the CJC wished for it to fit in.

The Transport for Wales Officer noted that Transport for Wales had agreed to a set of principles and that they sat with Arriva for agreement. He confirmed that Transport for Wales' role in a CJC would be to support the CJC, to plan networks and to deal with contactless payment matters etc.

The Monitoring Officer confirmed that the Trunk Road Agency covered two CJCs.

Furthermore, there would be a need for a discussion regarding the need for officers and how they would be transferred.

In addition to this, in terms of the role and functions of a CJC, it was possible for councils to request the transferral of some other things, but what was not unclear at this point was the right and ability to develop a CJC in the future.

Attention was drawn to the following:

The consultation was to close in early January 2021, and the intention was for the first CJC to be operational by September 2021. Some Local Authorities had already arranged workshops to update their members.

The six Leaders who were to sit on the CJC would have the right to appoint others to the Committee.

It was agreed that there was a need for regional feedback from the individual authorities along with any observations, and that this should be referred by e-mail to Iwan Prys Jones and David Bithell.

Cabinet Members were asked for any further observations before moving on:

- It was felt that there was a need to work towards a CJC or a formal regional arrangement with Transport for Wales above, and under the same umbrella: there was a need to find the way forward. It was felt that there was an opportunity here to protect the rural aspect should everyone co-operate.
- The concern that the CJC would take work away from the Local Authorities was noted, but it was felt that there was little choice but to move forward
- One individual expressed that they were not in favour of the CJC, but if it had to be done, then it should be done on the most favourable terms.
- Another Cabinet Member noted that he was not too happy with how information was being rolled out, and as a result, he was concerned that there was no clear picture to be had of the essential matters. He noted that he did not feel that it was clear how the CJC was to be funded. He expressed that he was unhappy with the process, and that the time schedule with a deadline at the start of January 2021 was disappointing.

A question was also raised as to how much input Transport Wales would have in this.

Should funding not be allocated on a per head basis?

Would one Authority be leading?

In addition to this, an enquiry was made as to the availability of funding to develop a Strategic Plan

To close, the exact membership and voting rights were questioned.

It was agreed that Iwan Prys Jones would gather the points raised, and circulate them to Cabinet Members as soon as possible as this consultation was underway.

The Welsh Government Officers were thanked, and Local Authorities were encouraged to respond to the consultation.

The Welsh Government Officers took the opportunity to give a presentation on the new Wales Transport Strategy, and in particular, developments in technology. It was confirmed that COVID had presented many challenges and as a result, a new way of looking at delivering transportation in Wales.

Reference was made to environmental matters, places and the economy, transportation, people and communities and culture and the Welsh language, as well as emissions in the context of the environment.

In terms of the challenges and opportunities, matters noted were COVID-19, active travel, rural/urban, electric vehicles, maintenance backlogs, planning and transportation, and accessibility and confidence.

The sustainable transportation hierarchy as well as an on-page strategy were also mentioned.

In terms of the vision, the need for a sustainable and accessible transportation system was noted, along with four long-term goals

- Overcoming challenges
- Being environmentally friendly
- Innovation in operating
- Culture and the Welsh language

The short five-year plan was also referred to, in which it is intended to:

- Plan for improved connectivity
- Increase use of the public transport system
- Create a safe and accessible transport infrastructure which is well managed and maintained
- Make sustainable transport choices
- Support innovation

It is intended to measure

- Impact on people and communities
- Impact on the environment
- Impact on places and the economy
- Impact on culture and the Welsh language

It is intended to deliver by

- Making better investment decisions
- Delivery programmes and thematic work

- Working in partnerships
- Updating policies and legislation
- Holding ourselves and our partners to account

Reference was also made to the Nine Small Plans

- Active Travel
- Buses
- Railway
- Roads, Streets and Parking
- Third Sector
- Taxis and CHP
- Loads and logistics
- Ports and maritime
- Flight

All were discussed in the context of the Five Ways of Working included in the Well-being of Future Generations Act

- Long term
- Prevention
- Integration
- Collaboration
- Involvement

Following the presentation, Local Authorities were encouraged to respond to the Consultation by 25/1/21.

Gratitude was expressed for the presentation

7. REGIONAL BUSES UPDATE

Lee Robinson of Transport for Wales presented the update

DECISION

RESOLVED to accept the information updating Members on recent developments in relation to the proposals for a Regional Bus Network and the continued funding of the Emergency Scheme for the Bus Sector in relation to the effects of the Covid-19 pandemic.

DISCUSSION

It was confirmed that due to COVID, Transport for Wales was working with bus providers to look at new ways of funding and considering which routes they ran. He also referred to the Emergency Scheme for the Bus Sector, confirming that a discussion with providers had been arranged for 8/12/20, but that there were time restrictions due to COVID.

Reference was made to the Partnership Agreement to discuss routes and the carbon agenda, but he confirmed that the providers saw the discussion as being one sided.

The Officer gave a presentation on the Amendment and Design of the Bus Network, confirming that they would be working across four regions; North Wales, Mid Wales, South-East Wales and South-West Wales.

He reminded the Sub-Board that it had commissioned a piece of work to look at eight specific matters for the region, and agreed to share the presentation.

Cabinet Members were asked for any further observations before moving on:

There was a difference between rural and urban, but each County present here was different. Tourism was very important, and there was a need to convey that message. It had been noticed that work was focussed around urban metro hubs - it was possible for some core routes to be urban to urban, and an enquiry was made as to where this worked, and how it was possible to measure social value and economic value. Transport for Wales was requested not to forget the older population when undertaking any consultation work, bearing in mind that we were not living through a normal, representative time.

It was also requested that there should be consideration given to how this connected to the financing of education, as well as the financing of social health care.

A Welsh Government Officer noted that he encouraged rural matters in the community, as well as the importance of considering people within communities when planning the network.

It was agreed that Iwan P Jones, in preparation for the meeting arranged for 18/1/21, would get in touch to gather views on matters regarding buses.

8. REPORTS FOR INFORMATION:

Iwan Prys Jones presented the reports

DECISION

RESOLVED To accept the reports for information, which gave an update on ongoing work across the region, looking at how the public sector fleet could be transferred to an ultra-low emissions fleet.

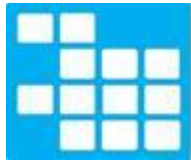
DISCUSSION

No discussion was held

The meeting commenced at 10:10 am and concluded at 12:05 pm

Agenda Item 5

Transport Delivery Sub-Group: 14/05/2021



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REPORT TO TRANSPORT DELIVERY SUB-GROUP

DATE: 14 May 2021

Title: Chair's Update on the Work of the North Wales Economic Ambition Board (NWEAB) and the Regional Transport Group

Author: Councillor David A Bithell

1. Purpose of the Report

To update Members on the work of the North Wales Economic Ambition Board (NWEAB) and the Regional Transport Group.

2. Decision Sought

Members are invited to note the update and actions from the meeting with Alwen Williams, Portfolio Director of the NWEAB and Iwan Evans, Monitoring Officer, Gwynedd County Council.

3. Reasons supporting the need for a decision.

The report is largely for information and no formal decision is required as a result of the report.

4. Background and Relevant Considerations

Update meeting requested by Chair of the NWEAB.

5. Financial Implications

There are no specific financial implications from this report.

6. Legal Implications

There are no specific legal implications from this report.

7. Staffing Implications

There are no specific staffing implications from this report.

8. Impact on Equalities

There are no specific equalities implications at this stage.

9. Consultations undertaken

There are no specific consultations required at this stage.

10. Appendix

Appendix 1 - Notes of the meeting with Alwen Williams, Portfolio Director of the NWEAB and Iwan Evans, Monitoring Officer, Gwynedd County Council.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – responsible body:

I welcomed the opportunity to meet with the Chairman to discuss aspects of the work and constitution of the Sub Board. Having adopted the GA2 agreement which incorporates its terms of reference and the advent of Corporate Joint Committees with quite specific functions it's timely to consider where the Sub Board sits within this new framework.

ii. Head of Finance – responsible body:

I understand that this progress report is submitted for information, hence I have nothing to add from a financial propriety perspective.

Regional Transport - summary notes from meeting held Thursday 15 April

Summary of the meeting

Alwen outlined that:

- Focus has been placed on programmes funded by the Growth Deal over the last 12 months. These programmes are Digital, Land and Property, Low Carbon Energy, Innovation in High Value Manufacturing and Agri-food and Tourism. The Growth Deal was signed on the 17th December 2021.
- Two strategic programmes identified by the Economic Ambition Board, but are not funded by the Growth Deal are Regional Transport and Skills and Employment. These are two important programmes and the Portfolio Management Office are eager to work with regional stakeholders to map the way forward. This meeting facilitates the first discussion with Cllr Bithell as chair of the Transport Sub-Board.

Cllr Bithell summarised the sub-boards activity over the last twelve months:

- The sub-board has met 4 times in the last year. It has matured greatly as a sub-board since its establishment and has been supported with good input to the board from Iwan Prys Jones
- Consideration given to various reports and presentations during the year with the sub-group feeding back to relevant bodies and making recommendations as necessary, for example, the sub-board recommended to Transport for Wales that they prepare a Memorandum of Understanding about how the bus network operates. A suggestion was made directly to their Chief Executive, James Price, that this MoU should be shared with cabinet members across North Wales.
- As well as consideration to North Wales, the sub-board have maintained the relationship with Growth Track 360 and the broader cross-border agenda for transport.
- Minister Ken Skates AS has attended two of the meetings where the national transport strategy has been discussed.
- Transport decarbonisation and the regional approach for electric vehicle charging is a growing theme being considered by the sub-board and reports have been received on Hydrogen and Low Carbon Energy.

Corporate Joint Committee

When established, the CJC will hold the responsibility for strategic transport planning. Work is underway in the region to explore how the structure and power held by the CJC will work across the local authority areas. It was noted during the meeting that discussions should continue as and when the approach to establishing the CJC has developed in more detail.

Actions agreed

- Alwen to arrange a further meeting towards the middle/end June to re-engage post establishment of the new Welsh Government
- It was suggested that in the interim we all revisit the Terms of Reference for the Transport sub-board and consider the appropriateness/fit
- The transport sub-board to be invited to present an update of their work to the Economic Ambition Board. (suggested twice a year)

In addition to the above brief notes, I have included below a few paragraphs of content, prepared by Iwan Prys Jones for input into the annual report that we are currently producing. This report summarises the work done in the past 12 months by the Portfolio Management Office and partners on behalf of the North Wales Economic Ambition Board.

Transport Programme

Having effective and reliable transport networks that link North Wales with key markets and destinations, is essential to support a thriving economy. The NWEAB established a Transport Sub-Board to support and prioritise investment in our transport networks and to work across the region to deliver improvements. The growing focus on safeguarding our environment has increased the need to provide genuine alternatives to road-based transport, including better passenger transport networks that properly integrate.

The NWEAB has supported Welsh Government and Transport for Wales with developing an integrated transport package branded as the North Wales Metro. There are some exciting projects currently under development that will see transformational improvement to the regions rail and bus networks over the years ahead. These include new rail stations and more capacity on our rail network, proposals to integrate bus and rail along with active travel are under development, along with quality programmes to achieve better branding, information, and

ticketing arrangements. The aim is to ensure that viable alternatives to car-based travel are available for all residents and visitors.

Alongside improvements to transport networks, the decarbonisation of transport networks is an increasing priority. Preparing the region for accelerated roll-out of zero emission electric vehicles, with adequate charging infrastructure is a priority. The NWEAB has also led on the development of a hydrogen hub at Deeside, to complement another being developed at Holyhead, that aims to put the region at the forefront of the roll out of hydrogen fuelling and fuel cell vehicle technologies. Business cases for implementation will be completed over the next year.

The publication of Llwybr Newydd - the updated Wales Transport Strategy, sets an ambitious programme of improvements to transport networks, decarbonisation proposals and a challenging agenda for change. Over the next year, work will commence on updating the North Wales Regional Transport Plan, in response to the agenda set by Llwybr Newydd.



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REPORT TO TRANSPORT DELIVERY SUB-GROUP

DATE: 14th May 2021

Title: *Regional Bus Update*

Author: Iwan Prys Jones – Programme Manager NWEAB

1. **Purpose of the Report**

For Members to receive a presentation and update on progress from Transport for Wales on work being undertaken on a Wales National Bus Network Review. The presentation will also highlight how this supports work on the Bus Emergency Scheme in Wales

2. **Decision Sought**

Members are invited to note the update and proposed further work planned.

Further work is planned to develop an operational plan for the delivery of the proposed network vision, the role of the Delivery Sub-Board in relation to on-going work will need further consideration

3. **Reasons supporting the need for a decision.**

The report is largely for information, to advise members of progress with the Network Review, the initial findings and outcomes and proposed next steps

No formal decision is required as a result of the report, however some of the emerging proposals may require further consideration of regional governance arrangements.

4 **Background and Relevant Considerations**

Members have received reports at recent meetings regarding proposed changes to bus network management and funding, primarily relating to the impacts of reduced bus usage as a result of the Covid 19 pandemic

Members will also recall that Welsh Government have long wished to be able to better exert some control over the quality of bus networks and service provision. Welsh Government working through Transport for Wales have carried out a significant review of current networks and management arrangements with detailed work undertaken by Arup and Atkins. Detailed discussions have been held with local authorities through ATCO

Members will receive a presentation on the work carried out to date and the emerging proposals. The presentation will also consider the planned next steps and timescale for further work and the development of an implementation plan and potential pilot delivery projects.

5. Considerations

The proposals for more effective management arrangements will have impacts on governance and management of bus networks in North Wales. Although there is some regional coordination of bus funding schemes with Flintshire acting as a lead authority, each local authority currently procures bus services independently.

Delivery of the revised network proposals will involve changes to existing governance arrangements in relation to funding and procurement of bus services.

5. Financial Implications

There are no specific financial implications from this report, it is mainly information on work that has been completed to consider proposals to improve bus networks in Wales.

The impacts of these proposals once adopted could well have significant financial impacts, but these will be highlighted in future update reports or during the consultation that should be undertaken prior to implementation.

6. Legal Implications

There are no specific legal implications from this report. Consideration of management and governance arrangements for the delivery of the BES 2 scheme will be required.

7. Staffing Implications

There are no specific staffing implications at this stage – the report provides updates on work currently underway. It is likely that any agreed approach to manage funding or bus networks on a regional basis could have implications on staffing within existing bus teams.

8. Impact on Equalities

There are no specific equalities implications at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

9. Consultations undertaken

There are no specific consultations required at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – responsible body:

No observations to add in relation to propriety.

ii. Head of Finance – responsible body:

I note that there could be significant financial impacts when these proposals are adopted, and funding sources (if additional contributions are required from any partners) will need to be confirmed before considering a final decision on the way forward at subsequent meetings.



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REPORT TO TRANSPORT DELIVERY SUB-GROUP

DATE: 14th May 2021

Title: *North Wales Metro Update*
Author: Iwan Prys Jones – Programme Manager NWEAB

1. Purpose of the Report

For Members to receive a presentation and update on progress from Transport for Wales on work being undertaken on projects within the North Wales Metro.

2. Decision Sought

Members are invited to note the update and proposed further work planned.

3. Reasons supporting the need for a decision.

The report is largely for information, to advise members of progress with the North Wales Metro, the development of the strategy, projects planned for delivery in 2021-2 and longer term work that is being developed.

No formal decision is required as a result of this report.

4 Background and Relevant Considerations

Members have received reports on progress with the Metro in previous meetings. Transport for Wales have been commissioned by Welsh Government to accelerate delivery of the programme and projects identified within the overall Metro concept.

There has been a significant increase in activity over the past year with additional resources being allocated and good progress with project delivery. Transport projects are rarely easy or quick to deliver and it is useful for Members to understand the progress that has been made and the likely timescales for implementation.

The Metro is bringing together a range of projects on the regions rail network, bus network and active travel schemes, such that integration between transport modes is improved. Interchange points on the network and integrated ticketing, branding, and marketing are all under development.

5. Considerations

Improving connectivity is an essential programme to support economic growth in North Wales. The increased congestion on key road networks and the fragmented nature of much of the passenger transport infrastructure and services means that there is little choice for travel other than by private car or road. The Metro is intended to be a long term project that provides better alternatives and to support improved connectivity within the region and to adjoining markets and destinations.

Delivery of the Metro proposals will be a joint programme, the role of local authorities working in partnership with Welsh Government and Transport for Wales will need to evolve as the programme progresses.

5. Financial Implications

There are no specific financial implications from this report, it is mainly information on work that has been completed to consider proposals to improve integrated transport and accessibility in North Wales.

6. Legal Implications

There are no specific legal implications from this report.

7. Staffing Implications

There are no specific staffing implications at this stage – the report provides updates on work currently underway.

8. Impact on Equalities

There are no specific equalities implications at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

9. Consultations undertaken

There are no specific consultations required at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

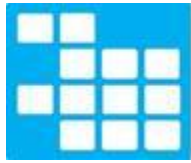
STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – responsible body:

No observations to add in relation to propriety

ii. Head of Finance – responsible body:

I understand that this progress report is submitted for information, hence I have nothing to add from a financial propriety perspective.



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REPORT TO TRANSPORT DELIVERY SUB-GROUP

DATE: 14th May 2021

Title: *Transport Decarbonisation and Hydrogen Hub Update*

Author: Iwan Prys Jones – Programme Manager NWEAB

1. Purpose of the Report

To update Members on progress with developing project proposals for low and zero carbon transport projects in North Wales

2. Decision Sought

Members are invited to note the progress made and the next steps to develop business cases for investment.

3. Reasons supporting the need for a decision.

The report is largely for information, to advise members of developments with developing infrastructure and project to support low and zero carbon transport.

No formal decision is required as a result of the report.

4 Background and Relevant Considerations

At the December 2020 meeting of the Delivery Sub-Board, Members received a report on proposals to develop ambitious projects to support the decarbonisation of transport networks in North Wales. Two projects were highlighted as being potentially suitable as hub locations: Holyhead and Deeside.

Since the last report good progress has been achieved with detailed work to develop business cases on both projects underway and further work commissioned to better understand how the whole region could benefit from the opportunities and secure access to green hydrogen fuel sources to support fleet decarbonisation.

Deeside

The Deeside project proposes to develop a hydrogen hub at Deeside Industrial park, that would utilise renewable energy to develop green hydrogen to support transport decarbonisation. Hydrogen Fuel Cell vehicles require a high quality of hydrogen to avoid contamination of the fuel cell and green hydrogen is ideal for this purpose. The outline of the project is that the hub would contain hydrogen generation facilities along with storage and fuelling equipment.

A critical component of the project is to assess the potential future demand for the fuel and in particular to assess the potential market for hydrogen for fuel cell vehicles. A detailed analysis of the potential future demand has been carried out with potential users, along with discussions with vehicle manufacturers and fleet users to assess possible take up.

At the end of the 2021-21 financial year, funding was made available by Welsh Government to develop a Strategic Outline Case for the project and to further develop the SOC into an Outline Business Case. The work has progressed well, with Jacobs being appointed by Flintshire to undertake both commissions. A draft SOC has been received and the OBC is now progressing well.

Once completed, the OBC will be the subject of a Gateway review, prior to progressing towards the development of a Full Business Case

Regional Hydrogen Opportunities

For both of the above projects growing the demand for the hydrogen generated will be essential as part of a new ecosystem for hydrogen across the region. Further generation opportunities, storage, distribution and fuelling infrastructure will be required.

It will be necessary to grow demand for the fuel, especially if one of the main uses will be to support transport decarbonisation. Both Holyhead and Deeside are well placed to provide fuel to parts of the strategic transport network and to provide low carbon fuel to other commercial and business users.

The public sector in Wales has a key role to play in showing leadership in decarbonisation efforts, for example by transitioning public sector fleets from petrol / diesel fuel to low / zero carbon and zero tailpipe emission solutions. There has been a strong focus on battery electric vehicles in recent years and this technology offers an excellent solution for many vehicle types and duty cycles. However, based on currently available technology pure battery electric solutions are unlikely to be able to meet the needs of all vehicles. Hydrogen fuel cell technology offers a promising solution for heavier vehicles and those with challenging duty cycles (e.g. high daily mileage / high daily energy demands) such as refuse collection vehicles. The availability of suitable solutions in this space is currently limited and joint procurement across multiple public bodies offers the potential to pool demands, attract vehicle suppliers, and potentially improve the commercial case for the hydrogen refuelling infrastructure required.

In order to assess options for future opportunities funding was available to fund a further small commission from Element Energy to consider how such opportunities could be identified.

The work is currently progressing well and is considering the following areas of activity

- An assessment of future demand
- Engagement with potential fuel cell electric vehicle suppliers
- Hydrogen production and distribution cost analysis
- Hydrogen fuelling station siting

A draft report will shortly be available and discussions of the next steps will be held.

5. Considerations

Transport decarbonisation is a key requirement of Welsh Government and Westminster policy, the sale of carbon fuelled vehicles will be restricted in the next few years, and whilst battery technologies have developed apace, heavier vehicles will not be suitable for battery solutions alone. The case for strategic intervention in alternative fuelling infrastructure is clear but coordinated actions by the public sector is needed to ensure that an adequate infrastructure to support hydrogen and other technologies is in place.

The funding made available by Welsh Government has enabled projects to be progressed at both Holyhead and at Deeside; and also, to consider future further roll out across the region. Once the initial business case development is complete, detailed work on a full business case and implementation and delivery strategies will be needed.

Further update reports will be provided to members as the projects develop.

5. Financial Implications

There are no specific financial implications from this report, it is mainly information on work that has been completed to consider proposals to decarbonise transport in North Wales.

6. Legal Implications

There are no specific legal implications from this report.

7. Staffing Implications

There are no specific staffing implications at this stage – the report provides updates on work currently underway.

8. Impact on Equalities

There are no specific equalities implications at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

9. Consultations undertaken

There are no specific consultations required at this stage – the report provides updates in work currently underway. Detailed consultation on any reports where impacts are possible will be carried out at the appropriate consultation process.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – responsible body:

No observations to add in relation to propriety

ii. Head of Finance – responsible body:

I understand that this progress report is submitted for information, hence I have nothing to add from a financial propriety perspective.



north wales economic ambition board
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REPORT TO TRANSPORT DELIVERY SUB-GROUP

26/04/2021

Title: *Holyhead Hydrogen Hub: Project Overview & Next Steps*
Author: Dylan Llewelyn Jones (Senior Engineer – Sustainable & Strategic Transport)
/ Huw M. Percy (Head of Service – Highways, Property & Waste)

1. Purpose of the Report

1.1 To provide an overview of the Hydrogen Hub Holyhead project in respect of progress to date and outline the next steps in the development of the project.

2. Decision Sought

2.1 This report is to prepared as an update to North Wales Economic Ambition Board’s Transport Delivery Sub-Group and is for information purposes. This report does not seek a decision at this time.

3. Reasons supporting the need for a decision.

N/A

4 Background and Relevant Considerations

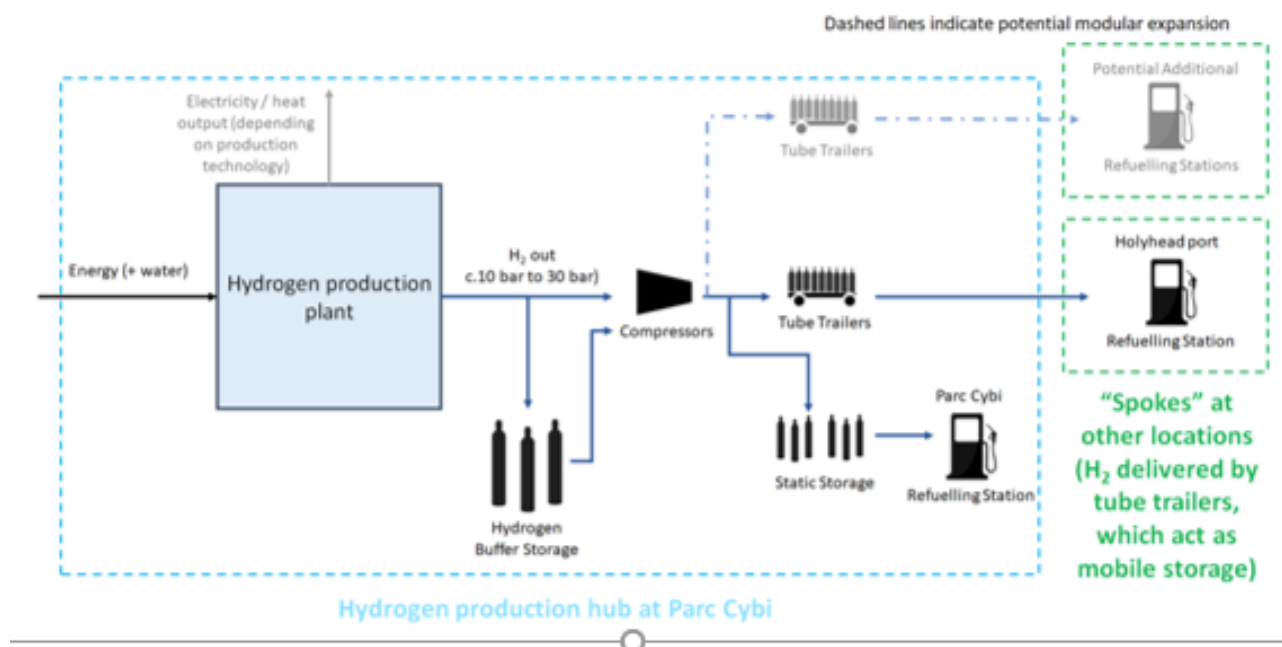
4.1 The project is in the development stage for a potential hydrogen production plant and fuelling/distribution hub at Holyhead. The project could potentially contribute towards decarbonising the transport sector at scale in Holyhead (Parc Cybi has been identified as the preferred site), across Anglesey and North Wales.

4.2 Green Hydrogen would be produced by utilising the significant renewable resources offshore, both tidal and wind, that the Island possesses and together with demands at Holyhead Port, IACC fleet, local HGV and bus companies it provides sufficient demand to kick-off the project and develop supply-chain opportunities locally.

4.3 With a target operational date of early 2023, this is a ‘First of a kind’ project for Wales under a Hub & Spoke model (See Figure 1) and will collaborate with complementary developments

in north Wales (Deeside Hydrogen Hub - Flintshire), the rest of Wales and the UK and connecting to Ireland.

Figure 1.0 – Proposed Hub and Spoke Model



- 4.4 The economic benefits associated with the project could be significant. In the operational phase, the proposed initial Holyhead Hydrogen Hub could potentially provide significant economic benefits including:
- Create 20FTEs directly at the initial Hub plus a further 10 additional jobs in vehicle maintenance.
 - Indirectly support over 500 jobs at local businesses.
 - Provide the platform for scaled-up hydrogen production for transport and diversification to the heat, power, industry and agriculture markets. This would boost GVA and provide substantial, sustainable job opportunities which can be embedded in the local community.

Project Development Progress to Date (December 2020-March 2021)

- 4.5 The IoACC has partnered with Menter Mon (MM) to develop the project due to Menter Mon’s previous involvement in this field. A Hydrogen Director was appointed by Menter Môn in December 2021 to lead on the development phase of the project.
- 4.6 External consultants have been appointed by Menter Mon following a procurement process via Sell2Wales to undertake detailed assessments for the Holyhead Hydrogen Hub based on the findings of the 2020 [initial feasibility study](#).

- 4.7 The consultants are a consortium led by hydrogen specialists Logan Energy; and legal firm Capital Law. By April 2021, they will deliver reports based against 5 tendered lots:
- a) Business Development including costs and potential vehicle suppliers
 - b) Design & Engineering
 - c) Planning Advice
 - d) Environmental Impact Assessments
 - e) Legal Advice
- 4.8 Discussions have been held with IoACC's transport officers as potential end-users of hydrogen, together with Stena at the Port of Holyhead, local HGV operators, the Welsh Government and other potential end-users which are being identified as part of the development work and which can inform the design of the Hub. Additionally, workshops have been held with other key stakeholders include SP Energy Networks (Electricity Grid), Coleg Menai (Skills & Training), M-Sparc (R&D) and Wales & West Utilities (Gas network).
- 4.9 Press releases have attracted good coverage and social media interest. The project continues to attract increasing external interest from new, potential delivery partners to include local businesses, UK Government, technology suppliers and multi-national corporations.
- 4.10 Initial discussions have taken place with NWEAB on the prospects for a joined-up approach to hydrogen developments across North Wales and connecting to Flintshire. This will be reviewed and monitored as the project progresses

5. Financial Implications

- 5.1 The IACC in partnership with Menter Môn secured £105,000 of grant funding from Welsh Government's Local Transport Fund in October 2020 for early project development activities.
- 5.2 An additional £225,000 has been secured in 2021/22 to undertake the following activities:
- a) Refine and optimise the results of the current development work;
 - b) Assess the scale-up and diversification opportunities extending to large-scale hydrogen production from offshore renewables
 - c) Prepare a full socio-economic assessment of the scale-up potential to include the scope for supporting the Port in its ambitions for renewables and expansion;
 - d) prepare and submit a planning application for the hydrogen production plant
 - e) Further connect the Hub with complementary developments in north Wales including the Deeside Hydrogen Hub in Flintshire and also extending into England and westwards into Ireland
 - f) Refine the business case to include exploring further business development opportunities with external organisations.

- 5.3 Should the project be successful in securing the necessary planning consents (without pre-judging the decision making process), activities will be geared towards preparations for the construction and opening of the Hub and assessing the scale-up opportunities.
- 5.4 In the 2021 Budget announcement, the Chancellor announced £4.8m of funding towards the development of the Holyhead Hydrogen Hub, however, further information has been limited to date. The funding will be reliant on the business case being proven and approved.
- 5.5 The current studies will advise on more detailed cost estimates and options for the operational phase.
- 6. Legal Implications**
- 6.1 A formal legal agreement has been established between the IACC and Menter Môn which has been signed by both parties and sealed. Both IACC and Menter Mon were willing to enter into this agreement.
- 6.2 The purpose of this Agreement is to make Menter Môn aware of the Grant Conditions and to impose an obligation on them to comply with the Grant Conditions. Both parties enter into this agreement for the purpose of delivering the Holyhead Hydrogen Hub project as set out in Welsh Government's Local Transport Fund. This provides the assurances that IACC has ensured that there is no financial risk arising from this decision.
- 7. Staffing Implications**
- 7.1 A Hydrogen Director was appointed by Menter Môn in December 2021 to lead on the development phase of the project.
- 7.2 There are currently no staffing implications to the IACC are project managing the grant expenditure by utilising existing staffing resources.
- 7.3 A Project Board has been established between the IACC (representatives from Highways, Waste and Property) and Menter Môn to ensure compliance with the grant conditions, monitor progress and address any issues being raised.
- 8. Impact on Equalities**
- 8.1 An Equality Impact Assessment will be considered as the project development activities continue.
- 9. Consultations undertaken**
- 9.1 Extensive consultations have been undertaken and are on-going with stakeholders. These include:

- The IACC on the prospects for decarbonising transport, reducing air pollution and supporting the local economy;
- Grwp Llandrillo Menai (Coleg Menai) with respect to the training and skills opportunities;
- Bangor University's science & innovation hub M-Sparc on the R&D opportunities;
- SP Energy Networks on the flexibility which hydrogen production can provide to its operations via their Active Network Management programme;
- Wales & West Utilities on the potential for sectorcoupling with the gas network to decarbonise heat.

9.2 This local element is further strengthened by the appetite shown from businesses Stena Group, Delivery Solutions and Gwynedd Shipping for the introduction of hydrogen vehicles to their HGV fleets, port operations and scaling-up to potential shipping applications.

9.3 Additionally, engagement has been undertaken with the Welsh Government, housing associations, Faun Trackway and other end-users which are being identified as part of the development work which can inform the design of the Hub - and who could also benefit from Spokes.

10. Appendix

[Holyhead Hydrogen Hub Feasibility Study \(Summary\) - June 2020](#)

STATUTORY OFFICERS RESPONSE:

i. **Monitoring Officer – responsible body:**

This is an information only report on a project. There are no apparent direct legal implications for the work of the Sub Board

ii. **Head of Finance – responsible body:**

I understand that this progress report is submitted for information, hence I have nothing to add from a financial propriety perspective.