



STRATEGY & RESOURCES COMMITTEE

MEMBER REPORT

NAME OF ORGANISATION/BODY	Gloucestershire Economic Growth Joint Committee
DATE OF LAST MEETING ATTENDED	30 May 2023

BRIEF REPORT:

1. National Grid Capacity in Gloucestershire

Stuart Jones, Senior project Manager for South Wales and the South West and Barry Hill, Regional Connections Manager, gave a presentation on National Grid capacity following questions raised by GEGJC at the last meeting, when National Grid attended to give a presentation on its Visual Impact Project in the Cotswolds National Landscape (essentially putting transmission lines underground and removing overhead pylons).

Stuart Jones highlighted the need for reform in respect of connections to the National Grid. The volume of contracted capacity does not match expected need – there will be three times the volume of current connections to the Grid by 2030. There will need to be significant investment in new substations and network reinforcement, given that each new customer requires a connection to a substation. Customers are treated on a ‘first come first served’ basis regardless of the type of customer that they are, which leads to delays and a backlog.

There is a two-step process to address the connections issue:

- 1) To create a realistic view of the future by rationalising the pipeline of contracted connections. For example, solar connections are four times oversubscribed based on the Government’s Net Zero requirements, and there is a significant volume of gas plant currently in the pipeline to connect which may be phased out.
- 2) To enable future connections through network investment, innovation and reform of the connections process (currently customers can only connect when they pay for the connection, which doesn’t allow for forward provision of capacity).

In addition, connections for storage need to be treated differently to enable connections to be made sooner. These are currently treated as ‘generators’ which is holding up connections and inhibiting supply. Storage and embedded generation need to be remodelled to understand their actual impact on the transmission network.

Reform would be based on the following principles:

- Anticipate and invest – ahead of customer requests to connect
- Develop and sell – ‘plug and play’
- Tighter market entry threshold – only credible projects allowed to join pipeline



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- Connect or move – customers cannot hoard capacity and block other connectors, must connect or leave pipeline.

The biggest issue at the moment is that Ofgem, which controls the sector, does not allow National Grid to build in anticipation of development.

Barry Hill addressed the regional picture. The South West region is at capacity for all types of development on both the high voltage 400kV and the 275kV networks. This means that to take any further development, substations will need updating and in Gloucestershire, a new substation would probably need to be built although there are currently no drivers for this. It would take 5 years to build a new substation.

To clarify in response to questions, National Grid said that there are no constraints on demand from residential and business expansion in the region and there is possibly not an issue with transmission, but there is an issue with anyone wanting to connect and feed into the network / generate electricity (eg wind, solar and Single Modular nuclear reactors (SMRs)) and some long waiting times – for an SMR potentially 2037.

There is a disconnect between power generation, storage and usage given that the network was designed in a different age. It is not as simple as putting in more (battery) storage as circuits can be overloaded. Work is being undertaken to treat battery storage differently as already mentioned above.

2. Royal Agricultural University Innovation Village Update

Graham Pollard (Chief Operating Officer) and Katharine Clough updated GEGJC on the £100k of SEDF funding to progress the Innovation Village concept.

Ridge and Partners have been appointed to provide project management services between September 2023 and January 2024 following a tender process. Ridge subsequently have prepared project-specific scope of services for the different design disciplines (architecture, civil and structural engineering, electrical engineering, transport, cost management and planning services) and firms have been selected for each. Eight guiding principles for development have been agreed, the top four being landscape, design quality, commercial and global centre.

Timeline

The project is currently concentrating on stakeholder identification and engagement, project risks, site boundaries and ownership, and ecological and tree surveys. Community engagement with district, town and parish councils and community groups is due to start next month, June 2023.



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An outline planning application is due to be submitted in November 2023 and the project aims to break ground in early 2025.

3. Business Rates Pool

Andrew Cummings gave an end of year update, illustrating business rates pool growth across the county for 2022-23, with Gloucestershire able to keep all but 15% of the growth which goes back to Central Government (without pooling 50% would be returned to Government).

In 2022-23 the pool gain of £3.563m had been allocated as follows: £0.713m to the Strategic Economic Development Fund (SEDF) administered by GEGJC, £2.28m to the districts and £0.57m to the county council (the comparable figures for 2021-22 were a pool gain of £3.161m with £0.632 to SEDF, £2.023m to districts and £0.506m to GCC).

The estimated gain for 2023-24 is a pool gain of £4.549m, with £0.91m to SEDF, £2.911m to districts and £0.728m to GCC.

GEGJC discussed the prioritisation of activity needing funding from SEDF and agreed to charge the Senior Officers Group with looking at the pipeline ahead of the establishment of the City Region Board, and better connecting data to investment to establish the difference that SEDF funding is making / could make.

4. GFirst LEP Update

David Owen, CE of the GFirst LEP and also now a County Council Director, updated GEGJC on the future of LEPs. Three themes were emerging:

- 1) The need for funding future activity through councils
- 2) Timescales are a challenge, especially with the Government extending the consultation on the future of LEPs, as this will delay announcements about future funding
- 3) Clarity about which functions Government expects councils to pick up from 1 April 2024 and what outcomes are expected.

In addition, he highlighted:

- that European Regional Development Funding (ERDF) of £1m had leveraged over £11m of inward investment into the county
- The 'Made in Gloucestershire' initiative launched in July 2022 continues to grow (£150k of SEDF awarded in March 2022)
- The sad news of the death of Jim Grant, Principal of Cirencester College.



STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB
Telephone 01453 766321 • Facsimile 01453 750932
www.stroud.gov.uk

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5. Covid-19 and Economic Intelligence Dashboard

Kate Martin of GCC tabled an update on GCC's Economic Dashboard. She highlighted:

- There were 2 new areas of reporting:
 - 1) Gross Value added – a new data measure of goods and services produced which showed that in 2021, Gloucestershire produced GVA of £19.1bn (13% of the South west's GVA and 1% of England's), with the largest contributing sectors being manufacturing, wholesale and retail trade and real estate activities.
 - 2) Economic Activity – in 2021, 38.3% of the county's 16+ population was economically inactive (up from 35% in 2011). Of the economically inactive, 60.2% were aged 65+ (a 20% increase between 2011 and 2021). This was not due to people retiring early but was due to people leaving the workforce early for other reasons – ill health, looking after family, studying etc.
- Long-term unemployment has increased to 2.3%
- Job postings have fallen slightly (from a record high in January 2023 at 24,888, which was 4,000 greater than any other figure at any other point).

FUTURE MEETINGS	7 September 2023 10am (last meeting of GEGJC, which will be succeeded by the City Region Board)
REPORT SUBMITTED BY	Cllr Natalie Bennett, Deputy Leader Kathy O'Leary, Chief Executive
DATE	5 June 2023