South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

REPORT SUMMARY

ITEM 6: Western Gateway

Purpose

The purpose of this report is to provide an update on Cardiff Capital Region's partnership working with the Western Gateway and seek approval for in principle funding of collaborative activities.

Summary

- CCR is seeking to form a more efficient and effective strategic partnership with the Western Gateway.
- The report sets out the background to the relationship with the Pan-Regional Partnership (PRP) for South Wales and West England, which has 13 partners across the geography.
- Given recent discussion between senior leadership, the agreed areas of focus are Net Zero (including Hydrogen); the Severn Estuary Commission; and, regional promotion.
- The report sets out the resource and funding requests for 2024-25 (£25k in total for annual partner contribution and convention partnership) and 2025-26 (£22k annual partner contribution and potentially £75k for the Severn Estuary Commission, which requires further interrogation).
- If approved, CCR will agree a performance reporting mechanism with Western Gateway, aligning KPIs to the specific objectives.

Recommendations

The Corporate Joint Committee is asked to:

(1) Note the progress being made in the development of a strategic partnership with the Western Gateway;

(2) Approve the approach to partnership working and funding of collaborative activities, these being:

   i. £15,000 commitment for event partnership in 2024/25 from the CJC's existing Marketing, Communications and Events budget;

   ii. An additional £12,000 in respect of the CJC's 2025/26 annual partnership contribution to the Western Gateway, increasing the overall sum to £22,000 in 2025/26; and

   iii. An in-principle £75,000 funding commitment to the Severn Estuary Tidal Commission in 2025/26, subject to further investigation.

(3) Note that all requests for 2025-26 are subject to the confirmation of UK Government funding for Western Gateway beyond the current financial year.

Contact Officer

Kellie Beirne, Chief Executive Officer

Report for:	ACTION
Contains Confidential or Exempt Information	NO

For Consideration By	South East Wales Corporate Joint Committee
Report Title	Western Gateway
Report of	Kellie Beirne, Chief Executive Officer
Contact Details	Kellie.beirne@cardiffcapitalregion.gov.uk
Date to be Considered	26 July 2024
Implementation Date	26 July 2024
Affected Council Areas	All South East Wales local authorities
Keywords / Index	Western Gateway; Pan-Regional Partnership; UK Government

Report Summary

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Reasons for Recommendations and Options Considered

Background & Context

3. Established in 2020, Western Gateway (WGa) is the pan-regional partnership (PRP) covering South Wales & Western England, a population of circa 5m people. PRPs co-ordinate collaboration between local authorities and the government to develop economic and infrastructure strategy.

4. The Western Gateway is supporting partners to deliver on the area's potential. It provides a forum to work with business and academia and is intended to help regions to collaborate at scale to overcome shared challenges.

5. To ensure it can have the best impact, the Western Gateway will use its combined scale to focus on:

- **Driving Investment:** improve the flow of private sector finance into the area to fund our area's ambitions and ensuring we close the investment gap with other areas to ensure local businesses aren't disadvantaged;
- **Supporting Innovation:** work with clusters of businesses and sectors across both countries to ensure our area's skills stand out on a global stage;
- **Connecting Communities:** connections across the region physically and digitally ensuring a fair transition by improving people's access to new opportunities;
- **Boosting our Profile:** in collaboration with our partners, work to gain greater recognition for the region to grow our global footprint in order to secure the investment our communities need.

6. There are 13 partners from across the geography, including CCR, Monmouthshire County Council, Newport City Council, and Cardiff Council. Swansea Bay City Region and Swansea Council are also partners, giving coverage from across South Wales.

7. WGa receives £1m of funding annually, provided by the Department of Levelling-Up, Housing and Communities (DLUHC), to support the work of the partnership. Partners, including CCR, supplement this with contributions. For CCR, the annual contribution has been £10,000.

8. CCR are represented on the WGa Partnership Board, and on various working groups, allowing input into the partnership's priorities. The WGa 2024-25 Business Plan can be seen at Appendix 1.

9. It is important to note that Western Gateway and Pen-Regional Partnerships have funding only until end of March 2025 and future funding will be subject to

the spending review, which will take place in autumn 2024. This report and its recommendations are subject to future funding for WGa.

Developing a Strategic Partnership

10. Over recent years, WGa has led on, and convened partners to build, collaboration and promotion of the pan-regional partnership, including activities that have delivered benefit for the Cardiff Capital Region and its partners.

11. Among the achievements worth noting are:
- presented a delivery pathway for hydrogen energy to help decarbonise South Wales' heavy industry sector;
- launched an independent commission with internationally recognised experts to explore potential for the Severn Estuary;
- launched ambitious 2050 vision for the area's rail network;
- convened business and industry with local leaders and UK and Welsh Governments at two national conventions;
- led cooperative studies on clusters across the geography, including cyber and creative industries.

12. However, with an increasing volume of activity, it has become challenging for CCR to coordinate and appropriately resource opportunities. To that end, discussions have taken place with the WGa Chair and Director on establishing particular areas of focus, based on progress to date and potential.

13. The proposed areas of focus are **Net Zero initiatives, the Severn Estuary, and inward investment opportunities & regional promotion**.

14. Alignment on Net Zero initiatives, particularly Hydrogen and CCR Energy, presents a significant opportunity. Working in collaboration with the South Wales Industrial Cluster, Hydrogen South West, and the GW4 Alliance, the Western Gateway led the development of a Hydrogen Strategy which has received support from UK and Welsh Government.

15. This has since led to the creation of a multi-million-pound university cluster - the Great Western Supercluster of Hydrogen Impact for Future Technologies (GW-SHIFT) - with support from industry and government covering the Western Gateway geography.

16. CCR Energy Ltd (CCRE) has been working with the Western Gateway team to explore investor and technology vendor opportunities in the energy sector that might be compatible with the vision for Aberthaw. WGa is also a key supporter of CCRE's Spring Tide project that aims to rapidly design, build and operate kW scale field demonstration of game-changing tidal range technology that can be scaled up to meet growth in regional demand for decarbonised industries, transport and heat.

17. Crossing the England and Wales border, WGa is uniquely placed to see if a solution can be found to harness the huge potential power of the **Severn Estuary**. As the highest tidal range in Europe (third highest in the world) it has been estimated that the Severn Estuary could supply the UK with predictable,

renewable energy which could help fulfil between 7-10% of the nation's total electricity needs.

18. Launched in March 2024, the **Severn Estuary Commission**, led by Dr Andrew Garrad CBE, has been established to provide impartial expert recommendations on viable options to utilise the Severn Estuary to create sustainable energy as part of a UK-wide effort to reach net zero, and what would be required to unlock this potential. Work has been commissioned, using £330,000 of Western Gateway investment alongside cash contribution from The Crown Estate. CCR could benefit strongly and influence / extend the study to develop propositions.

19. By taking an independent, stakeholder led approach, the Commission will be able make its recommendations from a position of authority and agreement and help ensure the support of UK and Welsh Government. Through this approach, the Commission's work will provide certainty to the viability of tidal energy, consensus among stakeholders, the necessary levers for the development of schemes, and a delivery pathway to do so, should a viable route be established. By collaborating with the Commission, CCR is well positioned to benefit from the outputs from this work and the potential multi-billion-pound opportunity that tidal energy offers in the estuary. The Severn Estuary Commission Resource Proposal (Appendix 2) gives further detail on the opportunity.

20. In regard to **inward investment opportunities & regional promotion**, it is critical CCR works with WGa to understand how best to work in a complementary manner. Following two successful national conventions, the partnership is hosting the 2024 Convention for the Western Gateway in Newport at the ICC Wales. Government and industry leaders from across the UK will be in attendance, with focus areas including Net Zero and Finance.

21. Likewise, there is an opportunity for CCR to partner again with WGa at UKREiiF at next year's events, hosting a prominent pavilion attracting a full audience and hundreds of guests. Learning from the experience this year of partners and board members, the partnership is looking to acquire a larger space to ensure this shared space can be used for the partnership to have more meetings with potential interested investors.

22. It is proposed that CCR become an event partner, rather a straightforward sponsor, with consideration around input, profile and content at events, giving CCR better positioning and enhancing impact.

23. This does not preclude CCR from working with WGa in other areas but there will be a tighter focus to ensure maximum benefit for South East Wales. Particularly, as the Regional Transport Plan emerges, CCR will work with WGa to understand the opportunities around transport priorities and funding, including the Rail Vision 2050.

Resourcing and funding

24. To develop the partnership in a strategic and structured way, CCR will assess the resources required to ensure that maximum benefit can be derived from the partnership for CCR.

25. In regards to funding, WGa are in the final year of their funding cycle and discussions have taken place with UK Government over continuation support. This will likely come forward to the Spending Review in autumn 2024.

26. In the interim, CCR officers have worked with WGA to understand funding required to drive best value from the areas of focus detailed above. These are presented in the table below.

Description	Detail of Funding request	2024/25	2025/26
Annual partner contribution	The additional £12k in 2025/26 is being requested of all 13 partners to underwrite the risk that comes from the current Western Gateway funding settlement ending on 31 March 2025 and may not, ultimately, be required.	£10k* (paid for current FY)	£22k
Event partnership	Change from a sponsorship to partnership arrangement, with consideration around input, profile and content at events, giving CCR better positioning and enhancing impact.	£15k for annual convention	£10k for UKREiiF partnership
Severn Estuary Tidal Commission	Further development of the Commission's work, including CCR specific areas for investigation. There is potential to re-phase this work to 2024-25. **Note: This is subject to further interrogation and future funding. Particularly, Aberthaw has status as a previously sponsored demonstrator as the prospective forerunner to a tidal lagoon project.**	-	£75k

*already committed and invoiced

27. If the areas of focus and funding requests are approved by CJC, officers will request CCR-specific progress reports from WGA, including the development of specific key performance indicators to be assessed annually, where relevant. These will include inward investment opportunities and investment value.

Comments of the s.151 Officer

28. The CJC approved its 2024/25 Revenue Budget at its meeting of the 29 January 2024. Table 2 of that report set out details in respect of operational budget heads relating to the City Deal funding programme, the costs of which are met from CCR Local Authority Contributions (43.8%) and the Wider Investment Fund (WIF) Top-Slice Contributions (56.2%).

29. The City Deal Office General Budget includes £10,000 in respect of the CCR's annual contribution to the Western Gateway pan-regional partnership (WG). Subject to the approval of the Recommendation 2ii of this report, the commitment of £12,000 will be factored into the 2025/26 budget preparation exercise to meet these additional costs.

30. The report seeks approval to change its approach to Events Partnership with the WG in 2024/25, from a sponsorship, to a partnership arrangement. This will allow the CJC to effect greater input around content, leading to an enhanced profile and impact for the CJC. The report sets out that the cost of Events Partnership in 2024/25 will amount to £15,000, which can be met from the CJC's existing Marketing, Communications and Events budget. Similarly, the £10,000 for UK REiif Partnership in 2025/26, will represent a forward commitment to following year's budget.

31. Subject to the approval of Recommendation 2iii, a commitment of £75,000 will be included against the Wider Investment Fund's Programme Development & Support budget for 2025/26.

32. Finally, Members will note that the 2025/26 Budget Strategy, including the CJC's draft Medium Term Financial Plan will be presented to them in the autumn, approval of which will signal the commencement of the detailed budget preparation work for 2025/26. Furthermore, any direct implications arising from the Government's 2024 Spending Review, will be considered as part of the CJC's overall budget preparation and policy framework.

Comments of the Monitoring Officer

29. This report seeks approval of funding for pan-regional collaborative activities with Western Gateway. The Committee must be satisfied that the proposed expenditure is made in the exercise of the CJC's economic well-being function, arising under section 76 of the Local Government and Elections (Wales) Act 2021 (as amended).

30. Having been granted the economic well-being function, the CJC may do anything which it considers is likely to promote or improve the economic well-being of its area. The economic well-being function includes power to do anything in relation to, or for the benefit of, any person or area situated outside the corporate joint committee's area, including areas outside Wales, if the corporate joint committee considers that it is likely to promote or improve the economic well-being of its area.

Equality, Diversity and Inclusion

31. The Committee must, in the exercise of its functions, have due regard to the Public Sector Equality Duty arising under s.149 of the Equality Act 2010, and the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not.

32. There are no specific equalities implications arising from this report.

Sustainability and Climate Considerations

33. There are no specific sustainability or climate change implications arising from this report. Any implications arising will be addressed as part of future reports.

Consultation

34. CCR officers are working collaboratively with colleagues in local authorities, particularly those which are current WGa partners – Monmouthshire County Council, Newport City Council and Cardiff Council.

35. Where needed, particularly in relation to the Severn Estuary Commission, CCR will consult with CCR Energy and stakeholder groups as required.

Welsh Language Implications

36. In accordance with the Welsh Language Standards (No.1) Regulations 2015, and the CJC's statutory obligations, consideration has been given to the impact the recommendations made in this report may have on opportunities for people to use and promote the Welsh Language, whether the proposals treat the Welsh Language more or less favourably than the English Language, and opportunities for increasing the positive effects, or decreasing the negative effects, of the proposals on the Welsh Language. No negative impacts were identified which would prevent approval being sought to implement the proposal. In particular, consultees will be offered an equal opportunity to respond in either the Welsh or English language.

Well-being of Future Generations

37. In developing the Recommendations of this report, regard has been had to the well-being duty arising under the to the Well-Being of Future Generations (Wales) Act 2015 ('the Act'), and no negative impact has been identified.

Kellie Beirne, Chief Executive
22 July 2024

Appendices

1. Western Gateway 2024-25 Business Plan
2. Severn Estuary Commission Resource Proposal

Western Gateway Porth y Gorllewin

Business Plan 2024 – 2025

Background

Our Western Gateway partnership is the UK's only pan-regional powerhouse to span the border of two countries from its inception. Stretching across South Wales and Western England, our powerhouse connects the Union from the Core Cities of Bristol and Cardiff at its heart to Swansea and the Pembrokeshire coast in Wales and across Weston-Super-Mare, Bath, Gloucester, Cheltenham, Swindon and Salisbury in England.

2023/24 was the second year of a three-year funding settlement from the government for the Western Gateway partnership. It also saw settlements agreed with the UK Government for further pan-regional partnerships; our neighbours the Great Southwest and the Oxford to Cambridge PRP, resulting in most of England being covered by strategic organisations like ours, and giving us confidence in the longer-term future of our remit and work.

Our Business Plan for 2024/25 is policy-led and evidence-based. It has been developed with our Local Authority, University and business board members and is based on our refreshed Independent Economic Review which has helped to confirm our priorities.

Our area	Western Gateway economy in numbers	Western Gateway opportunities	Western Gateway challenges
1 Combined Authority	Population of 4.8 million people - stretching 150 miles from Pembrokeshire in the West to Wiltshire in the East	A unique combination of knowledge economy assets, a highly skilled workforce, a leading role in green energy and much lower wage, housing and commercial land costs than direct rivals	Productivity levels fell in the three years to 2023 and remains below many comparable regions
2 Corporate Joint Committees	£126.9bn economy	Businesses have invested significantly in innovation and the area is already attracting large amounts of Foreign Direct Investment	Significant wealth inequality between areas
8 Cities	2.6 million jobs	Five key sector strengths – green energy, cyber, aerospace and advanced manufacturing, creative and digital and fintech are key to the UK's national development strategies	Income and employment deprivation is similar to the UK average but 5 times higher than the Oxford Cambridge Arc
28 Local Authorities	171,000 businesses		Historic poor transport and digital connectivity remains
12 universities	Low unemployment rate of 3.4%		High levels of greenhouse gas emissions, especially in the South Wales Industrial Cluster
1 Investment Zone	Forecast to grow faster than the UK, excluding London, and the Oxford to Cambridge Arc		
1 Freeport			
2 National Parks			
7 Areas of Outstanding Natural Beauty			

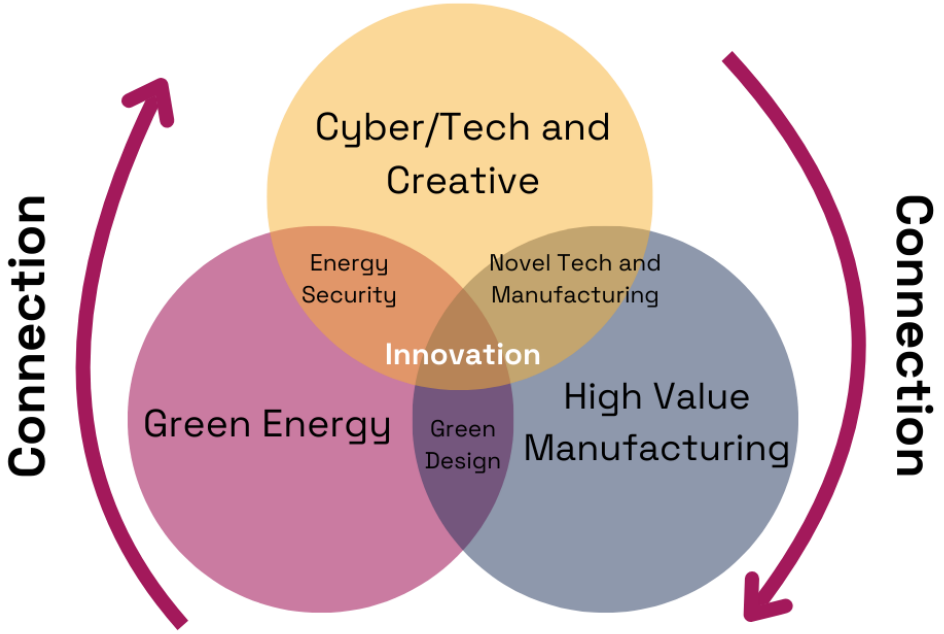
Refreshed Vision

Having updated our Independent Economic Review, completed further research on our international opportunities and updated studies into our key sector strengths, we have agreed with our Partnership Board that we will refresh our vision and the key programmes we will deliver, whilst retaining our overall mission of a greener, fairer future.

Our data shows that, unlike some other UK regions, we do not have the extremes of other areas. Whilst we do not have the overall numbers of people on low incomes that we see elsewhere, we do have sharp levels of inequality across our geography with some of our wealthiest areas sitting alongside some of the most deprived communities in the UK. We do not have the biggest sectors in any industry, but we have distinct strengths across several high performing and high growth sectors.

Our strengths across green energy, cyber, aerospace and advanced manufacturing, creative and digital and fintech has already started to produce some interesting points of intersection with businesses naturally collaborating across sectors to create new enterprises. That these sectors are at the forefront of the emerging UK and global economy with huge growth potential is to our great advantage as an area.

With focus and support we can actively boost our economic growth through these intersections and legitimately advertise our area as the place of innovation where business and government come to grow the future economy.



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As a result, we have updated our vision:

The Western Gateway will pioneer the UK's future economy. Leveraging our creative heritage, UK leading innovation, and our strengths in multiple sectors we will design a secure, green tomorrow for our communities and the wider UK.

Achieving progress towards our vision, particularly in a constrained funding year, will require a sharp focus on the key levers within the influence of the Western Gateway and continued enthusiasm and collaboration with our partners.

To deliver this, we will continue to prioritise long-term thinking, focussing on four key ways of working that add value to our partnership collaboration.

To maintain our focus on delivering our vision, the Western Gateway is reconfiguring its work under four main outcome headings. These represent the key drivers that will need to be delivered to turn our vision to reality and which are in the remit of the Pan Regional Partnerships. Each has distinct areas of work for the Secretariat and recognition of where the main effort and influence needs to come from our partners:

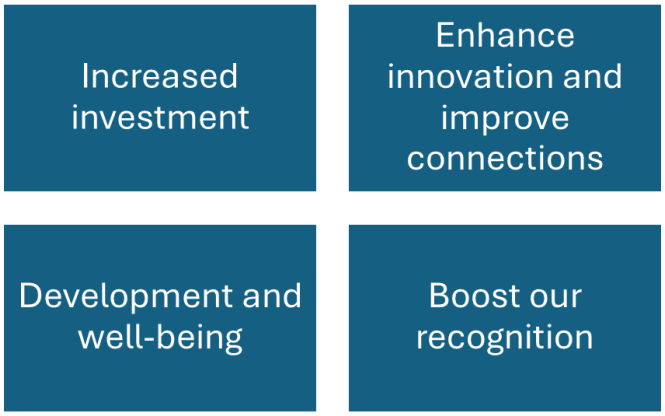
Outcomes	Increase investment	Enhance innovation	Improve Connections	Boost our recognition
Officials Activities	Create pipeline of viable investment proposals	Identify strongest intersection and potential	Transport links for better jobs, housing and skills	Advertise pipeline investment proposals
	Ensure/create funding flows throughout region matching pipeline	Connect sector clusters to aggregate potential and maximise supply chain (focus here on green energy, cyber/security and creativity); includes international cooperation, advocacy for Gov intervention etc.		
	Body of evidence for delivery (e.g. Severn estuary)			Convention & image raising set-pieces
Partner Activities	Provision of deliverable investment proposals	Support continued skills growth and align to emerging sectors		Utilise diversity of population to build links

Delivering these outcomes in full will take multiple years. Some elements will be ongoing and incremental in nature, for example the pipeline of projects and matching funding; whilst others will merge into other activities as progress is made, for example identifying the key areas of intersection will morph into actively supporting and growing them.

To ensure we make progress on all key areas, and continue to develop as a team, this year we are adopting a balanced scorecard approach to our business planning.

Our balanced scorecard

To deliver our mission and the outcomes we have identified, we have developed a balanced scorecard, which we will use to guide the objectives and activities we will undertake and provide a framework to measure our progress. As well as delivering the outcomes for the Western Gateway we have included a quadrant that measures the way we work, which is crucial to delivering success.



Objectives

We have developed an outcome description and set of objectives for each quadrant in the balanced scorecard. A fuller set of activities sits behind each of these.

Increased investment
Outcome
We will improve the financial and value flow into and around the region ensuring we close the investment gap and fuel innovation and productivity in the region.
Objectives for 2024-25
1. By March 2025 we will have created a pipeline of viable investment proposals for the region, utilising existing products/methodologies, where most effective. 2. We will conduct a commission on the potential of tidal energy generation in the Severn Estuary, establishing the main issues and opportunities and delivering a report on the overall viability by March 2025. 3. By the end of March 2025 we will create a system for matching investment proposals with private sector funding. 4. We will continue to promote investment and support the delivery of Low Carbon Energy Parks, such as at Severn Edge in partnership with the CVG Consortium and with Great British Nuclear, and Aberthaw

5. By September 2024 we will have written a bold economic strategy for the Western Gateway setting out the unique potential of the region and its pathway to greener, fairer growth.

Enhance innovation and improve connections
Outcome
We will connect the region physically and digitally, enhancing opportunities and people's access to them, for fairer growth and productivity. We will connect clusters and sectors enabling innovation and opportunity for the region.
Objectives for 2024-25
1. We will connect the tech clusters of our region by March 2025 to aggregate their impact and scale, establishing the region as pre-eminent for cyber-security and technology innovation and creating more investible and higher-value businesses. 2. We will launch a Rail Deal in Spring 2024 and work with partners to secure public and private sector investment in key schemes. We will support this by hosting at least 2 Rail Innovation Series events in 2024/25. 3. By March 2025 we will identify and begin delivery of the best opportunities for aggregation and cross sectoral collaboration and innovation in our creative industries in the interests of generating growth and productivity. 4. We will support the hydrogen ecosystem of the Western Gateway ensuring it continues to grow and provide value to the region and energy ecosystem. 5. We will convene political Leaders, Universities and businesses from across the area to create a common narrative that amplifies the economic opportunities in the Western Gateway.

Development and Well-being
Outcome
By looking after ourselves and each other we will be best placed to deliver for our region and to have maximum effective impact as a pan-regional partnership
Objectives for 2024-25
1. By October 2024, we will have conducted a stakeholder sentiment survey to create a baseline against which we will measure our progress in future years. 2. By the end of March 2025 every member of the team will have undertaken a relevant form of skills/knowledge development aligned to their role and aspirations.

3. By November 2024 we will have submitted a compelling case about PRP impact with the other Pan Regional Partnerships. 4. We will support each other to be fit and healthy, keeping sick absence levels to 6 days per person per year. 5. We will create a consistent measure for what constitutes our direct team carbon emissions and seek to measure if from April 2024

Boost our recognition
Outcome
By gaining greater recognition for the region, its businesses and the Western Gateway Partnership, we will attract greater investment and opportunity into the area to grow our global footprint.
Objectives for 2024-25
1. We will deliver a showcase convention at the ICC in Wales launching the Western Gateway Plan for Sustainable Growth, providing networking to partners, and showcasing specific opportunities within the region. 2. We will host events at MIPIM and UKREiiF in 2024 promoting the Western Gateway investment opportunities to international stakeholders. 3. We will solidify relationships with key UK and Welsh Government Departments to maintain strong flows of information between the Western Gateway, Whitehall and the Senedd to support investment. 4. We will publish a Western Gateway International Strategy for the region by the end of 2024. 5. We will systematically measure the return investment we achieve from our public sector grants and publish a summary by March 2025.

Budget

In August 2022 the Department for Levelling Up, Housing and Communities (DLUHC) confirmed a three-year capacity funding settlement for the Western Gateway until March 2025 with yearly contributions of £1million to support the delivery of agreed activities. The conditions on which the capacity funding was provided was based on delivering activities broadly based on the following:

1. Operate at scale across the geography
2. Grow the global footprint across the Western Gateway
3. Develop a regional evidence base which can be used to support regional and local growth

DLUHC's capacity funding is matched by contributions in cash and in-kind from our partners and stakeholders.

Expenditure

Detail	2023/24 outturn	2024/25 planned spend
Core staff	£417,000	£515,000
General expenses	£39,000	£20,000
Secondments and consultants	£355,000	£308,000
Programme activity	£645,000	£505,000
Increase investment		*£370,000*
Enhance innovation		*£30,000*
Improve connections		*£30,000*
Boost our recognition		*£75,000*
Flexible responsive budget		£25,000
Secretariat hosting	£60,000	£70,000
Redundancy/risk reserve		£50,000
Total	**£1,516,000**	**£1,493,000**

Income

Detail	2023/24 income	2024/25 planned income
DLUHC	£1,000,000	£1,000,000
Partner income	£100,000	£130,000
Sponsorship	£20,000	£200,000
Carry forward	£559,000	£163,000
Total	**£1,679,000**	**£1,493,000**

2024/25 is the final year of the DLUHC funding agreement. With no Spending Review likely until after the general election, it is not possible to plan further ahead than the end of March 2025. Consequently, no financial commitments will be entered into beyond the end of the current financial year.

The 2023/24 Business Plan aimed to deliver a high level of spend to reduce historic underspends, which were being carried forward from previous years because of COVID. The Business Plan aimed to reduce the budget carry forward from £559,000 at the start of 2023/24 to £174,000 carry forward into 2024/25. That ambition has been achieved and the budget outturn for 2023/24 has resulted in a carry forward of £163,000 into 2024/5.

On the assumption that the carry forward would be significantly reduced over the course of 2023/24, the Business Plan also projected that to maintain the budget at similar levels going forward the level of income generated from sponsorship would need to be significantly increased in 2024/5 to off-set the lower levels of public sector grant available. The 2024/5 budget therefore sets an ambitious target of achieving £200,000 of sponsorship income, in

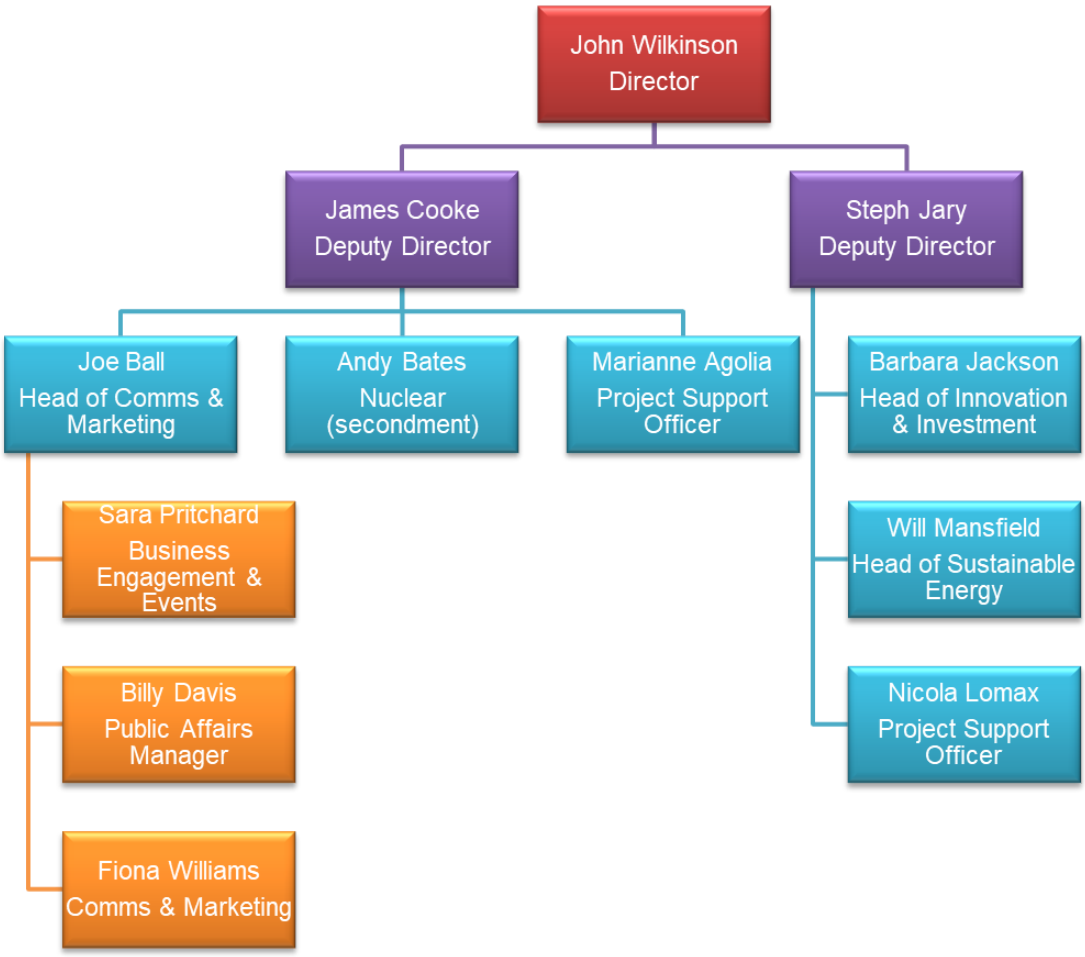
addition to the match funding contributions Partnership board members and partners make.

Governance

Secretariat structure

The Western Gateway secretariat is a small team whose primary role is to support and enable the Partnership to deliver its priorities outlined in the Business Plan. The secretariat team now has a full complement of 9 full time equivalent staff. This is complemented by two fixed term posts – one leading the Severn Estuary Commission and a jointly funded Public Affairs post with GW4. A series of advisers support the Secretariat and our partners on key policy areas, such as hydrogen, rail and nuclear. These roles are not full-time staff.

The structure of the Secretariat will be as follows:



Partnership governance

A governance review was carried out in January 2024 to ensure that the Secretariat and Partnership Board continue to deliver against its Public Duties, the Accountable Body Agreement with South Gloucestershire Council, its Scheme of Delegation and Governance and Assurance Framework. A small number of revisions were made to ensure compliance.

The Western Gateway Partnership board will meet 4 times during 2024/25. In addition, each outcome will be steered by a committee, chaired by a Partnership Board member, supported by the Secretariat Team.

The National Local Growth Assurance Framework aspiration for PRPs to meet 50:50 gender balance has not been met given the Board is largely aligned to elected posts with a smaller number of academic and private sector representatives. Best efforts will be made to support diversity and gender balance on the Board and Steering Committees.

Western Gateway Porth y Gorllewin Severn Estuary Commission

The Proposal

The Severn Estuary has one of the highest tidal ranges in the world, and it has been estimated that it has the potential to generate 7% of the UK's total electricity needs. With an increasing urgency in achieving net zero, instability in global energy markets, and the need for a diversity of energy types in a future decarbonised grid, the Western Gateway partnership agreed now is the right time to explore the potential of the Severn Estuary.

On 12th March, the Western Gateway Partnership launched the Severn Estuary Commission to determine whether, or not, there is now a viable option for using the Severn to create sustainable energy as part of a UK-wide effort to reach net zero. The Commission has received support from both UK and Welsh Government.

As an organisation representing the individuals, businesses and organisations most affected by, and interested in, any proposals to utilise tidal energy in the Severn Estuary **we are proposing an investment in the work of £75,000.**

This additional resource would complement the extensive investment made by Western Gateway from its central Government funding and partner contributions, both cash and in-kind benefits from:

- The Crown Estate
- Welsh Government's Tidal Lagoon Research Challenge, working with organisations such as the Offshore Renewable Energy Catapult and academia
- The National Energy System Operator
- The Severn Estuary Partnership
- Key governmental departments and organisations are supporting the work such as DESNZ, DLUHC, DEFRA, DfT, Welsh Government, Environment Agency, Natural Resources Wales, Natural England, and others.

What will the money be used for?

The Commission, chaired by Dr Andrew Garrad CBE, has 12 months to assess the environmental, socio-economic, energy, and finance opportunities and issues before delivering a final report detailing its recommendations.

Underpinning this report will be comprehensive consultant delivered evidence and assessment, along with in-depth analysis and extensive stakeholder engagement. Ultimately delivering a clear and credible assessment of tidal energy potential and, crucially, a near-exhaustive evidence base for partners to utilise going forward.

Contributions from Partners like yourselves will be used **exclusively** for the Severn Estuary commission work, covering the costs of:

- Consultants to deliver analysis, evidence and advice
- Stakeholder Engagement, whether via firms, events, electronic interactions or other
- Covering the costs of Commissioner involvement and meetings

In preparation of the Commission's launch, an initial evidence base review was conducted to identify key areas for further research and policy development. Based on this assessment, several distinct areas of focus with key deliverables have been developed:

- **Environment:** Assess the current and future condition of the Severn Estuary, potential environmental impacts of tidal energy schemes, current legislation and policy frameworks, and to build consensus among environmental stakeholders on tidal energy development.

- **Socio-economic:** Determine a regional economic baseline and the considerations related to supply chain, jobs, skills, potential impacts on ports, businesses, and communities in regard to tidal energy development in the Severn Estuary.
- **Energy:** Understand tidal energy scheme technologies, the Severn Estuary's tidal range potential in contributing to net zero, and its role to a future decarbonised energy system, including the grid's stability and responsiveness.
- **Finance:** Review alternative infrastructure financing methodologies, financial regulation requirements, and engage with investors and financial regulatory bodies.

A summary report will be developed using the findings from these four work packages to develop the Commission's final recommendations. As key partners you will receive full access to the evidence base, the analysis, and evolving report and conclusions. You will also be able to input suggestions on engagement and outreach activities, especially as they fall within your authority areas.

As the Commission was established to provide independent, impartial, expert recommendations, and we recognise your need to promote and plan energy and other schemes in the area without hinderance, the Commission and your organisation will continue to act completely independently of each other. You would also not be tied to the recommendations once presented.

Governance

The Western Gateway has an Oversight Group, consisting of Partnership Board representatives. As a key partner and contributor your space on this group would be assured and we would also be happy to discuss any additional arrangements you would need or want to assure the proper utilisation of your contribution. We are committed to ensuring the Commission operates effectively and remains accountable, whilst ensuring its independence is maintained.

Next Steps

If we have an in principle agreement to proceed, we only need you to confirm the amount and we can draw-up an MoU to confirm the legal status and operation of the contribution. We have a template we can utilise from other partners.

Presumably you would need to authorise the expenditure internally, which we are happy to provide further detail to assist with. Following the hopefully successful authorisation we would sign the MoU transfer the funds and proceed with the work at pace.

Given the very tight timescales for the Commission, which is now coinciding with the General Election for maximum impact on tidal energy policy, we'd appreciate your in principle agreement by 18 June 2024 along with an expected timeline for confirmation via your internal processes.

We are, of course, very happy to discuss.

Western Gateway Porth y Gorllewin Severn Estuary Commission

Background

Western Gateway

The Western Gateway is the UK's first pan-regional economic powerhouse to span two countries. Extending across South Wales and Western England, the partnership brings together local authorities, a combined authority, city regions, local enterprise partnerships and two governments (in Wales and Westminster) to work together on the big challenges their communities face.

The Severn Estuary sits at the heart of our geography, and we have known for a very long time that it has huge potential to generate clean renewable electricity. It has one of the highest tidal ranges in the world, and it has been estimated that it has the potential to generate 7% of the UK's total electricity needs.

With increasing urgency in achieving net zero, instability in global energy markets, and the need for a diversity of energy types in a future decarbonised grid, the Western Gateway partnership recognises the Severn Estuary's huge potential to generate renewable electricity.

The Western Gateway Partnership understands the significant potential of the Severn Estuary in delivering clean renewable energy, but recognises its international environmental importance, and the central role it plays in the local, regional, and national economy. To determine its full potential, we need an independent, fair, and transparent process to review the evidence and make recommendations.

Severn Estuary Commission

On March 12th, 2024, the Severn Estuary Commission was launched with the support of local leaders, business, universities, both Welsh and UK Government. The Commission was established to explore whether there are options for sustainably harnessing renewable energy in the Severn Estuary and Bristol Channel. The Commission will operate independently from the Western Gateway Partnership's Board, to provide impartial, expert advice and develop a final recommendation. It is chaired by Dr Andrew Garrad CBE and is comprised of a diverse group of people from scientific, engineering, environmental, financial and stakeholder backgrounds.

Objective

The Severn Estuary Commission will provide independent advice to the Board of the Western Gateway Partnership on whether there are feasible options for sustainable electricity generation from tidal energy in the Severn Estuary and Bristol Channel and, if so, the contribution it could make to a net zero economy by 2050.

The objective will be achieved through the following tasks:

- Review and update the evidence base in its broadest form;
- Understand and assess:
    - the physical and ecological characteristics of the estuary, especially the importance of its unique environment and the future impact of climate change;
    - the relevant policy and legislation;
    - the current and potential future uses of the estuary.
- Collate and consider past tidal energy initiatives and the lessons learned from them;
- Review the different methods of generating electricity from the tidal energy resource and their contribution to a future energy system;
- Identify the key socio-economic challenges and opportunities of developing tidal energy schemes; and

- Identify means of financing and regulating potentially very long-term projects.

To achieve its objectives, the Commission will engage with key stakeholders, commission research and analysis, and seek expert input, to determine a final recommendation. In delivering this goal, the Commission will be supported by a secretariat and number of experts.

The Commission's work will conclude with a recommendation, in the form of a final report, to the Western Gateway Partnership Board and other key stakeholders by March 2025, setting out whether there are feasible options for sustainable energy in the Severn Estuary and Bristol Channel and, if so, what would be required to support them.

Timeline and Process

The Commission has 12 months to deliver its final recommendations.

The Commission will provide strategic direction/ guidance for the work programme and act as the face of stakeholder engagement. They are responsible for the final recommendations.

The Secretariat will act as supporting staff to manage the work programme, provide input, organise events, manage the budget, lead on stakeholder engagement, and any other activities as required.

The consultants will lead on the analysis, modelling, and reporting. They will collaborate with the Commission and Secretariat on all activities and will play a crucial role in providing subject matter expertise and ensuring that stakeholder engagement aligns with project objectives.

A summarised version of the work programme is as follows:

- Call for Information with key stakeholders to identify any relevant information that has not already been captured.
- Consultants will be appointed for the various work packages. Their first step will be to review the submissions from the Call for Information and the work developed by WSP to develop an initial evidence base.
- The initial evidence base will be used as a basis for stakeholder engagement to refine the work.
- Reports for each work package will be submitted to the Commission for review.
- A summary report will be developed using the four consultant reports.
- The Commission will determine their final recommendations for the Western Gateway Board and other key stakeholders.
- The Secretariat will lead on other external activities such as political engagement and public affairs.

Work Packages

In preparation of the launch, an initial assessment of the current evidence was conducted by WSP. Based on this initial evidence and framework, there are several distinct areas of focus with key deliverables.

The following section provides details on the proposed work packages that will require consultancy support.

Environment

The Severn Estuary is of international environmental importance and has one of the largest tidal ranges in the world. It has extensive areas of important habitats such as salt marshes, mud flats and sand flats, sand banks and biogenic reefs. The Severn Estuary supports a rich diversity of plant and animal species and provides vital habitat (feeding and nursery) and a migration path for internationally and nationally protected fish and bird species. It is a Ramsar site and holds several other important environmental designations that reflect this ecological importance: Special Areas of Conservation, Special Protection Areas, Sites of Special Scientific Interest, National Nature Reserves, and Areas of Outstanding Natural Beauty. It is therefore vital that any development places the Estuary's international, European and national nature conservation and landscape significance at its centre.

As with all natural systems, the estuary is dynamic, with uncertainty as to how it, its river catchments, and its species may respond to the effects of a changing climate. Climate change will impact the Severn Estuary and its surrounding areas through a variety of ways. For example, rising sea levels and increasing storm events will intensify flooding and erosion, disrupt ecosystems, and pose threats to the region's infrastructure, communities, and economy. Increases in temperature may have other impacts, such as on the survival, distribution and migratory patterns of fish and other species in the estuary. These changes will alter the balance of ecosystems, threatening biodiversity and the livelihoods of those dependent on them. The associated risks to public health, social well-being, and the economy underscore the urgent need for both mitigation and adaptation strategies to address the challenges posed by climate change.

To understand the potential impact of both the development and presence of tidal energy projects, alongside the impact of climate change, the Commission, its collaborative partners, and the consultants will engage with stakeholders to establish the needs and requirements with respect to the potential effects of tidal energy generation in the Severn Estuary. Importantly, we seek a long-term view of the Severn Estuary to understand how it may change in future in which to assess this.

Stakeholder Engagement

As previously stated, the consultants are required to acknowledge and agree that the scope of the work may evolve over the course of the project based on stakeholder engagement and feedback. There is the need for a plan for engaging a diverse range of stakeholders. Ensuring meaningful participation from all relevant stakeholders and incorporating their perspectives into decision-making processes is crucial.

The consultants will support engagement with stakeholders (e.g. workshops and written submissions) to understand the needs and requirements of the environment with respect to the potential effects of tidal energy generation in the Severn Estuary.

It is expected that the scope of the work will be developed with the input of stakeholders through the Call for Information and direct engagement.

While the work should be defined by stakeholder engagement, the Commission anticipates that the below deliverables/ outcomes will be required.

1. **Baseline report on current and future condition of the Severn Estuary**

Using existing data, and working with the support of the Severn Estuary Partnership (see notes on Collaboration) and other key stakeholders:

a. Review existing evidence, studies, and data related to ecosystems, habitats, and species in the Severn Estuary.
b. Assess the current ecological status, biodiversity, and health of the Severn Estuary ecosystem, including designated habitats and species.
c. Evaluate existing threats and stressors affecting habitats and species in the region, including wider impacts beyond the geography of the estuary and future trends.
d. Provide a range of future projections for sea level, temperature, and other relevant climatic, oceanographic and sediment-related factors influencing ecosystems, habitats, and species.
e. Analyse at a strategic level the potential future impacts of climate change on the Severn Estuary ecosystems, habitats, and species.
f. Identify gaps in data and knowledge related to the above.

2. **Key tidal energy considerations**

a. Provide a summary of the potential environmental impacts (loss as well as opportunities for improvement) of various types of potential tidal energy schemes in the Severn Estuary using the Evidence Base, submissions from the Call for Evidence, and stakeholder engagement.

b. Example schemes identified in the above may be utilised.

c. The consultants are required to take a long-term view to understand how potential impacts may affect or be affected by future change e.g. climate change.

3. **Legislation and policy review:**

a. Examine current legislation and policy frameworks related to environmental protection and tidal energy and large infrastructure in the Severn Estuary, including environmental regulation, consenting, decommissioning, and compensation (e.g. Biodiversity Net Gain).

b. Identify any gaps or areas that may require change to support the delivery of a tidal energy scheme, if it were to be deemed acceptable. This may also include cross-border environmental governance models.

4. **Building consensus**

Utilising the findings from (1), (2), and (3) as a basis, the consultants will work with stakeholders to understand the needs and requirements of the environment with respect to the potential effects of tidal range energy generation in the Severn Estuary:

a. The outputs should be characterised by legislative and practical considerations including alternative options, data omissions, and uncertainties.

b. Potentially viable locations with minimum environmental impact should be identified.

c. The work should conclude with consensus on how environmental considerations can be integrated into the overall design process, so that potential environmental risk reduction measures are not retrofitted to designs but are co-designed with the engineering solutions.

5. **Final Report**

The consultant shall prepare a comprehensive final report detailing all aspects of the above requirements.

The report shall include a detailed summary of stakeholder engagement activities, highlighting key feedback, insights, and suggestions received throughout the project duration.

The consultant shall justify all recommendations with supporting data, analysis, and rationale, clearly articulating the expected benefits, risks, and feasibility of implementation for each recommendation.

Upon completion of the project, the consultant shall provide a presentation or briefing to the Commission, summarising the key findings, conclusions, and recommendations outlined in the final report, and addressing any questions or concerns raised by the Commission.

Socio-economic

Millions of people live on the Severn Estuary. It plays a central role in the daily lives of residents in Bristol, Gloucester, Newport, Cardiff, Swansea, and many other places. The regional economy and cultural heritage, encompassing industries, energy generation, agriculture, fishing, tourism, transportation, and conservation efforts are closely tied to the estuary. Its shores are home to major industry such as the nuclear power station at Hinkley Point C, the decommissioned power stations at Oldbury and Berkeley, now identified for use as a site for the development of SMRs, a diverse industrial base across South Wales, including Port Talbot steel works, as well as a myriad of emerging industries. It is also a major commercial shipping route with ports at Swansea, Barry, Cardiff, Newport, Sharpness and the two large Bristol Port Company facilities at Avonmouth and Portbury serving as important gateways for international trade and commerce. The Severn Estuary plays a role not only in the local and regional economy, but in the United Kingdom as a whole. The economic activities in this region are closely tied to the estuary's unique geographical and environmental features, making it an important asset for both England and Wales.

There is a need to understand the potential socio-economic effects of the development of tidal power in the Severn Estuary, including regional economic development, potential supply chain benefits, job and skills creation, the impact on local businesses and industries, and other impacts such as the socio-economic benefits associated with sea level rise protection.

To understand the potential impact of tidal energy development on the socio-economic considerations of the Severn Estuary alongside the impacts of climate change, the Commission aided by the consultant will consult with stakeholders to understand their needs and requirements with respect to the potential effects of tidal energy generation in the Severn Estuary. A key outcome of the consultant's work should be to understand the current socio-economic status of the region and the potential benefits that tidal energy generation could offer or any impacts that need to be resolved.

Stakeholder Engagement

The consultants are required to acknowledge and agree that the scope of the work may evolve over the course of the project based on stakeholder engagement and feedback. There is the need for a plan for engaging a diverse range of stakeholders. Ensuring meaningful participation from all relevant stakeholders and incorporating their perspectives into decision-making processes is crucial.

While the work should be influenced by stakeholder engagement, the Commission anticipates that the below deliverables/ outcomes will be required:

1. **Regional economy baseline**

   a. Using the existing evidence base as a baseline (including reports such as Western Gateway's Independent Economic Review), provide an updated summary report on the regional economy as it relates to the Severn Estuary area.

   b. Review the Evidence Base (including work such as that undertaken by the Severn Estuary Feasibility study and Tidal Lagoon Power) to develop an initial summary of the potential effects and key considerations of tidal range generation in the Severn Estuary as the basis for stakeholder engagement.

2. **Supply chain, jobs, and skills**

   a. Assess the potential for the development of a local supply chain to support tidal energy projects.

b. Identify opportunities for local businesses to participate in the supply chain, fostering economic growth.

c. Quantify the potential for job creation within the region, considering direct and indirect employment opportunities, including other co-benefits.

d. Propose strategies for skills development and workforce training to align with the needs of the tidal energy industry.

e. Identify present and future potential synergies and conflicts with other sectors. For example, Hinkley C and floating offshore wind.

3. **Potential impact on ports and businesses:**

a. Analyse potential opportunities and impacts on ports and other businesses resulting from tidal range power development.

b. Propose alternate options that could be available to minimise impacts and maximise economic opportunities. Identify where adverse effects would be difficult to mitigate and opportunities for collaboration and compromise.

4. **Community impacts:**

a. Assess potential impacts of tidal energy schemes in the Severn Estuary on communities around and related to the Severn Estuary.

5. **Final Report**

The consultant shall prepare a comprehensive final report detailing all aspects of the above requirements.

The report shall include a detailed summary of stakeholder engagement activities, highlighting key feedback, insights, and suggestions received throughout the project duration.

The consultant shall justify all recommendations with supporting data, analysis, and rationale, clearly articulating the expected benefits, risks, and feasibility of implementation for each recommendation.

Upon completion of the project, the consultant shall provide a presentation or briefing to the Commission, summarising the key findings, conclusions, and recommendations outlined in the final report, and addressing any questions or concerns raised by the Commission.

Energy

With an increased urgency in achieving net zero, instability in global energy markets, and the need for long term security of cost and supply of low carbon energy generation, there is a need to explore the role that tidal energy can play in regional and UK-wide energy systems. The Severn Estuary offers the greatest tidal energy potential in the UK, it is, therefore, important to understand how this significant asset can contribute to UK ambitions for net zero, energy security, and system benefits.

To determine the role that the tidal energy resource of the Severn Estuary could play in a future decarbonised energy system, the following key deliverables for this Work Package are required:

1. **Summary of tidal range energy schemes**

   a. Using the Evidence Base, develop a summary report on a selection of example tidal range projects in the Severn Estuary to characterise the main options and their key considerations as they relate to electricity production.

   b. Identify new technologies, if any, their availability, and their technology readiness.

2. **Tidal range energy's potential contribution to meeting net zero**

   a. Using hypothetical tidal range schemes (areas/ volumes of impounded area with established turbine technology) in the Severn Estuary, analyse the nature of energy output in terms of current and potential future demand curves at mean spring, average and neap tides over a typical year.

   b. Identify the extent and duration of back-up power necessary to avoid intermittency and provide costed options for delivering such back-up power; identify the extent and duration of surplus power when demand is low and, in the future energy demand scenarios, how this surplus energy may be used to reduce the overall cost of the overall systems cost of generation. This task will require the consultant to make certain assumptions and consider various scenarios in the context of the overall UK electricity generation mix and the future demand.

   c. The consultant should develop an easily transferable model to enable different capacities and operating modes to be quickly and simply compared. That model will be transferred to the Commission.

3. **Report on tidal range energy's potential contribution to the grid's stability and responsiveness, and energy systems:**

   a. Using the same examples as (2), investigate the potential benefits of tidal range to the overall resilience, reliability, and stability of the grid system, including how tidal energy projects can contribute to grid balancing, frequency stability and potential for energy storage.

   b. Identify any considerations related to energy systems and storage (e.g. green hydrogen and potential future demand profiles).

4. **Report on the Severn Estuary's tidal energy's potential benefits to the UK**

   a. Taking account of the outputs from the reports in (2) and (3) above, prepare a report on the benefits and disadvantages of tidal range technology compared with other technologies in terms of supporting low carbon energy usage in the UK, including the

different roles it could play in the energy mix. The report should confine itself to energy matters only rather than any wider socio-economic benefits. It could use international examples of flexible energy generation from tidal range power (for example, La Rance).

b. Make clear recommendations on the role of tidal range power in the Severn Estuary within the wider UK electricity generation mix.

5. **Final Report**

The consultant shall prepare a comprehensive final report detailing all aspects of the above requirements.

The report shall include a detailed summary of stakeholder engagement activities, highlighting key feedback, insights, and suggestions received throughout the project duration.

The consultant shall justify all recommendations with supporting data, analysis, and rationale, clearly articulating the expected benefits, risks, and feasibility of implementation for each recommendation.

Upon completion of the project, the consultant shall provide a presentation or briefing to the Commission, summarising the key findings, conclusions, and recommendations outlined in the final report, and addressing any questions or concerns raised by the Commission.

Finance

Financing large-scale tidal energy projects involves overcoming unique challenges and necessitates a strategic approach. Typically, tidal energy projects require significant upfront investment with a long-term repayment period, and identifying a suitable funding and financing mechanism poses a significant challenge.

There has been significant success in the use of Contracts for Difference (CfDs) to facilitate the investment of gigawatts of renewable energy generation in UK, but typically this has been focused on “short term” projects of less than 30 operating years. This approach is not appropriate for long term projects (50 years or longer), as power purchase contract periods are 15 years using private sector hurdle rates which eliminates any significant value after 30 years. With some tidal range energy projects having operating lifespans of up to 120 years and significant upfront costs, exploring longer-term financing methods, such as, but not limited to, Regulated Asset Base (RAB) financing, becomes crucial for sustaining the financial viability of tidal range energy projects. Large-scale infrastructure projects, such as the proposed Sizewell C nuclear plant and the Thames Tideway Tunnel ,cannot be properly evaluated using discounted cash flow at private sector hurdle rates. Instead, if their direct and indirect benefits are sufficiently greater than their costs over their operating lives, an alternate form of funding model is required, not based on short term market demand and associated revenues. Emulating successful models, such as the Thames Tideway Tunnel, could facilitate financing through mechanisms such as RAB Financing. Independent reviews such as that undertaken by the former Energy Minister Charles Hendry in 2016 recognised that a similar model may be appropriate for the development of large-scale power generation infrastructure in the Severn Estuary. An innovative approach to understanding what mechanism could be utilised is required.

Tidal range projects have a projected lifespan of 120 years or more, there is therefore a need to ensure that the public sector is involved in oversight if not direct engagement. This is particularly important when it comes to operational benefits following the financing phase and the question of future decommissioning. Alongside the ownership and investment model guiding project development, the opportunities presented to local stakeholders is a crucial consideration for large infrastructure projects. There is a need to explore ways to involve local interests in sharing both the risks and rewards in future tidal range projects and to understand the opportunities before these schemes advance to more detailed planning phases.

The following key deliverables for this work package have been developed:

1. **Review of alternate infrastructure financing methodologies**

   a. Evaluate existing and proposed financing models, including public-private partnerships, government subsidies, debt financing, equity financing, and revenue-sharing agreements. The consultant is encouraged to suggest additional innovative financing models which would fit the requirements of tidal range projects.

   b. Assess the long-term cost implications of each financing methodology on consumers and stakeholders.

   c. Identify the strengths, weaknesses, opportunities, and threats associated with each financing model.

   d. Consider the costs and benefits of future inflation on project economics and comparisons with different technologies.

   e. Recommend preferred model.

2. **Analysis of potential financing methodology and financial regulation requirements**

   a. Conduct a detailed analysis of potential financing methodologies for tidal range projects across different investment scales (e.g. £5 billion, £15 billion, and £25 billion) with a life span of up to 120 years.

   b. Determine potential financing methodology and regulatory frameworks to maximise investor confidence and ensure project viability.

   c. Evaluate ownership models and requirements pertaining to ownership and/or oversight of the public sector in the development and operation of tidal range projects.

3. **Engagement with potential investors and financial regulatory bodies**

   a. Facilitate discussions and engagement sessions with potential investors, including institutional investors, private equity firms, sovereign wealth funds, and financial institutions.

   b. Consult with regulatory bodies, government agencies, and industry stakeholders to gather insights and perspectives on financing and regulatory requirements for tidal range projects.

   c. Identify potential barriers to investment and regulatory compliance and propose mitigation strategies.

   d. Explore opportunities for regional equity ownership models (public, community, civic and private).

4. **Development of a governance/ policy framework**

   a. Offer strategic recommendations on leveraging policy instruments effectively to secure financing for tidal range energy projects.

   b. Outline a strategic governance framework that encompasses the differing requirements of financial regulators related to tidal energy development and financing and identify which could deliver more optimal results for tidal range energy development in the UK.

5. **Final Report**

   The consultant shall prepare a comprehensive final report detailing all aspects of the above requirements.

   The report shall include a detailed summary of stakeholder engagement activities, highlighting key feedback, insights, and suggestions received throughout the project duration.

   The consultant shall justify all recommendations with supporting data, analysis, and rationale, clearly articulating the expected benefits, risks, and feasibility of implementation for each recommendation.

   Upon completion of the project, the consultant shall provide a presentation or briefing to the Commission, summarising the key findings, conclusions, and recommendations outlined in the final report, and addressing any questions or concerns raised by the Commission.

Collaborations

The following details the formal collaborations that have been agreed. Informal collaboration and agreement to provide input and expertise into the Commission's work extends much further beyond this.

The Crown Estate

The Crown Estate (TCE) is an independent business sitting between the public and private sectors, acting in the national interest both today, and for future generations. Across communities, countryside, coast and seabed, they own and manage land for the benefit of the nation.

The Western Gateway has agreed an MoU to work collaboratively with TCE in recognition of our alignment in taking an evidence-based and objective approach to understanding the potential for tidal energy to create financial, environmental and social value for the nation, both now and for the long term. Western Gateway and TCE have agreed to collaborate, for mutual benefit, in areas of joint interest. Specifically, TCE have agreed to contribute £100,000 to the Environment and Socio-economic work packages, in addition to data, expertise and experience, and will broker contacts and relationships where possible.

The Severn Estuary Partnership

The Severn Estuary Partnership (SEP) was set up in 1995 as an independent initiative, hosted by Cardiff University, to work with local stakeholders in promoting a sustainable approach to the planning, management, and development of the Severn Estuary for all who live and work there.

The Western Gateway has established an MoU with SEP in recognition of a relationship driven by shared, and mutually beneficial ambitions for the Severn Estuary and wider Bristol Channel. We recognise that through our partnership we can add additionality to each other's work in supporting opportunities for the sustainable management of the Severn Estuary.

It is anticipated that support from the SEP and their network will be utilised to engage with stakeholders throughout this work particularly in helping promote and communicate stakeholder events . SEP are currently undertaking an update of their *State of the Severn Estuary* report. This aims to provide a non-technical overview of the Estuary based on best available and up-to-date information, science and data. It is designed to inform stakeholders, including coastal communities and users of the estuary, of the characteristics and significance of the estuary in order to promote meaningful and informed engagement on estuary matters. We expect there to be significant overlap with the Commission's work on this topic, and so a collaborative approach will be undertaken.

Welsh Government Tidal Lagoon Challenge

On 14th March 2024, the Welsh Government announced three projects awarded £250,000 each, for a total of £750,000, as part of their Welsh Government Tidal Lagoon Research Challenge.

The Western Gateway are a supporting partner in all three of the awarded projects. Whilst some of these may be directed at supporting Wales specifically, they can equally be applied to the UK perspective. Further, while these research projects are limited to tidal lagoons, many of the principles and findings will apply to tidal energy as a whole. The outcomes of these research projects should help expand the available evidence base available to the Commission.

There is clear alignment with the proposed work packages and the projects awarded as part of the Tidal Lagoon Research Challenge. The consultants, alongside the Commission, will work collaboratively with these partners for mutual benefit.

These partners include Offshore Renewable Energy Catapult, Cardiff University, Swansea University, Intertek, British Hydropower Association, and others.

National Energy System Operator

In Summer 2024, National Grid ESO will become the National Energy System Operator (NESO). It will be a new, independent, public corporation that will be responsible for planning the UK's electricity and gas networks and operating the electricity system. It will be tasked with ensuring that the UK's energy system is secure and affordable as well as forging the path to a sustainable future for everyone. This includes setting out its Future Energy Scenarios (FES), which considers how much energy we might need and where it could come from, to build a picture of the ways in which the UK could reach net zero.

The Western Gateway have agreed to work closely with NESO based on similar ambitions in understanding the role that tidal resource may play in a future energy system and contribute to net zero.

Offshore Renewable Energy Catapult

The Offshore Renewable Energy (ORE) Catapult was established in 2013 by the UK Government and is one of a network of Catapults set up by Innovate UK in high growth industries. It is the UK's leading innovation centre for offshore renewable energy.

ORE Catapult is an independent, not-for-profit business that exists to accelerate the development of offshore wind, wave and tidal technologies. OREC has a team of over 300 people with extensive technical and research capabilities, industry experience and track record. Through their world-class testing and research programmes, OREC works for industry, academia and government to improve technology reliability and enhance knowledge, directly impacting upon the cost of offshore renewable energy.

The ORE Catapult have offered to work collaboratively with the Commission on a number of its work packages. In particular, the Commission is currently exploring whether they are able to deliver the Energy Systems work in collaboration with the Energy Systems Catapult at a discounted rate in recognition of their role as a Catapult.