

Notice of 'Call-In'

Committee: Overview & Scrutiny Committee

1. Decision Subject To Call-In:

Title: Details inc date

Hybont Project Gateway Review – 19th September 2023

2. Member(s) of the Committee Wishing to Call the Decision In

Name
Cllr Ian Spiller
Cllr Ian Williams
Cllr Freya Bletsoe – Chair Scrutiny Committee 2
Cllr Tim Thomas, Cllr Martin Williams.

3. Reasons for the Call-In

Various reasons as listed below:

- The report presented to cabinet did not contain sufficient information for Cabinet to make a fully informed decision nor did they seek additional information through questioning.
 - There was no questioning of officers. Cabinet members simply stated their support of the officer recommendation. This suggests predetermination and a failure to consider the report with an open mind. There was no evidence of critical questioning to support the decision making.
 - The financial information was incomplete and confused. While an indication of future revenue and capital costs was provided there was no indication of the anticipated return on the investment or how this differed from the anticipated ROI at the time of the signing of the MOU. Given this lack of information it was impossible for the cabinet to make an informed decision as to whether this project represents a sound investment or not. In addition to this, the capital expenditure provided was confused and conflated future fleet replacement costs with project costs. Given that at some future point the RCV fleet will require replacement in any event these costs should be considered separately.
 - There was no questioning or information provided as to the basis for signing the MOU in the first place. Given that the report now suggests that the full costs were unknown at that time it is reasonable to expect the cabinet to have questioned why the MOU was signed in the absence of such critical information. There was also no explanation as to why the costs have changed so considerably or what discussions have taken place on this matter since the MOU was signed.
 - In addition to the apparent change costs the Director referred to the nature of the demonstrator project and highlighted that the hydrogen production technology was existing technology, but it was demand driven control

software that was being tested to justify the 'demonstrator' description. This has not been highlighted prior to this cabinet paper. On face value it isn't credible to construct a new plant to test this technology rather than use other methods such as an existing facility. Cabinet members should have questioned this.

- Although carbon saving was referenced in the paper there was no indication as to how reliant BCBC's net zero 2030 strategy is on this project. For example, as a percentage what impact will be lost if this scheme doesn't proceed? Moreover, if the scheme proceeds without BCBC will the authority still be able to 'claim' the carbon benefit?
- The decision has supposedly been made on financial grounds; however, this is in direct contradiction to BCBC's Net Zero 2030 strategy. Cabinet members made statements indicating that they had higher priorities than achievement of Net Zero. The Bridgend 2030 Net Zero Carbon Strategy states that there is a 'climate emergency' and ensures that achievement of Net Zero is a consideration in all decisions at all levels. There is insufficient evidence that adherence to the Net Zero strategy was properly considered. Is there a risk of judicial review on these grounds?
- In light of the above the methodology for making value judgements regarding costs v carbon reduction need to be scrutinised.
- The report makes reference to BCBC taking a 'small stake' in the 'JVCo' in return for land. The size of the stake is not given nor is the location and area of land. The market value of the land was also not provided. No questions were asked about this. More importantly, no information was provided nor sought regarding the current title of the land or what will happen to it if BCBC pull out of the project. The decision was clear in that the Cabinet *agreed to pursue Option B and withdraw from the project at this stage*. This implies that the land contribution will also be withdrawn. There was reference to the ongoing planning application, but no questions were asked about how the project will proceed without BCBC's land contribution.
- The costs to date both expended and committed were referenced but there was no discussion or questioning about whether the money could be recovered or whether the committed sums needed to be paid. There was no discussion whether money could be recovered by selling the stake to another party or indeed seeking investment from neighbouring authorities or others.
- In summary, the cabinet failed to challenge the assumptions made in the paper or question the obvious omissions and contradictions. There was no consideration of alternative options in either the paper or the cabinet's deliberations. There was insufficient financial information to make an informed decision as to whether the project still represents a good return on investment. The land issues were not addressed. There was no discussion of how money spent to date could be recovered or whether alternative funding could be sought. The decision contradicts the councils Net Zero 2030 strategy in that financial considerations were given greater weight than carbon reduction to counter the 'climate emergency'.
- The decision has not been properly considered and requires further scrutiny.

4. Date of Call-In: 22nd September 2023