

SCRUTINY COMMISSION – 5 SEPTEMBER 2012

CONSULTATION ON THE DRAFT RENEWABLE ENERGY STRATEGY

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose of report

1. The purpose of this report is to provide the Scrutiny Commission with an opportunity to comment on the County Council's response to the emerging Renewable Energy Strategy and to explain the context for how this policy document will develop and progress in future.

Policy Framework and Previous Decision(s)

2. Following adoption of the final Renewable Energy Strategy by Leicestershire Together it is expected that each partner authority will be recommended to adopt this document as part of its own policy framework.

Leicestershire Together Environment Board – Structure, Role and Remit

3. During the summer of 2010 a peer review was undertaken to assess all those partnerships with local authorities and voluntary organisations in Leicestershire with an environmental remit. It concluded that environmental partnership arrangements in the county were too disparate. Consequently, there were strategic opportunities being missed and some issues were being overlooked.
4. As a direct result and in recognition of the continuing financial pressures on local authorities and the need to further develop partnership working an Environment Board was established within the framework of Leicestershire Together. Appendix 1 contains structure charts showing both the overall structure of Leicestershire Together and the groups within the Environment Board. The four groups represented are Climate Change, Flood Risk, our Natural and historic Environment (including green spaces) and Waste and Street Scene.
5. Following detailed discussions and meetings with all the local authorities involved a draft set of Terms of Reference were produced which were agreed at the first meeting of the board on the 8th February 2012. The board is not a decision making body but is intended to agree and deliver an efficient and co-ordinated approach to the environment within Leicestershire.

Background

6. Leicestershire Together, as the Local Strategic Partnership for Leicestershire, has identified a number of key priority outcomes for Leicestershire. These include:

“Our contribution to climate change is reduced and there is high resilience to climate change.” One of the means by which this outcome will be achieved is:

“An Increase in renewable energy generation and use of alternative fuel sources, including the encouragement of community owned renewable energy schemes.”

7. In addressing Climate Change issues it is clear that both mitigation issues (trying to reduce the amount of greenhouse gases that we emit to the atmosphere) and adaptation issues (how we adapt the way we live to the climate change that is projected from the greenhouse gases already in the atmosphere, even if we reduce emissions in the future) are addressed.
8. Leicestershire Together, in strategic terms, is addressing mitigation issues through two principal strands of work:
 - (a) A Carbon Reduction Strategy – setting out how Leicestershire should set about meeting its targets in reducing the use of energy, and using it more efficiently. This strategy is under preparation;
 - (b) A Renewable Energy Strategy (this document) – setting out how the energy we do use can be generated with no (or minimum levels) of carbon;
 - (c) Other strands include the Local Transport Plan which has a target on reducing carbon from transport in the County and the draft Leicestershire Local Economic Partnership Economic Growth Plan 2012 – 2020 which seeks to facilitate new sector development in Environmental Technologies.
9. Adaptation issues are being addressed through the Leicestershire Climate Change Resilience Plan. This is to be considered by the Leicestershire Together Board in September 2012.

Draft Renewable Energy Strategy

10. The aim of the Renewable Energy Strategy is to outline how an increase in the use of renewable energy will be achieved by the County Council and its partners. There are 5 component chapters that will make up the Renewable Energy Strategy:
 - (a) Chapter 1 The Overall Strategy overview setting out the ambition for renewable energy deployment appropriate for Leicestershire by 2020 and to what extent this is likely to be met by different technologies;
 - (b) Chapter 2 Community – the extent to which communities should be supported in delivery of renewable energy projects;
 - (c) Chapter 3 Employment & Skills – considering the opportunities for employment based on renewable energy developments and the skills

needed within the workforce to meet these opportunities;

- (d) Chapter 4 Planning – setting out overall approaches to planning issues for renewable energy generation; and
- (e) Chapter 5 Public Estates – the ambition by public sector partners to develop renewable energy generation projects. Please note that this work will be undertaken by external consultants and will follow a different timetable to the rest of the document – views on this section are therefore not being sought at present.

Issues for Consideration

11. Preparation of the Draft Strategy has raised a number of issues, namely:-

- (i) **Scope of the document** - The Strategy seeks to set out an agenda for action that focuses on what changes need to be made to make a difference to current levels of performance. It doesn't set out to provide a comprehensive picture of renewable energy in Leicestershire.
- (ii) **Ambition** - The level of ambition that is suggested for the document is high on all technologies except for wind. Even so it is not expected that Leicestershire will be able to achieve a proportion of energy generation anything near to the national Government target for the country as a whole (11% against the Government target of 30%). The ambition for wind has been set (Business as Usual) at a level that reflects the long lead-in time for such developments and the limited number of sites with appropriate wind capacity. However, it is the case that in terms of technical capacity it is wind generation that would be able to make a significant impact in terms of the scale of generation, (see for example figure 3 in the draft document).
- (iii) **Public Estates** - It is intended to undertake a study of capacity on the public estate for all Leicestershire Together Partners that are willing to jointly commission the study. It is anticipated that this will lead to a report that will catch up with the rest of the document by the time of formal approval and publication.

(When the consultant's report is drafted and an implementation plan has been prepared for the County Council's own estate this will be reported back to the Scrutiny Commission prior to formal adoption of the final Strategy. This is anticipated to be early in 2013 and will be incorporated into the plan of future items for the Commission.)

- (iv) **Transport** - The Government's ambition is that 10% of transport energy should come from renewable sources by 2020, up from the current level of 2.6%. The Government will also act to support electric vehicles and pursue the case for further electrification of the rail network. Whilst the Local Transport Plan does have a target to reduce carbon emissions from transport it is considered that

fuel production issues and fuel use incentives are best dealt with at a national level and are not elements that can be significantly influenced at the local level. They are not therefore considered in the draft Strategy.

Links to other Environment Board Partnerships

12. Waste Partnership:

The opportunities for energy generation from waste are considered within the Strategy.

13. Flood Risk Management:

Maximising the level of Renewable Energy generation will help to reduce carbon emissions and assist in reducing the threat that climate change brings to the incidence of floods in Leicestershire

14. Natural & Historic Environment:

Tackling climate change helps reduce the impact on the biodiversity of Leicestershire

Links to other Commissioning Boards

15. Health and Well Being:

Supporting an active programme of domestic scale renewable energy generation installations will help improve the number of people who will receive affordable warmth with consequent benefits on their own health and well being.

16. Stronger Communities:

The draft document does advocate the growth of community ownership in renewable energy generation capacity in Leicestershire (currently at less than 1%, compared to over 50% in Germany) as not only does this help to meet the need for additional capacity but also helps meet Big Society ambitions for more Local delivery and involvement.

17. Local Enterprise Partnership:

The draft document highlights the opportunities for growth of activity and employment from the Renewable Energy generating sector and highlights the skills development needs that this will require to be met.

Consultations

18. At the meeting of the Leicestershire's Environment Board on 30th May 2012 the draft Renewable Energy Strategy was approved for consultation with key stakeholders including representatives of the other Leicestershire Together

Commissioning Boards. Responses are expected in early September and will be reported to the Leicestershire’s Environment Board at their meeting on 12th September. A final version of the document is expected to be presented to the Environment Board in November with a recommendation to refer it to the Leicestershire Together Board for approval.

Resource Implications

19. There will be no additional financial implications for the County Council. The costs of implementing the draft Renewable Energy Strategy will be met from existing budgets as allocated in the Medium Term Financial Strategy.

Timetable for Decision(s)

20. Responses to the consultation on the draft Strategy will be considered by Leicestershire’s Environment Board on the 12th September 2012, and the views of the Scrutiny Commission and the Lead Member for Waste and Climate Action will be reported to the Board at this time. The process for consultation and adoption of the Strategy is summarised in the following table:

Body	Date of Meeting	Decision required
Environment Board	28 th November 2012	To recommend final Strategy to the Board
Leicestershire Together Board	10 th December 2012	To approve the Strategy
Leicestershire Together Partners, including the Cabinet of the County Council	After 10 th December	To adopt the Strategy as part of its own policy framework

Background Papers

Draft Renewable Energy Strategy – approved for consultation purposes by the Environment Board 30th May 2012

Circulation Under Local Issues Alert Procedure

21. None.

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List of Appendices

Appendix 1 – Draft Renewable Energy Strategy

Equal Opportunities Implications

22. No specific implications as a result of the Strategy. Whilst there is currently an additional cost to consumers from the Renewables Obligation placed on energy companies this does not vary based on geography. DECC estimates that this current cost is expected to become a benefit to consumers by 2020 as conventional energy costs continue to increase. Such costs do impact disproportionately on those in, or close to, fuel poverty. The Government's Green Deal, and particularly the Energy Company Obligation elements of it, are being specifically designed to support energy efficiency measures to help reduce energy costs to such users, whilst also reducing carbon emissions.

Environmental Implications

23. Addressing climate change will help to tackle the threats to the environment from that source. Issues of appropriate siting of renewable energy facilities and impact on landscape and specific considerations need to be dealt with through Local Plan policy and specific Leicestershire Together partnership policy documents.

Partnership Working and Associated Issues

24. The draft RES is a joint Strategy for the County Council, the seven Leicestershire district and borough councils, and environmental organisations which collectively comprise Leicestershire's Environment Board.

25. Leicestershire's Environment Board operates under agreed Terms of Reference (ToR). The ToR is an operational document that establishes how the Partners will work together on environmental issues to promote the effective planning and delivery of services. The ToR is not a formal or legally binding contract.

26. The launch of the consultation process for the draft Renewable Energy Strategy was agreed by Leicestershire's Environment Board on 30th May 2012.