

SUBJECT:	Buckinghamshire Energy Strategy
REPORT OF:	Cllr Graham Harris, Portfolio Holder Communities, Health & Housing Policy Advisory Group
RESPONSIBLE OFFICER	Martin Holt Head of Healthy Communities
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WARD/S AFFECTED	All

1. Purpose of Report

The purpose of the report is to advise the Portfolio Holder on the Bucks Energy Strategy, the reason for the strategy and to advocate its adoption.

RECOMMENDATION

The Members consider the Buckinghamshire Energy Strategy and recommend to the portfolio holder its adoption by Cabinet.

2. Executive Summary

The Bucks Energy Strategy was developed because of the growing national move towards decentralised energy generation. It focusses on opportunities for locally owned energy generation projects, and on overcoming barriers to the implementation of energy schemes. The key aims of the strategy is to enable increased opportunities for local generation, and create the opportunities for local organisations to benefit from generating energy, reducing the costs to households and businesses and supporting business opportunities. Whilst government policy in relation to renewables has currently changed there is growing pressure to commit the government to reinvest in renewables and the Energy Strategy will put the policy framework in place to support future investment.

3. Reasons for Recommendations

It creates the framework to grow local business opportunities in the area of energy generation, advice and assistance. Community generated energy may be offered at reduce costs to householders and businesses as well as supporting opportunities to reduce fuel poverty.

4. Content of Report

National Context

4.1 To highlight the speed of change in the energy sector, Citi Bank¹ estimated that

by 2020, independents, community owned and municipal suppliers will be supplying 30% of UK energy compared to just 1% in 2008. A report by the Institute for Public Policy Research (IPPR)² set out how councils could benefit from

- the changes that are happening in the energy sector
- the opportunities to become involved in the supply of energy to local residents
- raising finance for investment in low carbon energy infrastructure – particularly in local energy generation

Underlying this is the ever present concern regarding energy security, the over reliance on imported fossil fuels and the volatility of energy prices.

Local Context - Development of the Bucks Energy Strategy

- 4.3 The development of an energy strategy for the County started in early 2014 building the case for Buckinghamshire on the benefits of local energy generation projects.
- 4.4 Workshops were held with wide ranging stakeholders. Various financial models were discussed as potential ways forward for energy developments such as local share issues, crowdfunding and the selling of bonds. In addition, the strategy could provide the catalyst for drawing down any future EU funding.

Delivery Framework

- 4.5 There are a number of linked documents which comprise the Energy Strategy, as follows:-
- **Energy Baseline** – The 2014 baseline against which the progress of the Buckinghamshire Energy Strategy can be assessed
 - **Buckinghamshire Energy Strategy** – a 25 year high level document which establishes the approach Buckinghamshire is taking. It sets out the framework within which future actions will be planned, monitored and reported upon. This is the core document of the strategy, which should not be read in isolation
 - **Action Plan One** – 2015 - 20 a living document which sets out the priorities, and describes the targets and associated performance measures for the first 5 year delivery cycle

These documents are appended to the report.

- 4.6 In order to structure and coordinate activity, actions have been arranged into four broad themes. These do not operate in isolation and there will be important areas of overlap between them. The four key themes of the Strategy are:-

¹ ENERGY DARWINISM, The Evolution of the Energy Industry, Citibank, 2013

² <http://www.ippr.org/publications/city-energy-a-new-powerhouse-for-britain>

- Increasing local energy generation
- Improving the energy efficiency of buildings
- Enabling communities influence and benefit from projects
- Growing the local economy

4.7 The Energy Strategy provides a clear framework for action and investment within the County, taking account of the fast changing nature of energy policy. Indeed, it recognises the increasing opportunities and benefits in relation to:-

- The decentralisation of energy generation,
- The emergence of SMART programming energy use and creating the opportunity for local micro grids to deliver the energy needs of a local area e.g. solar power generation to housing tenants,
- District heating networks and emerging possibilities around energy storage
- The need to clearly build in energy infrastructure as part of any change such as the Local Plan process, and the need to engage utilities as part of this

Previous activity

The council has invested in PV solar at the Council Offices and the Chesham Leisure Centre which returns an income of £24k/annum for 25years plus the offset savings in electricity usage.

Governance Structure

4.8 The Natural Environment Partnership for Buckinghamshire & Milton Keynes (the NEP) provides the strategic direction for the Energy Strategy, and has ratified the Energy Strategy. The NEP's own Strategic Priorities also overlap with the aims of the Energy Strategy, so there are synergies to be achieved.

4.9 The Action Plan sets out the actions that will be undertaken by the various stakeholders or the way in which they can assist in delivery of the Strategies various themes. The Action Plan day to day delivery will be overseen by the Buckinghamshire Energy and Resources Task Group comprising the five Buckinghamshire local authorities and the Low Carbon Chilterns Co-op³.

5. Consultation

The Energy Strategy comprises input from businesses, public sector, community and voluntary sectors, together with the Natural Environment Partnership.

6. Options

There are two main options and these are as follows:-

³ <http://www.lowcarbonchilterns.org/lccc/pages/lcc.php>

- a) Do nothing. This means that opportunities to develop energy generation in the Chiltern District Council area may be missed.
- b) Continue working in partnership with stakeholders to deliver the Strategy and secure:-
 - i. Increased energy generation opportunities
 - ii. Partnership working to develop energy efficiency opportunities
 - iii. Potential to secure cheaper energy and or alleviate fuel poverty
 - iv. Potential to access EU and other funding streams
 - v. Create local returns on investment
 - vi. Supporting local economic development

7. Corporate Implications

Financial

There are no financial implications to the Council at this time apart from officer time. There may be future opportunities to access partnership finance and invest in energy developments which could provide an income stream.

Legal

There are no current legal implications; any future proposals to invest in energy generation would be agreed by Cabinet

Sustainability and Environmental Issues

Production of renewable energy addresses the above two issues through reducing the use of fossil fuels.

Social Inclusion

The Strategy addresses social inclusion through the potential opportunity to supply reduced cost energy to fuel poor residents, or those in off-gas areas.

8. Links to Council Policy Objectives

- Sustainable environments where people take pride in their community and embrace low carbon living
- Prosperous and diverse economies that encourage local employers and small businesses so we can protect the areas' economy for the future and achieve a better balance between the jobs available and the people to fill them;
- We will strive to conserve the environment and promote sustainability
- Support people to reduce their carbon emissions

9. Next Steps

Chiltern District Council will continue to contribute to the delivery of the Energy Strategy, and will continue to work in partnership with stakeholders to establish energy opportunities across Chiltern District.

Background Papers:	As set out in the footnotes to the report, and attached appendices
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