

<b>SUBJECT:</b>	Buckinghamshire Energy Strategy
<b>REPORT OF:</b>	Luisa Sullivan, Chair, Environment Portfolio Holder, Environment Policy Advisory Group
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<b>WARD/S AFFECTED</b>	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

Endorsement of the Buckinghamshire Energy Strategy and its adoption.

## 2. Executive Summary

The Bucks Energy Strategy was developed because of the growing national move towards decentralised energy generation. It focusses on opportunities for community owned energy generation projects, and on overcoming barriers to the implementation of energy schemes. It is technology agnostic, the key aims being local generation, retention of money in the local economy and reduced cost of energy.

## 3. Reasons for Recommendations

Through producing local energy there would be the potential to secure cheaper energy and retain energy spend within the local economy. It would enable local returns on investment and provide the potential to draw down funding. A further possible outcome would be the provision of jobs.

## 4. Content of Report

### National Context

4.1 To highlight the speed of change in the energy sector, Citi Bank<sup>1</sup> 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)<sup>2</sup> 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

<sup>1</sup> ENERGY DARWINISM, The Evolution of the Energy Industry, Citibank, 2013

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

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.

- 4.2 The Community Energy Strategy published by the Department of Energy and Climate Change, 2014<sup>3</sup>, aims to increase the amount of home-grown energy generation whilst reducing energy use efficiency measures. Individuals and local communities will also be able to make an important contribution to maintaining energy security and keeping costs down for consumers. The government's ambition is that every community that wants to form an energy group or take forward an energy project should be able to do so. The Buckinghamshire Energy Strategy sets out a variety of initiatives to support this ambition.

### **Development of the Bucks Energy Strategy**

- 4.3 The development of an energy strategy for the County started in early 2014 with the production of a Prospectus. The Prospectus made the case for Buckinghamshire using a novel approach to strategy development based on the benefits that energy generation projects can bring, irrespective of the technology used. This means that Bucks Energy Strategy is benefits led and technology agnostic. It is based on the premise that the people of Buckinghamshire, who want to see these benefits come to their community, will increasingly influence energy generation schemes. This influence is not limited to technologies used and scale of deployment, however, but the ownership and financing options which influence how benefits are generated and received.
- 4.4 Workshops were held with wide ranging stakeholders. Various successful 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 provides 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** – a document establishing the Counties energy situation, the reasons for taking action and likely benefits
  - **Buckinghamshire Energy Strategy** – a 25 year high level document which established 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

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<sup>3</sup> <https://www.gov.uk/government/publications/community-energy-strategy>

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:-
- Increasing local energy generation
  - Improving the efficiency of buildings
  - Ensuring 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, the emergence of SMART and micro grids, heat networks and emerging possibilities around energy storage.

#### **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-op<sup>4</sup>.

#### **Recent Work and Funding**

- 4.10 A central plank to community energy development was solar. Subsequent to the delivery of the Bucks Energy Strategy, the Government has put the Feed in Tariff (FiT) on hold. This has jeopardised the development of self-sustaining community energy enterprises locally and nationally.
- 4.11 The intent for Bucks was to facilitate an energy 'hub' where businesses, communities and the public sector worked together to provide local energy opportunities. The removal / reduction of FiT has meant that the business approach to local energy developments via a 'hub' in Bucks has also been put on hold. Bucks energy community is, however, exploring the opportunity of working with an established energy 'hub' in Oxfordshire, reducing time, effort and overheads.
- 4.12 The Energy and Resource Task group is compiling a list of existing renewable energies in the County.

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<sup>4</sup> <http://www.lowcarbonchilterns.org/lccc/pages/lcc.php>

## 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:-

- a) Do nothing. This means that should energy opportunities arise then South Bucks Council and Chiltern District Council will not benefit from any income generation or reduced price energy. Money spent on energy will continue to flow out of the County
- b) Continue working with the Strategy and in partnership with stakeholders to secure:-
  - i. energy opportunities
  - ii. engagement of a wide range of stakeholders
  - iii. potential to secure cheaper energy
  - iv. the potential to draw down funding
  - v. local returns on investment
  - vi. retention of energy spend within the local economy

## 7. Corporate Implications

### Financial

There are no overt financial implications to the Council. A time investment will be required from the Sustainability Officer. There may be future opportunities to invest in energy developments.

### Legal

There are no current legal implications. Should energy opportunities arise then the Sustainability Officer would need to access the Council's legal team.

### 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 South Bucks people to reduce their carbon emissions

### **9. Next Steps**

South Bucks Council and 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 both Districts.

<b>Background</b>	As set out in the footnotes to the report
<b>Papers:</b>	