

**5<sup>th</sup> March 2020**

## **SCR Energy Strategy Update**

### **Purpose of Report**

This report responds to the comments of the LEP Board made in January 2020 and outlines any changes that have been made to the SCR Energy Strategy to reflect those comments.

### **Thematic Priority**

This report relates to the following Strategic Economic Plan priorities:

- Secure investment in infrastructure where it will do most to support growth.
- Facilitate and proactively support growth amongst existing firms.

### **Freedom of Information**

The paper will be available under the Combined Authority Publication Scheme.

### **Recommendations**

The Board is asked to:

- note the responses and changes to the SCR Energy Strategy based on the comments of the previous LEP Board meeting.
- note the newly formed SCR:NZ Partnership as an innovative and collaborative way to meet our decarbonisation challenges.

## **1. Introduction**

- 1.1** The Sheffield City Region (SCR) Energy Strategy was presented to the LEP Board in January 2020. This paper provides an update on the changes that will be made to the final Energy Strategy prior to it being received at a future meeting of the MCA. This paper also highlights how the SCR Energy Strategy fits into the overall Climate Emergency Response Framework.

## **2. Proposal and Justification**

- 2.1** The following summary provides a response to the points raised at the last LEP Board meeting and how the SCR Executive Team will integrate them into the final version which is currently being produced in order to go to a future meeting of the MCA.
- 2.2** The key point amongst the issues discussed, was how the Energy Strategy related to the broader climate emergency challenge and recognising that whilst energy is a central

component to how we tackle that issue in the future, it is one amongst a number of factors which need to be addressed.

- 2.3** Whilst making a step change in the way South Yorkshire produces and uses energy is an essential component in tackling the climate emergency, it is also recognised that a broader set of changes are required across a range of issues if South Yorkshire is to achieve net zero. The Climate Emergency Response Framework presented to the MCA Board in January 2020 notes that action will need to be taken across multiple levels and issues. The Energy Strategy will be one component of that overall Climate Emergency Response Framework.
- 2.4** SCR has begun to work alongside the University of Sheffield and South Yorkshire local authorities through the newly established SCR:NZ Partnership. This innovative agreement will bring together a virtual team from within the SCR Executive, local authority partners and leading academics to develop new and deliverable solutions to help us achieve our net zero target. The solutions that will be derive from the Energy Strategy are expected to be amongst some of the first initiatives taken forward by this partnership.
- 2.5** The need to develop costed actions rather than just un-costed strategic ambition was also a key discussion point at the last LEP Board meeting, and it is expected that this new partnership will lead the production of a pipeline and implementation plan that will develop the actions from ambition through to delivery.
- 2.6** SCR already has a significant competitive advance in the energy and associated climate change agenda, given its industrial and advanced manufacturing heritage. This again was a key theme at the last LEP Board meeting. It is vital that the industries in our region remain competitive whilst decarbonising to ensure that they have a place in the future low carbon economy. Equally, the skills that are inherent within our communities are transferrable to the production, installation, and development of low carbon technologies as has been seen with the Nuclear AMRC. This will be critical as part of our approach to securing a 'Just Transition'.
- 2.7** Related to the need for a Just Transition is ensuring that the cost of energy does not disproportionately affect those who can afford it least. As such there was a debate as to whether the Strategy was trying to say too much for both energy generation and energy usage, whereas should the focus be primarily centred with energy generation. A key principle in energy management is that energy usage should be optimised before additional generation is sought. Over 10% of South Yorkshire's residents are in fuel poverty – reducing their usage through improved efficiency reduces their financial burden and insulates them from fluctuating (and often rising) fuel prices. This argument applies equally to businesses and industry. As such the Energy Strategy will seek to maintain this balance.
- 2.8** The LEP Board also recognised that the Strategy needs to be realistically couched and demonstrate that the SCR is a region in transition that can do better, rather than something that we will never achieve. In 2019, HMG legislated to achieve net-zero by 2050. Each Local Authority in South Yorkshire has declared a climate emergency and has either set, or is in the process of setting, a target for net-zero, all of which are before 2050. Significant action is required to achieve this, and the scale of the challenge cannot be understated. The Energy Strategy outlines the things that *could* be done to achieve these challenging targets, but it must sit alongside a broader set of actions outlined in the Response Framework.
- 2.9** The Energy Strategy is now being finalised with a view to it being received by the MCA at a future meeting. The Infrastructure Board will continue to oversee the next stage and the

types of projects that begin to flow from the Strategy and the associated wider Response Framework.

### 3. Consideration of alternative approaches

3.1 The preparation of the Strategy involved several consultants at different stages, and a range of evidence and different options, approaches, objectives, vision etc which have been informed through consultation with key Stakeholders over the past 18 months. At every stage the evidence base and draft proposals and different versions of the Strategy have also been considered and guided by the SCR Infrastructure Board, and previously the SCR Housing and Infrastructure Board.

### 4. Implications

#### 4.1 Financial

This work is supported by £40k from BEIS with a further £30k allocated from SCR funds. This budget was sufficient to complete the Strategy and undertake the Carbon Targets and Scenarios work. Further support from BEIS (£100k) was also secured for additional capacity to lead on Energy and Sustainability activity within the SCR Executive. The post is hosted by SCR and works alongside local authority officers across South Yorkshire as well as regionally through the North East, Yorkshire and Humber Energy Hub.

#### 4.2 Legal

A Memorandum of Understanding has been agreed with BEIS related to their funding contribution to support the preparation of the SCR Energy Strategy.

#### 4.3 Risk Management

Risk assessment has been undertaken for the project and is continually monitored.

#### 4.4 Equality, Diversity and Social Inclusion

None arising from this report. The SCR Energy Strategy will help to address fuel poverty and the health and wellbeing of the local populations and, therefore, will contribute to improving social inclusion.

### 5. Communication

5.1 Proactive communications will be delivered across a range of channels, including digital, social and traditional media, once the Energy Strategy is in a position to be published.

### 6. Appendices/Annexes

N/A

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ. Other sources and references: N/A.