

21st May 2020

SCR Energy Strategy

Purpose of Report

This report presents the final draft SCR Energy Strategy for approval, which encompasses the amendments previously agreed by the LEP Board.

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:

- Approve the SCR Energy Strategy as recommended by the SCR Infrastructure Board.
- Note the proposed next steps for implementation of the Strategy.

1. Introduction

- 1.1** The Sheffield City Region (SCR) Energy Strategy is part of a wider strategy for environmental sustainability and response to the Climate and Environmental Emergency declared by the Mayoral Combined Authority (MCA) in November 2019.
- 1.2** The Strategy was presented to the LEP Board in January 2020 with a further update on amendments being reported to the Board in March 2020. The SCR Infrastructure Board, which has overseen the Strategy's development, is recommending the attached draft SCR Energy Strategy for the LEP Board's approval.

2. Proposal and Justification

- 2.1** The preparation of the SCR Energy Strategy has been undertaken over the past 18 months and has been overseen by the SCR Infrastructure Board. It sets out the ambition and direction of travel for supporting a growing economy, building energy resilience, and supporting measures to tackle both the Climate Emergency within South Yorkshire and the transition to a low carbon economy.

2.2 It has been developed alongside the preparation of the new draft SCR Strategic Economic Plan (SEP) to ensure alignment and complementarity with the broader economic and social inclusion ambitions of the region. The content of the energy chapter within the SEP is directly drawn from this Energy Strategy. Maximising the opportunities for growth from the high-growth low carbon sector could be particularly important in supporting the economic recovery from the current Covid-19 crisis.

2.3 The final draft of the Strategy is attached at Appendix 1, and incorporates the amendments agreed by the LEP Board at its previous meetings, including further alignments with the new draft SEP. These amendments included:

- Noting that the SCR Energy Strategy forms part of a wider Climate Response Framework that will allow SCR to meet the agreed target of becoming a net-zero emissions region by 2040;
- Noting the establishment of the SCR:NZ Partnership and its role in helping to deliver the Vision and objectives of the SCR Energy Strategy;
- The requirement to develop a costed project pipeline, which is being developed as a key part of implementing the Strategy.
- Noting that it is vital that industries in our region are able to remain competitive whilst decarbonising. Equally, it is important that the skills 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.'
- Noting that minimising energy use is as important, if not more than, increasing energy generation. Reducing the energy use of business and domestic consumers will reduce the financial burden of their fuel bills, and help businesses and households be more resilient to fluctuating / rising energy costs.

2.4 Next Steps

Work with partners and key stakeholders has already begun on developing the next steps, which will include:

- Finalising the imagery and content prior to it being presented to the Mayoral Combined Authority in July 2020.
- Embedding the energy related ambitions into wider Net Zero Framework activities;
- Preparing an Implementation Plan(s) as part of the Net Zero Framework implementation, setting out the measures and timelines being undertaken to action the various elements of the Strategy. This will set out the specific actions to deliver the Strategy and how they are intended to be funded, and will be reported to the LEP Board for consideration in due course;
- Developing the energy and low carbon pipeline of capital projects that will support businesses and households to decarbonise and improve their energy efficiency to reduce both their carbon emissions and fuel bills;
- Supporting the preparation of business cases for accelerating the roll-out of key energy related infrastructure and innovation to support the Covid-19 recovery and help reset the economy on a more sustainable and environmentally friendly growth pathway; and
- Working with neighbouring LEP areas through both the North East, Yorkshire and Humber Energy Hub and the Northern Powerhouse on strategic joint projects and programmes which cross LEP boundaries.
- Working with local authority partners and other stakeholders to embed the Strategy's ambitions, vision and objectives within local plans and strategies.

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. This included the check and challenge 'Provocation Exercise' by the University of Sheffield.

At every stage the evidence base, draft proposals and different versions of the Strategy have 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, following approval of the final SCR Energy Strategy.

6. Appendices/Annexes

Appendix 1 – Final Draft SCR Energy Strategy

REPORT AUTHORS Karl Sample / Colin Blackburn
POST SPM (Energy) /Assistant Director (Housing, Infrastructure & Planning)
Director responsible Mark Lynam,
Email Mark.Lynam@sheffieldcityregion.org.uk
Telephone 0114 220 3445

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.