

27<sup>th</sup> July 2020

## SCR ENERGY STRATEGY

### **Purpose of Report**

This report presents the final SCR Energy Strategy for approval, which includes 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 both the SCR Infrastructure Board and the LEP 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 in November 2019.

**1.2** The Strategy was endorsed by the LEP Board in May 2020 following a recommendation by the SCR Infrastructure Board which oversaw the development of the Strategy.

## **2. Proposal and Justification**

**2.1** The preparation of the SCR Energy Strategy has been prepared over the past 18 months and sets out the ambition and direction of travel for supporting a low carbon growth economy, building energy resilience, and supporting measures to tackle both the Climate Emergency within the SCR 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 opportunities provided by the high-growth low carbon sector will be particularly important in supporting economic recovery post Covid-19, so the Strategy will play a significant role in providing a coordinated response to the recovery.
- 2.3** The final draft of the Strategy is attached at Appendix 1, which incorporates the amendments agreed by the LEP Board; such as:
- 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:Net Zero Partnership and its role in helping to deliver the Vision and Objectives of the SCR Energy Strategy and SEP;
  - 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 Advanced Manufacturing Research Centre (AMRC).
  - 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, and improve local business competitiveness.
  - Factual corrections relating to comments from the University of Sheffield and Local Authorities.

#### Next Steps

- 2.4** Work with partners and key stakeholders has already begun on developing the next steps, which will include:
- Embedding the energy related ambitions into wider Net Zero Framework activities;
  - Preparing an Implementation Plan(s) as part of the Net Zero Framework setting out the measures, timelines and costings for implementation;
  - 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;
  - 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; and
  - 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.
- 3.2** 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 was secured to fund additional capacity to progress the energy and sustainability activity within the SCR Executive, as part of 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 could be delivered across a range of channels, including digital, social and traditional media, following approval of the final SCR Energy Strategy.

### 6. Appendices/Annexes

- 6.1** Appendix 1 – Final Draft SCR Energy Strategy

<b>REPORT AUTHORS</b>	<b>Karl Sample / Colin Blackburn</b>
<b>POST</b>	<b>Senior Programme Manager / Assistant Director</b>
Director responsible	Mark Lynam
Email	Mark.lynam@sheffieldcityregion.org.uk
Telephone	0114 2203442

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