

Report of the Portfolio Holder for Environment and Climate Change Portfolio

LOCAL AREA ENERGY PLAN1. Purpose of Report

To provide Cabinet with details of the proposed work to deliver a local area energy plan for the Borough of Broxtowe.

2. Recommendation

Cabinet is asked to RESOLVE

- 1) that the allocation of £75,000 as the Council's contribution towards the commissioning of work to deliver a Local Area Energy Plan be approved, with the cost being funded from General Fund Reserves.**
- 2) that the allocation of £7,000 for the 2 years' technical adviser role be approved, with the cost being funded from General Fund Reserves.**

Local Area Energy Planning (LAEP) has been identified as an important step to supporting climate ambitions across Derbyshire and Nottinghamshire and has the potential to further support increased devolution through a comprehensive plan that identifies the most effective pathway to decarbonising each district across D2N2 / East Midlands Mayoral Combined Authority (EMMCA). A Local Area Energy Plan sets out the change required to transition an area's energy system to net zero in a given timeframe. This is achieved by exploring potential pathways and considering a range of technologies and scenarios which, when combined with stakeholder engagement, leads to the identification of the most cost-effective preferred pathway and sequenced plan of proposed actions to achieving an area's net zero goal.

The D2N2 Low Carbon Board with feeder groups of The Environmental Strategy Working Group covering the Nottinghamshire Local Authorities and the D2 Energy Group covering the Derbyshire Local Authorities are collectively keen to progress with the LAEP for their respective authorities.

The first step towards a Local Area Energy Plan has been completed; project managed by the Midlands Net Zero Hub who contracted Energy Systems Catapult (on behalf of the Local Authorities) to deliver a Socio-Economic Benefits Report to Local Area Planning for D2N2 / EMMCCA.

The appendix provides additional Information taken from Socio-Economic Benefits report to Support a Local Area Energy Plan for EMMCA by Energy Systems Catapult. The Information contains copyright information licensed under the ESC Licence.

If Cabinet is minded to agree the recommendation then the next phase of the Local Area Energy Plan may be eligible to secure match funding from "Net zero living: Pioneer places" managed by Innovate UK, part of UK Research and Innovation. If realised it may be possible to recover a proportion of the initial financial contribution.

3. Financial Implications

The comments from the Head of Finance Services were as follows:

The initial request of £75,000 as the Council's contribution towards commissioning of work to deliver a Local Area Energy Plan would have to be funded from General Fund Reserves. This is considered as a one-off request at this stage, with any further significant budget implications requiring approval by Cabinet. It is noted and welcomed that there may be opportunities to seek external match funding to potentially recover some of the initial financial outlay required from each participating local authority.

Similarly, the cost for the two years' Technical Advisor role at a total cost of £7,000 would have to be funded from General Fund Reserves

4. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

Whilst there are no direct legal implications arising from this report, a Local Area Energy Plan will support the Council's corporate objectives regarding climate change and is also consistent with socio-economic and equality duties. The implementation of the individual actions and objectives will be set out as the Plan develops that will give rise to specific legal issues. These will be addressed as part of the delivery of the Plan.

5. Human Resources Implications

The comments from the Human Resources Manager were as follow:

There are no direct human resource implications arising from this report

6. Union Comments

The Union comments were as follows.

UNISON supports the proposals outlined in the report.

7. Data Protection Compliance Implications

The are no immediate Data Protection compliance implications.

8. Equality Impact Assessment

N/A

9. Background Papers

Socio-Economic Benefits Report to support a Local Area Energy Plan for EMMCA (East Midlands Mayoral Combined Authority)

<https://democracy.broxtowe.gov.uk/documents/s20482/Socio-Economic%20Benefits%20Report%20to%20support%20a%20Local%20Area%20Energy%20Plan%20for%20EMCA%20East%20Midlands%20Mayoral%20C.pdf>

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- A copy of the licence can be found on page 30 of the report

Appendix

The total net benefit of the elements considered is £11b from an investment of £7.6b. This could save 51.5m tCO₂e to 2050 and create 4,500 local green jobs.

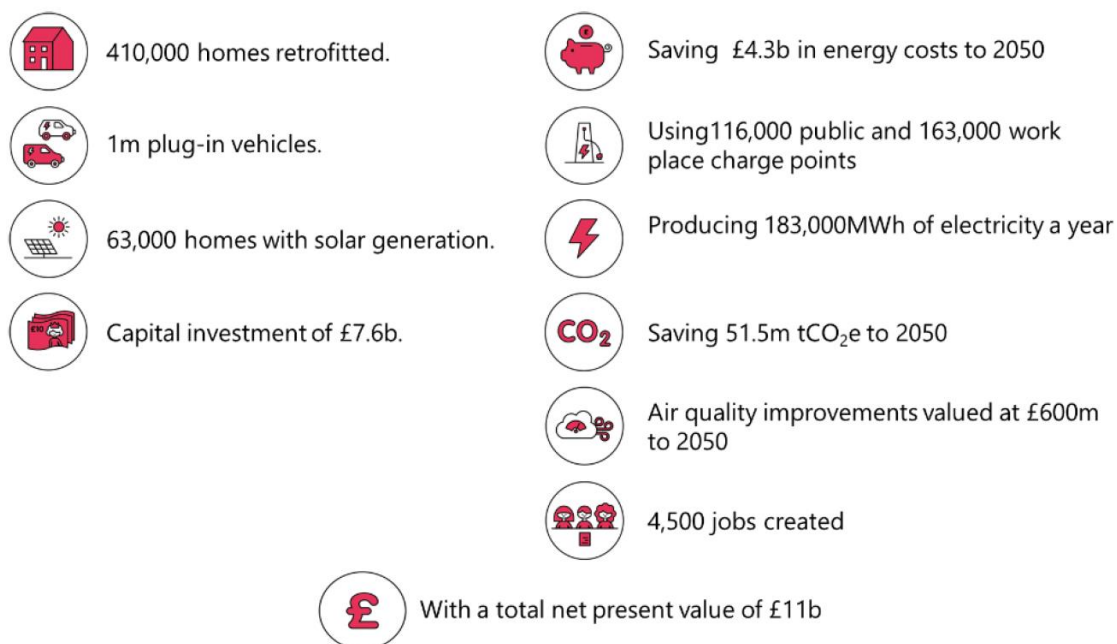


Figure 1: Headline figures for Nottinghamshire and Derbyshire

A full LAEP process could be expected to unlock significantly larger benefits through addressing other aspects of the local energy system that have not been considered here. For example, analysis completed by PwC for InnovateUK¹ found that taking a place-based approach to decarbonisation could reduce the investment required by as much as 70% whilst nearly doubling the wider social benefits that could be realised.

¹Accelerating Net Zero Delivery, PwC, Otley Energy, University of Leeds, 2022

Next Steps

The D2N2 / EMMCCA region is well placed to prepare for a coordinated and successful programme of Local Area Energy Planning to realise the potential benefits identified. A regionally coordinated delivery approach is recommended to maximise impact and efficiency. Regional coordination can also ensure that aspects such as procurement, governance, stakeholder management, decision making, programme consistency and quality assurance are steered effectively. This report recommends a delivery option based on the provision of 8 LAEPs (merging some local authorities into combined LAEP areas) supported by a technical advisor role to coordinate and oversee delivery. Taking this approach can also ensure that both local and regional priorities can be considered when developing LAEPs, reducing potential conflicts from an uncoordinated approach. Finally, regional coordination can lead to the aggregation and scale up of local opportunities, projects and action that is more likely to attract interest from the organisations that will support the implementation of the LAEPs and associated activity.

A series of next steps (summarised in Figure 2 below) have been provided in Section 8 of the Socio-Economic Benefits Report. These provide the region with activities that could be **progressed over a 5 or 6 months' period** to prepare for a regional LAEP programme. The steps are not necessarily chronological and can be carried out simultaneously.

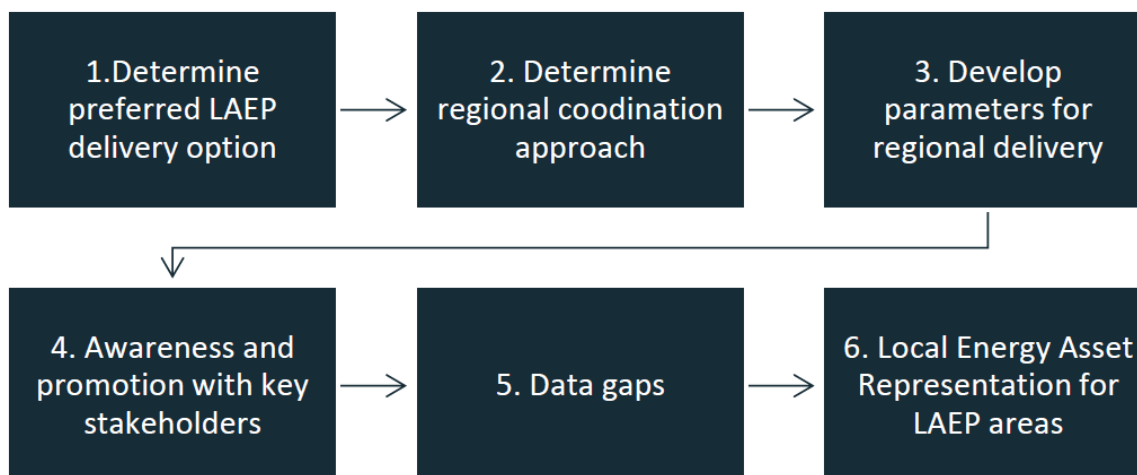


Figure 2 – Series of recommended next steps to prepare for a LAEP programme

Summary

The region is well placed to proceed with a LAEP. The estimated value of the work is £1.2million and Local Area Energy Planning is written into the Devolution Deal; however, appropriate funding is yet to be identified.

It is preferable to proceed in unison, but with current lack of funding there are some Local Authorities who are keen to proceed as pathfinders, and are able to self-fund.

1. Option 3 in the Socio-Economic Benefits Report is the preferred delivery option; the Local Authorities partnership groupings highlighted may change from those contained within the report for example, Broxtowe Borough Council will be grouped with Gedling and Rushcliffe Borough Councils.
2. Budget for each Local Authority is £75,000
3. Nottingham City Council, via Midlands Net Zero Hub is the lead organisation to co-ordinate, key tasks including procurement / recruitment of a technical advisor for duration of the project (funding required for technical advisor circa £7k per LA to cover 2 years).
4. The following are the key parameters for regional delivery:
 - a. Development of the specification, identify additional support requirements for the lead and ensure collective feedback on the specification through the D2N2 LEP Low Carbon Board and N2 & D2 feeder groups.

- b. Work to define the approach and process, particularly for the pathfinder authorities.
- c. Nottingham City Council will act as the procurement lead, with support from D2N2 LEP.