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| Subject: | Greater Brighton Energy and Water Plans | | |
| Date of Meeting: | 7 November 2017 | | |
| Report of: | Chair of Greater Brighton Officer Board, and Chair of the Biosphere Board | | |
| Contact Officer: | Name: | Max Woodford | Tel: 01273 291666 |
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| LA(s) affected: | All | | |

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 On 25th April 2017 the Greater Brighton Economic Board (GBEB) agreed to allocate funding for development of a regional Energy and Water Plan. This report seeks Board support to proceed with development of an Energy Plan and Water Plan for Greater Brighton.
- 1.2 The Plans will align with government focus on essential infrastructure for smart clean growth, provide security and resilience, and focus on affordability. They aim to deliver at a local level the government's Industrial Strategy; Clean Growth Strategy; and Energy Smart Systems and Flexibility Plan.
- 1.3 The plans represent an opportunity for closer collaboration between GBEB and the Biosphere Delivery Board by harnessing expertise and focus in energy and water to support more sustainable and climate-resilient economic growth.

2. RECOMMENDATIONS:

- 2.1 That the Board approves the development of Greater Brighton Energy and Water Plans.
- 2.2 That the Board approves the delivery and governance proposals set out in paragraphs 3.16 to 3.20.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 On the 13th February 2015 the Greater Brighton Economic Board:
 - i) Noted the importance of the designated Biosphere status to the City Region economy and to promoting the sustainable economic growth of the City Region
 - ii) Requested that the proposed transitional shadow Biosphere Board takes forward a programme of work that seeks to maximise the economic benefits of Biosphere status and its environmental and social objectives;
 - iii) asked the Biosphere Board to develop a pipeline of projects that support Greater Brighton's sustainable economic growth, and;

- iv) Considered the opportunity that Biosphere status represents in becoming the overarching ‘brand identity’ for the area; to drive sustainability, and economic development.
- 3.2 The Greater Brighton Economic Board (GBEB) agreed at its meeting on 25th April 2017, that the development of an Energy and Water Plan for the Greater Brighton (GB) would be allocated funding. The Board endorsed joint working on strategic activities, including better integration of strategic spatial and investment priorities. The work plan included a range of initiatives, including
 - Inward Investment and Export
 - Transport Infrastructure
 - Digital Infrastructure
 - Water and Energy Plan
 - Skills and Employment.
 - 3.3 The work plan describes “*Development of a Greater Brighton Water & Energy Plan, linked to the Investment Programme/Pipeline and Local Plans, working in partnership with the Brighton & Lewes Downs Biosphere Board, Southern and South East Water and UK Power Networks and other local suppliers*”. It identifies an allocation of £10,000 Greater Brighton funding to support the work.
 - 3.4 The plan will be produced on behalf of the Board with geographic scope covering the Greater Brighton City Region. They will seek to address those infrastructure issues forming a barrier to growth if not addressed early, future proofing the region, increasing resilience and prioritising affordability.
 - 3.5 The Plans will facilitate local delivery of the Government’s Industrial Strategy, Infrastructure Delivery Plan, and Clean Growth Strategy; ensuring there is future ready water and energy infrastructure to sustain and attract economic. The plans will provide direction in the context of Brexit, new ways of working with government; and would bring greater expertise on energy and water to economic planning for GBEB members and investors in the region.
 - 3.6 The Plans are intended to:
 - focus on infrastructure security and long term resilience, investigating and addressing infrastructure deficits that could form a barrier to regional growth unless addressed early;
 - recognise the interrelated nature of energy, water, and other infrastructure needs such as broadband, digital, transport and smartgrids
 - identify Greater Brighton opportunities post Brexit relating to Energy and Water;
 - assist delivery of Government’s clean growth agenda at a local level, enabling coherent evidenced infrastructure and funding requests to government;
 - identify investment opportunities for Greater Brighton including under different models such as community and municipal ownership; and
 - enable development of the right energy and water infrastructure to support the growth of a smart and sustainable Greater Brighton economy.

Greater Brighton Energy Plan

- 3.7 The Government highlights the importance of upgrading the energy, water and flood defence infrastructure in the Industrial Strategy Green Paper. It recognises in the *Delivering affordable energy and clean growth pillar*, that energy policy requires greater prioritisation, emphasising the importance of economic opportunity through innovation, and providing affordable, clean, secure energy for households and businesses. It seeks connections between public policy and energy opportunities to realise potential value from clean growth. Government aims that the UK become one of the most advanced economies for mainstream smart grids. The plan would seek to identify investable projects with an enhanced opportunity for securing government (and other) funding through alignment with the Industrial Strategy.
- 3.8 The Clean Growth Strategy (October 2017) states '*Government recognises the importance of anchoring economic growth in the strengths of local areas. Each local area will be responsible for coordinating its own local industrial strategy in alignment with the national Industrial Strategy. Local leaders are rising to the challenge and putting local carbon targets and strategies in place. Partnerships across public, private and community sector organisations can unlock powerful integrated local energy solutions*'.
- 3.9 The Government department of Business Energy and Industrial Strategy (BEIS) strongly supports development of regional and sub regional Energy Plans. BEIS Local Energy Team has committed to advise on a GBEB Energy Plan.
- 3.10 BEIS has made available 2 rounds of funding to Local Enterprise Partnerships to deliver energy plans by March 2018 for alignment with Strategic Economic Plans (circa £40,000 - £50,000). This funding is not available to GBEB. Coast 2 Capital and the South East LEP are collaborating on an Energy Strategy to be delivered by BEIS' deadline of March 2018. This will form helpful background to a GB Energy Plan. A GB Plan would go into greater detail on the sub regional barriers and opportunities and provide GB an enhanced evidence base and a stronger voice to government regarding energy infrastructure.
- 3.11 The Greater Brighton local authorities have developed initial work on energy opportunities through their own, commissioned Energy Studies. However, these studies are largely out of date and do not reflect the massive shifts in opportunity and innovation that have occurred in the energy sector in recent years.

Greater Brighton Water Plan

- 3.12 The Government highlights the importance of upgrading water and flood defence infrastructure in the Industrial Strategy Green Paper.
- 3.13 The Government has set out a policy framework for how it is going to support the water industry in securing longer term water security. A regional plan would support sustainable long term planning by facilitating a more coordinated approach to informing water companies' 25 year water resources management plans and drought strategies and their 5 year business plans.

- 3.14 Water utility companies are responsible for developing long term water supply plans, in consultation with the Environment Agency and others. However, closer collaboration is needed to ensure these plans align with the development and growth plans of the GBEB region and include environmentally sustainable measures to support this growth. The plan would need to be integrated with the water resource business plans of both water utility companies and with the surface water management plans and flood risk management plans of the lead local flood authorities. In the National Flood Resilience Review (2016), Government set out its expectations of key infrastructure providers to ensure assets are flood resilient and minimise impact to existing communities and business. The Energy and Water Plan could be used to improve and enhance existing pieces of work.
- 3.15 The process of developing a plan would support closer collaboration with key stakeholders including the LEP, government departments, utility companies and the Environment Agency. It also represents an opportunity for closer collaboration between GBEB and the Biosphere Delivery Board by harnessing expertise and focus in green and blue infrastructure to support more sustainable and climate-resilient economic growth.

Governance

- 3.16 In accordance with the Board decision (paragraphs 3.1 - 3.2), it is proposed that Southern Water is a key stakeholder who will work closely with Brighton & Hove City Council; ensure that the Plans fulfil the requirements of the GBEB; and provide wider support. Energy and water expertise will be introduced from the Brighton & Lewes Biosphere Board through Chair, Ben Earl (Southern Water), who will play a key role in developing the plans.
- 3.17 Brighton & Hove City Council will take on the client co-ordination role, supporting practical delivery, undertaking roles such as procurement and management of consultants; overseeing data gathering and analysis, event management, consultation and drafting.
- 3.18 An expert panel called the 'Infrastructure Panel' will be created, chaired by Southern Water Chief Executive, Ian McAulay, formed of relevant expert stakeholders for both energy and water, as sounding boards for the robust development of the plans.
- 3.19 The finished plans would be "owned" by GBEB, and recognised by the individual agencies and institutions of GBEB. Where relevant the Plans could inform policy making for the Local Development Schemes for the Greater Brighton Planning Authorities.
- 3.20 Given the specialist knowledge and capacity required for the Plans, the proposal is to appoint consultants to collect data and establish the policy context, consult stakeholders, and produce the Plans. The aim would be to produce plans which are highly practical in application and which provide a clear indication of priorities, investment opportunities and potential financial mechanisms and sources.

Timetable and Next Steps

- 3.21 Funding has been sought for development of the Energy Plan under an Interreg 2 Seas bid 'SOLARISE', submitted by Brighton & Hove City Council in September 2017. The bid's outcome is expected late November 2017. First steps would therefore include creation of the Infrastructure Expert Panel and Invitation to Tender for consultants to develop the Energy Plan in early 2018.
- 3.22 A staged approach is proposed targeting the end of 2018 to complete the Energy Plan subject to a successful outcome to the SOLARISE bid. The Water Plan would follow, subject to identification of funding, though initial discussions and scoping work can begin with the Infrastructure Expert Panel members.
- 3.23 All GBEB member authorities and organisations will be invited to engage with Plan production activities such as the data collection, policy scoping, growth plans and consultations from early 2018 onwards.

4. COMMUNITY ENGAGEMENT & CONSULTATION

- 4.1 Community and stakeholder engagement, internal and external to the GBEB and member organisations would be undertaken as part of Plan development.

5. CONCLUSION

- 5.1 The Board is asked to note the benefits development of an Energy Plan and Water Plan would bring to the security and resilience of Greater Brighton and to approve work to proceed on developing the Plans.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 GBEB has allocated £10,000 towards Energy and Water Plan development. It is proposed that with the agreement of GBEB, this should be divided equally: £5,000 for the Energy Plan and £5,000 for the Water Plan. In addition, a contribution of up to £14,000 has been identified for the Energy Plan from Brighton & Hove City Council's International and Sustainability Team budget.
- 7.2 More significant funding has been sought through an Interreg 2 Seas funding bid called SOLARISE which includes a further €40,000 (approximately £35,000¹) for the development of the Energy Plan, to include specific work on solar, storage and smart grids in line with the bidding opportunity and relevance to the GB region. The outcome of this bid is expected to be announced in November 2017. These would provide a total sum of up to £54,000 for the Energy Plan.
- 7.3 Provided the SOLARISE bid is successful; no further funding is being requested from the Board for the Energy Plan. If SOLARISE is not successful a further report will come back to the Board.

¹ Using the Euro Sterling exchange rate at 27.09.17 of 1.14.

- 7.4 The Water Plan is not currently funded beyond £5,000 allocated by the Board on 25th April 2017. Southern Water has indicated they will contribute towards costs of the Water Plan. Other potential funding sources for the plans include additional contributions, including in-kind contributions from Greater Brighton and Biosphere Board partners and private sector sponsorship.
- 7.5 Funding sources will be explored and a further report will be brought to the Board for consideration. The investable projects identified through the development of both plans, aligned to the Industrial Strategy, could provide GBEB partners a return on investment through increased access to Government funding and investment opportunities.
- 7.6 Development of the Energy and Water Plans will rely upon the commitment and input from the Board and relevant regional partners from the Biosphere partnership including the local authorities, the Environment Agency, utility companies and others. This will inform the level of services required from consultants.

Finance Officer Consulted: Rob Allen

Date: 26/09/17

Legal Implications:

- 7.7 The contract(s) with the consultants who will deliver the Energy and Water Plans will be with Brighton & Hove City Council which will undertake tendering exercises in accordance with its Contract Standing Orders.

Lawyer Consulted: Alice Rowland

Date: 28/09/17

Equalities Implications:

- 7.8 The affordability of energy and water is a key consideration for the Plans, affecting residents suffering current or future fuel and/or water poverty. Equalities will be addressed during Plan development.

Sustainability Implications:

- 7.9 The Plans will respond to national trajectories for decarbonisation and clean growth and will develop actions for a sustainable economic growth.

Any Other Significant Implications:

- 7.10 Potential public health and social benefits can arise from addressing and reducing fuel and water poverty.

SUPPORTING DOCUMENTATION

Appendices:

1. Greater Brighton Energy Plan
2. Greater Brighton Water Plan

Background Documents

1. [Building Our Industrial Strategy](#), Government Green Paper January 2017

2. [Upgrading our energy system: Smart systems and flexibility plan](#), Government and Ofgem, July 2017
3. [The Clean Growth Strategy](#): Leading the way to a low carbon future, (BEIS, October 2017).

