

Renewable Energy Potential – Report Summary for Council

1.0 About this Panel

- 1.1 The Panel was set up by the Environment and Community Safety Overview & Scrutiny Committee (ECSOSC) and consisted of Dr Adrian Smith of the University of Sussex (Chair), Councillor Pete West, Councillor Warren Morgan and Councillor David Watkins. This Panel had been suggested because:

'...there has been no large scale support or uptake of renewable energy in the city'.¹

The aim was to find out:

'What is the renewable energy potential of the city? Is this being maximised and if not, why not?'²

- 1.2 The Panel agreed its terms of reference as:

1. To understand how Brighton & Hove City Council (BHCC) can ensure the growth of renewable energy in the city
2. To assess how best to take advantage of the financial benefits which are currently available, including the Feed In Tariff (FIT) scheme
3. To consider what are the resources for renewables and how prioritisation is affecting decisions on renewables
4. To assess what should be the renewables policy, priorities and targets for the city
5. To identify the opportunities offered by this sector at the city scale. For example, the employment and business opportunities that could come from a growth in PhotoVoltaic (PV) solar panel installations in the city
6. To identify the barriers to local energy generation/projects that are already working and could be expanded
7. To assess which are the best technologies to encourage and develop in the city
8. To judge at what scale can each technology be used or realised
9. To recommend what are the priorities for progress e.g. by tenure, method of heating/lighting and measurements/targets
10. To identify which schemes will benefit the community and/or which ones can deliver the targets
11. To identify potential partners for delivering
12. To consider how to monitor what is installed and to review council policy and practice³

¹ Work Programme Report to ESCOS on 13/09/10 <http://present.brighton-hove.gov.uk/mgConvert2PDF.aspx?ID=2364&T=10>

² ibid

³ Scoping report of the Panel

- 1.3 It was felt to be important to hold the Panel as a matter of urgency because the national Feed-In Tariff (FIT) provides a very strong incentive for renewable energy in the UK. The Government is pushing local power and heat generation and there is broad political consensus on this nationally. However, following a fast-track review, the Department of Energy and Climate Change announced that from August 2011 the FIT rates would drop for new PV solar projects over 50kW while the rate for farm scale anaerobic digestion would increase. This was because:

'...the demand for [this] ... subsidy has grown so substantially that it now significantly exceeds the amount of funding available'⁴

It is very likely that the financial incentives to grow this sector will continue to diminish over time.

- 1.4 The Panel held one private scoping meeting and four public meetings. They heard from 25 witnesses and received written evidence from 12 contributors.

2.0 What is renewable and sustainable energy?

- 2.1 The Panel was set up to identify what could be done to encourage the growth of renewable energy in the city. This term refers to energy sources which do not deplete the earth's natural resources, for example PV solar panels.
- 2.2 However, as the Panel progressed it became clear that it would be sensible to widen the focus to include also consider what are known as 'transitional technologies' such as District Heating and Combined Heat and Power. Sustainable energy covers both renewable energy and transitional technologies. So the Panel considered sustainable energy, rather than renewable energy, except where there was the need to refer specifically to renewable energy technologies.

3.0 Why is sustainable energy important?

- 3.1 The growth of renewable energy is both an international and national priority, because this form of energy can:
- Promote the security of energy supply
 - Help tackle climate change
 - Address pollution problems with conventional fuel extraction and combustion
 - Respond to increasing energy costs
 - Develop new sectors for the economy

⁴ Written Ministerial Statement by Greg Barker, 09.06.11
http://www.decc.gov.uk/en/content/cms/news/fits_wms/

- 3.2 Legally binding targets have been set to ensure the growth of renewable energy and government policy aims to encourage the development of this sector. The national target is to supply 15 per cent of the UK's energy from renewable sources by 2020, a seven-fold increase on levels in 2008 (only 2.2%).
- 3.3 The Panel heard a number of reasons why Brighton & Hove needs to value this sector, as more than just a means of reducing CO₂. It can also be a way to address social policy goals and realise a wide range of economic opportunities for the city. These include:
- Tackling fuel poverty
 - Income generation from incentives and selling energy
 - Lowering energy prices
 - Creating local jobs
 - Linking to waste management, e.g. with district heating schemes
 - Improving the city's infrastructure, e.g. improving housing conditions
 - Education and improving skills
 - Adding to our civic reputation and creating a hub for this sector

Opportunities for the Council

- 3.4 The Panel heard that the benefits for the council could include:
- Taking advantage of the ability of local authorities to sell their own electricity
 - Reducing its own energy bills and generating revenue, which would also shield the council from energy price rises and volatility
 - Showing leadership

What are the barriers?

- 3.5 The key national barriers to installing sustainable energy which were highlighted to the Panel were:
- Lack of leadership
 - Too many policies
 - Insufficient skills and training provision
 - Poor performance in comparison to Europe
- 3.6 Evidence to the Panel identified a range of potential barriers to installing sustainable energy in the city, which included:
- Possible difficulties in installing these projects in the significant number of houses in conservation areas
 - Upfront costs of installation
 - Monitoring of schemes
 - Difficulties in dealing with council departments

4.0 Incentives to grow this sector

4.1 The Panel was struck by how many incentives were available to assist the growth of this sector in the city and the importance of taking timely action to capitalise on the following:

- The potential for income generation from incentives such as the FIT and Renewable Heat Incentive (RHI)
- National government support and funding opportunities
- New investment funds looking for local and community opportunities
- The Renewable Heat Premium Payment, an interim scheme until the RHI starts for residential installations in 2012

4.2 The Panel heard that the council was currently working on an options appraisal relating to FIT which aims to:

*'...ensure that tenants and the council can maximise opportunities to benefit from investment opportunities.'*⁵

4.3 Following the completion of this Panel, on 9th June 2011 Cabinet received a report on a plan for implementing PV solar panels on non-housing properties and approved funding of up to £2.6m for identified sites.⁶

5.0 Is the city taking advantage of these opportunities?

5.1 The evidence heard by the Panel suggested that the potential of this sector was not currently being realised in the city. There was scope for the council to take further action to capitalise on opportunities, including:

- Seizing the chance to work in partnerships on projects currently being developed in the area - such as Shoreham Port. The aim would be to facilitate the incorporation of RE schemes into such developments
- Learning from the positive experiences, and outcomes, of other local authorities, including Kirklees Council and Eastleigh Borough Council who spoke to the Panel
- Working to improving the experience of developers and installers as the Panel heard from witnesses had approached the council and either not received a positive response or found the process difficult to navigate

5.2 The recommendations of this Panel focussed on the important role that the council could play in growing this sector in the city. These roles include:

- **Driver** (e.g. through Planning requirements)

⁵ Home Energy Efficiency Investment Opportunities, Update to HMCC , 13.12.10

⁶ Report to Cabinet <http://present.brighton-hove.gov.uk/mgConvert2PDF.aspx?ID=29832>

- **Supporter** (e.g. by raising awareness and generating consent)
- **Facilitator** (e.g. through hosting partnerships)
- **Developer**
- **Enabler** (e.g. through the use of its estate)
- **Commissioner**
- **Community leader** (e.g. through investing sustainable energy funds locally)

How a specialist team or energy agency could benefit the city

5.3 The Panel heard that sustainable energy was a complex sector with rapidly changing policies. The situation is both full of opportunities, but also fraught with dangers. This requires a wide range of skills and capabilities which are typically spread across a range of departments within the same organisation. These skills include:

- Technical
- Legal
- Financial
- Planning
- Marketing
- Partnership working
- Community development

A team leading the way on sustainable energy (see Recommendation 5) need not possess all these skills itself, but it needs to be able readily to access and coordinate specialist help from other parts of the organisation. So Brighton & Hove City Council needs to ensure that it has skilled people with the capacity to be responsive to these opportunities, negotiate partnerships and gain the benefits from energy projects.

5.4 One of the tasks of a specialist team would be to keep abreast of such a fast moving area. This would include:

- Learning from good practice in Europe
- Learning from good practice authorities
- Monitoring projects in the city, to learn what worked well and what could be improved
- Generating income by investing in energy saving and renewable energy measures, or partnering with others and sharing benefits. The Agency should not inhibit others from developing sustainable energy in the city

Learning from other local authorities

5.5 The Panel heard very positive evidence from local authorities who had undertaken a significant amount of work to enable the growth of renewable energy, so felt it was important for BHCC to learn from council's such as Kirklees and Birmingham.

The need to act now

5.6 Along with the changing subsidies for the sector, the need for the council to act swiftly was reinforced by the evidence from local authorities who were further along in their renewables work such as Kirklees. Their evidence highlighted the level of resources required to both enable the growth of, and develop, renewable energy. Stress was also placed on the complexity of such projects and the range of skills needed.

6.0 Failing to deliver

6.1 The Panel heard that if city failed to capitalise on the opportunities offered by this sector, it could have the following consequences:

- Failing to maximise the potential income stream from sustainable energy which is especially important in a time of financial constraint
- Missing the chance to help the most disadvantaged in the city
- Passing up the chance to develop new economic activity in the city
- Not enabling the wider population to realise the potential benefits from this sector
- Tarnishing our reputation as a sustainable city, as other cities take fuller advantage of the opportunities from this sector. It could enable the council to realise one of its corporate priorities which is to *'protect the environment while growing the economy'*⁷

6.2 Evidence from Kirklees Council, as well as the council's Lead Commissioner Housing, highlighted how the growth of sustainable energy could be used to benefit the most vulnerable groups in the city who suffer fuel poverty.

7.0 Recommendations

7.1 Having received a comprehensive amount of evidence, the Panel decided to focus on the outcomes it wished to achieve from this inquiry. These were:

- Clear and consistent plans developed by the city and the council for this sector
- Helping the city to move from developing plans and policies for this sector to delivering renewable energy projects
- Raising the profile of this sector
- Making renewable energy a priority for commissioning services in the council
- A council which is working to capitalise on the range of opportunities which come from renewable energy, including training and employment opportunities
- A dedicated team which would be responsible for sustainable energy

⁷ Brighton & Hove City Council's Corporate Plan 2008-2011, http://www.brighton-hove.gov.uk/downloads/bhcc/performance_team/Corporate_Plan_2008_V310708.pdf

- The proper monitoring of renewables and learning from the outcomes of projects

7.2 To achieve this it grouped the recommendations, drawing on the roles which were identified for councils in this sector, under the following headings

- Driving projects forward
- Leadership
- Making the most of opportunities in the sector
- Building capacity and becoming a 'hub'
- Renewable energy for the community

Driving projects forward

Recommendation 1: Council plans to invest in sustainable energy

7.3 The Strategic Director, Place, to publish in 3 months time a public document setting out the council's plans to invest in sustainable and renewable energy.

Recommendation 2: Encouraging the city to invest in sustainable energy

7.4 The Strategic Director, Place, to approach major local land-owners and developers (including Shoreham Harbour) to explore as a matter of urgency how they can incorporate sustainable energy in their developments. The Strategic Director, Place, to report back on progress in 3 months time.

Due to the urgency of undertaking recommendations 1 & 2, the deadlines for these were calculated as 3 months from April 2011.

Leadership

7.5 The Chair's foreword to the Panel's report emphasised the need for citywide leadership, having observed that:

'Much of the potential is currently frustrated because there is no co-ordinating leadership that brings together the people with the skills, finance, spaces, technologies, and plans in a way that makes sure projects happen.'

7.6 The following recommendations focussed on fostering the forms of leadership that were all so important to fostering the growth of this sector:

- City leadership
- Political leadership
- Council leadership

Recommendation 3: A sustainable energy programme for the city

7.7 The council to feed into a city wide energy planning process. This programme could be developed by the City Sustainability Partnership, if sufficiently resourced, to produce a city wide sustainable energy programme, to ensure

that sustainable energy is integrated into all appropriate projects. This should be led in the Council by the Strategic Leadership Board and published in 5 months time.

Recommendation 4: A council policy on sustainable energy

7.8 The Strategic Director, Place, to develop a corporate policy on sustainable energy which would bring together the work being undertaken across the authority.

Recommendation 5: A sustainable energy team

7.9 The council to explore how to establish a dedicated team – for example, a Sustainable Energy Agency - to take forward sustainable energy initiatives in the city.

Making the most of opportunities

7.10 The evidence heard by the Panel suggested that the full potential of this sector was not currently being realised in the city. Recommendations 6-9 were aimed at enabling the council to take further action to capitalise on the available opportunities in this sector.

Recommendation 6: Long term strategic planning

7.11 The council to undertake, or enable, a study on sustainable energy potential in the city over the next 10 years. This study would include geographical opportunities, funding and partnership opportunities.

Recommendation 7: A heat mapping exercise

The Strategic Director, Place, to ensure that a heat mapping exercise is undertaken to assess the feasibility and map opportunities for District Heating in the city. To be completed within 5 months.

Recommendation 8: A priority for Intelligent Commissioning

7.12 The Strategic Director, Place, to consider the suitability of sustainable energy as a priority for Intelligent Commissioning and identify how both sustainable and renewable energy could be embedded in the council's planning process.

Recommendation 9: Monitoring sustainable energy

7.13 The Head of Planning and Public Protection to identify a resource to monitor sustainable energy projects in the city and establish a monitoring system which enables learning from these projects to inform future policy.

Building capacity and becoming a 'hub'

- 7.14 Evidence to the Panel endorsed the belief that the city could become a hub for sustainable energy. Factors included the Rampion off-shore wind project and the presence of two universities in Brighton & Hove.

Recommendation 10: Training and employment - opportunities and gaps

- 7.15 The Strategic Director, Place, to ask the Economic Development team to review and identify the training and employment suppliers for this sector; including the opportunities and gaps – e.g. apprenticeships, helping job seekers, City Employment Skills Plan and potential links to the city’s Economic Partnership and the ‘Coast to Capital’ Local Enterprise Partnership .

Recommendation 11: Raising the profile of sustainable energy

- 7.16 The Strategic Director, Place, to establish a campaign to raise the profile of sustainable energy.

Recommendation 12: A statement of ambition

- 7.17 The City Sustainability Partnership to be resourced to link up with universities, developers and installers in the city, community groups, as well as energy utility companies and developers experienced in city-scale renewables in other cities to produce a statement of ambition on sustainable energy for Brighton & Hove.

Sustainable energy for the community

- 7.18 The Panel heard significant amounts of evidence on how developing sustainable energy could benefit the city’s community.

Recommendation 13: Helping community energy

- 7.19 The Strategic Director, Place, to ensure that the Citywide Sustainable Energy programme would have as a key aim to use the growth of this sector to assist the community. For example this could include a commitment to look for community opportunities when developing projects which incorporate sustainable energy.

8. Conclusion

While Brighton & Hove has a significant number of plans and policies to grow this sector, it needs to install sustainable energy projects in the city as a matter of urgency. This will bring a significant number of opportunities to the city and so should not expose it to losing out to other locations which may seize the chances before us. The recommendations are focussed on achieving this outcome.

The way forward

ECSOSC will request implementation reports at six monthly intervals until all the agreed recommendations have been implemented.

WITNESSES WHO GAVE EVIDENCE (IN ORDER OF APPEARANCE)

Name	Title	Organisation
Councillor Ayas Fallon-Khan	Cabinet Member - Enterprise, Employment & Major Projects and Lead Councillor for Sustainability	
Geoff Raw	Strategic Director, Place	Brighton and Hove City Council (BHCC)
Patrick Allcorn	Assistant Director	Department for Energy and Climate Change (DECC)
David Payne	Sole proprietor	Cissbury Consulting
Will Cottrell	Chair	Brighton Energy Co-op
Judith Beard	Sustainability Policy Co-ordinator	Eastleigh Borough Council
Chris Rowlands	Director	OVESCo (Ouse Valley Energy Services Company Ltd)
Michael King	Associate	Combined Heat and Power Association (CHPA), a co-founder of Aberdeen Heat & Power (a not-for-profit ESCo)
Sayed Ahmed	Consultant	Arup
Jae Mather	Director of Sustainability	Carbon Free Group
Peter Davies	Development Director	Shoreham Port Authority
Dr Phil Webber	Head of the Environment Unit	Kirklees Council
Howard Johns	Managing Director	Southern Solar, also the Chairman of the Solar Trade Association and the Founder of OVESCo
Ross Gilbert	Director	Quoin Estates and Developments
Daren Howarth	Consultant	CLEVEL
Helmut Lusser	Chair	Hove Civic Society
John Kapp	Secretary	Renewables Infrastructure Group (RIG), Hove Civic Society
Thurstan Crockett	Head of Sustainability and Environmental Policy	BHCC

Martin Randall	Head of Planning and Public Protection	BHCC
Roger Dowty	Design and Conservation Manager	BHCC
Sam Rouse	Air Quality Advisor	BHCC
Angela Dymott	Head of Property and Design	BHCC
Glynnan Barham	Energy and Water Manager	BHCC
Jugal Sharma	Lead Commissioner Housing	BHCC
Nigel Manvell	Value for Money Programme Director	BHCC

